

## ITEM NUMBER: 18.2

### CONFIDENTIAL REPORT

#### REVIEW OF SERVICE

*Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:*

- j. **information the disclosure of which would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the Council); and would, on balance, be contrary to the public interest.**

**Recommendation – Exclusion of the Public – Section 90(3)(j) Order**

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 152/23 Review of Service in confidence.
  2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 152/23 Review of Service on the following grounds:
    - j. pursuant to section 90(3)(j) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would divulge information provided on a confidential basis by the Auditor-General's Department.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
  3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: 18.2

Subject: **REVIEW OF SERVICE**

Date: 9 May 2023

Written By: Chief Executive Officer

Chief Executive Officer: Mr R Bria

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## **SUMMARY**

The Auditor-General has determined to conduct a review of urban tree canopy management in local government pursuant to section 32(1)(c) of the *Public Finance and Audit Act 1987*. City of Holdfast Bay and one other metropolitan council have been chosen to review.

An initiation meeting was held with representatives of the Auditor-General's Department on 22 March 2023.

On Wednesday 19 April, the review team were present at the Brighton Civic Centre to conduct interviews with relevant staff.

A draft report will be provided to Administration for comment prior to the report being tabled in Parliament.

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## **RECOMMENDATION**

1. That Council notes the report.

### **RETAIN IN CONFIDENCE - Section 91(7) Order**

2. That having considered Agenda Item 152/23 Review of Service in confidence under section 90(2) and (3)(j) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report, attachment and minutes be retained in confidence for a period of 12 months and/or the Chief Executive Officer is authorised to release the documents when the final report is published and that this order be reviewed every 12 months.
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## **STRATEGIC PLAN**

Environment Strategy 2020-2025

## **COUNCIL POLICY**

Tree Management Policy

## STATUTORY PROVISIONS

*Public Finance and Audit Act 1987*, Section 32(1)(c).

## BACKGROUND

The Auditor-General has determined to conduct a review of urban tree canopy management in local government pursuant to section 32(1)(c) of the *Public Finance and Audit Act 1987*. City of Holdfast Bay and one other metropolitan council have been chosen to review.

## REPORT

An initiation meeting was held with representatives of the Auditor-General's Department on 22 March 2023. At that meeting the following was discussed:

- introduction of the review team;
- outline of the review scope, objectives and approach;
- timing, responsibilities and availability of Council staff;
- communication protocols were established;
- reporting requirements and procedural fairness process;
- importance of maintaining confidentiality during the review; and
- list of preliminary information/documents required.

The review team were provided with an understanding of the Council's operations, including:

- a high-level overview of the Council's arrangements for managing trees to increase or maintain tree canopy in its area;
- governance structure and arrangements;
- any significant changes experienced in recent years;
- key challenges and risks experienced by the Council; and
- relationship between City of Holdfast Bay and other councils, LGA and state government entities.

On Wednesday 19 April, the review team were present at the Brighton Civic Centre to conduct interviews with relevant staff. Ongoing interaction with staff and review of relevant documents is ensuing.

A draft report will be provided to Administration for comment prior to the report being tabled in Parliament. The timeframe for receiving this report is currently unknown.

A full explanation of the process and requirements is provided in Attachment 1.

*Refer Attachment 1*

## BUDGET

Not applicable

**LIFE CYCLE COSTS**

Not applicable

CONFIDENTIAL

# Attachment 1





Our ref: A23/503

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4 April 2023

Mayor Amanda Wilson  
City of Holdfast Bay  
email: awilson@holdfast.sa.gov.au

Dear Mayor Wilson

### **Review of urban tree canopy management**

The purpose of this letter is to inform you that we are conducting a review of the City of Holdfast Bay's (the Council) management of the urban tree canopy in its council area.

We will also be reviewing another metropolitan council as part of this review.

