

HOUSE OF ASSEMBLY
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28 Nov 2019



**Government
of South Australia**

NATIVE VEGETATION COUNCIL

2018-19 Annual Report

NATIVE VEGETATION COUNCIL

Level 4, 81-95 Waymouth Street, Adelaide SA 5000

PO Box 1047, Adelaide SA 5001

www.nvc.sa.gov.au

Contact phone number: +61 8 8207 7728

Contact email: nvc@sa.gov.au

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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 *(insert relevant acts and regulations)* and 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 _____ 21/10/2019 _____

Signature



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.

That being said, the Council has addressed a number of matters over the 2018-2019 financial year. Not only have we considered significant native vegetation clearance across the state, including 196 applications, we have established the Local Council Roadside Guidelines and Local Government Tree Management Guidelines, introduced public consultation for significant clearance applications, completed an review and amendment of the offset calculation method and update of native vegetation act policies.

Emissions from car travel conducted by staff supporting the Council's work has been offset through certified carbon credits, supporting South Australian biodiversity carbon plantings.

The Council is pleased to provide its annual report for 2018-19. 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 Native Vegetation Council

Our strategic focus

<p>Our Purpose</p>	<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>Its 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.
<p>Our Vision</p>	<p>To support the community to enhance, protect and sustainably use native vegetation.</p>
<p>Our Values</p>	<p>Provide clarity for the community and stakeholders who need to manage native vegetation.</p>
<p>Our functions, objectives and deliverables</p>	<p>A primary function of the <i>Native Vegetation Act 1991</i> (the Act) is to protect and enhance the natural environment of South Australia, 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, when impacts to vegetation are approved, to ensure 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, this includes the following:</p> <ul style="list-style-type: none"> • Review the condition of the native vegetation of the State. • Advise the Minister in relation to –

	<p>(a) the preservation, enhancement and management of existing native vegetation</p> <p>(b) the re-establishment of native vegetation on land where native vegetation has been cleared or degraded.</p> <p>(c) research into the preservation, enhancement and management of native vegetation and the re-establishment of native vegetation on cleared land.</p> <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>. • Encourage research into the preservation, enhancement and management of existing native vegetation. • Encourage the re-establishment of native vegetation on land from which 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

The Native Vegetation Council is made up of the following members:

Presiding Member – Emily Jenke

Conservation Council nominee - Maurice Roche, Deputy Mary-Anne Healy

NRM nominee – Penelope Paton, Deputy Roger Wickes

Primary Producers SA nominee - Natalie Sommerville, Deputy Roger Farley

Local Government Assoc. nominee –John Neal, Deputy Penelope Morgan

Minister’s nominee – Vacant, Deputy Kerri Muller

Minister’s Planning, Development or Mining nominee – Vacant, Deputy Ana Glavinic

Changes to the Council

During 2018-19 there were the following changes to the Council’s structure:

- Minister’s nominee Joe Keynes retired from his position, allowing Deputy Kerri Muller to fill the position.

- Minister's Planning, Development or Mining nominee Mark Adcock retired from his position, allowing Ana Glavinic to fill the position.

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*

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

Standard Operating Principles (SOP)

- SA Water
- Department for Planning, Transport and Infrastructure
- 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 58 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>.</p> <p>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 environment.</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 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</p>
Better Services	<p>The Native Vegetation Council introduced a public consultation phase for significant applications to clear native vegetation under the Native Vegetation Regulations and Section 28 of the Act.</p> <p>The Native Vegetation Council developed new Local Council Roadside Guidelines and Tree Management Guidelines to assist council in undertaken vegetation management without the need to seek approval in all instances of clearance.</p>

Agency specific objectives and performance

Agency objectives	Indicators	Performance
<p>Clearance approvals (Native Vegetation Assessments)</p>	<p>The Native Vegetation Assessment function provides certainty to the community and business who require to clear vegetation by providing timely and practical advice.</p> <p>The 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>2,098.91 hectares of native vegetation has been approved to be cleared (2,079.68 hectares under Regulation and 19.23 hectares under Section 28 of the Act). A further 40,382 hectares was approved with an associated management plan (predominantly related to changes in grazing management) and 268.70 hectares was approved for brushcutting.</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 a quicker process in obtaining approval. The portal https://apps.environment.sa.gov.au/nvmu/ helps users navigate their way through the application process.</p>

