



**Government
of South Australia**

NATIVE VEGETATION COUNCIL

2019-20 Annual Report

NATIVE VEGETATION COUNCIL

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To:

David Speirs MP

Minister for Environment and Water

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Sector Regulations 2010*, the *Public Finance and Audit Act 1987*, section 17 of the *Native Vegetation Act 1991*, and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Native Vegetation Council by:

Emily Jenke

Presiding Member

Date 27/10/20

Signature

A handwritten signature in black ink, appearing to be 'Emily Jenke', written over a horizontal line.

From the Presiding Member

It is a pleasure to report on what has been a busy year for the South Australian Native Vegetation Council.

One of the functions of Council is to advise the Minister in relation to the preservation, enhancement and management of existing native vegetation, in addition to offsetting clearance and research. Council has addressed a number of matters over the 2019-20 financial year, ranging from strategic to operational. We have considered significant native vegetation clearance across the state, including 201 applications, established the new '*Guidelines for the Management of Roadside Native Vegetation and Regrowth Vegetation*', provided a submission to the Keelty Independent Review into the 2019-20 SA bushfire season, supported Heritage Agreement owners to manage the impacts of bushfires through reinstating fences, and rolled out the new Biodiversity Credit Exchange (BCE) program in the Northern and Yorke, and SA Arid Lands regions. In addition, the NVC continue to support the *Development Act* reforms, with the development of the new Planning and Design Code in preparation for Phase 3, and invest in good governance measures to ensure the NVC meets its legislative, regulatory, standards and community expectations of probity, accountability and openness.

This work was conducted with the support of the Native Vegetation Branch (DEW) and also informed by our many significant partnerships across the state with Local Councils, State Government Agencies, Industry partners and also specialist experts.

The Native Vegetation Council never loses sight of the important role we have in ensuring sustainable development and the conservation of native vegetation.

The Council is pleased to provide its annual report for 2019-20. For other news relating to the Council please visit our website at <https://www.environment.sa.gov.au/topics/native-vegetation>.



Emily Jenke

Presiding Member

Native Vegetation Council

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Overview: about the Council

Our strategic focus

Our Purpose	<p>The Native Vegetation Council (NVC) is an independent body established by the <i>Native Vegetation Act 1991</i> (The Act). The NVC monitors the overall condition of the state's vegetation and makes decisions on a wide range of matters concerning native vegetation in South Australia.</p> <p>The Council's responsibilities include:</p> <ul style="list-style-type: none"> ▪ encouraging the re-establishment of native vegetation on over-cleared land ▪ managing the Heritage Agreement Scheme, which encourages the protection of native bushland ▪ funding and encouraging on-ground works that produce a significant environmental benefit ▪ funding and encouraging native vegetation management research ▪ monitoring changes to the state's native vegetation landscape through the Change Detection Program ▪ assessing applications and establishing conditions for the clearance of native vegetation ▪ producing an annual report.
Our Vision	<p>To support the community to enhance, protect and sustainably use native vegetation.</p>
Our Values	<p>Provide clarity for the community and stakeholders who need to manage native vegetation.</p>
Our functions, objectives and deliverables	<p>A primary function of <u>Native Vegetation Act 1991</u> (the Act) is to protect and enhance the natural environment of South Australia and to assist and encourage landholders to protect and conserve existing native vegetation and encourage the revegetation in parts of the State that have been highly cleared.</p> <p>The key role of the Council is to enable economic growth and development for South Australia, whilst protecting our natural environment, through engaging with clearance proponents and stakeholder groups. The challenge for the Council is that when impact of vegetation are approved, ensuring that the values being lost in the environment are being replaced elsewhere in the State through an effective environmental offsetting scheme.</p> <p>The Council provides decisions that seek to further the objects of the Act, including:</p> <ul style="list-style-type: none"> ▪ Review the condition of the native vegetation of the State ▪ Advise the Minister in relation to –

	<ul style="list-style-type: none"> a) The preservation, enhancement and management of existing native vegetation b) The re-establishment of native vegetation on land where native vegetation has been cleared or degraded c) Research into the preservation, enhancement and management of native vegetation and the re-establishment of native vegetation on cleared land. <ul style="list-style-type: none"> ▪ Keep the principles of clearance of native vegetation under review and to advise the Minister of any changes to the principles that it considers are necessary or desirable. ▪ Determine applications for consent to clear native vegetation under Part 5 of the Act. ▪ Assess and respond to applications referred to Council under the <i>Development Act 1993</i> and the <i>Planning, Development and Infrastructure Act 2016</i>. ▪ Encourage research into the preservation, enhancement and management of existing native vegetation. ▪ Encourage the re-establishment of native vegetation on land from which the native vegetation has been cleared. ▪ Administer the Native Vegetation Fund pursuant to Division 3 of the Act. ▪ Such other functions as are assigned to the Council under this or any other Act.
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Our organisational structure

As at 30 June 2020 the Native Vegetation Council consisted of the following members:

Presiding Member – Ms Emily Jenke

Conservation Council nominee – Mr Maurice Roche

Landscape SA (formerly NRM) nominee – Mr Ross Sawers

Primary Producers SA nominee – Ms Natalie Sommerville

Local Government Association nominee – Mr John Neal

Minister's nominee – Professor Robert Hill

Minister's Planning, Development or Mining nominee – Ms Catherine Hollingsworth

As at 30 June 2020 there were no deputy members appointed to the Native Vegetation Council. There have been no deputy members appointed since the expiry of their membership term on 13 September 2019.

Changes to the agency

During 2019-20 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

The Hon David Speirs MP is the Minister for Environment and Water

The Minister oversees the portfolios of:

- Sustainability, Environment and Conservation
- Water and the River Murray
- Climate Change



Our Executive team

The Council has no staff of its own and utilises the services of DEW. Reporting on this matter is contained in the DEW 2019-20 Annual Report. Executive, administrative and project support were provided to the Council from existing DEW resources.

