




Annual Report

2020-21





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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Overview of the report

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 2021.

Peter Jennings

Chairperson

West Gippsland Catchment Management Authority
27 September 2021

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 2020-21:

- we fenced more than **23** kilometres of priority waterways
- completed **103** hectares of revegetation
- removed almost **141** hectares of willows
- completed over **731** hectares of weed control
- stabilised riverbeds and banks at **three significant** sites.

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.

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 every six months with both Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and Bunurong Land Council Aboriginal Corporation (BLCAC) to develop and plan projects as well as monitor their implementation. Throughout the year we worked closely with both GLaWAC and BLCAC to develop and plan our Environmental Contribution 5 (EC5) Program. These bids will enable our work together to continue to grow.

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

Regional Landcare events

A range of successful Landcare 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 networks turned to webinars and Zoom meetings to keep Landcare connected and inspired in the region.

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. Three Landcare and Traditional Owner sessions were held in the lead up to National Reconciliation Week in May, which more than 60 people attended.

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 2020-21, 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 2020-21, over 30,000 hectares were inspected which resulted in 367 hectares of Spartina treated in Corner Inlet and over 150 hectares of weeds controlled in our Alpine areas. Through our National Landcare Program, we continued the important partnership with GLaWAC with On Country work in Corner Inlet and Alpine areas.

Sustainable Irrigation Program

This year saw the wrap up of four years of funding under the State Government funded Sustainable Irrigation Program (SIP). Over the four years, more than 8,000 hectares of land was reviewed under the irrigation farm plan process. This equates to around one fifth of the total area of the Macalister Irrigation District and is the basis for future innovation, investment and productivity. A further 3,500 hectares of improved irrigation through the on-farm incentives part of the program was also delivered.

The investment in new and more efficient irrigation systems has seen around 7,000 megalitres in water savings over the life of the program, annually valued at around \$1.4 million per year. More information about the success of the four-year SIP program can be found on page 39 of this report.

Newry Pipeline Partnership

The construction of new irrigation infrastructure by Southern Rural Water (SRW) for its customers in the Newry area saw a partnership between SRW and West Gippsland Catchment Management Authority (WGCMA) to deliver Irrigation Farm Plans (IFP) to the 30 customers affected. The partnership saw a range of communication strategies developed to ensure the target group, consisting mainly of dairy farmers, was aware of both the construction and the opportunity to develop IFPs. The construction, in line with IFPs, has the potential for significant water and time savings for the farm business and positive flow on effects for local waterways and the Gippsland Lakes.



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, creating a buffer between waterways and adjacent farmland.

The project also includes restoring 12 hectares of Broadleaf Seagrass (*Posidonia australis*) habitat in Corner Inlet. The project is working with recreational fishers and local farmers in an integrated approach to catchment management. This was the first year of the project and more information can be found on page 43 of this report.

Water for the environment

Water for the environment is an important part of improving the health of rivers and wetlands in Gippsland. This year, 35,270 megalitres 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 2020-21, 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.

Regional Catchment Strategy renewal

This has been an important year in the development of the next iteration of the Regional Catchment Strategy (RCS). The RCS 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 has been 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 focus online workshops.

The RCS will see the region covered by eight landscape areas (Bunurong Coast, Cornet 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, DEWLP Agricultural Victoria, Local Government, Trust for Nature, VRFish, Landcare, HVP Plantations, GLaWAC, Greening Australia, and WGCMA.

Challenges

Coronavirus (COVID-19) impacts and restrictions

One of the major, and ongoing, challenges of 2020-21 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 all 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.

Delays to state budgets caused by COVID-19 challenges led to the EC5 Program being delayed to 1 July 2021. This delay has led to an overall reduction in on-ground delivery for 2020-21. We did, however, receive some funding through the Supply Services Bill to enable critical functions and some projects to continue.

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 currently still assessing damage to waterways but are expecting a significant amount of repair work will be required. 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 50.

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 suggesting 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 Natural Resource Management (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

The closure of the Hazelwood power station, along with an evolving timber industry, will present some unique challenges in relation to land and water management in the years to come. 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.

Climate change

Climate change needs to be embedded and consolidated in our NRM planning and in impact scenario planning. This will be particularly pertinent to coastal inundation, extreme events, and water availability.