Offsetting native vegetation loss (Significant Biodiversity Offset Program)	To offset the loss of native vegetation clearance, 11,341.60 hectares of direct on-ground works has been approved for delivery by the private sector throughout regional South Australia. A further \$908,525.70 has been invested from the native vegetation fund, across six regions to deliver on-ground projects to re-establish native vegetation to offset the vegetation that was removed.	Environmental impacts are offset which will maintain and improve South Australia's native vegetation. The biodiversity offset program provides an opportunity for landholders to expand their business by providing environmental services for the public and private sector who require offsets.
	Funding of \$220,000 was provided to DEW to purchase land to be added to Kaiserstuhl Conservation Park through the SEB Grants.	The purchase of the site provides the long term protection of an area adjacent to the Kaiserstuhl Conservation Park, expanding its total area and providing more access for the community to enjoy their parks while improving South Australia's environmental assets.
Private Land Conservation Program (Native Vegetation Heritage Agreements)	During 2018-19, 25 new heritage agreements applications were received. Seven requests for variations and subdivisions to existing heritage agreements were received. 18 heritage agreements were registered by the Minister or his delegate. 1,849,511.39 hectares of vegetation is protected through heritage agreements.	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>In 2018-19 the Council expended \$36,252 for the fencing of four high-value Eyre Peninsula conservation areas. Furthermore, \$60,000 was provided for distribution to heritage agreement landholders in the South East affected by the Sherwood Fire (estimated at 14.8 kilometres of fencing protecting 753.95 hectares).</p>	<p>Supporting landholders in managing the impacts of bushfires through reinstating fences to maintain property boundaries.</p>
<p>Native Vegetation Change Detection Program (CDP)</p>	<p>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. On an average, 20-30% of alleged native vegetation clearances annually are detected via the Native Vegetation Change Detection Program (CDP).</p> <p>Analysis of satellite and aerial imagery detected 4,290 hectares of vegetation change over the agricultural areas of the state. Further examination was undertaken to eliminate any legitimate clearance including approved or exempt clearance as well as natural events like wildfires which reduced the area to 64 hectares, the largest single clearance event detected was 40 hectares</p>	<p>Environmental sustainability is promoted in regional South Australia by ensuring people wishing to clear native vegetation seek approval and provide an offset when required. For those that do not seek approval and have breached the Native Vegetation Act, they are treated fairly and equitably through a compliance process.</p>
<p>Public Consultation</p>	<p>Native Vegetation Council introduced a public consultation phase for significant applications to clear native vegetation under the Native Vegetation Regulations and Section 28 of the Act.</p>	<p>Public consultation provides the opportunity for the public to make comment on particular applications where they may have an issue to raise with the proposal or how it's addressed under the Act.</p>

Corporate performance summary

Employment opportunity programs

	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.	To be undertaken in November 2019.
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 2018-19.

Workplace injury claims	Current year 2018-19	Past year 2017-18	% 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 2018-19	Past year 2017-18	% 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 2018-19	Past year 2017-18	% 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 financial performance and position as at 30 June 2019 are contained within the audited financial statements and attached to the Annual Report Appendix.

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
Hays Recruitment	Native Vegetation Council Incentives Program and DEW Operating Budget	\$4,443

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

Contractors	Purpose	\$ Actual payment
Hays Recruitment	Shared Services SA temporary labour hire –	\$15,600
	Total	\$20,043

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 2018-19, under the *Native Vegetation Act 1991*, 18 clearance applications were approved with clearance consent being granted to over 19.23 hectares of native vegetation and 52 trees (excluding brushcutting applications).

Significant Environmental Benefit areas established to offset the clearance included the management and restoration of 102.09 hectares of native vegetation and agreed payments into the Native Vegetation Fund of \$461,473.19.

