



# Annual Report

2021-22





As a leader in Natural Resource Management we will inspire and facilitate partnerships and action to achieve improved catchment health.



We acknowledge and pay our respects to the Traditional Owners of the region, the Gunaikurnai, the Bunurong, the Boonwurrung and the Wurundjeri Peoples, their rich culture and spiritual connection to Country. We also acknowledge the contribution and interest of Aboriginal and/or Torres Strait Islander Peoples and organisations in natural resource management and pay respects to Elders, past, present and emerging.

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## Report overview

### Responsible Body Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the West Gippsland Catchment Management Authority's Annual Report for the year ending 30 June 2022.

**Mikaela Power**

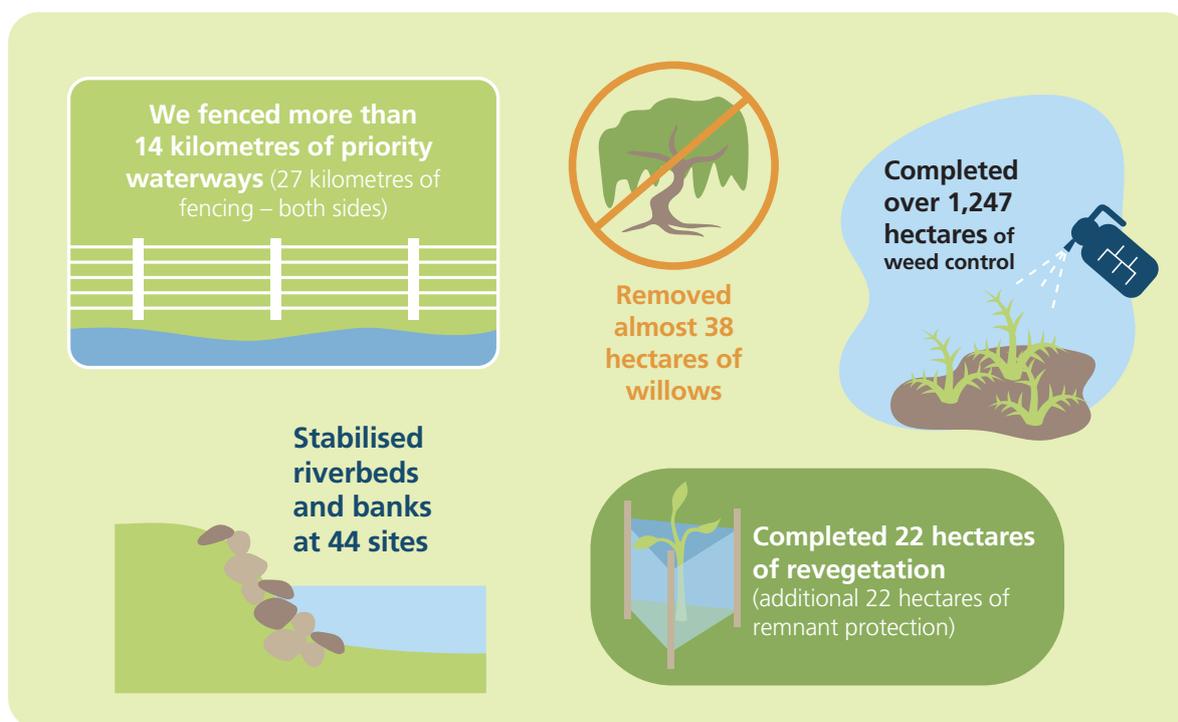
*Chairperson*

West Gippsland Catchment Management Authority  
23 November 2022

### 2021-22 Highlights

#### Delivering Water for Victoria priorities

We are extremely proud of our work to deliver on the priorities in Water for Victoria. Despite COVID-19 restrictions, delays to the state budget and other challenges, we have made significant progress again this year. During 2021-22:



This work will help reduce the amount of sediment and nutrients entering rivers and streams. In addition, we have continued our partnerships with Landcare groups, Traditional Owners and recreational angling groups.

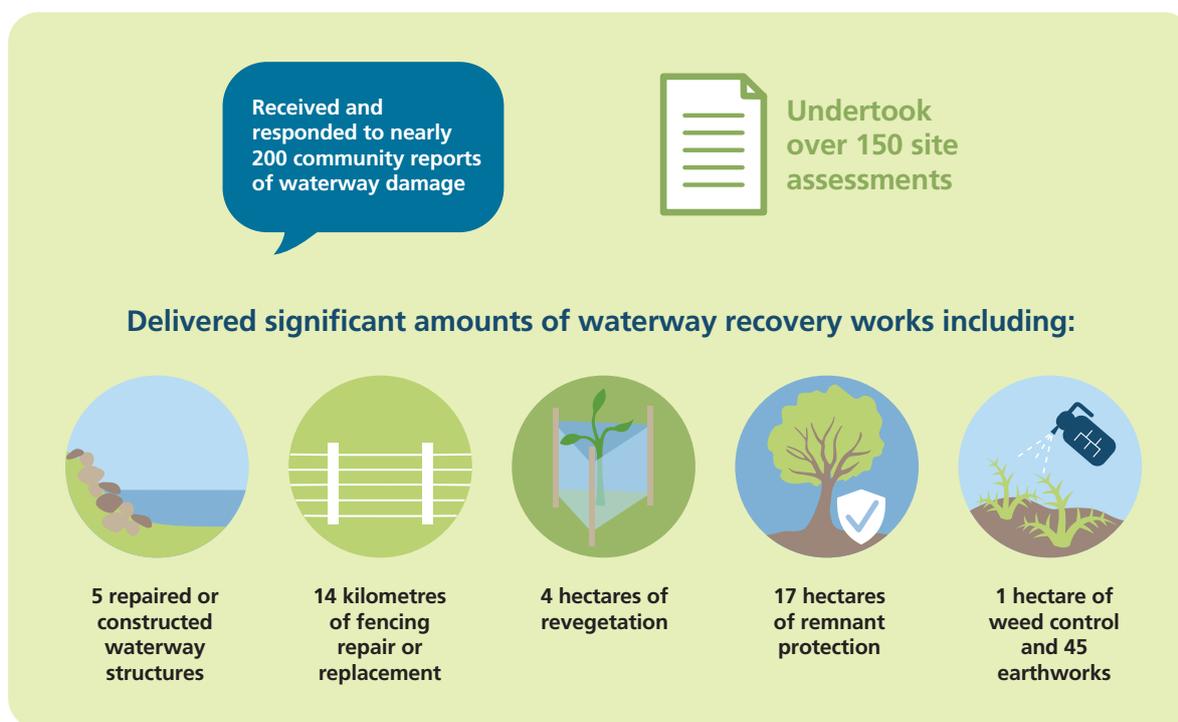
## Regional Catchment Strategy renewal

West Gippsland's next iteration of the Regional Catchment Strategy (RCS) was finalised during 2021-22. This is a key document for the whole region – therefore agency, stakeholder and community involvement in the process is vital for an RCS that truly reflects local and regional priorities. Input was sought from the community on views and aspirations for managing land, water, and biodiversity in their local areas. The consultation process involved an online survey and a series of focus groups and interviews with participation by community members across each local area. There were 172 people who responded to the online survey from across the region, with 39 people involved in targeted and focussed online workshops.

The RCS views the region as covered by eight landscape areas (Bunurong Coast, Corner Inlet and Nooramunga, Gippsland Coastal Plains, Gippsland Lakes and Hinterlands, Great Dividing Range and Foothills, Latrobe, Strzelecki, and Wilsons Promontory). A discussion paper for each area was prepared based on the agreed format and content incorporating outcomes, RCS indicators and review of relevant sub-strategies and plans. These were workshopped with partners across four workshops, with 64 participants from Parks Victoria, DELWP Agricultural Victoria, Local Government, Trust for Nature, VR Fish, Landcare, HVP Plantations, GLaWAC, Greening Australia and WGCMA.

## June 2021 flood and storm recovery response

In June 2021, there was widespread storm damage across Gippsland and flooding in a number of catchments. The storm damage caused widespread power outages impacting many in our community, including our staff, and tested our ability to work remotely in an emergency. Across the year, we assessed damage and undertook repair works across the catchment via a comprehensive flood recovery program and completed the following:



The extent of the damage and ongoing wet conditions throughout 2021-22 means the recovery program will continue into 2022-23.

## **Regional Landcare and community events**

A range of successful Landcare and community events was held throughout the year focusing on different projects and audiences. With COVID-19 restrictions still limiting face-to-face field days, our Landcare groups and community networks turned to webinars with more face-to-face sessions possible in the later part of the year.

To help Landcarers understand Aboriginal Cultural Heritage, we developed a Cultural Heritage Information Pack (CHIP) in partnership with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and Bunurong Land Council Aboriginal Corporation (BLCAC). The pack is the first of its kind in Victoria and was used in conjunction with On Country presentations to help Landcare members in the region better understand their responsibilities and opportunities to protect Aboriginal Cultural Heritage at project sites.

We also renewed and re-launched the WGCMA Community Engagement Network with the expansion of the group now including 25 members. Several sessions were held with the group throughout the year.

## **Partnerships with Traditional Owners**

Our ongoing commitment to cultural competency has strengthened communication and engagement with traditional land-owning groups. This commitment has resulted in an increase in work On Country throughout the region which recommenced following the easing of COVID-19 restrictions.

We meet with both GLaWAC and BLCAC every six months to develop and plan projects as well as monitor their implementation. Throughout the year we worked closely with GLaWAC and BLCAC on a range of initiatives across the region including (but not limited to) the Regional Catchment Strategy renewal, input into the Sustainable Water Strategy renewal, planning and delivery of the Powlett River /Kugerungmome Partnerships Project, Corner Inlet Connections programs and work On Country throughout the region.

Our Memorandum of Understanding (MoU) with each organisation continues to guide these partnerships.

## **Sustainable Irrigation Program**

The Lake Wellington Land and Water Management Plan was finalised in 2019 and provides a 10-year vision for sustainable irrigation and water management in the Lake Wellington catchment. This year the Sustainable Irrigation Program delivered 34 new or updated irrigation farm plans, which will impact over 2,357 hectares of land in the Macalister Irrigation District and one irrigation efficiency project (spray irrigation) covering an area of 27 hectares, providing estimated water savings of over 54 megalitres each year.

More information about the success of the four-year SIP program can be found on page 54 of this report.

## **National Landcare Program**

Three key projects continue to be delivered as part of the National Landcare Program Regional Land Partnership Program, including Alpine Peatlands Protection, Corner Inlet Connections and the Sustainable Agriculture Project. In addition to these projects, the program supports the Regional Agricultural Landcare Facilitator (RALF) position and our Indigenous Partnership Program. In 2021-22, Corner Inlet Connections and Alpine Peatlands projects undertook a detailed analysis to develop an updated implementation plan for years three to five. The analysis and implementation plan will ensure the best return on investment.

In 2021-22, over 4,193 hectares were inspected which resulted in 1,014 hectares treated for weeds in Corner Inlet and over 147 hectares of weeds controlled in Alpine areas. Through our National Landcare Program, we continued the important partnership with GLaWAC with On Country work in Corner Inlet and Alpine areas.

### **Fisheries Habitat Restoration Program**

In partnership with Yarram Yarram Landcare Network, we secured \$400,000 over three years to restore 12 hectares of riparian area along tributaries within the catchment to create a buffer between waterways and adjacent farmland. The project is working with recreational fishers and local farmers in an integrated approach to catchment management.

During 2021-22 unfortunately no seagrass restoration occurred due to the seagrass not producing any fruit because of seasonal conditions. However, 16 hectares of riparian area were protected and revegetated in the important estuary zone. More on this project can be found on page 54 of this report.

### **Water for the environment**

Water for the environment plays an important role in improving the health of rivers and wetlands in Gippsland. This year, due to the higher-than-average rainfall and high river flows, a total of 18.5 gicalitres of water for the environment was released into the Thomson, Macalister and Latrobe rivers. This water is critical for native plants, fish, and other animals. These flows can move sediment and nutrients through rivers, connect habitats and improve water quality.

In 2021-22, fish surveys found higher numbers of migratory fish above the fishway than previously surveyed, which is an early indication of the success of the Thomson River Fishway project. The fishway was constructed in 2019-20 to allow for low flows around the Horseshoe Bend Tunnel. This exciting project enables connection of the waterway from the Gippsland Lakes to the Alps and provides fish passage for many species of fish, including the EPBC-listed Australian Grayling.

## **Challenges**

### **Climate change**

Climate change and variability is having clear and ongoing impact on our catchments and natural systems. It is a key challenge and one that will drive and influence our organisation's priorities and activities. We will continue to embed and consolidate planning and impact scenario planning into the work we do. This will be particularly pertinent to coastal inundation, extreme events, and water availability.

To help understand and better prepare for the impacts of climate change on the natural environment, we have developed a Regional Natural Resource Management (NRM) Climate Change Strategy in collaboration with our partner organisations, through funding from the Australian Government.

### **Coronavirus (COVID-19) impacts and restrictions**

One of the major, and ongoing, challenges of 2021-22 was responding to the COVID-19 pandemic and subsequent restrictions.

We were well placed and adjusted quickly and effectively to working from home and the social distancing requirements. All activities were assessed as to whether to proceed or not under the required restrictions and most programs were able to continue, albeit with delivery methods adjusted. Whilst many face-to-face engagement events, workshops and meetings were postponed, in many cases we were able to adapt and find alternative ways of engaging with the community and our stakeholders. We were also able to continue our on-ground activities by establishing safe work procedures.

### **Flood and storm damage**

In June 2021, there was widespread storm damage across Gippsland and flooding in a number of catchments. The event included significant flooding in the Morwell River resulting in cracks in the Morwell River Diversion that threatened to inundate the Yallourn Coal Mine.

More broadly, the storm damage caused widespread power outages impacting many in our community, including our staff, and tested our ability to work remotely in an emergency. We are still assessing damage to waterways expecting a significant amount of repair work will be required. Early data suggests this event was a:

- 50-to-100-year event for the Traralgon Creek
- 30-year event for the upper Macalister and Thomson rivers
- 20-year event for Merriman Creek.

An ongoing challenge for our community is to adapt and prepare for extreme weather events like this in the future, which are expected to be more extreme and more regular. More information about our statutory planning and floodplain work can be found on page 74.

### **Changing demographics and visitation**

Demographics in the region continue to change with an increase in absentee farmers, ageing landowners and urban-based farmers. The impact of COVID-19 on demographics is still being played out with anecdotal evidence that it may be driving an increase in tree- and sea-changers. It may also result in increased visitation to the region resulting from restrictions precluding travel further afield. This means we need to continue to evolve our approaches to engage landholders and support best practices to protect and improve the region's land and water resources. This also creates opportunities to recruit new people to assist in protecting, enhancing and acting as advocates for the region's natural assets.

### **Rural land use**

Increased population growth and urbanisation of rural land continues as people move away from the city to the coast and countryside. This not only changes the demographics of the area but also shows increasing changes in rural land use.

### **Volunteer uncertainty**

The changing demographics of an ageing population may produce more, or fewer, volunteers and the region needs to meet these recruitment and retention challenges in the coming years. The role of Landcare and Waterwatch needs to be understood in this context as they offer the potential to evolve to meet contemporary and innovative approaches to participating in NRM. The impact of COVID-19 on volunteerism needs to be understood and may influence future participation rates.

### **Increased expectations**

There continues to be an increase in demand and expectations from individuals and communities wanting to undertake catchment improvement works. Whilst this enthusiasm and willingness is positive, having sufficient resources to support this demand is a challenge.

### **Industry transition**

Industry transition continues to gain momentum. The closure of the Hazelwood power station, along with an evolving timber, gas and renewables industry, will present unique challenges in relation to land and water management the coming years. The region is also experiencing an increase in large scale corporate-owned agricultural enterprises (e.g. horticultural and dairy sectors). Whilst there has been an upturn in milk production, there continues to be long-term pressure on the dairy sector resulting from a downturn in the markets. This may affect some landholder's ability to engage in environmental restoration activities. Through established relationships and linkages, the WGCMA is well-positioned to assist in this transition.

## Key initiatives and projects

We plan and implement initiatives around two key planning and delivery frameworks; our strategic focus is guided by a Board-endorsed five-year strategic plan. Supporting and activating this is our Corporate Plan that provides an annual depiction of programs, initiatives, and projects developed and funded by both the state and Australian governments. These all contribute to the Corporate Plan objectives specifically relating to NRM; to manage the region under a 'whole of catchment' model and improve the region's priority landscapes. Key documents such as the Regional Catchment Strategy and the Regional Waterway Strategy support government policy and legislation and help guide funding.

All of these documents are available on our website [www.wgcma.vic.gov.au](http://www.wgcma.vic.gov.au)

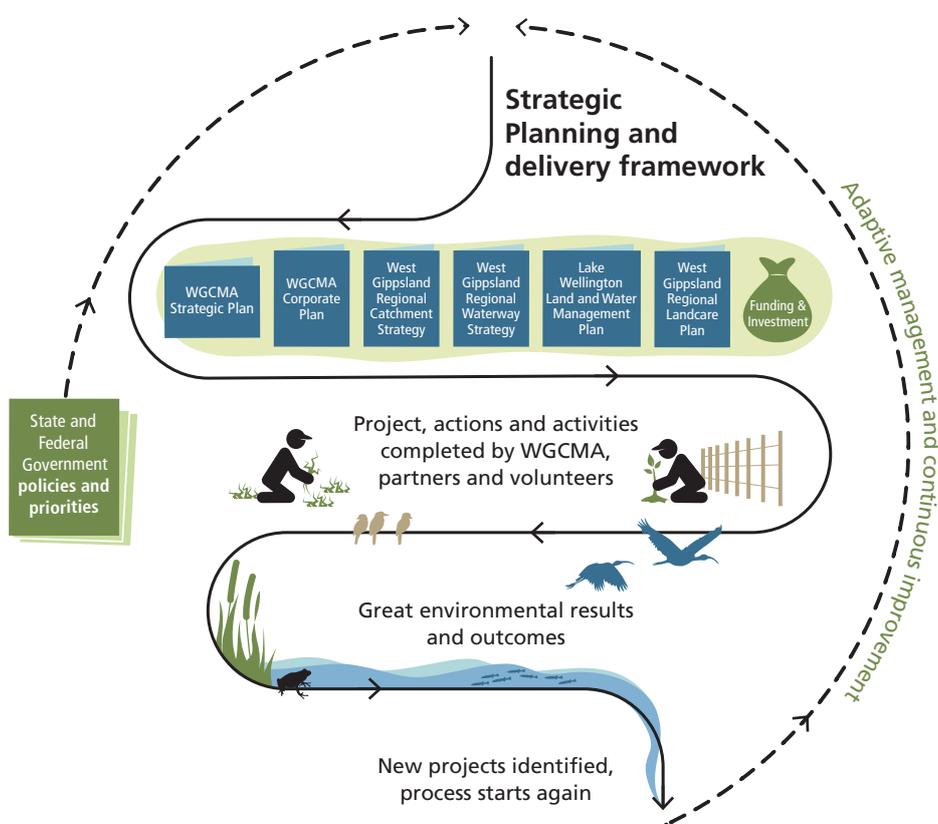


Table 1 (on page 8) is a summary of the key initiatives and projects delivered in 2021-22.

This year, we commenced the first year of a three-year Victorian Water Program Investment (EC5) funding agreement. The percentage complete for these projects is based upon the annual progress toward the overall four-year program.

EC5 delivers on state and regional priorities such as Water for Victoria, Our Catchments, Our Communities, the Regional Catchment Strategy and Regional Waterway Strategy.

This was the fourth year of the suite of regional delivery projects funded by the Australian Government's National Landcare Program (NLP) under the Regional Land Partnerships Program (RLP). Three key projects include the Alpine Peatlands Protection Program, Corner Inlet Connections and the Sustainable Agriculture Project. In addition to these projects, the funding will also support the Regional Agricultural Landcare Facilitator position and our Indigenous Partnership Program as part of NLP RLP Core Services and the Fisheries Habitat Protection Project in Corner Inlet.

**Table 1: Key projects delivered in 2021-22**

Funding source	Project Name	Percentage complete
<b>Australian Government funding</b>	NLP Regional Land Partnerships (five-year project) – Corner Inlet Connections	75
	NLP Regional Land Partnerships (five-year project) – Alpine Peatlands	75
	NLP Regional Land Partnerships (five-year project) – Sustainable Agriculture	75
	NLP Regional Land Partnerships (five-year project) – Core Services	75
	Corner Inlet Posidonia Partnerships	75
<b>Victorian Water Program Investment Framework (EC5)</b>	WGCMA Statutory Functions – Floodplain and waterway protection	33
	Caretaker of Waterway Health	33
	Flagship Waterway – Corner Inlet	33
	Flagship Waterway – Mid Thomson River	33
	Protecting Pristine Headwaters of the Victorian Alps and Strzelecki Ranges	33
	WGCMA Strategic Floodplain Management Implementation	33
	Estuaries and Inlets of the Bunorong to the Mullungdung Coast	33
	Corner Inlet Ramsar Coordination	33
	West Gippsland Our Catchments Our Communities	33
	Managing Environmental Water – Delivery and Community Engagement	33
	Environmental Water – Long Term Planning	33
Sustainable Irrigation in WGCMA	33	
<b>Other state-based funding</b>	Biodiversity Response Planning: Bunorong Fox and Rabbit Control	100 (complete)
	Biodiversity Response Planning: Dutson Downs	100 (complete)
	Regional Landcare Coordination in West Gippsland	33
	Victorian Landcare Grants in WGCMA 2021-22	50
	Improving visitor access and experience in the Lower Thomson and Latrobe Wetlands	50
	Building adaptive capacity of vulnerable ecosystems	75

**Table 2: Outputs achieved in 2021-22**

Category	Output	Unit of Measure	2021-22	2020-21	2019-20	2018-19	2017-18
<b>Structural works</b>	Water storage	Number	-	14	39	29	29
	Irrigation infrastructure	Hectares	27.16	604	236	552	638
	Waterway structure	Number	5	2	2	-	1
	Terrestrial structure	Number	-	-	0	-	3
	Monitoring structure	Number	43	11	13	13	13
	Road	Kilometres	1	4			
	Fence	Kilometres	27.18	23	42	69	91
<b>Environmental works</b>	Vegetation	Hectares	55.19	103	151	198	292
	Weed control	Hectares	1,247	732	2,442	1,444	1,334
	Pest animal control	Hectares	42,784	43,461	74,797	6,869	17,445
	Earthworks	Hectares	32.19	1	72	72	2
<b>Management services</b>	Agricultural Practices	Number	1	-	-	-	-
	Water regimes	Number	8	12	20	21	21
<b>Planning and regulation</b>	Approval and advice	Number	1,585	1,312	1,639	1,345	872
	Management agreement	Number	75	10	63	53	55
	Assessment	Number	751	581	691	568	474
	Engagement event	Participants	2,182	2,762	3,639	5,169	2,360
	Partnership	Number	43	37	56	53	36
	Plan	Number	76	50	89	149	129
	Publication	Number	171	125	117	118	122
	Information management system	Number	2	-	3	3	3

## Summary of financial results

The financial performance for the 2021-22 financial year was a net result of \$5.4M, some \$5.0M higher than the prior year.

At \$16.7M, total income from transactions was \$5.8M higher than 2020-21. This was primarily due to the receipt of state government funding (\$5.0M) with respect to widespread flood damage in Gippsland mid 2021.

At \$11.4M, total expenses from transactions were higher than the previous year by \$0.9M as a result of some of the flood funding being spent. 2022-23 will see the bulk of this funding expended, with significant local outcomes resulting.

Total assets increased by \$4.9M, from \$15.2M to \$20.1M as a result of the flood funding, which manifested as cash and deposits. This will reduce as the bulk of flood funding projects are completed during 2022-23.

Total liabilities reduced by \$0.5M, from \$2.9M to \$2.4M, largely as a result of a reduction in the lease liability of the authority.

**Table 3: Five-year financial summary**

Five-year financial summary	2021-22	2020-21	2019-20	2018-19	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from government	15,559	9,323	8,763	8,565	9,871
Total income from transactions	16,680	10,898	11,083	11,406	12,385
Total expenses from transactions	11,428	10,515	12,456	13,656	12,545
Net result from transactions	5,252	383	(1,373)	(2,250)	(160)
Net result for the period	5,411	430	(1,309)	(2,161)	(41)
Net cash flow from operating activities	5,938	867	(904)	(1,388)	395
<b>Total assets</b>	<b>20,102</b>	<b>15,194</b>	<b>14,889</b>	<b>13,073</b>	<b>17,188</b>
<b>Total liabilities</b>	<b>2,383</b>	<b>2,886</b>	<b>3,110</b>	<b>2,325</b>	<b>1,954</b>

## Chair and CEO report

As we reflect on another year filled with uncertainty and challenges it is pleasing to be in a position to report that we have adapted and evolved to emerge as a stronger and more vibrant organisation.

Continued adjustments to the impacts of COVID-19 have been needed. With strong governance and mature leadership across the organisation, we have been able to deliver what represents one of our busiest programs of work in recent times. In addition to our regular program of works, we have worked diligently and efficiently to deliver a remarkable flood recovery program arising from a significant storm and flood event that hit the region in June 2021. Feedback from the community and our partners has been very positive and reaffirms our reputation as a “can do” organisation.

Despite these obvious and ongoing challenges, the West Gippsland Catchment Management Authority completed its 25th year as a stable, mature, and efficient organisation in one of Australia's most diverse natural resource regions. Together with our partners, we continued to achieve meaningful results for our environment. Our efficient and adaptive approach has allowed us to quickly plan and implement programs that improve and protect the region's wonderful natural assets.

## Governance and support

The value of good strategy was reinforced during this time. Our organisational [Strategic Plan \(2019-2024\)](#) sets a solid and clearly understood direction and ensures we stay focused on the job at hand.

To ensure focused delivery, the Board approved an annual Action Plan based on the Strategic Plan. This year we were able to deliver 95% of the work outlined in the Plan.

A constant feature of our delivery approach has been the engagement of energetic local people and organisations. This approach helps ensure future generations and the environment benefit from the region's many natural resources. While not a new concept, the need for integrated catchment management remains important, particularly in the face of climate change, disaster, and COVID-19 recovery. It is our charter, and we are determined to facilitate and coordinate our efforts well into the future.

Reflecting on and learning from the past, we understand that to achieve lasting results we need to nurture a partnership-focused culture. We remain conscious of the need to be nimble and adaptive. Our partners this year have again grown and range from community groups and government agencies through to industry and commercial partners.

Leading our efforts is a diverse, skills-based and experienced Board with extensive links to the community. This ensures we are in touch with regional and local community needs, while helping government deliver its policies and programs and to meet our statutory obligations.

A key piece of strategy the Board oversaw was the development of the Regional Catchment Strategy (RCS). The Board was pleased to be able to recommend the endorsement of the RCS to the Minister for Water. While the final product is exceptional, it is the development process with our partners that we are most proud of. The strong focus on localities and things that matter at that scale ensures it will be very effective in helping shape and guide efforts to protect and improve our wonderful natural resources and features for years to come.

## Operating environment

Climatic conditions in the region continue to be variable with the past year seeing a return to wetter conditions. Over the years we have seen changes in flow regimes in waterways that can lead to events such as estuary closures. This is a natural occurrence but does create challenges in striking a balance when considering the need to artificially reopen them. It seems clear that seasonal variability, linked to climate change, will continue to feature within our region so we are developing and adapting plans and strategies to intelligently manage catchment and broader environmental systems subject to change.

Within the region we are seeing a considerable shift in industry. We are watching with interest the impacts of the transition of the Latrobe Valley as coal-driven power stations are phased out and the oil and gas industry in Bass Strait undergoes changes. The emergence of a rapidly growing renewable energy sector and changes in the timber industry will mean we need to be adaptable and ready to work with new partners to implement the Regional Catchment Strategy. We continue to work with government to understand the impacts as well as manage any changes that do arise and may impact on our waterways and coasts.

### Ongoing efforts to build resilience

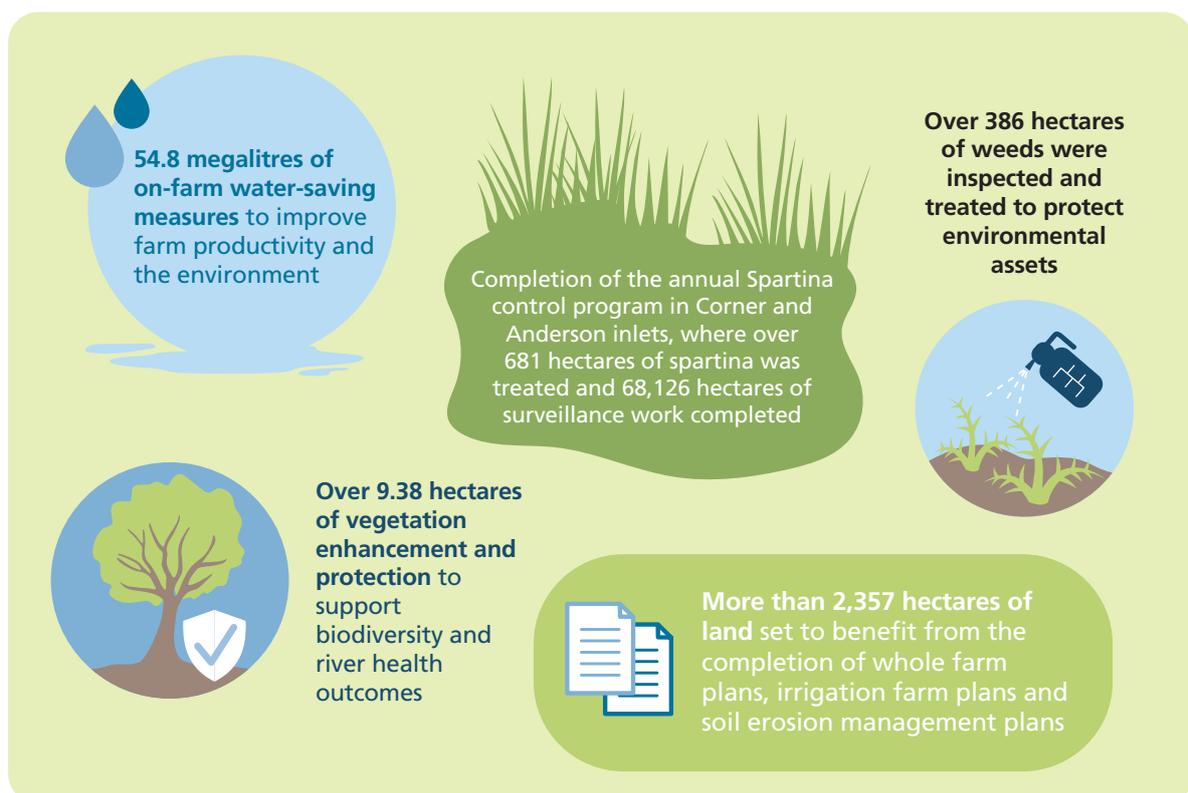
The value of building connectivity into systems through measures such as fishways and environmental water infrastructure is beginning to pay dividends. The Thomson Fishway at Horseshoe Bend is now helping support the results of environmental flow releases from the Thomson Dam. Building on previous monitoring, surveys have confirmed that migratory fish species are utilising the fishway and helping improve the health of the Thomson River.

### Delivering results

This year, Victorian Government funding has helped deliver a range of important projects. We also embraced opportunities to deliver programs for the Australian Government as part of the National Landcare Program. These programs augment our long-term focus on Corner Inlet, the Alpine Peatlands and Aboriginal partnerships. Central to these projects, and demonstrating our partnership commitment culture, is the delivery of many activities by Landcare and other partner organisations.

Progress in delivering the Regional Waterway Strategy is also well advanced. We are proud of the role we have played in delivering on a statewide commitment of \$222 million over four years for waterway health and integrated catchment management. We are now ramping up efforts to help with the delivery of funds committed through the Environmental Contribution Level Tranche 5 (EC5).

Notable outputs delivered throughout the year include:



A key function for us is our role in providing statutory services and advice. In the last financial year, we processed 1,185 planning permit referrals and requests for flood advice. In addition, we provide support and assistance to ensure appropriate permitting and planning is undertaken to protect waterways and floodplains in the region.

### **Mature partnerships**

At the core of our successes are the mature partnerships we enjoy with key groups that manage, protect and enhance the region's precious natural resource base.

Gippsland Environmental Agencies (GEA) forum continued to meet and work together in the region as a formal and peak coordinating and knowledge exchange entity. The GEA forum enables agencies to discuss opportunities for strategic collaboration and priority setting. Areas of focus include progressing women in leadership roles, coordinated delivery of initiative and nurturing Aboriginal partnerships.

Consistent with the GEA focus, the WGCMA continues to support the GEA – GLaWAC Working Group and the implementation of key actions in the partnership implementation plan. We remain committed to working together towards shared objectives and mutual opportunities that meet our respective goals. We were pleased to lead the renewal of the GEA Catchment Partnership Agreement during the second half of 2021-2022 and a collective signing on Gunaikurnai land at Kalimna West was a highlight of the year. It also represents how environmental management in the region has evolved and it is clear that partnerships with Traditional Owners are central to all that we do.

On this point, our organisational relationship with Traditional Owners continues to grow. Once again it was extremely gratifying to build our organisational cultural competency and work closely with the Traditional Owners of the land and waters we are working hard to protect. Our work with GLAWAC is now strongly embedded in our planning and delivery activities. Our relationship with the Bunurong Land Council Aboriginal Corporation (BLCAC) continues to develop.

Our relationship with Landcare remained strong as we supported staff, groups and networks in their quest to improve catchment health at a local level. We continue our long-term commitment to facilitate the provision of material and administrative support for Landcare across the region.

Our formal engagement structure, known as the Community Engagement Network, whilst restricted by COVID-19, did meet and provided quality input to a range of key engagement processes over the last 12 months. The renewed focus on the format and makeup of the Network has much promise and has enabled us to recruit a more diverse range of stakeholders from our region.

At a state level, it is fulfilling to be part of a maturing industry that is celebrating 25 years of effort. This year saw Vic Catchments continue to bed down and work together effectively. Having nine CMAs working together in a coordinated and focused manner added great value and drove many efficiencies through shared knowledge and action. A central effort in assisting government consider Business Efficiency Review items was handled as a collective, and through this process CMAs were able to identify a range of measures that we will implement over the coming years to adjust to a challenging financial environment.

Exciting partnership opportunities have been progressed in the lower Powlett area of our catchment. We have continued to work with local landholders, Parks Victoria, Landcare, DELWP and Bass Coast Shire Council to investigate options for a more balanced approach to managing the estuary. Acknowledged as a significant environmental and cultural location with the potential to link and augment the Yallock Bullock Marine and Coastal Park, we are excited to be working with partners to see if we can create our own "Kakadu of the South". We hope to make considerable progress on this in the coming years.

## Looking forward

The next 12 months will be challenging as we work with government and our partners to continue to address the impacts of the June 2021 storm and flood event. We will continue to adjust, adapt, and recover from COVID-19. Despite these challenges, 2022-23 and beyond will be an exciting time for natural resource management with the roll out of the RCS and continued delivery of key state policies related to catchment management, water, and biodiversity. We look forward to consolidating the delivery of the next iteration of the Environmental Contribution Levy programs and have worked closely with many partners in the NRM industry to activate these vital programs. With this in mind, we are conscious of, and acknowledge, the financial contribution urban-based citizens make in paying the levy through their water bills. It is our intent to maximise the value of this contribution by protecting and rehabilitating waterways throughout the region for all Victorians to enjoy.

We are thrilled to be in position to continue improving the connectivity of waterways in the region. The announcement of funds for the creation of a fishway at the Maffra weir and establishment of environmental watering infrastructure at the lower Latrobe Wetlands is exciting. We are looking forward to implementing these critical projects with our partners. The results will be improved fish passage in Macalister and Lower Latrobe wetlands and the Gippsland Lakes in general.

The continued roll-out of key policy directions through Water for Victoria and Protecting Victoria's Environment – Biodiversity 2037 has created opportunities for us and our partners to build on the work carried out in previous years. It is fulfilling to see this work taking shape in the region and evidence of successful delivery is found throughout this Annual Report. We remain committed to helping government deliver on policy while maintaining our high standards in project delivery and sound governance at all levels of the organisation. We are also looking forward to continuing the delivery of initiatives as part of the Australian Government's National Landcare Program II and playing a role in its evolution to the next phase in the coming year.

Finally, we would like to thank our community, partner organisations, staff, and Board for their dedication in delivering the many positive outcomes we have achieved over the past 12 months. We look forward to working with you all on the challenges ahead.