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

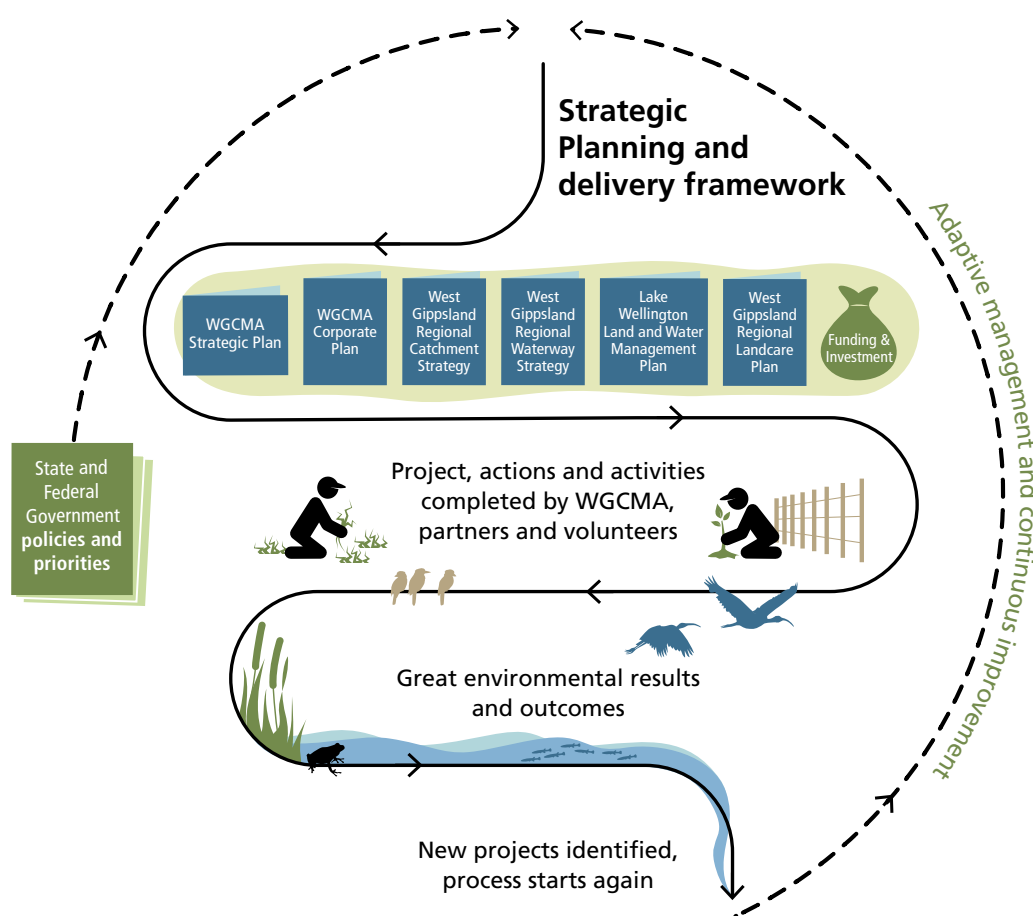


Table 1 (on page 8) is a summary of the key initiatives and projects delivered in 2020-21.

This year, we implemented the final year of the four-year Victorian Water Program Investment (EC4) funding agreement. The percentage complete for these projects is based upon the annual progress toward the overall four-year program. Due to COVID-19 restrictions, all EC4 project final completion end dates were extended until 31 December 2020. All projects have been completed in line with contractual obligations.

EC4 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 third 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 2020-21

Funding source	Project Name	Percentage complete
Australian Government funding	NLP Regional Land Partnerships (five-year project) – Corner Inlet Connections	60
	NLP Regional Land Partnerships (five-year project) – Alpine Peatlands	60
	NLP Regional Land Partnerships (five-year project) – Sustainable Agriculture	60
	NLP Regional Land Partnerships (five-year project) – Core Services	60
	Corner Inlet Posidonia Partnerships	15
Victorian Water Program Investment Framework (extended until Dec 31, 2020)	WGCMA Statutory Functions	100
	Caretaker of Waterway Health	100
	Waterway Works – Corner Inlet	100
	Waterway Works – Gippsland Lakes and Tributaries	100
	Waterway Works – Other Priority Waterways	100
	WGCMA Strategic Floodplain Management	100
	Rivers 2040 Evaluation Trial Thomson River	100
	West Gippsland Our Catchments	100
	Managing Environmental Water	100
	Thomson River Fish Passage	100
	Community Engagement for Environmental Water	100
Sustainable Irrigation in WGCMA	100	
Gippsland Lakes Coordinating Committee 2018	Dirty Rivers – reducing sediment to Lake Wellington	100
	CORE 4 – keeping nutrients on farm in Lake Wellington Catchment	100
	Protecting, enhancing, and managing the fringing wetlands of Lake Wellington	100
Other state-based funding	Biodiversity Response Planning: Bunurong Fox and Rabbit Control	90
	Biodiversity Response Planning: Dutson Downs	90
	Regional Landcare Coordination in West Gippsland	100
	Victorian Landcare Grants in WGCMA 2019-20	100
	Improving Ramsar Site Management – Corner Inlet	100
	Corner Inlet Ramsar Effectiveness Monitoring Program	100

Table 2: Outputs achieved in 2020-21

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



Summary of financial results

In 2020-21, the Authority achieved a net result from transactions of \$0.4 million, \$1.8 million higher than in 2019-20.

