

NATIVE VEGETATION COUNCIL

ANNUAL REPORT

1 July 2013 to 30 June 2014



**Government
of South Australia**



Native Vegetation Council

Annual Report of the Native Vegetation Council 2013-14

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Gate 4

Soil, Water & Environ Centre

Waite Road

Urrbrae SA 5064

GPO Box 1047

Adelaide SA 5001

Supported by:

Native Vegetation Management Unit, Department of Environment, Water and Natural Resources

Regional Coordination, Department of Environment, Water and Natural Resources

Copies of this report can be obtained from:

Department of Environment, Water and Natural Resources

<http://www.environment.sa.gov.au>

or

Governance Officer, Native Vegetation Council

Email: nvc@.sa.gov.au

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Native Vegetation Council



Hon Ian Hunter MLC
Minister for Sustainability, Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

In accordance with the requirements of section 17 of the *Native Vegetation Act 1991*, the *Public Sector Act 2009*, the financial reporting requirements of the *Public Finance and Audit Act 1987* and the Department of Premier and Cabinet Circular DPC013 – Annual Reporting Requirements, I have pleasure in presenting the annual report of the Native Vegetation Council for the year ended 30 June 2014.

The *Native Vegetation Act 1991* remains a key legislative instrument supporting South Australia's Strategic Plan, the Planning Strategy for South Australia and the State Natural Resources Management Plan.

I take this opportunity to thank the Members of the Native Vegetation Council for their commitment and contribution in delivering on the Strategic Directions of the Council. I also wish to acknowledge the significant work and support from the Native Vegetation Management Unit staff of the Department of Environment, Water and Natural Resources in assisting the Native Vegetation Council conduct its business.

The following annual report provides a comprehensive overview of the activities of the Native Vegetation Council for 2013-14.

Yours sincerely

A handwritten signature in blue ink that reads "Caroline V. Schaefer". The signature is written in a cursive, flowing style.

Caroline Schaefer
Presiding Member
Native Vegetation Council

PLANS AND OBJECTIVES

The Native Vegetation Council (NVC) provides expert advice on the *Native Vegetation Act 1991* (the Act) to the Minister for Sustainability, Environment and Conservation (the Minister) over matters related to:

- the preservation, enhancement and management of existing native vegetation
- the re-establishment of native vegetation on land where native vegetation has been cleared or degraded
- research into the preservation, enhancement and management of native vegetation and the re-establishment of native vegetation on cleared land.

The NVC set the following strategic priorities for 2013-14:

1. Relationship Management
2. Monitoring and Evaluation
3. Education and Training
4. Climate Change.

The NVC strategic priorities are consistent with outcomes and priorities of the Department of Environment, Water and Natural Resources (DEWNR) Corporate Plan, in particular Strategic Priority 1 – strengthen the regional Natural Resources Management (NRM) system and make it relevant for all South Australians, Strategic Priority 8 – provide exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management, Strategic Priority 9 – meet the target for prescribed burning on high risk public land and maintain an appropriate bushfire response capacity and Strategic Priority 11 – use the NRM Reporting Framework to align monitoring arrangements and improve understanding of the state and condition of the state’s natural resources.

The effective administration of the Act and the strategic priorities of the NVC significantly contribute to the implementation of the South Australia’s Strategic Plan (SASP) 2012-14, specifically, Target 69 *Lose no Species* (lose no known native species as a result of human impacts), Target 20 *Bushfire Preparedness* (increase the number of households in high bushfire prone areas that are prepared for a bushfire by 30% by 2020), Target 70 *Sustainable land management* (achieve a 25% increase in the protection of agricultural cropping land by 2020) and Target 72 *Nature Conservation* (increase participation in nature conservation activities by 25% by 2015).

The NVC contributes to the achievement of the *Premium Food and Wine from our Clean Environment* priority, of the seven strategic priorities of Government.

By being involved and working together with the NRM regions, local government and communities, the NVC supports the State NRM Plan with the ongoing improvement in the condition of our natural resources. Recent amendments to the Act have provided better consistency with the *Natural Resources Management Act 2004*.

ROLE, LEGISLATION AND STRUCTURE

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

Principles of Clearance of Native Vegetation

Clearance means any activity that could cause substantial damage to native plants, including cutting down, removal, burning, poisoning, slashing of understorey, removal of branches (for

example, brush cutting or woodcutting), drainage or flooding of land and, in some circumstances, grazing.

An important part of the Act is the set of provisions relating to clearance applications lodged by landholders. In deciding whether to consent to an application to clear native vegetation, the NVC must refer to the Principles of Clearance listed in Schedule 1 of the Act. The principles relate to plant species diversity, significant remnants, wetlands, soil erosion and the potential for clearance to exacerbate flooding. In general the NVC must not make a decision that is seriously at variance with these principles. In its deliberations on clearance applications the NVC also considers practical aspects of farm management, bushfire management, River Murray Flood Plain and the Adelaide Dolphin Sanctuary. The NVC may consent to clearance under specified conditions. Any clearance approved by the NVC in ordinary circumstances, may be subject to conditions ensuring that the approved clearance is offset by a Significant Environmental Benefit (SEB).

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

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 an SEB and penalties from civil and summary enforcement proceedings. Current legislation 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 NRM region where the clearance or breach has occurred. New legislation will allow that money paid into the Fund as SEB payment or penalties may be used in a region of the State other than the region where the relevant land is located.

The Auditor-General may at any time, and must at least once in each year, audit the accounts of 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 (ERD) Court seeking an order to ‘make good’ that breach. Offences against the Act now lie within the criminal jurisdiction of the ERD Court. This includes failure to comply with a Heritage Agreement.

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

Native Vegetation Regulations 2003

Associated with the Act are the *Native Vegetation Regulations 2003* (the Regulations). 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 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 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*.

Legislative Reform

The *Native Vegetation (Miscellaneous) Amendment Act 2013* (Amendment Act) was proclaimed on Monday 15 December 2013. On 20 December 2013, His Excellency the Governor in Executive Council issued a proclamation declaring that sections 1 to 10, except 10(2) and 10(3), section 13 and sections 18 to 27 of the Amendment Act came into operation on 20 December 2013.

These amendments made changes to the NVC membership to include someone with planning, mining or development expertise. Minor modifications have been made to existing powers and penalties to improve administration of the legislation. The amendments provide better consistency with the *Natural Resources Management Act 2004* and the *Fire and Emergency Services Act 2005*.

The amendments ensure that offences lie within the criminal jurisdiction of the ERD Court and update the evidentiary provisions to ensure the admissibility of evidence derived from remotely-sensed imagery, unless proof to the contrary is produced.

Clarification is made 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.

Sections 11 and 14 of the Amendment Act will come into operation on 7 July 2014. These sections relate to the permitting of 'Cold Burn' (a Prescribed Burn) subject to either an NVC Guideline or approval of the South Australian Country Fire Service (SA CFS).

All other sections of the Amendment Act remain suspended until a later date as work is required to prepare associated policy, Regulations and the establishing of the Third Party Significant Environmental Benefit Offset Scheme.

OBJECTS OF THE NATIVE VEGETATION ACT

The objects of the Act are to provide for:

- the conservation, protection and enhancement of native vegetation in the State
- the provision of incentives and assistance to landholders in relation to the preservation, enhancement and management of native vegetation
- the encouragement of research into the preservation, enhancement and management of native vegetation.

FUNCTIONS OF THE NATIVE VEGETATION COUNCIL

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
- take into account and seek to further the objects of the Act
- take into account and seek to further the principles of clearance of native vegetation
- take into account the provisions of the State NRM plan and any other relevant NRM plan under the *Natural Resources Management Act 2004*
- 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 encourage the re-establishment of native vegetation on land from which native vegetation has been cleared
- to administer the Fund.

MEMBERSHIP

The NVC is established under section 7 of the Act and consists of seven members appointed by the Governor. All members must have some knowledge of, and experience in, the preservation and management of native vegetation. As the Commonwealth Minister for Environment and Conservation declined to give nomination for appointment to the NVC, amendments have been made to the Act to allow for someone with planning, mining or development expertise to be appointed to the NVC. This amendment was proclaimed December 2013 and to date no nomination have not been sought. The Governor appointed the present NVC membership for a two-year term from 3 September 2013 expiring on 2 September 2015.

As at 30 June 2014 the NVC membership was as follows:

Presiding Member

Caroline Veronica Schaefer, Nominee of the Minister for Sustainability, Environment and Conservation

Members

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

Penelope Ann Paton, Nominee of the Natural Resources Management Council

Maurice Colm Roche, Nominee of the Conservation Council of SA

Emie Louise Borthwick, Nominee of the Primary Producers SA

Barry Kym McHugh, Nominee of the Local Government Association Inc

Deputy Members

Joseph Lindsay Keynes (Deputy to Munday)

Roger Barrington Wicks (Deputy to Paton)

Jeanette Ann Gellard - resigned 16 June 2014 (Deputy to Roche)

Roger David Farley (Deputy to Borthwick)

Helen Anne MacDonald (Deputy to McHugh)

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

Committees

Native Vegetation Assessment Panel

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

Maurice Roche, Nominee of the Conservation Council of SA

Emie Borthwick, Nominee of the Primary Producers SA

Deputy to Chair: Caroline Schaefer

Native Vegetation Council Fire Committee

Chair: Kym McHugh, Nominee of the Local Government Association Inc.

