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**HOUSE OF ASSEMBLY  
LAID ON THE TABLE  
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10 Nov 2010

**ANNUAL REPORT**

**OF THE**

**NATIVE VEGETATION COUNCIL**

**2009-10**

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## **Annual Report of the Native Vegetation Council 2009-10**

30 June 2010

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**Government  
of South Australia**



Native Vegetation Council

# Native Vegetation Council

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**To: The Honourable Paul Caica, MP and  
Minister for Environment and Conservation**

In accordance with the requirements of the *Native Vegetation Act 1991* (the Act), I have pleasure in forwarding to you the Annual Report of the Native Vegetation Council (NVC) on the administration of the Act for the year 2009-10.

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

Following the Ministerial review of Native Vegetation and Bushfire 2009, variations to the *Native Vegetation Regulations 2003* were gazetted in September 2009. In particular, variation to Regulation 5 - Exemptions – general and the development of a new Regulation 5A. The development of the new regulation facilitated the implementation of a simple, local, expert and planned approach to bushfire protection and management, with greater emphasis on local decision making through the South Australian Country Fire Service (SA CFS) and stronger emphasis on the development of bushfire management planning. In this regard the changes complement changes to bushfire planning processes introduced via amendments to the *Fire and Emergency Services Act 2005*.

Officers from the Native Vegetation Biodiversity Management (NV&BM) Unit of the Department of Water Land and Biodiversity Conservation (DWLBC), with support from Department for Environment and Heritage (DEH) undertook the training of SA CFS officers on the amendments to the bushfire regulations to ensure a smooth transition to the new decision making processes. NV&BM officers have been involved in ongoing information and training sessions with SA CFS, local councils and the community on these changes.

The NVC supported the whole of government campaign 'Reduce the Impact of Bushfire' in the development of 'A Guide for Managing Native Vegetation to Reduce the Impact of Bushfire' (the Guidelines), being a revised version of the Native Vegetation Code of Practice. The NVC also contributed \$40 000 towards the whole of government communication and marketing campaign 'Bushfire Ready – Prepare, Act, Survive'.

Regulation 5 (1)(b), introduced in September 2009, allows for the clearance of vegetation necessary to protect public safety. This has enabled the development of a framework to address clearance of native vegetation around airstrips, along roads and at rail crossings, where that vegetation may be seen as a public risk. This framework is, at present, out for targeted consultation and tries to balance public safety with the need to protect important remnant stands of native vegetation.



**Government  
of South Australia**

As part of the NVC support for strong integration of native vegetation and natural resources management, several regional visits were undertaken this financial year. The NVC seeks to undertake at least one regional visit a year. Following this year's highly successful trip in April to the Mid North region, the NVC will endeavour to undertake two regional trips per year in the future. The Mid North trip focused on meeting with applicants that had been successful in gaining funding for restoration projects under the NVC SEB Grants programs, together with meeting and identifying issues with regional councils and NRM Boards.

Other regions visited this financial year were the South East and Eyre Peninsula. Both visits focused on the variation to the Native Vegetation Regulations and the changed role of the SA CFS in decision making of native vegetation clearance. These visits and other communication initiatives have assisted in raising broader community awareness of fuel reduction and the clearance of native vegetation pre and post bushfires.

Other highlights from the year include the allocation of \$2.5 million from the Native Vegetation Fund to various projects working towards the protection, maintenance and enhancement of native vegetation in South Australia, including \$318 840 provided by the Fund for the ongoing protection and management of native vegetation on privately owned land held within Heritage Agreement areas. That program is administered through the Department for Environment and Heritage (DEH).

The following annual report provides a comprehensive overview of the activities of the Native Vegetation Council for 2009-10.

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

**Date:**

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

The *Native Vegetation Act 1991* (the Act) was proclaimed on 18 April 1991. The Act controls the clearance of native vegetation in addition to assisting the conservation, management and research of native vegetation on lands outside the National Parks and Wildlife (NPW) parks and reserves system. The major feature of the Act is:

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

The objects of the Act, in summary, include:

- Prevent further:
  - reduction of biological diversity and degradation of land and its soil, and
  - loss of quantity and quality of native vegetation in South Australia; and
  - loss of critical habitat.
- The provision of incentives and assistance to landholders in relation to the preservation, enhancement and management of native vegetation.
- The encouragement of research into the management of native vegetation.
- The encouragement of the re-establishment of native vegetation.

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

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

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

#### *Native Vegetation Fund*

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

### *Heritage Agreements*

The Act provides for the establishment of Heritage Agreements over areas of native vegetation. The Minister must not enter into, vary or terminate a heritage agreement without first consulting and obtaining the approval of the NVC.

The landholder retains legal ownership of the land under a Heritage Agreement. A Heritage Agreement is registered on the title of the land and passes on to, and is binding on, any subsequent owners for the term of the agreement. Agreements are generally written in perpetuity. An owner of land that is subject to a heritage agreement may apply to the NVC for management assistance. The NVC must keep a register of Heritage Agreements entered into under this Act.

### *Principles of Clearance*

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

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

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

### *Compliance*

The Act provides for civil and summary enforcement proceedings for any infringement of the Act. Significantly, any conviction for the illegal clearance of native vegetation requires the NVC to initiate proceedings in the Environment Resources and Development Court seeking an order to 'make good' that breach.

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

### *Native Vegetation Regulations 2003*

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



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

In some cases, even though clearance may be exempt by the Native Vegetation Regulations, there may be constraints under other legislation which need to be complied with, such as the *River Murray Act 2003*, *Water Resources Act 1997*, *Natural Resources Management Act 2004*, *Development Act 1993*, *Adelaide Dolphin Sanctuary Act 2005* and the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*.

### **Variations to the Native Vegetation Regulations 2003**

The *Native Vegetation Variation Regulations 2009* came into operation on the 10 September 2009.

New Regulation 5(1)(b) permits the clearance of native vegetation necessary for public safety. The Minister for Environment and Conservation may authorise by notice in the government gazette, a person or body to approve clearance necessary to maintain public safety. A gazettal for this purpose was established 17 December 2009 with the approval authority given to those persons holding the positions of Presiding Member NVC, Executive Officer NVC and Manager, Native Vegetation Management and Biodiversity Unit, DWLBC.

The making of new Regulation 5(A) establishes a new process for vegetation clearance associated with bushfire protection and management, with much of the decision making on clearance issues being made under authorisation of the NVC by the SA CFS. The amendment, amongst other things, allows a landowner, with the approval SA CFS, to undertake the clearance of native vegetation for the purposes of fire protection or control, where the clearance is more than 20 metres from a prescribed building or more than 5 metres from a prescribed structure.

### **The Native Vegetation (Miscellaneous) Amendment Bill 2008**

*The Native Vegetation (Miscellaneous) Amendment Bill 2008*, introduced to Parliament in 2008, lapsed when Parliament was prorogued.

The key provisions of the Bill related to offsets for vegetation clearance, and membership of the Native Vegetation Council. The Bill also provided for improved flexibility for the delivery of SEB offsets for vegetation clearance outside of a region where the clearance occurred.

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

### **Functions**

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

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

### **Membership**

The Act establishes the NVC, allowing for the appointment of seven members by the Governor. All members of the NVC must have some knowledge of, and experience in, the preservation and management of native vegetation.

The Governor appointed the present NVC on 3 September 2009 for a two-year term expiring on 2 September 2011. The new Council held its first meeting on 27 October 2009.

### **Presiding Member**

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

### **Members**

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

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

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

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

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

### **Deputy Members**

Kent Martin (Deputy to Lillecrapp)

Fraser James Vickery (Deputy to Ben Kahn)

Evelyn Grace Poole (Deputy to Paton)

Barry Kym McHugh (Deputy to Bates)

Joseph Lindsay Keynes (Deputy to Munday)

The Commonwealth Minister has advised the Minister for Environment and Conservation that the Commonwealth will no longer nominate a member for the NVC. In the absence of a Commonwealth nominee the NVC consists of six members and five deputies. No Deputy Presiding Member has been appointed.