My audit representatives Salv Bianco, Iolanda Telford, Kris Slaytor and Sharon Ryan met with the Council's Chief Executive Officer, Roberto Bria and the General Manager, Assets and Delivery, Michael de Heus on 22 March 2023 to discuss our review scope and process and to establish communication protocols.

This letter details the review mandate, objective, scope, responsibilities and the reporting process.

### **Review mandate**

This review will be performed pursuant to section 32(1)(c) of the *Public Finance and Audit Act 1987* (PFAA). This section allows the Auditor-General to review the efficiency, economy and effectiveness of the activities of a publicly funded body.<sup>1</sup> An extract of our PFAA mandate is attached for your reference in Attachment 1 to this letter.

These reviews are assurance engagements which conclude on the performance of the activity evaluated against identified criteria. The review will be conducted in line with the Australian Standard on Assurance Engagement ASAE 3500 Performance Engagements. Further information about the review process is provided in Attachment 2 to this letter.

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<sup>1</sup> A publicly funded body is defined by section 4 of the PFAA as 'a council constituted under the Local Government Act 1999 or a subsidiary of such a council.'

## Review objective

The objective of our review is to conclude on whether the selected metropolitan councils have effective activities in place to increase or maintain urban tree canopy cover in their council areas.

Councils must manage, develop, protect, restore, enhance and conserve the environment in their council areas in an ecologically sustainable manner, to improve amenity.<sup>2</sup> This includes managing trees on council owned land such as verges, parks and reserves.

In doing this, councils need to balance their role in protecting and maintaining the tree canopy against community needs for urban development and services that support contemporary living in their areas.

The risks of not effectively managing trees to increase or maintain urban tree canopy cover include increases in:

- temperatures, resulting in ‘urban heat island’ effect
- air pollution levels and instances of related illnesses
- serious risk to the health and wellbeing of residents
- expenditure in stormwater management by increasing the need for constructing additional retention, detention and treatment capacity and road repairs for damage caused by higher surface temperatures.

## Review scope

The review period is from 2018-19 to current. This period aligns with the capture of tree canopy data across metropolitan Adelaide by State government entities in partnership with councils in 2018-19, and Green Adelaide in 2022 for the update of the 30 Year Plan for Greater Adelaide.

Our review will focus on the key activities councils use to effectively manage the urban tree canopy in their council areas, such as planning, governance arrangements and management of tree canopy data. Key areas we will consider include:

- tree canopy management plans or equivalent (including its key strategies, objectives, targets and policies)
- governance frameworks (concerning roles and responsibilities, performance monitoring and reporting, risk management)
- policies about management of tree canopy data and the systems used to manage this information.

The review process is iterative by nature and is based on information gathered during our review. We may change our review criteria as we gain a better understanding of the activities and processes the Council uses to manage the tree canopy.

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<sup>2</sup> *Local Government Act 1999* section 7(e)



We will consider relevant frameworks during the review including:

- relevant legislative requirements
- Council's objectives, targets, policies and plans for tree management
- 30 Year Plan for Greater Adelaide
- SA Government Climate Change Action Plan 2021-2025
- State Landscape Strategy
- Green Adelaide Regional Landscape Plan 2021-2026.

Our understanding of the frameworks and associated roles and responsibilities for management of the urban tree canopy are documented in Attachment 3.

### **Review responsibility**

For an efficient and effective review, the Council will need to provide timely access to personnel and information.

At the meeting held on 22 March 2023, we confirmed that we would meet with key staff for a site visit to discuss the urban tree canopy management in more detail.

The Auditor-General's powers to obtain information/documentation are specified under sections 30 and 34 of the PFAA. The information/documentation obtained during the review is used for the sole purpose of performing and reporting the review and will remain confidential.

Attachment 4 to this letter provides a list of required preliminary information and documents as discussed with the CEO. We would appreciate this information by 21 April 2023 and provided to the Performance Audit Manager, Local Government via email to [TeamLG@audit.sa.gov.au](mailto:TeamLG@audit.sa.gov.au) or uploaded to the managed file transfer.