Neville Hyatt, Nominee of the Local Government Association Inc

Leigh Miller, Nominee of the South Australian Country Fire Service

Deputy to McHugh: Maurice Roche

Deputy to Hyatt: Adam Gray

Deputy to Miller: Richard Wald

Native Vegetation Council Grants Committee

Chair: Caroline Schaefer, Nominee of the Minister for Sustainability, Environment and Conservation

Penny Paton, Nominee of the Natural Resources Management Council

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

MEETINGS: GENERAL AND SPECIAL

During the 2013-14 financial year six formal meetings of the NVC were convened including an August 2013 meeting held at Wirrealpa Station as part of the South Australian Arid Lands NRM regional visit and a Community meeting held in April 2014 at the Naracoorte Town Hall as part of the South East regional visit. Two extra meetings were held out of session this financial year.

The NVC members (no government employees) received the following remuneration as determined by the Governor:

Native Vegetation Council Remuneration

Presiding Member: Annual stipend \$18 000

Members: Sitting Fee \$206 per four hours

Native Vegetation Assessment Panel

Chair: Sitting Fee \$221 per four hours

Member: Sitting Fee \$177 per four hours

Native Vegetation Council Grants Committee Remuneration

Chair: Sitting Fee \$129 per four hours

Member: Sitting Fee \$103 per four hours

GOVERNANCE ARRANGEMENTS

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

The numbers and the expertise of staff from DEWNR working on native vegetation issues are of critical importance to the NVC, as it relies almost solely on DEWNR officers, in particular members of the Native Vegetation Management Unit (NVMU) for legislative, technical, scientific and administration advice. Reporting on this matter is contained within the DEWNR Annual Report 2013-14.

HIGHLIGHTS, OPERATIONS AND INITIATIVES

POLICY MATTERS

Although the NVC developed no new policies of its own during the year, it continued to focus on policies and procedures for the protection and conservation of native vegetation.

Significant Environmental Benefit Metrics and Policy Review

The NVC, supported by DEWNR, has continued the review of the policy relating to SEB offsets and the way in which the SEB requirement is calculated. Consultation with relevant State government agencies, local government, peak environmental and industry groups has been comprehensive. At the NVC meeting of April 2014, the NVC accepted key items of the consultation that have broad support:

- The 'Principles for Biodiversity Offsets in South Australia' can be released as 'Final' and used as a framework for decisions regarding SEB offsets to provide more appropriate environmental offsets to meet the objects of the Act and to reflect national and international standards.
- The 'gain curve' be used to guide the choice of the SEB offsets to support the use of sites of native vegetation in moderate condition for the greatest gain to biodiversity.

The above items are able to be implemented once documents are prepared and promotion occurs. Consultation continues with a core group of high level stakeholder representatives on the final item of the review, settling on a realistic calculation for the payment to the Native Vegetation Fund where an in lieu payment is proposed instead of an on-ground offset. A likely option for the calculation and phasing-in of the change will be taken back to the representative organisations for comment before a decision is made. Implementation is hoped to begin from January 2015.

Framework for Third Party Significant Environmental Benefits Offsets

Final stage of the implementation of the amendments to the Act is to ensure a Framework for an 'Approved Third Party Significant Environmental Benefits Offsets Scheme' is developed to provide a consistent and defined approach for organisations and individuals seeking to be a third party provider of SEB offsets.

NATIVE VEGETATION COUNCIL GUIDELINES

Under section 25 of the Act and pursuant to various Regulations the NVC must prepare draft guidelines in relation to the management of native vegetation. The NVC, by public advertisement and the Government Gazette, invite members of the public and stakeholders to comment on the draft guidelines within no less than two months following publication of the advertisement. In 2013-14 the following draft guidelines were prepared for consultation.

Review of the Guidelines for Native Vegetation SEB Policy for the Clearance of Native Vegetation Associated with Minerals and Petroleum Industry

Review of the Guidelines for Native Vegetation SEB Policy for the Clearance of Native Vegetation Associated with Minerals and Petroleum Industry has continued through 2013-14.

Mining has potential impact on fauna and flora, accelerated weed spread, increased erosion and flooding. This impact needs to be minimised as far as reasonably practicable. The guidelines are to 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 of native vegetation and the SEB requirements under the *Native Vegetation Act 1991*.

Guideline for Expansion or Intensification of Grazing under Regulation 5(1)(zh) for land held under Pastoral Lease

A revised version of the Guideline '*Waterpoint distribution for the grazing of domestic stock on land held under pastoral lease*' was drafted following public and stakeholder consultation. This revised version refers to grazing management rather than being focused on waterpoints and is limited in its operation to the Pastoral lands only, although the regulation 5(1)(zh) has application to the whole of the State. It informs landowners and land managers of the information that should be considered and included in the preparation of a management plan for the grazing of domestic stock on pastoral land, in a manner and at a rate that will not cause permanent degradation of the native vegetation. The NVC will seek feedback from key stakeholders on the revised Guideline prior to making it available to the public.

Guideline for Prescribed Burning (includes Cold Burn) of native vegetation

Fire is used to manage native vegetation for reducing fuel loads to protect life and property and for planned ecological outcomes. The Act and Regulations provide for the clearance of native vegetation by application of fire. However, a requirement under the Amendment Act 2013 is the development of a Guideline relating to Cold Burn. The Guideline is to inform landowners and land manager of the relevant process for applying to carry out a prescribed burn, including a cold burn on private land. Fire is used to manage native vegetation for reducing fuel loads to protect life and property and for planned ecological outcomes.

A draft Guideline for Prescribed Burning (includes Cold Burn) of native vegetation was released to stakeholders of the Act, the public and government bodies on 19 June 2013 for a two month consultation period.

NATIVE VEGETATION COUNCIL STRATEGIC DIRECTIONS

RELATIONSHIPS MANAGEMENT

Communication

Lifting the understanding and awareness of community wellbeing, sustainable production and environmental outcomes relating to native vegetation in South Australia has again been of concern for the NVC this financial year. Priority areas have been the implementation of the amendments made to the Act and consultation on the SEB Metrics and Policy Review. These have been achieved through NRM regional visits, regional workshops, intra government and agency consultation, education sessions and media exposure. Through this, better relationships and networks have been built with DEWNR, NRM Boards, Local Government Association (LGA), Primary Producers SA, Regional Development Australia, conservation and environment groups, key industry sectors as well as landholders and the regional communities.

Regional Visits

The NVC seeks to undertake two trips to regional South Australia during the course of each year as an opportunity to identify and discuss issues with local communities, local government and

NRM Boards. This is an opportunity for the NVC to strive towards improving processes and procedures for the clearance and preservation of native vegetation while still recognising the need to maintain the objectives of the Act. The NVC take the opportunity to enhance relationships with stakeholders, community and regional NRM Boards.

In August 2013, the NVC met in Port Augusta with the South Australian Arid Lands DEWNR staff, South Australian Arid Lands NRM Board Members and representatives from the Pastoral Board. This meeting was followed by a flyover of Frome Downs to observe the use of waterpoints enroute to Wirrealpa Station to observe Ecosystem Management Understanding (EMU) activities, land conditions and pastoral monitoring.

The following day the NVC enroute to Bon Bon Station included a flyover of Witchelina Station and Olympic Dam. The Bon Bon Reserve Project (sponsored by an NVC SEB Grant), showed improved Buffel grass control, rabbit warren mapping and EMU activities. Sheep are now gone from this former sheep station but there are still areas of erosion needing control. Whilst at Bon Bon Station the NVC took the opportunity to meet with the Station Manager and environmental representatives from nearby mining companies.

The NVC April 2014 visit to the South East NRM region offered the members the opportunity to meet with land managers and visit several projects sites supported by grants provided through the Native Vegetation Incentives Program. Projects included:

- South East Woodland Restoration Project Conservation Park (Bangham Conservation Park). The Conservation Park is a 30 ha revegetation and habitat restoration project developed in consultation between DPTI and the NVC to mitigate clearance for the Dukes Highway Safety Improvement program.
- Eaglehawk Waterhole. Eaglehawk Waterhole is a 684 ha property, purchased by the Nature Glenelg Trust following an SEB grant from the NVC. It has outstanding restoration potential given its remarkable tree cover and areas of remnant native vegetation across a range of soil and habitat types. In addition to significant areas of Brown Stringybark woodland and South Australia Blue Gum woodland, the property has nationally recognised values such as critically endangered Seasonal Herbaceous wetlands.

During the visit the NVC held a community forum meeting with a range of representatives and service providers including the SA CFS, local council, South East Water Conservation and Drainage Board, South East NRM Board and South East NRM Groups.

Kangaroo Island NRM Workshop

On behalf of the NVC three representatives from the Native Vegetation Compliance team attended the Kangaroo Island NRM Workshop to present and discuss native vegetation legislation, in particular the assessment of scattered trees and pollarding Kangaroo Island Narrow Leaf Mallee.