**Executive Officer:** Craig Whisson

**Secretary:** Trudi Duffield

The previous NVC membership term lapsed on 17 August 2009 and its final meeting was held 13 August 2009. Membership at that time consisted of:

**Presiding Member**

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

**Members**

Mark Dennis, *Nominee of the South Australian Farmers Federation*

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

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

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

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

**Deputy Members**

Kent Martin (Deputy to Dennis)

Fraser James Vickery (Deputy to Ben Kahn)

Evelyn Grace Poole (Deputy to Paton)

Kym McHugh (Deputy to Bates)

Janice Roslyn Kelly (Deputy to Munday)

**Subcommittees**

**Native Vegetation Assessment Panel**

Chair: Bruce Munday (The Minister's representative)

Ali Ben Kahn (Conservation Council of SA nominee)

Jennifer Lillecrapp (SA Farmers Federation nominee)

**Native Vegetation Council Grants Subcommittee**

Chair: Dennis Mutton (Presiding Member Native Vegetation Council)

Penny Paton (Natural Resources Management Council nominee)

Bruce Munday (The Minister's representative)

**Native Vegetation Council Fire Subcommittee**

Chair: Ali Ben Kahn (Conservation Council of SA nominee)

Adam Gray (Local Government nominee)

Andrew Lawson (SA Country Fire Service nominee)

Deputy to Ben Kahn: Joe Keynes

Deputy to Gray: David Hitchcock

Deputy to Lawson: Leigh Miller

**Staffing**

The NVC is assisted by the Secretary, the Executive Officer and as required by other officers employed by the DWLBC under the *Public Sector Act 2009*.

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

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

### 3. KEY ACTIVITIES OF THE COUNCIL FOR 2009-10

During 2009-10 five formal meetings of the NVC were convened with an extraordinary meeting in April being held in the Mid North as part of the NVC regional trip. Details of business undertaken by the NVC during the 2009-10 financial year are as follows:

#### **Policy Matters**

During 2009-10 the NVC continued to focus on policies and procedures for native vegetation clearance applications.

#### *Management of Native Vegetation to reduce the impact of Bushfire*

As part of the Ministerial review of Native Vegetation and Bushfires an accredited training manual and training program was jointly developed by the NVC, DWLBC, DEH and SA CFS for SA CFS Regional Prevention Officers, SA CFS Regional Planning Officers and relevant SA MFS Officers. In September 2009, on behalf of the NVC, officers from NV&BM Unit conducted two training sessions for SA CFS and SA MFS officers. The key component of the training involved a comprehensive understanding of the new '*Guidelines for the Management of Native Vegetation and Bushfire*' and its role as a tool for achieving a consistent and planned approach to bushfire protection and management of fuel hazards across South Australia.

Variations to the *Native Vegetation Regulations 2003* (introduced September 2009) saw SA CFS established as the approving authority for vegetation clearance associated with bushfire protection matters. The Chief Officer (or authorised delegate under the *Fire and Emergency Services Act 2005*) of the SA CFS may authorise clearance beyond 20 metres of a prescribed building or beyond 5 metres of a prescribed structure.

The clearance of native vegetation for fire prevention and control (under Regulation 5A) does not require an SEB.

#### *Public Safety*

Concerns for public safety led to the development and introduction of Regulation 5(1)(b) in September 2009. This new Regulation allows for the clearance of native vegetation to be exempt, where that work is necessary to protect the public. It does not stipulate circumstances where it may apply or the area of clearance. The new regulation facilitates actions such as clearance impacting on safe approach and departure of flight paths at local council controlled airports and has enabled issues to be addressed around the clearance of native vegetation along roads and at rail crossings where the vegetation may be seen as a public risk.

In consultation with the Department of Transport, Energy and Infrastructure (DTEI), the Local Government Association (LGA) and the NVC a framework is being developed to implement Regulation 5(1)(b) to ensure clear understanding and consistency for the clearance of roadside and rail crossings native vegetation to protect public safety.

The clearance of native vegetation for public safety (under Regulation 5(1)(b)) does not require an SEB.

#### *Variation to the Native Vegetation Regulations 2003*

Pursuant to Native Vegetation Regulation 5A, the Minister for Environment and Conservation authorised, by notice in the government Gazette (22 October 2009), all lands



under the care and control of the Minister for Forests and all lands held, owned and managed by SA Water to be a class of land within South Australia where the clearance of native vegetation may occur for the purpose of reducing combustible material on that land. These fuel reduction works are to be undertaken in accordance with a Standard Operating Procedure (SOP) approved by the NVC.

Following amendments to the Native Vegetation Regulation 5(1)(zd) the NVC adopted the policy to vary the SEB requirements following authorised clearance of native vegetation for the construction of pipelines (petroleum industry and water supply). The SEB determination will be consistent with the NVC document *Guidelines for a Native Vegetation Significant Environmental Benefit Policy for the clearance of native vegetation associated with the Mining and Petroleum Industry*.

In consultation with DEH the NVC resolved to adopt a policy position on collection of 'whole plants' when undertaken in accordance with a Scientific Research Permit, as being a clearance consent under the terms of the *Native Vegetation Act 1991*. This policy is in recognition of potential conflict with Regulation 5(1)(zb) wording.

## **Regional Visits**

### *Mid North Regional Trip*

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

On Wednesday 28 April 2010, the NVC travelled to Bimbowrie Conservation Park and Boolcoomatta pastoral lease, held by Bush Heritage Australia. The tour of Bimbowrie involved an inspection of the weed control works funded by Exco Gold to achieve the SEB requirements associated with clearance of native vegetation for the establishment and operation of the mine. Weed control is being undertaken under the supervision of DEH within the South Willows Dam and the Bimbowrie Creek areas of the reserve. The NVC also inspected the rangeland recovery and total grazing pressure management (destocking and feral goat management) being undertaken on Bimbowrie, including mulga regeneration and benefits to the Yellow Footed Rock Wallaby (YFRW) population on the reserve. There is clear evidence that there has been an increase in the population of the YFRW on the reserve as a result of these management actions and the significant reduction in grazing pressure.

The NVC also travelled to the adjacent Boolcoomatta property to meet with the Bush Heritage Australia staff and view works undertaken using the NVC SEB grant monies. Those works are aimed at establishing management planning strategies and practices, including the re-establishment of historical drainage patterns across the reserve and effective reduction in total grazing pressure to complement similar works being undertaken by DEH on Bimbowrie. Both projects reinforced the values of establishing and supporting complementary landscape scale projects of this nature. NVC members were impressed with the level of works, commitment and local knowledge associated with the implementation of these two projects.

On Thursday 29 April, the NVC met with Regional Council of Goyder, Clare & Gilbert Valleys Council, the SA Arid Lands, Northern Yorke and SA Murray Darling Basin NRM Boards to identify and discuss issues of concern to those bodies. Issues discussed were the increased impact of off road motor bikes and the associated destruction to native vegetation

in road reserves and council reserves, bushfire management and other vegetation clearance issues.

#### *South East*

In October 2009 the NVC Presiding Member and the NVC Executive Officer met with the District Council of Grant to discuss ongoing issues associated with the clearance of native vegetation for the future expansion of the Port MacDonnell Cemetery. Discussions focussed on the potential options for the establishment of additional areas for grave sites that would not need further (or minimal) clearance of native vegetation. The District Council of Grant agreed to undertake the development of a 50 year plan covering the operational issues of the cemetery grave sites and the management of native vegetation. That plan has been prepared and considered by the Native Vegetation Assessment Panel (NVAP), with a small amount (0.06ha) of additional vegetation clearance endorsed to facilitate the effective operation of the cemetery.

During this same trip discussions were also held with the District Council of Grant and SA CFS regional staff around the need for fuel reduction and bushfire prevention works associated with Tarpeena and other townships in the district. The NVC were able to confirm that the changes to the Native Vegetation Regulations in September 2009 now allow for decision making on fuel reduction issues to be managed by the Regional SA CFS. This matter has been resolved consistent with the amended regulations.

#### *Eyre Peninsula*

In February 2010 the NVC Presiding Member, the NVC Executive Officer and the Chief Officer SA CFS visited Port Lincoln to meet with the Port Lincoln Bushfire Prevention Committee and key community members to discuss native vegetation management rules and the separate responsibilities of the various organisations including local councils, the NVC and the SA CFS. Port Lincoln has an approved bushfire management plan (covering both private and public land) which gives local council and landholders the responsibility to implement fuel reduction works. A key factor for Eyre Peninsula and bushfire prevention is the continued education and training on issues related to fuel reduction (particularly around dwellings and other buildings).