Legislation administered by the agency

The Native Vegetation Council is responsible for complying with the

- *Native Vegetation Act 1991*
- *Native Vegetation Regulations 2017*
- *Native Vegetation (Credit for Environmental Benefit) Regulations 2015*
- *Development Act 1993*
- *Planning, Development and Infrastructure Act 2016*

Other related agencies (within the Minister's area/s of responsibility)

Delegation under the *Native Vegetation Regulations 2017*:

- Department for Energy and Mining
- Country Fire Service SA

Standard Operating Principles (SOP):

- Department for Environment and Water, Fire Management
- SA Water
- Department for Infrastructure and Transport
- Forestry SA
- SA Power Networks
- ElectraNet

The agency's performance

Performance at a glance

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>The Native Vegetation Council provides opportunities to business through Significant Environmental Benefit Grants. Training of Accredited Consultants has also provided opportunity to environmental experts to conduct assessment to satisfy the requirements of the <i>Native Vegetation Act 1991</i>.</p> <p>Training of 62 Accredited Consultants was conducted to allow native vegetation experts to undertake vegetation assessments for regulation and clearance applications under the <i>Native Vegetation Act 1991</i>, specifically:</p> <ul style="list-style-type: none"> - Assessment and Application Process - Bushland Assessment Method - Scattered Tree Assessment Method - Rangeland Assessment Method
Lower costs	<p>A change to the formula in calculating the Significant Environmental Benefit has led to a reduction in costs associated with degraded vegetation to be more reflective of the biodiversity value they provide within the landscape.</p> <p>The Biodiversity Credit Exchange was developed to provide an efficient way for developers to offset the impact their activities have on biodiversity, and send a strong signal that maintaining and rehabilitating native vegetation can produce a valuable asset.</p> <p>The Biodiversity Credit Exchange also provides eligible landholders with funding to manage and protect areas of native vegetation on their land in order to generate biodiversity credits. These credits are sold by the Native Vegetation Council at cost to buyers needing to offset vegetation clearances. This program allows landholders to diversify their income through active and passive management of vegetation on their land.</p>
Better Services	<p>The Native Vegetation Council introduced '<i>Guidelines for the Management of Roadside Native Vegetation and Regrowth Vegetation</i>' which was endorsed by the Native Vegetation Council following public and local council consultation.</p> <p>The Native Vegetation Council also developed new <i>Local Council Roadside Guidelines</i> and <i>Tree Management Guidelines</i> to assist council in undertaking vegetation management without the need to seek approval in all instances of clearance.</p>

Agency specific objectives and performance

Agency objectives	Indicators	Performance
NVC Governance and Service Standards	<p>As a new Council, the NVC have invested in reviewing their governance measures, in line with best practice recommended by the Australian Institute of Company Directors.</p> <p>The NVC updated its Charter which sets out the legal and policy framework for which the Council operates. The Charter documents the functions and responsibilities of the Council and assists the Council in delivering good governance.</p> <p>The NVC also published their Service standards which aim to provide clarity and simplicity about the NVC's decision making processes. The Standards set in place the NVC's commitment to service timelines when dealing with native vegetation matters and to be transparent in how all aspects of business is undertaken by the NVC and the Native Vegetation Branch.</p>	<p>Good governance contributes to the NVC's overall performance in exercising its functions, and ensures the NVC meets its legislative, regulatory, standards and community expectations of probity, accountability and openness.</p>
2019-20 SA Bushfire Season	<p>The NVC reviewed the impacts of fire to Heritage Agreement owners across South Australia from the summer of 2019-20. The Council is supporting owners by providing resources to assist with coordination of replacement fencing.</p> <p>The NVC were also pleased to participate in and provide a submission to the Keelty Independent Review into the 2019-20 SA Bushfire Season. NVC will continue to collaborate with DEW and other key agencies to form a whole of government response to the review. The NVC also participated in the Royal Commission into the bushfire season – this report is due for release October 2020.</p>	<p>The NVC collaborates with key partners at a state level in educating and communicating with the community around fuel hazard reduction, supporting the CFS with the development of the 'Code of Practice for Fuel Hazard Reduction on Private Land', and outcomes towards the recommendations as made in the Review and pending Royal Commission.</p> <p>The NVC's focus is on supporting landholders with communications in relation to fire hazard prevention.</p>

<p>Clearance approvals (Native Vegetation Assessments)</p>	<p>The Native Vegetation Assessment function provides certainty to the community and business who require native vegetation clearance, by providing timely and practical advice.</p> <p>The Native Vegetation Regulations place 39 clearance activities into four major approval pathways:</p> <ol style="list-style-type: none"> 1. Permitted clearance (self-assessment approach): 16 activities. 2. Fire Hazard Reduction: 5 activities. 3. Vegetation Management plans: 4 activities. <p>Risk assessment: 14 activities including major Developments and Projects, and mining and exploration activities.</p> <p>1,171.51 hectares of native vegetation has been approved to be cleared (397.10 hectares under Regulation and 774.41 hectares under Section 28 of the Act).</p> <p>60 hectares were approved with an associated management plan and 755 hectares were approved for brush cutting.</p>	<p>Quick and simple assessment, improved clarity for the public and streamlined administration of the Act.</p> <p>The public is equipped with more tools to assist in determining the information required and the pathway that applies. This allows the public quicker process in obtaining approval.</p> <p>The portal https://apps.environment.sa.gov.au/nvmu/ assists users to navigate their way through the application process.</p>
<p>Offsetting native vegetation loss (Biodiversity Credit Exchange)</p>	<p>The NVC endorsed its first expenditure for the new Biodiversity Credit Exchange (BCE) program, which invites landholders to offer up parts of their land for credit sites, and can then be purchased by developers to offset clearance.</p> <p>The first round of the BCE was rolled out in the Northern and Yorke, and SA Arid Lands regions. The NVC have endorsed three high value sites which have a value of approximately \$650,000.</p>	<p>Environmental impacts are offset which will maintain and improve South Australia's native vegetation.</p> <p>This program, while supporting businesses to undertake the growth and development they need, also has the added bonus of providing protection for important and high value areas of South Australia in perpetuity. This program is also an excellent demonstration of providing income to landholders to manage native vegetation.</p>
<p>Significant Environment Benefits Program</p>	<p>The Creeks to Coast Significant Environmental Benefits (SEB) grants aim to offset the impacts of the Northern Connector roadwork. In 2019-20</p>	<p>The SEB program has continued to deliver on ground outcomes that support the re-establishment of vegetation in</p>