During this visit the native vegetation team also met with the Kangaroo Island Council to discuss the clearance application process in regards to roadsides.

Bangor Bushfire

The Bangor bushfire earlier this year was one of the most devastating bushfires in the southern Flinders Ranges and to this end the NVC supported three native vegetation officers to visit the region. Support was offered to landowners/land managers affected, in particular those with Heritage Agreements, through the development of two Fact Sheets in relation to post fire and assistance with funding.

MONITORING AND EVALUATION

Significant Environmental Benefit Monitoring and Compliance Programme

A systematic review of SEB areas was conducted in August 2013 to identify areas that are of highest priority for conducting on ground monitoring.

The review aimed to identify the SEB areas of greatest risk of non-compliance and SEB areas that provide the greatest environmental return per unit of monitoring effort. On that basis, SEB areas were prioritised for monitoring according to their size (greater than 5ha) and dimension (more than 30m wide), if they had not been inspected post decision, if the conditions of consent were clear and enforceable and if clearance associated with the SEB area had occurred.

The review identified 95 SEB areas that were of high priority for monitoring. During the 2013-14 financial year, 31 of the SEB areas were inspected. Seventeen were found to be fully compliant with the conditions of consent, 11 were partially compliant and three were non-compliant. The main reasons SEB areas were considered partially or non-compliant involved revegetation not being undertaken or having failed, fencing not completed, stock able to access the site, inadequate pest control, Heritage Agreements not being signed or the SEB area being of an insufficient size.

A metric was developed to rate the severity of any non-compliance for the management of SEB areas. This rating is to be used to determine the appropriate course of compliance action.

Significant Environmental Benefit Credit Register

With the passing of the *Miscellaneous Amendment (Native Vegetation) Bill 2013*, there is a requirement for the establishment and maintenance of a register of credit. The register is needed in order to track the transactions associated with SEB credit areas.

A project was initiated by the NVMU to develop an electronic credit register and to scope and develop the associated policies and procedures that are required including guidelines and instructions for use. The project was not completed within the 2013-14 financial year. However, the project has yielded substantial information and content on which to base the establishment of the SEB Credit register.

It is anticipated that the register will be finalised and publicly accessible via the NVC website within the 2014-15 financial year. This will ensure an appropriate level of transparency and accountability for SEB area credit transactions.

Civil Court Orders Monitoring

The NVC continues to support the Civil Court Orders Monitoring programme developed to ensure compliance with the *Native Vegetation Act 1991*. Outstanding fines and civil payments are traced and recovered through a monitoring regime. Site visits continue to ensure compliance with Civil Court Orders issued by the ERD Court that require remediation works and/or management of native vegetation to be carried out, payments into the fund or a combination of both management and payment.

EDUCATION AND TRAINING

Bushland Rapid Assessment Technique (BushRAT)

BushRAT is a native vegetation condition assessment method used to assess the biodiversity value of bushland in a consistent manner within the agricultural zone.

Four training sessions were held in 2013-14. Feedback from participants has contributed to the refining of the method, which forms part of the standardised series of methods/advice for vegetation assessment and SEB Offset calculation under the Act.

Crown Solicitors Office Education sessions

This financial year the NVC and DEWNR staff supported two education sessions by the Crown Solicitors Office covering the topic 'Overview of the *Native Vegetation Act 1991*'.

Post Fire Recovery

Following the Bangor Bushfire the NVC supported the Native Vegetation Incentives Program of DEWNR in the development of a Post Fire Recovery Information Sheet. Also developed was the Frequently Asked Question sheet covering the removal of trees, stockpiled timber, grazing in burnt areas, fencing and road reserves. The Information Sheets have been prepared for use by regional NRM Officers, District and Local Councils to provide relevant information on the management of native vegetation after bushfire for areas protected under the Act.

Local Government Association Forum

In August 2013, the NVC supported a native vegetation officer in presenting to the Local Government Association Forum. The theme of the presentation was '*Trimming the Trees – how native vegetation regulations enable the sensible management of roadsides.*'

CLIMATE CHANGE

The NVC recognise the challenge of Climate Change with the projections of warmer and drier conditions and increased likelihood of severe weather events across the state. The NVC is working with government, the community and industry to identify the challenges, risks and means for adaptation.

CLEARANCE ISSUES

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

With the exception of clearance provided for by *Native Vegetation Regulations 2003*, the clearance of intact native vegetation with significant biodiversity value is not permitted by the Act without approval.

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

SUMMARY OF CLEARANCE APPLICATIONS UNDER SECTION 28 OF THE NATIVE VEGETATION ACT 1991

During 2013-14, 24 clearance applications were approved with clearance consent being granted to 42 ha of native vegetation. Two extensions to brush cutting (*Melaleuca uncinata*) applicants were granted in this reporting year. However, no new clearance requests were received.

For 2013-14, SEB established to offset the above clearance included the management or restoration of 873.77 ha of native vegetation and agreed payments into the Native Vegetation Fund of \$35 725. Detailed information on section 28 applications is presented in Appendix 1.

SUMMARY OF CLEARANCE MATTERS UNDER THE *NATIVE VEGETATION REGULATIONS 2003*

In 2013-14, 184 clearance matters consistent with the *Native Vegetation Regulations 2003* were approved of which 85 were assessed by the NVMU, 91 assessed under delegation (as set out in Table 1) and eight by Native Vegetation Assessment Panel (NVAP). The total clearance of native vegetation, under the Regulations for this reporting year was 3355 ha and 261 trees.

A number of the Regulations require the establishment of an SEB. During the 2013-14 financial year, SEB payments established for matters considered under the Regulations, including those under delegation totalled \$1 533 752 with other clearance requirements of an on ground SEB offset of 8165 ha.

Table 3 includes the clearance of 983 ha of native vegetation which resulted in an SEB of \$841 337 paid for use on the Witchelina project (Nature Foundation of South Australia).

It should be noted that there is an ability to clear under the Regulations that does not require consultation with the NVC, eg clearance around prescribed building or structure under Regulation 5(1)(k). Hence the amount of this clearance is unknown.

In addition to clearance outlined in Table 1, DEWNR conducted 39 prescribed burns for fuel reduction totaling 22 489 ha and ten ecological burns totaling 73 ha in South Australia's Parks and Reserves.

The Department of Manufacturing, Industry, Trade, Resources and Energy (DMITRE) Mining reporting statistics shown in Table 1 include 441ha of native vegetation clearance conducted by Arrium Mining (One Steel) and 397ha cleared by SA Water for prescribed burns.

| Organisation with delegated officers | No of clearance decisions | Ha Native Vegetation cleared | Trees Removed |
|--|----------------------------------|-------------------------------------|----------------------|
| DMITRE Mining | 15 | 700 | 0 |
| DMITRE Energy | 3 | 983 | 0 |
| SA Water | 18 | 442.5 | 4 |
| Department of Planning, Transport and Infrastructure | 36 | 8 | 119 |
| Forestry SA | 15 | 764 | 0 |
| ElectraNet | 0 | 0 | 0 |
| SA CFS | 4 | 9 | 0 |

Table 1: Clearance decisions under Regulations by delegation 2013-14

| NRM Region | No of clearance decisions | Ha Native Vegetation cleared | Trees Removed |
|-------------------------------|----------------------------------|-------------------------------------|----------------------|
| Adelaide & Mount Lofty Ranges | 48 | 531.8 | 65 |
| Alinytjara Wilurara | 0 | 0 | 0 |
| Eyre Peninsula | 23 | 441.5 | 2 |
| Kangaroo Island | 6 | 5.34 | 4 |
| Northern and Yorke | 22 | 31.3 | 47 |
| SA Murray Darling Basin | 37 | 19.8 | 79 |
| South Australian Arid Lands | 15 | 2034.1 | 0 |
| South East | 33 | 291 | 64 |

Table 2: Clearance decisions under Regulations by NRM Region 2013-14

| Clearance | Financial Year 2012-13 | Financial Year 2013-14 |
|---------------------------------|-------------------------------|-------------------------------|
| CC Application under section 28 | 26 | 24 |
| Ha under section 28 | 1 128 | 42 |
| Trees under section 28 | 37 | 127 |
| CC under Regulations | 249 | 184 |
| Ha under Regulations | 3 614 | 3 355 |
| Trees under Regulations | 1 598 | 261 |
| \$ SEB under Regulations | 859 567 | 1 533 752 |
| \$ SEB under section 28 | 56 796 | 35 725 |
| Ha SEB offset under Regulations | 2 004 | 8 165 |
| Ha SEB offset under section 28 | 287 | 874 |

Table 3: Clearance statistics for comparison of financial year 2012-13 and 2013-14

NATIVE VEGETATION COUNCIL COMMITTEES

NATIVE VEGETATION ASSESSMENT PANEL

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

The NVAP 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 subsection 29(10)(b) for clearance applications. In making decisions, the NVAP has regard to comments as required, including regional NRM Board comment (under subsection 29(5) of the Act) and local government comment. The NVAP also has delegation to initiate civil proceedings in the ERD Court and provide direction on the terms of any order sought from the ERD Court to make good a breach of the Act. The NVAP has established clear policies on decision-making and has access to outside expertise as required. During 2013-14, NVAP held seven meetings.