#### **Heritage Agreement Applications**

The NVC and NVAP considered 30 applications over 8990.91 ha for the Minister to enter into Heritage Agreements. This protected land supports the wider state reserve system under the *National Parks and Wildlife Act 1972*.

#### **Clearance Issues**

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

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

Following the introduction of the *Native Vegetation Regulations 2003*, the range of activities and development able to be assessed under the Regulations has broadened. Since 2003 there

has been a trend towards a higher proportion of matters seeking clearance approval under the Regulations rather than formal clearance applications under Section 28 of the Act.

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

During 2009-10, 38 clearance applications were approved<sup>1</sup> with clearance consent being granted to over 1074.24 ha<sup>2</sup> of native vegetation. This included the clearance of 356 trees<sup>3</sup> and 999 ha of brush cutting<sup>4</sup> (*Melaleuca uncinata*) that is anticipated to regenerate naturally.

The SEB established to offset the above clearance included the management or restoration of 320 ha of native vegetation and payments into the Native Vegetation Fund of \$39 804.

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

*Summary of Clearance matters under the Native Vegetation Regulations*

In 2009-10, 259 clearance matters consistent with the Native Vegetation Regulations were approved<sup>5</sup> of which 142 were assessed by the NV&BM Unit, 42 under authorisation to the SA CFS and 75 under delegation as set out in Table 1.

**Table 1: Clearance decisions under Regulations by delegation 2009-10**

Organisation with delegated officers	Number of clearance decisions under Regulation
Primary Industry & Resources SA	6
SA Water	22
Department of Transport Energy & Infrastructure	37
Forestry SA	9
ElectraNet	1

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

A number of regulations require the establishment of an SEB. During the 2009-10 financial year, SEB payments for matters considered under the Regulations totalled \$1 405 529. Because payment is not triggered until clearance occurs, some of these payments may not be received until 2010-11 financial year.

<sup>1</sup> 58 clearance applications in 2008-09 (under Section 28)

<sup>2</sup> 3841 ha of native vegetation in 2008-09 (under Section 28)

<sup>3</sup> 479 trees in 2008-09 (under Section 28)

<sup>4</sup> 3744 ha brush cutting in 2008-09 (under Section 28)

<sup>5</sup> 233 clearance applications in 2008-09 (under NV Regulations)

## **Delegations**

In the reporting period 2009-10 the NVC made no request for new delegations of powers and functions to the Minister for Environment and Conservation, the Minister to whom administration of the Act is committed.

### **Native Vegetation Council Subcommittees**

#### *Native Vegetation Assessment Panel (NVAP)*

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

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

The Minister's representative, Dr Bruce Munday, chairs the NVAP meetings with the balance of the three-member committee being Ms Ali Ben Kahn (Conservation Council of SA nominee) and Ms Jennifer Lillecrapp (SA Farmers Federation nominee). Ms Lillecrapp was appointed to the committee at the NVC October meeting. The members' deputies support the subcommittee in the absence of a member. The NVAP has established clear policy on decision-making and has access to outside expertise as required.

In 2009-10 the NVAP held nine meetings to consider 30 Clearance Applications (including 15 under Regulations) and 13 Management Plans. The NVAP also considered three Heritage Agreements, eight amended Heritage Agreements and reviewed a further two Heritage Agreements.

#### *Native Vegetation Council Grants Subcommittee (GSC)*

##### **Significant Environmental Benefit Grants**

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

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

SEB Grant applications are assessed against the NVC priorities and consistency with strategies and priorities identified in regional NRM plans. To date the NVC has supported 20 projects and approved \$3.3 million under the SEB grant program since 2008.

The 2009 SEB grant 'Grassy Woodland Restoration – Woodcutters Road', saw the discovery of three native plants (*Veronica derwentiana* ssp. *Homalodonta* commonly known as *Mount Lofty Speedwell*, the extremely rare *Brachymcome diversifolia* commonly known as the *Tall Daisy*, and the endangered *Todea barbara* known as King Fern) on an Adelaide Hills



property included as part of the larger group of properties managed under the grants scheme. The *Mount Lofty Speedwell* is believed to be one of only 200 growing in South Australia and cannot be found anywhere else in the world.

In 2009 the NVC Grants subcommittee considered an SEB Grant application for the purchase of Witchelina Station by the Nature Foundation SA to protect and maintain habitat for rare and threatened species. The property is south of Lake Eyre. The subcommittee recognised that there were insufficient funds for that NRM region and while supporting the concept, suggested alternative and additional funding be identified that would enable the project to proceed. The Nature Foundation SA managed to secure additional funding and, as an alternative to an SEB Fund Grant and following consultation, the NVC supported the direct approach to mining and petroleum companies to assist in funding the purchase as a mechanism to offset their SEB obligations under the Act. Witchelina Station was purchased in February 2010 by the Nature Foundation SA and is recognised for its biodiversity outcomes as an SEB outcome, consistent with the terms of the Act.

The 2010 round for SEB grants were advertised for two weeks beginning 15 May 2010 in the Adelaide Advertiser, NRM Jobs and SA Biz with a closing date 30 June 2010. All applications will be assessed in July 2010.

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

#### *Research Grants*

The NVC Grants Subcommittee also oversees the NVC's annual call for Research Grants, establishes research priorities, assesses and makes decisions for the allocation of funds for all applications against the NVC priorities.

The 2009-10 call for native vegetation research grant applications ran from 18 July to 25 July 2009 in the Adelaide Advertiser, NRM Jobs and SA Biz with a closing date of 4 September 2009. The Subcommittee held a formal meeting in October 2009 to assess 39 applications of which 11 applicants were successful. The NVC approved expenditure of \$197 135 from the Fund, including the \$84 262 committed to research from the 2008-09 round. The NVC endorsed the expenditure of \$119 143 to support grants continuing over several financial years. Continued funding of these grants will be reviewed annually, subject to an acceptable Progress Report and the availability of funds.

Throughout the year the Grants Subcommittee held ten on-line meetings to consider 28 Progress and 15 Final Reports on previously approved research grants.

Final reports of projects will be made available to the public via the NVC website. Where applicants intend to publish the results of the research in journals, upon request to the NVC, publication rights of authors will be protected for a period of up to 24 months from project completion, providing an abstract and likely source of publication is provided with the final report.

#### *Native Vegetation Council Fire Subcommittee*

The NVC Fire Subcommittee was established by the NVC in 2006 and has delegation under Section 15(8) of the *Native Vegetation Act 1991* for all matters involving the clearance of native vegetation in relation to fire. In October 2009 the NVC elected Ms Ali Ben Kahn as the Chair and Mr Joe Keynes as Deputy to the NVC Fire Subcommittee. Representatives of the SA CFS and the LGA were re-elected. The subcommittee is elected for a term of two years and under its Terms of Reference (ToR) may, at the end of the two year term, be re-elected.



Amendments to the Native Vegetation Regulations and amendments to the *Fire and Emergency Services Act 2005* have changed the role of the Fire Subcommittee from a decision making body on native vegetation clearance associated with bushfire prevention plans to that of an advising body on the planning process associated with bushfire prevention plans. The subcommittee continues to approve burn plans for DEH, ForestrySA and SA Water in accordance with their SOP. The ToR for the Fire Subcommittee has been amended to reflect the changed role. The subcommittee continues to report all fire related matters and outcome of fire related issues to the NVC meetings.

During 2009-10 the NVC Fire Subcommittee held two 'on site' meetings and eight electronic meetings to consider 13 Fire Management Plans.

DEH are developing a landscape approach to fire management in the development of fire management plans for National Parks and Wildlife reserves incorporating adjoining landowner and Heritage Agreement land. This approach is supported by the NVC.

#### **Roadside Vegetation Management**

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

The review will be conducted with the aim of simplifying the existing Roadside Vegetation Management Plan guidelines under Native Vegetation Regulation 5(1)(y), and to develop a series of associated fact sheets and operational templates for District Council's and practitioners.

A Working Group consisting of representatives from the LGA, DWLBC, NVC Secretariat and District Council Regional NRM Officers has been established to implement the review.