### **Reporting process**

Section 32 of the PFAA requires the Auditor-General to prepare a report on the results of the review and provide a copy of the report to both the Council and to Parliament. Any communication on the review results will be subject to the procedural fairness process outlined in Attachment 4.

The President of the Legislative Council and the Speaker of the House of Assembly must, not later than the first sitting day after receiving the final report from the Auditor-General, table it before their respective Houses. To respect the concurrent and mutual reporting obligations to the Council and the Parliament, section 32(1c) of the PFAA requires all information or documents (including all communications) provided by the Auditor-General about a review to be treated as confidential and may not be disclosed (such as made publicly available or published) except as authorised under section 32(1d) of the PFAA.

A copy of the final report will be provided to the Council and made available on our website at [www.audit.sa.gov.au](http://www.audit.sa.gov.au) from the date it is ordered by Parliament to be published.

**Other matters**

The senior authorised officers responsible for the conduct of the review are:

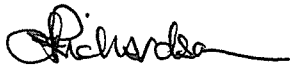
- Mr Salv Bianco, Assistant Auditor-General (Performance Audit)
- Ms Iolanda Telford, Principal Performance Audit Manager (Local Government)
- Ms Kris Slaytor, Performance Audit Manager (Local Government)
- Ms Sharon Ryan, Deputy Performance Audit Manager (Local Government)

We are also engaging an urban forest consultant to assist us in this review.

The officers can be contacted by email at [TeamLG@audit.sa.gov.au](mailto:TeamLG@audit.sa.gov.au) or on 8226 9640.

Thank you for your assistance in this matter.

Yours sincerely



Andrew Richardson  
**Auditor-General**

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cc: Robert Bria, Chief Executive Officer, City of Holdfast Bay, [rbria@holdfast.sa.gov.au](mailto:rbria@holdfast.sa.gov.au)

## Attachment 1: Auditor-General's mandate

7.10.2021—Public Finance and Audit Act 1987  
Audit—Part 3  
Division 2—Audit of public and other accounts

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### 32—Audit etc of publicly funded bodies and projects and local government indemnity schemes

- (1) The Auditor-General may—
- (a) audit the accounts of a publicly funded body and the controls exercised by a publicly funded body in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities; or
  - (b) examine or review the accounts of a publicly funded body; or
  - (c) **review the efficiency, economy and effectiveness of the activities of a publicly funded body**; or
  - (d) examine or review accounts relating to a publicly funded project and review the efficiency, economy and effectiveness of the project; or
  - (e) examine or review accounts relating to a local government indemnity scheme and review the efficiency, economy and effectiveness of the scheme.
- (1a) An audit, review or examination may be made under this section even though the body, project or scheme to which the audit, review or examination relates has ceased to exist.
- (1b) The Auditor-General must conduct an audit, review or examination under subsection (1) if requested to do so by the Treasurer or the Independent Commission Against Corruption.
- (1c) A person to whom information or a document is provided by the Auditor-General or an authorised officer in connection with an audit, review or examination under this section must not disclose the information or document except as authorised under subsection (1d).
- Maximum penalty: \$5 000 or imprisonment for 2 years.
- (1d) Information or a document may be disclosed if—
- (a) the disclosure is made with the consent of the person who provided the information; or
  - (b) the disclosure is authorised or required under any other Act or law; or
  - (c) the disclosure is authorised or required by a court or tribunal constituted by law; or
  - (d) the disclosure is authorised by regulation.

## Attachment 1: Auditor-General's mandate

- (1e) A person to whom a document containing a summary of findings of the Auditor-General is provided in connection with an audit, review or examination under this section must not copy or otherwise reproduce the summary (in whole or part), except—
- (a) as is necessary for the purposes of making submissions or comments to the Auditor-General in relation to the audit, review or examination; or
  - (b) as is necessary for the purposes of obtaining legal advice in relation to the audit, review or examination; or
  - (c) as otherwise authorised by regulation or by the Auditor-General.