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

During 2018-19, under the *Native Vegetation Regulations*, 178 clearance matters were approved. The total approved clearance was 2079.68 hectares and 678 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. SEBs established to offset the clearance included the management and restoration of 11,239.51 hectares of native vegetation and agreed payments into the Native Vegetation Fund of \$7,018,590.23.

During 2018-2019, under the Act and Regulations, a total of 2,098.91 hectares of native vegetation has been cleared and offset by the management and restoration of 11,341.60 hectares of native vegetation, and \$7,480,063.42 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 2017-18 and 2018-19

Clearance	Financial Year 2017-18	Financial Year 2018-19
Clearance Application under section 28	18	18
Clearance Application under section 28 withdrawn	N/A	3
Hectares under section 28	42.99	19.232
Brush cutting under Section 28	N/A	268.7
Total approval under Section 28	N/A	287.932
Trees under section 28	62	52
Applications under Regulation	176	178
Applications under Regulation withdrawn	N/A	14
Applications under Regulation refused	N/A	2
Hectares under Regulation	4,069	2079.682
Hectares approved under Management Plan (change of grazing regime or ecological management)	N/A	40,382
Total Hectares approved under Regulation	N/A	42,461.682
Trees under Regulation	735	678
\$ SEB under section 28	111,018.91	461,473.19
\$ SEB under Regulation	8,497,684.77	7,018,590.23
Hectares SEB offset under section 28	774.08	102.09
Hectares SEB offset under Regulation	1,500.78	11,239.51

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 2018-19

Organisation with delegated officers	No of clearance decisions	Ha Native Vegetation cleared	Trees Removed	Committed SEB \$	Committed on-ground SEB (ha)
DEM Energy	3	372.3	0	151,588.62	0
DEM Mining	7	588.58	2	211,756.56	3,318.52*
SA Water	13	16.1	14	252,953.66	2.4
DPTI	67	745.93	258	3,973,044. 81	0
Forestry SA	1	8.3	0	0	0
SA CFS	17	2408.45 ⁺	2	0	0

*Nominal figure based on SEB points divided by 8. On-ground SEB satisfied through a third party provider.

⁺2408ha approved under delegation, yet works conducted by DEW Fire and is reflected in their statistics also.

Table 3 provides the number of clearance decisions under regulation in each NRM region and Table 4 provides the number of clearance decisions under Section 28 of the Act.

Table 3. Clearance decisions under Regulation by NRM Region 2018-19.

NRM Region	No. submitted	No. completed Applications	Withdrawn/refused	Ha Native Vegetation cleared	Trees Removed	Committed payment into NV Fund (\$)	Committed SEB (ha)
Adelaide & Mount Lofty Ranges	68	60	8	15.56	318	1,265,505.15	138.69
Alinytjara Wilurara	1	1	0	6.12	0	34,498.01	0
Eyre Peninsula	21	20	1	732.43	10	3,491,184.99	4915.13
Kangaroo Island	10	8	2	3.95	3	58,066.43	24.78
Northern and Yorke	15	12	3	789.95 (782*)	13	47,100.50	21.02

SA Murray Darling Basin	55	54	1	115.55	306	848,248.89	531.73
South Australian Arid Lands	14	13	1	40,745.97 (39,600*)	6	1,259,090.38	5608.16
South East	10	10	0	52.11	22	14,895.88	0
Total	194	178	16	42,461.68	678	7,018,590.23	11,239.51

* grazing and regrowth applications

Table 4. Clearance decisions under section 28 by NRM Region 2018-19

NRM Region	No. submitted	No. of completed Applications	Withdrawn/ refused	Ha Native Vegetation Cleared	Trees Removed	Committed payment into NV Fund (\$)	Committed on-ground works (Ha)
Adelaide and Mount Lofty Ranges	4	4	0	0.56	14	20,506.83	7.5
Alinytjara Wilurara	0	0	0	0	0	0	0
Eyre Peninsula	1	0	1	0	0	0	0
Kangaroo Island	0	0	0	0	0	0	0
Northern and Yorke	3	2	1	4.95	20	405,253.92	0
SA Murray Darling Basin	8	8	0	278.42 (268.7*)	11	22,197.49	88.59
South Australian Arid Lands	0	0	0	0	0	0	0
South East	5	4	1	4	7	13,514.95	6
Totals	21	18	3	287.93	52	461,473.19	102.09

*brushcutting approval area

Other information

COMPLIANCE WITH THE NATIVE VEGETATION ACT 1991

The Act 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.