NATIVE VEGETATION COUNCIL FIRE COMMITTEE

The NVC Fire Committee was established by the NVC in 2006 and has delegation under regulation 5(1)(y) of the *Native Vegetation Regulations 2003* for all matters involving the clearance of native vegetation by, or on behalf of, a local council complying with a management plan approved by the NVC. The Fire Committee also has delegation under regulation 5(1)(zi) if the purpose of the clearance is to preserve or enhance ecological processes. The Fire Committee is an advising body on the planning process associated with bushfire prevention plans. The committee also approves Fire Management Plans for DEWNR, ForestrySA and SA Water in accordance with their Standard Operating Procedures.

The membership of the Fire Committee is made up of a member from the NVC, a representative from SA Country Fire Service and a representative from the LGA. Member are elected for a term of two years and under the Committee's Terms of Reference may, at the end of the two year term, be re-elected.

During 2013-14, the Fire Committee met and approved the Yookamurra Fire Management Plan. The Alinytjara Wilurara Fire Management Strategy 2013 was supported by the Fire Committee to be approved by the NVC as an SEB Grant funded project.

NATIVE VEGETATION COUNCIL GRANTS COMMITTEE

Significant Environmental Benefit Grants

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

SEB grants provide an opportunity for organisations seeking funding for biodiversity projects that will assist in the large-scale conservation, restoration and management of native vegetation across NRM regions at a landscape scale. Funding of approved SEB projects is sourced from SEB payments made into the NVC Fund to offset the loss of biodiversity through the approved clearance of native vegetation by landowners, developers, government agencies and mining companies in South Australia.

SEB Grant applications are assessed against the NVC priorities and consistency with strategies and priorities identified in regional NRM plans.

The 2013-14, NVC SEB Grants were advertised for two consecutive months in February 2014. Of the 23 projects received, three projects were through the NVC and Southern Ocean Lodge SEB grant scheme. Of the 23 applications, a total of 14 SEB Grant projects for 2013-14 were endorsed to the value of \$1.3 million. \$290 000 has been committed to restoring habitat between Kapunda and Burra, whereby landholders will be paid an incentive program for on-ground habitat restoration works. \$140 000 has been committed to develop a trial scheme whereby pastoral leaseholders will be paid an incentive payment to apportion a part of their leasehold as a potential third party offset for native vegetation clearance in the arid zone. During this financial year five SEB projects were completed satisfactory.

Research Grants

To provide funding for research into preservation, enhancement and management of native vegetation in South Australia the NVC introduced the Research Grants in 1998. The provisions for Research Grants is consistent with section 14(e) of the *Native Vegetation Act 1991* and section 13(2) of the *Native Vegetation Regulations 2003*. The grants are available to private landholders, local government, State Government agencies, organisations, community groups and research institutes.

The 2013-14 NVC Research Grants closed 31 July 2013. Seven applications totalling \$125 577 were considered by the Grants Committee to meet the criteria for a Research Grant. Applications funded were within two of the eight NRM regions. During this financial year five research projects were completed satisfactorily.

Heritage Agreement Grants

The Heritage Agreement Grant Scheme was instigated in 1995 in response to landholder requests for assistance (in addition to fencing) to manage Heritage Agreement areas. Over the past 18 years landholders have shown considerable interest in receiving grants to improve biodiversity in Heritage Agreement areas. The Heritage Agreement Grants provide financial assistance of up to \$3000 annually to landholders for the conservation and management of their Heritage Agreement areas. A ‘once-off’ grant of \$3500 is available to assist landholders develop a management plan for the Heritage Agreement area.

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

The Heritage Agreement Grant applications were advertised in September 2013 and again in May 2014. For the financial year 2013-14, 54 applicants were allocated funding to the total value of \$150 000. There were four approved applications for management plans.

VEGETATION MANAGEMENT ACTIVITIES

HERITAGE AGREEMENT APPLICATIONS

Under section 23 of the Act activities met by the Native Vegetation Fund include the establishment of a Heritage Agreement, a Heritage Agreement Grant, contribution towards fencing costs and provision for remission of rates or taxes in respect to that land. The landholder retains legal ownership of the land under a Heritage Agreement. A Heritage Agreement is registered on the title of the land and passes on to, and is binding on, any subsequent owners for the term of the agreement. Agreements are generally written in perpetuity. The creation of a Heritage Agreement directly contributes to achieving the delivery of the SASP targets 69 – Lose no species, Target 70 – increase protection of agricultural cropping land from soil erosion and Target 72 – Increase participation in nature conservation.

During 2013-14 the NVC and NVAP considered 7 applications for the Minister to enter into Heritage Agreements. No Heritage Agreements were registered by the Minister this financial year.

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 2013-14 the NVC approved funding for \$233 100 to erect 46 kilometres of fencing across 18 Heritage Agreement areas and in so doing, contributed to the protection of a total of 12 734 ha. This program has been critical for the effective management of areas protected under Heritage Agreements by supporting and enhancing landowner commitment to the management of these important areas.

ROADSIDE VEGETATION MANAGEMENT

Roadside vegetation is extremely valuable from a biodiversity perspective and can contain important remnant vegetation within heavily cleared areas. The NVC supports local government road authorities in meeting not only their commitment to road management but also their aim of maintaining and improving roadside native vegetation by offering an allocation from the Fund for projects such as roadside conservation markers and/or roadside vegetation surveys. This financial year the NVC received one application to the value of \$34 613.

COMPLIANCE WITH THE NATIVE VEGETATION ACT 1991

REPORTS RECEIVED 2013-14: ALLEGED ILLEGAL CLEARANCE

During the 2013-14 financial year the Compliance and Monitoring Team within the NVMU received or detected a total of 199 reports of potential clearance of native vegetation contrary to the *Native Vegetation Act 1991*. These reports are presented according to each NRM region in Table 4 alongside data for the seven preceding financial years.

| NRM Region | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-----------------|
| Adelaide & Mount Lofty Ranges | 54 | 59 | 77 | 49 | 50 | 53 | 61 | 60 (30%) |
| Alinytjara Wilurara | | | | | | | | 1 (0.5%) |
| Eyre Peninsula | 15 | 25 | 31 | 48 | 34 | 14 | 17 | 22 (11%) |
| Kangaroo Island | 12 | 4 | 10 | 18 | 14 | 15 | 10 | 11 (5%) |
| Northern & Yorke | 17 | 11 | 23 | 37 | 28 | 29 | 24 | 25 (13%) |
| SA Arid Lands | 8 | 2 | 2 | 1 | 1 | 1 | 2 | 1 (0.5%) |
| SA Murray Darling Basin | 21 | 30 | 44 | 48 | 36 | 36 | 34 | 34 (17%) |
| South East | 31 | 30 | 36 | 54 | 48 | 33 | 26 | 23 (12%) |
| Sub-total | | | | | | 181 | 174 | 177 |
| Change Detection Program | | | | | | 50 | 41 | 22 (11%) |
| TOTAL* | 157 | 161 | 223 | 255 | 211 | 231 | 215 | 199 |

Table 4: Reports received by NRM Region 2006-07 to 2013-14

The number of total reports received for 2013-14 is below the average number of reports recorded over the nine years of collecting data which is 209. Of the 199 reports 22 (11%) were detected

through the Change Detection Program (CDP). The CDP analyses satellite imagery on an annual basis to detect changes in native vegetation cover.

ACTION TAKEN FROM REPORTS RECEIVED 2013-14: ALLEGED ILLEGAL CLEARANCE

A range of actions are available following a report of illegal clearance. The NVMU Compliance Guidelines provide direction to officers on the use of the various compliance and enforcement tools available in the Act. The Compliance Guidelines provide transparency and consistency in enforcement of the Act

The following is a list of options available to resolve a report of clearance:

- Exempt (Non-native) - Where clearance has been investigated and the vegetation is assessed to be non-native.
- Exempt (Native Vegetation Regulations 2003) - Where clearance has been investigated and assessed to be exempt under the Regulations.
- No Further Action – Where the offender or exact location of the clearance cannot be determined or clearance has occurred in accordance with a formal clearance approval or is outside of the statutory timeframes or jurisdiction of the Act, no further action is taken.
- Education Letter – Where clearance is assessed as trivial, occurs by accident or through ignorance, an educational letter may be sent that identifies that clearance has occurred and provides 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 may be 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 or may occur. 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 as 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 – Where it is believed that a moderate or serious offence has occurred, an investigation is required to gather further evidence to pursue legal proceedings.
- Pending Further Information – This status is given to new reports of clearance still in the investigative stage.

Figure 1 summarises the actions taken from reports of alleged illegal clearance for the 2013-14 financial year. Of the 199 reports received for the financial year a total of 53 reports (27%) were considered to be either Exempt - Non-native (4%) or Exempt – Regulation (23%) under the *Native Vegetation Regulations 2003*. The majority of the exempt clearances related to fence line clearance, roadside safety, bush fire protection around dwellings or detected through the CDP and verified to be planted vegetation, seasonal variation in cover and the result of wild fires.

Figure 2 averages out the actions taken across a six year period from the 2008-09 financial year to 2013-14 financial year.