	<p>another large-scale roads project worth \$690,000 commenced delivery, and this involved the addition of 179ha of significant grassy eucalypt woodlands to Para Wirra Conservation Park. Restoration and management of this land will continue by National Parks and Wildlife Service in 2020-21.</p> <p>In addition, another large-scale project proposal has also advanced to a draft Project Plan stage. The Plan addresses the steps proposed to undertake tidal reconnection works at a significant wetland site on the Northern Adelaide Plains and restoration of surrounding land. The NVC requires further feasibility and impact assessment of this proposal prior to approving funding, which will be finalised in 2020-21.</p>	<p>areas that are disturbed or degraded.</p> <p>The Creeks to Coast grand round is under development as further feasibility studies are completed. It is expected that this grant round will be awarded in 2021.</p>
Private Land Conservation Program (Native Vegetation Heritage Agreements)	<p>During 2019-20, 40 new heritage agreements applications were received. 8 requests for variations and subdivisions to existing heritage agreements were received. 17 heritage agreements were registered by the Minister or his delegate. 1,850,397.39 hectares of vegetation is protected through heritage agreements.</p> <p>The Revitalising Private Conservation in South Australia program is a \$3m investment in the Heritage Agreement program. The program is delivered by Nature Foundation and its partners on behalf of the Minister for Environment and Water and the NVC.</p>	<p>The Heritage Agreement program provides land valuation reduction, resulting in reduced council rates for those South Australian's who have entered into conservation agreements.</p> <p>The program also supports landholders to undertake work, and attract new Heritage Agreements across the State, including supporting landholders in managing the impacts of bushfires through reinstating fences to maintain property boundaries.</p> <p>The NVC participates actively in the Heritage Agreement Alliance, a collaboration of key environmental and primary production stakeholders to support the strategic delivery of the program.</p>
Consultation with key stakeholders	The statewide ' <i>Guidelines for the Management of Roadside Native Vegetation and Regrowth Vegetation</i> ' was endorsed by the Native Vegetation	Consultation provides the opportunity for the public and key stakeholders to participate in new guidelines relating to

	<p>Council in July 2019 after both public and local council consultation, coming into effect 12 months later, allowing for an effective transition for local Councils across the state. The Guidelines provide parameters for local councils and the Department of Planning, Transport and Infrastructure (DPTI) to manage native vegetation in road reserves to maintain the safety and visibility of roadsides. The Guidelines state the circumstances where approval is required by the Native Vegetation Council and how it is to be obtained, the pathway for clearing native vegetation that poses a safety concern, and the avenues for landholders who are adjacent to road reserves to manage vegetation in particular circumstances.</p>	the management of native vegetation.
Public Consultation	<p>Level 4 applications represent clearances that are likely to result in a significant impact on biodiversity. As per the Native Vegetation Regulations 2017, clearances of this nature require public consultation.</p> <p>For the 2019-20 financial year the Native Vegetation Branch received 11 level 4 applications. All were placed on 28 day consultation.</p>	Public consultation provides the public with the opportunity to make comment on particular applications where they may have an issue to raise, with a proposal or how it is addressed under the Act.
Planning and Development Act reforms	<p>The NVC continue to participate in the development of the new Planning and Design Code in preparation for Phase 3 of the Planning and Design Code. The process will simplify the approvals process for development as part of the new <i>Planning, Development and Infrastructure Act</i>. This includes the development of Native Vegetation overlays and appropriate referrals to streamline clearance approvals in a timely manner.</p>	Phase 2 of the Planning and Design Code commenced in July 2020. The Native Vegetation Council as a statutory referral body has received 3 applications for direction. All were undertaken within the 20 day statutory timeframe.

Corporate performance summary

Employment opportunity programs

Program name	Performance
No programs were run by the Native Vegetation Council	N/A

Agency performance management and development systems

Performance management and development system	Performance
The Council undertakes a performance review every two years, including evaluation of its effectiveness and governance responsibilities.	Members were appointed to Council in September 2019 (and had only been members for 9 months as at 30 June 2020). A performance review of Council is scheduled for early 2021.
Government employees supporting the Council operations undertake a performance review and development program with their managers.	Two sessions are held on an annual basis.

Work health, safety and return to work programs

Program name	Performance
The Council abides by the relevant health and safety policies and procedures that have been adopted by DEW to meet whole of Government and legislative requirements.	Reporting on this matter is contained within the DEW Annual Report 2019-20.

Workplace injury claims	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total new workplace injury claims	N/A	N/A	N/A
Fatalities	N/A	N/A	N/A
Seriously injured workers*	N/A	N/A	N/A
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	N/A	N/A	N/A

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	N/A	N/A	N/A
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	N/A	N/A	N/A

Return to work costs**	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	N/A	N/A	N/A
Income support payments – gross (\$)	N/A	N/A	N/A

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

Executive employment in the agency

Executive classification	Number of executives
SAES Level 1	0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-20 are attached to this report.