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

Reports Received During 2018-19: Alleged Illegal Clearance

During the 2018-19 financial year, DEW's Investigation and Compliance Unit received or detected a total of 195 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 4 below alongside data for the eight preceding financial years.

Table 5: Reports received by NRM Region 2010-11 to 2018-19

NRM Region	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	
									Reports received	CDP identified
Adelaide & Mount Lofty Ranges	50	53	61	60	21	29	30	38	51	0
Alinytjara Wilurara	0	0	0	1	0	0	0	0	0	0
Eyre Peninsula	34	14	17	22	34	11	32	26	5	4
Kangaroo Island	14	15	10	11	4	8	13	19	8	6
Northern & Yorke	28	29	24	25	8	14	21	12	15	4
SA Arid Lands	1	1	2	1	0	0	1	3	2	0
SA Murray Darling Basin	36	36	34	34	22	25	21	29	38	0
South East	48	33	26	23	13	22	20	16	15	47
Sub-total	211	181	174	177	102	109	138	143	134	
Change Detection Program	0	50	41	22	28	31	40	54		61
TOTAL*	211	231	215	199	130	140	178	197		195

There were a total of 195 reports received for 2018-19. This is above the average number recorded (188) over the prior eight years of data collection since the year 2010-11. Of the 195 reports, 61 (31%) were detected through the Change Detection Program (CDP) with the South East representing 47 (77%) of CDP matters detected. 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. On an average, 20-30% of alleged native vegetation clearances annually are detected via the Native Vegetation Change Detection Program (CDP).

On closer examination of the CDP matters, an analysis of satellite and aerial imagery detected 4,290 hectares of vegetation change over the agricultural areas of the state. Further examination was undertaken to eliminate any legitimate clearance including approved or exempt clearance as well as natural events like wildfires which reduced the area to 64 hectares, the largest single clearance event detected was 40 hectares.

Action taken from Reports received 2018-19: 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 31E 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 134 clearance reports received this financial year. A total of 59 reports (44%) were considered to be either No Further Action (NFA) required (16.5%), Exempt - Non Native (11%) or Exempt – Regulation (16.5%) under the *Native Vegetation Regulations 2017*. A further 59 reports (44%) received Education letters (33%) or Caution letters (11%) for minor clearance breaches. One matter was expiated and was required to make good the clearance. An additional 10 reports (7.5%) resulted in Enforcement Notices being issued to either stop work and/or make good the clearance and 5 clearance reports (4%) were believed to be serious offences and were referred to investigation to gather further evidence to potentially pursue legal proceedings.

Figure 1 summarises the actions taken from reports of alleged illegal clearance for the 2018-19 financial year, and Figure 2 averages out the actions taken across a 9-year period from the 2010-11 financial year to 2018-19 financial year.

Figure 1: Compliance Actions taken for Reports received for the 2018–19 financial year