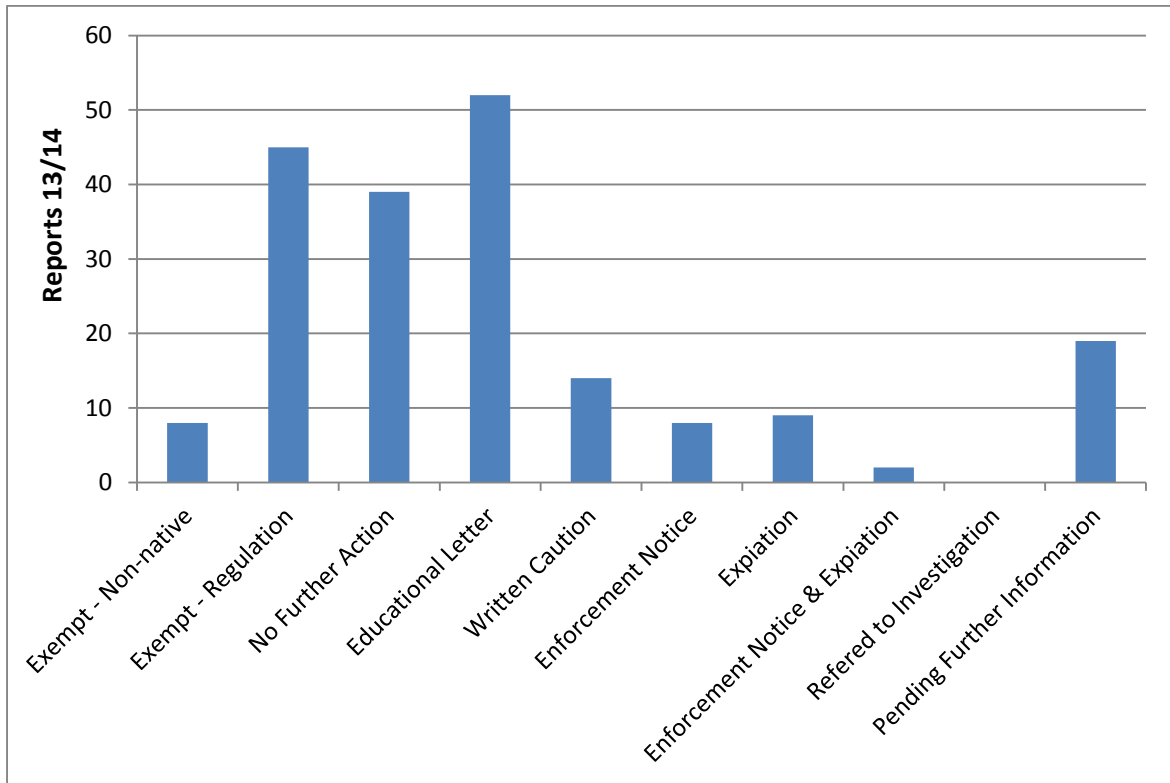


Figure 1: Action taken from Reports received for 2013-14 financial year.

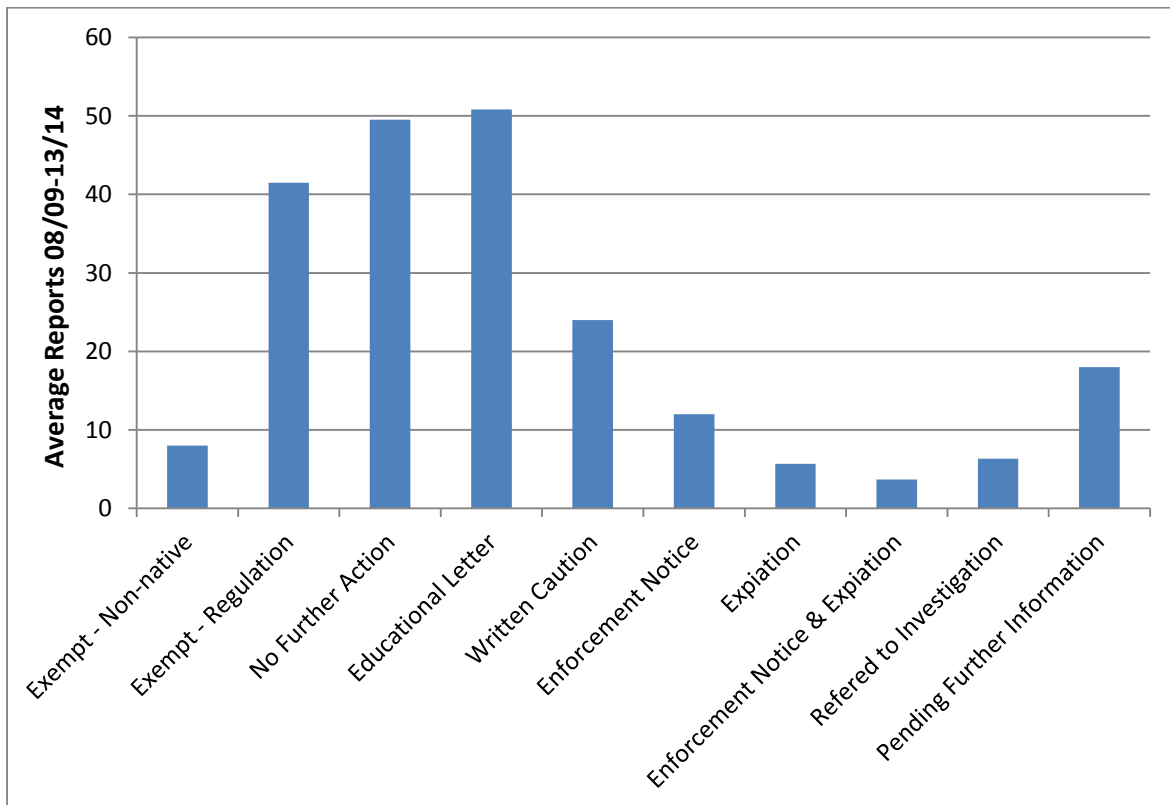


Figure 2: Average of Actions taken from Reports received – 2008-09 to 2013-14 financial year

NATIVE VEGETATION COMPLIANCE STEERING COMMITTEE

The operation of the Native Vegetation Compliance Steering Committee continued as an effective mechanism to review and establish directions and priorities for investigations into possible breaches of the Act. For the 2013-14 financial year the membership of the Committee was comprised of representatives from DEWNR and the Principal Advisor of the NVC.

CRIMINAL PROSECUTIONS

For the 2013-14 financial year, a successful conviction for breaching a Court Order was handed down in the ERD Court. The penalty comprised of a six month suspended sentence, a \$100 three year good behaviour bond and a \$5000 fine.

There are currently three ongoing prosecution matters before the courts and three matters being investigated with a view of prosecution.

CIVIL ENFORCEMENT PROCEEDINGS

In civil enforcement proceedings, the ERD Court may order a respondent to 'make good' an illegal clearance of native vegetation. The order may require the respondent to re-establish or rehabilitate native vegetation on the areas cleared or may require a payment into the Native Vegetation Fund for exemplary damages, or an amount that represents any financial benefit the respondent may have gained, or could reasonably expect to gain from the illegal clearance. The ERD Court may also require the respondent to publicise the environmental and other consequences that would follow the breach and the terms of the Court order. This is an important process to discourage landholders from future clearance of native vegetation.

Under section 26(2a) of the Act, the NVC must initiate civil proceedings where an offender has been convicted of clearing native vegetation without consent. The Act also allows the NVC to initiate civil actions separately without a prior conviction being made. Civil proceedings in the ERD Court may also be initiated for a breach of a Heritage Agreement.

There were no civil matters initiated during the 2013-14 financial year.

In the 2013-14 financial year, the Registrar on behalf of the Minister for Sustainability, Environment and Conservation and the Attorney General successfully prosecuted a landholder for failing to comply with a Civil Court Order secured by the NVC in 2006. The Registrar brought a criminal contempt charge against the offender who was found guilty and given a six month suspended sentence, a \$100 three year good behaviour bond and a \$5000 fine. The offender was also re-ordered to comply with the 2006 Order.

ADDITIONAL MATTERS

EMPLOYEE NUMBERS, GENDER AND STATUS

The NVC has no staff of its own and relies on staff resources from DEWNR. Members of the NVC are aware of and abide by the employment opportunity policies and programs of DEWNR. Reporting on this matter can be viewed in the DEWNR Annual Report for 2013-14.

The gender balance of the NVC is taken into consideration when members are appointed. During this reporting period the gender balance was three male and three female members. In the same reporting period the gender balance for deputy members was two female and three male deputy members.

The following matters are also contained in the DEWNR annual report 2013-14:

- Superannuation contribution by the NVC
- Executives

- Leave Management
- Workforce Diversity
- Voluntary Flexible Working Arrangements
- Performance Development
- Leadership and Management Development
- Accredited Training Packages
- Employment Opportunity Programs
- Work Health and Safety and Injury Management
- Financial Performance
- Account Payment Performance
- *Carers Recognition Act 1993*
- Disability Access and Inclusion Plans
- Energy Efficiency Action Plan Report
- Greening of Government Operations Framework
- Freedom of Information – Statistical Reporting

CONTRACTUAL ARRANGEMENTS

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

FRAUD

Financial services are provided to the NVC by DEWNR. Reporting on strategies to detect instances of fraud is contained in the DEWNR Annual Report for 2013-14.

