

2021-2022

## CHARTER

of the

### SOUTH AUSTRALIAN FORESTRY CORPORATION

#### 1. INTRODUCTION

- 1.1. This Charter has been prepared by the Minister for Primary Industries and Regional Development and the Treasurer, following consultation with the South Australian Forestry Corporation, in accordance with section 12 of the *Public Corporations Act 1993 (SA)*.
- 1.2. This Charter should be read in conjunction with:
  - *Public Corporations Act 1993 (SA)*
  - *South Australian Forestry Corporation Act 2000*
  - *Forestry Act 1950 (SA)*
  - Forestry Regulations 2013
  - *Public Finance and Audit Act 1987 (SA)*
  - *Work Health and Safety Act 2012 (SA)*
  - *Native Vegetation Act 1991 (SA)*
  - *Fire and Emergency Services Act 2005 (SA)*
  - *Landscape South Australia Act 2019*
  - *Native Title (South Australia) Act 1994*
  - *Aboriginal Heritage Act 1988 (SA)*
- 1.3. Expressions used in this Charter have the same meaning as in the *Public Corporations Act 1993 (SA)*.
- 1.4. In this Charter, the South Australian Forestry Corporation is referred to as "the Corporation."
- 1.5. This Charter sets out the Government's strategic objectives, priorities and requirements for the Corporation.

#### PART 1: STRATEGIC POSITION

#### 2. BOARD RESPONSIBILITIES

- 2.1. The Board is responsible to the Minister for Primary Industries and Regional Development for overseeing the operations of the Corporation with the goal of:
  - 2.1.1. securing continuing improvements of performance
  - 2.1.2. encouraging and facilitating regionally based economic activities based on forestry and other industries to protect the long term viability of the Corporation and the Crown's financial interest in the Corporation for the benefit of the people and economy of the State.

#### 3. STRATEGIC-COMMERCIAL DIRECTIONS

- 3.1. The Government requires the Corporation, in fulfilling its statutory functions as set out in the *South Australian Forestry Corporation Act 2000*, to be a business enterprise with the principal responsibility to manage State-owned plantation

forests, manage plantation forests for other forest owners and pursue the following strategic commercial directions:

- 3.1.1. Manage State-owned plantation forests for commercial production in line with best practice standards for forestry operations and environmental management to maximise value whilst ensuring the protection of Aboriginal, environmental and social values and heritage.
- 3.1.2. Maximise the value of the Corporation whilst achieving other key requirements of Government set out herein.

#### **4. ECONOMIC DIRECTIONS**

The Government is committed to the ongoing development of the South Australian economy through mechanisms that foster:

- Economic growth, investment and reinvestment in South Australia;
- Development of exports and entry to overseas markets;
- Research, development and commercialisation of technology; and
- Implementing a strong information technology base.

To this end, the Corporation shall:

- 4.1. encourage and facilitate regionally based economic activities based on forestry and other industries;
- 4.2. support regional resource protection initiatives and programs;
- 4.3. support the concept of environmental sustainability which assists in the protection of natural assets and market accessibility;
- 4.4. support cooperative research activities within the forestry industry, and
- 4.5. pursue and adopt new and innovative technologies.

#### **5. GOVERNMENT POLICIES**

- 5.1. In pursuing the strategic objectives in the context of the Government's directions, and undertaking its functions and exercising its powers, the Corporation shall act in accordance with the Government's:
  - 5.1.1. governance framework for public corporations
  - 5.1.2. policies generally applying to its commercial agencies
  - 5.1.3. policies specifically applying to Public Corporations.
- 5.2. The Corporation in developing its operating policies shall have regard to other Government strategies and policies, and the roles and responsibilities of other Government agencies.

### **PART 2: THE CORPORATION'S OPERATIONS**

#### **6. COMMERCIAL OPERATIONS**

- 6.1. General  
For the purposes of the *Public Corporations Act 1993*, all operations of the Corporation are commercial operations, except for those operations referenced as non-commercial operations in Section 7 of this Charter.
- 6.2. Scope of Operations  
The Corporation's principal operations will be based in South Australia.
- 6.3. Subsidiaries, Joint Ventures and Other Arrangements



With the approval of the Minister for Primary Industries and Regional Development and the Treasurer, the Corporation may pursue commercial opportunities through subsidiaries, joint ventures or other appropriate arrangements, provided that the services delivered under the arrangements relate to forestry or ancillary services.