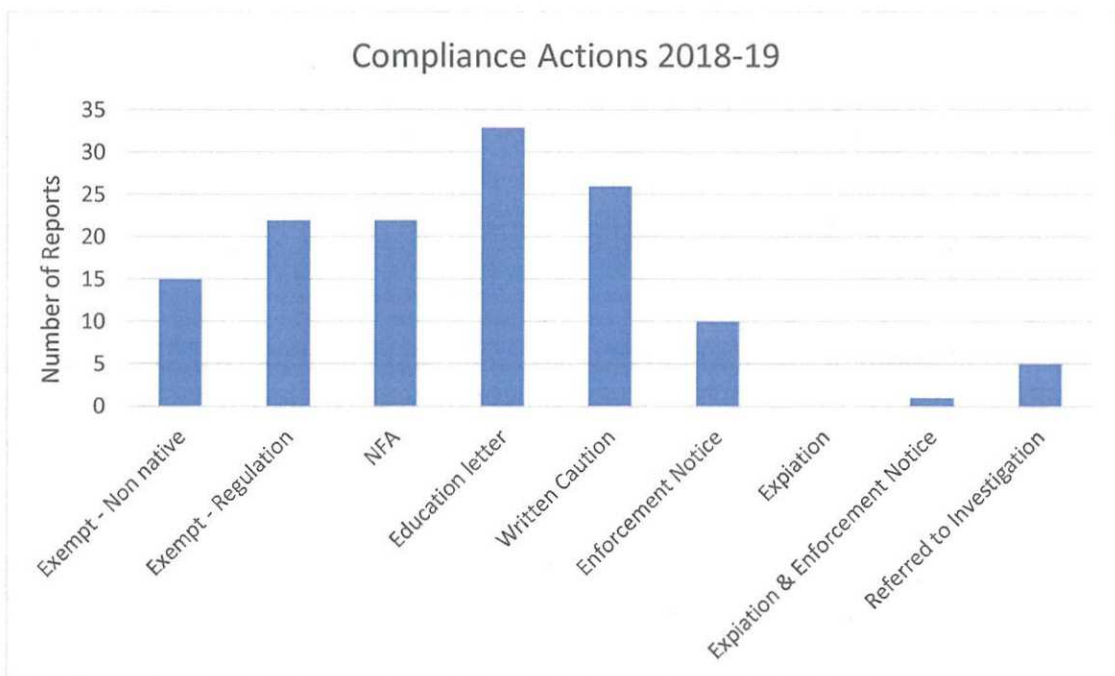
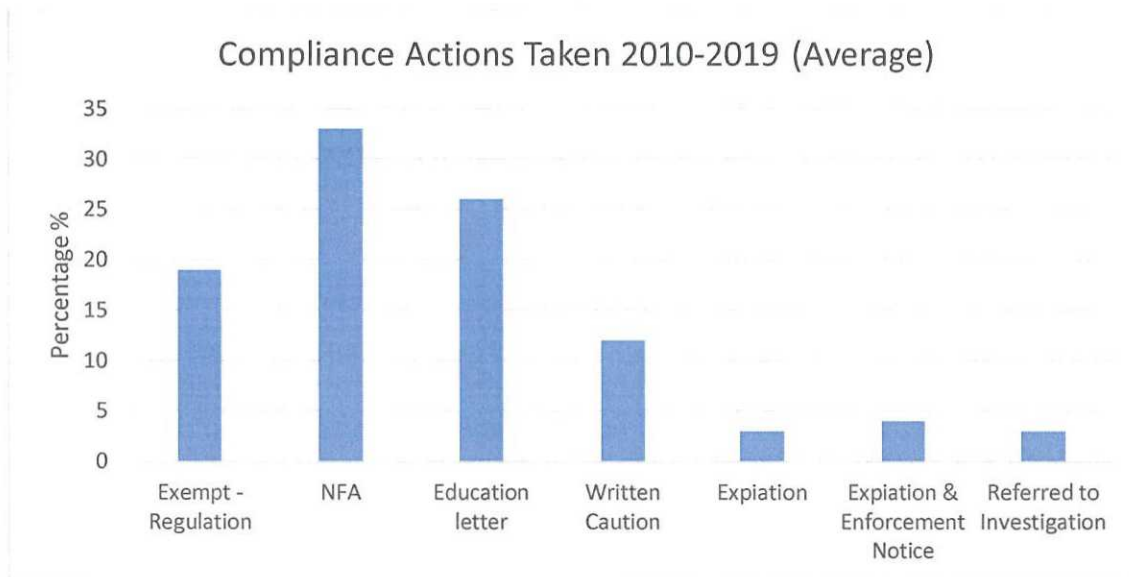