Mikaela Power (Chair)

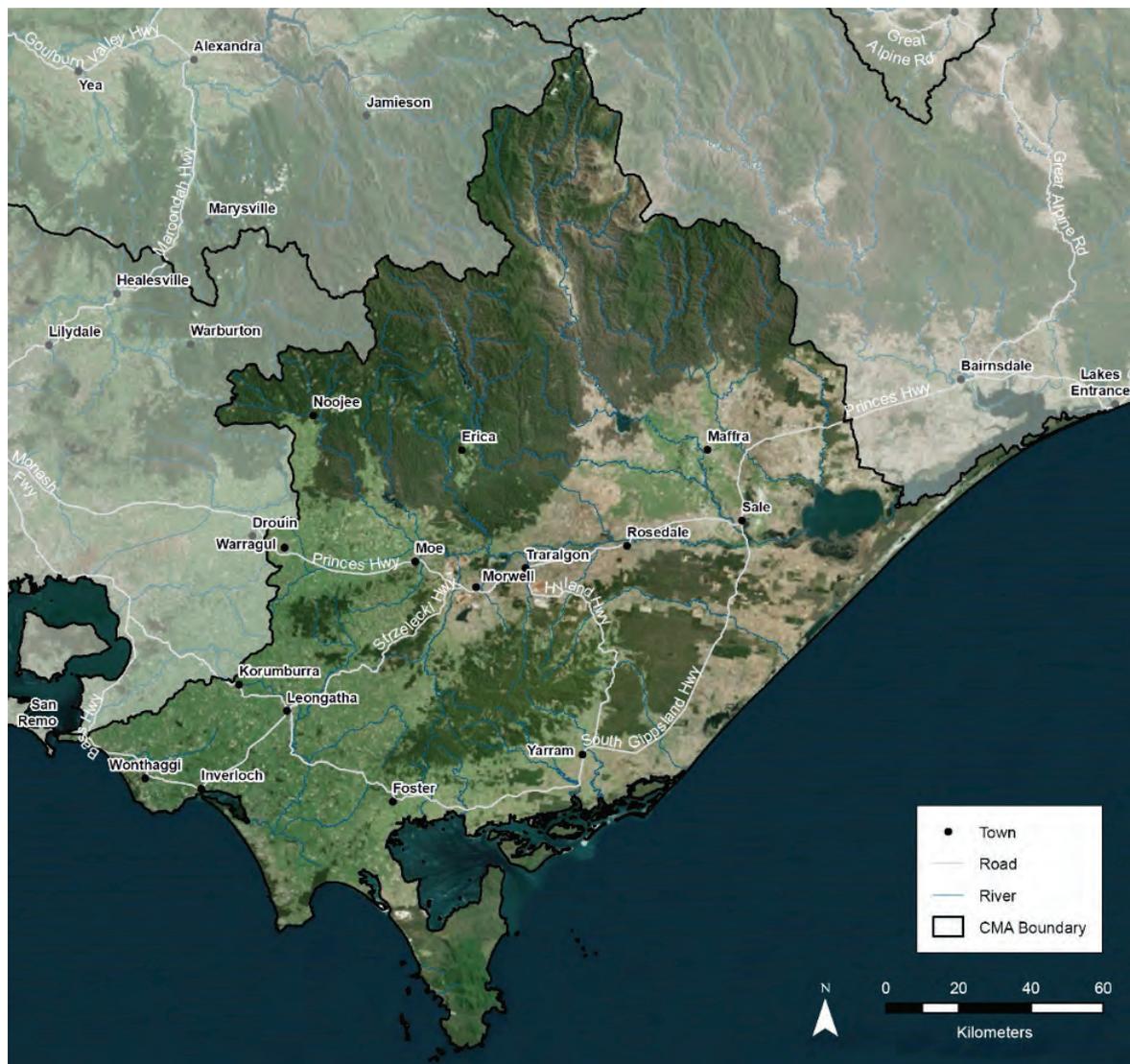


Martin Fuller (CEO)

# About the West Gippsland region

## The region at a glance

<b>Total land area</b>	17,685 km <sup>2</sup>
<b>Population</b>	200,000 approx.
<b>Tenure</b>	46% Public land and 54% Private land
<b>River Basins</b>	Latrobe, Thomson and South Gippsland
<b>Traditional Owners</b>	Gunaikurnai, Bunurong and Wurundjeri Peoples
<b>Largest contributors to the regional economy</b>	Construction, mining, manufacturing, forestry, agriculture, fishing, food-related and utilities sectors
<b>Largest employment sectors</b>	Healthcare, social assistance and retail trade
<b>Wetlands of international importance</b>	Gippsland Lakes and Corner Inlet Ramsar Sites
<b>The region provides</b>	<ul style="list-style-type: none"> <li>• 23% of Australia's milk production</li> <li>• most of Victoria's electricity and gas (offshore)</li> <li>• about 60% of Melbourne's water.</li> </ul>



**Figure 1: West Gippsland region**

## The West Gippsland region and the environment we work in

The West Gippsland Catchment Management Authority region extends across west, south and central Gippsland, from Warragul and San Remo in the west to the Gippsland Lakes in the east, and from the Great Dividing Range in the north to Wilsons Promontory in the south. The region extends into marine waters out to three nautical miles, which marks the state of Victoria's jurisdictional limit.

The region covers an area of 19,639 square kilometres (including marine environment) and accounts for almost eight percent of Victoria's total land area with a population of more than 200,000 people. Unlike regions with a single major city, the West Gippsland population is dispersed between several regional centres in the vicinity of the Princes, South Gippsland, Strzelecki, Hyland and Bass highways. The region includes parts of seven municipalities: all of Latrobe City; substantial parts of Wellington, Baw Baw and South Gippsland shires; a well-populated portion of Bass Coast shire; and sparsely populated areas of Mansfield and East Gippsland shires.

The region is expected to experience population growth of approximately 20% by 2036, particularly the western part of the region with its proximity to the peri urban fringe of Melbourne. However, the population is also expected to continue to age and decline in most rural areas of the catchment. This is being accompanied by a continuing shift of services into the larger regional centres.

The Gunaikurnai peoples and the Kulin peoples are the traditional custodians of the country covered by this region. Gunaikurnai country extends east from the coast near Wilson's Promontory, up to Mount Baw Baw and across a large part of East Gippsland. Tribes of the Gunaikurnai include the Brataualung in South Gippsland, the Brabralung and Brayakaulung in Central Gippsland, and the Tatungalung around the Gippsland Lakes. Kulin country extends westwards from Gunaikurnai country and includes Bunorong in the southwest and the Wurundjeri and Taungurung in the hills to the north.

The West Gippsland region is rich in natural resources and supplies water, electricity, gas, oil, saw logs, pulpwood, agricultural products, and tourism opportunities to people both within and beyond the region's boundaries. The estimated Gross Regional product of the region is more than \$2.5 billion and Total Regional Output, including production of intermediate goods and services, is estimated at over \$9 billion. Major sectors, as defined by the Australian Bureau of Statistics, include manufacturing, electricity, gas and water, agriculture, forestry and fishing, and property and business services. The agriculture, forestry and fishing sectors and the electricity, gas and water sectors are important employers in our region.

Dairying accounts for half of the agricultural production and beef another quarter. Wool, lamb, horticultural produce, and a variety of other enterprises make up the remainder. The region provides a significant proportion of the state's electricity and gas, including water for Melbourne, and has provided two thirds of Australia's total oil production. Private plantation and public forestry industries and tourism are also significant.

A major long-term industry transition is also underway in the Latrobe Valley with the closure of the Hazelwood mine and power plant, and the potential closure of the Yallourn coal-fired power station in 2028 and Loy Yang in 2048. This transition is expected to have a large impact on the local economy affecting local jobs and businesses.



*Macalister Irrigation District Dairy farmers Kate and Pete.*



## Catchment reporting

This section of the annual report provides an assessment of the condition of the region's environment and a reflection on the likely impact of annual scale actions, events and observed change within the previous year, and over the previous three years. A key purpose of monitoring changes in the operating context is to help identify opportunities for adapting and changing the way we manage the environment.

The report is structured in line with the statewide outcome framework that links the regional outcomes sought by catchment communities, to the high-level policy outcomes of the Victorian and Australian Government. These are outlined in each Regional Catchment Strategy (RCS) [www.rcs.vic.gov.au](http://www.rcs.vic.gov.au).

### How to interpret this report

The condition assessment for each theme describes the level of confidence or concern that catchment managers have in the future of the regional environment.

The assessment is based on a set of statewide indicators outlined in the RCS outcomes framework, augmented with regionally specific indicators which have been selected based on criteria including availability and quality of data, and the linkages back to regional and policy outcomes.

As much as possible the reporting format attempts to provide a transparent path between the evidence and the assessment. It is not a definitive assessment but an assessment at a point in time based on the best available evidence.

Note: The assessment indicators include 'positive, neutral, concerned or unknown' based on the annual and trend data over time and simply provide a high level assessment of the likely condition trend of that theme.

**Table 4: Regional catchment condition summary**

Theme	Trend		Condition	Summary Comment
	2021	Over last 5 years		
<b>Water</b>			Good	Overall, the condition of water in the region has been assessed as good. Above average rainfall and increased river inflows in 2021-22, continued on the back of a major flood event in June 2021. Variable climatic conditions over the past five years. No major fire or drought events. There was a key focus on flood recovery works in 2021-22. Wet conditions in some parts of the region hindered progress of new riparian protection works. High natural flows reduced the need for a release of all environmental flows this year.
<b>Land</b>			Moderate	Overall, the condition of land across the West Gippsland region has been assessed as moderate. This was a wetter than average year, with an increase in soil water availability being observed. No areas of the region were drought declared. No major fires or pest outbreaks. The region has experienced variable climatic conditions over the past five years. An increase in area covered by landholder agreements and management plans. Anecdotal evidence of increased population and range of pest animals (particularly deer) across the region. The continuing trend of changes in land use towards large scale horticulture and urban expansion (increased runoff).

**Table 4: Catchment condition assessment summary** *continued*

Theme	Trend		Condition	Summary Comment
	2021	Over last 5 years		
<b>Biodiversity</b>			Moderate	Overall, the condition of biodiversity in the region has been assessed as moderate. Small gains were made due to revegetation and vegetation protection programs. Small losses due to urban development, primarily around regional centres. No major fires, drought or pest outbreaks during 2021-22. Implementation of targeted pest, plant and animal programs by a range of partners. Anecdotal evidence of increasing numbers and range of pest animals, i.e. deer. Anecdotal evidence of climate change impacts (e.g. species composition changes and geographic spread). Aquatic fauna surveys conducted in 2021-22 recorded the presence of threatened species in the east of the region. Landscape-scale initiatives focused on the Bunurong Coast, and Alpine Peatland communities throughout the past five years. Improved regional planning through the Biodiversity Response Planning process (rollout of Biodiversity 2037) leading to the development of several strategic projects delivered in 2021-22.
<b>Coast &amp; Marine</b>			Moderate	Overall, the condition of coasts and marine environments in the West Gippsland region have been assessed as moderate. No major fire events impacting the coast throughout the year. Extensive blue-green algae outbreaks in the Gippsland Lakes and beyond. Programs aimed at protecting and enhancing the coast and marine environments such as Corner Inlet Connections, Lake Wellington Integrated NRM project, and Spartina control program were successfully delivered over the past five years. Improved estuary closure management resulting in no coastal urban inundation. Continuing urban expansion and increasing runoff, particularly in coastal areas. The ongoing dynamic coastline at Inverloch has been experiencing significant erosion in recent years, impacting on public access, amenity, and built assets. designation of the new Yallock-Bulluk Marine and Coastal Park along 40 kilometres of coastline, from San Remo to Inverloch, will improve the connectivity and management of existing protected areas.
<b>Community</b>			Moderate	Overall, condition within the community theme in the West Gippsland region has been assessed as moderate. Well organised and coordinated Landcare network and groups. Strong regional partnership between WGCMA and Landcare networks. Cultural Heritage training and positive partnership with Traditional Owner groups. Covid continued to have impacts on community engagement throughout the year.
<b>Integrated Catchment Management</b>	Not applicable	Not applicable	Not applicable	Incorporated into the Community theme

## Management of land and water resources

### Climate

Climate change can impact on the natural environment in many ways and can intensify existing threatening processes. Less average annual rainfall, higher rates of evaporation, and reduced surface water runoff will result in rivers, estuaries, and wetlands receiving less water and changes in river flow regimes. More frequent intense rainfall events can cause increased flooding, soil erosion, and reduced water quality. Coastal environments can become inundated or more saline as the result of sea level rise. Storm surge can erode coastal areas and damage vegetation communities.

The impact of climate change on plants and animals is difficult to predict with any certainty, as changes will occur from individuals to ecosystems. Existing threats to native vegetation and habitat will be amplified, including weed invasion, fragmentation, drought, and intense bushfires. Therefore, it is useful to consider the region's climatic conditions and the occurrence of any extreme events when providing an analysis of catchment condition.

Information presented in this report has been sourced from Australia's Environment Explorer, developed by the Australian National University (<http://www.ausenv.online>) Van Dijk, A.I.J.M. and Rahman, J. (2019). *Synthesising multiple observations into annual environmental condition reports: the OzWALD system and Australia's Environment Explorer*. In Elsworth, S. (ed.) *MODSIM2019, 23rd International Congress on Modelling and Simulation. Modelling and Simulation Society of Australia and New Zealand, December 2019*, pp. 884–890. ISBN: 978-0-9758400-9-2. <https://doi.org/10.36334/modsim.2019.J5.vandijk>

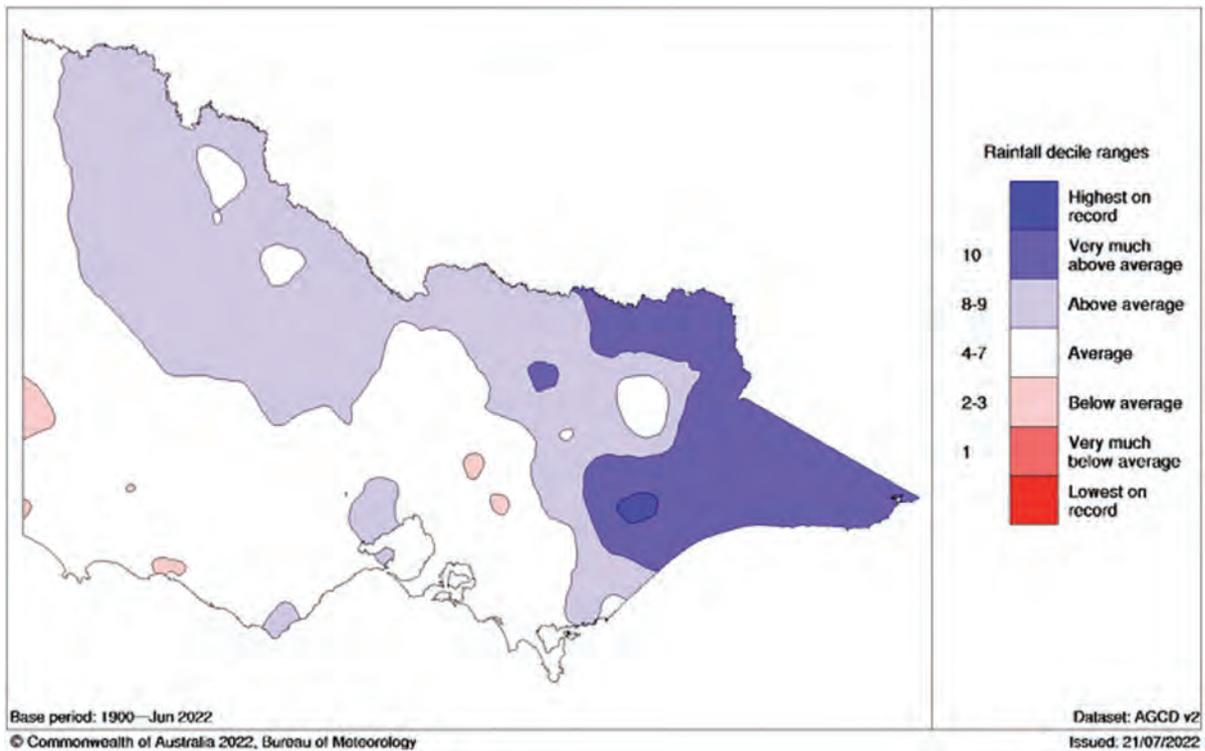
### Summary

The West Gippsland region experienced temperatures below the long-term (20 years) observed average during 2021 and a below average number of hot days (above 35°C). The region received higher than average rainfall and water runoff resulting in increased river inflows. Major flooding was experienced in the Traralgon Creek, Morwell River and surrounding catchments in June 2021. Ongoing wet conditions in 2021-22 resulted in several rivers (especially the Avon, Thomson, Latrobe and Traralgon Creek) experiencing minor flooding at various times throughout the year. No major bushfires impacted the region this financial year.

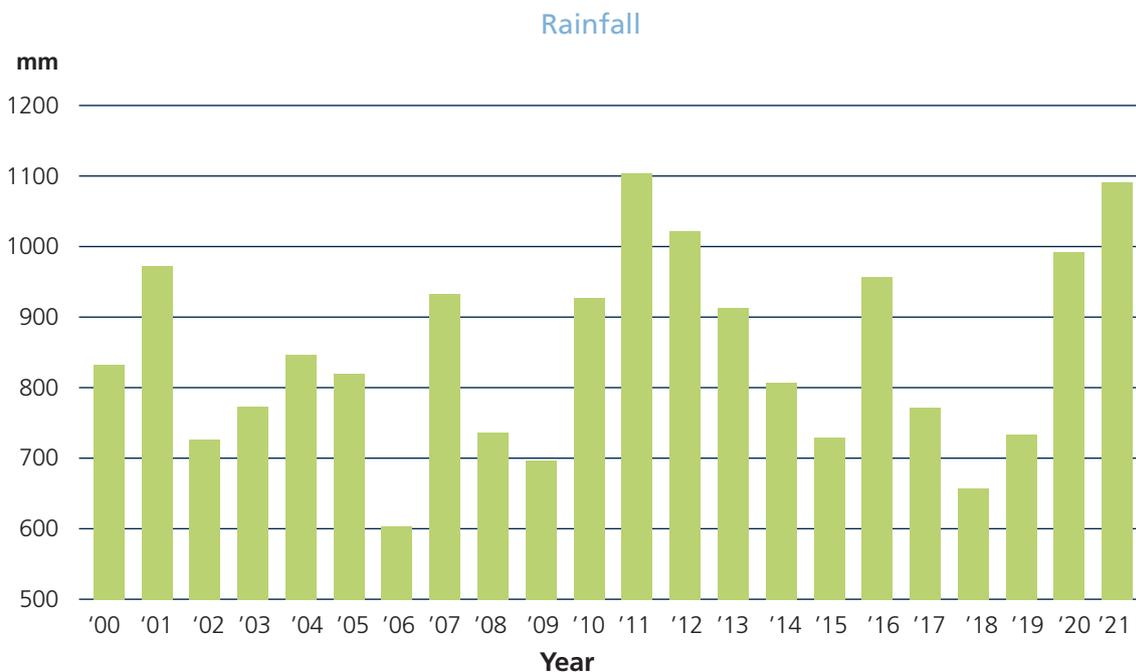
### Rainfall

The average precipitation recorded for the region from 2000-21 is 846mm per year. Research conducted by the Australian National University indicates that the total annual rainfall observed in the West Gippsland region in 2021 was 1089mm, which is above the long-term recorded average. Regionwide annual rainfall has been highly variable as seen in the decile ranges (Figure 2).

## Twelve-monthly rainfall deciles for Victoria 1/7/21 – 30/6/22



**Figure 2: Annual rainfall deciles for Victoria 2021-2022**

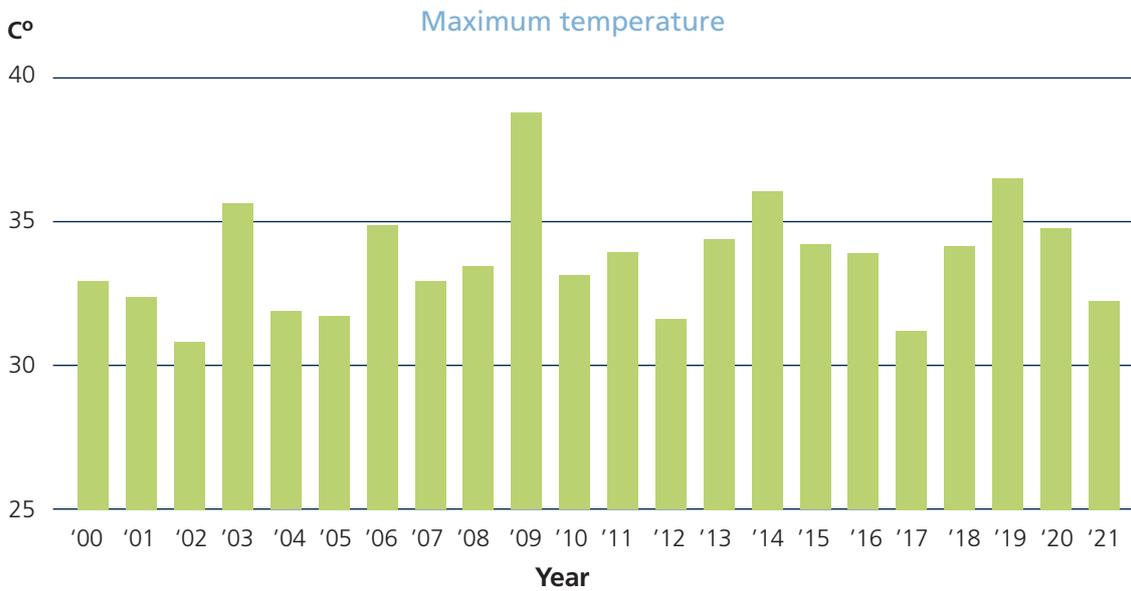


**Figure 3: Total annual rainfall in West Gippsland region**

Total annual precipitation derived from BoM station data and GPM satellite data by the OzWALD model-data fusion system. Source: Australia's Environment Explorer, The Australian National University (<http://www.ausenv.online>).

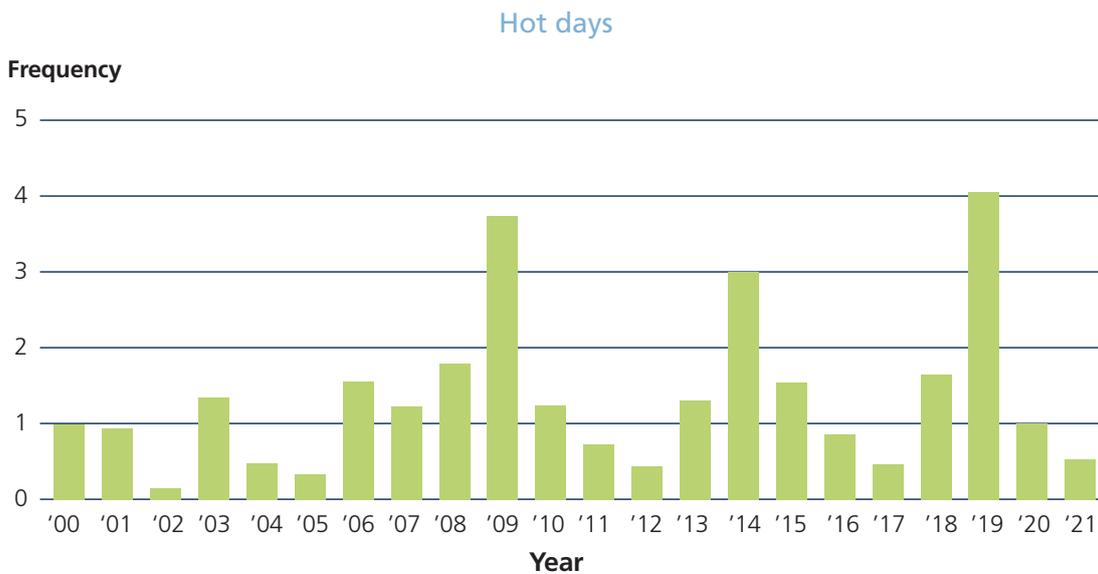
### Maximum temperature and number of hot days

The maximum temperature observed since the year 2000 and the number of days above 35°C were below average in 2021.



**Figure 4: Annual maximum temperatures observed in West Gippsland region**

Annual maximum screen level temperature, derived from downscaled ECMWF reanalysis data. Source: Australia’s Environment Explorer, The Australian National University (<http://www.ausenv.online>).

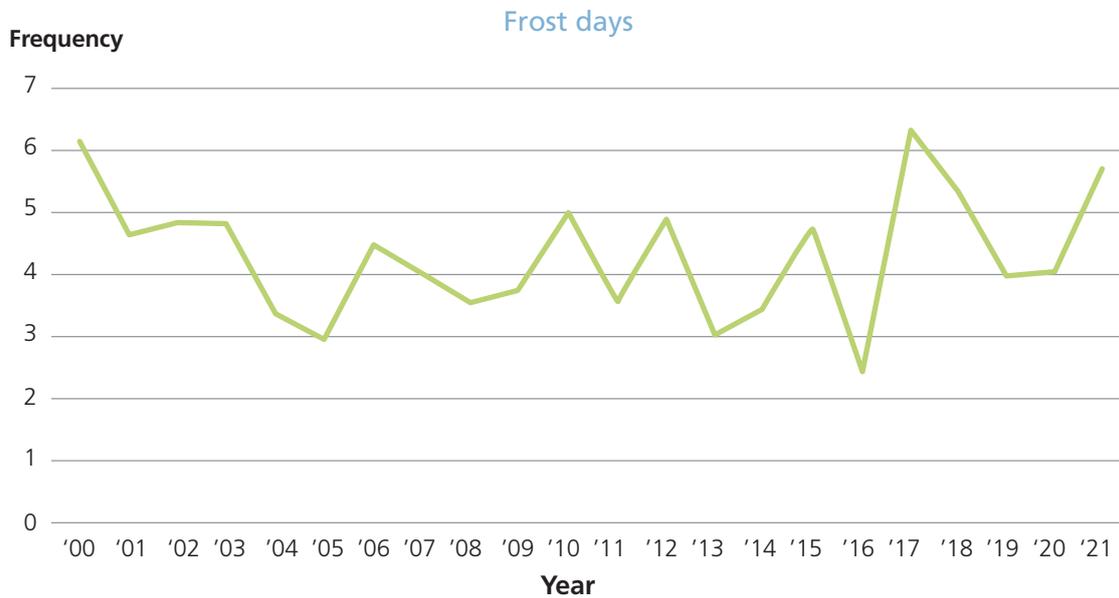


**Figure 5: Number of days above 35°C per year in West Gippsland region**

Number of days with screen level temperature above 35°C, derived from downscaled ECMWF reanalysis data. Source: Australia’s Environment Explorer, The Australian National University (<http://www.ausenv.online>).

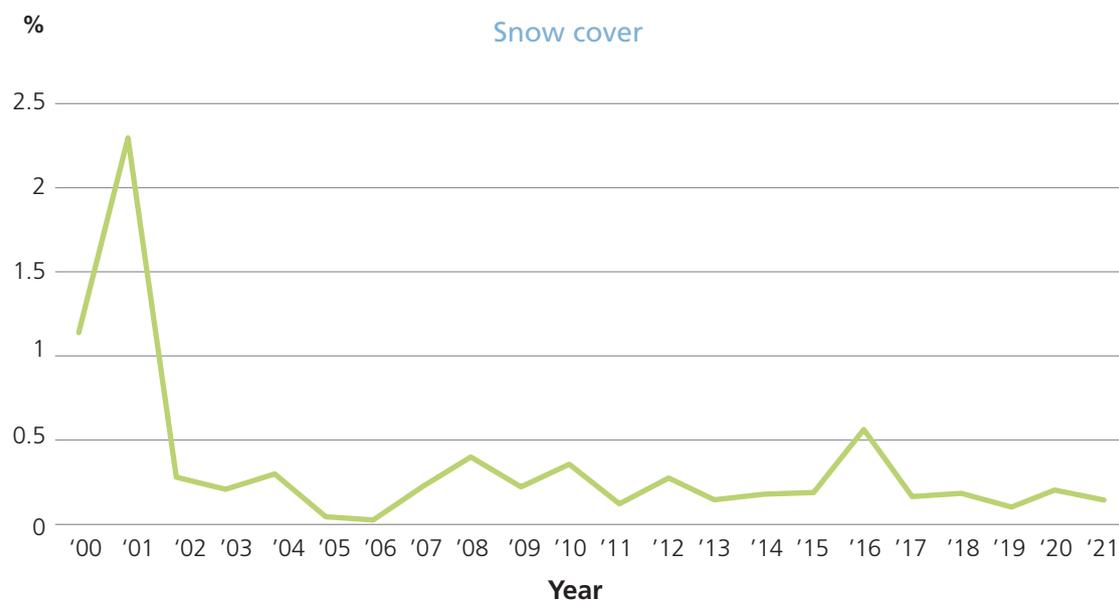
### Frost and snow

An above average number of frost days (below zero) and slightly lower than average percentage snow cover was observed in 2021.



**Figure 6: Number of frost days in West Gippsland region**

Number of days with below-zero screen level temperature, derived from downscaled ECMWF reanalysis data. Source: Australia's Environment Explorer, The Australian National University (<http://www.ausenv.online>).



**Figure 7: Percentage snow cover in West Gippsland region**

Annual mean fraction snow cover derived from MODIS imagery by the OzWALD model-data fusion system. Source: Australia's Environment Explorer, The Australian National University (<http://www.ausenv.online>).

## Water theme

### The condition of rivers, wetlands, estuaries and groundwater

Waterways in the West Gippsland region are of high environmental, social, economic, and cultural value. They provide important habitat for a range of plants and animals including places of refuge in times of drought. Our waterways support community values which include the supply of water for industrial, agricultural and domestic use, and recreational pursuits such as kayaking, bird watching, and fishing. The Gunaikurnai, Bunurong and Boon Wurrung and Wurundjeri Peoples have a strong cultural connection to waterways across the region.

In the north of the region the Thomson, Macalister, Avon, and Perry rivers flow from alpine areas and the forested slopes of the Great Dividing Range. The Thomson and Macalister rivers have their flow regulated in the mid- to upper catchments by the major storages of Thomson Reservoir (primarily for Melbourne's domestic supply) and Lake Glenmaggie for the Macalister Irrigation District (MID). Further downstream on the Thomson River, Cowwarr Weir also diverts water for the MID.

The Avon and Perry rivers in the far east of the region are unregulated. The upstream reaches of the Avon River flow through wilderness areas before entering land used for grazing and irrigated horticulture. The Perry River is a chain of ponds waterway and is ephemeral for much of its length. The Perry joins the Avon River upstream of the estuary and then flows to Lake Wellington.

In the central part of the region is the Latrobe River. The catchment of the Latrobe River features vast tracts of forest through the Strzelecki Ranges and the Great Dividing Range, where tributary streams rise and flow to the Latrobe River and ultimately to Lake Wellington. The main types of land use include agriculture and mining for brown coal, used at major thermal power stations to produce electricity. Blue Rock Dam and Moondarra Reservoir are two major storages on tributaries of the Latrobe River, with Lake Narracan located on the Latrobe itself just upstream of the Yallourn power station.

In South Gippsland, the waterways are short and flow from the Strzelecki and Hedley ranges through productive agricultural land as well as areas of high conservation value (including Wilsons Promontory and the Tarra Bulga National Park). The major rivers of South Gippsland include the Powlett, Tarwin, Franklin, Agnes, Albert and Tarra rivers. Further east are Bruthen and Merriman creeks. All the South Gippsland rivers are unregulated; however, there are several off-stream storages in the Tarwin and Powlett river catchments and off-takes for domestic township water supply on several rivers and creeks.

Over 1,500 wetlands larger than one hectare are in our region. Together they total more than 44,000 hectares. We have several significant wetlands and wetland complexes, including two internationally important Ramsar sites (Corner Inlet and Gippsland Lakes) and 11 sites listed as nationally important under the *Directory of Important Wetlands Australia*.

Estuaries located along the region's coastline include brackish mouths of rivers and streams that flow into the ocean or a large embayment (Corner Inlet), coastal barrier lagoons (Jack Smith Lake, Gippsland Lakes), and inlets (Anderson and Shallow inlets).

The environmental condition of waterways is dependent upon habitat, water regimes, water quality, vegetation, and connectivity. External factors including land use, urban development, recreational activities, extraction of water, extreme events (drought, floods and bushfires), and climate change can all directly influence the environmental condition and values of waterways.

### Waterways benchmark – the Index of Stream Condition

The environmental condition of rivers in Victoria is assessed using the Index of Stream Condition (ISC) benchmarking tool. The ISC brings together data from a variety of sources to give a detailed overview of river and stream conditions across the state. The ISC examines five sub-indices: hydrology (flow regimes), streamside zone (native vegetation extent, condition and weeds), physical form (bank stability, woody debris and artificial barriers), water quality, and aquatic life (macroinvertebrates).

The third and most recent ISC benchmarking exercise was undertaken in 2010. The overall results for West Gippsland indicate that 34% of the stream lengths assessed were in excellent to good condition, with 53% in moderate condition (see Figure 8 below). Forty-nine per cent of the reaches that were assessed demonstrated an overall improvement in condition between 2004-2010.

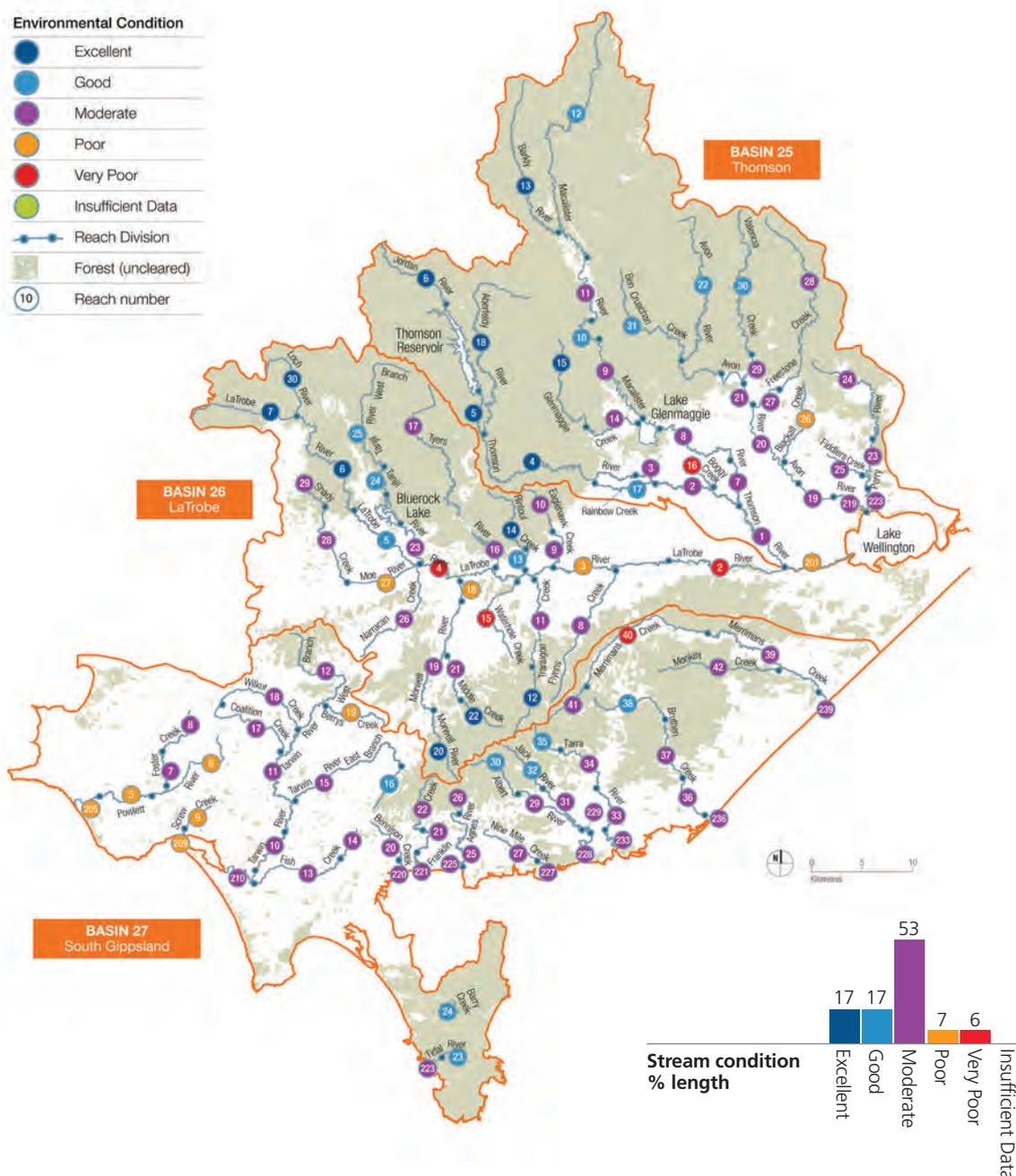


Figure 8: Index of Stream Condition in West Gippsland region



*Lower Latrobe wetlands July 2022.*

### **Waterways benchmark – the Index of Wetland Condition**

The Index of Wetland Condition (IWC) assesses the condition of Victoria’s wetlands. The IWC has 13 variables that measure six aspects of wetland condition including the wetland catchment, physical form, hydrology, water properties, soils, and biota. Assessments in West Gippsland were conducted in 2009-10, 2010-11 and 2018-19. There were 117 wetlands assessed using the IWC. Of the sites assessed, the majority were in moderate to good condition (27 and 59 respectively), 18 were in excellent condition and 13 were in poor to very poor condition. Wetlands in the moderate to very poor categories had much lower scores for the catchment and hydrology sub-indexes. This may be attributed to drought conditions experienced in 2009-10 and pressure from surrounding land use. It is important to note that the wetlands assessed only represent a small percentage of existing wetlands within the region.

### **Waterways benchmark – the Index of Estuary Condition**

A consistent method for assessing the environmental condition of Victorian estuaries has been developed by DELWP. The Index of Estuary Condition (IEC) consists of five themes: physical form, hydrology, water quality, flora, and fauna. Victorian estuaries were monitored between 2017 and 2020 to deliver the first statewide IEC assessment. The IEC assessed 29 estuaries in the West Gippsland region. Twenty-one percent of estuaries were assessed as being in excellent condition. Twenty-four percent were in good condition, 24% in moderate condition and 31% in poor condition. Estuaries in excellent condition included those within Wilsons Promontory National Park. Estuaries in good condition were mostly tributaries to Corner Inlet. Estuaries in poor overall condition included tributaries to Lake Wellington, estuaries along the western shoreline of Corner Inlet and intermittently open and closed estuaries of the Bass Coast. The estuaries in poor condition, with the exception of the Avon and Latrobe rivers, had the majority of their catchments dominated by agriculture.