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

CONSULTANTS

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

OVERSEAS TRAVEL

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

ASBESTOS MANAGEMENT IN GOVERNMENT BUILDINGS

The NVC uses the facilities and services of staff of DEWNR. Reporting on these matters is contained in the DEWNR Annual Report for 2013-14.

URBAN DESIGN CHARTER

The NVC in 2013-14 continued to maintain the Government of South Australia's commitment to good urban design through the management of native vegetation in public places.

No events occurred in this reporting period that required the NVC to consider the principles of Urban Design contained in the South Australian Urban Design Charter.

FREEDOM OF INFORMATION - INFORMATION STATEMENTS

As a DEWNR administered entity, the NVC participates and abides by the arrangements outlined in the DEWNR Freedom of Information regime. Reporting on this matter is contained in the DEWNR Information Statement published on the web www.environment.sa.gov.au

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 2013-14 financial year.

REGIONAL IMPACT ASSESSMENT STATEMENT

The NVC did not undertake any Regional Impact Assessment Statements during the 2013-14 financial year.

RECONCILIATION STATEMENT

The Native Vegetation Council would like to acknowledge the land on which it meets is the traditional lands for the Kurna people and that it respects their spiritual relationship with their country. The Native Vegetation Council also acknowledges the Kurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.

In fulfilling its functions, the Native Vegetation Council is cognisant of the cultural and natural heritage of traditional owners and strives to achieve positive outcomes wherever these matters are concerned

ACKNOWLEDGEMENTS

The NVC would like to thank the Minister and staff of DEWNR for the support and encouragement that it has received over the year.

**FINANCIAL STATEMENT OF THE NATIVE VEGETATION FUND FOR
THE YEAR ENDED 30 JUNE 2014**

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

APPENDIX 1: NATIVE VEGETATION CLEARANCE UNDER SECTION 28: 2013-14

| Type of Clearance | Number of clearance applications | Area (ha) of degraded native vegetation – <i>Consented to clear</i> | Area (ha) of scrubland – <i>Refused to clear</i> | Number of individual trees – <i>Consented to clear</i> | Number of individual trees – <i>Refused to clear</i> | Significant Environmental Benefit (SEB) Area (ha) | Significant Environmental Benefit (SEB) * ³ Payment (\$) |
|--|----------------------------------|---|--|--|--|---|---|
| Maintenance for Crown | 1 | .01 | 0 | 0 | 0 | 0 | 0 |
| Irrigation | 2 | .12 | 0 | 30 | 0 | 9.11 | 0 |
| Centre Pivots | 2 | 0 | 0 | 25 | 0 | 20 | 0 |
| Industrial Development | 1 | 2 | 0 | 0 | 0 | 16 | 0 |
| Orchard | 1 | 0 | 0 | 2 | 0 | 1 | 0 |
| Vineyard | 2 | 0 | 0 | 6 | 0 | 0 | \$22 446.00 |
| Miscellaneous developments* ² | 6 | .10 | 0 | 16 | 0 | 3.66 | \$10 938.00 |
| Recreational | 3 | 13.80 | 0 | 3 | 0 | 105 | \$2 341.00 |
| Farm Management | 6 | 26.11 | 0 | 45 | 10 | 719 | 0 |
| TOTAL | 24 | 42.14 | 0 | 127 | 10 | 873.77 | \$35 725.00 |

*² Miscellaneous developments include applications land backfill

*³ Figures for SEB requirements are for agreed amounts and all SEB payments and works may not have been finalised.

**APPENDIX 2: NATIVE VEGETATION CLEARANCE
UNDER REGULATIONS: 2013-14**

| Regulation | Description | No of Applications 2012-13 | No of Applications 2013-14 |
|-------------------|--|---------------------------------------|---------------------------------------|
| 5(1)(a) | Dwellings and Associated Structures | 17 + 6 [◇] | 14 |
| 5(1)(ab) | Residential Sub-division | 0 | 7 |
| 5(1)(b) | Prescribed buildings and structures other than dwellings | 0 | 2 |
| 5(1)(d) | Public Interest or Infrastructure | 50+4 [◆] +7 [∅] | 32 + 10 [◆] |
| 5(1)(da) | Minor Clearance – Developments | 3 | 2 |
| 5(1)(e) | Repair or maintenance works of the Crown | 1+6 [◆] | 0 |
| 5(1) (g) | Repair or Maintenance of Infrastructure | 1 | 0 |
| 5(1)(h) | Commissioner of Highways | 13+60 [▲] | 3 + 28 [▲] |
| 5(1)(k) | Clearance around prescribed building and structure | 0 | 1 |
| 5(1)(l) | Avoid Damage | 7 | 6 |
| 5(1)(lb) | Public Safety | 5 | 7 + 8 [▲] |
| 5(1)(s) | Clearance for fenceline | 0 | 1 |
| 5(1)(t) | Vehicle Track | 1 + 1 [◇] | 0 |
| 5(1)(u) | Clearance for walking track | 0 | 1 |
| 5(1)(y) | Roadside vegetation (management) | 6 | 1 |
| 5(1)(zc) & (zd) | Mining Exploration & Operations | 8 [■] | 0 + 18 [■] |
| 5(1)(zfa) | Regrowth Management Plan | 7 | 5 |
| 5(1)(zi) | Preserving, Enhancing Biological Diversity | 15+8 [◆] | 8 + 6 [◆] |
| 5(1)(zj) | Management Problems | 3 | 3 |
| 5(1)(zk) | Pest Plant & Animal | 2 | 0 + 2 [◆] |
| 5A | Clearance for fire prevention and control | 2+7 [▶] + 5 [◇] | 0 + 15 [▶] + 4 [◇] |
| | TOTAL | 245 | 184 |

- ◆ applications assessed by SA Water under delegation from the NVC
- ▲ applications assessed by DPTI under SOP endorsed by the NVC
- applications assessed by DMITRE under delegation from the NVC
- ▶ applications assessed by Forestry SA under delegation from the NVC
- ∅ applications assessed by ElectraNet under delegation from the NVC
- ◇ applications assessed by SA CFS under NV Regulation 5A

**APPENDIX 3: FINANCIAL STATEMENTS OF THE NATIVE
VEGETATION FUND 2013-14**



Our Ref: A14/140

22 October 2014

Mr Bruce Munday
Acting Presiding Member
Native Vegetation Council
GPO Box 1047
ADELAIDE SA 5001

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

Dear Mr Munday

**Audit of the Native Vegetation Fund
for the year ended 30 June 2014**

The audit of the accounts of the Native Vegetation Fund (the Fund) for the year ended 30 June 2014 has been completed.

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

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

Returned herewith are the financial statements of the Fund together with the IAR, which is unmodified.

In addition, there were no matters that warranted inclusion in an audit management letter.

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

Yours sincerely

A handwritten signature in cursive script, appearing to read 'S O'Neill', followed by a horizontal line.

S O'Neill
AUDITOR-GENERAL

Enc.



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audit.sa.gov.au

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* 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 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Acting Presiding Member, Acting Chief Executive and Chief Financial Officer of the Department of Environment, Water and Natural Resources.

The Council's Responsibility for the Financial Report

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 Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the 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 2014, 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.



S O'Neill
AUDITOR-GENERAL
22 October 2014

Native Vegetation Fund
Annual Financial Statements

For the Year Ended 30 June 2014

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 2014 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.



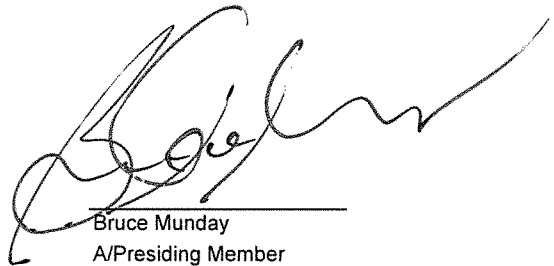
Michelle Griffiths
Chief Financial Officer
Department of Environment,
Water and Natural Resources

16 October 2014



Tim Gordon
A/Chief Executive
Department of Environment
Water and Natural Resources

20 October 2014



Bruce Munday
A/Presiding Member
Native Vegetation Council

14 October 2014

Native Vegetation Fund
Statement of Comprehensive Income
For the Year Ended 30 June 2014

| | Note | 2014 \$'000 | 2013 \$'000 |
|--|------|-----------------------|---------------------|
| Expenses | | | |
| Supplies and services | 5 | 327 | 240 |
| Grants and subsidies | 6 | 2 733 | 4 096 |
| Other Expenses | 7 | 9 | 8 |
| Total expenses | | <u>3 069</u> | <u>4 344</u> |
| Income | | | |
| Revenues from fees and charges | 8 | 659 | 2 016 |
| Grant revenues | 9 | - | 228 |
| Interest revenues | 10 | 145 | 218 |
| Total income | | <u>804</u> | <u>2 462</u> |
| Net cost of providing services | | <u>2 265</u> | <u>1 882</u> |
| Revenues from SA Government | | | |
| Revenues from SA Government | 11 | 1 031 | 1 004 |
| Total revenues from SA Government | | <u>1 031</u> | <u>1 004</u> |
| Net result | | <u>(1 234)</u> | <u>(878)</u> |
| Total comprehensive result | | <u><u>(1 234)</u></u> | <u><u>(878)</u></u> |