Figure 2: Percentages of Compliance Actions taken for Reports received 2010-11 to 2018-19 financial year



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

Criminal Prosecutions

- One matter was 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 duplication. The matter was remitted to the Magistrate's Court for sentence on 2 October 2019. Once the criminal penalty is imposed the civil proceedings will be called on for conference in the Environment Resources and Development (ERD) Court to start off those proceedings again.
- 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 was convicted and fined \$10,800.
- One company and one person (the defendants) entered a plea of guilty to the clearance of six pivots of native vegetation between 21 January 2013 and 21 January 2015. The company was convicted without further penalty and court costs and levies were imposed in the amount of \$1,120. The person was convicted and fined \$52,000 with further costs and levies of \$960.

- One company and one person (the defendants) pleaded guilty to the clearance of approximately 115 hectares of native vegetation in a heritage agreement area. The matter was finalised in the ERD Court on 18 October 2018. The company received penalties of \$21,000 and \$16,500 and the person penalties of \$33,600 and \$26,400. The civil proceedings were finalised by agreement on 16 May 2019.

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.
- Civil proceedings were commenced against a landholder for the clearance of 0.2 hectares of native vegetation. The matter will be resolved by the respondent making a lump sum payment into the fund in the amount of \$9,500 and publishing a notice in the usual form advising of the clearance. The matter has been adjourned until August 2019 for final orders to be made.
- The clearance of six pivots of native vegetation has been adjourned to 7 November 2019.
- One company and one person (the defendants) pleaded guilty to the clearance of approximately 115 hectares of native vegetation in a heritage agreement area. The matter was finalised in the ERD Court on 18 October 2018. The civil proceedings were finalised by agreement on 16 May 2019. The respondents were ordered to repair and maintain stockproof fencing around the heritage agreement area, remove all infrastructure from the area and erect signage at gateways and entry points relative to the Heritage area. The respondent was ordered to maintain a register identifying the heritage agreement areas that are owned by the respondent. An amount of \$2000 costs were ordered against the respondents.

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.

- Two Court Orders (the Orders) were annulled during the 2018-19 financial year due to both Respondents having complied with the directives of the Orders to make good their breach. Another two Orders ceased due to the Respondents having completed their financial obligation to make good their breach.

Native Vegetation Compliance Changes

The NVC continued in the 2018-19 year to support DEW's Investigation and Compliance Unit with a budget of \$204,366.00 for the Coordinator Native Vegetation Compliance and the Prosecution Officer.

The Coordinator Native Vegetation Compliance within DEW's Compliance Unit continues to receive, assess and action unlawful clearance reports. The Coordinator Native Vegetation Compliance is also responsible for monitoring civil court orders and reporting to the NVC on breaches of the Act.

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 instructor to the Crown Solicitor's Office on high risk and serious breaches of the Act.

DEW Fire

In addition to the above, in 2018-19 DEW completed 53 burns on multiple land tenures, treating approximately 4,500 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.	N/A

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 2018-19.

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

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

Zero occasions

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
N/A	N/A

Reporting required under the *Carers' Recognition Act 2005*

Not Applicable.

Public complaints

Number of public complaints reported (as required by the Ombudsman)

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
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	0
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 2018-19
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	0
		Total	0

The Council recognises there were likely some complaints during the reporting period and are systematically capturing complaints data in a register from 1 July 2019.

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 2018-19

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

Additionally, continue 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 2018-19



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

To the Presiding Member Native Vegetation Council

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 2019.

Opinion

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 2019, 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- 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 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

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

31 October 2019

Native Vegetation Fund

Financial Statements

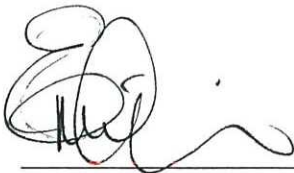
For the year ended 30 June 2019

Native Vegetation Fund
Certification of the Financial Statements
for the year ended 30 June 2019

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 2019 and the results of its operations and cash flows for the financial year.