Table 5: Index of Estuary Condition (IEC) scores for the West Gippsland region

Estuary (Estuary number)	Physical Form	Hydrology	Water quality	Flora	Fish	IEC Score	Condition Class
Bourne Creek (14)	9	3	4	7	4	22	 Poor
Powlett River (70)	8	3	10	6	6	28	 Moderate
Wreck Creek (103)	8	2	8	6	3	21	 Poor
Screw Creek (73)	10	6	8	9"	4	31	 Moderate
Tarwin River (90)	7	7	6	4	7	29	 Moderate
Shallow Inlet (77)	8	7	10	6	8	36	 Good
Darby River (23)	10	10	10	10*	5	41	 Excellent
Tidal River (93)	9	9	10	10"	7	42	 Excellent
Growler Creek (34)	10	10	N/A	10"	N/A	50	 Excellent
Sealers Creek (75)	10	10	N/A	10"	N/A	50	 Excellent
Miranda Creek (56)	10	10	N/A	10"	N/A	50	 Excellent
Chinaman Creek (21)	10	10	N/A	10"	8	47	 Excellent
Old Hat Creek (21)	8	8	2	6*	7	26	 Poor
Stockyard Creek (85)	7	7	1	6*	6	23	 Poor
Bennison Creek (12)	7	8	2	6*	4	22	 Poor
Franklin River (31)	8	8	8	10*	6	37	 Good
Agnes River (1)	10	8	8	7	9	40	 Good
Shady Creek (76)	7	8	2	9	7	28	 Moderate
Nine Mile Creek (65)	8	6	10	6	7	34	 Good
Albert River (3)	8	8	6	9*	7	35	 Good
Tarra River (89)	8*	7	4	7	9	32	 Moderate
Neils Creek (62)	10	6	7	5	8	32	 Moderate
Bruthen Creek (15)	8	8	6	8	9	36	 Good
Jack Smith Lake (37)	6	8	6	5	N/A	29	 Moderate
Lake Denison (42)	10	6	1	7	N/A	24	 Poor
Merriman Creek (55)	8	7*	9	8	7	37	 Good
Latrobe & Thomson Estuary (46)	10	1	6	10*	4	23	 Poor
Lake Wellington Main Drain (44)	6	3	3	8*	6	22	 Poor
Avon River (6)	7	3	2	10*	4	20	 Poor

Source: DELWP (2021). Assessment of Victoria's estuaries using the Index of Estuary Condition: Results 2021. The State of Victoria, Department of Environment, Land, Water and Planning, East Melbourne, Victoria.

## Water theme indicator – Extent of protected or improved riparian land

### Extent of protected or improved riparian land

**The indicator reflects efforts to protect or improve the condition of riparian lands, including fencing, weed control, and revegetation and pest control (e.g. rabbits).**

A range of activities delivered by the community and agencies contribute to habitat improvement and long-term improvements in the condition of waterways. Activities such as fencing and troughs for off-stream watering, revegetation and weed control, all support improved riparian and aquatic habitat and waterway condition. The table below provides a summary of waterway and habitat improvement activities that were supported by West Gippsland CMA in partnership with community and other stakeholders, between 2016-17 and 2021-22 in riparian areas and waterways.

**Table 6: Waterway and habitat improvement activities summary**

Output	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>1. Structural works</b>						
1.2 Water storage	8	21	17	11	0	0
1.9 Fence (km)	37	43	46	21	4	25
<b>2. Environmental works</b>						
2.1 Vegetation (ha)	242	160	255	76	69	44
2.2 Weed control (ha) Area treated	436	230	149	123	81	59
2.2 Weed control (ha) Area controlled	1,094	726	4070	3414	3888	548
2.8 Earth works (no.)	5	2	11	22	1	46
<b>4. Planning and regulation</b>						
4.2 Management agreements (no.)	36	54	47	60	10	70

► 2021-22 Trend > *Neutral*

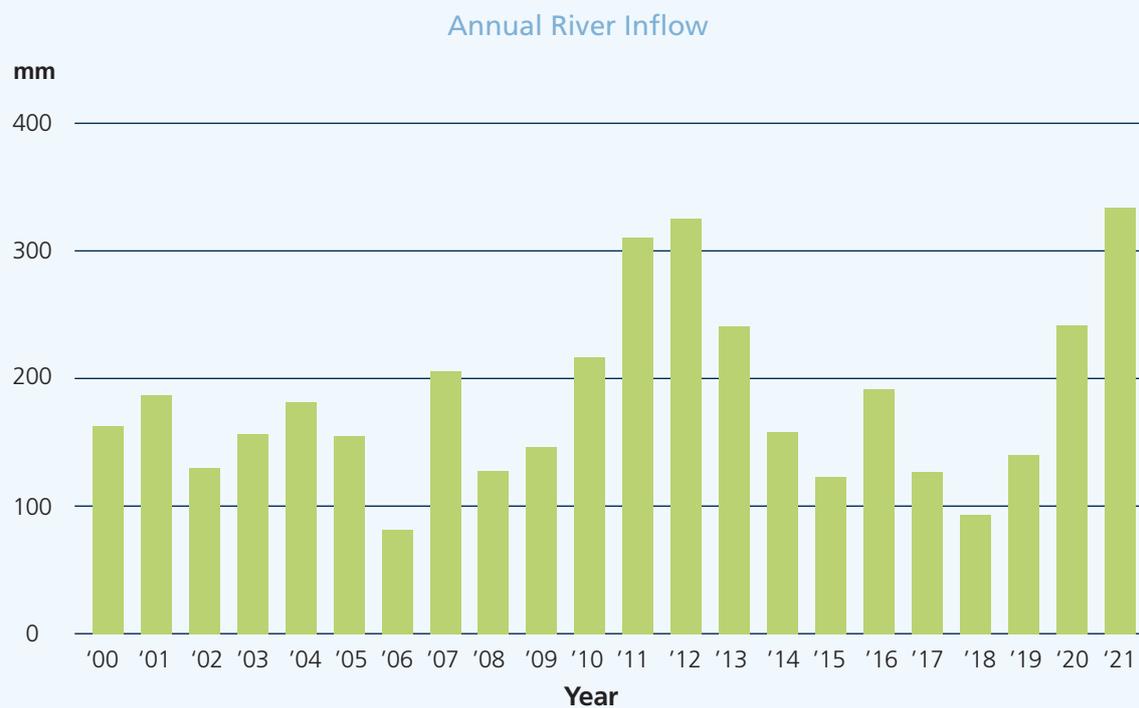
► Rolling five-year Trend > *Neutral*

## Water theme indicator – River inflow

### River Inflow

This indicator provides estimates of river inflows in Victoria.

Over the past five years river inflows across the West Gippsland region have been below the long-term average (183mm) for three out of five years. Annual river inflows have been highly variable since 2000. The total surface and subsurface water runoff into rivers throughout the region in 2021 were the highest observed since 2000 at 333mm.



**Figure 9: Annual River Inflow**

Total surface and subsurface runoff into the river, estimated by the OzWALD model-data fusion system. Source: Australia's Environment Explorer, The Australian National University (<http://www.ausenv.online>).

► 2021-22 Trend > *Neutral*

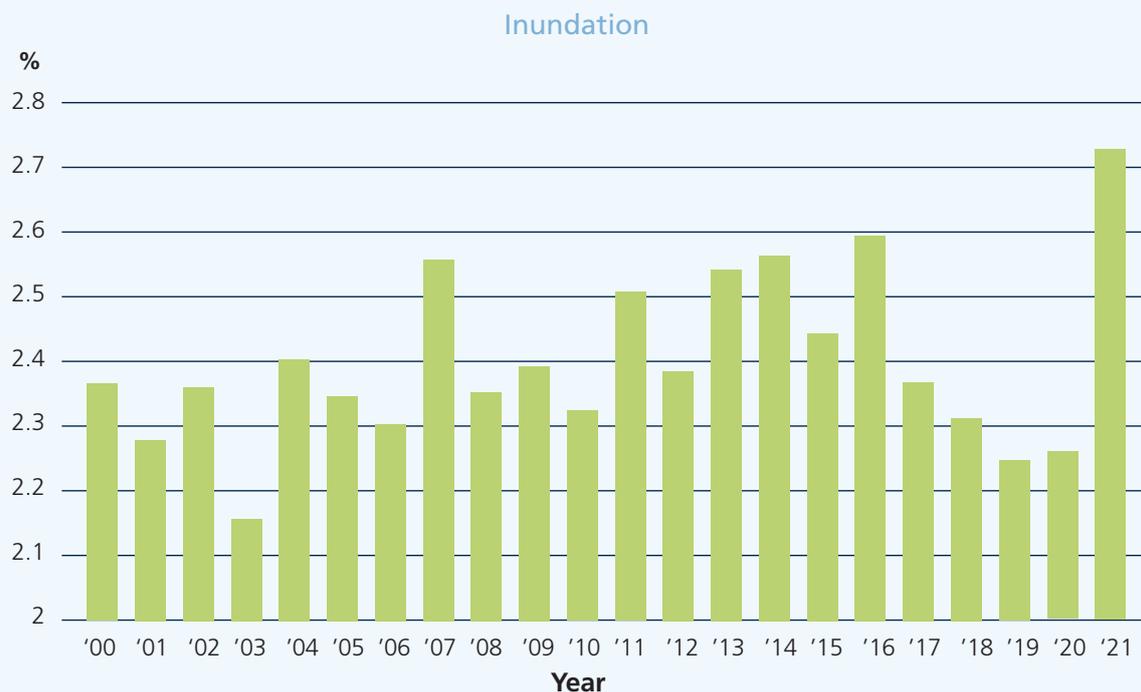
► Rolling five-year Trend > *Neutral*

**Water theme indicator – Inundation**

**Inundation**

**This indicator provides estimates of the percentage of water inundation across the West Gippsland region.**

The percentage of water inundation across the region observed in 2021 was the highest observed since 2000. However, over the long-term the results are highly variable with no clear trend.



**Figure 10: Percentage of water inundation**

Annual maximum water extent, derived from MODIS imagery by the OzWALD model-data fusion system. Source: Australia’s Environment Explorer, The Australian National University (<http://www.ausenv.online>).

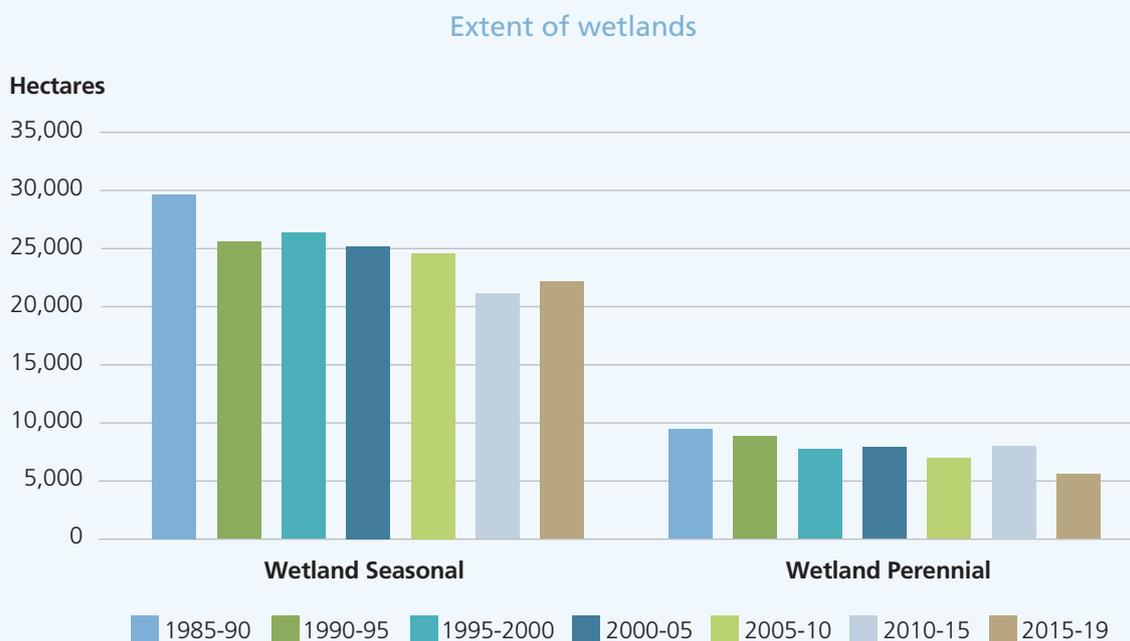
► **2021-22 Trend > Neutral**      ► **Rolling five-year Trend > Neutral**

## Water theme indicator – Extent of wetlands

### Extent of wetlands

**This indicator provides estimates of the overall rate of change in the extent of wetlands and associated vegetation on public and private land in Victoria.**

Historic land use change, urban development and land management practices have all put pressure on naturally occurring wetlands throughout the West Gippsland region. Assessment of Victorian Landcover Data indicates there was a significant loss of both perennial and seasonal wetlands over the period 1985 to 2019. Seasonal wetlands declined by 25% (7,564 hectares) and perennial wetlands declined by 40% (3787 hectares).



**Figure 11: Extent (ha) wetland coverage in the West Gippsland region 1985- 2019**

Source: DELWP. Victorian Land Cover Time Series Data 1985 - 2019. East Melbourne: Department of Environment, Land, Water and Planning, 2020.

► 2021-22 Trend > **Concerned**

► Rolling five-year Trend > **Concerned**

## Water theme indicator – Groundwater resources

### Groundwater resources

**This indicator provides information on groundwater resources in Victoria.**

Groundwater aquifers in the region provide water for domestic, agricultural and industrial use and support groundwater dependent ecosystems. The stability or decline of groundwater systems depends on the amount of water recharging the system and on how much water is being used.

The Long-Term Water Resource Assessment for Southern Victoria found that groundwater levels are declining in some areas of the region but are generally stable. However, understanding the condition and change of groundwater assets is complex and difficult to assess trends.

**Table 7: Long term declines in groundwater**

Basin	GMA	Aquifer	Assessment of DECLINE
<b>Thomson</b>	Denison and Wa De Lock	Unconfined shallow	Decline ranging from 0.1 – 1 m Localised impacts on streamflow in the Avon and Macalister Rivers may occur during low flow periods when groundwater is used for irrigation.  Licensed groundwater pumping in the Wa De Lock GMA has reduced waterway flow in the Macalister and Avon Rivers by approximately 3.9 and 3.0 GL per year, respectively, which has contributed to the decline in surface water availability.  Licensed groundwater pumping in the Denison WSPA has reduced waterway flow by approximately 8.3 GL per year, which has contributed to the decline in surface water availability.
<b>Thomson</b>	Sale and Rosedale GMAs	Confined middle	Long term decline > 2m
<b>Latrobe</b>	Moe GMA	Confined lower	Long term decline > 2m
<b>Latrobe</b>	Stratford GMA	Confined lower	Groundwater levels have declined by > 2. Declined steadily since the 1970s at a rate of approximately 1 m/year. Caused by dewatering around the Latrobe Valley coal mines and, near the coast, offshore oil and gas extractions which are connected to the lower aquifer*.
<b>Latrobe</b>	Denison GMA	Unconfined upper	Long-term decline <1m
<b>Latrobe</b>	Unincorporated	Shallow groundwater	Modified around the Latrobe Valley coal mines where local declines in water levels are likely to have occurred.
<b>South Gippsland</b>	Tarwin GMA, Leongatha GMA	Unconfined	Water levels have remained stable over the long term.
<b>South Gippsland</b>	Giffard GMA	Confined	Long term decline <1m
<b>South Gippsland</b>	Yarram WSPA	Confined	Long term decline >2m
<b>South Gippsland</b>	Yarram WSPA	Lower confined aquifer	Groundwater has declined steadily since the 1970s. This is due to offshore oil and gas extractions which are connected to the lower aquifer.

Source: DELWP. Victorian Land Cover Time Series Data 1985 - 2019. East Melbourne: Department of Environment, Land, Water and Planning, 2020.

► **2021-22 Trend > Neutral**

► **Rolling five-year Trend > Neutral**

**Table 8: 2021-22 Annual water condition assessment**

Water Assessment			
Annual Assessment	Previous 5-year assessment	Overall Rating	Condition Assessment Summary
		<b>Good</b>	Overall, the condition of water in the region has been assessed as good. Above average rainfall and increased river inflows in 2021-22 continued on the back of a major flood event in June 2021. Variable climatic conditions over the past five years. No major fire or drought events. There was a key focus on flood recovery works in 2021-22. Wet conditions in some parts of the region hindered progress of new riparian protection works. High natural flows reduced the need for a release of all environmental flows this year.

## Program highlights

### Delivering Water for Victoria priorities

This year's annual regional waterway program, our core waterway health program, delivered some key programs aligned to the Water for Victoria priorities. These are listed below.

### Landcare community partnerships

We partnered with all the Landcare Networks (Maffra, Bass Coast, Yarram, South Gippsland and Latrobe) to deliver a number of on-ground riparian projects, including weed control, fencing, and revegetation in the Powlett Catchment (part of the Our Catchments Our Communities Powlett/ Kugerungmome Partnerships Project), Middle Creek (Yinnar, as part of the Flood Recovery work), Newry Creek (Maffra, as part of the Newry Modernisation program), in Corner Inlet (with Yarram Landcare as part of the Fisheries Habitat Protection Program) and in the Fish Creek, Agnes Gorge and Black Spur with South Gippsland Landcare. Works included fencing of waterways, weed control and revegetation.

### Flagship waterways – Corner Inlet and Thomson/Rainbow Creek

The WGCMA has two Flagship Waterways – Corner Inlet (Agnes River) and the Thomson River between Cowwarr Weir and Macalister River confluence. The Corner Inlet (Agnes River) aims to fence off and revegetate 100% of the main stem and the Thomson/Rainbow Creek project aims to complete two key objectives: a natural riparian corridor from the Gippsland Lakes to the Alps and to address future avulsion risks of Rainbow Creek. In 2021-22, the Corner Inlet (Agnes) signed management agreements with four landholders, completed 19 hectares of weed control and fenced 6.15 kilometres of the river. The project is delivered in partnership with Agnes River District Landcare Group, Greening Australia and GLaWAC.

In 2021-22 the Thomson/Rainbow Creek Flagship project signed three landholder management agreements with three landholders, installed a chute of more than a 20 metre rock chute, undertook bank stabilisation works and squared and armouring earthworks, installed almost two kilometres of riparian protection fencing and treated almost three hectares of weed control.

### Headwater willow control

In 2021-22, the upper reaches of the Agnes and Franklin Rivers have been targeted as part of a four-year program to tackle willow infestations. In 2021-22, over 80 hectares of weed control was completed. The program aims to remove willows in the headwaters and therefore protect riverbanks downstream from re-infestation.

### Protecting our Ponds

The Providence Ponds and Perry River catchment is unique as it hosts one of the most intact pond systems in Victoria. Chain of ponds waterways were once common across south-eastern Australia and are now very rare.

As part of an assessment of the ponds' condition, nine rare or threatened plant species, previously not known to be in the area, were found. These include several species of Fireweed, a range of herbs such as rare Winged Water-Starwort, Eastern Bitter-cress and Pale Swamp Everlasting, as well as River Swamp Wallaby-grass and the small Grey Scentbark tree.

An assessment of aquatic life in the ponds was undertaken in March 2021, once COVID-19 restrictions were lifted. The ponds have been found to support listed threatened species of fish including Dwarf Galaxias and Flinders Pygmy Perch.

An increase in rainfall and river inflows saw the chain of ponds system full of water and flourishing for the first time in many years. The welcome rainfall has assisted in accelerating the growth of native vegetation established as part of the Protecting Our Ponds project.



*Chain of Ponds.*



*Thomson River.*

### Powlett River/ Kugerungmome Partnerships Project

During 2021-22 the Powlett River/ Kugerungmome Partnerships Project commenced. Planning was undertaken with partners to develop a vision, strategic directions statement and implementation plan. A Stakeholder Reference Group was formed to oversee this process and the implementation plan involves working with Bass Coast Landcare Network, Trust for Nature, Parks Victoria, BLCAC, WGCMA, BirdLife Australia to undertake works over the next three years and will involve riparian protection and enhancement, fox control, riparian vegetation protection and enhancement.

During 2021-22 works completed included:



### Flexible approach to water for the environment

Water for the environment is an important part of improving the health of rivers and wetlands in Gippsland. This year, due to the higher-than-average rainfall and high flows, 18.5 gigalitres of water for the environment was released into the Thomson, Macalister and Latrobe rivers. This water is critical for native plants, fish, and other animals.

These flows can move sediment and nutrients through rivers, connect habitats and improve water quality. To complement and enhance the water for the environment releases, the constructed Thomson River Fishway, allowing for low flows around the Horseshoe Bend Tunnel, continues to demonstrate its success. In 2021-22, fish surveys found higher numbers of migratory fish above the fishway than previously surveyed, which is an early indication of the success of the project.

“Water for the environment when it’s wet is important to build strong and resilient rivers and wetlands to prepare them for future dry years.”

## Thanks to nature for watering the environment

Delivering water for the environment into West Gippsland's catchments is a team effort and in 2021-2022, Mother Nature also played a hand with floods and high rainfalls allowing natural flows to do their thing – and the wetlands and wildlife are thriving.

"We are delighted with the natural river flows of the past year and the positive impacts they are having along the river course down into the lower Latrobe wetlands," said WGCMA Environmental Water Officer Dr. Adrian Clements.

"Over the past years, we've been managing the water through drought and fire seasons. This has essentially laid down the groundwork to allow the environment to flourish when these natural flows come through."

"We manage water for the environment within a bigger picture of keeping things going in dry times so the environment can have a 'boom cycle' when nature delivers rains such as in the past year. The recent freshwater flush revives the rivers and floodplains and gives lower wetland areas a freshen up for native plants and animals.

"Despite the wet year, we continued to plan for environmental flows on key waterways and simply adjusted them to suit the rainfall conditions. Water for the environment when it's wet is important to build strong and resilient rivers and wetlands to prepare them for future dry years."

The year of 2022 marked twelve years since the environmental entitlement for the lower Latrobe wetlands was created. More than one decade on, the positive effects of a dedicated entitlement for water to the environment are spectacularly on show for all the wetlands fresher providing habitat for wildlife to live and breed including the extremely rare Australasian Bittern and the Growling Grass Frog. The community has also enjoyed walking and birdwatching in the wetlands taking advantage of the benefits of the wet years.

Upstream, it is a combination of environmental flows and connecting the river through initiatives like fishways that help migratory fish to undertake their natural migratory movements and keep the river healthy. Across the year, annual sampling in the upper reaches of the Thomson River with Arthur Rylah Institute (ARI) fish ecologists saw good numbers and distribution of tupong, eels, Australian smelt and young blackfish.

"The highlight was seeing the juvenile blackfish," said the CMA's Dr Stephanie Suter, Environmental Water Resource Officer.

"The baby was estimated to be 3-4 months old, which is really exciting as it indicates some successful fish breeding in the system. It also helps us to plan and prioritise flows for river connectivity and fish migration."

If 2022-23 will be wet or dry is currently unknown – what is for sure is that water for the environment will continue to flow across West Gippsland's key catchments benefitting rivers, wetlands, wildlife and the community.

## Biodiversity

### The condition of native habitat and the health of native species

West Gippsland is floristically diverse, with six of Victoria's 22 terrestrial bioregions represented in the region: all the Wilsons Promontory bioregion and most of the Strzelecki Ranges bioregion occur in West Gippsland. The Gippsland Plain bioregion is the most extensive bioregion and has been heavily impacted by historic clearing for agriculture, industry, and settlement. The Highlands Southern Fall bioregion is the second most extensive and is mostly within public land in State Forests and Parks. The northern boundary cuts through the Alps bioregion and a small part of the East Gippsland Lowlands bioregion is encompassed on the eastern boundary of the region.

Four of the five Victorian marine bioregions are represented in the West Gippsland region: Central Victoria (San Remo to Cape Liptrap); Flinders (Wilson's Promontory to the western extent of the Ninety Mile Beach); Twofold Shelf (from the western extent of Ninety Mile Beach eastwards); and Victorian embayments (bays, inlets and estuaries).

While the region is home to diverse terrestrial, marine, and aquatic flora and fauna species, many of these are threatened. Over 105 fauna and flora species listed under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and 193 of Victoria's threatened species formally listed under the *Flora and Fauna Guarantee Act 1988* (FFG Act) have been recorded in the region. There is a high representation of endangered, rare and vulnerable ecological vegetation classes (EVC) across the region.

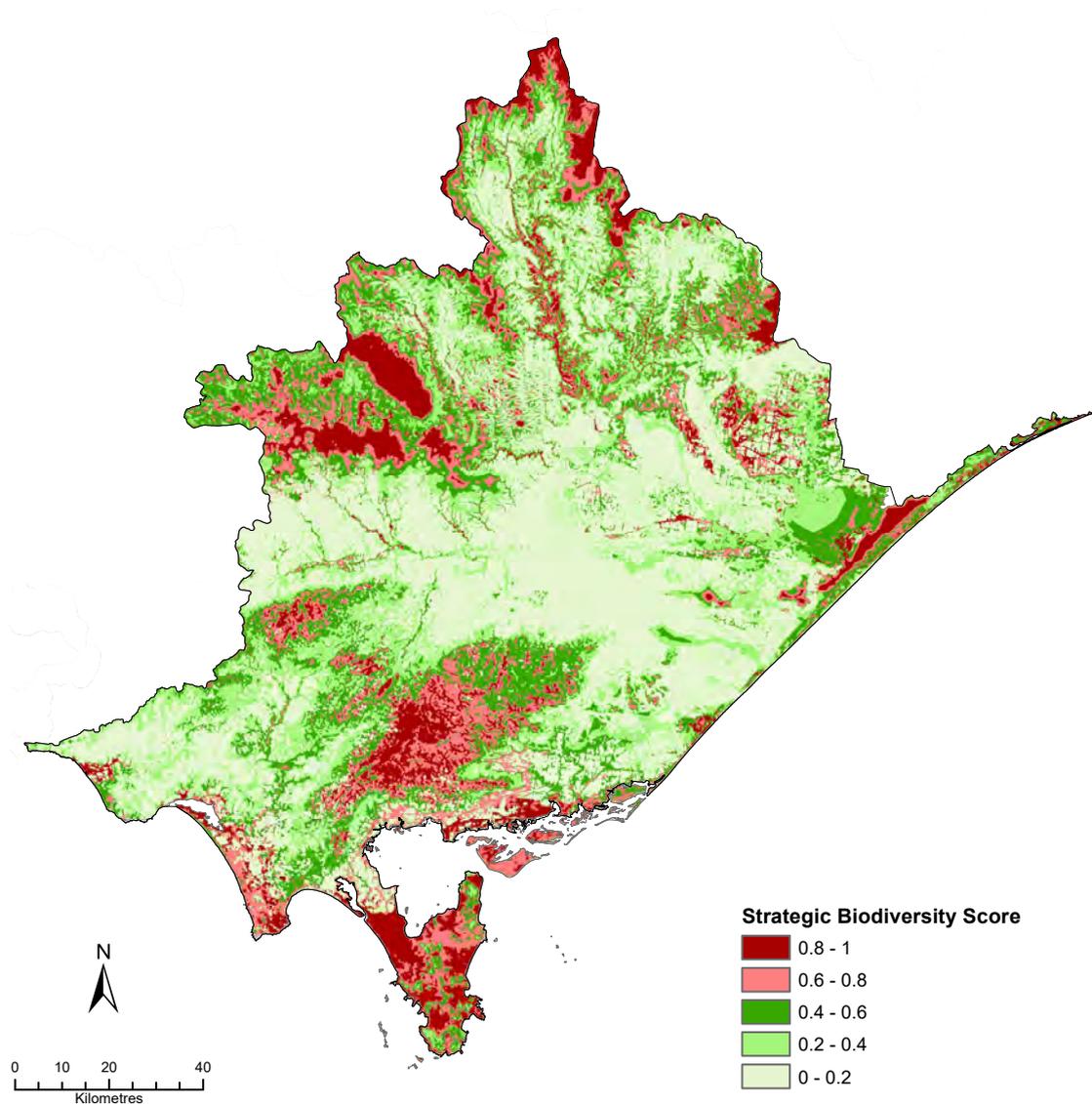
Approximately 48% of pre-1750 native vegetation cover remains, much of which is in a fragmented or degraded state. Most remaining native vegetation is located within public land, with very good native vegetation cover in the upper catchment areas. Conversely, native vegetation extent is classified as poor to moderate in the lower reaches of our catchments.

Habitat hectare assessments indicate native vegetation site conditions range from very poor to good. Sites in poorer condition are generally closer to towns (such as Wonthaggi, Leongatha, and Stratford) and within areas of intense agricultural production.

A range of challenges can impact the condition of biodiversity within the West Gippsland region. These include fragmentation and lack of connectivity of remnant vegetation, reduced extent and condition of flora and fauna communities, competition from invasive plants and animals, urban development, and climate change. Ongoing protection and restoration work is required to build the resilience of EVCs throughout the region for their survival into the future.

### Biodiversity benchmark – Strategic Biodiversity Score

The biodiversity benchmark condition assessment is based upon Strategic Biodiversity Score mapping developed by the Department of Environment, Land, Water and Planning (DELWP). The mapping is based on multiple spatial models of vegetation condition, ecosystem types, rare and threatened species distribution, and habitat and landscape context. Priority areas for biodiversity protection are identified based on the level of importance of natural values in that location. The scoring ranges from 0 to 1.0, where 1.0 represents areas of highest biodiversity value.



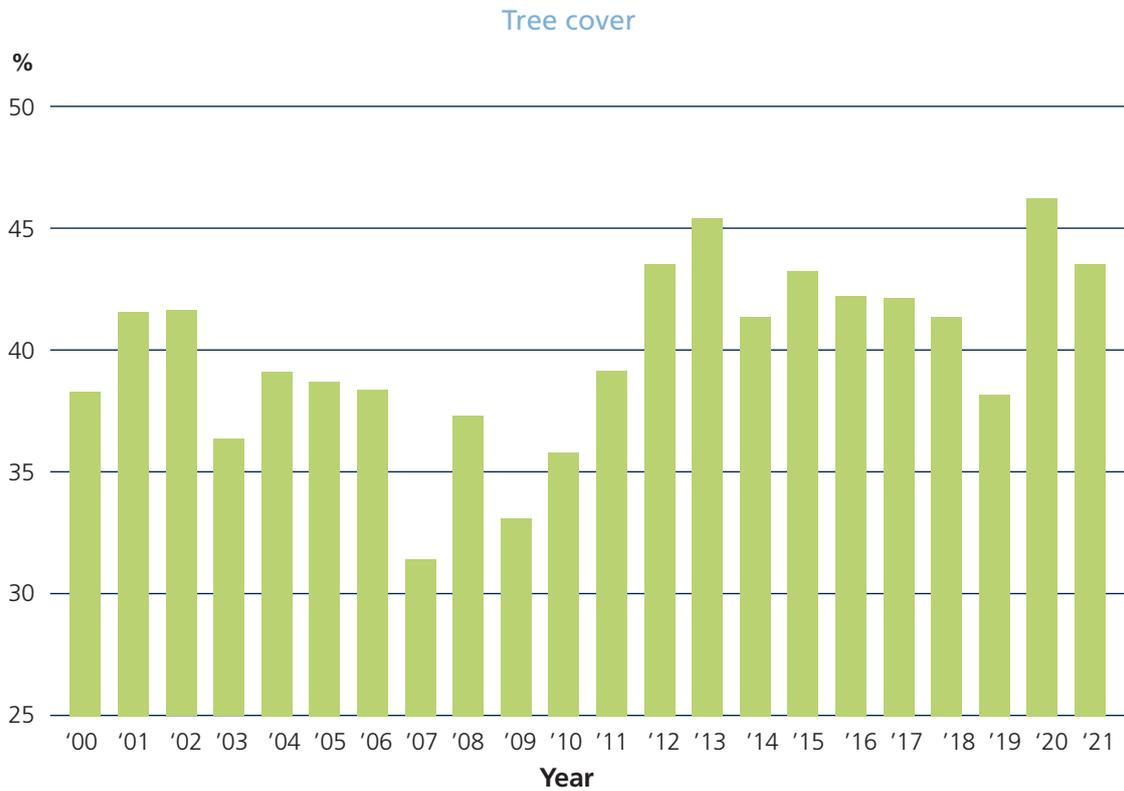
**Figure 12: Strategic biodiversity scores for the West Gippsland region**

Large areas of high biodiversity value are found within the region, many of which are located within formal parks and conservation reserves on public land. Native forests, coastal and wetland environments, along with riparian zones provide important habitat and corridors for many flora and fauna species. Areas of lower biodiversity value are generally located in areas that have been historically cleared for agriculture, settlement and industry.

While there is significant revegetation and remnant protection work occurring throughout the region, fragmentation remains a significant threat to the overall condition of biodiversity.

### Biodiversity benchmark – Percentage tree cover

Research conducted by the Australian National University indicates that the percentage of tree cover across the region in 2021 decreased slightly since last year from 46% to 44%. However, this remains above the long-term average of 40% cover.



**Figure 13: Percentage of tree cover in West Gippsland region**

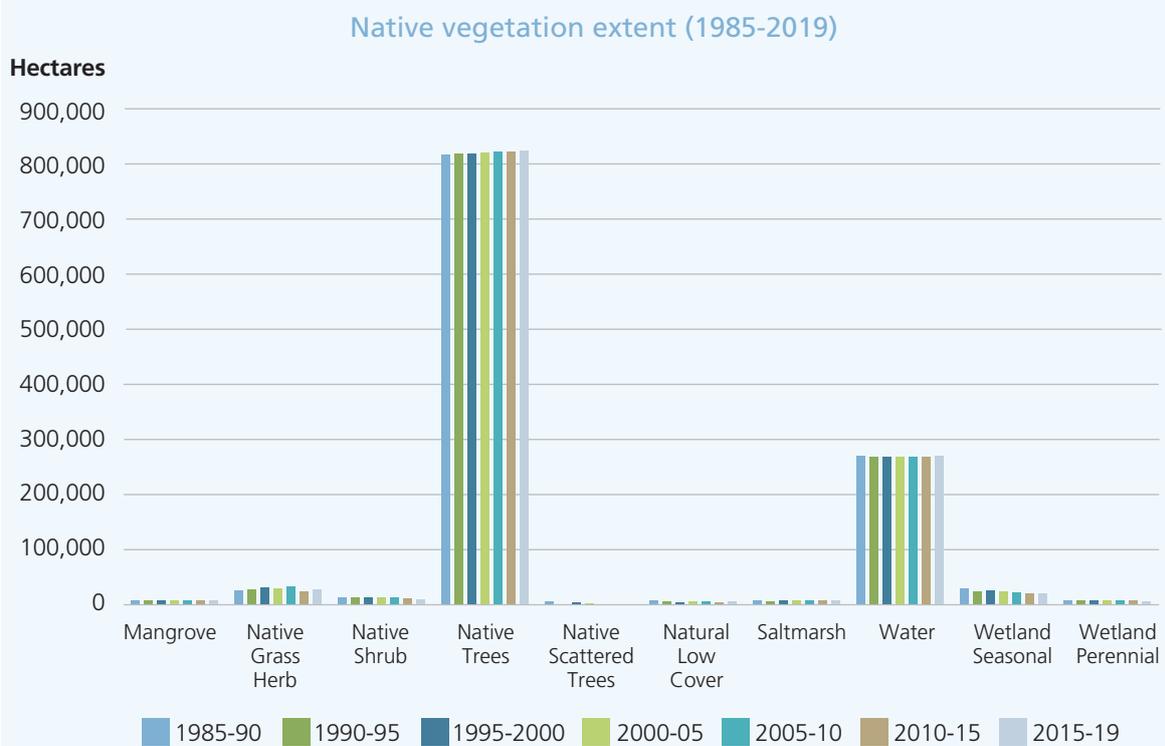
Annual average woody vegetation cover fraction derived from Landsat imagery by ANU. Source: Australia's Environment Explorer, ANU (<http://www.ausenv.online>).

## Biodiversity theme indicator – Extent of native vegetation

### Extent of native vegetation (ha)

This indicator aims to provide estimates of the current and previous extent of native vegetation on public and private land in Victoria.

The extent and quality of native vegetation varies across the region as a result of historic land clearing and land management practices. The Victorian Land Cover Time Series 1985-2019 shows trends over time for different native vegetation classes. The data shows a decline in the hectares of native scattered trees (-59%) and native shrub cover (-21%) over the past 34 years. Overall native tree cover is relatively stable (1%) as are native shrubs (3%). Natural low cover includes environments with naturally low to negligible vegetation such as lake beds and rocky outcrops.



**Figure 14: West Gippsland Region – Native Vegetation extent (ha) 1985-2019**

Source: DELWP. Victorian Land Cover Time Series Data 1985 - 2019. East Melbourne: Department of Environment, Land, Water and Planning.

► 2021-22 Trend > *Unknown*

► Rolling five-year Trend > *Neutral*

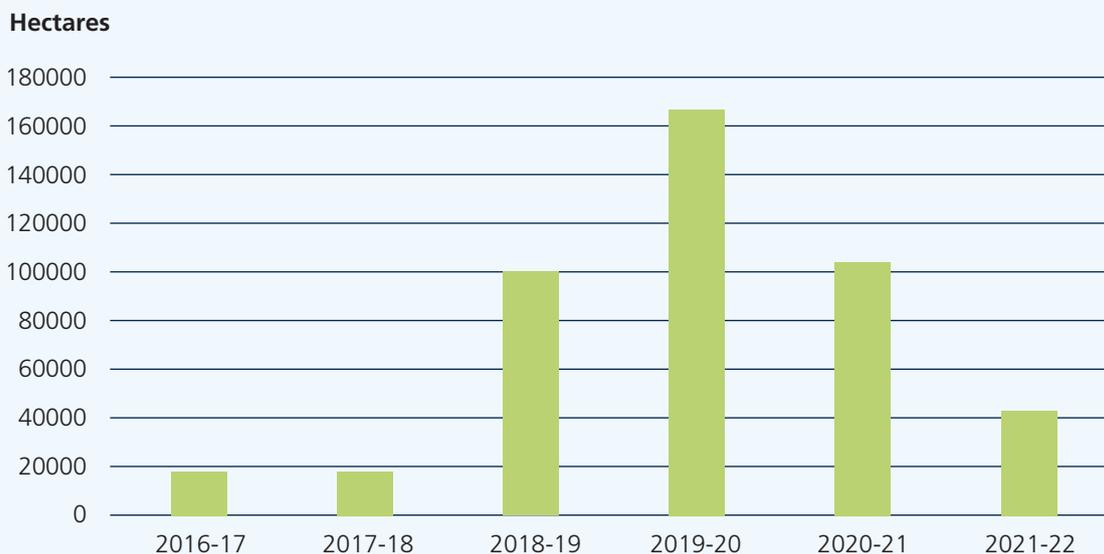
**Biodiversity theme indicator – Area of pest herbivore and predator control**

**Area (ha) of pest herbivore and predator control**

**This indicator provides information on the area treated for pest control, including herbivore and predator control, under CMA initiatives.**

Pest animals are a major problem for biodiversity, as they compete with native species for resources, prey on native fauna, cause erosion and other physical disturbances, and can affect the functioning of ecosystems. Established terrestrial pest animals in the region include foxes, pigs, wild dogs, rabbits and hares. Overabundant native wildlife can also impact on the region’s biodiversity. Deer are an increasing problem and are being seen in parts of the region where they have not been seen before.