The implementation of the review has begun. However its progress has been delayed because of priority work on the development and rollout of the recent Bushfire Guidelines, and the development of an operational framework to define the circumstances where Native Vegetation Regulation 5(1)(b) – Clearance for Public Safety, should apply to clearance of roadside native vegetation. An indicative timeline for completing the review is the end of August 2010.

During the 2009-10, the NVC approved and finalised five Roadside Management Plans submitted by District Councils and approved three Plans for finalisation awaiting District Council clarification.

#### **Vegetation Management Activities**

The NVC maintained its on-going program to support Heritage Agreement landholders in the management of native vegetation protected under Heritage Agreement. An amount of \$85 085 was spent from the Fund for grants to Heritage Agreement landholders. This will assist in the improved management of the protected areas and assist in the administration of the projects. The NVC spent \$233 755 on the provision of fencing to exclude stock or to minimise grazing pressure from the Heritage Agreement areas. This program has been critical for the effective management of areas protected under Heritage Agreements by supporting and enhancing landowner commitment to the management of these important areas.

#### **Native Vegetation Information System**

The DWLBC undertook an analysis of requirements for information systems needed to support the administration of the Act in 2008. This confirmed the need to update existing Native Vegetation databases currently in use by the Agency and replace those now unsupported systems with what has become known as the Native Vegetation Information System (NVIS). Following commitment of funding by the DWLBC and in partnership with the NVC, the Department's existing customer relationship management platform has been leveraged and extended to support the administration of the Act. The new functionality, due to come on line in July 2010, will improve tracking and reporting of clearance applications, matters under regulation, heritage agreements and unauthorised clearance reports and, in doing so, will raise levels of customer service.

#### **Significant Environmental Benefit Monitoring**

A process was trialled in 2009-10 for monitoring on-ground SEB offsets for their compliance with consent conditions. A total of 43 sites across four NRM regions were assessed for compliance with consent conditions and their biodiversity value, with the management of each site discussed with the landholder. This information will be used to inform the development of the monitoring and compliance program for SEB offsets into 2010-11 and beyond.

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

##### Reports Received 2009-10: Alleged Illegal Clearance

During 2009-10 the Compliance and Monitoring Unit within the NV&LM Unit, received 255 reports alleging clearance of native vegetation contrary to the *Native Vegetation Act 1991*. These reports are presented by NRM region in Table 1 alongside data for the five preceding financial years.

**Table 1: Reports Received by NRM Region 2004-05 to 2009-10**

NRM Region	04-05	05-06	06-07	07-08	08-09	09-10
Adelaide & Mount Lofty Ranges	41	60	54	59	77	49 (19%)
Eyre Peninsula	16	29	15	25	31	48 (19%)
Kangaroo Island	14	27	12	4	10	18 (7%)
Northern & Yorke	26	23	17	11	23	37 (15%)
Outback	9	6	8	2	2	1 (1%)
SA Murray Darling Basin	31	36	21	30	44	48 (19%)
South East	26	48	31	30	36	54 (21%)
<b>TOTAL</b>	163	229	157	161	223	<b>255</b>

The number of total reports received for 2009-10 is the highest amount recorded over the six years of collecting data. The 2005-06 and 2008-09 financial years are the closest to 2009-10 with 229 and 223 reports respectively. Of the 255 reports 55 or 22 percent were detected using the Change Detection Program (CDP). The CDP uses Satellite imagery as a mechanism to detect changes in native vegetation cover.

Across the NRM Regions the Eyre Peninsula, Northern and Yorke and the South East all reported significant increases over previous years. The increase across the three NRM regions has been influenced by the number of reports detected through the CDP, in particular the Eyre Peninsula where 14 of the 53 reports came through this program.

The most prominent difference from previous years is the reduction in reports received for 2009-10 from the Adelaide & Mount Lofty Ranges NRM region with the second lowest reports received since 2004-05. Only 19 percent of reports for 2009-10 came from the Adelaide & Mount Lofty Ranges NRM Region compared to 34 percent from 2008-09 financial year.

##### Action taken from Reports received 2009-10: Alleged Illegal Clearance

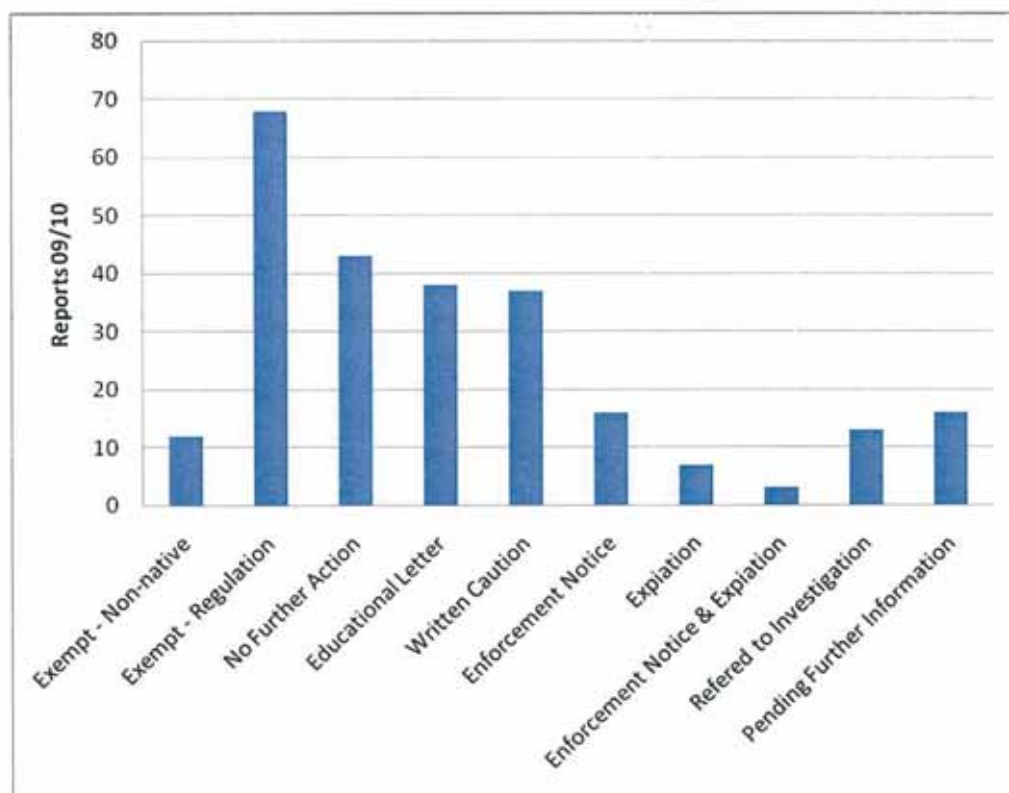
A range of options are available to resolve a report of illegal clearance. The Native Vegetation Compliance Guidelines provide direction to officers on the use of the various compliance and enforcement tools. These Guidelines provide transparency and consistency in the enforcement of the Act and are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



- Exempt Non-native - Where clearance has been investigated and assessed to be non-native vegetation as per the Act.
- Exempt – Native Vegetation Regulation 2003 - Where clearance has been investigated and assessed to be in accordance with the Native Vegetation Regulation 2003.
- No Further Action – Investigation has not been able to determine the offender or the clearance has occurred outside of the jurisdiction of the Act.
- Education Letter – Where clearance is assessed to be trivial as per the Native Vegetation Guidelines and occurs by accident or through ignorance. An educational letter is sent that states the clearance that has occurred and includes information about native vegetation, its value and obligations for its protection.
- Written Caution – Where clearance is trivial, or minor and accidental or mistaken, and not a repeat occurrence, a formal caution is issued.
- Enforcement Notice (section 31E of the Act) – Expressly authorised officers may issue this administrative order where they have reasonable grounds to believe that clearance has occurred. These notices are commonly referred to as ‘Stop Work’ or ‘Make Good’ notices. A make good order requires the landowner to undertake minor remedial works to rectify clearance actions and can only be issued if the clearance is assessed to be minor.
- Expiation – A \$500 fine may be issued by an authorised officer, with the authority of the NVC. This is issued when the clearance is assessed to be minor.
- Refer for Investigation – action is taken where it is believed that a moderate or serious offence under the Act has occurred and an investigation is required to gather further evidence to pursue legal proceedings.
- Pending Further Information – New clearance reports still in the process of investigation within the Native Vegetation and Biodiversity Management Unit.