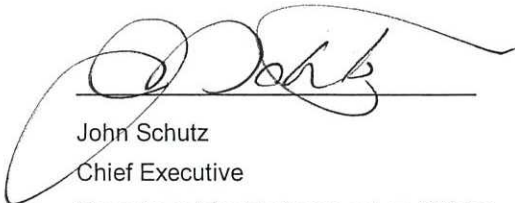
We certify that the internal controls employed by the Native Vegetation Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Emily Jenke
Presiding Member
Native Vegetation Council
29 October 2019



Shaun O'Brien
Chief Financial Officer
Department for Environment and Water
29 October 2019



John Schutz
Chief Executive
Department for Environment and Water
29 October 2019

Native Vegetation Fund
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Supplies and services	3.1	75	234
Grants and subsidies	3.2	1 747	1 655
Other expenses	3.3	230	660
Total expenses		2 052	2 549
Income			
Fees and charges	4.2	2 878	2 063
Interest	4.3	100	85
Other income	4.4	30	-
Total income		3 008	2 148
Net benefit from / (cost of) providing services		956	(401)
Revenues from / (payments to) SA Government			
Revenues from SA Government	4.1	1 168	1 138
Total net revenues from SA Government		1 168	1 138
Net result		2 124	737
Total comprehensive result		2 124	737

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 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	5.1	7 955	6 280
Receivables	5.2	753	286
Total current assets		8 708	6 566
Total assets		8 708	6 566
Current liabilities			
Payables	6.1	73	55
Total current liabilities		73	55
Total liabilities		73	55
Net assets		8 635	6 511
Equity			
Retained earnings		8 635	6 511
Total equity		8 635	6 511

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 2019

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2017	5 774	5 774
Net result for 2017-18	737	737
Total comprehensive result for 2017-18	737	737
Balance at 30 June 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

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 2019

		2019	2018
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Payments for supplies and services		(56)	(223)
Payments of grants and subsidies		(1 747)	(1 719)
Other payments		(230)	(660)
Cash used in operating activities		<u>(2 033)</u>	<u>(2 602)</u>
Cash inflows			
Fees and charges		2 412	2 816
Interest received		98	84
Other receipts		30	-
Cash generated from operating activities		<u>2 540</u>	<u>2 900</u>
Cash flows from SA government			
Receipts from SA government		1 168	1 138
Cash generated from SA government		<u>1 168</u>	<u>1 138</u>
Net cash provided by / (used in) operating activities		<u>1 675</u>	<u>1 436</u>
Net increase / (decrease) in cash and cash equivalents		<u>1 675</u>	<u>1 436</u>
Cash and cash equivalents at the beginning of the period		6 280	4 844
Cash and cash equivalents at the end of the period	5.1	<u>7 955</u>	<u>6 280</u>

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 2019

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Native Vegetation Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2019

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 2018-19 financial statements the Fund adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. 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.

Programs

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 2019

2. Board, committees and employees

2.1. 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 \$54 000 (2018: \$52 000).

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 2018-19.

2.2. Remuneration of council and committee members

Members during 2018-19 financial year were:

Native Vegetation Council	Native Vegetation Assessment Panel
E C Jenke (Presiding Member)	M C Roche
J L Keynes (retired August 2018)	K L Muller (deputy)
P A Morgan (deputy) (retired November 2018)	J H Neal
K L Muller (deputy)	J L Keynes (retired August 2018)
J H Neal	
P A Paton	
M C Roche	
N P P Sommerville	
R B Wickes (deputy)	

* 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:

	2019	2018
\$0 - \$19 999	8	9
\$20 000 - \$39 999	1	1
Total number of members	9	10

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 \$55 000 (2018: \$52 000) 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 2019

3. Expenses

3.1. Supplies and services

	2019 \$'000	2018 \$'000
Legal costs	22	-
Minor works	20	34
General administration	15	3
Accommodation and property	9	11
Contractors	4	163
Travel and accommodation	3	3
Fee for service	1	20
Other	1	-
Total supplies and services	75	234