Area of pest animal control



**Figure 15: Area of pest animal control West Gippsland Region**

▶ 2021-22 Trend > **Concerned**

▶ Rolling five-year Trend > **Concerned**

## Biodiversity theme indicator – Area of weed control

### Area (ha) of weed control

**This indicator provides information on the area treated for weeds under CMA initiatives.**

Environmental weeds significantly impact the quality of remnant native vegetation and habitat for fauna. Weeds also decrease agricultural land productivity, impact recreational opportunities, and pose challenges to the management of pest animals that benefit from the shelter provided by them. The increased spread of weeds across the landscape in the past decade is a rising concern among the community and land managers in the region.

In 2021-22, CMA initiatives resulted in 69,998 hectares of weed control across the West Gippsland region.

### Weed control – area controlled



**Figure 16: Area of weed control West Gippsland region**

► 2021-22 Trend > **Concerned**

► Rolling five-year Trend > **Concerned**

### Biodiversity theme indicator – Area of permanent protection

#### Area (ha) of permanent protection

This indicator provides information on the extent of permanently protected areas in Victoria.

**Table 9: Total protected area and type across West Gippsland Region 2021-22 compared to 2017**

Protection type	Total area (ha) covered this year	Additional area (ha) since 2017
National Park*	143,272	-64
State Park*	18,126	25
Trust for Nature Conservation Covenants	6,863	1,055
Trust for Nature owned properties (reserves)	726	0
Other*	531,660**	12,300
<b>Total</b>	<b>700,647</b>	<b>13,316</b>

\*Data from Public Land Management dataset. \*\*‘Other’ includes Coastal Reserve, Forest Park, Natural Features Reserve, Nature Conservation Reserve, NPA Schedule 3 Other Park, NPA Schedule 4 Park or Reserve, State Forest, Uncategorized Public Land, Wilderness Park.

► 2021-22 Trend > *Neutral*

► Rolling five-year Trend > *Neutral*

**Table 10: 2021-22 Annual biodiversity condition assessment**

Water Assessment			
Annual Assessment	Previous 5-year assessment	Overall Rating	Condition Assessment Summary
		<b>Moderate</b>	Overall, the condition of biodiversity in the region has been assessed as moderate. Small gains were made due to revegetation and vegetation protection programs. Small losses due to urban development, primarily around regional centres. No major fires, drought or pest outbreaks during 2021-22. Implementation of targeted pest, plant and animal programs by a range of partners. Anecdotal evidence of increasing numbers and range of pest animals, i.e., deer. Anecdotal evidence of climate change impacts (e.g., species composition changes and geographic spread). Aquatic fauna surveys conducted in 2021-22 recorded the presence of threatened species in the east of the region. Landscape-scale initiatives focused on the Bunurong Coast, and Alpine Peatland communities throughout the past five years. Improved regional planning through the Biodiversity Response Planning process (rollout of Biodiversity 2037) leading to the development of several strategic projects delivered in 2021-22.

## Program highlights

### Alpine Peatlands

This was the fourth year of a five-year National Landcare Program Regional Land Partnerships project to protect the EPBC listed Alpine Peatlands community from high priority threats and is a continuation of the previous five-year program. The project continues over ten years of investment by Parks Victoria and was developed in partnership with Parks Victoria and four other CMAs. Project work in 2021-22 included willow and weed removal and the development of fire management plans.

### Biodiversity Response Planning: Bunurong and Dutson Down projects

The implementation of the Biodiversity 2037 Plan commenced through the Gippsland Biodiversity Response Planning process and led to the funding of several projects throughout the region that were completed during 2021-22. We were funded to deliver two three-year projects: Bunurong, a partnership project with South Gippsland Landcare Network, Parks Victoria, and Trust for Nature to undertake fox and rabbit control from Tarwin Lower through to Cape Liptrap and Dutson Downs, a partnership with Gippsland Water to work with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) to undertake threatened species protection work at Dutson Downs. These projects were completed in 2021-22 and completed works included:



**Pest control works covering an area treated of 243 hectares, which contributes to a controlled area 14,468 hectares**



**Target pest species included foxes and deer. (Fox control 139 hectares 139 hectares control area, Deer 103 hectares 517 hectares control area)**

### Protecting biodiversity in Corner Inlet

This is the fourth year of the five-year Corner Inlet Connections project, funded by the Australian Government's National Landcare Program, and builds on ten years of delivery through this approach. The project was delivered in partnership with Parks Victoria, GLaWAC, Trust for Nature and Birdlife Australia. The focus of on-ground works has been to protect the Ramsar values of the area including treating spartina, controlling foxes, improving water quality, and protecting saltmarsh. The main activities this financial year included:



**More than 183 hectares of coastal saltmarsh protected and almost 2.6 kilometres of fencing completed**



**1,014 hectares of weeds treated which includes 681 hectares of targeted spartina control, covering a total control area of 68,574 hectares surveyed**



**529 hectares treated for fox control**



**Four management agreements established**



"Across Gippsland we've got some great examples of wetlands which serve a host of functions in the environment."

### **Saving wetlands at the heart of what we do**

Wetlands play an amazing role in the environment and asks everyone to heed the call to take action to save the world's wetlands from disappearing and to restore those we have degraded.

"Historically, wetlands were described as wastelands and landholders were paid by governments to deliberately drain them to allow the land to be used for grazing," said WGCMA CEO Martin Fuller.

While that position and approach was common in periods of the twentieth century, today governments and landholders see the benefits of wetlands through protecting existing sites and many landholders, communities and local councils are working to develop new, or re-establish older, wetlands.

"Across Gippsland we've got some great examples of wetlands which serve a host of functions in the environment," said Environmental Officer with the WGCMA Dr Adrian Clements.

"Probably the largest wetland where work has seen a badly degraded site restored is Heart Morass, near Sale and adjacent to the Latrobe River," said Adrian.

The 1800-hectare site was purchased through a partnership between Field and Game Australia, The Williamson Foundation and WGCMA in 2006 and has been slowly restored.

Gary Howard from Sale Field and Game has been instrumental in the work that has taken place at The Heart over the last 15 years and is still surprised by how the area has recovered.

"You notice it when you look at old photos and realise how far we've come. It is amazing really, the weed control, the removal of carp, the planting of tens of thousands of native trees has all transformed the place and really wouldn't have happened without the support of the Williamson Trust, the work of countless volunteers and Sale Field and Game members and WGCMA has now largely returned the Heart to a freshwater wetland. It's the partnership that has brought these results."

While at one level, improvement to a site such as the Heart is satisfying on an aesthetic level, from the environment and the Gippsland Lakes point of view, wetlands such as The Heart serve a vital function in protecting the Lakes.

"Effectively a wetland like The Heart is a massive filter," says Adrian from the WGCMA.

"It catches a whole heap of flood water carrying solids and nutrients which we don't want in the Lakes and allows them to settle in the wetlands rather than in Lake Wellington where they can contribute to algal blooms."

That open body of water then becomes a haven for wildlife, migratory birds, insects and frogs adding extra layers of benefit from having a restored wetland functioning as it is meant to do.

Reflecting on the increasing awareness around the important role of wetlands, CEO of the WGCMA acknowledges the effort put in by the community to establish and restore these vital parts of the ecosystem.

"You might say that wetlands are definitely back, doing what they've done for thousands of years as well as becoming a part of community life across the region."

## Land theme

### **The condition of the environment and long-term productivity**

Soils are moderately well-structured across the West Gippsland region and support a range of natural ecosystems and agricultural enterprises. A large proportion of private land within the region is used for agricultural, industrial, and residential purposes, with fertile soils dedicated to grazing, cropping and irrigated seasonal horticulture.

The condition of our soil and land is threatened by a range of processes including landslides, various types of erosion, soil structure decline, acidification, and salinity. Erosion is a challenge in the steep sloped areas of the region including the Strzeleckis and Alpine areas. Naturally occurring (primary) salinity is present within the catchment. Induced salinity (secondary salinisation) occurs because of human activities. These activities have modified the landscape and the natural process, influencing the salt distribution. Approximately 24% (135,000 hectares) of private land has been assessed as being at high or very high risk of gully and tunnel erosion using a Land Use Impact Model (LUIM). Tunnel erosion is a hazard historically associated with vegetation clearing on steep slopes in areas such as the Strzelecki Ranges. Sheet, rill and bank erosion are other potentially threatening processes. Soils generally have a low susceptibility to wind erosion except for a few localised high-risk areas around Waratah Bay, the upper Powlett River, Nine Mile Creek, Screw Creek, and Pound Creek. The Corner Inlet, west Strzelecki and north Strzelecki priority management areas are at most risk of all types of erosion. These form part of the *West Gippsland Soil Erosion Management Plan* target areas for prevention and treatment over 20 years.

Potential causes of salinity include land clearing, irrigation and seawater intrusions to low lying tidal floodplains. Significant areas of land at high salinity risk (with water tables less than two metres) occur in areas outside the Macalister Irrigation District, particularly in low lying coastal areas of South Gippsland that are predominantly used for dryland grazing. In these areas, management interventions such as revegetation and the use of perennial pastures assist in preventing salt from rising to the surface and reducing the impacts of salinity discharge. Groundwater bores strategically located throughout the region are monitored by the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) to assess groundwater levels and trends over time.

Acid sulphate soils are a risk in areas along the Bunurong Coast and within Corner Inlet, particularly in and around the saltmarsh, mudflat, and mangrove environments. While acid sulphate soils are generally harmless when undisturbed, if they are excavated or drained the naturally occurring sulphides in the soil react with oxygen in the air to form sulphuric acid. This acid can kill plants and animals and contaminate drinking water and food sources such as shellfish.

Invasive plant and animal species continue to be a threatening process to land health including Paterson's Curse, Ragwort, Gorse, Blackberry, Serrated Tussock, and African Lovegrass. Foxes, rabbits, and deer are the predominant invasive animal species found across the region.

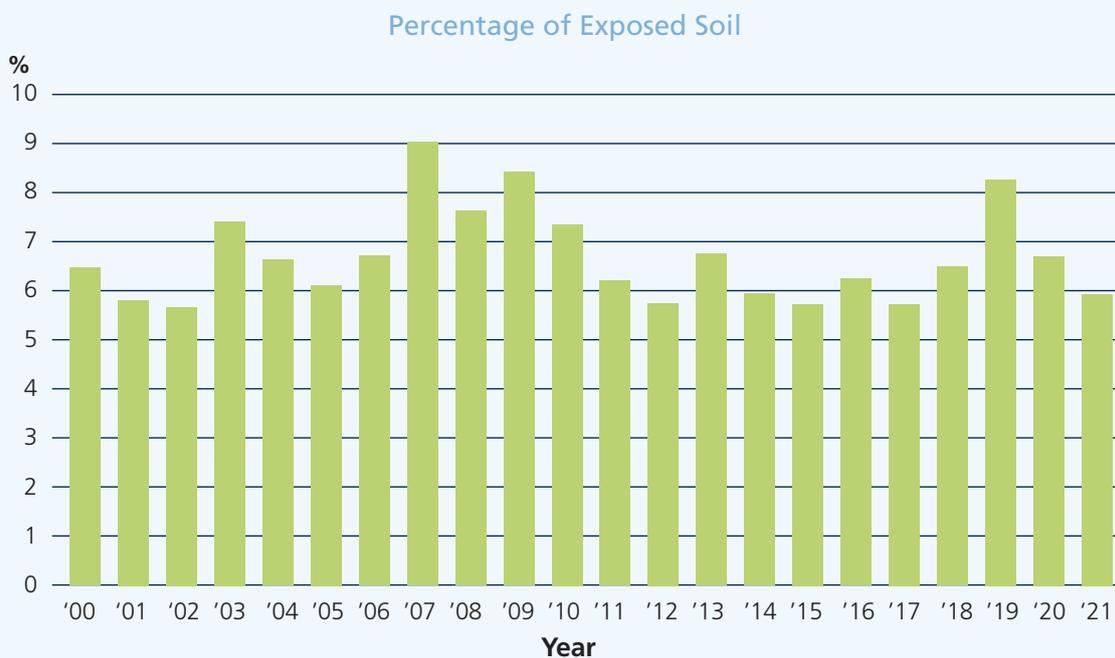
Government, conservation, and community groups are working together to protect the region's soil and land while also maintaining long term agricultural productivity, opportunities for recreation, and protection of important cultural values. Formal conservation parks and reserves, covenants, landholder agreements, and management plans are all key tools used to help improve or conserve the condition of public and private land within the West Gippsland region.

## Land theme indicator – Land cover

### Percentage of exposed soils

**This indicator enables the reporting of percentages of exposed soil in public and private land.**

Research conducted by the Australian National University indicates that the annual percentage of exposed soil in the West Gippsland region, which is unprotected by living vegetation, has remained relatively low since 2001 (below 10%). There was an increase in exposed soils in 2007, which was at the peak of the “Millennium Drought” (2001–09), and in 2019 due to areas within the east of the region being drought affected.



**Figure 17: Percentage of exposed soil in West Gippsland Region**

Annual mean percentage of soil unprotected by living vegetation or litter, derived from MODIS imagery and CSIRO mapping by the OzWALD model-data fusion system. Source: Australia's Environment Explorer, The Australian National University (<http://www.ausenv.online>).

► 2021-22 Trend > *Neutral*

► Rolling five-year Trend > *Neutral*

**Land theme indicator – Soil moisture**

**Soil moisture**

**This indicator enables the reporting of average soil moisture availability in public and private land.**

Research conducted by the Australian National University indicates that the long-term average amount of soil moisture availability is 335mm. The annual mean amount of water stored in the soil profile across the West Gippsland region in 2021, was the second highest since 2000. The annual mean has remained above the long-term average for the past two years. Areas within the east of the region were drought affected from 2017-2019.



**Figure 18: Average soil moisture availability in West Gippsland region**

Average amount of water stored in the soil profile during the year, estimated by the OzWALD model-data fusion system. Source: Australia’s Environment Explorer, The Australian National University (<http://www.ausenv.online>).

► 2021-22 Trend > *Neutral*      ► Rolling five-year Trend > *Neutral*

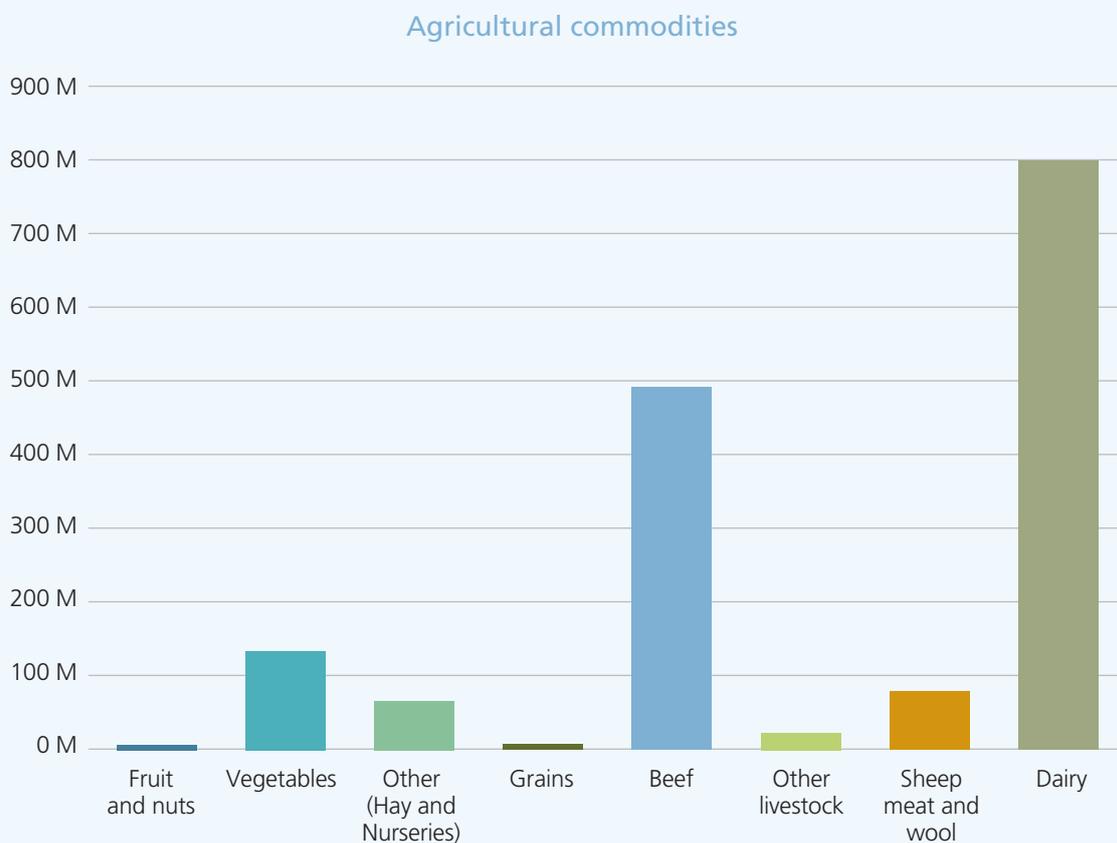
## Land theme indicator – Agricultural commodities

### Agricultural commodities

This indicator aims to provide estimates of the type and gross value of agriculture commodities in Victoria.

Agriculture is an important contributor to the regional economy. In 2018-19 the gross value of agriculture in the West Gippsland region was over \$1.62 billion, representing approximately 10% of the state's agricultural income.

Dairy is the dominant commodity in the region (\$799M) followed by beef (\$494M) and vegetables (\$135M). Based on gross value, West Gippsland produces 29% of Victoria's milk, 20% of beef and 5% of fruit and vegetables.



**Figure 19: Agricultural commodities gross value (\$) in the West Gippsland Region (2018-19)**

Source: ABS (2021). Agricultural gross value of production by NRM (CMA) region for Victoria. 2018-19. [ABS Catalogue Number 7503]. Australian Bureau of Statistics.

► 2021-22 Trend > *Unknown*

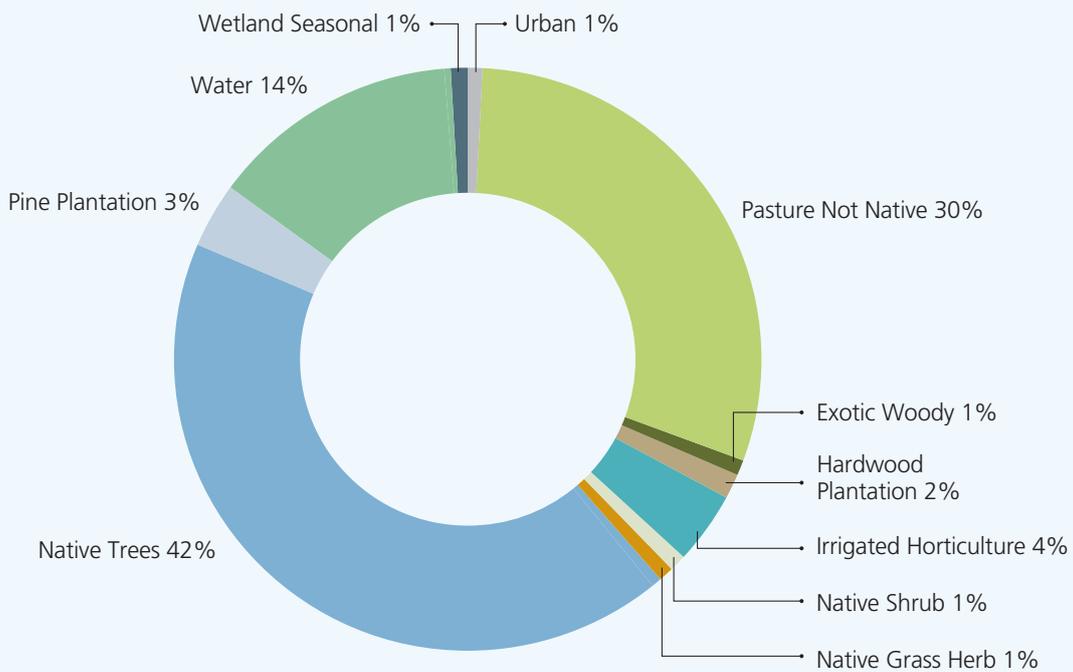
► Rolling five-year Trend > *Unknown*

## Land theme indicator – Land use change

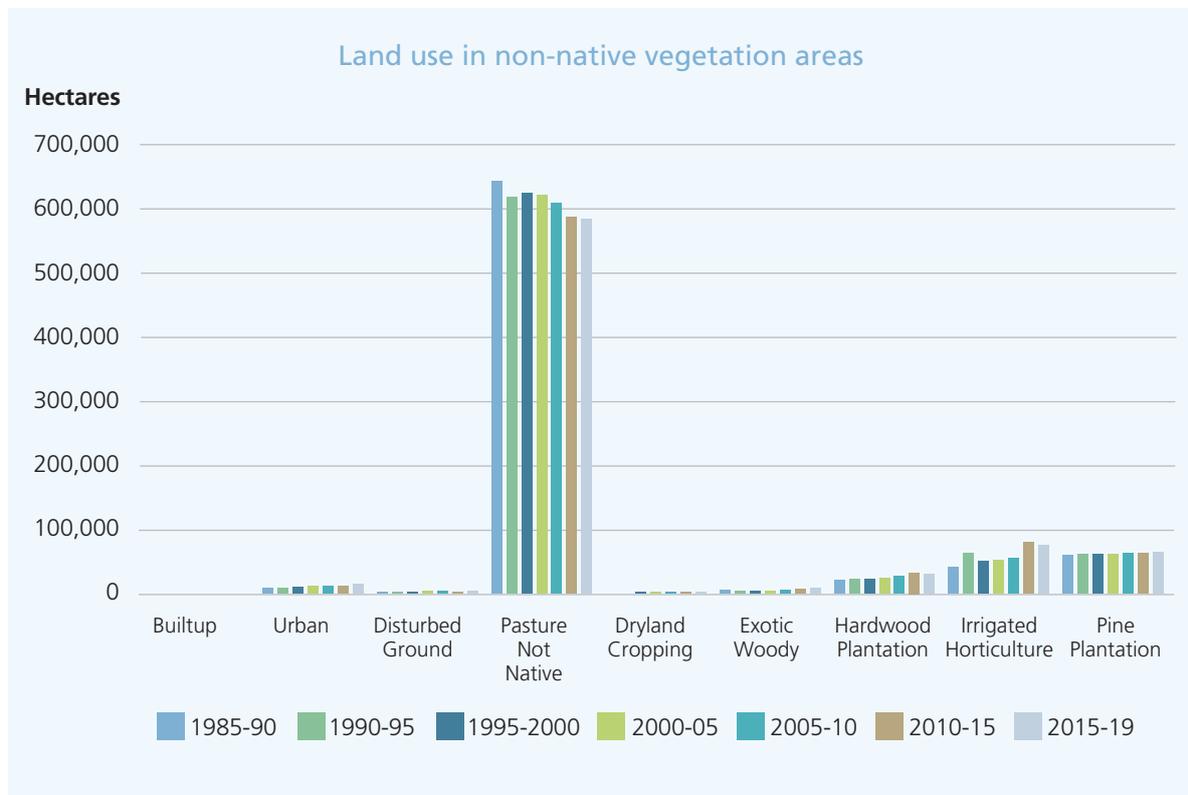
### Amount and change over time of land use

**This indicator provides estimates of the current and overall rate of change in the extent and spatial distribution of land use classes on public and private land in Victoria.**

The recently released Victorian Land Cover Time Series 1985-2019 shows land use across the region, for broad classes and trends over time. The pie chart below shows that native vegetation is the main landcover incorporating native trees, shrubs and grass herb. This is followed by agriculture (pasture not native and irrigated horticulture). Note that the 'Native Grass Herb' class, includes grasslands that have been 'derived' through the clearing of trees and/or shrub cover and is likely to include areas of degraded native grassland, used for grazing. The extent of land use graph below shows an increase in urban (including built up), irrigated horticulture, plantation (hardwood and softwood) and dryland cropping. Grazing land uses (associated with Pasture Not Native) declined over the last 35 years.



**Figure 20: Land use in the West Gippsland Region (2015-19)**



**Figure 21: Extent of land use 1985-2019 for non-native landcover types**

Source: DELWP (2020). Victorian Land Cover Time Series Data 1985 - 2019. [Spatial data] East Melbourne: Department of Environment, Land, Water and Planning.

► 2021-22 Trend > *Unknown*

► Rolling five-year Trend > *Neutral*

**Table 11: 2021-22 Annual land condition assessment**

Land Assessment			
Annual Assessment	Previous 5-year assessment	Overall Rating	Condition Assessment Summary
➔	➔	<b>Moderate</b>	Overall, the condition of land across the West Gippsland region has been assessed as moderate. This was a wetter than average year, with an increase in soil water availability being observed. No areas of the region were drought declared. No major fires or pest outbreaks. The region has experienced variable climatic conditions over the past five years. An increase in area covered by landholder agreements and management plans. Anecdotal evidence of increased population and range of pest animals (particularly deer) across the region. The continuing trend of changes in land use towards large scale horticulture and urban expansion (increased runoff).

## Program highlights

### Sustainable Irrigation Program

The renewal of the Lake Wellington Land and Water Management Plan was finalised in 2019-20 and provides a ten-year vision for sustainable irrigation and water management in the Lake Wellington catchment. This year the Sustainable Irrigation Program delivered 34 new or updated irrigation farm plans which will influence 2,357 hectares of land in the Macalister Irrigation District. There was one on-farm irrigation efficiency projects (or spray irrigation) completed covering an area of 27 hectares, providing estimated water savings of over 54 ML each year.

### Corner Inlet – Sustainable Agriculture Program

As part of the Australian Government's National Landcare Program, the WGCMA developed a Sustainable Agriculture Program which targeted dairy farmers in the Corner Inlet catchment to retain nutrient on farm to contribute to productivity and reduce run-off to our waterways. During 2021-22, 30 farmers were engaged and had a farm nutrient plan developed, with 30 of those committing to on-ground works to implement these plans, with 49 hectares of improved management practices implemented.

### Landcare – sustainable agriculture

This year we have been working with South Gippsland Landcare Network and Bass Coast Landcare Network to establish dung beetle nurseries. Together we want to increase local populations of the winter active species *Bubas bison*, and to introduce the new Moroccan beetle *Onthophagus vacca* to the region. Nurseries will be maintained by community volunteers, with support from Landcare network staff and advice from dung beetle experts. A field day was held in July/August 2022 to showcase the nurseries and raise awareness of how farmers can support dung beetle populations on their properties.

Gippsland Sustainable Agriculture Network (GSAN) is an informal network of professionals working to improve the sustainability and productivity of agriculture in the Gippsland, Port Phillip, and Westernport regions. GSAN continued remotely under COVID-19 restrictions through sharing updates on agriculture projects, with the aim of improving coordination of activities across the region, reducing duplication of effort, developing networks and forming partnerships.

### Protection works keep flowing into Corner Inlet

One more step to protect Corner Inlet's fish and seagrass has been taken with West Gippsland Catchment Management Authority (WGCMA) completing 1.9 kilometres of fencing along Lamont Creek – a tributary that flows into the Agnes River near Toora and on into the internationally acclaimed Corner Inlet.

Funded by the Australian Government's Fisheries Habitat Restoration Program, the recent works were undertaken in partnership with the landholder and link up 1.6 kilometres of fencing previously completed by the WGCMA.

Matt Bowler, Project Delivery Manager for WGCMA said: "It may seem unusual that works on a tributary are part of a Fisheries Habitat Restoration, but catchments are connected and protecting areas upstream improve water quality along the whole river course and into the sea.

"These latest works are part of a larger project to fence off a total of 75 hectares of saltmarsh, mangrove and swamp scrub habitat adjoining the Corner Inlet Ramsar site – a haven for birds, fish and other wildlife."

Project works also include revegetating and restoring eight hectares of Swamp Scrub and Saltmarsh communities in Bennison estuary in order to buffer the existing remnant vegetation and substantial intertidal mudflats and seagrass beds within the estuary. Local anglers have joined the team, working with landholders to demonstrate the results of the restoration efforts and to share their knowledge of the fish and natural values they are protecting.

"Once complete, the program will restore six hectares of seagrass and protect 12 hectares of rivers using a whole of catchment approach – showing works that happen upstream on the land flow down to benefit the sea through improved water quality and increased habitat for fish.

"This project is an inspiring model for other recreational angler partnership projects in Corner Inlet. The restoration of the Bennison estuary will contribute to the sustainability of the valuable fishing resources that are important for anglers.

"Now the section of Lamont Creek has been protected from stock through fencing, the team will get going on planting over 5,000 trees in coming months to improve riverbank health and create habitat for wildlife.



"This latest achievement builds on existing work in the catchment and forms part of the bigger picture to protect and fence the Agnes in its entirety and contribute to the continuity of the tributaries."

In 2021, landholders downstream also worked with WGCMA to fence and restore the riverfront as part of the Fisheries Habitat and Restoration Program landholders.

"Positive steps such as this upstream flow downstream into the Agnes and then on into Corner Inlet," said Matt Bowler.

"It also proves the power of partnerships as we work along waterways – we can't do it alone."

This project is supported by the West Gippsland CMA, through funding from the Australian Government's National Landcare Program.

*Landholder Brendon Beer on his Lamont Creek property.*

## Coasts and marine

### The condition of coastal and marine environments

West Gippsland's coastal and marine environment extends from San Remo in the west to opposite Lakes Entrance in the east. It includes the Ramsar-listed wetlands of Corner Inlet, Nooramunga, the Gippsland Lakes, several marine protected areas and over 20 estuaries.

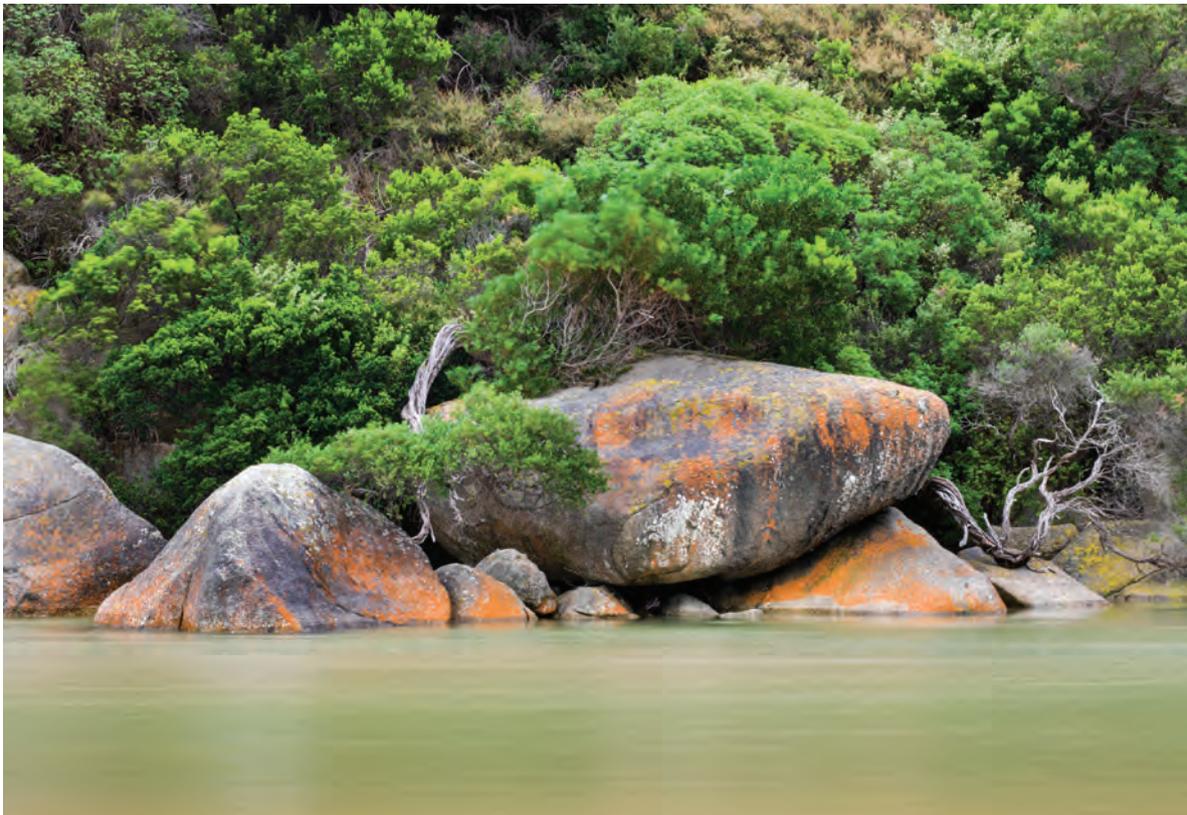
Protected areas include Corner Inlet Marine and Coastal Park, Nooramunga Marine and Coastal Park, Wilsons Promontory Marine National Park, Shallow Inlet Marine and Coastal Park, Bunurong Marine National Park, Ninety Mile Beach Marine National Park and Yallock-Bulluk Marine and Coastal Park.

Major threats to the condition of the coast and marine environments include coastal inundation, erosion, invasive plants such as *Spartina*, and urban development expansion. In the future, flooding and coastal erosion are expected to be exacerbated by climate change impacts such as increases in wind speed, storm intensity and frequency, as well as changes in rainfall intensity and frequency.

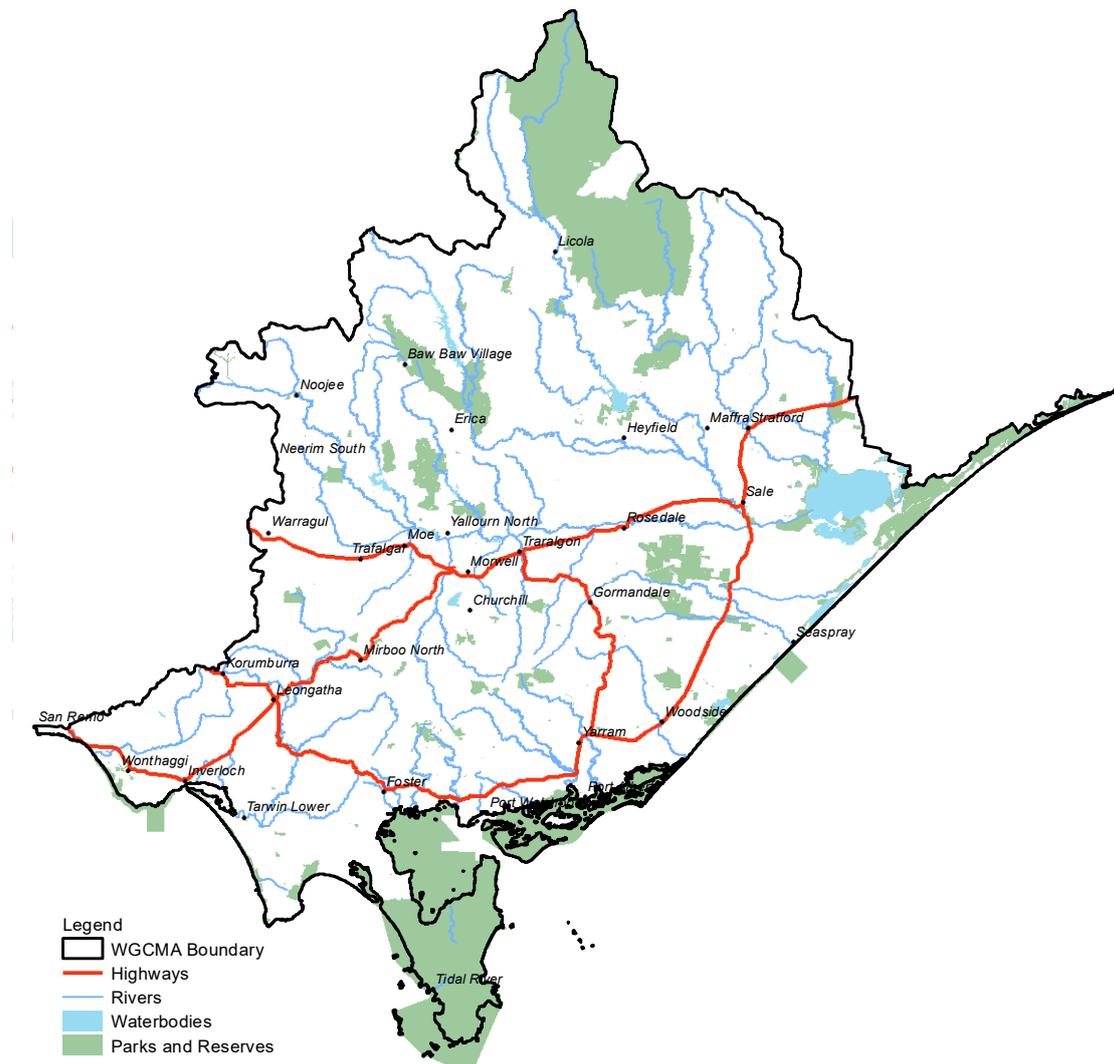
A changing climate is also expected to influence the health and functioning of coastal ecosystems. For example, loss of saltmarsh through greater erosion and increased saltwater intrusion through sea-level rise. Salinity regimes can also be changed because of reduced freshwater flows into estuaries and more intense storms can create new estuary entrances or break through existing entrances.

### Coasts and marine benchmark – Level of protection for coasts

While most of the region's 623 kilometres of coastline is protected by a thin strip of coastal reserve, there are significant marine reserves and a large area of coastline protected within Wilsons Promontory National Park (see Figure 22). However, there are significant stretches of coast where agriculture and urban development are close to the coastal strip and to important lakes and estuaries.



