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To the Presiding Member Native Vegetation Council

Opinion

I have audited the financial report of the Native Vegetation Fund for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Native Vegetation Fund as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member of the Native Vegetation Council, the Chief Executive and the Chief Financial Officer of the Department for Environment and Water.

Basis for opinion

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

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

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

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

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22(2) of the *Native Vegetation Act 1991*, I have audited the financial report of the Native Vegetation Fund for the financial year ended 30 June 2025.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Native Vegetation Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

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



Daniel O'Donohue
Deputy Auditor-General

15 January 2026

Native Vegetation Fund

Financial Statements

For the year ended 30 June 2025

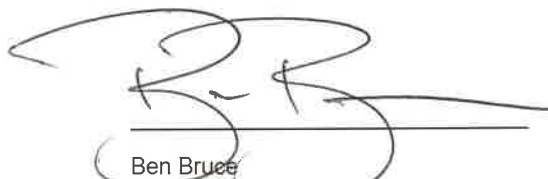
Native Vegetation Fund
Certification of Financial Statements
for the year ended 30 June 2025

We certify that the:

- financial statements of the Native Vegetation Fund:
 - are in accordance with the accounts and records of the Fund;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Fund at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Native Vegetation Fund for the financial year over its financial reporting and its preparation of financial statements have been effective.



Dr Marilyn Henderson
Presiding Member
Native Vegetation Council
18 December 2025



Ben Bruce
Chief Executive
Department for Environment and Water
18 December 2025



Shaun O'Brien
Chief Financial Officer
Department for Environment and Water
18 December 2025

Native Vegetation Fund
Statement of Comprehensive Income
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
Fees and charges	2.1	4 135	3 751
Interest	5.1	1 233	1 093
Other income	2.2	-	29
Total income		5 368	4 873
Expenses			
Supplies and services	4.1	89	38
Grants and subsidies	4.2	1 925	965
Other expenses	4.3	3	12
Total expenses		2 017	1 015
Net result		3 351	3 858
Total comprehensive result		3 351	3 858

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

Native Vegetation Fund
Statement of Financial Position
as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	5.1	31 652	29 132
Receivables	5.2	1 632	469
Total current assets		33 284	29 601
Total assets		33 284	29 601
Current liabilities			
Payables	6.1	374	42
Total current liabilities		374	42
Total liabilities		374	42
Net assets		32 910	29 559
Equity			
Retained earnings		32 910	29 559
Total equity		32 910	29 559

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

Native Vegetation Fund
Statement of Changes in Equity
for the year ended 30 June 2025

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	25 701	25 701
Net result for 2023-24	3 858	3 858
Total comprehensive result for 2023-24	3 858	3 858
Balance at 30 June 2024	29 559	29 559
Net result for 2024-25	3 351	3 351
Total comprehensive result for 2024-25	3 351	3 351
Balance at 30 June 2025	32 910	32 910

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

Native Vegetation Fund
Statement of Cash Flows
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Fees and charges		3 007	4 416
Interest received		1 235	1 074
GST recovered from the DEW		141	2
Other receipts		-	29
<u>Cash outflows</u>			
Payments for supplies and services		(98)	(43)
Payments of grants and subsidies		(1 752)	(1 016)
Other payments		(13)	(12)
Net cash from operating activities		2 520	4 450
Net increase in cash and cash equivalents		2 520	4 450
Cash and cash equivalents at the beginning of the reporting period		29 132	24 682
Cash and cash equivalents at the end of the reporting period	5.1	31 652	29 132

The accompanying notes form part of these financial statements.

Native Vegetation Fund

Notes to and forming part of the financial statements

For the year ended 30 June 2025

1. About the Native Vegetation Fund

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

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

The financial activities of the Fund are conducted through an interest-bearing deposit account established pursuant to section 21 of the *Public Finance and Audit Act 1987* and held with the Department of Treasury and Finance (DTF).

1.1. Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

For the purposes of preparing the financial statements, the Fund is a not-for-profit entity. The financial statements are prepared based on a 12 month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is identified in the note to the financial statements.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The Fund is grouped with the Department for Environment and Water (DEW) for GST purposes, and accordingly DEW prepares the Business Activity Statement on behalf of the Fund via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Fund either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DEW.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST component of cash flows arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating cash flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2. Objectives and programs

Objectives

The major purpose of the Fund is to provide funds to be applied for research, preservation, enhancement, and management of native vegetation in South Australia and encouraging the re-establishment of native vegetation on land from which it has been previously cleared.

In achieving its objectives, the Fund conducts its services through a single program, the Native Vegetation Fund.

Native Vegetation Fund

Notes to and forming part of the financial statements

For the year ended 30 June 2025

1.3. Changes to the Board

On Wednesday 18 June 2025, Parliament passed South Australia's first ever Biodiversity Act 2025. The full commencement of this Act is expected to take a number of years and will result in the repeal of the Native Vegetation Act 1991. Native Vegetation Funds will transition to the Biodiversity Administration Fund and the Biodiversity Restoration Fund. The amounts transitioned into the Biodiversity Administration Fund will be determined by Regulation.

2. Income

2.1. Fees and charges

	2025	2024
	\$'000	\$'000
Significant Environmental Benefits *	4 042	3 654
Fees, fines and penalties	93	97
Total fees and charges	4 135	3 751

* The owner of land on which native vegetation is growing or is situated, may apply for consent to clear the vegetation under section 28 of the Act. In consenting to the clearance of native vegetation under section 29 of the Act, the Council may attach a condition requiring the applicant to make a payment into the Fund of an amount considered by the Council to be sufficient to achieve a significant environmental benefit.