Figure 1 summarises the actions taken from reports of alleged illegal clearance for 2009-10 financial year. Of the 255 reports received for the financial year 68 reports or 27 percent were considered to be exempt under the Native Vegetation Regulations 2003. The majority of the exempt clearances were related to bush fire protection around dwellings or detected through the CDP and verified to be planted vegetation, seasonal variation in cover or wild fires.

**Figure 1: Action taken from Reports Received for 2009-10 financial year**



### Change Detection Program

The use of satellite imagery as a mechanism to detect changes in native vegetation cover and subsequent possible breaches of the *Native Vegetation Act 1991* has been established through the Change Detection Program since 2004. The objectives of the program are to monitor for any loss in quantity or quality of native vegetation in the rural agricultural regions of South Australia. The program seeks to meet the objectives of the Act through the conservation, protection and enhancement of the native vegetation of the State, in particular remnant native vegetation.

Landsat satellite imagery and data used is currently sourced for cost of supply only from the Australian Commonwealth Department of Climate Change (DOCC). The images and data provided form the basis of products of the National Carbon Accounting System. The DOCC give priority on delivery for the CDP understanding the time constraints, however the processing of the original data is done by external contractors producing variables on the timing of delivery for which DOCC have no control over. Late last year imagery from both 2008 and 2009 was provided at the same time with data comparing 2007 with 2008 and 2008 with 2009 (imagery is acquired during the summer period of each year).

Of the 255 reports (Figure 1) received from 2009-10, 54 were detected through the CDP. The following table lists, by NRM region, reports detected through the CDP.

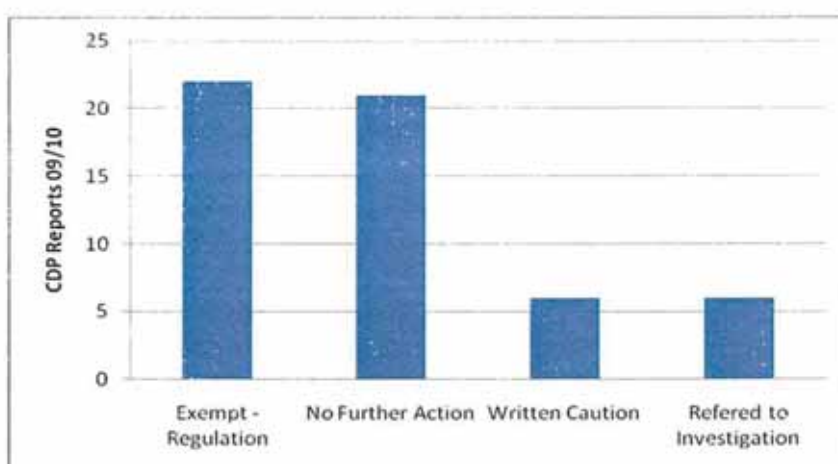


**Table 2: Reports Received by CDP by NRM Region 2009-10**

NRM Region	09-10
Adelaide & Mount Lofty Ranges	2
Eyre Peninsula	14
Kangaroo Island	7
Northern & Yorke	9
Outback	0
SA Murray Darling Basin	9
South East	13
<b>TOTAL</b>	<b>54</b>

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

Incidences that suggest a possible breach of the Act are referred to the Native Vegetation Compliance Steering Committee for recommendation on further action. This includes referral to investigation with a view to prosecution. A summary of actions taken during 2009-10 using CDP data and imagery is presented in the Figure 2.



**Figure 2: Action taken from CDP Reports received for 2009-10 financial year.**

Archived CDP satellite imagery, along with reports from other sources, was accessed to assist in determining if an area cleared was regrowth and subsequently meeting the requirements for exemption, under the Native Vegetation Act.

#### **Native Vegetation Compliance Steering Committee**

The operation of the Native Vegetation Compliance Steering Committee continued as an effective mechanism to review and establish directions and priorities for investigations into possible breaches of the Act. The membership of the Committee comprises representatives from DWLBC, NVC and DEH.

The formation, from 1 July 2010, of the Department for Water and the Department of Environment and Natural Resources will not impact on the membership of the Committee. A revised 'Terms of Reference' for the Committee is being prepared to reflect the formation of the two new Departments.

#### **Criminal Prosecutions**

For the 2009-10 financial year there were three successful prosecutions through the Adelaide Magistrate Court with penalties ranging from \$9 000 to \$244 000 and a total of \$333 000. The fine of \$244 000 imposed on a South Australian company and its director for the illegal clearance of 244 hectares from land near Barmera in the Riverland is one of South Australia's largest-ever unlawful clearances of native vegetation.

There are currently five ongoing prosecution matters before the courts and a further two incidents have been referred to the Crown Solicitor's Office for advice as to sufficiency of evidence to proceed to prosecution.

#### **Civil Proceedings**

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

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

The ERD Court finalised one matter during 2009-10 financial year. This matter related to the clearance of native vegetation in the Riverland over 0.2 hectares. The Court issued an order for payment into the Fund.

The NVC has ten continuing actions in the ERD Court to 'make good' the illegal clearance of native vegetation. It is anticipated that at least three of these will be finalised early in the 2010-11 financial year. There are a further thirteen matters likely to proceed to the ERD Court before the end of 2010.

During 2009-10 the DWLBC, on behalf of the NVC, initiated a program of monitoring the outcome of earlier orders issued by the ERD Court. One matter is currently the subject of further investigation for failure to comply with the terms of an ERD Court order.

## **5. ADDITIONAL MATTERS**

### **Equal Opportunity Programs**

The gender balance of the NVC is always taken into consideration as required by the Act when members are nominated. Following the Governor's appointment of a new NVC on 3 September 2009 the gender balance shifted from three males and three female members to two males and four female members. In the same reporting period (1 July 2009 to 30 June 2010) the gender balance for deputy members remained at two female and three male deputy members. The NVC has no staff of its own and so does not have any equal opportunity programs. Members of the NVC are aware of and abide by the equal opportunity policies and programs of the DWLBC.

Reporting on this matter can be viewed in the DWLBC Annual Report for 2009-10.

### **Fraud**

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

Financial services are provided to the NVC by the DWLBC.

Reporting on strategies to detect instances of fraud is contained in the DWLBC Annual Report for 2009-10.

### **Occupational Health Safety and Welfare**

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

As a user of the DWLBC facilities and equipment, the NVC is aware of and abides by the DWLBC's OHS&W Policies. Reporting on this matter is contained in the DWLBC Annual Report for 2009-10.

### **Consultants**

The NVC hired no consultants during the reporting period. However, the NVC has utilised the advice and services of Rural Solutions SA, SA Country Fire Services, DWLBC, other government agencies, industry and the community sector. The NVC wishes to thank those persons who have been so generous in sharing their knowledge and experience with the members.

### **Overseas Travel**

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

### **Contractual Arrangements**

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

**Account Payment Performance**

The DWLBC provides the administrative resources for processing account payments for the NVC. Reporting on this matter is contained in the DWLBC Annual Report for 2009-10.

The Auditor General audits the Native Vegetation Fund annually.

**Disability Action Plan**

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

Reporting on this matter is contained in the DWLBC Annual Report for 2009-10.

**Freedom of Information**

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

Reporting on this matter is contained in the DWLBC Annual Report for 2009-10.

**Whistleblowers Protection Act 1993**

Reporting requirements against the *Whistleblowers Protection Act 1993* require the NVC to report on the number of occasions on which public interest information has been disclosed to a Responsible Officer of the agency. There were no disclosures made during the 2009 - 2010 financial year.

**Energy Efficiency Action Plan Reports**

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

Reporting on this matter is contained in the DWLBC Annual Report for 2009-10.

**Regional Impact Assessment Statement**

The NVC undertook no Regional Impact Assessment Statements in 2009-10.