*Tidal River, Wilsons Promontory National Park.*



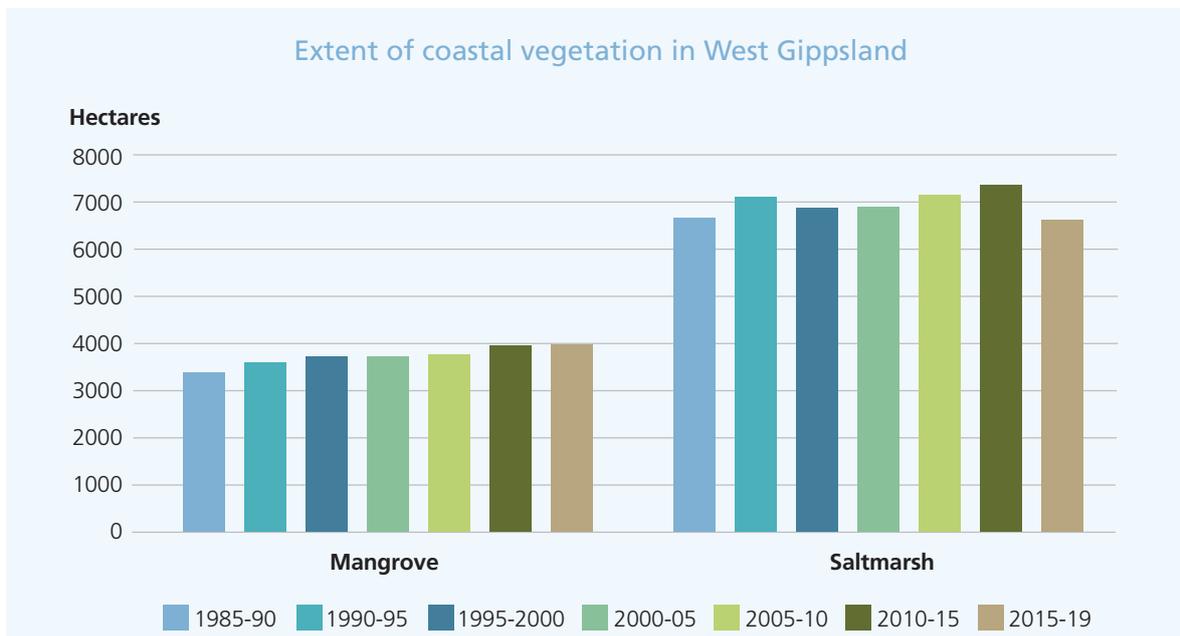
**Figure 22: Area of land and water managed for environmental protection including terrestrial and marine parks and reserves**

### Coasts and marine indicator – Extent of coastal vegetation

Extent of coastal vegetation (mangrove, saltmarsh and other regionally relevant species)

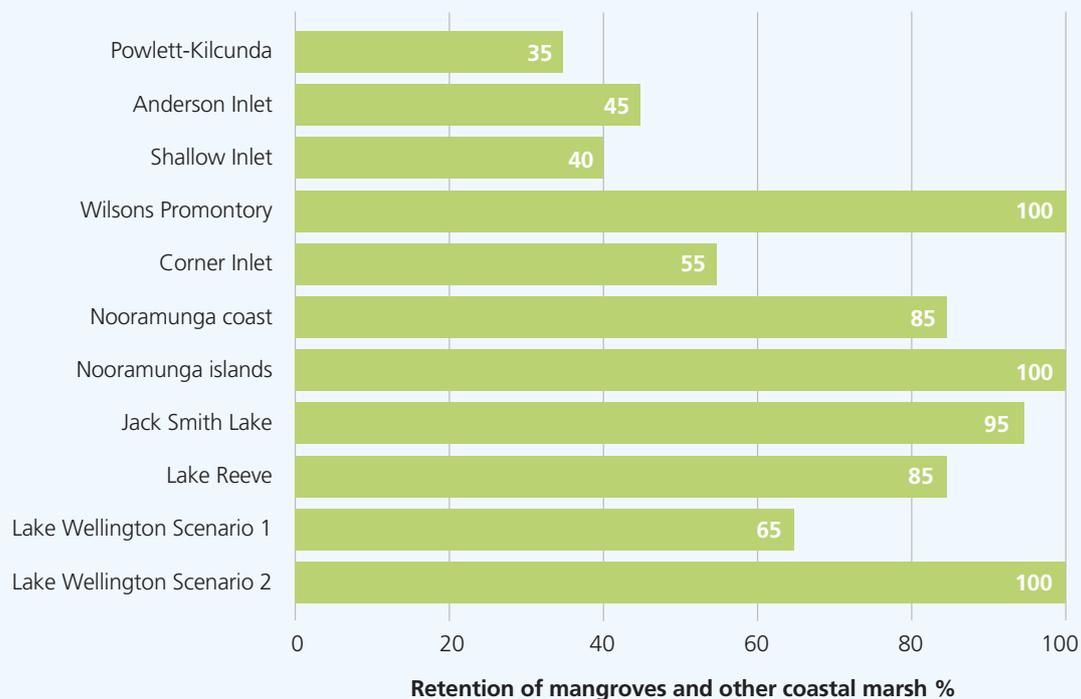
**This indicator provides estimates of the overall rate of change in the extent and spatial distribution of coastal vegetation on public and private land in Victoria.**

An assessment of landcover data indicates that there is 6,667 hectares of saltmarsh vegetation and 4,041 hectares of mangroves across the West Gippsland region. At the regional scale, the area of mangroves has increased by around 17% over the last 35 years whilst saltmarsh has remained relatively stable. Whilst this is promising, there are sections of coastline that retain low levels of coastal saltmarsh compared with pre-European estimates, primarily due to conversion to pasture. This includes Powlett, Kilcunda, Shallow Inlet, Anderson Inlet and Corner Inlet.



**Figure 23: Change in coastal vegetation cover 1985 – 2019**

Source: DELWP (2020). Victorian Land Cover Time Series Data 1985 - 2019. [Spatial data] East Melbourne: Department of Environment, Land, Water and Planning



**Figure 24: Estimated total retention (%) of mangroves and other coastal marsh from pre-1750 to ~ 2008**

Source: VCMC (2017). Catchment Condition and Management Report 2017. East Melbourne, Victoria: Victorian Catchment Management Council.

► 2021-22 Trend > *Unknown*

► Rolling five-year Trend > *Neutral*

## Coasts and marine indicator – Water quality

### Water quality

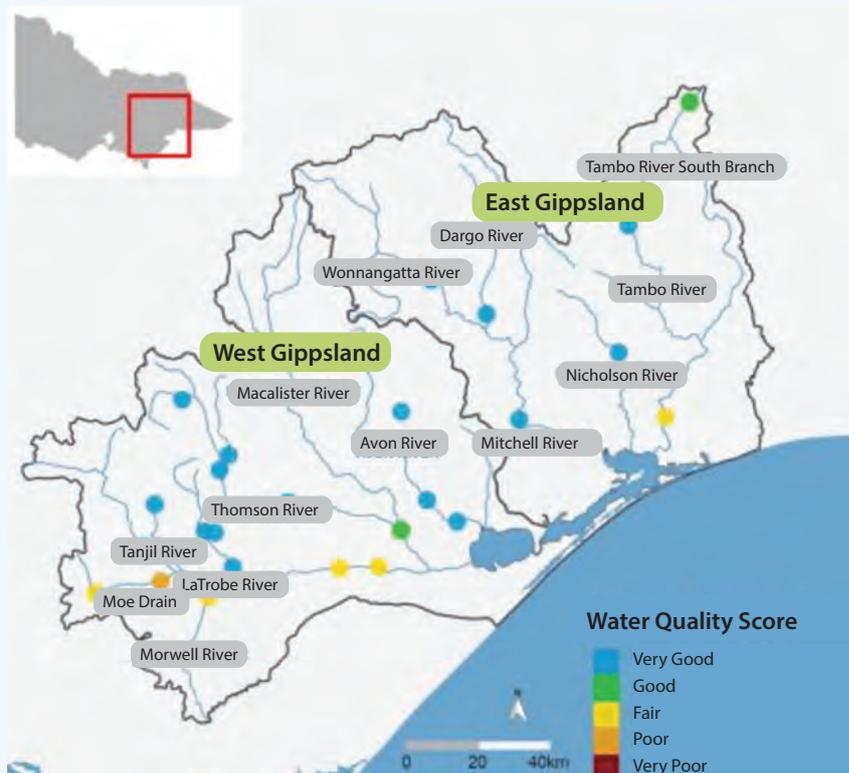
**This indicator provides information on marine water quality at key monitoring sites across Victoria.**

The EPA's 2020-21 report card provides a snapshot of environmental water quality in the Gippsland Lakes and catchment. The report card for the Gippsland Lakes and catchment is calculated using data from DELWP and the EPA. DELWP routinely collect water samples from waterways across the Gippsland region. For the Report Card only rivers and streams that flow into the Gippsland Lakes are included. This year monitoring data from 25 sites was used to calculate the WQI score.

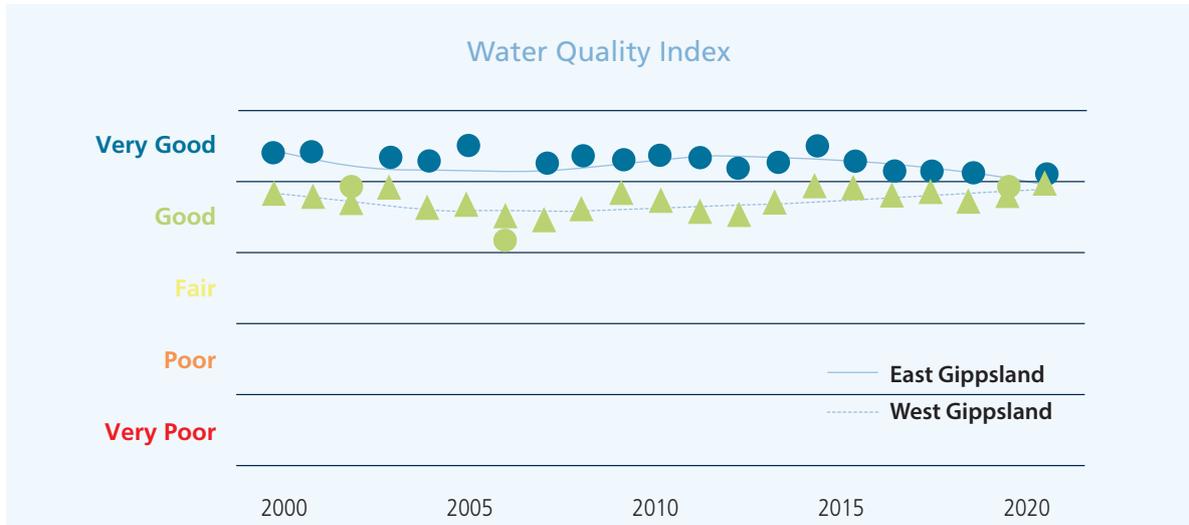
In 2020-21, water quality in the catchments of West Gippsland was rated as good and has remained relatively consistent over time. The forested areas on the slopes of the Great Dividing Range maintained Very Good water quality. Water quality declined to Fair or Poor along the mid and lower reaches of the Latrobe River, where cleared land and urbanisation have impacted water quality.

Overall, water quality was Fair in Lake Wellington during 2020-21, which is an improvement from Poor during the previous three years. Lake Wellington is a sink for sediment and nutrients. Wind and waves within the shallow waters of the lake can re-suspend these pollutants. Algal blooms often develop because of the high availability of nutrients in the water column. EPA was unable to monitor the Gippsland Lakes from July to November 2020 due to COVID-19 travel restrictions. Eight samples were collected within the 12-month period, which was above the minimum reporting requirement of six. However, a period of five months during winter and spring is absent. For Lake Wellington in particular, this means that the months where turbidity and nutrients would potentially be higher are missing from the dataset and may have influenced a change from the long-term average of Poor. The

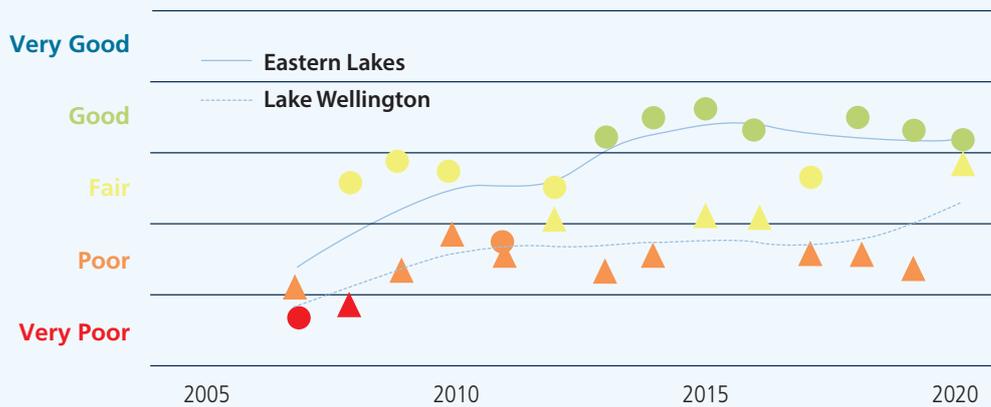
gap in the dataset also affected the other four monitoring sites in the Gippsland Lakes, however, water quality at these locations tends to be relatively steady due to regular tidal exchange with ocean waters from Bass Strait.



**Figure 25: DELWP's monitoring sites in the Gippsland Lakes catchment WQI scores for 2020-21**



**Figure 26: Historical Water Quality Index scores for the Gippsland Lakes catchments from 2000-01 to 2020-21 (West Gippsland catchments are represented by triangles)**



**Figure 27: Historical Water Quality Index scores for Lake Wellington (triangles) and the Eastern Lakes (circles). Due to limited monitoring, no scores were calculated for some years between 2000 and 2006.**

Source: EPA (2022). Report card 2020-21. Publication 2037. Melbourne: Environment Protection Authority, Victoria.

► 2021-22 Trend > *Neutral*

► Rolling five-year Trend > *Neutral*



Looking over Corner Inlet.

**Table 12: 2021-22 Annual coasts and marine condition assessment**

Annual Assessment	Previous 5-year assessment	Overall Rating	Condition Assessment Summary
		<b>Moderate</b>	Overall, the condition of coasts and marine environments in the West Gippsland region has been assessed as moderate. There were no major fire events impacting the coast throughout the year. Extensive blue-green algae outbreaks occurred in the Gippsland Lakes and beyond. Programs aimed at protecting and enhancing the coast and marine environments such as Corner Inlet Connections, Lake Wellington Integrated NRM project, and the Spartina control program were successfully delivered over the past five years. There was improved estuary closure management resulting in no coastal urban inundation. Urban expansion and increasing runoff, particularly in coastal areas, continues. The ongoing dynamic coastline at Inverloch has been experiencing significant erosion in recent years, impacting on public access, amenity, and built assets. Designation of the new Yallock-Bulluk Marine and Coastal Park along 40 kilometres of coastline, from San Remo to Inverloch, will improve the connectivity and management of existing protected areas.

## Program highlights

### Corner Inlet

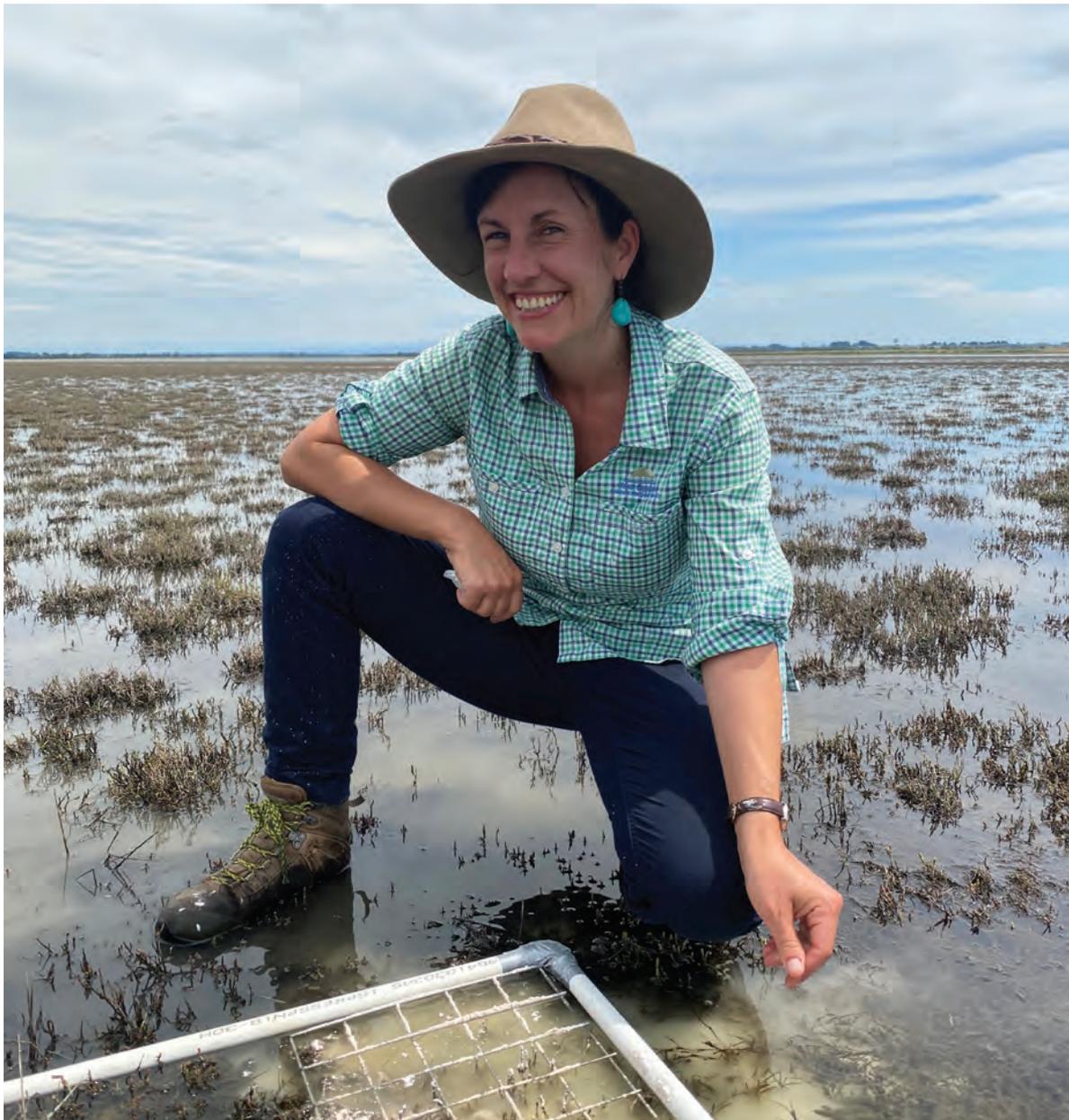
This is the fourth year of the five-year Corner Inlet Connections project. Funded by the Australian Government's latest National Landcare Program it builds on ten years of delivery through this approach. The project was delivered in partnership with Parks Victoria, GLaWAC, Trust for Nature and Birdlife Australia. The main activities this financial year included:



**Over 4 kilometres of fencing and more than 18 hectares of revegetation to protect waterways**



**Saltmarsh protection and enhancement works across almost 468 hectares**



*Measuring saltmarsh at a Blue Carbon field day.*

### **Fisheries Habitat Restoration Program – Corner Inlet Posidonia Partnerships: fishers protecting water quality and restoring seagrass**

WGCMA, in partnership with Yarram Yarram Landcare Network, was successful in receiving \$400,000 over three years to restore 12 hectares of riparian area along tributaries within the catchment, creating a buffer between waterways and adjacent farmland and restoring 12 hectares of Broadleaf Seagrass (*Posidonia australis*) habitat. The project is working with recreational fishers and local farmers in an integrated approach to catchment management. In 2021-22, no seagrass restoration occurred. This was due to seasonal conditions which meant the seagrass did not produce any fruit. On-ground works continued with 183 hectares of riparian area being protected and revegetated in the important estuary zone.

### Spartina control

In partnership with Parks Victoria, we coordinated a strategic approach to Spartina control which is a key threat in Corner Inlet, Shallow Inlet, and Andersons Inlet. In 2021-22, highlights included the implementation of the Spartina Control Management Plan which included 681 hectares of actual Spartina treatment.

### Estuary management

In 2021-22, we undertook a range of projects to help protect, enhance and improve the management and understanding of estuaries. Key activities included:

- Collaborating with stakeholders to identify a Powlett Estuary Alternative Land Management opportunity, including the potential to expand the newly created Yallock Bulluk Marine and Coastal Park.
- Working with stakeholders in Seaspray around the long-term management of the Merriman Creek estuary.



*Recording water quality in the Lower Latrobe wetlands.*



“It is very important to let this natural process occur, otherwise the integrity of the surrounding wetland and the species it supports maybe jeopardised.”

*Merriman Creek  
Photo credit: John Morgan*

### Managing the balance of estuaries

The stunning Powlett River estuary in South Gippsland is a significant and ever-changing wetland. Listed as of national significance, the wetland is home to many rare and endangered plant and animal species including saltmarsh and coastal woodland vegetation, estuary perch and silver trevally and the hooded plover, eastern great egret and orange-bellied parrot.

After a wet year, 2022 brought dry conditions across South Gippsland. This resulted in low river flows that allowed the ocean to build a sandbar at the estuary mouth causing the Powlett River to close to Bass Strait in February. This natural process helps maintain the health of the wetland that surrounds the estuary.

“It is very important to let this natural process occur, otherwise the integrity of the surrounding wetland and the species it supports maybe jeopardised,” said Martin Fuller, WGCMA CEO.

“There is a flow on effect when the river mouth closes. Algae begins to grow which provides food for insects and fish. The calm waters then turn into a fish nursery and with the increase in fish and insects – birds flock to the wetlands to feed.

“The environmental benefits of the estuary mouth closing cannot be overstated and if the mouth does open naturally, particularly as a result of increased water level height and freshwater river flows, it will trigger fish migration upstream and out to sea,” explained Mr Fuller.

The WGCMA is responsible for monitoring the closure conditions, carrying out the risk assessment and making the decision whether to artificially open the estuary or not.

In June 2022, after extensive monitoring and a thorough risk and feasibility assessment process involving WGCMA, Parks Victoria, Regional Roads Victoria, and Bass Coast Shire Council, the decision was made to artificially open the Powlett once again to the sea.

“It’s a careful balance. Estuary closures are natural events that provide many environmental benefits. However, they also pose risks to surrounding assets by inundating farmland, cultural assets, roads and recreational infrastructure. Ultimately, we are committed to supporting the environmental benefits of natural water cycles and improving the condition of these valuable estuaries in the long term.”

## Community

### The benefits that flow from community participation

Gippsland communities are very resilient as they continue to have a positive outlook despite the environmental and economic challenges in recent years. Some of the challenges include changing demographics (an ageing farming population and influx of sea- and tree-changers), changing land use (increasing urban development and smaller lots on agricultural land), challenging commodity prices, and a changing climate. The transition of the Latrobe Valley resulting from mine closures will impact the region in some form.

Despite these challenges, local communities and groups throughout Gippsland are actively working together to enhance, restore, and protect the environment. Landcare has affirmed itself as a major NRM service deliverer through five robust, sophisticated, and well-run Landcare networks that operate at a landscape scale. They remain a vital driver of NRM activity, working directly with private landholders and government agencies to address a wide range of NRM issues.

Landholders are becoming increasingly aware of the importance of soil health. Soil experts conduct industry workshops and field days throughout the region which are extremely well attended.

A network of WaterWatch and EstuaryWatch volunteers provide a vital role in NRM by regularly monitoring sites throughout the region and collecting ongoing data about the health of the West Gippsland waterways.

### Community theme benchmark – Community participation

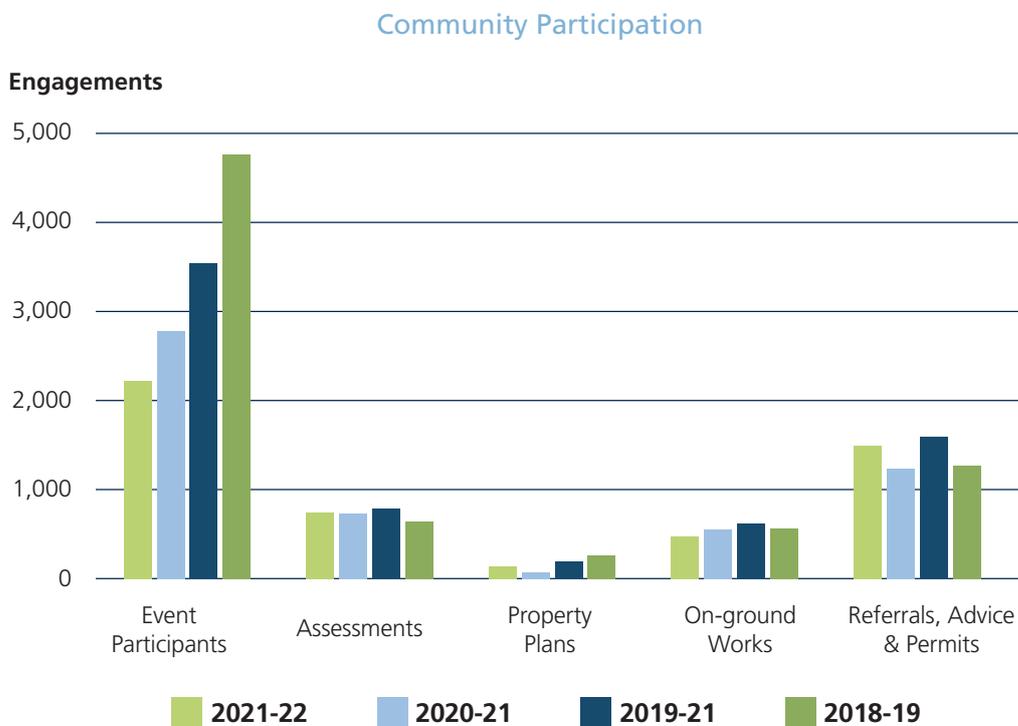


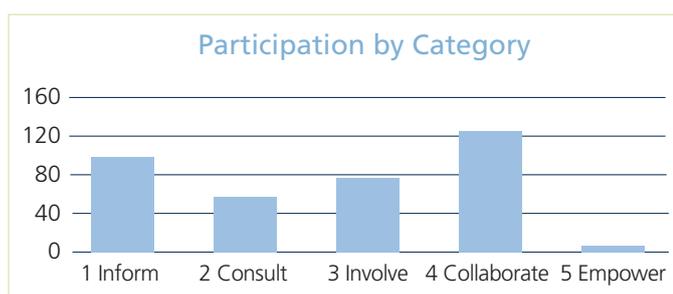
Figure 28: Community participation 2018-2022



*Fish Creek Waterwatch volunteers learning the ropes.*

### Community theme benchmark – Active partners

Active Partners 2021-22	
Agency/Research Organisations	44
Community Groups	80
Industry/Corporate Organisations	15
Traditional Owner Groups	5
<b>Total Active Partners</b>	<b>98</b>



**Table 13: Active partners in 2021-22**

**Figure 29: 2021-22 Annual community condition assessment**

### Community theme benchmark – Farm businesses engaged in works

**Table 14: Farm businesses involved in on ground works**

Property Type	Number
Agistment	2
Beef	43
Cropping	5
Dairy	56
Forestry	2
Horticulture	2
Other	5
Public Land	3
Sheep	6
unknown	118
<b>Total</b>	<b>227</b>

## Community theme indicator – Landcare group health scores

### Community volunteering (Landcare / community NRM Groups – Group Health Score)

**This indicator provides estimates of Landcare volunteering contributions and commitment to environmental conservation and sustainable development in Victoria.**

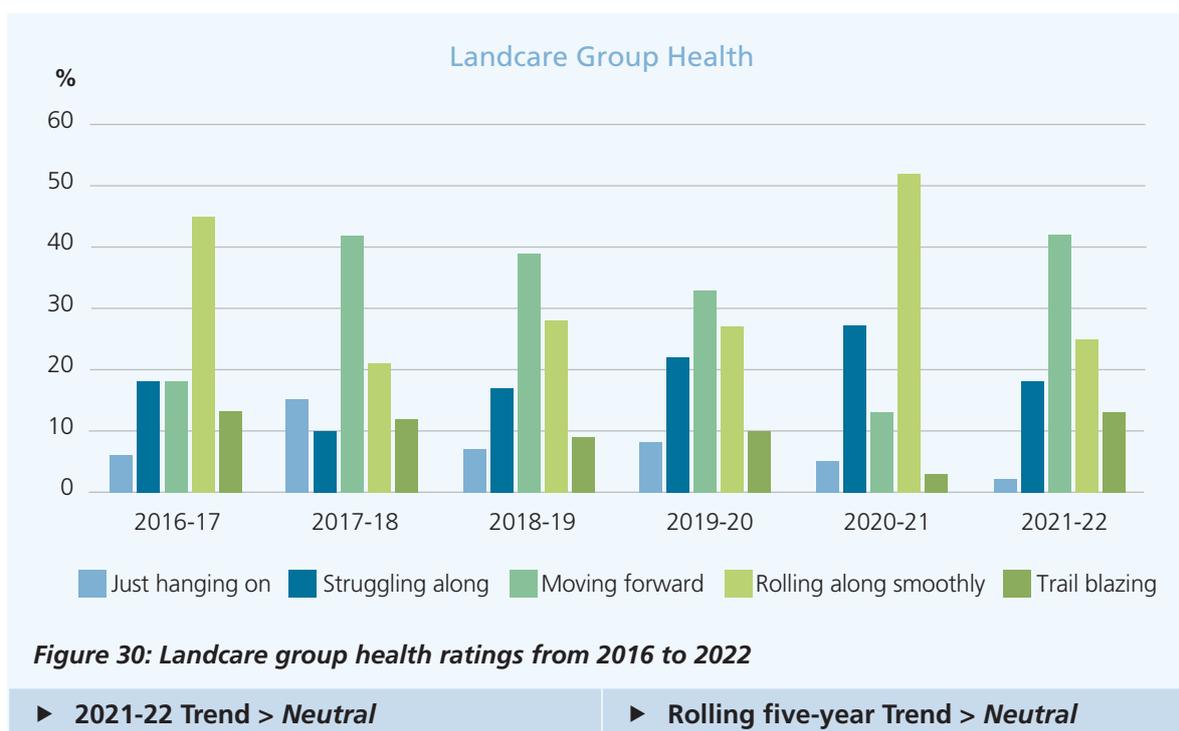
In West Gippsland, Landcare has a long and proud history, made up of a committed and motivated grassroots community that have delivered best practice natural resource management for more than 30 years. Five Landcare networks support 52 Landcare groups. There are also approximately 55 community-NRM groups who do not sit within the Landcare network structure, such as friends of groups or foreshore committees of management. All these groups and networks drive projects that address local and landscape-scale issues through on ground works such as revegetation, pest plant and animal management, soil health and riparian management. They also build skills and social connections in the community through training and events.

Landcare and community NRM groups have a successful history in the region, their current important role in enhancing the West Gippsland environment, and its ability to adapt to meet emerging challenges. Partnerships between agencies and community NRM groups are one of the best ways to achieve great on ground outcomes for the West Gippsland region

Landcare group health scores have shown some variation year to year but on average it is positive with groups in the West Gippsland region 'moving forward.'

**Table 15: Landcare group health scores**

Category/Year	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
5 = Trail blazing	6	1	5	5	6	7
4 = Rolling along smoothly	11	21	13	15	11	23
3 = Moving forward	19	5	16	21	22	9
2 = Struggling along	8	11	11	9	5	9
1 = Just hanging on	1	2	4	4	8	3
Total responses	45	40	49	54	52	51
<b>Average group health score</b>	<b>3.29</b>	<b>3.20</b>	<b>3.08</b>	<b>3.15</b>	<b>3.04</b>	<b>3.43</b>



### Community theme indicator – Formal agreements with Traditional Owners

Number of formal partnership agreements for planning and management between Traditional Owners and key NRM agencies

This indicator provides information on the number of formal partnerships established, modified, or maintained between organisations and individuals, under CMA initiatives.

A Catchment Partnership Agreement between GLaWAC and Gippsland Environment Agencies (GEA) was first formalised in 2017-18 and was re-signed in 2021-22.

Formal Memorandums of Understanding between WGCMA and GLaWAC and BLCAC have been in place for several years and these partnerships with Traditional Owners are strengthening over time.

► 2021-22 Trend > *Positive*

► Rolling five-year Trend > *Positive*

**Table 16: 2021-22 Annual community condition assessment**

Annual Assessment	Previous 5-year assessment	Overall Rating	Condition Assessment Summary
➔	➔	<b>Moderate</b>	Overall condition within the community theme in the West Gippsland region has been assessed as moderate. Well organised and coordinated Landcare network and groups. Strong regional partnership between WGCMA and Landcare networks. Cultural Heritage training and positive partnership with Traditional Owner groups. COVID continued to have impacts on community engagement throughout the year.

## Program highlights

### Partnerships with Traditional Owners

The Cultural Heritage Information Pack (CHIP) developed in consultation with GLaWAC and BLCAC for use within the WGCMA region the first of its kind in Victoria and release of the pack was delayed until 2021 due to COVID-19. The pack has so far been distributed to 80 staff and landcarers in conjunction with an On Country training session. Feedback confirms that it is a great resource which are easy to use. More information about our partnership with Traditional Owners is available on page 94-95.

### Our Catchments, Our Communities – Powlett River/Kugerungmome Partnerships Project

During 2021-22 the Powlett River/Kugerungmome Partnerships Project commenced. Planning was undertaken with partners to develop a vision, strategic directions statement and implementation plan. A Stakeholder Reference Group was formed to oversee this process and the Implementation Plan involves working with Bass Coast Landcare Network, Trust for Nature, Parks Victoria, BLCAC, WGCMA and Birdlife Australia. The group will undertake works over the next three years that will involve riparian protection and enhancement, fox control, riparian vegetation protection and enhancement.

### Our Catchments, Our Communities – regional partnerships

We continued to support the GEA Forum including the review and resigning of the Regional Partnership Agreement. Strategic discussions at the regional level across East and West Gippsland have strengthened partnerships between agencies. This has included supporting GLaWAC on their journey to self-determination as part of the GEA – GLaWAC working group. This group will develop a strategic plan that will be available early in 2022-23 and will form the basis for environmental agencies supporting their work on Country.

### GEA – Women in Leadership

COVID-19 restrictions meant that the Women in Leadership Team had to convert their usual Gippsland Forum to a series of webinars. In November, eight webinars covering leadership, resilience, self-care and working in times of change involved over 300 participants across 12 agencies and provided the linkages and boost people needed in challenging times.

### Regional Landcare

A range of successful Landcare and community events were held throughout the year focusing on different projects and audiences. With COVID-19 restrictions limiting face-to-face field days, our Landcare groups and community networks turned to webinars and more on-ground, face-to-face sessions were held in the later part of the year.

To help Landcarers understand Aboriginal Cultural Heritage, we developed a Cultural Heritage Information Pack (CHIP) in partnership with GLaWAC and BLCAC. The pack is the first of its kind in Victoria and was used in conjunction with On Country presentations to help Landcare members in the region better understand their responsibilities and opportunities to protect Aboriginal Cultural Heritage at project sites.



*The newly appointed Community Engagement Network met for the first time.*

### Community Engagement Network

We renewed and re-launched the WGCMA Community Engagement Network (CEN) with the expansion of the group now including 25 members. An initial briefing session and meeting and further meeting were held across the year.

The CEN plays an important role in information exchange with the community as they bring community issues to us and we share information on WGCMA projects and initiatives that members can take back to their communities. During 2021-22, the CEN met twice due to COVID-19 restrictions.

### Irrigator Reference Group and Environmental Water Advisory Groups

This year, we renewed our Irrigator Reference Group (IRG). In 2019-20, we established our first IRG consisting of local irrigators from across the Lake Wellington Catchment. This is a key action identified by irrigators in the Lake Wellington Land and Water Management Plan. In 2021-22, we recruited new members to this group and thanked exiting members for their input and involvement. The group has an advisory role on programs like those offered through our Sustainable Irrigation program and the Macalister Irrigation District incentives program.

We also established and renewed Environmental Water Advisory Groups for the Macalister, Thomson and Latrobe rivers to help inform the Seasonal Watering Plans and Management Plans for these environmental water entitlements.

### Partnership with Regional Roads Victoria

We developed a new partnership with Regional Roads Victoria (RRV) in 2021-22. The first project of this partnership has been our support for a new community grants program – Gippsland Transport Environmental Projects – Pilot Program (GTEP Pilot program). The program is one of the ways in which RRV can support environmentally beneficial projects in the Gippsland region. Through this program they will provide funding to important initiatives in collaboration with local community groups and the WGCMA, East Gippsland CMA, Port Phillip and Westernport CMA (Melbourne Water) and North East CMA. We helped to coordinate the development of guidelines and program delivery and assessment. We will work with RRV to oversee the implementation and possible expansion of the program across the state in future years.



“The Bunurong Land Council gave permission for the Bunurong language name of Kugerungmome to be used alongside Powlett River.”

### People Power for the Powlett

Partnerships in action is what West Gippsland Catchment Management Authority (WGCMA) is all about and the Powlett River/Kugerungmome Partnerships Project is the latest example of how many hands can make light work for the environment.

The multi-faceted project is integrated in that it brings many stakeholders together to work on projects for mutual benefit to the overall catchment. Project partners recently gathered in Dalyston to share information about their role in the partnership, learn from each other, and give support and advice.

Paula Camenzuli, Natural Resource Management Strategic Planner for WGCMA said: “What we are trying to achieve with the Powlett River/Kugerungmome Partnerships Project is to have a holistic, integrated view of the entire Powlett catchment from the southern slopes of the Strzelecki Ranges to the estuary, where it meets Bass Strait in Kilcunda.”