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

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

Native Vegetation Fund
Statement of Financial Position
As at 30 June 2014

| | Note | 2014 \$'000 | 2013 \$'000 |
|----------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 12 | 5 245 | 6 789 |
| Receivables | 13 | 96 | 172 |
| Total current assets | | <u>5 341</u> | <u>6 961</u> |
| Current liabilities | | | |
| Payables | 14 | 50 | 436 |
| Total current liabilities | | <u>50</u> | <u>436</u> |
| Total liabilities | | <u>50</u> | <u>436</u> |
| Net assets | | <u>5 291</u> | <u>6 525</u> |
| Equity | | | |
| Retained earnings | | 5 291 | 6 525 |
| Total equity | | <u>5 291</u> | <u>6 525</u> |

The total equity is attributable to the SA Government as owner

| | |
|--------------------------------------|----|
| Unrecognised contractual commitments | 17 |
| Contingent assets and liabilities | 18 |

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 2014

| | Retained Earnings | Total |
|---|----------------------|----------------|
| | \$'000 | \$'000 |
| Balance at 30 June 2012 | 7 125 | 7 125 |
| Error correction - payables | 278 | 278 |
| Restated balance at 30 June 2012 | 7 403 | 7 403 |
| Net result for 2012-13 | (878) | (878) |
| Total comprehensive result for 2012-13 | (878) | (878) |
| Balance at 30 June 2013 | 6 525 | 6 525 |
| Restated balance at 30 June 2013 | 6 525 | 6 525 |
| Net result for 2013-14 | (1 234) | (1 234) |
| Total comprehensive result for 2012-13 | (1 234) | (1 234) |
| Balance at 30 June 2014 | 5 291 | 5 291 |

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

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

Native Vegetation Fund
Statement of Cash Flows
For the Year Ended 30 June 2014

| | Note | 2014 \$'000 | 2013 \$'000 |
|---|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Cash outflows | | | |
| Payments for supplies and services | | (327) | (240) |
| Payments of grants and subsidies | | (3 119) | (3 984) |
| Other payments | | (9) | (8) |
| Cash used in operations | | <u>(3 455)</u> | <u>(4 232)</u> |
| Cash inflows | | | |
| Fees and charges | | 729 | 2 936 |
| Receipts from grants | | - | 228 |
| Interest received | | 151 | 225 |
| Cash generated from operations | | <u>880</u> | <u>3 389</u> |
| Cash flows from SA Government | | | |
| Receipts from SA Government | | 1 031 | 1 004 |
| Cash generated from SA Government | | <u>1 031</u> | <u>1 004</u> |
| Net cash (used in)/provided by operating activities | 15 | <u>(1 544)</u> | <u>161</u> |
| Net (decrease)/increase in cash and cash equivalents | | <u>(1 544)</u> | <u>161</u> |
| Cash and cash equivalents at the beginning of the period | | 6 789 | 6 628 |
| Cash and cash equivalents at the end of the period | 12 | <u><u>5 245</u></u> | <u><u>6 789</u></u> |

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

Native Vegetation Fund

Note Index

For the Year Ended 30 June 2014

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Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

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, Water and Natural Resources (DEWNR), 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 DEWNR at no charge to the Council and have not been recognised in the financial statements of the Fund as it is impractical to determine the value of these services.

2 Summary of significant accounting policies

(a) Statement of compliance

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

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

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

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2014. Refer to Note 3.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Fund's accounting policies. Areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
 - (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 2014 and the comparative information presented.

(c) Reporting entity

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

The Fund's sources of revenue include:

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

(d) Comparative information

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

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

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

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

(e) Rounding

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

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

(f) Taxation

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

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

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

(g) Events after the reporting period

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

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

(h) Income

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

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

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

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 DEWNR. Control over appropriations is normally obtained upon receipt.

(i) Expenses

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

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

The following are specific recognition criteria:

Grants and subsidies

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

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

(j) Current and non-current classification

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

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

(k) Assets

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

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

Cash and cash equivalents

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

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

Cash is measured at nominal value.

Receivables

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

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

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

(l) Liabilities

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

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

Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the 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.

Error correction

An error correction of \$278 000 has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to payables. The error correction related to a balance incorrectly carried over from the 2010-11 administrative restructure.

(m) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

3 New and revised accounting standards and policies

The Fund did not voluntarily change any of its accounting policies during 2013-14.

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 2014. The Fund has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.

4 Activities of the Fund

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

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

| 5 Supplies and services | 2014 | 2013 |
|------------------------------------|-------------------|-------------------|
| | \$'000 | \$'000 |
| Accommodation and property | 11 | 15 |
| Travel and accommodation | 7 | 2 |
| Vehicles - Aircraft | 2 | 3 |
| Contractors | 26 | 39 |
| Fee for service | 24 | 18 |
| Minor works | 244 | 117 |
| General administration | 13 | 45 |
| Other | - | 1 |
| Total Supplies and services | <u>327</u> | <u>240</u> |

| 6 Grants and subsidies | 2014 | 2013 |
|---|---------------------|---------------------|
| | \$'000 | \$'000 |
| Payment of Heritage Agreement Grant Schemes | 122 | 119 |
| Contribution to the Native Vegetation Council Secretariat for NVC Administrative Support | 101 | - |
| Contribution to the Native Vegetation Council Secretariat for Biodiversity Assessment Function | 100 | - |
| Contribution to the Native Vegetation Council Secretariat for contract positions - NV Incentives Program Management | 147 | - |
| Contribution to the Native Vegetation Council Secretariat for contract position - Research Officer | - | 67 |
| Contribution to the Native Vegetation Council Secretariat for contract position - NV Incentives Support Officer | - | 51 |
| Contribution to the Native Vegetation Council Secretariat for contract position - Prosecution Liaison Officer | 43 | 40 |
| Contribution to the Native Vegetation Council Secretariat for contract position - NVC Communication and Engagement Officer | 40 | 70 |
| Contribution to the Native Vegetation Council Secretariat for the Significant Environmental Benefits Metrics Review BushRAT | - | 13 |
| Contribution to the Native Vegetation Council Secretariat for the Communication Strategy BushRAT | 2 | 4 |
| Contribution to the Native Vegetation Council Secretariat for Endala Comment | 3 | - |
| Contribution to the Native Vegetation Council Secretariat for Protecting Vegetation Under the NV Act | 7 | - |
| Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance | - | 18 |
| Contribution to the Industry Support Officer SA Arid Lands Region | 50 | 57 |
| Contribution to DEWNR for statewide vegetation cover monitoring | 193 | 182 |
| Contribution to DEWNR for change detection program | 250 | 228 |
| Research grants | 1 577 | 3 045 |
| Local Government grants | 98 | 197 |
| Other grants | - | 5 |
| Total Grants and subsidies | <u>2 733</u> | <u>4 096</u> |

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:

| | 2014 | 2013 |
|---|---------------------|---------------------|
| | \$'000 | \$'000 |
| Payment of Heritage Agreement Grant Schemes | 122 | - |
| Contribution to the Native Vegetation Council Secretariat for contract position - Research Officer | - | 67 |
| Contribution to the Native Vegetation Council Secretariat for contract position - NV Incentives Support Officer | - | 51 |
| Contribution to the Native Vegetation Council Secretariat for NVC Administrative Support | 101 | - |
| Contribution to the Native Vegetation Council Secretariat for Biodiversity Assessment Function | 100 | - |
| Contribution to the Native Vegetation Council Secretariat for contract positions - NV Incentives Program Management | 147 | - |
| Contribution to the Native Vegetation Council Secretariat for contract position - Prosecution Liaison Officer | 43 | 40 |
| Contribution to the Native Vegetation Council Secretariat for contract position - NVC Communication and Engagement Officer | 40 | 70 |
| Contribution to the Native Vegetation Council Secretariat for the Significant Environmental Benefits Metrics Review BushRAT | - | 13 |
| Contribution to the Native Vegetation Council Secretariat for the Communication Strategy BushRAT | 2 | 4 |
| Contribution to the Native Vegetation Council Secretariat for Endala Comment | 3 | - |
| Contribution to the Native Vegetation Council Secretariat for Protecting Vegetation Under the NV Act | 7 | - |
| Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance | - | 18 |
| Contribution to the Industry Support Officer SAAL Region | 50 | 57 |
| Contribution to DEWNR for statewide vegetation cover monitoring | 193 | 182 |
| Contribution to DEWNR for change detection program | 250 | 228 |
| Research grants | 460 | 1 941 |
| Other grants | 78 | 5 |
| Total Grants and subsidies paid/payable to entities within SA Government | <u>1 596</u> | <u>2 676</u> |

| 7 Other Expenses | 2014 | 2013 |
|-----------------------------|-----------------|-----------------|
| | \$'000 | \$'000 |
| Audit fees | 8 | 8 |
| Other | 1 | - |
| Total Other Expenses | <u>9</u> | <u>8</u> |

| | | |
|---|-----------------|-----------------|
| Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements | <u>8</u> | <u>8</u> |
| Total Audit fees | <u>8</u> | <u>8</u> |