**6. FINANCIAL STATEMENT OF THE NATIVE VEGETATION FUND FOR THE  
YEAR ENDED 30 JUNE 2010**

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



## Appendix 1: Native Vegetation Clearance Under Section 28 Statistics 2009-10

Type of Clearance	Number of clearance applications	Area (ha) of degraded native vegetation – Consented to clear	Area (ha) of scrubland – Refused to clear	Number of individual trees – Consented to clear	Significant Environmental Benefit (SEB) Area (ha)	Significant Environmental Benefit Payment (\$)
Brushcutting <sup>*1</sup>	5	999.00				
Farm Management <sup>*2</sup>	7	10.42		12	36.80	\$15 146.59
Orchard (fruit, nuts, olives)	1			1		\$1 100.00
Irrigation	7	11.10		315	83.16	\$610.00
Miscellaneous developments <sup>*3</sup>	2	0.01				
Recreational	8	1.15		14	36.69	
Aquaculture	2	0.32				\$6 334.00
Structure	6	52.24		14	163.59	\$16 614.00
<b>TOTAL</b>	<b>38</b>	<b>1074.24</b>		<b>356</b>	<b>320.24</b>	<b>\$39 804.59</b>

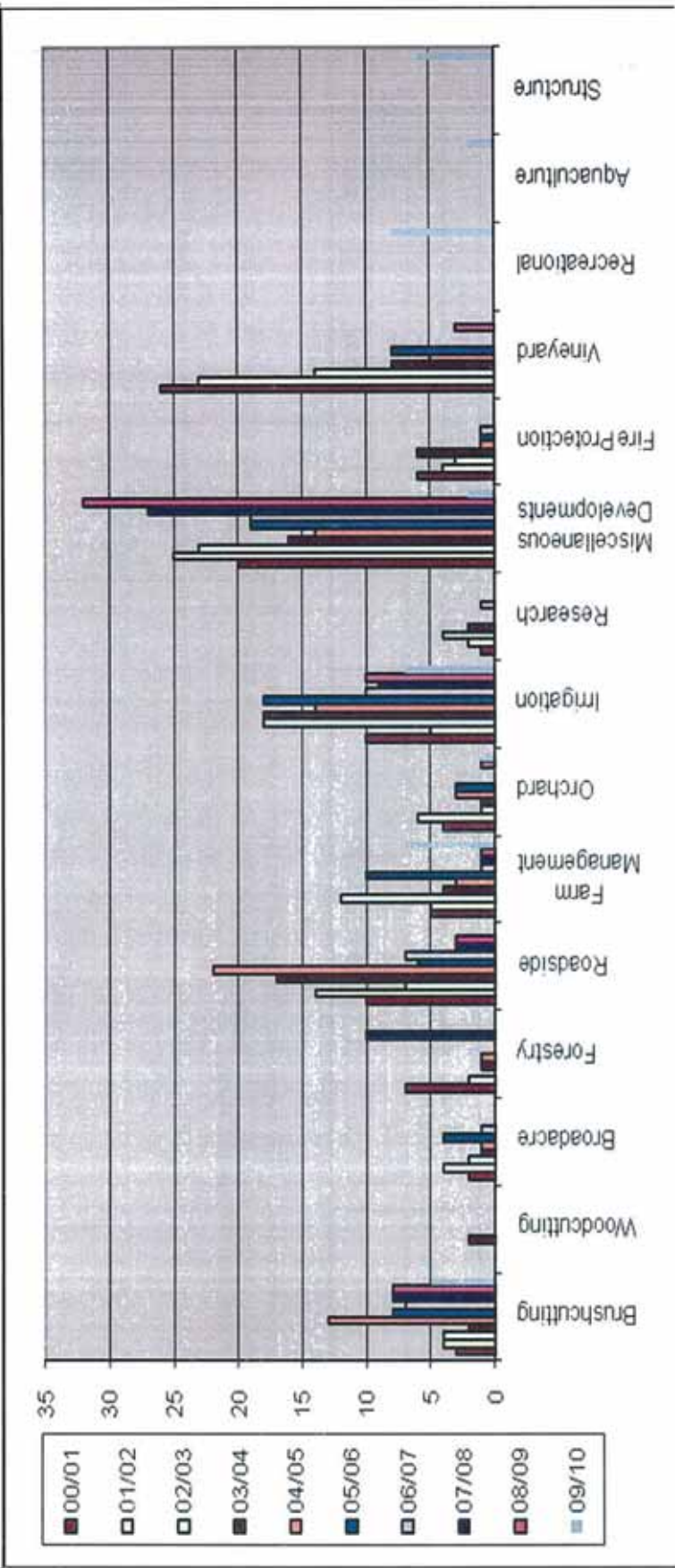
<sup>\*1</sup> Brushcutting applications do not require an SEB component, it is expected that regeneration will occur over time.

<sup>\*2</sup> Farm Management includes clearance associated with ongoing property management, e.g. access for farm machinery, erosion control works, clearance for control of vermin, and a number of other 'general' farm management issues.

<sup>\*3</sup> Miscellaneous developments include applications for clearance of scattered trees, soil pit, bark removal, clearance for weed control, branch lopping.

<sup>\*4</sup> Figures for Significant Environmental Benefit (SEB) requirements are for agreed amounts and all SEB payments and works may not have been finalised.

**Appendix 2: Native Vegetation Clearance Under Section 28 2009-10  
Comparison of Last Ten Financial Years**



### Appendix 3: Matters considered under the Native Vegetation Regulations

Regulation	Description	No of Applications 2008-09	No of Applications 2009-10
5(1)(a)	Dwellings and Associated Structures	43	32
5(1)(ab)	Residential Sub-division	10	2
5(1)(b)	Prescribed buildings and structures other than dwellings	0	1
5(1)(c)	Development subject to S48 – Development Act		1
5(1)(d)	Public Interest or Infrastructure	64+30 <sup>▲</sup> +10 <sup>*</sup>	49+13 <sup>*</sup> +1 <sup>Ø</sup>
5(1)(da)	Minor Clearance - Developments	1	3
5(1)(g)	Repair or Maintenance of Infrastructure	1+3 <sup>▲</sup>	1
5(1)(h)	Commissioner of Highways	7	1+37 <sup>▲</sup>
5(1)(l)	Safety	24	24
5(1)(m)	Fire Prevention and Protection	12+7 <sup>►</sup>	0
5(1)(t)	Vehicle Track	1	6
5(1)(w)	Fuel Breaks	2	
5(1)(y)	Roadside Vegetation	1	11
5(1)(zc) & (zd)	Mining Exploration & Operations	2+2 <sup>■</sup>	6 <sup>■</sup>
5(1)(zfa)	Regrowth Management Plan	3	6
5(1)(zj)	Management Problems	8	3
5(1)(zi)	Preserving, Enhancing Biological Diversity	1	2+9 <sup>*</sup>
5(1)(z)	Council Reserves, Fire Control	1	0
5A	Clearance for Fire prevention and control – fuel breaks	0	9 <sup>►</sup> +42 <sup>Ø</sup>
	<b>TOTAL</b>	<b>233</b>	<b>248</b>

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





## INDEPENDENT AUDITOR'S REPORT



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Auditor-General's Department

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### To the Presiding Member Native Vegetation Council

As required by section 31 of the *Public Finance and Audit Act 1987* and section 22(2) of the *Native Vegetation Act 1991*, I have audited the accompanying financial statements of the Native Vegetation Fund for the financial year ended 30 June 2010. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to and Forming Part of the Financial Statements and
- A Certificate from the Presiding Member, Native Vegetation Council and the Director, Finance and Business Services of the Department for Water.

### The Responsibility of the Members of the Native Vegetation Council for the Financial Statements

The members of the Native Vegetation Council are responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

**Auditor's Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Native Vegetation Fund as at 30 June 2010, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
9 November 2010


## Native Vegetation Fund

### Certification of the Financial Statements

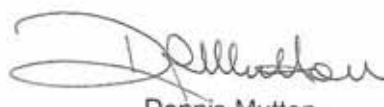
We certify that the attached general purpose financial statements for the Native Vegetation Fund:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant *Australian Accounting Standards*;
- are in accordance with the accounts and records of the Native Vegetation Fund; and
- present a true and fair view of the financial position of the Native Vegetation Fund as at 30 June 2010 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.