The three-year project has several, integrated parts including enhancing waterways through weed removal, fencing and revegetation. These activities help to improve the health of the Powlett River and its tributaries, create habitat and corridors for wildlife, and increase biodiversity in the catchment area.

A key outcome of the project is caring for and raising awareness of threatened species such as the Giant Gippsland Earthworm in the hills and Hooded Plovers on the beaches. Restoring native vegetation and removing weed infestation on select properties with conservation covenants to ensure they are protected forever will also be undertaken.

Essential to the project has been consultation with Traditional Owners and key project partners, the Bunurong Land Council from the outset. The Land Council gave permission for the Bunurong language name of Kugerungmome to be used alongside Powlett River and have created a painting that symbolises the river and its story, which will be used in communications across the life of the project.



Other local project partners include Bass Coast Landcare Network, Parks Victoria, Trust for Nature, landholders and community groups.

Rivers connect places, communities and people. The integrated nature of the initiative uses the passion people have for their local area and the power of connections to expand the reach and impact that could not be achieved with single agencies working in isolation.

The Powlett River catchment has been identified as a priority area in both the West Gippsland Regional Catchment Strategy and Regional Waterway Strategy. It has a total catchment area of 50,800 hectares and six main tributaries, of which Foster Creek is the most upstream, followed by Lance, West, Archies, Bridge and Woolshed Creeks. Land-use in the catchment



is largely agricultural and is dominated by dairy and beef production. Lance Creek reservoir supplies water to the Wonthaggi, Inverloch and Cape Patterson townships.

This project is supported by WGCMA through funding from the Victorian Government's Our Catchments, Our Communities Program.

*Project partners gather to share information about the project.*

## Regulatory services

We are responsible for regulatory activities for waterways, floodplains, and rural drainage. We also contribute to strategic planning across the region including participating in planning scheme amendments and improving the understanding of flood behaviour by developing flood studies.

During 2021-22, we:

- Responded to 520 planning permit referrals in an average response time of 11.5 days.
- Answered 526 requests for advice regarding flooding, drainage, annual use limits, whole farm plans, and Southern Rural Water enquiries in an average response time of 13.8 days.
- Issued 150 works on waterways permits in an average response time of 12.3 days.

We continued to provide floodplain management and works on waterways services on a contractual basis to East Gippsland Catchment Management Authority (EGCMA). On behalf of EGCMA we responded to 151 planning permit referrals and a further 134 flood advice and Southern Rural Water enquiries. We also issued 78 works on waterways permits.

In 2021-22, we provided administrative services on a contractual basis to the Corangamite Catchment Management Authority (CCMA) floodplain unit. On behalf of CCMA, we provided administrative assistance and or responded to 274 planning permit referrals and flood advice enquiries.

We continued to support the Department of Environment, Land, Water and Planning (DELWP) in the ongoing development and refinement of the FloodZoom planning system. We assisted DELWP with expert user input which enabled them to provide significant enhancements and improved usability to the system. Significant and ongoing work was also done updating the flood intelligence data that drives both the planning and the emergency management modules.

We provided technical expertise to Baw Baw Shire Council and Latrobe City Council through the public exhibition of their planning scheme amendment which includes new and updated flood mapping in those municipalities. We worked with DELWP and councils to develop integrated water management plans. We participated in the Inverloch Coastal Protection Working Group which was a multi-agency group focused on finding interim solutions to the erosion occurring along Inverloch Surf Beach.

Significant progress was made during 2021-22 to produce and update flood information for our region. We completed a flood study for Rainbow Creek and Thomson River. In partnership with Federation University's Industry Placement Program and industry leaders, floodplain mapping was progressed for the Powlett River and Morwell River. These studies will provide valuable information which will be used in flood preparedness and response, flood mitigation, planning scheme amendments, and for insurance purposes.

The West Gippsland Floodplain Management Strategy was completed in 2017. We developed the strategy on behalf of key local stakeholders such as the SES, local government, and the community. The strategy identified the significant flood risks across the region, analysed the mitigation options, and determined priority actions to be implemented over the lifetime of the strategy. Implementation of the strategy continued during 2021-22, with eight actions completed and another 17 of the 50 actions underway. The remaining actions are scheduled to commence in coming years or are awaiting suitable funding opportunities. We supported applications from Latrobe City Council, Baw Baw Shire Council and Southern Rural Water for funding through the Risk Resilience Grants Program.



## Our organisation

### Our purpose

We coordinate the integrated management of land and water resources within the region. We aim to achieve ecologically and economically sustainable development of natural resource-based industries, protection of land and water resources, and conservation of natural and cultural heritage. We have done this since 1997 by working with communities, industries, and government agencies to protect and enhance the condition of the region's natural resource assets.

We exist to implement integrated catchment management to improve priority landscapes.

### Our vision

A healthy catchment, valued and cared for by the community, that underpins the environmental, social, cultural and economic wealth of the region.

### Our work

We work with our partners and stakeholders to protect and repair the health and extent of the natural resources that remain in our catchment. We do this through meaningful partnerships and relationships with agencies and the community, founded on trust, respect, and common goals.

We achieve these outcomes through positive, highly energised staff that are appropriately supported by board, management, policies, procedures, and systems. We ensure our investors are satisfied; we manage risk and ensure we stay well clear of trouble.

### Our principles and values

We ensure all activities we undertake are relevant, transparent, accountable, and reliable. In undertaking our activities, we will act with integrity, fairness, and credibility. We will share knowledge and information, be prepared to accept change, and seek to continuously improve the activities in which we are involved.

We value and encourage participation of the community and other key stakeholders.

We are committed to integrated catchment management and targeted investment that is focused on long-term outcomes for our region.

Our partners and alliances are of the utmost importance to our operation and the development and implementation of the integrated catchment management priorities and plans.

We look to operate in an environment that is based on mutual respect, open communication, sharing of success, and the acknowledgement of achievements.



## 1 Natural resource management

“We are here to improve West Gippsland’s priority landscapes through exemplary integrated regional catchment management.”

**Outcome: The region’s land and water resources are valued, protected and improved**

### Objectives:

- In accordance with the Regional Catchment Strategy (RCS) and other regional plans and strategies:
  - Protect and improve the region’s priority landscapes to enhance their productivity and resilience.
  - Increase community awareness of values, knowledge, skills, and advocacy of desired practices.

### Tactics:

- Improve organisational capability, partnerships, engagement, and monitoring/evaluation systems.
- Draw on the wealth of local, traditional, and scientific knowledge held by staff, partners, and the community to:
  - Improve our understanding of catchments and coasts, including processes and impacts.
  - Apply a deeper, data-driven understanding of changing landscape and community trends.
  - Strengthen evidence-based decisions.
  - Perform statutory functions to benefit our natural resources and the communities that rely on them.
  - Position ourselves as the region’s knowledge-bank for changing catchment conditions and practical responses.
  - Influence decision-makers on environmental management from mountain to coast, under a ‘whole of catchment’ model.
- Develop investment strategies that support the integrated management of our priority landscapes.
- Secure project funding using collaborative and intelligent systems and processes.
- Implement, monitor, evaluate, adaptively manage, and improve the delivery of strategies and plans.

## 2 Organisational capability

“We are here for the long term: viable, vibrant and effective.”

**Outcome: An efficient, well-run and reliable organisation**

### Objectives:

- Attract, nurture, and retain a diverse, passionate, professional workforce.
- Maintain and improve IT&C systems to improve efficiency and maintain continuity of organisational knowledge.
- Appropriate governance is in place to:
  - Ensure financial stability and security for the WGCMA.
  - Meet and surpass community expectations in areas of risk, compliance, and our statutory responsibilities.

### Tactics:

- Develop a work culture that celebrates success and rewards collaboration.
- Support staff with training, fit-for-purpose systems, and procedures.
- Strengthen leadership by providing staff with opportunities for development.
- Maintain a strong, diligent board and executive with appropriate governance, financial, audit, and risk management processes.
- Implement, monitor, evaluate, adaptively manage, and improve IT and corporate strategies and plans.

## 3 Community engagement and partnership

“We invite others to join us in our quest to protect, enhance, or restore our region and to create a healthier catchment.”

**Outcome: Community and regional partners are working together with trust and respect, to protect and improve our catchment.**

### Objectives:

- Increase the number of catchment-enhancing partnerships across the region.
- Increase the strength and impact of partnerships.
- Engage wider sectors of the community in catchment health projects.
- Increase awareness, knowledge, skills, and confidence of the community and partners.

### Tactics:

- Maintain and nurture strategic relationships with investors, agencies, organisations, community groups, individuals, local Indigenous communities, and Traditional Owners who can help us achieve our NRM, financial, and organisational goals.
- Engage with the community to better understand shared issues, to advocate for solutions, and to share models of success.
- Increase understanding of barriers to increase participation, strengthen partnerships, build capacity, and take action consistent with Regional Catchment Strategy (RCS) objectives.
- Strengthen WGCMA’s profile and reputation in the community as an agent of positive change and regional support.
- Increase the WGCMA’s leadership profile within regional, state, and national agencies.
- Implement, monitor, evaluate, adaptively manage, and improve community engagement and partnerships framework.

## 4 Measurement and evaluation

‘Measurement and evaluation is an essential, common feature of all our work because the knowledge we gain enables us to improve our work’

**Outcome: Evidence-based improvement of our work.**

### Objective:

- Embed monitoring, evaluation, adaptive management, improvement, and communication of the work we do across all parts of the organisation.
- Initiate and support quantitative research through collaboration with academic bodies.

### Tactics:

- Embed key evaluation questions into all strategies and plans (effectiveness, impact, appropriateness, efficiency, and legacy).
- Measure, monitor, and map changes in the region’s natural assets using our monitoring, evaluation, and reporting (MER) framework.
- Develop and support collaborative MER frameworks, leveraging community support where possible.
- Maintain timely and transparent communication of progress and outcomes with our partners.
- Share and celebrate successes: create a narrative that engages and places the wider community in the story of better catchment management.
- Implement, monitor, evaluate, adaptively manage, and improve the MER and project management frameworks.

## Our organisation

We were established to provide integrated management of land and water resources within the region. The state government established ten CMAs on 1 July 1997 following a state-wide review of catchment management structures.

### The board

We are governed by a skills-based board appointed by the Minister/s who administer the *Catchment and Land Protection Act 1994* (CaLP Act). Our responsibilities include strategic and policy direction for the integrated management of land, biodiversity, and water through south, central, and west Gippsland. We operate under the legislative base of many Acts.

The main Acts are the *Catchment and Land Protection Act 1994* (CaLP), *Water Act 1989*, *Financial Management Act 1994*, *Audit Act 1994*, *Freedom of Information Act 1982*, *Privacy and Data Protection Act 2012*, and the *Public Administration Act 2004*.

The *CaLP Act 1994* and the *Water Act 1989* define our main purposes as follows:

- To set up a framework for the integrated management and protection of the catchment.
- To encourage community participation in the management of land and water resources.
- To set up a system of controls on noxious weeds and pest animals.

The Board also has a Charter which is in line with the Department of Environment, Land, Water and Planning's (DELWP) Governance Guidelines for Statutory Authorities which was formally adopted in June 2005. Details of our Board members are available on pages 81-82.

The relevant Ministers have issued us with a Statement of Obligations under the *CaLP Act 1994* and *Water Act 1989*. The Minister for Water has also issued a Letter of Expectation on which we are delivering. These documents are a key part of the framework that guides the function and activity of our organisation.

Within this framework, one of our primary roles is engaging with the community to develop and implement the Regional Catchment Strategy (RCS). The RCS is a framework for integrated land and water management in the region. It outlines the priority issues for the region through broad consultation with our community and other stakeholders.

The RCS is the overarching strategy for the development, management, and conservation of land and water resources in the region and is formally reviewed every six years.

Within this context, we are responsible for developing annual regional investment priorities within the Department's Victorian Water Program Investment Framework. The board sets priorities in consultation with state and Australian government investors, with regional agency stakeholders, and through our community engagement and partnerships framework. The annual investment package is endorsed by the relevant Ministers. Funds then become available for all successful projects.

### Community Engagement Network (CEN) charter

The CEN charter outlines the purpose of the CEN as a forum to:

- Exchange NRM information.
- Identify community NRM needs, issues and barriers to participation.
- Provide community perspective into strategies, plans and projects.
- Strengthen our profile and reputation in the community through advocacy of NRM issues, solutions, and our activities.

The 26 members of the CEN were chosen by a Board appointed panel, based on diversity, geographic spread, and strong links to the community.

### Community Engagement Network members

Anna Larkin, Briagolong	Barry Rogers, Warragul	Bryan Watterson, Toora Nth
David Meikle, Meeniyah	David Sutton, Inverloch	Evan De Gooyer, Korumburra
Geoff Gooch, Wurruk	Graham Ross, Warragul	Ian Code, Leongatha
James Stranger, Traralgon	Jennifer O'Neill	Jessica Obersby, Churchill
Jo Caminiti, Cowwarr	Joey Boothby, Inverloch	Jock Handley
Liz Fleming, Traralgon	Matt Price, Warragul	Michael Hobson, Port Albert
Natalie Goodfellow, Stony Creek	Nicki Jennings, Sale	Nicole Creaser, Korumburra
Patrick Brooks	Peter Warner, Wurruk	Rhonda Hastie, Moe South
Tony Pitt, Nilma North		

Organising face-to-face events for our CEN members has been difficult during 2021-22 due to COVID-19 restrictions. We were, however, able to host two in person meetings at the WGCMA Traralgon Office. The meeting was held in a hybrid style for members who could not attend in person.

We have further involved our CEN members by:

- Inviting them to various workshops and webinars.
- Sharing information via email including erosion updates, Blue Carbon project update, Victorian Environmental Water Holder update and our *Gippslandscape* podcasts.
- Supporting the sharing of information between members such as the Yarram Yarram Landcare Network newsletter and the creative Recovery project for the Eastern Recovery project fires.



#### Vale David McAninly

David passed away on 3 December 2021. He was a highly valued member of the Landcare community in West Gippsland and had been active since the 1980s not only caring for his own property at Stacey's Bridge but also through his local Landcare group – Yarram Yarram Landcare Network and at the regional level as a member of the Network Board including past Chair, a long-time attendee of the Regional Landcare Forum and a member of the WGCMA Community Engagement Network.

## The Board and committees

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### **Mikaela Power** (Chair)

Mikaela was appointed to the Board on 27 October 2015. In the last financial year, she attended 10 of the 11 Board meetings.

Mikaela is a graduate member of the Australian Institute of Company Directors, and holds qualifications in arts, education, business and company directorship. She has worked in the public and private sectors in Gippsland, Melbourne and overseas. Mikaela was a Baw Baw Shire Councillor from 2012-2020, and Mayor in 2019. During this time, she was Deputy Chair of the Periurban Group of Rural Councils and chaired the West Gippsland Library Board for four years. Her community involvement includes Landcare, education, sport and the arts. Mikaela and her family have lived in west, south and central Gippsland and now live on a small farm in West Gippsland.

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### **Belinda Nave** (Deputy Chair)

Belinda was appointed to the Board on 1 October 2017. In the last financial year, she attended all 11 Board meetings.

Belinda is a primary producer involved in the family's wagyu beef enterprise. She holds qualifications in environmental and marine science and has extensive experience in NRM including managing on-ground environmental projects, strategic coastal projects, heritage projects and complex environmental assessments.

Belinda has worked in the public and private sectors in Gippsland and Melbourne. She has proven experience in engaging with stakeholders at the state, local government and community levels. Belinda is passionate about improving the family farm through revegetation and protecting waterways and is an active volunteer in her local community.

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### **Susan Anderson**

Susan was appointed to the Board on 1 October 2021. In the last financial year, she attended all 8 of the Board meetings she was eligible to attend.

Susan is a primary producer of beef cattle in Bunyip and has conservation qualifications and experience in beef and dairy farm renovation and management.

From 2015 to 2021 Susan was a Board member of the Port Phillip and Westernport Catchment Management Authority and was deputy chair from 2018. She has extensive Landcare and community contacts in the Westernport catchment and is a life member and president of the Bunyip Landcare Group.

Susan is a member of Landcare Victoria's Members' Council and of the Longwarry-Koo Wee Rup Flood Protection District Advisory Committee and a committee member of the Cardinia Environment Coalition.

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**Liz Clay**

Liz was appointed to the Board on 1 October 2019 and attended all 11 Board meetings.

Liz has operated as a certified organic farmer, working in the Gippsland region for over 32 years to bring transdisciplinary knowledge to local social and ecological systems with a focus on agriculture and natural resources. She has recent and relevant industry experience and has contributed to numerous industry advisory committees including Southern Rural Water Irrigator Advisory committee and a previous term with WGCMA.

Liz holds formal qualifications in Applied Science (Systems Agriculture and Rural Development) and consults in ecological production systems and is a Graduate of the Australian Institute of Company Directors (GAICD).

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**Jane Hildebrant**

Jane was appointed to the Board on 14 October 2013 and her term expired on 30 September 2021. In the last financial year, she attended all 3 of the Board meetings she was eligible to attend.

Jane holds post-graduate qualifications in education, librarianship, environmental studies, and town planning. She was a councillor at Mornington Peninsula and Wellington shire councils, President of Mornington Environment Association, and Secretary of Maffra and Districts Landcare Network Board. Her community and environmental advocacy include representing herself and others at VCAT. She was a VRC trainer for 16 years with provincial and city success. She has extensive experience in local government, strategic planning, governance, community engagement, teaching, racehorse training, mixed farming, and Landcare and now manages her own farm at Briagolong.

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**Peter Jennings OAM**

Peter was appointed to the Board on 1 October 2017. In the last financial year, he attended 10 of the 11 Board meetings.

Peter is a retired farmer and former chair of our Board; he holds qualifications in farming, science, education, management, and company directorship. He moved from NSW to farm at Giffard in 1981 after working as a science teacher and at Outward Bound. He has been involved with local government, both as a councillor and commissioner, and with the Rural Financial Counselling Service, both as a counsellor, Executive Officer and currently as a Board member.

Peter is a past co-chair of the Gippsland Lakes Coordinating Committee, member of the Gippsland Coastal Board, the Shire of Alberton River Improvement Trust, the Corner Inlet Waterway Authority, and was chair of the Gippsland Grammar Board. He has also had many years of involvement with the VFF, CFA and Landcare.

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**Jodie Mason**

Jodie was appointed to the Board on 1 October 2017. In the last financial year, she attended 10 of the 11 Board meetings.

Jodie has over 25 years' professional experience in forest management, environmental auditing, research program management and industry engagement. She has worked in operational and consulting roles across the public and private sectors.

Jodie holds a forest science degree and post-graduate business management qualifications (MBA), is a past Board member of Australian Forestry Standard Ltd and is a Member of the Australian Institute of Company Directors (AICD).

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### Shelley McGuiness

Shelley was appointed to the Board on 1 October 2019. In the last financial year, she attended 9 of the 11 Board meetings.

Shelley has over 25 years' experience in the land and water management sector including roles in research, extension, and policy.

Shelley holds a Bachelor of Agricultural Science (Honours) and is a Sessional Member of Planning Panels Victoria. Previously, she was a Director of Coliban Water and a member of the AICD.

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### Nicholas Murray

Nick was appointed to the Board on 1 October 2019. In the last financial year, he attended all 11 Board meetings.

Nick holds an undergraduate degree in education, post graduate qualifications in Management and Occupational Health and Safety, and is a graduate of the AICD.

Nick has worked in the public and private sectors and has extensive Board experience with for-profit, not-for-profit, and member-based entities.

He is currently Chair of the Regional Tourism Board, Destination Gippsland Ltd, a member of the Gippsland Lakes Coordinating Committee and former member of the Gippsland Lakes Ministerial Advisory Committee.

Nick is an experienced Chief Executive Officer and prior to retirement from full time work was CEO of Gippsland Ports from 2008 to 2018. Nick is currently principal of a boutique consultancy practice providing services to a range of public and private sector clients.

He has a strong belief that positive conservation outcomes can be achieved through, and in conjunction with, sustainable regional development.

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### Brian Stevens

Brian was first appointed to the Board on 1 October 2021. In the last financial year, he attended 7 of the 8 Board meetings he was eligible to attend.

Brian is a proud Gunai man, originating from East Gippsland with a deep understanding and strong connection to his cultural heritage, identity and community. He has worked to support Aboriginal people and communities by leading and shaping government policy and strategies that focus on Aboriginal health, leadership and economic development.

With over 30 years' experience in various Aboriginal leadership roles, Brian has contributed to the development of government policy and systems as well as corporate and business planning, change management, program design, evaluation and reporting.

Brian is an experienced Board member, he has led the development of community organisations, and is currently the Chairperson for the Centre of Excellence for Aboriginal Health in East Gippsland and a member of the Bass Coast Aboriginal and Torres Strait Islander Advisory Committee. He is an Alumni of the Melbourne Business School, MURRA Indigenous Business program, a qualified and accredited coach and facilitator, trained in conflict management, adult education and training and completed the Australian Institute of Company Directors Training.

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### Board membership of committees

During the 2021-22 year our board members participated on the following committees:

- **Audit and Risk Committee** – Jodie Mason (to November 2021), Susan Anderson (from November 2021), Shelley McGuinness (from November 2021) and Liz Clay
- **Remuneration Committee** – Peter Jennings (OAM) (Chair to November 2021), Mikaela Power (Chair from November 2021) Nick Murray, Shelley McGuinness (to November 2021), Brian Stevens (from November 2021)
- **Corporate Committee** – Mikaela Power (Chair to November 2021), Jane Hildebrant (to November 2021), Belinda Nave (Chair from November 2021), Jodie Mason (from November 2021), and Peter Jennings (form November 2021)
- **Landcare** – Liz Clay (Chair to November 2021) and Mikaela Power (to November 2021), Peter Jennings (Chair from November 2021), Susan Anderson (from November 2021)
- **Regional Catchment Strategy Steering Committee** – Shelley McGuinness

### Audit and Risk Committee

The main responsibilities of the audit and risk committee are to:

- Review and report independently to the board on the annual report and all other financial information and reports.
- Help the board review the effectiveness of the organisation's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting
  - compliance with applicable laws and regulations and
  - determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors.
- Maintain effective communication with external auditors.
- Consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised.
- Oversee the effective operation of the risk management framework.

Independent members of the audit and risk committee are Vince Philpott (Chairperson to September 2022), Ian Gibson (Member from July 2021, Chairperson from September 2022) and Michelle Dowsett (to May 2022).

**Table 17: Audit and risk committee membership and meeting attendance 2021-22**

Name	Independent	Term	Attended	Eligible to attend
Vince Philpott, Chairperson	✓	1 July 2021 to 21 September 2022	2	2
Ian Gibson, Member Chairperson	✓	1 July 2021 to 21 September 2022 22 September 2021 to 30 June 2022	5	5
Michelle Dowsett	✓	1 July 2021 to 9 May 2022	4	5
Jodie Mason	✗	1 July 2021 to 22 November 2021	1	2
Liz Clay	✗	1 July 2021 to 30 June 2022	4	5
Susan Anderson	✗	23 November 2021 to 30 June 2022	3	3
Shelley McGuinness	✗	23 November 2021 to 30 June 2022	2	3

### Internal audit plan

Audits have been undertaken in accordance with the internal audit plan. This plan was developed in consultation with the internal auditor and the risk and audit committee. Reviews carried out this year were:

- Business Continuity Planning and Disaster Recovery
- Stakeholder Management
- Payroll
- Contractor Appointment and Management

## Organisational structure

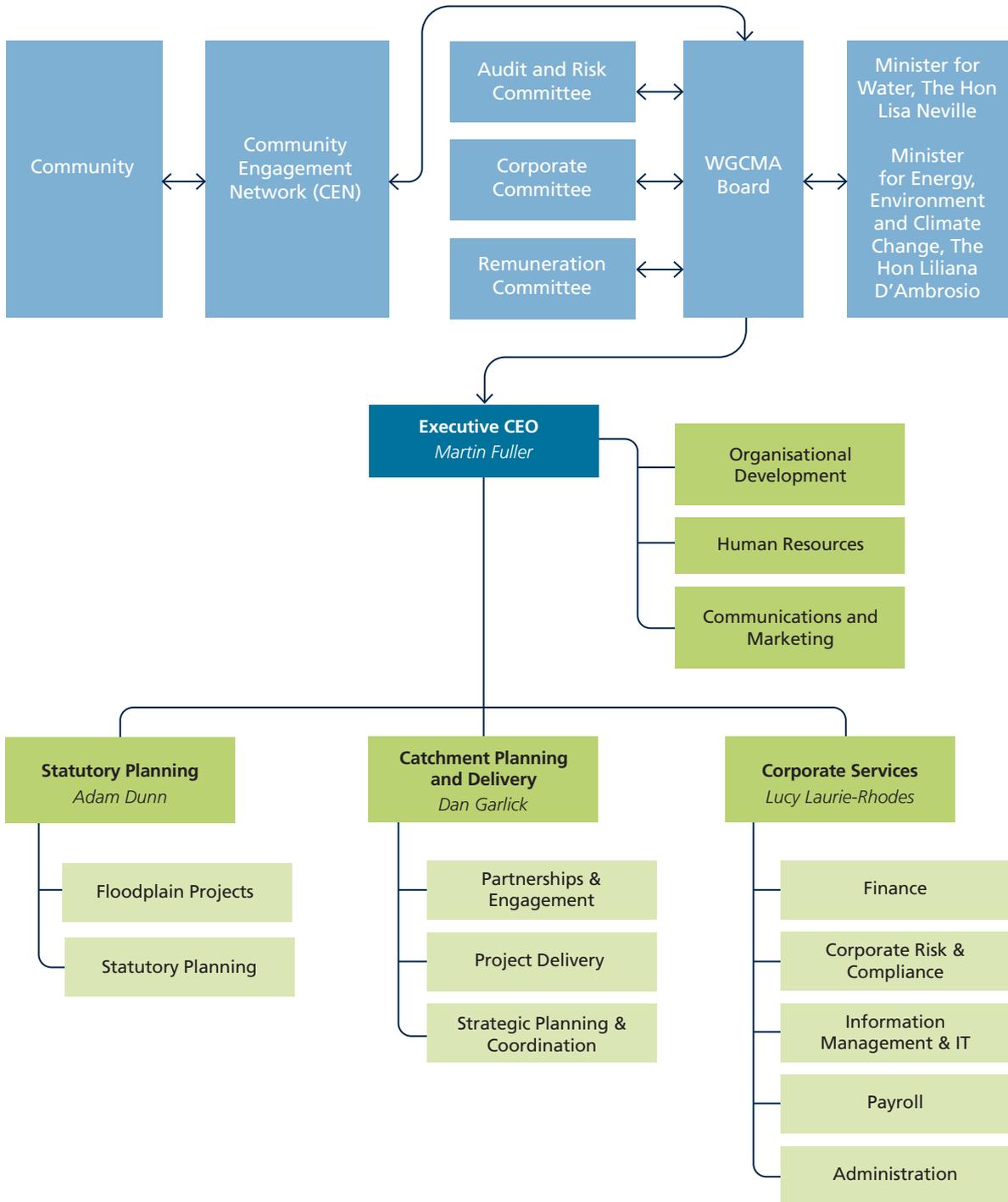


Figure 31: WGCMA's organisational structure 2021-22

## Our staff

### Workforce data

The following table discloses the head count and full-time staff equivalent (FTE) of all our active public service employees, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2021).

All employees, except executive officers, are covered by the West Gippsland Catchment Management Authority Enterprise Agreement.

**Table 18: Headcount and FTE as at June 2021 and June 2022**

	June 2022							June 2021						
	All employees (i)		Ongoing (ii)			Fixed term and casual		All employees (i)		Ongoing (ii)			Fixed term and casual	
	Number (head count)	FTE	Full time (head count)	Part time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full time (head count)	Part time (head count)	FTE	Number (head count)	FTE
<b>GENDER</b>														
Male	19	17	13	5	16	1	1	20	17	14	1	15	5	3
Female	22	18	11	9	16	2	2	25	20	11	11	18	3	1
Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>AGE</b>														
15-24	1	1	0	1	1	0	0	1	1	1	0	1	0	0
25-34	4	4	3	1	4	0	0	6	5	3	1	4	2	1
35-44	11	9	5	5	8	1	1	13	11	6	5	10	2	1
45-54	17	16	14	2	15	1	1	17	15	123	2	14	2	1
55-64	7	5	2	5	5	0	0	8	5	2	4	4	2	1
65+	1	1	0	0	0	1	1	0	0	0	0	0	0	0
<b>Total</b>	<b>41</b>	<b>35</b>	<b>24</b>	<b>14</b>	<b>33</b>	<b>3</b>	<b>2</b>	<b>45</b>	<b>37</b>	<b>25</b>	<b>12</b>	<b>33</b>	<b>8</b>	<b>4</b>
Other (iii)	37	31	20	14	29	3	2	41	33	21	12	29	8	4
Senior Management	3	3	3	0	3	0	0	3	3	3	0	3	0	0
Executives	1	1	1	0	1	0	0	1	1	1	0	1	0	0
<b>Total Employees</b>	<b>41</b>	<b>35</b>	<b>24</b>	<b>14</b>	<b>33</b>	<b>3</b>	<b>2</b>	<b>45</b>	<b>37</b>	<b>25</b>	<b>12</b>	<b>33</b>	<b>8</b>	<b>4</b>

Note: FTE numbers may not total due to rounding.

- (i) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.
- (ii) Ongoing employees include people engaged on an open-ended contract of employment and senior management and executives engaged on a standard executive contract who were active in the last full pay period of June.
- (iii) Other includes administrative and field staff.
- (iv) Employees have been correctly classified in workforce data collections.

## Health & safety statement

We comply with the provisions of the *Occupational Health and Safety Act 2004*. We are committed to providing and maintaining a safe work environment that does not pose health and safety risks to our employees, contractors, visitors, and volunteers. We recognise that work health and safety is extremely important and minimising risks to health and safety is the joint responsibility of the board, management, and employees. We will continue to promote a culture of awareness and focus on continuous improvement in work health and safety.

## OH&S committee

The OH&S committee meets quarterly and is chaired by the CEO. Committee members are elected as per our Work Health and Safety Committee policy, with membership including one representative per work location, one management representative, and one HR representative.

During 2021-22, the committee met four times to focus on and review key topics including:

- pandemic response
- training requirements
- workplace inspections
- evacuations drills
- Safe Work Method Statements (SWMS)
- Hazard, incident and near miss reports
- incident reporting processes
- OH&S manual and strategy
- hazard reporting process and focus
- health and wellbeing initiatives:
  - skin checks (36 participants)
  - flu shots (32 participants)
- contractor induction.

Training needs were identified and conducted throughout the year including:

- CPR updates (3 participants)
- Bullying and harassment prevention
- Sexual harassment prevention
- Fraud and corruption awareness and prevention
- Information and cyber security awareness
- OH&S fundamentals
- Risk management.

Throughout the year, we have had four incidents or near misses reported, including two involving minor damage to motor vehicles, and one fall. This represents 8.6 incidents per 100 FTEs. There were no notifiable incidents that were required to be reported to the Victorian Workcover Authority for the reporting period.

**Table 19: OH&S five-year summary**

	2021-22	2020-21	2019-20	2018-19	2017-18
Reported hazards/incidents (i)	6	7	10	12	10
Lost time standard claims	Nil	nil	nil	nil	nil
Average cost per claim	Nil	nil	nil	nil	nil
Training events	2	4	4	3	3

(i) Reported internally

With the emergence of COVID-19 as an OH&S challenge for us, the Pandemic Repose Team (PRT) continued to monitor advice and assess risk to the organisation and staff. This team consists of the executive team plus two staff members. The PRT continues to meet once per week.

The OH&S committee is well represented on the PRT.

## Environmental report

### Reducing our environmental impact

We are committed to implementing the Resource Smart Program and reducing the organisation's environmental impact. During the 2021-22 year we have achieved the following results in line with our Environmental Management Strategy:

**Table 20: Resource Smart Program five-year summary**

Objective	Measure	Use for 2021-22 (iii) (35 FTE)	Use for 2020-21 (iii) (37 FTE)	Use for 2019-20 (iii) (38 FTE)	Use for 2018-19 (41 FTE)	Use for 2017-18 (38 FTE)	Totals	Notes (i)
<b>Reduce Energy Use (Electricity)</b>	Total FTE per annum	51,509 kWh	19,998 kWh	88,625 kWh	135,574 kWh	113,334 kWh	409,040 kWh	54.6% decrease in total electricity usage from 5 years ago. Solar panels installed across 3 office and depot locations in 2019-2021.
		1,472 kWh	540 kWh	2,332 kWh	3,306 kWh	2,982 kWh		
<b>Purchase of Green Power</b>	% of energy purchase that is 'Green energy'	100%	100%	100%	100%	100%	100%	100% Green Energy is Purchased
<b>Reduce Paper Use</b>	White A4 reams used per annum	8	10	49	119	127	313	119 fewer reams used annually than 5 years ago
	Reams used per FTE	0.23	0.27	1.28	2.9	3.34		
<b>Increase Use of Recycled Paper</b>	White A4 reams	8	10	49	92	86	313	100% of all purchased paper is recycled
<b>Paper Recycling</b>	Kg per annum	-	-	1,108	1,490	1,852	4,450	100% of used paper is recycled, however from 2020-21 weight records are no longer supplied by vendor
	Kg Per FTE	-	-	29	36	48		
<b>Reduce Fuel Use</b>	Litres of fuel purchased per annum	62,485	60,429	79,279	41,706	41,586	285,485	Fuel usage in 2021-22 has increased by 50% from 5 years ago
<b>Reduce Water Consumption</b>	Kilolitres used per annum	1,007 (ii)	723 (ii)	918 (ii)	305	357	3,310	182% increase in water consumption from 5 years ago due to watering of plants at Maffra depot.

(i) Notes are five-year comparisons – 2017-18 to 2021-22.

(ii) Water consumption at our Maffra depot increased significantly in 2019-20 as a result of increased watering of plants due to drought.

(iii) 2019-20, 2020-21 and 2021-22 figures are impacted by the office closures due to COVID-19 restrictions.

## Good governance

### Report against Corporate Plan targets

Projects we undertake are developed through the Victorian Water Program Investment Framework and National Landcare Program processes and lodged with the Victorian and Australian governments. Once endorsed by government, our staff and Board develop an Annual Action Plan.

To ensure we can report to the Minister against governance requirements, key performance indicators have been included in this report that will complement the outcomes required in our investment plans. These are detailed below.

**Table 21: Corporate Plan targets and achievements**

Performance area	Performance target	Achievement
<b>Business management and governance</b>	Submit annually, a Board performance assessment report according to any guidelines issued.	Compliant with guidelines issued.
	A risk management strategy/plan approved by the Board and being implemented.	Plan is approved by the board and is being implemented.
	100% of the CMA's policies reviewed and approved by the Board every three financial years.	100% of relevant policies reviewed.
	Full compliance with all applicable Standing Directions under the Financial Management Compliance Framework Checklist.	Full compliance was achieved.
<b>Regional planning and coordination</b>	A regional catchment strategy (RCS) approved by the Minister.	Approved and being implemented.
	A regional waterways strategy (RWS) approved by the Minister.	Approved and being implemented.
	A regional floodplain strategy (RFS) approved by the Board.	Approved and being implemented.
	Land and water management plans (LWMP) in designated irrigation areas (or equivalent) approved by the Board.	Approved and being implemented.
	A stakeholder and community engagement framework/plan approved by the Board.	Approved and being implemented.
	A regional Landcare support plan approved by the Board.	Approved and being implemented.

**Table 21: Corporate Plan targets and achievements** *continued*

Performance area	Performance target	Achievement
<b>Regional delivery</b>	Progress with implementation of the RCS and any major sub-strategies is reviewed by the Board annually.	RCS program reviewed and reported to Board.
	Projects/activities to implement the RCS are delivered and reported according to associated funding agreements.	Approved projects and activities are being delivered and reported according to associated funding agreements.
	Projects/activities to implement the regional floodplain management strategy delivered and reported according to associated funding agreements.	Approved projects and activities are being delivered and reported according to associated funding agreements.
	Projects/activities to implement LWMP are delivered and reported according to associated funding agreements.	Approved projects and activities are being delivered and reported according to associated funding agreements.
<b>Statutory functions under part 10 of the Water Act</b>	90% of statutory requirements (permits, referrals, advice and licences) associated with waterway and floodplain management are responded to within the prescribed period.	Achieved 99%
<b>Statutory functions under part 11 of the Water Act</b>	90% of statutory requirements (permits, referrals, advice and licences) associated irrigation management are responded to within the prescribed period.	>90% achieved

In addition to the performance areas and indicators outlined above, we monitor our progress against our five-year Corporate Strategic Plan and the Key Areas of Focus outlined on page xx. This is done through an annually approved Action Plan which cascades down through staff work plans and is reported quarterly to the Board. For 2021-22, a 95.5% delivery was achieved for the Action Plan.

## Community inclusion

### ***Multicultural Victoria Act 2004***

Our support for cultural diversity and the involvement of women, youth, and Aboriginal and/or Torres Strait Islander communities took a variety of forms this year.

We have a Memorandum of Understanding (MoU) with both GLaWAC) and BLCAC. This MoU outlines how we will work with each group, with the focus of the MoU ensuring that each corporation is involved from the beginning of all projects in their relevant Registered Aboriginal Party (RAP) areas. The MoU has remained a priority in all projects and programs within their areas. The GLaWAC RAP area covers approximately 80% of the West Gippsland region. The BLCAC RAP area covers approximately 7.5% of the area.

We meet every six months with each corporation to develop and plan projects as well as monitor their implementation. This year the West Gippsland Regional Catchment Strategy 2021-2027 has been approved and the Traditional Owner section of this strategy will guide our work together in the coming years.

### **Cultural competency**

Our organisational cultural competency program is ongoing.

In 2021-22, we had five new staff, three Board members and our Community Engagement Network members complete stage one training. Additionally, twenty-eight staff from other agencies also took part in our cultural competency sessions. The feedback from other agencies was very positive and they felt the content prepared them well to work with Traditional Owners.