Statement of Comprehensive Income	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	Past year 2018-19 Actual \$000s
Total Income	2 212	4 281	2 069	4 176
Total Expenses	3 904	3 184	720	2 052
Net result	1 692	1 097	595	2 124
Total Comprehensive Result	1 692	1 097	595	2 124

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	Past year 2018-19 Actual \$000s
Current assets	0	0	0	0
Non-current assets	0	0	0	0
Total assets	0	9937	0	8708
Current liabilities	0	205	0	73
Non-current liabilities	0	0	0	0
Total liabilities	0	205	0	73
Net assets	0	9732	0	8635
Equity	0	9732	0	8635

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	N/A	N/A

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
N/A	N/A	N/A
	Total	N/A

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	N/A	N/A

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Land Access Management Services	Landholder engagement for Biodiversity Credit exchange	\$25,183.64
	Total	\$25,183.64

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#). The website also provides details of [across government contracts](#).

Other financial information

Clearance of native vegetation under the *Native Vegetation Act 1991*

During 2019-20, under the *Native Vegetation Act 1991*, 30 clearance applications were approved with clearance consent being granted to over 774.41 hectares of native vegetation and 53 trees (excluding brush-cutting applications).

Significant Environmental Benefit areas established to offset the clearance included the management of restoration of 400.63 hectares of native vegetation and agreed payments into the Native Vegetation Fund of \$112,647.80.

Clearance of native vegetation under the *Native Vegetation Regulations 2017*

During 2019-20, under the Native Vegetation Regulations, 157 clearance matters were approved. The total approved clearance was 397.10 hectares and 590 trees (these figures exclude applications for change of grazing practice or ecological management, where vegetation has not been removed).

A number of the approved clearances under the Native Vegetation Regulations required the establishment of an SEB. SEB's established to offset the clearance included the management and restoration of 945.60 hectares of native vegetation and agreed payments into the Native Vegetation Fund of \$2,089,197.55.

Summary of clearance under the *Native Vegetation Act 1991* and *Native Vegetation Regulations 2017*

During 2019-2020, under the Act and Regulations, a total of 1,171.51 hectares of native vegetation has been cleared and offset by the management and restoration of 1346.23 hectares of native vegetation, and \$2,201,845.35 of agreed SEB payments into the Native Vegetation Fund. The statistics for clearance applications and regulations can be found in Table 1.

Table 1. Clearance statistics for comparison of financial year 2018-19 and 2019-20

Clearance	Financial year 2018-19	Financial Year 2019-20
Clearance Application under Section 28	18	35
Clearance Application under Section 28 withdrawn	3	5
Hectares under Section 28	19.23	19.41
Brush-cutting under Section 28	268.7	755
Total approval under Section 28	287.93	774.41
Trees under Section 28	52	53
Applications under Regulation	178	166
Application under Regulation withdrawn / refused	16	9
Hectares under Regulation	2,079.68	337.10
Hectares approved under Management Plan (change of grazing regime or ecological management)	40,382	60
Total Hectares approved under Regulation	42,461.68	397.10
Trees under Regulation	678	590
\$ SEB under Section 28	461,473.19	112,647.80
\$ SEB under Regulation	7,018,590.23	2,089,197.55
Hectares SEB offset under Section 28	102.09	400.63
Hectares SEB offset under Regulation	11,239.51	945.60

Under the *Native Vegetation Act 1991*, the Council has the ability to provide delegation to certain departments to allow particular clearances under regulation to occur. A breakdown of the clearance that has occurred under delegation can be seen below in Table 2.

Table 2. Clearance decisions under Regulations by delegation 2019-20

Organisation with delegated officers	No of clearance decisions	Ha Native Vegetation cleared	Trees Removed	Committed SEB \$	Committed on-ground SEB (ha)
DEM Energy*	3	278.63	N/A	N/A	21,229.89
DEM Mining	8	219.84	2	\$43,6171.45	13.5
SA Water	4 (prescribed burns)	113.13	6	0	0
DPTI	71	505.02	174	\$3,862,877.81	21,469.22
Forestry SA	4	22.3	0	0	0
SA CFS	23	69.2ha Private, and 87.7ha burning on Private land project	2	0	0

*DEM Energy unable to provide all relevant data for the reporting period.

Table 3 provides the number of clearance decisions under regulation in each NRM Region.

Table 3. Clearance decisions under Regulation by NRM Region 2019-20

NRM Region	No. submitted	No. completed Applications	Withdrawn/ refused	Ha native Vegetation cleared	Trees Removed	Committed payment into NV Fund (\$)	Committed SEB (ha)
Adelaide and Mount Lofty Ranges	70	69	1	5.29	194	378,804.91	7.43
Alinytjara Wilurara	1	0	1	0	0	0	0
Eyre Peninsula	10	9	1	10.36	0	83,572.83	.21
Kangaroo Island	8	7	1	4.81	0	190,787.97	21.66
Northern and Yorke	14	12	2	105.97	12	545,993.99	30
SA Murray Darling Basin	42	40	2	137.88	287	683,724.54	65.3
SA Australian Arid Lands	8	8	0	127.49	0	49,051.94	821
South East	13	12	1	5.28	97	157,261.40	0
Total	166	157	9	397.09	590	2,089,197.58	945.6

Table 4 provides the number of clearance decisions by NRM Region under Section 28 of the Act.

Table 4. Clearance decisions under section 28 by NRM Region 2019-20

NRM Region	No. submitted	No. completed Applications	Withdrawn/ refused	Ha native Vegetation cleared	Trees Removed	Committed payment into NV Fund (\$)	Committed SEB (ha)
Adelaide and Mount Lofty Ranges	2	1	1	.25	0	0	.38
Alinytjara Wilurara	0	0	0	0	0	0	0
Eyre Peninsula	14	14	0	604.45	0	25,777.05	16.9
Kangaroo Island	3	3	0	10.98	18	31,496.68	372.79
Northern and Yorke	4	4	0	0.14	9	10,977.87	0.56
SA Murray Darling Basin	4	4	0	158.60	6	9,245.09	0
SA Australian Arid Lands	1	0	1	0	0	0	0
South East	7	4	3	0	20	35,151.11	10
Total	35	30	5	774.41	53	112,647.80	400.63

Other information

The *Native Vegetation Act 1991* provides for civil and summary enforcement proceedings for any infringement. 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 lie within the criminal jurisdiction of the ERD Court. This includes failure to comply with a Heritage Agreement.