Other services

No other services were provided by the Auditor-General's Department

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

| | | | |
|----------|---|---------------|---------------|
| 8 | Revenues from fees and charges | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Fees, fines and penalties | 42 | 299 |
| | Significant environmental benefits* | 617 | 1 717 |
| | Total Revenues from fees and charges | 659 | 2,016 |

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:

| | | | |
|--|--|---------------|---------------|
| | | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Significant environmental benefits | 351 | 750 |
| | Total Fees and charges received/receivable from entities within the SA Government | 351 | 750 |

* 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.

| | | | |
|----------|-------------------------------|---------------|---------------|
| 9 | Grant revenues | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Refund of unspent grant funds | - | 228 |
| | Total Grant revenues | - | 228 |

| | | | |
|-----------|---|---------------|---------------|
| 10 | Interest revenues | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Interest from entities within the SA Government | 145 | 218 |
| | Total Interest revenues | 145 | 218 |

| | | | |
|-----------|--|---------------|---------------|
| 11 | Revenues from SA Government | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Appropriations from Consolidated Account pursuant to the Appropriation Act | 1 031 | 1 004 |
| | Total Revenues from SA Government | 1,031 | 1,004 |

| | | | |
|-----------|--|---------------|---------------|
| 12 | Cash and cash equivalents | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Deposits with the Treasurer | 5 245 | 6 771 |
| | Cash on hand and imprest accounts | - | 18 |
| | Total Cash and cash equivalents | 5 245 | 6 789 |

Interest rate risk

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

| | | | |
|-----------|------------------------------------|---------------|---------------|
| 13 | Receivables | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Current | | |
| | Receivables | 86 | 156 |
| | Less: Allowance for doubtful debts | (1) | (1) |
| | | 85 | 155 |
| | Accrued interest | 11 | 17 |
| | Total Current receivables | 96 | 172 |

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:

| | | | |
|--|---|---------------|---------------|
| | | 2014 | 2013 |
| | | \$'000 | \$'000 |
| | Receivables | 65 | 114 |
| | Accrued interest | 11 | 17 |
| | Total Receivables from entities within the SA Government | 76 | 131 |

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

Movement in the allowance for doubtful debts

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

| | | |
|--|---------------|---------------|
| Movements in the allowance for doubtful debts (impairment loss): | 2014 | 2013 |
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | (1) | (1) |
| Carrying amount at the end of the period | <u>(1)</u> | <u>(1)</u> |

Interest rate and credit risk

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

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

(a) Maturity analysis of receivables - Please refer to Note 16.

(b) Categorisation of financial instruments and risk exposure information - Please refer to Note 16.

14 Payables

| | | |
|-------------------------------|------------------|-------------------|
| | 2014 | 2013 |
| | \$'000 | \$'000 |
| Current | | |
| Creditors | 42 | 428 |
| Accrued expenses | 8 | 8 |
| Total Current payables | <u>50</u> | <u>436</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:

| | | |
|--|-----------------|-------------------|
| | 2014 | 2013 |
| | \$'000 | \$'000 |
| Creditors | - | 276 |
| Total Current payables to entities within the SA Government | <u>-</u> | <u>276</u> |

Interest rate and credit risk

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

(a) Maturity analysis of payables - Please refer to Note 16.

(b) Categorisation of financial instruments and risk exposure information - Please refer to Note 16.

15 Cash flow reconciliation

| | | |
|--|-----------------------|-----------------------|
| | 2014 | 2013 |
| | \$'000 | \$'000 |
| Reconciliation of cash and cash equivalents at the end of the reporting period: | | |
| Cash and cash equivalents disclosed in the Statement of Financial Position | 5 245 | 6 789 |
| Cash and cash equivalents disclosed in the Statement of Cash Flows | 5 245 | 6 789 |
| Reconciliation of net cash provided by operating activities to net cost of providing services | | |
| Net cash (used in) / provided by operating activities | (1 544) | 161 |
| Less revenues from SA Government | (1 031) | (1 004) |
| Movement in assets and liabilities | | |
| (Decrease) in receivables | (76) | (927) |
| Decrease/(increase) in payables | 386 | (112) |
| Net cost of providing services | <u>(2 265)</u> | <u>(1 882)</u> |

16 Financial instruments/financial risk management

16.1 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 | 2014 | | 2013 | |
|---|-------------|------------------------|-------------------|------------------------|-------------------|
| | | Carrying amount \$'000 | Fair value \$'000 | Carrying amount \$'000 | Fair value \$'000 |
| Financial assets | | | | | |
| Cash and cash equivalents | 12 | 5 245 | 5 245 | 6 789 | 6 789 |
| Receivables ⁽¹⁾ | 13 | 96 | 96 | 172 | 172 |
| Financial liabilities | | | | | |
| Payables ⁽¹⁾ | 14 | 42 | 42 | 428 | 428 |

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth, State and Local Govt taxes, fees and charges; audit fees payable to the Auditor-General's Dept etc). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

Fair value

The Fund does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these. Refer to Notes 2, 13 and 14.

Credit risk

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

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

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

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

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 13 for information on the allowance for impairment in relation to receivables.

16.2 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 |
|-----------------------------|------------------------------------|------------------------------------|-------------------------------------|---------------------------------------|-----------------|
| 2014 | | | | | |
| Not impaired Receivables | 18 | 65 | - | 14 | 97 |
| Impaired Receivables | - | - | - | (1) | (1) |
| 2013 | | | | | |
| Not impaired Receivables | 162 | - | 9 | 2 | 173 |
| Impaired Receivables | - | - | - | (1) | (1) |

Maturity analysis of financial assets and liabilities

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

Liquidity Risk

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

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

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

The carrying amount of financial liabilities recorded in the Table Categorisation of financial instruments represent the Fund's maximum exposure to financial liabilities.

Market Risk

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

Sensitivity disclosure analysis

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

17 Unrecognised contractual commitments

| | 2014 \$'000 | 2013 \$'000 |
|---|----------------|----------------|
| Expenditure commitments - other | | |
| Within one year | 706 | 980 |
| Later than one year but not later than five years | 253 | 858 |
| Later than five years | - | 161 |
| Total Other commitments | 959 | 1 999 |

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

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2014

18 Contingent assets and liabilities

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

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.

19 Restrictions on contributions received

The Council is restricted on its use of monies in the Fund according to the provisions of the Act. Section 21(6) of the Act specifies that the 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 Magistrates Court, financial benefits (as determined by the Environment, Resources and Development Court (ERD)) 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:

| | 2014 | 2013 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| South East | 714 | 531 |
| Mount Lofty Ranges Greater Basin | 572 | 899 |
| SA Murray Darling Basin | 208 | 417 |
| Kangaroo Island | 128 | 133 |
| Northern & Yorke Agricultural District | 861 | 592 |
| SA Arid Lands | 411 | 252 |
| Eyre Peninsula | 179 | 188 |
| Alinytjara Wilurara | 182 | 333 |
| Total Restrictions on contributions received | 3 255 | 3 345 |

20 Remuneration of Council and committee members

Members during 2013-14 financial year were:

Native Vegetation Council

| | |
|--|--|
| Bates J A (retired 02/09/13) | Mutton D R (retired 02/09/13) |
| Lillecrapp J A (retired 02/09/13) | Paton P A |
| McHugh B K | Roche M C |
| Munday B C | Borthwick E L (appointed 03/09/13) |
| Farley R D (Deputy; appointed 03/09/13) | Schaefer C V (appointed 03/09/13) |
| Wickes F B (Deputy; appointed 03/09/13) | MacDonald H A (Deputy; appointed 03/09/13) |
| Gellard J A (Deputy; appointed 03/09/13; retired 16/06/14) | |

Native Vegetation Council Fire Committee

| |
|---------------------------------|
| Bates J A (retired 02/09/13) |
| Miller L R * |
| Hyatt N * (appointed 30/01/14) |
| McHugh B K (appointed 30/01/14) |

Native Vegetation Assessment Panel

| |
|------------------------------------|
| Lillecrapp J A (retired 02/09/13) |
| Munday B C |
| Roche M C |
| Borthwick E L (appointed 15/10/13) |

Native Vegetation Council Grants Committee

| |
|-----------------------------------|
| Munday B C |
| Mutton D R (retired 02/09/13) |
| Paton P A |
| Schaefer C V (appointed 15/10/13) |

* Denotes government employees

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

| | 2014 | 2013 |
|---------------------|-----------|-----------|
| Nil | 4 | 9 |
| \$1 - \$9 999 | 12 | 7 |
| \$20 000 - \$29 999 | 1 | 1 |
| | 17 | 17 |

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$63 300 (2013: \$48 100) and has not been recognised in these financial statements. The remuneration of members is provided by DEWNR.

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

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

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

21 Events after the reporting period

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

man