Danny De Cesare  
Director, Finance and Business Services  
November 2010



Dennis Mutton  
Presiding Member  
08 November 2010

**Native Vegetation Fund**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2010**

	Note	2010 \$'000	2009 \$'000
<b>Expenses</b>			
Supplies and services	4	91	143
Grants and contributions	5	2 619	1 296
Other expenses		64	-
<b>Total expenses</b>		<u>2 774</u>	<u>1 439</u>
<b>Income</b>			
Fees and charges	6	1 473	2 413
Interest revenue	7	258	322
Grant revenue	8	933	572
<b>Total income</b>		<u>2 664</u>	<u>3 307</u>
<b>Net cost of providing services</b>		<u>(110)</u>	<u>1 868</u>
<b>Net result</b>		<u>(110)</u>	<u>-</u>
<b>Total comprehensive result</b>		<u>(110)</u>	<u>1 868</u>

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

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



**Native Vegetation Fund**  
**Statement of Financial Position**  
**As at 30 June 2010**

	Note	2010 \$'000	2009 \$'000
<b>Current assets</b>			
Cash	9	7 376	7 198
Receivables	10	345	295
<b>Total current assets</b>		<u>7 721</u>	<u>7 493</u>
<b>Total assets</b>		<u>7 721</u>	<u>7 493</u>
<b>Current liabilities</b>			
Payables	11	346	8
<b>Total current liabilities</b>		<u>346</u>	<u>8</u>
<b>Total liabilities</b>		<u>346</u>	<u>8</u>
<b>Net assets</b>		<u>7 375</u>	<u>7 485</u>
Retained earnings		<u>7 375</u>	<u>7 485</u>
<b>Total equity</b>		<u>7 375</u>	<u>7 485</u>
The total equity is attributable to the SA Government as owner			
Contingent assets and liabilities	14		
Unrecognised contractual commitments	16		

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

**Native Vegetation Fund**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2010**

	Retained Earnings	Total
	\$'000	\$'000
<b>Balance at 30 June 2008</b>	<b>5 617</b>	<b>5 617</b>
Net result for 2008/2009	1 868	1 868
<b>Total comprehensive result for 2008/2009</b>	<b>1 868</b>	<b>1 868</b>
<b>Balance at 30 June 2009</b>	<b>7 485</b>	<b>7 485</b>
Net result for 2009/2010	(110)	(110)
<b>Total comprehensive result for 2009/2010</b>	<b>(110)</b>	<b>(110)</b>
<b>Balance at 30 June 2010</b>	<b>7 375</b>	<b>7 375</b>

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

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

**Native Vegetation Fund**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2010**

	Note	2010 \$'000	2009 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Payments for supplies and services		(91)	(44)
Payments of grants and contributions		(2 281)	(1 296)
Other payments		-	(103)
<b>Cash used in operations</b>		<u>(2 372)</u>	<u>(1 444)</u>
<b>Cash inflows</b>			
Interest revenue		250	346
Fees and charges		1 367	2 230
Grant receipts		933	572
<b>Cash generated from operations</b>		<u>2 550</u>	<u>3 148</u>
<b>Net cash provided by operating activities</b>	12	<u>178</u>	<u>1 704</u>
<b>Net increase in cash and cash equivalents</b>		178	1 704
<b>Cash and cash equivalents at beginning of period</b>		7 198	5 494
<b>Cash and cash equivalents at end of period</b>	9,12	<u><u>7 376</u></u>	<u><u>7 198</u></u>

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

**Native Vegetation Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2010**

**1 Objectives of the Native Vegetation Fund**

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

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

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

**2 Summary of significant accounting policies**

**(a) Statement of compliance**

The financial statement is a general-purpose financial statement. The accounts have been prepared in accordance with relevant Australian accounting standards and Treasurer's instructions and accounting policy statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

Except for the amendments to Australian Accounting Standards, AASB 2009-12, which the board has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the board for the reporting period ending 30 June 2010. These are outlined in Note 3.

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
- Native Vegetation Council/Committee member and remuneration information, where a council/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented, for the year ended 30 June 2009.

**(c) Reporting entity**

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

The Fund consists of monies contributed by State Government appropriation together with income derived from fees and charges together with penalties handed down by the Courts and payments made by landowners, companies and government agencies to enable the Council to achieve an environmental gain offsetting any approved clearance.

**(d) Comparative information**

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

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

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

**(e) Rounding**

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

**(f) Taxation**

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

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

Cash flows are included in the Statement of Cash Flows on a gross basis.

**(g) Events after the end of the reporting period**

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

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

**(h) Income**

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

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

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

The Fund has attempted to identify all relevant transactions with SA Government entities / non-SA Government entities.

The following are specific recognition criteria:

*Fees and charges*

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

*Grants and contributions received*

Grants and contributions are recognised as an asset and income when the Fund obtains control of the grants/contributions or obtains the right to receive the grants/contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the Fund has obtained control or the right to receive for:

- Grants/contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the grant/contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the grant/contribution is received.
- Grants/contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for grants/contributions received or receivable under the agreement.

All grants/contributions received by the Fund have been grants/contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

*Revenues from SA Government*

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

Where money has been appropriated in the form of a loan, the department has recorded a loan receivable.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the fund and the appropriation is recorded as contributed equity.

**(i) Expenses**

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

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

The notes accompanying the financial statements disclose the expenses where the counterparty/transaction is with an entity within the SA Government separately to those transactions with non-SA Government entities as at the reporting date, classified according to their nature.

The Fund has attempted to identify all relevant transactions with SA Government entities / non-SA Government entities.

The following are specific recognition criteria:

*Employee benefits expenses*

No employee benefit expenses are recognised by the Fund as all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements are recognised by DWLBC.

*Ben*



#### *Grants and contributions*

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

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

#### **(j) Assets**

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

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

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government, separately to those transactions with non-SA Government entities as at the reporting date, classified according to their nature.

The Fund has attempted to identify all relevant transactions with SA Government entities / non-SA Government entities.

#### *Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position includes cash deposits held at call that are readily converted to cash and are used in the cash management function on a day-to-day basis.

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

Cash is measured at nominal value.

#### *Receivables*

Receivables arise from fees and penalties and compensation payments recovered in respect to offences against the Act. Receivables are generally settled within 30 days after the issue of an invoice.

#### **(k) Liabilities**

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

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

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government, separately to those transactions with non-SA Government entities as at the reporting date, classified according to their nature.

The Fund has attempted to identify all relevant transactions with SA Government entities / non-SA Government entities.

#### *Payables*

Payables include creditors and accrued expenses.

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

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

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

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

The Fund did not voluntarily change any of its accounting policies during 2009-10.

Except for the amending standard AASB 2009-12, which the Fund has early-adopted, the Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2010. The Fund has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.

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**Native Vegetation Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2010**

**4 Supplies and services**

	2010	2009
	\$'000	\$'000
External auditor's remuneration	8	8
Contractors	16	103
Advertising	37	12
Printing and publishing	11	10
Other	19	10
<b>Total Supplies and services</b>	<b>91</b>	<b>143</b>

**External auditor's remuneration**

Audit fees paid or payable to the Auditor-General's Department were \$8 000 (2009: \$8 000). No other services were provided by the Auditor-General's Department.

**5 Grants and contributions**

	2010	2009
	\$'000	\$'000
Contribution to Department of Environment and Heritage (DEH) for Heritage Agreements	292	332
Contribution to DEH for Heritage Agreement Grant Schemes	126	111
Contribution to DEH for council rate reimbursement associated with Heritage Agreements	10	10
Contribution to the Native Vegetation Council Secretariat for contract position	62	64
Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance	15	15
Contribution to DWLBC for statewide vegetation cover monitoring	178	145
Contribution to DWLBC for change detection program	178	91
Contribution to DWLBC NVIS Business Development Plan	20	-
Contribution to Banksia Monitoring	-	3
Contribution to Country Fire Service campaign	-	50
Research grants	1 620	422
Local Government grants	32	36
Other grants	86	17
<b>Total Grants and contributions</b>	<b>2 619</b>	<b>1 296</b>

**Grants and contributions paid/payable to entities within SA Government**

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

	2010	2009
	\$'000	\$'000
Contribution to Department of Environment and Heritage (DEH) for Heritage Agreements	292	332
Contribution to DEH for Heritage Agreement Grant Schemes	126	111
Contribution to DEH for council rate reimbursement associated with Heritage Agreements	10	10
Contribution to the Native Vegetation Council Secretariat for contract position	62	64
Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance	15	15
Contribution to DWLBC for statewide vegetation cover monitoring	178	145
Contribution to DWLBC for change detection program	178	91
Contribution to Banksia Monitoring	-	3
Contribution to Country Fire Service campaign	-	50
Contribution to DWLBC NVIS Business Development Plan	20	-
Research grants	1 080	45
<b>Total Grants and contributions paid/payable to entities within SA Government</b>	<b>1 961</b>	<b>866</b>