Reports Received During 2019-20: Alleged Illegal Clearance

During the 2019-20 financial year, DEW's Investigation and Compliance Unit received or detected a total of 185 reports of potential clearance of native vegetation contrary to the *Native Vegetation Act 1991*. The reports are presented according to each NRM region in Table 5 below alongside data for the eight preceding financial years.

Table 5. Reports received by NRM Region 2011-12 to 2019-20

NRM Region	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Adelaide and Mount Lofty Ranges	53	61	60	21	29	30	38	51	53
Alinytjara Wilurara	0	0	1	0	0	0	0	0	0
Eyre Peninsula	14	17	22	34	11	32	26	5	21
Kangaroo Island	15	10	11	4	8	13	19	8	21
Northern and Yorke	29	24	25	8	14	21	12	15	20
SA Murray Darling Basin	36	34	34	22	25	21	29	38	35
SA Australian Arid Lands	1	2	1	0	0	1	3	2	1
South East	33	26	23	13	22	20	16	15	34
Sub-total	181	174	177	102	109	138	143	134	185
Change Detection Program	50	41	22	28	31	40	54	61	0
TOTAL *	231	215	199	130	140	178	197	195	185

There were a total of 185 reports of potential clearance of native vegetation received for 2019-20. This is consistent with the average number of reports recorded (186) over the preceding eight years of data collection despite there being no additional reports received through the Change Detection Program (CDP).

No reports of potential clearance of native vegetation were received through the CDP due to resourcing constraints. The CDP analyses satellite imagery on an annual basis to detect changes in native vegetation cover. Satellite imagery is obtained over each region of the State at regular intervals providing a series of geographically and spectrally calibrated images of the same location across a period of time. Prior to 2019-20, on an average, 20-30% of alleged native vegetation clearances annually are detected via the CDP.

With respect to the number of reports received of potential clearance of native vegetation received (minus CDP reports) the number of reports received in 2019-20 were significantly higher (185 reports) than the average number over the preceding 8 years of data collection (149 reports).

Action taken from Reports received 2019-20: alleged illegal clearance

A range of actions is available following a report of illegal clearance. The Native Vegetation 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 upon receiving 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 2017*) - Where clearance has been investigated and assessed to be exempt under the Regulations.
- No further action (NFA) — 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 and 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 or minor and is accidental or mistaken, and not a repeat occurrence, a formal caution may be issued.
- Enforcement notice (section 31 E of the Act) — 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 \$750 fine may be issued by an authorised officer, with the authority of the NVC under section 35(5) of the Act. 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 potentially pursue legal proceedings.

There were a total of 185 clearance reports received this financial year. A total of 73 reports (40%) were considered to be either No Further Action (NFA) required (7%), Exempt - Non Native (15%) or Exempt – Regulation (18%) under the *Native Vegetation Regulations 2017*. A further 57 reports (31%) received Education letters (19%) or Caution letters (12%) for minor clearance breaches. There was a marked increase in the number of enforcement notices (32 reports or 17%), to either stop work

and/or make good the clearance issued in 2019-20 compared to 10 reports in 2018-19. There were only 2 reports that were believed to be serious offences and were referred to investigation to gather further evidence to pursue legal proceedings.

Figure 1 summarises the actions taken from reports of alleged illegal clearance for the 2019-20 financial year, and Figure 2 averages out the actions taken across a 9-year period from the 2011-12 financial year to 2019-20 financial year.

Figure 1. Compliance Actions taken for Reports received for the 2019-20 financial year