This year has seen our commitment to the process of cultural competency continue to gain momentum in all levels of projects and programs. There has been an increase in GLaWAC work On Country, and in traditional ecological knowledge, communication, and engagement.

Our staff and GLaWAC staff are comfortable working together at all levels from administration to management. This is a great achievement and makes for a good working relationship.

The renewal of the RCS was completed in 2022 with both GLaWAC and BLCAC representatives sitting on the RCS development steering committee. This strategy has included the greatest level of input from Traditional Owners to date and will act as an excellent guide in our work together in the coming years.

Our established Cultural Heritage process has worked well this year:

- We have completed 70 ACHRIS checks across both the GLaWAC and BLCAC RAP areas.
- Three projects have been adapted to avoid possible Aboriginal cultural heritage.
- Several projects have required site visits and the registration of new sites.

## Partnerships with Traditional Land-owning groups

### Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC)

We continue to work under the guidance of our MoU with GLaWAC. Further opportunities for involvement have been encouraged from the beginning of all projects undertaken during this time. A highlight of this year was hosting four Victorian Environmental Water Holder commissioners so they could see firsthand the challenges and opportunities for water in the region, particularly in relation to supporting Traditional Owners to play much more of a role of water planning and decision making for environmental water.

Partnership meetings take place regularly, many of which have been conducted online in the new environment we find ourselves in, maximising the use of time efficiently. All communications occur through protocols put in place by the two organisations, which are reviewed regularly to ensure they are working well.

In addition to our partnership meetings, we are a member of the GLaWAC - GEA working group. This is a group of 11 NRM agencies designed to work towards shared objectives and mutual opportunities that meet our respective goals. Quarterly meetings are attended, with the group working towards an action plan.

The Corner Inlet Connections project has seen monthly On Country work resume this year. As Covid restrictions have now eased, we also took the opportunity to hold a field day with the Latrobe and Forestec GLaWAC natural resource management teams. We came together to share knowledge about the saltmarsh.

Our delivery team also contract GLaWAC for projects in other areas of the catchment.



*Members of Victorian Environmental Water Holder commissioners with GLaWAC and WGCMA team members at Sale Swing Bridge.*

We also foster opportunities for mentoring and knowledge building in both agencies. The types of knowledge shared includes:

- cultural knowledge
- technical advice
- site recognition
- historical knowledge
- project planning
- project implementation
- reporting
- environmental water knowledge.

### Boon Wurrung

The Tanderrum Ceremony was cancelled during this period. It is hoped it will resume in 2023.

A meeting was held with the Boon Wurrung Foundation so we could understand their aspirations, opportunities for us to support them during the Regional Catchment Strategy development.

### Bunurong Land Council Aboriginal Corporation (BLCAC)

Partnership meetings are currently the main source of knowledge sharing between the two organisations. Having an insight into the development of a relatively new Aboriginal Corporation is a valuable learning experience for our staff and management. Information is being shared both ways with any advice and support being offered and used when relevant. As the corporation grows and increases capacity, so will our work together and sharing of knowledge. Until this time each organisation is staying informed, while not overwhelming the current capacity of BLCAC.

We are excited to partner with BLCAC to deliver the Powlett River/Kugerungmome Cultural Heritage Management Project. This project will enable Traditional Owners to connect with and manage Country into the future. This project is funded through EC5.

### Partnerships and projects

Our Aboriginal Cultural Heritage Officer (ACHO) has developed partnerships with Aboriginal Communities and assisted employees to extend their understanding of Native Title and Aboriginal Cultural Heritage in Gippsland. The ACHO is a member of the following committees:

- Brayakaulung Advisory Group – Latrobe City, Morwell
- CMA state-wide Indigenous Facilitators' Network.

We acknowledge and recognise:

- Close the Gap Campaign
- National Sorry Day/Day of Healing
- National Reconciliation Week
- NAIDOC Week.

We participate with displays, cultural heritage sessions and joint press releases.

We have worked on projects and sought advice and resources from many organisations, including the Close the Gap: Indigenous Health Campaign and the Human Rights Commission, Reconciliation Victoria and NAIDOC.



*GLaWAC On Country team removing boxthorn at Corner Inlet.*

### Working with youth

Throughout the year we have been involved in mentoring GLaWAC Cultural Water staff, GLaWAC Rangers and Aboriginal trainees in other NRM agencies. This work is now a target in our plan for the coming five years. To date training/mentoring has taken place in:

- Project planning
- Water quality monitoring
- Blackfish habits and habitats
- Data collection.

### Involving women

Six members of our Board are female. Eleven of the 26 members of the CEN are female. Of our 35 (FTE) employees, 51% are female.

### Workforce Inclusion policy

We are working towards creating a balanced working environment, where equal opportunity and diversity are valued and reflects the communities we serve, consistent with the *Gender Equality Act 2020*. We developed a Diversity and Inclusion Plan in 2017-18 with actions continuing to be implemented.

A focus for this year has been to promote the availability of flexible work arrangements with staff. Flexible work arrangements include options to work part-time, work from home, and to be able to purchase additional leave.

**Table 22: Inclusion measures and progress 2019-22**

Diversity and Inclusion Plan Initiative	Measure	Actual progress for 2021-22	Actual progress for 2020-21	Actual progress for 2019-20
Promote the availability of flexible work arrangements	Number of staff with flexible work arrangements	100% of staff	100% of staff	100% of staff

Note: reported as a percentage against headcount figure.

## Other disclosures

### Manner of establishment and relevant Minister

Our organisation was established under the *Catchment and Land Protection Act 1994* (CaLP).

The responsible Ministers for the period 1 July 2021 to 27 June 2022 were the Hon Lisa Neville MP, Minister for Water, and the Hon Liliana (Lily) D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

For the period 27 June 2022 to 30 June 2022 the responsible Ministers were the Hon Harriet Shing MP, Minister for Water, and the Hon Liliana (Lily) D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

The Hon Richard Wynne MP acted as the Minister for Water from 1 July 2021 to 22 August 2021.

### Local Jobs First Act 2003

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

WGCMA is required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

During 2021-22, we did not commence any contracts under which the *Local Jobs First Act 2003* would apply.

### Government advertising expenditure

In 2021-22 there were no government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST).

### Consultancy expenditure

#### Details of consultancies (valued at \$10,000 or greater)

In 2021-22, there were no consultancies where the total fees payable to the consultants was \$10,000 or greater.

#### Details of consultancies under \$10,000

In 2021-22, there were three consultancies engaged during the year where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2021-22 in relation to these consultancies was \$10,732 (excl. GST).

### Information and Communication Technology expenditure

For the 2021-22 reporting period, the Authority had a total ICT expenditure of \$1,087,157 with the details shown below:

**Table 23: BAU Expenditure 2021-22**

All operational ICT expenditure	ICT Expenditure related to projects to create or enhance ICT capabilities		
Business As Usual (BAU) ICT expenditure (Total)	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and Capital expenditure)	Operational expenditure	Capital expenditure
\$ 756,241	\$ 330,915	\$ 295,629	\$ 35,286

ICT expenditure refers to the Authority's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the Authority's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

### Disclosure of major contracts

The Authority did not award any major contracts (valued at \$10 million or more) during 2021-22.

### Freedom of Information

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by us. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers, and other bodies subject to the Act.

An applicant has the right to apply for access to documents held by us. This comprises documents both created by us or supplied to us by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings, and videotapes.

The Act allows us to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to us in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under s29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision we make, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

### Making a request

Freedom of Information (FOI) requests can be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au). An application fee of \$30.10 applies. Access charges may also be payable if the document pool is large, and the search for material time consuming.

Access to documents can also be obtained through a written request to our FOI team, as detailed in s17 of the *Freedom of Information Act 1982*.

When making an FOI request, applicants should ensure requests are in writing and clearly identify what types of material/documents are being sought.

Requests for documents in possession of the West Gippsland Catchment Management Authority (WGCMA) should be directed to:

Lucy Laurie-Rhodes, FOI Officer  
 West Gippsland Catchment Management Authority  
 PO Box 1374, Traralgon VIC 3844  
 T: 1300 094 262 | Fax: (03) 5175 7802  
 E: [lucyl@wgcm.vic.gov.au](mailto:lucyl@wgcm.vic.gov.au)

### FOI statistics/timeliness

In the 2021-22 reporting period, there were no requests for information received under the *Freedom of Information Act 1982*.

### Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and [www.foi.vic.gov.au](http://www.foi.vic.gov.au).

### **Building Act 1983 compliance**

The WGCMA owns two depot buildings located in Maffra and Cowwarr and each complies with the building and maintenance provisions of the *Building Act 1993*.

Appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the WGCMA, and we ensure that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*.

Appropriately qualified consultants and contractors are engaged for mandatory testing of emergency and exit lighting in accordance with relevant standards for monthly, quarterly and bi-annual inspections, preventive routine maintenance of mechanical services and all fire service audits.

### **Competitive neutrality policy**

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Authority ensures that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the *Competition Principles Agreement and Competition and Infrastructure Reform Agreement*.

### **Compliance with the *Public Interest Disclosures Act 2012***

The *Public Interest Disclosures Act 2012* (PID Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken. WGCMA is a public body for the purposes of the PID Act.

The Authority does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Authority will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### **Reporting Procedures**

Disclosures of improper conduct or detrimental action by the Authority or any of its employees may be made to any of the following Authority personnel:

- Chief Executive Officer; or
- Executive Manager Corporate Services.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-Corruption Commission:

### **Independent Broad-based Anti-Corruption Commission (IBAC) Victoria**

Address:

Level 1, North Tower  
459 Collins Street  
Melbourne VIC 3001

Mail:

GPO Box 24234  
Melbourne VIC 3001

Phone: 1300 735 135

Website: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

Email: See the website above for the secure email disclosure process which also provides for anonymous disclosures.

### **Charter of Human Rights and Responsibilities Act 2006**

Under Section 4 of the *Public Administration Act 2004*, catchment management authorities come within the meaning of public authorities. Accordingly, we are required to act compatibly with the charter and consider human rights when making decisions. This responsibility is set out in the charter and the *Public Administration Act 2004* and the Code of Conduct for Victorian Public-Sector Employees. We ensure that human rights are considered when making decisions, providing advice and delivering services and when changes are made to guidelines, policies, or the legal framework. We also ensure that our grievance processes comply with the charter and are consistent with the *Public Administration Act 2004*.

In the reporting period, there were no complaints related to the charter.

### **Employment and conduct**

The *Public Administration Act 2004* specifies several employment and conduct principles that must be observed by public sector organisations and their employees.

We are committed to the principles of equal employment opportunity (EEO). Employment decisions are based on merit where employees are treated fairly and reasonably and have an appropriate avenue to redress against any unfair and unreasonable treatment.

We recruit, promote and train employees based on merit and open competition without prejudice or discrimination.

### **Capital projects**

We did not have any capital projects during the reporting period that exceeded the disclosure threshold of \$10 million.

### **Grants and transfer payments**

No grant or transfer payments were made by the WGCMA during 2021-22.

### **Statement of availability of other information**

Information relevant to Financial Reporting Direction 221 of the *Financial Management Act 1994* is held at our office and is available on request, subject to the *Freedom of Information Act 1982*. The *Privacy and Data Protection Act 2014* establishes a regime for the responsible collection and handling of personal information in the Victorian public sector.

We comply with the ten Information Privacy Principles. This information is available on request by contacting Lucy Laurie-Rhodes, FOI Officer. Further information is available at the Privacy Victoria website [www.ovic.vic.gov.au](http://www.ovic.vic.gov.au).

### **Social Procurement Framework**

WGCMA is fully committed to supporting the Government's directions under the Social Procurement Framework (SPF) and we recognise that we play a role in advancing social and sustainable outcomes for Victorians.

Developed in 2019, and reviewed in May 2022, the WGCMA's Social Procurement Strategy enables a strategic, agency-wide approach to how we will deliver social and sustainable outcomes through our procurement in accordance with the Social Procurement Framework and beyond.

In the strategy, the WGCMA prioritises three SPF objectives – detailed in the table below along with their associated reporting metrics. These SPF objectives were chosen due to their high degree of alignment with the WGCMA's strategic direction and values as well as being best positioned to advance our identified social procurement opportunities.

**Table 24: SPF Objectives and reporting framework**

Objective Prioritised	Outcome Sought	SPF Reporting Metric
<b>Sustainable Victorian social enterprises and Aboriginal business sectors</b>	Purchasing from Victorian Aboriginal businesses	<ul style="list-style-type: none"> <li>• Number of Victorian Aboriginal Businesses engaged</li> <li>• Total expenditure with Victorian Aboriginal Businesses, expressed both in dollar terms and as a percentage of total procurement</li> </ul>
<b>Opportunities for Victorians with a disability</b>	Purchasing from Victorian social enterprises and Australian Disability Enterprises	<ul style="list-style-type: none"> <li>• Number of disability enterprises engaged</li> <li>• Total expenditure with disability enterprises</li> </ul>
<b>Sustainable Victorian Regions</b>	Job readiness and employment for people in regions with entrenched disadvantage	<ul style="list-style-type: none"> <li>• Total expenditure with suppliers with business addresses within Deciles 1 &amp; 2 within Victoria</li> </ul>

### DataVic Access policy

Consistent with the DataVic Access policy issued by the Victorian Government in 2012, the information included in this annual report will be available at [www.data.vic.gov.au](http://www.data.vic.gov.au) in electronic readable format.

### West Gippsland Catchment Management Authority Financial Management Compliance Attestation Statement

I, Mikaela Power, on behalf of the Responsible Body, certify that the West Gippsland Catchment Management Authority (WGCMA) has no Material Compliance Deficiency with respect to the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



**Mikaela Power**

23 November 2022

### Significant changes in financial position

Our financial position has had no major change to base programs compared to previous years and cash on hand committed to projects and other activities remains available into the future.

### Major changes or factors affecting performance

There were no changes or factors which affected our performance during the reporting period.

### Subsequent events affecting future operations

There were no events occurring after balance date which may significantly affect our operations in subsequent reporting periods.



*Wirn wirndook Yeerung/Macilister River*



# Financial review

## How this report is structured

The West Gippsland Catchment Management Authority has presented its audited general purpose financial statements for the financial year ended 30 June 2022 in the following structure to provide users with information about the Authority's stewardship of resource entrusted to it.

## Financial statements

Comprehensive operating statement

Balance sheet

Cash flow statement

Statement of changes in equity

## Notes to the financial statements

### 1. About this report

The basis on which the financial statements have been prepared and compliance with reporting regulations

### 2. Funding delivery of our services

Income recognised in respect of Government contributions and other income sources

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Income from transactions

### 3. The cost of delivering services

Operating expenses of the Authority

- 3.1 Expenses incurred in delivery of services
- 3.2 Materials, maintenance, grants, contracts and consultancies
- 3.3 Other operating expenses

### 4. Key assets available to support output delivery

Land, buildings, works assets, plant and equipment, office furniture and equipment, motor vehicles, and intangible assets

- 4.1 Total property, plant and equipment
- 4.2 Intangible assets

### 5. Other assets and liabilities

Other key assets and liabilities

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other non-financial assets

### 6. Financing our operations

Cash flow information, commitments for expenditure and carry forward project funding

- 6.1 Borrowings
- 6.2 Leases
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure
- 6.5 Carry forward project funding

**7. Risks, contingencies and valuation judgements**

Financial risk management, contingent assets and liabilities as well as fair value determination

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

**8. Other disclosures**

Additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report

- 8.1 Ex-gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Reserves
- 8.4 Responsible persons
- 8.5 Remuneration of executive officers
- 8.6 Related parties
- 8.7 Remuneration of auditors
- 8.8 Subsequent events
- 8.9 Change in accounting policies
- 8.10 Australian Accounting Standards issued that are not yet effective

## Declaration in the Financial Statements

The attached financial statements for the West Gippsland Catchment Management Authority (the Authority) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and financial position of the Authority at 30 June 2022.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 23 November 2022.



Mikaela Power  
*Chairperson*



Martin Fuller  
*CEO and Accountable Officer*



Philippe du Plessis  
*Chief Finance & Accounting Officer*

## COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Income from transactions</b>			
Government contributions	2.2.1	15,558,667	9,322,518
Interest	2.2.2	50,640	40,003
Other income	2.2.3	1,070,970	1,535,208
<b>Total income from transactions</b>		<b>16,680,277</b>	<b>10,897,729</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1	4,610,765	4,744,743
Depreciation and amortisation	4.1.2	585,602	618,419
Materials, maintenance, grants, contracts and consultancies	3.2	5,532,024	4,527,356
Interest Expense	6.2.1	9,851	14,174
Other operating expenses	3.3	690,478	610,181
<b>Total expenses from transactions</b>		<b>11,428,720</b>	<b>10,514,873</b>
<b>Net result from transactions (net operating balance)</b>		<b>5,251,556</b>	<b>382,856</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets (ii)	8.2	159,114	47,323
<b>Net result</b>		<b>5,410,670</b>	<b>430,179</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	8.3	-	98,750
<b>Comprehensive result</b>		<b>5,410,670</b>	<b>528,929</b>

*The accompanying notes form part of these financial statements.*

Note:

- (i) This format is aligned to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.
- (ii) Net gain/(loss) on non-financial assets includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

**BALANCE SHEET**

as at 30 June 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	17,759,434	12,507,728
Receivables	5.1	112,647	248,999
<b>Total financial assets</b>		<b>17,872,080</b>	<b>12,756,727</b>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	2,043,849	2,051,591
Intangible assets	4.2	10,681	281,748
Other non-financial assets	5.3	174,945	104,128
<b>Total non-financial assets</b>		<b>2,229,476</b>	<b>2,437,467</b>
<b>Total assets</b>		<b>20,101,556</b>	<b>15,194,194</b>
<b>Liabilities</b>			
Payables	5.2	358,771	450,691
Lease liabilities	6.1	468,926	740,112
Employee related provisions	3.1.2	1,555,283	1,695,485
<b>Total liabilities</b>		<b>2,382,980</b>	<b>2,886,288</b>
<b>Net assets</b>		<b>17,718,576</b>	<b>12,307,906</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		349,365	349,365
Physical asset revaluation surplus	8.3	494,109	494,109
Committed funds reserve	8.3	8,513,660	3,102,990
Contributed capital		8,361,442	8,361,442
<b>Net worth</b>		<b>17,718,576</b>	<b>12,307,906</b>

*The accompanying notes form part of these financial statements.*

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

**CASH FLOW STATEMENT**

for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		15,690,951	9,478,170
Interest received		50,640	40,003
Goods and services tax received from the ATO (ii)		378,617	238,434
Other receipts		1,075,550	1,365,655
<b>Total receipts</b>		<b>17,195,758</b>	<b>11,122,262</b>
<b>Payments</b>			
Payments to suppliers and employees		(11,248,123)	(10,241,520)
Interest and other costs of finance paid		(9,851)	(14,174)
<b>Total payments</b>		<b>(11,257,974)</b>	<b>(10,255,694)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.3.1	<b>5,937,785</b>	<b>866,568</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets		(609,777)	(104,059)
Proceeds from the sale of non-financial assets		196,831	106,298
<b>Net cash (outflow) / inflow from investing activities</b>		<b>(412,947)</b>	<b>2,239</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of principal portion of lease liabilities (iii)		(273,133)	(262,467)
<b>Net cash provided by / (used in) financing activities</b>		<b>(273,133)</b>	<b>(262,467)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>5,251,706</b>	<b>606,340</b>
Cash and cash equivalents at the beginning of the financial year		12,507,728	11,901,388
<b>Cash and cash equivalents at end of financial year</b>	6.3	<b>17,759,434</b>	<b>12,507,728</b>

*The accompanying notes form part of these financial statements.*

**Notes:**

- (i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.
- (ii) GST received from the Australian Taxation Office is presented on a net basis.
- (iii) The Authority has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

**STATEMENT OF CHANGES IN EQUITY**

for the financial year ended 30 June 2022

	Accumulated surplus	Physical asset revaluation surplus	Committed funds reserve	Contributed capital	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	349,365	395,359	2,672,810	8,361,442	11,778,977
Net result for the year	430,179	98,750	-	-	528,929
Transfers to/(from) reserves (ii)	(430,179)	-	430,179	-	-
<b>Balance at 30 June 2021</b>	<b><u>349,365</u></b>	<b><u>494,109</u></b>	<b><u>3,102,989</u></b>	<b><u>8,361,442</u></b>	<b><u>12,307,906</u></b>
Net result for the year	5,410,670	-	-	-	5,410,670
Transfers to/(from) reserves (ii)	(5,410,670)	-	5,410,670	-	-
<b>Balance at 30 June 2022</b>	<b><u>349,365</u></b>	<b><u>494,109</u></b>	<b><u>8,513,660</u></b>	<b><u>8,361,442</u></b>	<b><u>17,718,576</u></b>

*The accompanying notes form part of these financial statements.*

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(ii) The amounts transferred from accumulated surplus to committed funds reserve consists of carry forward project funding that has been set aside for the purpose of funding specific projects.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. ABOUT THIS REPORT

The West Gippsland Catchment Management Authority is a government authority of the State of Victoria, established on 1 July 1997 by the state government.

Its principal address is: West Gippsland Catchment Management Authority  
16 Hotham Street  
Traralgon, VIC 3844

A description of the nature of its operations and its principal activities is included in the Report of operations, which does not form part of these financial statements.

#### Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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 is reported.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates', and relate to:

- employee benefit provisions (Note 3.1.2);
- accrued expenses (Note 5.2);
- estimating discount rate when not implicit in the lease (Note 6.1);
- determining whether the lease arrangement is in substance short-term arrangement (Note 6.1);
- lease terms (Note 6.2);
- determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 or AASB 1058 (Note 2.1);
- the timing of satisfaction of performance obligations (Note 2.1);
- determining transaction price and amounts allocated to performance obligations (Note 2.1);
- fair value measurements of assets and liabilities (Note 7.3).

#### Rounding

Unless otherwise stated, amount in the report have been rounded to the nearest dollar. Figures in the financial report may not equate due to rounding.

#### Compliance Information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

**COVID-19 Health Pandemic**

During the 2022 reporting period, the impact of the Coronavirus (COVID-19) continued to be pervasive, impacting across industries, both domestically and internationally.

While the Authority has been affected by COVID-19, the effects continue to be limited. The Authority continues to be well placed to work remotely when required. The Authority has utilised several initiatives to attempt to combat the effects on our staff and the community by COVID-19 and its accompanying restrictions, which to date have showed some success. The Authority has also been able to maintain its existing staffing levels throughout the crisis.

From a financial perspective, as the Authority's funding is predominantly through State and Commonwealth Government Contributions, and the majority of the Authority's dealings are with other Government Departments and Agencies, management does not currently consider COVID-19 to have a material affect on any judgements or assumptions applied in the preparation of these financial statements.

**2. FUNDING DELIVERY OF OUR SERVICES****Introduction**

The Authority's overall objective is for the co-ordinated control of natural resource management within the broader catchments of West Gippsland. The role of the Authority is to ensure effective implementation of the Regional Catchment Strategy. Associated with this role the Authority carries out strategic planning and advises Government.

To enable the Authority to deliver on its objectives, it receives income predominantly through State and Commonwealth Government Contributions.

**Structure**

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Income from transactions

**2.1 Summary of income that funds the delivery of our services***Significant judgement: Grants Contributions*

The Authority has made the judgement that amounts received in relation to government contributions should be recognised under AASB 1058 on the basis that the relevant funding agreements do not contain sufficiently specific performance obligations to satisfy the application of AASB 15.

	Notes	2022 \$	2021 \$
Government contributions	2.2.1	15,558,667	9,322,518
Interest income	2.2.2	50,640	40,003
Other income	2.2.3	1,070,970	1,535,208
<b>Total income from transactions</b>		<b><u>16,680,277</u></b>	<b><u>10,897,729</u></b>

**2.2 Income from transactions****2.2.1 Government contributions**

	2022 \$	2021 \$
<b>Income recognised as income of not-for-profit entities under AASB 1058</b>		
<b>State Government</b>		
Catchment Planning	1,968,809	1,008,826
Sustainable Irrigation	1,234,000	1,041,000
River Health	4,549,844	4,591,000
Floodplain Management	210,000	150,000
Flood Recovery Funding	5,064,000	-
Other State Funding	1,209,167	975,165
	<b><u>14,235,820</u></b>	<b><u>7,765,991</u></b>
<b>Commonwealth Government</b>		
National Landcare Program	1,322,846	1,556,527
	<b><u>1,322,846</u></b>	<b><u>1,556,527</u></b>
<b>Total Government contributions</b>	<b><u>15,558,667</u></b>	<b><u>9,322,518</u></b>

### Grants recognised under AASB 1058

The Authority has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Authority has unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the assets, the Authority recognises any increase in liabilities, decrease in assets, and revenue ('related amount') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assts.*

### Grants recognised under AASB 15

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. In 2022 the Authority has not recognised any revenue under AASB 15 (2021: \$0).

#### 2.2.2 Interest

	2022	2021
	\$	\$
<b>Interest on bank deposits</b>	<u>50,640</u>	<u>40,003</u>

Interest income includes interest received on bank deposits. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

#### 2.2.3 Other income

	2022	2021
	\$	\$
Partnership Contributions	727,001	1,301,469
Rental Income	42,200	37,200
Employee Contributions	187,150	196,539
Ancillary Trading	114,620	-
<b>Total other income</b>	<u>1,070,970</u>	<u>1,535,208</u>

Partnership contributions consists of funds received from organisations as partners in major projects, and are recognised as income on receipt as they do not contain sufficiently specific performance obligations, and are disclosed in the comprehensive operating statement as other income.

Employee contributions include staff contributions towards the private use of motor vehicles.

Rental Income from leasing of surplus office spaces, which are operating leases, are recognised on a straight line basis over the lease term.

All other income is recognised when the right to receive payment is established.

### 3. THE COST OF DELIVERING SERVICES

#### Introduction

This section provides an account of the expenses incurred by the Authority in delivering services. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost association with the provision of services are recorded.

#### Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Materials, maintenance, grants, contracts and consultancies
- 3.3 Other operating expenses

#### 3.1 Expenses incurred in delivery of services:

	Notes	2022 \$	2021 \$
Employee expenses	3.1.1	4,610,765	4,744,743
Materials, maintenance, grants, contracts and consultancies	3.2	5,532,024	4,527,356
Other operating expenses	3.3	690,478	610,181
<b>Total expenses incurred in the delivery of services</b>		<b>10,833,267</b>	<b>9,882,280</b>

#### 3.1.1 Employee benefits in the comprehensive operating statement

	2022 \$	2021 \$
Salaries & wages	3,481,767	3,688,581
Annual leave	314,796	295,965
Long service leave	106,430	142,345
Other leave	329,638	292,759
Defined contribution superannuation expense	393,144	384,379
Defined benefit superannuation expense	11,867	12,828
Other employee expenses	151,094	190,919
Movement in provisions for employee benefits (i)	(177,971)	(263,033)
<b>Total employee benefit expenses</b>	<b>4,610,765</b>	<b>4,744,743</b>

(i) The decrease in movement in provisions for employee benefits in 2022 is largely due to reduction in the discount rate used to calculate the carrying amount of employee leave provisions. The provision is measured using the cash flows estimated to settle the present obligation, where the carrying amount is the present value of those cash flows, using a wage inflation and discount rate that reflects the time, value of money and risks specific to the provision.

Employee expenses include all costs related to employment including wages and salaries, payroll tax, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

### 3.1.2 Employee benefits in the balance sheet

#### Significant judgement: Employee benefit provisions

In measuring employee benefit provisions, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using a single weighted average discount rate based on market yields of national government bonds in Australia that reflects the estimated timing and amount of benefit payment.

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2022 \$	2021 \$
<b>Current provisions for employee benefits</b>		
<b>Time in lieu and RDO:</b>		
Unconditional and expected to be settled within 12 months	27,217	28,000
<b>Annual leave:</b>		
Unconditional and expected to be settled within 12 months	337,009	334,642
Unconditional and expected to be settled after 12 months	57,429	51,492
<b>Long service leave:</b>		
Unconditional and expected to be settled within 12 months	42,100	40,614
Unconditional and expected to be settled after 12 months	894,247	1,022,517
<b>Provisions for on-costs</b>		
Unconditional and expected to be settled within 12 months	45,240	46,232
Unconditional and expected to be settled after 12 months	116,010	134,091
<b>Total current provisions</b>	<u>1,519,252</u>	<u>1,657,588</u>
<b>Non-current provisions for employee benefits</b>		
<b>Long service leave:</b>		
Conditional and expected to be settled after 12 months	32,097	33,681
<b>Provisions for on-costs</b>		
Conditional and expected to be settled after 12 months	3,934	4,216
<b>Total non-current provisions</b>	<u>36,031</u>	<u>37,897</u>
<b>Total provisions for employee benefits and on-costs</b>	<u>1,555,283</u>	<u>1,695,485</u>
		2022
<b>Reconciliation of movement in on-cost provision</b>		\$
<b>Opening balance</b>		184,539
Additional provisions recognised		(19,355)
<b>Closing balance</b>		<u>165,184</u>

#### Wages and salaries and annual leave:

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Authority does not have an unconditional right to defer settlements of these liabilities.

The annual leave liability is classified as a current liability, as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Annual leave balances of less than 6 weeks are measured at the undiscounted amount expected to be paid, whilst balances above 6 weeks are measured as the present value of the estimated future cash outflows to be made by the entity.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

**Long service leave (LSL):**

Regardless of the expected timing of settlement, unconditional LSL is classified as a current liability because the Authority does not have an unconditional right to defer the settlement of these liabilities.

Unconditional LSL liability amounts expected to be wholly settled within 12 months are measured at the nominal value. Unconditional LSL liability amount that are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity.

Unconditional LSL represents long service leave entitlements accrued for employees with more than 7 years of continuous service.

Conditional LSL is classified as a non-current liability and measured as the present value of the estimated future cash outflows to be made by the entity.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

**3.1.3 Superannuation contributions**

Employees of the Authority are entitled to receive superannuation benefits and the Authority contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The Authority does not recognise any defined benefit liability because it has no legal or constructive obligation to pay future benefits relating to its employees. The Department of Treasury and Finance discloses in its annual financial statements the state's net defined benefits cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Authority, and outstanding at year end, are as follows:

	Paid Contribution for the year		Contributions outstanding at year-end	
	2022	2021	2022	2021
<b>Defined benefit plans: (i)</b>	\$	\$	\$	\$
Government superannuation office	12,486	11,889	320	939
<b>Defined contribution plans:</b>				
Vision super	117,350	141,393	2,734	1,401
Vic super	19,873	25,660	258	200
Other private schemes	246,697	213,038	5,293	2,687
<b>Total</b>	<b>396,406</b>	<b>391,979</b>	<b>8,606</b>	<b>5,228</b>

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

**3.2 Materials, maintenance, grants, contracts and consultancies**

	2022	2021
	\$	\$
Materials	318,591	127,028
Repairs and maintenance	68,847	50,597
Grants paid	83,167	833,883
Contractors	5,031,062	3,431,893
Consultants	30,356	83,953
<b>Total materials, maintenance, grants, contracts and consultancies (i)</b>	<b>5,532,024</b>	<b>4,527,356</b>

(i) The increase in total expenditure on materials, maintenance, grants and consultancies in 2022 is attributable to a number of factors:

- COVID-19 restrictions easing, increasing the level of on-ground works that can be undertaken; and
- Expenditure on Flood Recovery works.

Grants are recognised in the period in which they are paid or payable.

Materials, contractors and consultants are recognised as an expense in the reporting period in which they are incurred.

### 3.3 Other operating expenses

	Notes	2022 \$	2021 \$
Telephones and mobile data		167,657	177,757
Fleet expenses		153,880	121,422
Fares and accommodation		40,692	21,809
Lease expenses	6.2.1	19,654	19,025
Education, training, conferences and seminars		31,392	39,607
Meeting expenses		21,984	9,662
Other expenses		255,220	220,900
		<u>690,479</u>	<u>610,182</u>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred.

## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### Introduction

The Authority controls property and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Authority to be utilised for delivery of those outputs.

### Structure

4.1 Total property, plant and equipment

4.2 Intangible assets

### 4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Land at fair value	462,000	462,000	-	-	462,000	462,000
Buildings at fair value	1,516,724	1,514,778	(817,198)	(540,204)	699,526	974,573
Works assets at fair value	151,000	151,000	(7,550)	-	143,450	151,000
Plant and equipment at fair value	239,903	232,557	(197,257)	(221,543)	42,646	11,014
Office furniture and equipment at fair value	613,789	596,868	(492,858)	(491,661)	120,931	105,206
Motor vehicles at fair value	1,200,913	1,018,990	(625,617)	(671,192)	575,296	347,798
<b>Net carrying amount</b>	<b>4,184,329</b>	<b>3,976,192</b>	<b>(2,140,480)</b>	<b>(1,924,601)</b>	<b>2,043,849</b>	<b>2,051,591</b>

#### 4.1.1 Total right-of-use assets: buildings

This note explores right-of-use assets, a subset of the Authority's total assets, where right-of-use assets represent the Authority's right to use an underlying asset for the lease term.

	Gross		Net carrying	Gross		Net carrying
	Carrying	Accumulated	Amount	Carrying	Accumulated	Amount
	Amount	Depreciation	Amount	Amount	Depreciation	Amount
	2022	2022	2022	2021	2021	2021
	\$	\$	\$	\$	\$	\$
Buildings at Fair Value	1,256,724	(810,698)	446,026	1,254,778	(540,204)	714,573
<b>Net Carrying Amount</b>	<b>1,256,724</b>	<b>(810,698)</b>	<b>446,026</b>	<b>1,254,778</b>	<b>(540,204)</b>	<b>714,573</b>

	Buildings at fair value
	\$
Opening Balance - 1 July 2021	714,573
Additions	-
Right-of-use adjustment (i)	1,947
Disposals	-
Depreciation	(270,494)
<b>Closing Balance - 30 June 2022</b>	<b>446,026</b>

	Buildings at fair value
	\$
Opening Balance - 1 July 2020	986,534
Additions	-
Right-of-use adjustment (ii)	(2,158)
Disposals	-
Depreciation	(269,803)
<b>Closing Balance - 30 June 2021</b>	<b>714,573</b>

Note:

- (i) This adjustment relates to an increase in the value of right-of-use lease asset and liability due to a CPI increase applied under the lease contract.
- (ii) This adjustment relates to a decrease in the value of right-of-use lease asset and liability due to an amendment in the estimated CPI increase applied under the lease contract.

#### Initial recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

Items with a cost or value in excess of \$1,000, or in the case of ICT equipment in excess of \$200, and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

#### Right-of-use asset acquired by lessees - Initial measurement

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any incentive received; plus
- any indirect costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

#### Subsequent measurement

Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment.

Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

Non-specialised buildings and works assets are valued using the current replacement cost method.

**Right-of-use asset - Subsequent measurement**

The Authority depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

As per the requirements of FRD103 *Non-Financial Physical Assets*, right-of-use assets are subject to revaluation to Fair Value, whereby management undertake an assessment to determine whether the current lease payments under the contract approximate current market rentals for equivalent properties that would be paid in the current environment.

Management has completed an assessment at 30 June 2022 comparing current lease payments against current market rentals for equivalent properties and has determined that no adjustment to the right-of-use asset or liability is required.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

**Revaluation of property, plant and equipment**

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 103 Non-Financial Physical Assets (FRD 103). The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Authority to conduct these scheduled revaluations.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103.

The Authority in conjunction with VGV, monitors changes in the fair value of each asset class through relevant data sources, in order to determine whether a revaluation is required.

The Authority's assets relating to land and buildings were independently valued by the VGV as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

Note 7.3 includes additional information in connection with fair value determination of property, plant and equipment.

**Accounting for revaluation movements - land and buildings**

Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value.

Revaluation increases and decreases relating to individual assets in a class of PPE, are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

**4.1.2 Depreciation and amortisation**

	<b>2022</b>	<b>2021</b>
<b>Charge for the period</b>	<b>\$</b>	<b>\$</b>
Buildings	276,994	276,802
Works assets	7,550	7,550
Plant & equipment	3,896	2,997
Office furniture & equipment	54,910	60,436
Motor vehicles	238,399	254,721
Intangible assets	3,853	15,913
<b>Total depreciation and amortisation</b>	<b><u>585,602</u></b>	<b><u>618,419</u></b>

*Depreciation and amortisation for the period of which relates to right-of-use assets:*

Buildings	270,494	269,803
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All buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated.

Land which is considered to have an indefinite life and is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Depreciation is calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

<b>Asset</b>	<b>Useful Life</b>
Buildings	40 years
Buildings - right-of-use	1 - 10 years
Works assets	20 years
Plant and equipment	3 - 20 years
Office furniture & equipment	3 - 10 years
Motor vehicles	4 years
Intangible assets	3 - 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term.

**Impairment**

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

## 4.1.3 Reconciliation of movements in carrying values of property, plant and equipment

	Land at fair value	Buildings at fair value	Works assets at fair value	Plant and equipment at fair value	Office furniture and equipment	Motor vehicles at fair value	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2021-22</b>							
Opening balance	462,000	974,573	151,000	11,014	105,206	347,798	2,051,591
Additions	-	-	-	35,528	71,193	485,162	591,883
Disposals	-	-	-	-	(558)	(19,265)	(19,823)
ROU adjustment	-	1,947	-	-	-	-	1,947
Revaluation	-	-	-	-	-	-	-
Depreciation	-	(276,994)	(7,550)	(3,896)	(54,910)	(238,399)	(581,749)
<b>Closing balance</b>	<b>462,000</b>	<b>699,526</b>	<b>143,450</b>	<b>42,646</b>	<b>120,931</b>	<b>575,296</b>	<b>2,043,849</b>
<b>2020-21</b>							
Opening balance	416,000	1,238,533	120,800	14,012	127,661	652,022	2,569,028
Additions	-	-	-	-	40,288	-	40,288
Disposals	-	-	-	-	(2,307)	(49,504)	(51,811)
ROU adjustment	-	(2,158)	-	-	-	-	(2,158)
Revaluation (i)	46,000	15,000	37,750	-	-	-	98,750
Depreciation	-	(276,802)	(7,550)	(2,997)	(60,436)	(254,721)	(602,507)
<b>Closing balance</b>	<b>462,000</b>	<b>974,573</b>	<b>151,000</b>	<b>11,014</b>	<b>105,206</b>	<b>347,798</b>	<b>2,051,591</b>

Note:

(i) An independent valuation of the Authority's land, buildings and works assets was performed by the Valuer-General Victoria as at 30 June 2021.