6.4. Investment Activities

The Corporation may invest:

6.4.1. in the development and continuation of the Corporation's business, consistent with this Charter and directly related to its legislative functions.

6.4.2. surplus funds so as to maximise the return in accordance with sound investment practices appropriate to the nature of the funds invested.

## 7. NON-COMMERCIAL OPERATIONS

7.1. The Corporation's non-commercial operations are:

7.1.1. Listed below:

- i. Native forest management
- ii. Community use of forests
- iii. Community fire protection and forest industry support activities
- iv. Other activities as directed by the Minister for Primary Industries and Regional Development
- v. Management of the Mid North forest reserves

7.1.2. Subject to an agreement between the Corporation and the Minister for Primary Industries and Regional Development.

7.1.3. Agreed to be non-commercial by the Minister for Primary Industries and Regional Development and the Treasurer.

7.2. The Corporation is required to perform all non-commercial operations in an efficient and effective manner.

7.3. Non-commercial operations are to be costed and funded in accordance with arrangements determined by the Minister for Primary Industries and Regional Development and the Treasurer.

## PART 3: FINANCIAL AND COMMERCIAL MANAGEMENT

### 8. FINANCIAL AND COMMERCIAL MANAGEMENT

8.1. Performance Targets

The financial and commercial targets to be met by the Corporation shall be those set out in the annual Performance Statement.

8.2. Form and Content of Accounts and Financial Statements

The Corporation must prepare financial statements based on Australian Accounting Standards, generally accepted accounting principles and practices, including the Financial Management Toolkit and other applicable instructions of the Treasurer issued under the *Public Finance and Audit Act 1987*.

8.3. Accounting and Internal Auditing Systems and Practices

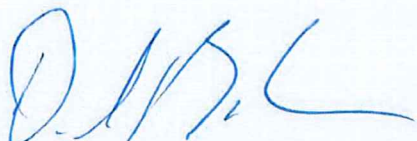
The Corporation must establish and maintain:

- 8.3.1. an Audit Committee
- 8.3.2. financial and accounting processes, practices and systems in accordance with appropriate standards of practice
- 8.3.3. effective internal auditing of its operations in accordance with appropriate standards of practice and the *Public Corporations Act 1993 (SA)*.
- 8.4. Reports on Operations  
As a minimum, and in addition to statutory requirements, the Chief Executive must provide the following reports to the Board, and therefore enable review by the Treasurer's Representative:
  - 8.4.1. Quarterly performance monitoring reports, including Statement of Comprehensive Income, Statement of Financial Position, Capital Investment Statement and Statement of Cash Flows detailing the Corporation's actual performance year to date against budget and forecast.
  - 8.4.2. Other information as requested from time-to-time by the Minister for Primary Industries and Regional Development or the Treasurer.
  - 8.4.3. Exception reports on any other information which in the opinion of the Board should be provided.
- 8.5. Fees and Charges
  - 8.5.1. The Corporation's Fees and Charges will be established in accordance with the *Forestry Act 1950 (SA)* and Forestry Regulations 2013 and in accordance with the Department of Treasury and Finance Fees and Charges Guidelines 2021-22.
  - 8.5.2. For operations not subject to the *Forestry Act 1950 (SA)* and Forestry Regulations 2013, fees and charges will be established in accordance with regard to the Corporation's revenue targets and the costs it incurs in relation to the commercial activity.
- 8.6. Asset Management
  - 8.6.1. The Corporation must develop Asset Management Plans reflecting prudent commercial practice.
  - 8.6.2. The Corporation shall consult other agencies and take account of any Government requirements in the disposal of surplus land (excluding easements) and buildings.
  - 8.6.3. The Corporation will undertake appropriate risk management actions.



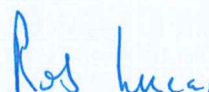
**9. DATE OF OPERATION**

This Charter comes into operation upon the signature of the Minister for Primary Industries and Regional Development and the Treasurer, and is binding on the Corporation.



**HON DAVID BASHAM MP  
MINISTER FOR PRIMARY INDUSTRIES  
AND REGIONAL DEVELOPMENT**

Date 15/11/2021



**HON ROB LUCAS MLC  
TREASURER**

Date 1/12/2021