Maximum penalty: \$5 000 or imprisonment for 2 years.

- (2) After—
- (a) conducting any audit or making any examination under subsection (1); or
  - (b) conducting a review under subsection (1) requested by the Treasurer or the Independent Commission Against Corruption,
- the Auditor-General must prepare a report setting out the results of the audit, review or examination.

- (3) The Auditor-General must deliver copies of a report under subsection (2) to—
- (a) any publicly funded body concerned in the audit, review or examination; and
  - (b) if the audit, review or examination was requested by the Treasurer—the Treasurer; and
  - (c) if the audit, review or examination was requested by the Independent Commission Against Corruption—the Independent Commission Against Corruption; and
  - (d) the President of the Legislative Council and the Speaker of the House of Assembly.

- (4) After conducting a review of a publicly funded body, publicly funded project or local government indemnity scheme under subsection (1) (other than a review requested by the Treasurer or the Independent Commission Against Corruption), the Auditor-General may prepare a report setting out the results of the review.

- (5) The following provisions apply to a report prepared under subsection (4):

- (a) the Auditor-General must deliver copies of the report to—
  - (i) any publicly funded body concerned in the review; and
- (ii) the President of the Legislative Council and the Speaker of the House of Assembly;

## **Attachment 2: Performance engagements and review process**

### **1 What is a review?**

Reviews conducted under section 32(1)(c) of the *Public Finance and Audit Act 1987* (the PFAA) are assurance engagements that assess whether a publicly funded body is achieving efficiency, economy and effectiveness of its activities.

These engagements conclude on the performance of the activity evaluated against identified criteria. The review is conducted in line with the Australian Standard on Assurance Engagement ASAE 3500 *Performance Engagements*.

The PFAA provides for the review of the degree of efficiency, economy and effectiveness with which public resources are used. Public resources include public money, assets, facilities and staff labour.

### **2 Why conduct reviews?**

The Auditor-General is the independent auditor of the South Australian public sector.

Reviews provide independent assurance to the Parliament and the public on the specific matter/topic.

Our reviews seek to contribute to the public sector accountability and performance for the benefit of all South Australians.

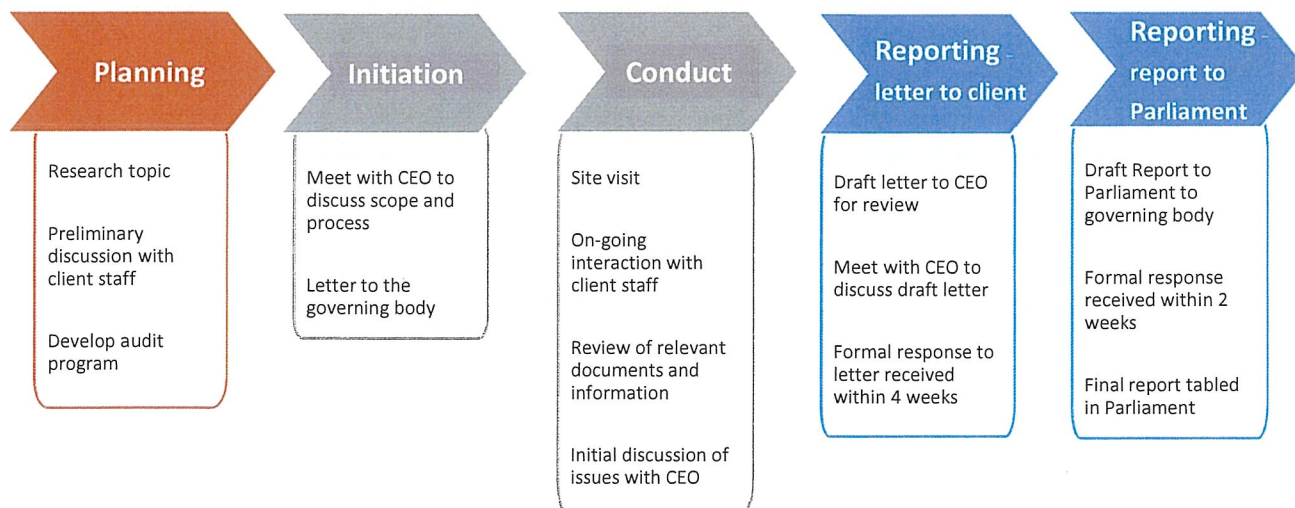
### **3 How do we decide on the review topic?**