## 4.2 Intangible assets

*Significant judgement: Determination whether configuration and customisation services are distinct from SaaS access*  
Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

	Notes	2022 \$	2021 \$
<b>Computer Software</b>			
<b>Gross carrying amount</b>			
Opening Balance		1,046,503	989,897
Acquisition adjustment (i)	8.9.1	(281,191)	-
Acquisitions		-	56,606
Disposals		(55,498)	-
<b>Closing balance</b>		<b>709,814</b>	<b>1,046,503</b>
<b>Accumulated depreciation</b>			
Opening Balance		(764,755)	(748,843)
Depreciation adjustment (i)	8.9.1	13,977	-
Disposals		55,498	-
Amortisation		(3,853)	(15,913)
<b>Closing balance</b>		<b>(699,133)</b>	<b>(764,755)</b>
<b>Net book value at end of financial year</b>		<b>10,681</b>	<b>281,748</b>

Note:

(i) Adjustments relate to change in accounting policy relating to SaaS arrangements. Please refer to Note 8.9

**Initial recognition**

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

**Subsequent measurement**

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight line basis over their useful lives.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight line basis over their useful lives. The amortisation period is three to ten years.

**Impairment of intangible assets**

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in section 4.1.2

**Software-as-a-Service (SaaS) arrangements**

SaaS arrangements are service contracts providing the Authority with the right to access the cloud provider's application software over the contract period. As such, the Authority does not receive a software intangible asset at the contract commencement date.

Please refer to Note 8.9 for the change in accounting policy relating to SaaS arrangements.

**5. OTHER ASSETS AND LIABILITIES****Introduction**

This section sets out those assets and liabilities that arose from the Authority's operations.

**Structure**

5.1 Receivables

5.2 Payables

5.3 Other non-financial assets

**5.1 Receivables**

	2022	2021
	\$	\$
<b>Receivables</b>		
<b>Contractual</b>		
Trade receivables	81,007	244,999
Other receivables	4,000	4,000
	<u>85,007</u>	<u>248,999</u>
<b>Statutory</b>		
FBT Receivable	6,383	-
GST input tax credits recoverable	21,257	-
	<u>27,640</u>	<u>-</u>
<b>Total receivables</b>	<u><u>112,647</u></u>	<u><u>248,999</u></u>
<i>Represented by:</i>		
Current Receivables	108,647	244,999
Non-Current Receivables	4,000	4,000

Receivables consist of:

- Contractual receivables, which are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The Authority holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measures them at amortised cost using the effective interest method, less any impairment. Subsequent to initial measurement they are measured at amortised cost less any impairment; and
- Statutory receivables, which do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes.

Details about the Authority's impairment policies, the Authority's exposure to credit risk, and the calculation of the loss allowance are set out in Note 7.1.

## 5.2 Payables

### Significant judgement: Accrued expenses

Accrued expenses represent goods or services that have been received or supplied but have not been invoiced by the supplier. In estimating the amount of an accrued expense, consideration is given to the stage of completion of the services being performed.

Payables	2022	2021
<b>Contractual</b>	\$	\$
Trade payables	181,771	84,159
Accrued expenses	154,908	304,768
	<u>336,679</u>	<u>388,927</u>
<b>Statutory</b>		
FBT accrual	3,848	4,067
Superannuation	8,606	5,228
Payroll Tax	9,638	10,808
GST payable	-	41,662
	<u>22,092</u>	<u>61,764</u>
<b>Total payables</b>	<u><b>358,771</b></u>	<u><b>450,691</b></u>

### Represented by:

Current Payables	358,771	450,691
------------------	---------	---------

Payables consist of:

- Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid; and
- Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

### 5.2.1 Maturity analysis of contractual payables (i)

Carrying amount	Nominal Amount	Maturity dates		
		Less than 1 month	1-3 months	3-6 months
\$	\$	\$	\$	\$
<b>2022</b>				
<b>Payables</b>				
Trade payables	181,771	181,771	(55)	(483)
Accrued expenses	154,908	154,908	-	-
<b>Total</b>	<u><b>336,679</b></u>	<u><b>337,216</b></u>	<u><b>(55)</b></u>	<u><b>(483)</b></u>
Carrying amount	Nominal Amount	Maturity dates		
\$	\$	Less than 1 month	1-3 months	3-6 months
\$	\$	\$	\$	\$
<b>2021</b>				
<b>Payables</b>				
Trade payables	84,159	84,225	-	(66)
Accrued expenses	304,768	304,768	-	-
<b>Total</b>	<u><b>388,927</b></u>	<u><b>388,992</b></u>	<u><b>-</b></u>	<u><b>(66)</b></u>

Note:

(i) Maturity Analysis is presented using the contractual undiscounted cash flows.

## 5.3 Other non-financial assets

Current other assets	2022	2021
Prepayments	174,945	104,128
<b>Total other assets</b>	<u><b>174,945</b></u>	<u><b>104,128</b></u>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## 6. HOW WE FINANCED OUR OPERATIONS

### Introduction

This section provides information on the sources of finance utilised by the Authority during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Authority.

This section includes disclosures of balances that are financial instruments, such as cash balances. Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

### Structure

- 6.1 Borrowings
- 6.2 Leases
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure
- 6.5 Carry forward project funding

### 6.1 Borrowings

	Notes	2022 \$	2021 \$
<b>Current borrowings</b>			
Lease Liabilities (i)	6.2	283,419	272,300
<b>Total current borrowings</b>		<b>283,419</b>	<b>272,300</b>
<b>Non-current borrowings</b>			
Lease Liabilities (i)	6.2	185,507	467,812
<b>Total non-current borrowings</b>		<b>185,507</b>	<b>467,812</b>
<b>Total Borrowings</b>		<b>468,926</b>	<b>740,112</b>

Note:

- (i) Secured by assets leased. Leases liabilities are effectively secured as the right to the lease assets revert to the lessor in the event of default.

#### 6.1.1 Maturity Analysis of borrowings

	Maturity dates						
	Carrying Amount \$	Nominal Amount \$	Less than 1 month \$	1 to 3 months \$	3 months to 1 year \$	1 to 5 years \$	5+ years \$
<b>2022</b>							
Lease Liabilities	468,926	476,041	23,791	71,372	193,713	187,165	-
<b>Total</b>	<b>468,926</b>	<b>476,041</b>	<b>23,791</b>	<b>71,372</b>	<b>193,713</b>	<b>187,165</b>	<b>-</b>
<b>2021</b>							
Lease Liabilities	740,112	757,171	23,244	69,731	189,237	474,959	-
<b>Total</b>	<b>740,112</b>	<b>757,171</b>	<b>23,244</b>	<b>69,731</b>	<b>189,237</b>	<b>474,959</b>	<b>-</b>

#### 6.1.2 Interest expense

	2022 \$	2021 \$
Interest on leases liabilities	9,851	14,174
<b>Total interest expense</b>	<b>9,851</b>	<b>14,174</b>

Interest expense includes the interest component of the lease repayments, and is recognised in the period in which it was incurred through lease expenses in the comprehensive operating statement.

## 6.2 Leases

### Significant judgement: Lease Terms

In determining the lease term, the Authority considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

The Authority leases various properties. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Rental contracts are typically for fixed periods of between 1 to 5 years, with up to extension options of between 1 to 10 years typically available.

Leases with a contract term of 1 year and a value of less than \$10,000 are either short-term and/or leases of low value and are recognised on a straight-line basis. The Authority has elected not to recognise right-of-use assets and lease liabilities for these leases.

As at 30 June 2022, the Authority has committed to short term leases and the total commitment at that date was \$13,453 (Note 6.4)

### 6.2.1 Right-of-use assets

Right-of-use assets are presented in Note 4.1.1

#### 6.2.1 Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement for the year ending 30 June 2022 relating to leases:

	2022	2021
	\$	\$
Interest expense on lease liabilities	9,851	14,174
Expenses relating to short term leases	19,654	19,025
<b>Total amount recognised in the Comprehensive Operating Statement</b>	<b><u>29,505</u></b>	<b><u>33,198</u></b>

#### 6.2.2 Amounts recognised in the Cashflow Statement

The following amounts are recognised in the Cashflow Statement for the year ending 30 June 2022 relating to leases:

	2022	2021
	\$	\$
Interest expense on lease liabilities	9,851	14,174
Expenses relating to short term leases	19,654	19,025
Repayment of principal portion of lease liabilities	273,133	262,467
<b>Total cash outflow for leases</b>	<b><u>302,637</u></b>	<b><u>295,665</u></b>

For any new contracts entered into, the Authority considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Authority assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority and for which the supplier does not have substantive substitution rights;
- Whether the authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Authority has the right to direct the use of the identified asset throughout the period of use; and
- Whether the authority has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### Lease Liability - Initial Measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Authority's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

**Lease Liability - Subsequent Measurement**

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance to fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or net result if the right-of-use asset is already reduced to zero.

**Short term and low value leases**

The Authority has elected to account for short-term and low value leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in net result on a straight-line basis over the lease term.

**Presentation of right-of-use assets and lease liabilities**

The authority presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

**6.3 Cash flow information and balances**

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2022	2021
<b>Cash and deposits disclosed in the balance sheet:</b>	<b>\$</b>	<b>\$</b>
Cash on hand	569	900
Cash at bank	326,949	583,811
Deposits at call	17,431,916	11,923,018
<b>Balance as per cash flow statement</b>	<b><u>17,759,434</u></b>	<b><u>12,507,728</u></b>

**6.3.1 Reconciliation of net result for the period to cash flow from operating activities**

	Notes	2022	2021
		<b>\$</b>	<b>\$</b>
<b>Net result for the period</b>		<b>5,410,670</b>	<b>430,179</b>
<b>Non-cash movements:</b>			
(Gain)/loss on disposal of non-current assets		(159,114)	(47,323)
SaaS adjustment	8.9.1	267,214	-
Depreciation and amortisation of non-current assets		585,602	618,419
		<u>6,104,373</u>	<u>1,001,275</u>
<b>Movements in assets and liabilities:</b>			
Decrease/(increase) in receivables		136,352	(176,065)
Decrease/(increase) in non-financial assets		(70,818)	173
(Decrease)/increase in payables		(91,920)	288,894
(Decrease)/increase in employee benefits		(140,202)	(247,709)
<b>Net cash flows from/(used in) operating activities</b>		<b><u>5,937,785</u></b>	<b><u>866,568</u></b>

**6.4 Commitments for expenditure**

Commitments for future expenditure include operating commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

**6.4.1 Total commitments payable**

	2022	2021
<b>Operating commitments payable</b>	<b>\$</b>	<b>\$</b>
Less than 1 year	13,453	13,064
1 to 5 years	-	-
5 years or more	-	-
<b>Total commitments (inclusive of GST)</b>	<b><u>13,453</u></b>	<b><u>13,064</u></b>

The 2020-21 and 2021-22 operating lease commitments relate to an office lease with a term of 12 months. The contract does not allow the Authority to purchase the facilities after the lease ends, but the Authority has the option to renew the lease at the end of the lease term. Short-term operating lease payments are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term. The leased asset is not recognised in the balance sheet.

## 6.5 Carry forward project funding

Catchment Management Authorities are responsible for the facilitation and coordination of catchments in an integrated and sustainable manner. This is achieved by undertaking projects funded by Victorian and Australian Government programs. The Authority received funding for specific projects which are guided by the Regional Catchment Strategy and delivered in line with the Authority's Corporate Plan approved by the Minister for Water.

The projects funded by the State and Commonwealth Governments can be undertaken over multiple financial years and is received at various stages of the project life based on contractual agreements. At the end of the financial year there are some projects that have not reached completion but will be completed within the contractual terms in future financial periods. At balance date the Authority has cash and cash equivalents that will be utilised to complete these projects in future financial years.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### Introduction

The Authority is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Authority relate mainly to fair value determination.

### Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

### 7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Authority's activities, certain financial assets and financial liabilities arise under statute rather than a contract, and as such, do not meet the definition of financial instruments.

#### Categories of financial instruments

Financial Assets are measured at amortised cost if they are held by the Authority to collect contractual cash flows, the contractual terms give rise to cash flows that are solely payments of principal and interest, and if they not designated as fair value through net result. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, these financial assets are measured at amortised cost using the effective interest method less any impairment. The financial assets at amortised cost category includes cash and deposits, and trade and other receivables (excluding statutory receivables and lease liabilities).

Financial liabilities at amortised cost are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. Financial instrument liabilities measured at amortised cost include all of the Authority's contractual payables (excluding statutory payables).

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

#### Contractual receivables at amortised cost

The Authority applies AASB 9 simplified approach for all contractual receivables to measure the expected credit losses using a lifetime expected loss allowance based on the assumptions about the risk of default and the expected loss rates. The Authority has grouped contractual receivables on shared credit risk characteristics and days past due, and select the credit loss rate based on the Authority's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

Under this approach, the expected loss rate for the year ending 30 June 2022 has been calculated at 0%, and as such no loss allowance has been recognised. The Authority has a low expected loss rate due to majority of funding sourced from State and Federal government.

On this basis, the Authority determines the closing loss allowance at the end of the financial year as follows:

	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
<b>30 June 2021</b>						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	80,657	163,241	-	1,100	4,000	248,999
<b>Loss Allowance</b>	-	-	-	-	-	-
<b>30 June 2022</b>						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	74,682	-	6,325	-	4,000	85,007
<b>Loss Allowance</b>	-	-	-	-	-	-

#### Statutory receivables at amortised cost

The Authority's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

## 7.1.2 Financial instruments: Categorisation

	Financial Assets at amortised cost \$	Financial Liabilities at amortised cost \$	Total \$
<b>2022</b>			
<b>Contractual financial assets</b>			
Cash and deposits	17,759,434	-	17,759,434
<i>Receivables: (i)</i>			
Trade receivables	81,007	-	81,007
Other receivables	4,000	-	4,000
<b>Total contractual financial assets</b>	<b>17,844,441</b>	<b>-</b>	<b>17,844,441</b>
<b>Contractual financial liabilities</b>			
<i>Payables: (i)</i>			
Trade payables	-	181,771	181,771
Accrued expenses	-	154,908	154,908
<i>Borrowings:</i>			
Lease Liabilities (ii)	-	468,926	468,926
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>805,605</b>	<b>805,605</b>

	Financial Assets at amortised cost \$	Financial Liabilities at amortised cost \$	Total \$
<b>2021</b>			
<b>Contractual financial assets</b>			
Cash and deposits	12,507,728	-	12,507,728
<i>Receivables: (i)</i>			
Trade receivables	244,999	-	244,999
Other receivables	4,000	-	4,000
<b>Total contractual financial assets</b>	<b>12,756,727</b>	<b>-</b>	<b>12,756,727</b>
<b>Contractual financial liabilities</b>			
<i>Payables: (i)</i>			
Trade payables	-	84,159	84,159
Accrued expenses	-	304,768	304,768
<i>Borrowings:</i>			
Lease Liabilities (ii)	-	740,112	740,112
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>1,129,039</b>	<b>1,129,039</b>

(i) The total amounts disclosed here exclude statutory amounts.

(ii) Lease Liabilities are measured using AASB 16 and have been included here for completeness of financial liability disclosures.

## 7.1.3 Financial risk management objectives and policies

The Authority's main financial risks include credit risk, liquidity risk and interest rate risk. The Authority manages these financial risks in accordance with its financial risk management policy.

The Authority uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the CEO and the Board.

**Financial instruments: Credit risk**

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Authority's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Authority. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Authority's contractual financial assets is minimal because the main debtors are the Victorian and Commonwealth Governments. For debtors other than the Government, the Authority has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate. For cash assets, the Authority's policy is to only deal with banks with a high credit rating assigned by international credit-rating agencies. All cash and deposits are held with the National Australia Bank and the Australia and New Zealand Bank.

The Authority records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Authority's contractual receivables and statutory receivables.

**Financial instruments: Liquidity risk**

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Authority operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The Authority maintains high levels of cash and deposits readily available to meet its financial obligations. The Authority manages its liquidity risk by maintaining adequate cash reserves and continually monitoring the Authority's expenditure commitments and cash flow needs.

**Financial instruments: Market risk**

The Authority's exposure to market risk is primarily through interest rate risk with significant surplus funds held in deposits at a call in the Central Banking System. The Authority has no exposure to foreign exchange risk or other price risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is required to invest surplus funds with the State Government Central Banking System (CBS) in compliance with the Standing Directions 2018 under the *Financial Management Act 1994* (2018 Directions). The floating interest rates provided by the Central Banking System expose the Authority to interest rate risk. Management monitors movements in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Authority's sensitivity to interest rate risk are set out in the table that follows.

**Interest rate exposure of financial instruments**

	Weighted average interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
			\$	\$	\$
<b>2022</b>					
<b>Financial assets</b>					
Cash and deposits	0.31	17,759,434	-	17,431,916	327,517
Contractual receivables		85,007	-	-	85,007
<b>Total financial assets</b>		<b>17,844,440</b>	<b>-</b>	<b>17,431,916</b>	<b>412,524</b>
<b>Financial liabilities</b>					
Contractual payables		336,679	-	-	336,679
Lease Liabilities		468,926	468,926	-	-
<b>Total financial liabilities</b>		<b>805,604</b>	<b>468,926</b>	<b>-</b>	<b>336,679</b>
<b>2021</b>					
<b>Financial assets</b>					
Cash and deposits	0.31	12,507,728	-	12,506,828	900
Contractual receivables		248,999	-	-	248,999
<b>Total financial assets</b>		<b>12,756,727</b>	<b>-</b>	<b>12,506,828</b>	<b>249,899</b>
<b>Financial liabilities</b>					
Contractual payables		388,927	-	-	388,927
Lease Liabilities		740,112	740,112	-	-
<b>Total financial liabilities</b>		<b>1,129,039</b>	<b>740,112</b>	<b>-</b>	<b>388,927</b>

**Interest rate risk sensitivity**

The sensitivity analysis below shows the impact on the Authority's net result and equity for a movement of 50 basis points up and down in market interest rates.

	Carrying amount \$	Interest rate			
		-50 basis points		+50 basis points	
		Net result \$	Revaluation surplus \$	Net result \$	Revaluation surplus \$
<b>2022</b>					
Cash and deposits (i)	17,759,434	(87,160)	-	87,160	-
<b>2021</b>					
Cash and deposits (i)	12,507,728	(62,534)	-	62,534	-

(i) Cash and deposits includes \$17,431,916 (2021: \$12,506,828) that is exposed to floating rates movements.

Sensitivities to these movements are calculated as follows:

- 2022: \$17,431,916 x -0.005 = -\$87,160; and \$12,506,828 x 0.005 = \$87,160
- 2021: \$12,507,828 x -0.005 = -\$62,534; and \$12,506,828 x 0.005 = \$62,534

**7.2 Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

	2022 \$	2021 \$
<b>Contingent assets</b>		
As at 30 June 2022, the Authority has no known contingent assets.	-	-
<b>Contingent liabilities</b>		
Guarantees for loans to other entities (i)	53,000	26,500

(i) The amount disclosed is the nominal amount of the underlying loan that is guaranteed by the Authority. The increase in the contingent liabilities in 2022 was due to the Authority changing the guarantees from the Australia and New Zealand Bank to the National Australia Bank, which was still in progress as at 30 June 2022. The Authority has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts at 30 June 2022.

**7.3 Fair value determination****Significant judgement: Fair value measurements of assets and liabilities**

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Authority.

The Authority's property, plant and equipment are carried at fair value.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

The Authority determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

**Fair value hierarchy**

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Authority determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 7.3.1 Fair value determination of financial assets and liabilities

The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022-23 reporting period.

These financial instruments include:

#### Financial assets

Cash and deposits

Receivables:

- Trade receivables
- Other receivables

#### Financial liabilities

Lease liabilities

Payables:

- Trade payables
- Accrued expenses

### 7.3.1 Fair value determination: Non-financial physical assets

#### Fair value measurement hierarchy

	Carrying amount as at 30 June 2022 \$	Fair Value measurement at end of reporting period using:		
		Level 1 (i) \$	Level 2 (i) \$	Level 3 (i) \$
Land at Fair Value				
Non-specialised land	374,000	-	374,000	-
Specialised land	88,000	-	-	88,000
<b>Total Land at Fair Value</b>	<b>462,000</b>	<b>-</b>	<b>374,000</b>	<b>88,000</b>
Buildings at Fair Value				
Non-specialised buildings	699,526	-	-	699,526
<b>Total Buildings at Fair Value</b>	<b>699,526</b>	<b>-</b>	<b>-</b>	<b>699,526</b>
Works assets at Fair Value				
Works assets	143,450	-	-	143,450
<b>Total Infrastructure at Fair Value</b>	<b>143,450</b>	<b>-</b>	<b>-</b>	<b>143,450</b>
Plant and equipment at Fair Value				
Plant and equipment	42,646	-	-	42,646
<b>Total Plant and equipment at Fair Value</b>	<b>42,646</b>	<b>-</b>	<b>-</b>	<b>42,646</b>
Office furniture and equipment at Fair Value				
Office furniture and equipment	120,931	-	-	120,931
<b>Total Office furniture and equipment at Fair Value</b>	<b>120,931</b>	<b>-</b>	<b>-</b>	<b>120,931</b>
Motor vehicles at Fair Value				
Motor vehicles	575,296	-	-	575,296
<b>Total Motor vehicles at Fair Value</b>	<b>575,296</b>	<b>-</b>	<b>-</b>	<b>575,296</b>

Note:

(i) Classified in accordance with the fair value hierarchy, see Note 7.3.

	Carrying amount as at 30 June 2021	Fair Value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Land at Fair Value				
Non-specialised land	374,000	-	374,000	-
Specialised land	88,000	-	-	88,000
<b>Total Land at Fair Value</b>	<b>462,000</b>	<b>-</b>	<b>374,000</b>	<b>88,000</b>
Buildings at Fair Value				
Non-specialised buildings	974,573	-	-	974,573
<b>Total Buildings at Fair Value</b>	<b>974,573</b>	<b>-</b>	<b>-</b>	<b>974,573</b>
Works assets at Fair Value				
Works assets	151,000	-	-	151,000
<b>Total Infrastructure at Fair Value</b>	<b>151,000</b>	<b>-</b>	<b>-</b>	<b>151,000</b>
Plant and equipment at Fair Value				
Plant and equipment	11,014	-	-	11,014
<b>Total Plant and equipment at Fair Value</b>	<b>11,014</b>	<b>-</b>	<b>-</b>	<b>11,014</b>
Office furniture and equipment at Fair Value				
Office furniture and equipment	105,206	-	-	105,206
<b>Total Office furniture and equipment at Fair Value</b>	<b>105,206</b>	<b>-</b>	<b>-</b>	<b>105,206</b>
Motor vehicles at Fair Value				
Motor vehicles	347,798	-	-	347,798
<b>Total Motor vehicles at Fair Value</b>	<b>347,798</b>	<b>-</b>	<b>-</b>	<b>347,798</b>

There have been no transfers between levels during the period.

#### Non-specialised land & non-specialised buildings

Non-specialised land are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value, and are classified as Level 2 fair value measurements.

For the Authority's non-specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, non-specialised buildings are classified as Level 3 fair value measurements.

Right-of-use non-specialised buildings are valued as per the requirements of AASB 16 *Leases*. This is detailed further in Note 6.2.

For non-specialised land and non-specialised buildings (excluding right-of use-assets), an independent valuation was performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre was applied to the subject asset. The effective date of the valuation was 30 June 2021.

*Significant valuation uncertainty*

The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

**Specialised land**

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs in nature, specialised land would be classified as Level 3 assets.

An independent valuation of the Authority's specialised land was performed by the Valuer-General Victoria using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2021.

*Significant valuation uncertainty*

The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

**Works assets**

Works assets represent an owned Quarry, which is valued using the current replacement cost method.

An independent valuation of the Authority's works assets was performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach, with an effective date of 30 June 2021. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre was applied to the subject asset.

*Significant valuation uncertainty*

The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

**Motor vehicles**

Motor vehicles are valued using the current replacement cost method. The Authority acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Authority who set relevant depreciation rates during use to reflect the utilisation of the motor vehicles.

**Plant and equipment and Office furniture and equipment**

Plant and equipment and office furniture and equipment is held at fair value. When plant and equipment or office furniture and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2022.

For all assets measured at fair value, the current use is considered the highest and best use.

## Reconciliation of Level 3 fair value movements

	Specialised Land	Non- specialised buildings	Works assets	Plant and equipment	Office furniture and equipment	Motor vehicles
	\$	\$	\$	\$	\$	\$
<b>2021-22</b>						
<b>Opening Balance</b>	<b>88,000</b>	<b>974,574</b>	<b>151,000</b>	<b>11,014</b>	<b>105,206</b>	<b>347,798</b>
Purchases (sales)	-	-	-	35,528	70,635	465,897
ROU adjustment	-	1,947	-	-	-	-
Depreciation	-	(276,994)	(7,550)	(3,896)	(54,910)	(238,399)
<b>Subtotal</b>	<b>88,000</b>	<b>699,527</b>	<b>143,450</b>	<b>42,646</b>	<b>120,931</b>	<b>575,296</b>
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>88,000</b>	<b>699,527</b>	<b>143,450</b>	<b>42,646</b>	<b>120,931</b>	<b>575,296</b>
<b>2020-21</b>						
<b>Opening Balance</b>	<b>78,000</b>	<b>1,238,534</b>	<b>120,799</b>	<b>14,012</b>	<b>127,662</b>	<b>652,022</b>
Purchases (sales)	-	-	-	-	37,981	(49,504)
ROU adjustment	-	(2,158)	-	-	-	-
Transfers in (out) of Level 3	-	-	-	-	-	-
Depreciation	-	(276,802)	(7,550)	(2,997)	(60,436)	(254,721)
<b>Subtotal</b>	<b>78,000</b>	<b>959,574</b>	<b>113,249</b>	<b>11,014</b>	<b>105,206</b>	<b>347,797</b>
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	10,000	15,000	37,750	-	-	-
<b>Subtotal</b>	<b>10,000</b>	<b>15,000</b>	<b>37,750</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>88,000</b>	<b>974,574</b>	<b>151,000</b>	<b>11,014</b>	<b>105,206</b>	<b>347,798</b>

## Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
<b>Specialised land</b>	Market approach	Community Service Obligation (CSO) adjustment
<b>Non-specialised buildings</b>	Current replacement cost	Direct cost per square metre Useful life of non-specialised buildings
<b>Works assets</b>	Current replacement cost	Direct cost per square metre Useful life of quarry
<b>Plant and equipment</b>	Current replacement cost	Cost per unit Useful life of plant and equipment
<b>Office furniture and equipment</b>	Current replacement cost	Cost per unit Useful life of office furniture and equipment
<b>Motor vehicles</b>	Current replacement cost	Cost per unit Useful life of vehicles

## 8. OTHER DISCLOSURES

### Introduction

This section provides additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

### Structure

- 8.1 Ex-gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Reserves
- 8.4 Responsible persons
- 8.5 Remuneration of executive officers
- 8.6 Related parties
- 8.7 Remuneration of auditors
- 8.8 Subsequent events
- 8.9 Change in accounting policies
- 8.10 Australian Accounting Standards issued that are not yet effective

### 8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

The Authority had no ex gratia expenses for the year ending 30 June 2022 (2021 \$0).

### 8.2 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

	2022	2021
	\$	\$
<b>Net gain/(loss) on disposal of non-financial assets</b>		
Proceeds from sale of non-financial assets	178,937	99,134
Less written down value	(19,823)	(51,811)
<b>Total net gain/(loss) on disposal of non-financial assets</b>	<u><u>159,114</u></u>	<u><u>47,323</u></u>

### 8.3 Reserves

	2022	2021
	\$	\$
<b>Physical asset revaluation surplus: (i)</b>		
Balance at beginning of financial year	494,109	395,359
Revaluation increments	-	98,750
<b>Balance at end of financial year</b>	<u><u>494,109</u></u>	<u><u>494,109</u></u>
<b>Committed funds reserve: (ii)</b>		
Balance at beginning of financial year	3,102,988	2,672,809
Net transfers from accumulated funds	5,410,670	430,179
<b>Balance at end of financial year</b>	<u><u>8,513,659</u></u>	<u><u>3,102,988</u></u>
<b>Total Reserves</b>	<u><u>9,007,768</u></u>	<u><u>3,597,097</u></u>

Notes:

- (i) The physical assets revaluation surplus arises on the revaluation of land and buildings and works assets.
- (ii) The Committed funds reserve has been established to recognise that the Authority receives funding for programs in advance of the program works taking place. The Authority is committed to expending these funds in accordance with its Corporate Plan in succeeding years. At the end of the financial year any Accumulated Funds which represents unexpended program funding, has been transferred to the reserve.

## 8.4 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

The names of the persons who were responsible persons of the Authority at any time during the financial year were:

The Hon. Lisa Neville, MP	Minister for Water	01 Jun 2021 to 27 Jun 2022
The Hon. Harriet Shing, MP	Minister for Water	27 Jun 2022 to 30 Jun 2022
The Hon. Richard Wynne, MP	Acting Minister for Water	01 Jul 2021 to 22 Aug 2021
The Hon. Liliansa D'Ambrosio, MP	Minister for Energy, Environment and Climate Change	01 Jul 2021 to 30 Jun 2022
Mikaela Power	Chair	01 Oct 2021 to 30 Jun 2022
	Board Member & Deputy Chair	01 Jul 2021 to 30 Sep 2021
Peter Jennings	Chair	01 Jul 2021 to 30 Sep 2021
	Board Member	01 Oct 2021 to 30 Jun 2022
Belinda Nave	Board Member & Deputy Chair	15 Dec 2021 to 30 Jun 2022
	Board Member	01 Jul 2021 to 14 Dec 2021
Martin Fuller	CEO	01 Jul 2021 to 30 Jun 2022
Evelyn Hildebrandt	Board Member	01 Jul 2021 to 30 Sep 2021
Jodie Mason	Board Member	01 Jul 2021 to 30 Jun 2022
Shelley McGuinness	Board Member	01 Jul 2021 to 30 Jun 2022
Nicholas Murray	Board Member	01 Jul 2021 to 30 Jun 2022
Elizabeth Clay	Board Member	01 Jul 2021 to 30 Jun 2022
Susan Anderson	Board Member	01 Oct 2021 to 30 Jun 2022
Brian Stevens	Board Member	01 Oct 2021 to 30 Jun 2022

### Remuneration

Remuneration received or receivable from the Authority in connection with the management of the Authority during the reporting period was:

Income band	2022	2021
\$0-\$9,999	1	0
\$10,000-\$19,999	7	7
\$20,000-\$29,999	2	1
\$220,000-\$229,999	0	0
\$230,000-\$239,999	1	1
<b>Total number of Responsible persons</b>	<b>11</b>	<b>9</b>
<b>Total Remuneration \$</b>	<b>390,791</b>	<b>371,198</b>

The compensation detailed above excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

## 8.5 Remuneration of executive officers

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

The Authority did not have any executive officers, other than the CEO, to whom the Victorian Government's Public Entity Executive Remuneration (PEER) Policy applies. The CEO is an accountable officer and therefore disclosed under Note 8.4.

Remuneration (i)	2022 (ii)	2021
	\$	\$
Short-term employee benefits	-	433,271
Post-employment benefits	-	40,747
Termination benefits	-	95,251
<b>Total remuneration</b>	<b>-</b>	<b>569,269</b>
<b>Total number of executives (ii)</b>	<b>-</b>	<b>4</b>
<b>Total annualised employee equivalents (iii)</b>	<b>-</b>	<b>3.6</b>

Notes:

- (i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are reported within the related parties note disclosure (Note 8.6)
- (ii) In the previous period, the Executive Officers disclosed included senior managers that held contracts under the previous Victorian Public Sector Commission's (VPSC) Government Sector Executive Remuneration Panel (GSERP). With the commencement of the Victorian PEER contracts in the 2020 reporting year, the senior managers no longer meet the PEER policy definition and are no longer reported as Executive officers in 2022.
- (iii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

## 8.6 Related parties

Related parties of the Authority include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

### Significant transactions with government-related entities

WGCMA is a wholly owned and controlled entity of the state of Victoria. During the 2022 financial year, the Authority received significant funding from the following government-related entities:

Entity	Nature of Transaction/s	Payments received 2022	Funding Receivable at 30 June 2022
		\$	\$
Department of Environment, Land, Water and Planning	Service Level Agreements and Lease Agreement	14,996,709	-
East Gippsland Catchment Management Authority	Service Level Agreements and Shared Services	476,824	-

The Authority received significant funding from the following government-related entities for the year ending 30 June 2021:

Entity	Nature of Transaction/s	Payments received 2021	Funding Receivable at 30 June 2021
		\$	\$
Department of Environment, Land, Water and Planning	Service Level Agreements and Lease Agreement	8,589,018	-
East Gippsland Catchment Management Authority	Service Level Agreements and Shared Services	574,000	66,000

During the 2022 financial year, the Authority made significant payments to the following government-related entities:

Entity	Nature of Transaction/s	Payments made 2022	Payable at 30 June 2022
		\$	\$
Trust for Nature (Victoria)	Service Supply Agreement	178,925	-
Department of Environment, Land, Water and Planning	Reimbursement of expenditure and Service Supply Agreements	163,421	29,684
Goulburn Broken Catchment Management Authority	Reimbursement of expenditure	111,955	-
Department of Jobs, Precincts and Regions	Reimbursement of expenditure and Service Supply Agreements	100,000	-

During the 2021 financial year, the Authority made significant payments to the following government-related entities:

Entity	Nature of Transaction/s	Payments made 2021 \$	Payable at 30 June 2021 \$
Trust for Nature (Victoria)	Service Supply Agreement	203,406	-
Goulburn Broken Catchment Management Authority	Reimbursement of expenditure	140,877	77,733
Department of Environment, Land, Water and Planning	Reimbursement of expenditure and Service Supply Agreements	121,205	-

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Compensation of KMPs	2022 \$	2021 \$
Short-term employee benefits	356,017	772,467
Post-employment benefits	34,774	72,749
Other long-term benefits	-	-
Termination benefits	-	95,251
Share-based payments	-	-
<b>Total</b>	<b>390,791</b>	<b>940,466</b>

There were no significant related party transactions or balances that involved key management personnel, their close family members and their personal business interest.

## 8.7 Remuneration of auditors

	2022 \$	2021 \$
Victorian Auditor-General's Office for audit of financial statements	26,000	25,600
Internal audit costs	24,440	23,985
<b>Total auditors' remuneration</b>	<b>50,440</b>	<b>49,585</b>

## 8.8 Subsequent events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the authority, the results of those operations, or the state of affairs of the authority in future financial years.

The continuing COVID-19 Health Pandemic is not expected to significantly affect the operations, the results of those operations, or the state of affairs of the Authority in future financial years.

## 8.9 Change in accounting policies

### 8.9.1 Initial Application of the International Finance Reporting Standards Interpretations Committee (IFRS) Agenda Decisions

#### Software-as-a-Service (SaaS) arrangements

The international Finance Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Authority's accounting policy has historically been to capitalise all costs related to SaaS arrangements as intangible assets in the Balance Sheet. The adoption of the above agenda decisions has resulted in a reclassification of intangible assets to the recognition as an expense in the Comprehensive Operating Statement, impacting both the current and prior periods presented.

**Impact of Change in Accounting Policy**

The impact of this change has been applied in 2021-22, as it was not considered material to restate the comparative figures.

As a result, \$267,214 in costs previously capitalised and appearing on the Authority's balance sheet have been expensed in the 2021-22 financial year.

**8.10 Australian Accounting Standards issued that are not yet effective**

Certain new and revised accounting standards have been issued but are not effective for the 2021-22 reporting period. These accounting standards have not been applied to the Financial Statements. The Authority is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

**AASB 17 Insurance Contracts**

The operative date of this standard has been deferred by AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts* to reporting periods beginning on or after 1 January 2023 and will supersede AASB 4 *Insurance Contracts*. AASB 17 seeks to eliminate inconsistencies and weakness in existing practices by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard also provides requirements for presentation and disclosure to enhance comparability between entities.

The Australian Accounting Standards Board has currently issued an Exposure Draft (ED) 319 – *Insurance Contracts in the Public Sector*, proposing public-sector modifications to AASB 17 to facilitate the application by public sector entities. It is proposed that public sector entities would apply AASB 17 to annual periods beginning or after 1 July 2025, with earlier application permitted.

The Authority is in the process of analysing the impacts of these Standard. However, it is not anticipated to have a material impact. The Authority will not early adopt the Standard.

**AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current**

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.

The Authority is in the process of analysing the impacts of these Standard. However, it is not anticipated to have a material impact. The Authority will not early adopt the Standard.

**Other Amending Standards**

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Authority's reporting.

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*.
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates*.
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*.
- AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Board of the West Gippsland Catchment Management Authority

<b>Opinion</b>	<p>I have audited the financial report of the West Gippsland Catchment Management Authority (the authority) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2022</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 the 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 the 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 authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board'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 authority'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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority 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.

I communicate with the Board regarding, 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 my audit.

MELBOURNE  
24 November 2022



Paul Martin  
*as delegate for the Auditor-General of Victoria*

## Appendix 1 - Disclosure index

West Gippsland Catchment Management Authority's Annual Report 2021-22 is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to help identify compliance with each of the statutory disclosure requirements.

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“We commit to working respectfully and supportively with and for our staff, our communities and the environment. Our ethics are based on integrity, fairness and credibility. This forms the basis for how we at West Gippsland Catchment Management Authority approach all our work.”



*Cover images:*

*Front cover: Strzelecki Ranges*

*Inside front cover: Coopers Creek Rainforest*

*Inside back cover: Vulnerable Hooded Plovers*

*Back Cover: Kayaking on the Powlett River/Kugerungmome*



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