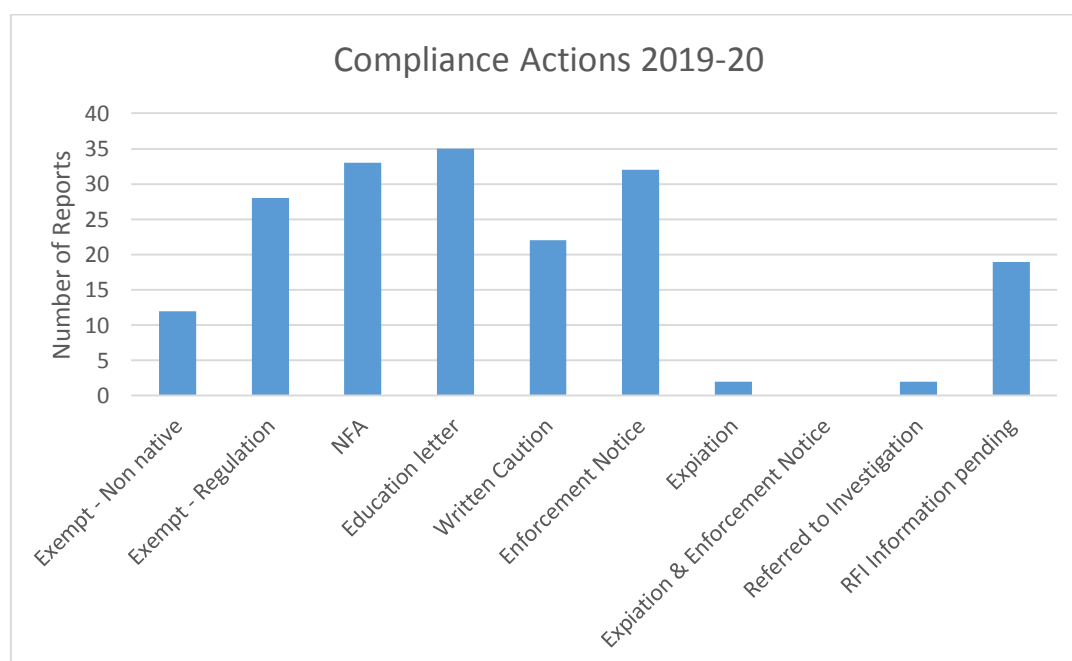
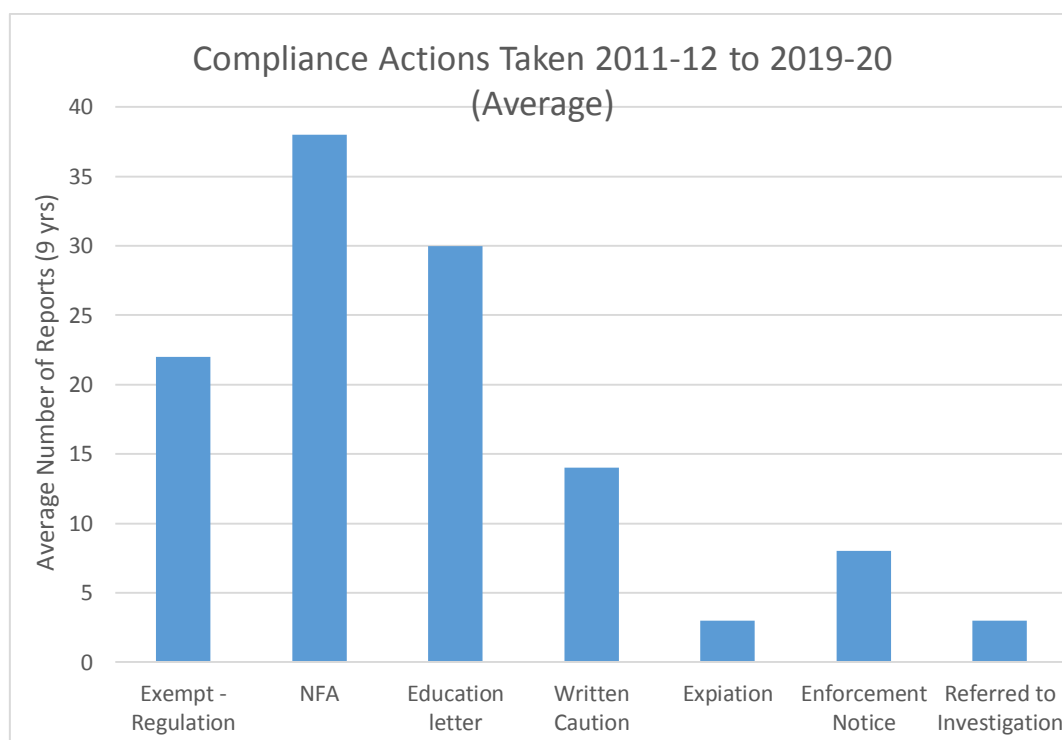


Figure 2. Average of compliance Actions taken for Reports received 2011-12 to 2019-20 financial year



The Native Vegetation Working Group was established in 2016-17 and consists of NVB and DEW Compliance Unit members including the respective Managers of both units and the Native Vegetation Compliance Coordinator. The purpose of this working group is to determine the appropriate enforcement action for a report of unlawful clearance including whether the report is referred to investigation.

Criminal Prosecutions

For the 2019-20 financial year:

- There was one matter awaiting Judgment on appeal from trial on the 20 January 2017 in the Adelaide Magistrates Court. Judgment was delivered on 14 May 2019 with the Court upholding the convictions on the first two counts and dismissing the third count on the basis of duplicity. The matter was remitted to the Magistrate's Court for sentence on 2 October 2019 where a conviction was recorded and a fine of \$22,000 was imposed together with prosecution costs in the amount of \$10,134.40.
- One defendant entered a plea of guilty to the clearance of over 30 hectares of native vegetation that included white Cyprus pine and low woodland between 15 May 2014 and 22 October 2015. The defendant pleaded guilty and was convicted and fined \$18,000.

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.

For the 2019-20 financial year:

- One company and one person entered a plea of guilty to the clearance of six pivots of native vegetation between 21 January 2013 and 21 January 2015. The civil conference for the clearance of six pivots of native vegetation has been adjourned to 21 January 2021.
- A defendant pleaded guilty to the clearance of over 30 hectares of native vegetation that included white Cyprus pine and low woodland between 15 May 2014 and 22 October 2015 with a civil conference on 24 August 2020.
- The matter where judgment was delivered on 14 May 2019 with the Court upholding the convictions on the first two counts and dismissing the third count on the basis of duplicity has a civil conference listed on 24 August 2020.

Native Vegetation Compliance Changes

The NVC continued in the 2019-20 year to support the Compliance Unit with a budget of \$90,544.00 for the Prosecution Officer.

The Prosecution Officer within DEW's Compliance Unit continues to provide assistance and advice on alleged breaches of the Act. They also appear in the Magistrates Court and ERD Court on behalf of DEW and the NVC on minor summary offences, as well as being the instructors to the Crown Solicitors Office on high risk/serious breaches of the Act.

DEW Fire

In addition to the above, in the 2019-20 financial year, DEW completed 44 burns on multiple land tenures, treating approximately 4,328 hectares of bushfire prone land across the state under the Native Vegetation Council's DEW Fire Standard Operating Procedure.

It should be noted that there is an ability to clear under the Native Vegetation Regulations that does not require consultation with the Council, for example clearance within 10 metres around a prescribed building or structure, clearance to establish or maintain a walking track no more than 0.5 metres in width for private use. The amount of such clearances is therefore unknown.