Operating Leases

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

3.2. Grants and subsidies

	2019 \$'000	2018 \$'000
Contribution to the Native Vegetation Council Secretariat for Biodiversity Assessment Function	411	166
Contribution to Incentives Program NVC	321	-
Research grants	313	626
Contribution to DEW Investigations and Compliance Unit	204	196
Contribution to DEW for Change Detection Program	113	106
Contribution to the Native Vegetation Council for Council Operating Costs	78	90
Contribution to DEW for Manager Native Vegetation Management Unit	71	138
Contribution to the Native Vegetation Council Secretariat for NVC Administrative Support	63	121
Contribution to DEW for Coordinator, Assessment and Stakeholder Liaison	63	61
Contribution to DEW for Coordinator, Governance and Administration	58	109
Contribution to DEW for Operating Costs NVMU	52	42
Total grants and subsidies	1 747	1 655

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.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2019

3.3. Other expenses

	2019	2018
	\$'000	\$'000
Assets transferred for nil consideration *	220	650
Audit fees paid/payable to the Auditor-General's Department	10	10
Total other expenses	230	660

* During the year land adjacent to Kaiserstuhl Conservation Park was purchased through the Native Vegetation Fund. The land parcel was subsequently transferred to the Crown for nil consideration, followed by its reversion to unalienated Crown Land, pursuant to the Crown Lands Management Act 2009. Crown Land is under the care and control of the Minister for Environment and Water and is reported in the DEW Administered financial statements.

4. Income

4.1. Revenues from / (payments to) SA Government

	2019	2018
	\$'000	\$'000
Revenues from SA Government		
Grants from SA Government	1 168	1 138
Total revenues from SA Government	1 168	1 138
Net revenues from SA Government	1 168	1 138

Grants from SA Government for program funding are recognised as revenues when the Fund obtains control over the funding. Control over Grants from SA Government is normally obtained upon receipt.

4.2. Revenues from fees and charges

	2019	2018
	\$'000	\$'000
Significant environmental benefits *	2 746	1 843
Fees, fines and penalties	132	220
Total revenues from fees and charges	2 878	2 063

* 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.

4.3. Interest revenues

	2019	2018
	\$'000	\$'000
Interest from entities within the SA Government	100	85
Total interest revenues	100	85

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2019

4.4. Other income

	2019	2018
	\$'000	\$'000
Refund of unspent grant funds	30	-
Total other income	30	-

5. Financial assets

5.1. Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	7 955	6 280
Total cash and cash equivalents	7 955	6 280

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

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Receivables	744	279
Accrued interest	9	7
Total current receivables	753	286
Total receivables	753	286

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
for the year ended 30 June 2019

6. Liabilities

6.1. Payables

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Trade payables	63	45
Accrued expenses	10	10
Total current payables	<u>73</u>	<u>55</u>
Total payables	<u>73</u>	<u>55</u>

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.

7. Changes in accounting policy

7.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

7.2. AASB 9 Financial instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

Native Vegetation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2019

8. Outlook

8.1. Unrecognised contractual commitments

The Fund has no unrecognised contractual commitments as at 30 June 2019.

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:

	2019	2018
	\$'000	\$'000
Mount Lofty Ranges Greater Basin	2 236	1 751
SA Murray Darling Basin	1 450	1 422
SA Arid Lands	1 144	746
Northern & Yorke Agricultural District	947	944
Alinytjara Wilurara	725	299
South East	370	321
Kangaroo Island	277	273
Eyre Peninsula	273	246
Total restrictions on contributions received	7 422	6 002

8.4. Events after the reporting period

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

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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.

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 applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Loan and receivables
- Financial liabilities measured at cost.

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9.1. Financial instruments (continued)

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Fund measures all financial instruments at amortised cost.

Category of financial asset and financial liability	2019 Carrying amount \$'000	2018 Carrying amount \$'000
<u>Financial assets</u>		
Cash and cash equivalents		
Cash and cash equivalents	7 955	6 280
Financial assets at amortised cost		
Receivables	753	286
Total financial assets	8 708	6 566
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Payables	63	45
Total financial liabilities	63	45

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.