**6 Revenue from fees and charges**

	2010	2009
	\$'000	\$'000
Fines and penalties	97	60
Application fees	7	16
Significant environmental benefits	1 369	2 337
<b>Total Revenue from fees and charges</b>	<b>1 473</b>	<b>2 413</b>

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

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

	2010	2009
	\$'000	\$'000
Significant environmental benefits	514	823
<b>Total fees and charges received/receivable from entities within the SA Government fees and charges</b>	<b>514</b>	<b>823</b>

**7 Interest revenue**

	2010	2009
	\$'000	\$'000
Interest from SA Government	258	322
<b>Total Interest revenue</b>	<b>258</b>	<b>322</b>

Native Vegetation Fund

Notes to and forming part of the Financial Statements  
For the Year Ended 30 June 2010

<b>8 Grant revenue</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Other intra-government transfers from DWLBC	933	562
Other	-	10
<b>Total Grant revenue</b>	<b>933</b>	<b>572</b>

<b>9 Cash and cash equivalents</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	7 376	7 198
<b>Total Cash and cash equivalents</b>	<b>7 376</b>	<b>7 198</b>

At 30 June cash of \$7,376 million was held in an interest-bearing Deposit Account with the Treasurer.

<b>10 Receivables</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	383	277
Less allowance for doubtful debts	(64)	-
	319	277
Accrued interest	26	18
<b>Total Current receivables</b>	<b>345</b>	<b>295</b>

**Receivables from entities within the SA Government**

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

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Receivables	236	-
Accrued interest	26	18
<b>Total Receivables from entities within the SA Government</b>	<b>262</b>	<b>18</b>

**Movement in the allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists. The allowance for doubtful debt was increased by \$64 000 in 2009-10.

**Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables are non-interest bearing. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

<b>11 Payables</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	346	8
<b>Total Payables</b>	<b>346</b>	<b>8</b>

**Current payables to entities within the SA Government**

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

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Creditors	234	8
<b>Total Current payables to entities within the SA Government</b>	<b>234</b>	<b>8</b>

**Interest rate**

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

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# Native Vegetation Fund

## Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2010

### 12 Cash flow reconciliation

	2010 \$'000	2009 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash at year end as per:		
Cash and cash equivalents disclosed in the Statement of Financial Position	7 376	7 198
Balance as per the Statement of Cash Flows	7 376	7 198
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash provided by operating activities	178	1 704
<b>Add/(less) non-cash items:</b>		
Bad debts expense	(64)	-
<b>Movement in assets and liabilities</b>		
Increase in receivables	114	159
(Increase)/decrease in payables	(338)	5
<b>Net cost of providing services</b>	<b>(110)</b>	<b>1 868</b>

### 13 Financial instruments/financial risk management

#### Categorisation of financial instruments

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

Statement of financial position line item	Category of financial assets and financial liability	Note	2010		2009	
			Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>						
Cash	Cash	9	7 376	7 376	7 198	7 198
Receivables	Receivables (at cost)	10	345	345	295	295
<b>Financial liabilities</b>						
Payables	Financial liabilities (at cost)	11	346	346	8	8

#### Credit risk

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

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

#### Ageing analysis of financial assets

The following table discloses the ageing of financial assets and the ageing of impaired assets.

	Overdue for <30 days \$'000	Overdue for 30-60 days \$'000	Overdue for >60 days \$'000	Total \$'000
<b>2010</b>				
Not impaired Receivables	257	33	55	345
Impaired Receivables	-	-	(64)	(64)
<b>2009</b>				
Not impaired Receivables	222	-	73	295
Impaired Receivables	-	-	-	-

## Native Vegetation Fund

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

For the Year Ended 30 June 2010

#### Maturity analysis of financial assets and liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

	Contractual maturities				Carrying amount \$'000
	<1 year \$'000	1-5 years \$'000	>5 years \$'000		
<b>2010</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7 376	-	-		7 376
Receivables	345	-	-		345
<b>Total financial assets</b>	<b>7 721</b>	<b>-</b>	<b>-</b>		<b>7 721</b>
<b>Financial liabilities</b>					
Payables	346	-	-		346
<b>Total financial liabilities</b>	<b>346</b>	<b>-</b>	<b>-</b>		<b>346</b>
<b>2009</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7 198	-	-		7 198
Receivables	295	-	-		295
<b>Total financial assets</b>	<b>7 493</b>	<b>-</b>	<b>-</b>		<b>7 493</b>
<b>Financial liabilities</b>					
Payables	8	-	-		8
<b>Total financial liabilities</b>	<b>8</b>	<b>-</b>	<b>-</b>		<b>8</b>

## 14 Contingent assets and liabilities

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

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

## 15 Restrictions on contributions received

The Council is restricted on its use of monies in the fund according to the provisions of the *Native Vegetation Act 1991*. Section 21(5) of the *Native Vegetation Act* specifies that the Native Vegetation Council must as far as practicable, use monies paid into the Fund to achieve a significant environmental benefit to offset the approved clearance of native vegetation. Expiation fees, penalties handed down by the Court, financial benefits (as determined by the ERD Court) gained from illegal clearance and exemplary damages (as determined by the ERD Court), must be spent within the same region of the State as the land cleared.

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

	2010 \$'000	2009 \$'000
South East Natural Resources Management Board	769	593
Mt Lofty Ranges Greater Basin	1 555	1 180
SA Murray Darling Basin Natural Resources Management Board	2 173	2 729
Kangaroo Island Natural Resources Management Board	37	62
Northern & Yorke Agricultural District	550	256
SA Arid Lands Natural Resources Management Board	338	99
Eyre Peninsula Natural Resources Management Board	486	518
Alinytjara Wilurara Natural Resources Management Board	788	994
<b>Total Restrictions on contributions received</b>	<b>6 696</b>	<b>6 431</b>

## 16 Unrecognised contractual commitments

	2010 \$'000	2009 \$'000
Within one year	1 411	2 274
Later than one year but no longer than five years	290	942
<b>Total restrictions on contributions received</b>	<b>1 701</b>	<b>3 216</b>

The fund's commitments include payments to a number of organisations for research grants, the Department of Water, Land and Biodiversity Conservation for the change detection program and funding of the research officer, and the Department of Environment and Heritage for heritage agreements and grant heritage agreement schemes.



**Native Vegetation Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2010**

**17 Council members**

The following Council members were entitled to receive remuneration during the 2010 financial year. This remuneration was paid for by DWLBC.

Bates J A	Kelly Janice (retired 17/08/2009) *	Munday B C
Ben Khan A	Keynes J L (appointed 3/09/2009)	Mutton D R
Dennis M (retired 17/08/2009)	Lillecrappe J A (appointed 3/09/2009)	Paton P A
Gray A (appointed 28/10/2009) *	Martin N K	Poolle EG *
Hitchcock D E (appointed 28/10/2009) *	McHugh B K *	Vickery F J

\* Denotes nil remuneration

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

	2010 No. of members	2009 No. of members
\$0 - \$9 999	9	7
\$10 000 - \$19 999	1	1
	<u>10</u>	<u>8</u>

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$40 900 (2009: \$42 600).

Amounts paid to a superannuation plan for board members was \$3 100 (2009: \$3 200)

In accordance with the Department of the Premier and Cabinet's Circular PC016 *Remuneration for Government Appointment Part Time Boards and Committees*, government employees did not receive any remuneration for board/committee duties during the financial year.

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

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

**18 Events after the reporting period**

**Machinery of Government**

On 18 May 2010 the Government announced its intention to undertake a 'Machinery of Government' restructure, effective from 1 July 2010. The Native Vegetation Fund is impacted by the restructure as the responsibilities of the Department for Water (DFW) will refocus on all aspects of water resources management in the State. Administrative activities previously undertaken by DFW in relation to natural resources management activities will be transferred to the Department for Environment and Natural Resources (DENR).