Topics are selected at the Auditor-General's discretion based on the audit team's extensive research and consultation with key stakeholders. We aim to choose topics that are timely, relevant, significant to the entity's operations and matters of public interest.

## Attachment 2: Performance engagements and review process

### 4 What is our review process?

The review involves the following key stages:



#### 4.1 Planning the review

The planning stage involves the audit team getting an understanding of the potential review topic, defines the review objective, scope and identifies the relevant criteria and test procedures. Criteria are the standards of performance against which the public funded body or project are assessed. Depending on the topic, criteria can be based on relevant legislation, government policy, relevant industry standards, internal policy and procedures, best practice guidance or other material specific to the activity.

An internal committee reviews the review plan before its approved and initiated.

#### 4.2 Initiating the review

Once the review is approved, we meet with the entity's Chief Executive Officer and other key staff to discuss our review scope and process and to establish communication protocols between the entity's staff and audit team (the initiation meeting).

After this meeting, we send a letter to the governing body outlining the details discussed at the initiation meeting.

#### 4.3 Conducting the review

In conducting reviews, we generally:

- interview key entity staff
- examine and analyse documents relevant to the review
- analyse relevant data (including transaction data).

## **Attachment 2: Performance engagements and review process**

We need to obtain sufficient (quantity) and appropriate (quality depending on its relevance and reliability) audit evidence to use as a basis for forming our conclusions.

The audit team meets with management to discuss the review findings before we start drafting the letter to the entity.

### **4.4 Classification of data**

During the review process we will request documents and information from you. It is your responsibility to classify these. If the documents and information we receive have not been classified and you do not indicate their classification, we will consider these OFFICIAL in line with the South Australian Protective Security Framework.

*OFFICIAL – routine information created or processed by the SA public sector that is not publicly available and does not have specific sensitivity or handling requirements. This may include information (or an opinion) about an identifiable individual (eg members of the public, staff etc). For example, financial records.*

### **4.5 Reporting to the entity**

The draft letter to the entity is reviewed by an internal committee before a confidential copy is sent to management for discussion.

The draft letter provides the review findings and recommendations. It is normally provided to management a week before we meet to discuss the draft letter. This provides management the opportunity to check the factual accuracy of our findings and any mitigating controls, to ensure proper context was provided and raise any concerns.

The final letter is provided to the governing body of the entity and we request a written response to the findings and recommendations within four weeks.

### **4.6 Reporting to the Parliament and the public**

Section 32 of the PFAA requires the Auditor-General to prepare a report on the results of the review. The Report to Parliament generally includes:

- background information on the review topic
- review findings and recommendations provided in the letter to the entity
- the entity's response
- the Auditor-General's conclusions and independent assurance report.

The draft Report to Parliament is reviewed by an internal committee before it is provided to the governing body of the entity for review and comment. We request a written response to the draft Report to Parliament within two weeks. Any comments are considered in finalising the Report to Parliament.

## **Attachment 2: Performance engagements and review process**

A copy of the report is provided to the President of the Legislative Council, the Speaker of the House of Assembly and the governing body of the entity examined.

The President of the Legislative Council and the Speaker of the House of Assembly must, not later than the first sitting day after receiving the final report from the Auditor-General, table it before their respective Houses.