Risk management

Risk and audit at a glance

Fraud detected in the agency

Category/nature of fraud	Number of instances
It is declared that there were no instances of fraud detected in the activities undertaken by the Council in this reporting period.	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

Strategies to detect instances of fraud are reported in the DEW Annual Report 2019-20.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

Zero

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
N/A	N/A

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	1
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	3
		Total	4

Further reporting on this matter is contained within the DEW Complaints Register and DEW Annual Report 2019-20.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

Additional Metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	4
Total number of feedback comments	4
% complaints resolved within policy timeframes	4

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/native-vegetation-council-annual-report-data>

Service Improvements resulting from complaints or consumer suggestions over 2019-20

The Native Vegetation Branch continues to work with IT Services to improve the quality and usability of the online application for clearance portal for the public.

The branch also works with the DEW Natural Resources Centre located in the Waymouth Street offices, to direct calls and enquiries to appropriate personnel within the branch, assisting to streamline the process for members of the public.

Continued improvements to the Native Vegetation Council's website are also ongoing to ensure that it is easily navigated and the requirements of the *Native Vegetation Act 1991* is explained in 'plain English' for better understanding.

Appendix: Audited financial statements 2019-20

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Presiding Member Native Vegetation Council

Opinion

I have audited the financial report of the Native Vegetation Fund the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Native Vegetation Fund as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member of the Native Vegetation Council, and the Chief Executive and Acting Chief Financial Officer of the Department for Environment and Water.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Native Vegetation Fund. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

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

Responsibilities of the Chief Executive and the Council for the financial report

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

The Members of the Council are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Native Vegetation Fund for the financial year ended 30 June 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Native Vegetation Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with Chief Executive and the Presiding Member, Native Vegetation Council about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

27 October 2020

Native Vegetation Fund

Financial Statements

For the year ended 30 June 2020

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
- present a true and fair view of the financial position of the Native Vegetation Fund as at 30 June 2020 and the results of its operations 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.



Emily Jenke

Presiding Member

Native Vegetation Council

21 October 2020



John Schutz

Chief Executive

Department for Environment and Water

21 October 2020



Andrew Geytenbeek

A/Chief Financial Officer

Department for Environment and Water

21 October 2020

Native Vegetation Fund
Statement of Comprehensive Income
for the year ended 30 June 2020

		2020	2019
	Note	\$'000	\$'000
Income			
Intra-government transfers	2.1	1 197	1 168
Fees and charges	2.2	3 035	2 878
Interest	2.3	49	100
Other income	2.4	-	30
Total income		4 281	4 176
Expenses			
Supplies and services	4.1	61	75
Grants and subsidies	4.2	3 112	1 747
Other expenses	4.3	11	230
Total expenses		3 184	2 052
Net result		1 097	2 124
Total comprehensive result		1 097	2 124

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Native Vegetation Fund
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	5.1	8 808	7 955
Receivables	5.2	1 129	753
Total current assets		9 937	8 708
Total assets		9 937	8 708
Current liabilities			
Payables	6.1	205	73
Total current liabilities		205	73
Total liabilities		205	73
Net assets		9 732	8 635
Equity			
Retained earnings		9 732	8 635
Total equity		9 732	8 635

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Native Vegetation Fund
Statement of Changes in Equity
for the year ended 30 June 2020

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	6 511	6 511
Net result for 2018-19	2 124	2 124
Total comprehensive result for 2018-19	2 124	2 124
Balance at 30 June 2019	8 635	8 635
Net result for 2019-20	1 097	1 097
Total comprehensive result for 2019-20	1 097	1 097
Balance at 30 June 2020	9 732	9 732

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Native Vegetation Fund
Statement of Cash Flows
for the year ended 30 June 2020

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Intra-government transfers		1 197	1 168
Fees and charges		2 651	2 412
Interest received		57	98
Other receipts		-	30
Cash generated from operating activities		3 905	3 708
Cash outflows			
Payments for supplies and services		(61)	(56)
Payments of grants and subsidies		(2 981)	(1 747)
Other payments		(10)	(230)
Cash used in operating activities		(3 052)	(2 033)
Net cash provided by / (used in) operating activities		853	1 675
Net increase / (decrease) in cash and cash equivalents		853	1 675
Cash and cash equivalents at the beginning of the period		7 955	6 280
Cash and cash equivalents at the end of the period	5.1	8 808	7 955

The accompanying notes form part of these financial statements.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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Native Vegetation Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2020

1. About the Native Vegetation Fund

The Native Vegetation Fund (the Fund) is established pursuant to section 21 of the *Native Vegetation Act 1991* (the Act).

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

The financial activities of the Fund are 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).

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the 2019-20 financial statements the Fund adopted AASB 15 – Revenue from Contracts with Customers, and AASB 1058 – Income of Not-for-Profit Entities. Further information is provided in note 7.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

1.2. Objectives and programs

Objectives

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.

1.3. Impact of COVID-19 pandemic on the Fund

The COVID-19 pandemic impacted from March 2020. DEW, as a service provider to the Native Vegetation Council, managed the move of a significant number of staff to work from home arrangements where feasible. DEW also ensured precautions were taken for staff and the public where sites, and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2. Income

2.1. Intra-government transfers

	2020	2019
	\$'000	\$'000
Intra-government transfers	1 197	1 168
Total Intra-government transfers	1 197	1 168

Intra-government transfers are recognised as income on receipt.

2.2. Revenues from fees and charges

	2020	2019
	\$'000	\$'000
Significant environmental benefits *	2 982	2 746
Fees, fines and penalties	53	132
Total revenues from fees and charges	3 035	2 878

* 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.

Revenues from fees and charges are recognised when invoices are raised.