The monies paid into the Fund must as far as practicable, be used to establish or regenerate native vegetation on land that is within the same region of the state as the cleared land and that has been selected by the Council for that purpose having regard to the Regional Biodiversity Plans (if any) approved by the Minister for that region.

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

2.2. Other income

	2025	2024
	\$'000	\$'000
Impairment gain on receivables	-	29
Total other income	-	29

3. Board, committees, and employees

3.1. Key management personnel

Key management personnel of the Fund include the Minister for Climate, Environment and Water and the members of the Native Vegetation Council.

Total compensation for the Fund's key management personnel was \$62 000 (2024: \$38 000).

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

Transactions with key management personnel and other related parties

Apart from the remuneration for key management personnel, the Fund does not have material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities.

Native Vegetation Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2025

3.2. Remuneration of council and committee members

Members during the 2024-25 financial year were:

Native Vegetation Council

M Henderson (Presiding Member)
K Weymouth
J H Neal
M Cornish
H Possingham
R A Davis
A Hooper
L Muffet (retired 22/04/2025)

Native Vegetation Assessment Panel

M Henderson (Chair)
K Weymouth
M Cornish

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

Board and committee remuneration

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

	2025	2024
\$1 - \$19 999	7	7
\$20 000 - \$39 999	1	-
Total number of members	8	7

The total remuneration received or receivable by members was \$75 000 (2024: \$38 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax. The remuneration of members is paid by DEW.

For the purposes of the table above, 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 out-of-pocket expenses incurred by relevant members.

4. Expenses

4.1. Supplies and services

	2025 \$'000	2024 \$'000
Legal costs	11	7
Council rates	7	8
Minor works	4	4
General administration	1	2
Fee for service	-	14
Travel and accommodation	-	1
Other	66	2
Total supplies and services	89	38

Native Vegetation Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4.2. Grants and subsidies

	2025	2024
	\$'000	\$'000
Significant Environmental Benefit (SEB) grants	1 916	965
Other grants	9	-
Total grants and subsidies	1 925	965

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

SEB grants are provided to restore, re-vegetate and protect areas of native vegetation within South Australia.

4.3. Other expenses

	2025	2024
	\$'000	\$'000
Audit fees	12	12
Impairment loss on receivables	(9)	-
Total other expenses	3	12

Audit fees

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$11 700 (2024: \$11 700). No other services were provided by the Audit Office of South Australia.

5. Financial assets

5.1. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Deposits with the Treasurer	31 652	29 132
Total cash and cash equivalents	31 652	29 132

Deposits with the Treasurer

The Fund is established under section 21 of the Act. The Fund's deposit account was established under section 21 of the *Public Finance and Audit Act 1987* and is held with DTF.

The Fund Deposit Account earns a floating interest rate, based on daily bank deposit rates. Interest earned during the year was \$1.233 million (2024: \$1.093 million). Interest is recorded on an accrual basis.

Native Vegetation Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.2. Receivables

	2025	2024
	\$'000	\$'000
<u>Current receivables</u>		
Fees and charges	1 560	432
GST input tax recoverable from DEW	30	3
Less impairment loss on receivables	(55)	(65)
	1 535	370
Accrued interest	97	99
Total current receivables	1 632	469

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

The net amount of GST Recoverable from DEW is included as part of receivables.

Receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Impairment losses relate to contracts with customers that are external to SA Government. No impairment loss was recognised in relation to statutory receivables.

6. Liabilities

6.1. Payables

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Trade payables	362	30
Accrued expenses	12	12
Total current payables	374	42
Total payables	374	42

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 days from the date the invoice is received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Native Vegetation Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2025

7. Outlook

7.1. Unrecognised commitments

Other contractual commitments

Commitments include operating arrangements arising from contractual sources and are disclosed at their nominal value.

	2025	2024
	\$'000	\$'000
Within one year	2 444	962
Later than one year but not longer than five years	3 962	1 606
Later than five years	1 648	142
Total expenditure commitments	8 054	2 710

The Fund's other contractual commitments are for the delivery of grant programs.

7.2. Contingent assets and liabilities

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

As at the reporting date, civil proceedings had commenced against landowners who have been convicted of breaching the Act.

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

7.3. Restrictions on contributions received

The Council is restricted on its use of monies in the Fund according to the provisions of the Act. Section 21(6) of the Act specifies that the Council must as far as practicable, use monies paid into the Fund to achieve a significant environmental benefit to offset the approved clearance of native vegetation. Expiation fees, penalties handed down by the Magistrates Court, financial benefits (as determined by the Environment, Resources and Development Court (ERD)) gained from illegal clearance and exemplary damages (as determined by the ERD Court), must be spent within the same region of the State as the land cleared.

	2025	2024
	\$'000	\$'000
Murraylands and Riverland	5 681	5 756
SA Arid Lands	5 741	5 314
Northern and Yorke	5 389	5 083
Hills and Fleurieu	4 342	4 378
Eyre Peninsula	2 793	2 122
Limestone Coast	1 988	1 922
Kangaroo Island	1 134	1 117
Alinytjara Wilurara	1 039	1 037
Green Adelaide (metropolitan region)	564	566
Total restrictions on contributions received	28 671	27 295

7.4. Events after the reporting period

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