The Report to Parliament is made available on our website at [www.audit.sa.gov.au](http://www.audit.sa.gov.au) from the date it is ordered by Parliament to be published.

We also send an email to notify the entity's Presiding Member and Chief Executive Officer that a section 32 report has been tabled in Parliament.

### **5 Who pays for the review?**

The cost of conducting reviews and preparing the Reports to Parliament is funded by the Auditor-General's Department. If there is a justifiable reason for us to seek some cost recovery from the entity being reviewed, we will communicate this position in writing and the reasons for the change.



### Attachment 3: Overview of roles, legislation and policy

	State Government	Local Government
<b>Role</b>	Responsible for regulation and management of the urban greening framework relevant to urban tree canopy	Responsible for managing, developing, protecting, restoring, enhancing and conserving the environment in their council areas in an ecologically sustainable manner
<b>Act</b>	<i>Planning, Development and Infrastructure Act 2016</i> <i>Landscape South Australia Act 2019</i>	<i>Local Government Act 1999</i>
<b>Plan/Strategies</b>	30 Year Plan for Greater Adelaide (Regional Plan) Climate Change Action Plan 2021-2025 State Landscape Strategy Green Adelaide Regional Landscape Plan 2021-2026	A council will determine its policies, objectives and strategies for tree management and the actions it will take to increase or maintain tree canopy.

## Attachment 4: Document and information request

Please provide the following documentation relevant to the **period 2018–current** by **21 April 2023**:

- 1** Tree management planning (trees and/or tree canopy).
  - Any relevant tree management plans, strategies or policies that document objectives, performance measures, action plans and service delivery.
  - Note: this could be part of another plan, eg environmental plan.
- 2** Strategic Plan, Community/City Plan or equivalent.
  - This plan generally determines key priorities for the long-term and is a statement about what the Council will do to achieve the community vision.
- 3** Annual business plan and budget for 2021-2022 and 2022-2023 highlighting how tree management is funded and documented in this plan.
- 4** Current risk management framework and policy.
- 5** Risk register for tree management activities.
- 6** A breakdown of tree management expenditure each year between 2018-19 and 2021-22. Please use the activities/services we have provided:
  - planting and establishing new trees
  - tree maintenance
  - tree condition audits or inspections
  - tree canopy mapping
  - community grants for tree planting, eg tree planting incentive, such as free trees
  - purchase of land for tree planting
  - other (please provide category if significant).
- 7** Details of governance structures in place for tree management and supporting documents. This might include organisational structures, position descriptions, terms of references for committees etc.
- 8** Council and or relevant committee minutes where tree management has been discussed and/or reported on over the period. This includes agenda, agenda paper and attachments, and minutes.
- 9** Tree register/database/inventory record

Please provide a response to the following information requests and questions relevant to the **period 2018–current** by **21 April 2023**:

- 1** A listing of the strategic management plans as declared by Council under section 122(8) of the LG Act and what Council meeting this was declared.
- 2** Has the Council set any tree canopy targets and performance measures for the period 2018-current? And do these align with the State targets?
- 3** How does the Council measure its tree canopy? For example LiDAR, i-Tree method or another method.
- 4** What is the Council's tree canopy cover?
  - baseline and the year it was derived
  - current tree canopy cover and the year it was measured.

**Attachment 4: Document and information request**

- 5 How many trees need/needed to be planted each year to achieve targets? How was this derived?
- 6 How many trees has the Council planted each financial year 2018-19 to 2021-22? Can you indicate what percentage of trees were planted as:
  - part of the annual planting program to achieve tree canopy targets
  - replacement trees that have been removed or destroyed
  - other (please provide activity name)?
- 7 What is the percentage of land in your council area that is controlled by:
  - a. Council
  - b. State
  - c. industrial
  - d. private?
- 8 What is the percentage of plantable space on the land council controls?
- 9 What is the percentage of plantable space on land council does not control in the council area?