2.3. Interest revenues

	2020	2019
	\$'000	\$'000
Interest from entities within the SA Government	49	100
Total interest revenues	49	100

2.4. Other income

	2020	2019
	\$'000	\$'000
Refund of unspent grant funds	-	30
Total other income	-	30

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Fund include the Minister for Environment and Water and the members of the Native Vegetation Council. The compensation of the Fund's key management personnel was \$39 000 (2019: \$54 000).

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

No transactions with key management personnel or related parties occurred during 2019-20.

3.2. Remuneration of council and committee members

Members during 2019-20 financial year were:

Native Vegetation Council

E C Jenke (Presiding Member)
J H Neal
R S Hill (appointed Sept 2019)
C Hollingsworth* (appointed Sept 2019)
P A Paton (retired Sept 2019)
J Peacock (retired March 2020)
K L Muller (Deputy) (retired Sept 2019)
M C Roche
R B Sawers (appointed Sept 2019)
N P P Sommerville

Native Vegetation Assessment Panel

N P P Sommerville (Chairperson)
(appointed March 2020)
J H Neal
R S Hill (appointed March 2020)

* 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.

Board and committee remuneration

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

	2020	2019
\$0 - \$19 999	9	8
\$20 000 - \$39 999	1	1
Total number of members	10	9

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$39 000 (2019: \$55 000) and has not been recognised in these financial statements. The remuneration of members is provided by DEW.

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.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Expenses

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Fee for service	27	1
Minor works	11	20
Accommodation	9	9
Legal costs	7	22
General administration	4	15
Contractors	-	4
Travel and accommodation	-	3
Other	3	1
Total supplies and services	61	75

4.2. Grants and subsidies

	2020	2019
	\$'000	\$'000
Recurrent grants (i)	1 973	1 434
Significant environmental Benefit (SEB) grants	1 139	313
Total Grants & Subsidies	3 112	1 747

(i) Recurrent Grants

Contribution to the Native Vegetation Council (NVC) Secretariat for Biodiversity Assessment Function	611	411
Contribution to Incentives Program NVC	502	321
Contribution to DEW for Manager Native Vegetation Management Unit (NVMU)	144	71
Contribution to DEW for Compliance Function NVC	144	-
Contribution to DEW for Coordinator, Assessment and Stakeholder Liaison	128	63
Contribution to DEW for Coordinator, Governance and Administration	116	58
Contribution to the NVC Secretariat for NVC Administrative Support	98	63
Contribution to DEW Investigations and Compliance Unit	90	204
Contribution to DEW for Operating Costs NVMU	71	52
Contribution to the NVC for Council Operating Costs	66	78
Contribution to DEW for Change Detection Program	3	113
Total recurrent grants	1 973	1 434

For grants payable, the grant will be recognised as a liability and expense when the entity has a present obligation to pay the grant and the expense recognition criteria are met. All grants paid by the Fund have been with unconditional stipulations attached.

Significant Environmental Benefit (SEB) Grants are provided to restore, re-vegetate and protect areas of native vegetation within South Australia.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4.3. Other expenses

	2020	2019
	\$'000	\$'000
Assets transferred for nil consideration	-	220
Audit fees paid/payable to the Auditor-General's Department	11	10
Total other expenses	11	230

5. Financial assets

5.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	8 808	7 955
Total cash and cash equivalents	8 808	7 955

Cash is measured at nominal value.

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.

5.2. Receivables

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Receivables	1 128	744
Accrued interest	1	9
Total current receivables	1 129	753
 Total receivables	 1 129	 753

Receivables arise from fees and penalties and compensation payments in respect to offences against the Act. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Native Vegetation Fund
Notes to and forming part of the financial statements
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6. Liabilities

6.1. Payables

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Trade payables	194	63
Accrued expenses	11	10
Total current payables	205	73
 Total payables	 205	 73

Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Native Vegetation Fund
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7. Changes in accounting policy

7.1. AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue and related Interpretations* and applies to all revenue arising from contracts with customers.

Impact on retained earnings

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

7.2. AASB 1058 Income for Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

7.3. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Outlook

8.1. Unrecognised contractual commitments

The Fund has no unrecognised contractual commitments as at 30 June 2020.

8.2. Contingent assets and liabilities

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.

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.

8.3. 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:

	2020	2019
	\$'000	\$'000
Mount Lofty Ranges Greater Basin	2 514	2 236
SA Murray Darling Basin	1 480	1 450
SA Arid Lands	1 490	1 144
Northern & Yorke Agricultural District	1 259	947
Alinytjara Wilurara	641	725
South East	407	370
Kangaroo Island	284	277
Eyre Peninsula	228	273
Total restrictions on contributions received	8 303	7 422

8.4. COVID-19 pandemic outlook for the entity

The COVID-19 pandemic will continue to impact the operations of the DEW in providing services to the Council in 2020 21. Delays in delivery of outputs may continue to arise from travel restrictions, and changes to working arrangements for staff.

8.5. Events after the reporting period

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

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9. Measurement and risk

9.1. Financial instruments

Financial risk management

Risk management is managed by DEW's corporate services section and DEW's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Fund's exposure to financial risk (liquidity, credit and market) is low due to the nature of the financial instruments held.

Liquidity risk

The Fund is funded principally by revenues from significant environmental benefits raised under the Act. The Council and DEW works with DTF to determine the cash flows associated with its approved program of work.

There have been no changes in risk exposure since the last reporting period.

Refer to note 6.1 for further information.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9.1. Financial instruments (continued)

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 the respective financial asset/financial liability note.

Classification of Financial instruments

The Fund measures all financial instruments at amortised cost.

	2020 Carrying amount \$'000	2019 Carrying amount \$'000
Category of financial asset and financial liability		
<u>Financial assets</u>		
Cash and cash equivalents		
Cash and cash equivalents	8 808	7 955
Financial assets at amortised cost		
Receivables	1 129	753
Total financial assets	9 937	8 708
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Payables	194	63
Total financial liabilities	194	63

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