Whilst income from government increased from 2019-20 levels, total income from transactions has fallen due to a reduction in:

- Interest income, as a result of falling interest rates.
- Partnership contributions, as the Authority is no longer the contract holder for the shared business systems across several other Catchment Management Authorities.

Total expenditure from transactions in 2020-21 also decreased from prior year levels, which can be attributed to the combination of a number of factors:

- COVID-19 restrictions.
- The delay to the State Government budget announcement.
- A new funding cycle commencing during the 2020-21 financial year.

Overall, the net result of \$.43 million in 2020-21 increased from the \$1.31 million deficit in 2019-20.

In 2020-21 the total net assets of \$15.1 million increased from \$14.8 million in 2019-20 due to increase an increase in current assets, being cash and receivables, which was slightly offset by a reduction in the value of the motor vehicle fleet due to a reduction in fleet numbers.

The reduction in total liabilities from \$3.1 million in 2019-20 to \$2.9 million in 2020-21 was due to a decrease in the value of employee leave provisions and lease liabilities, partially offset by an increase in payables at 30 June.

Table 3: Five-year financial summary

Five-year financial summary	2020-21	2019-20	2018-19	2017-18	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from government	9,323	8,763	8,565	9,871	10,951
Total income from transactions	10,898	11,083	11,406	12,385	13,547
Total expenses from transactions	10,515	12,456	13,656	12,545	11,443
Net result from transactions	383	(1,373)	(2,250)	(160)	2,104
Net result for the period	430	(1,309)	(2,161)	(41)	2,121
Net cash flow from operating activities	867	(904)	(1,388)	395	2,425
Total assets	15,194	14,889	13,073	17,188	17,032
Total liabilities	2,886	3,110	2,325	1,954	1,757

Chair and CEO report

This financial year closes at a time that is likely to be remembered as a turning point in history. We do not yet understand the long-term impact of COVID-19, but we do know it will have a profound impact. Additionally, in mid-June, a significant storm hit Gippsland causing widespread wind and flood damage.

Despite obvious and ongoing challenges, the West Gippsland Catchment Management Authority completed its 24th year as a stable, mature, and efficient organisation in one of Australia's most diverse natural resource regions. Together with our partners, we continue to achieve meaningful results for our environment. We are an efficient and adaptive organisation which allows us to quickly plan and implement programs that improve and protect the region's wonderful natural assets.

We are proud of our efforts to adapt to COVID-19 and our ability as a responsive and agile entity has been evident. Working with government we have successfully transitioned our workforce and practices to address the risks posed by the unique circumstances.

Whilst adapting to COVID-19 challenges was difficult, there have been positive changes to how we work and support our workforce. We will embed these improvements and learnings in our everyday work. As a catchment management authority, we are committed to applying an integrated approach to environmental protection and restoration. Achievements during challenging times confirm that this approach is a strong factor in achieving success.

Governance and support

The value of good strategy was once again reinforced. 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 92% of the work outlined in the Plan.

A constant feature of our approach has been the engagement of energetic local people and organisations that take action, which helps ensure that 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, but we remain conscious of our need to be nimble and adaptive. This year our partners have again expanded 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 meet our statutory obligations.

Operating environment

Climatic conditions in the region continue to be variable. The past year saw a return to more traditional climatic 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 and, as such, 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. We continue to work with government to understand the impacts as well as manage any changes that do arise that may impact on our waterways.



Ongoing efforts to build resilience

The value of building connectivity into systems through measures such as fishways is beginning to pay dividends. The Thomson Fishway at Horseshoe Bend is now helping support the results of environmental flows releases from the Thomson dam. This year, monitoring showed migratory fish species both below and above the fishway. This is a very exciting and important result given it was one of our major projects. Despite being impacted by the June flood event, flood recovery funding has been sought and work is scheduled to bring it back online in time for spring environmental water releases.

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 in demonstration of 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 state-wide commitment of \$222 million over four years for waterway health and integrated catchment management. We are looking forward to further delivery of funds committed through the Environmental Contribution Level Tranche 5 (EC5).

Notable outputs delivered throughout the year include:

- Over 30,000 hectares of area inspected and weeds treated to protect environmental assets.
- Over 202 hectares of vegetation enhancement and protection to support biodiversity and river health outcomes.
- More than 3,986 hectares of land set to benefit from the completion of whole farm plans, irrigation farm plans and soil erosion management plans.
- 1,221 megalitres of on-farm water-saving measures to improve farm productivity and the environment.
- The completion of our annual Spartina control program in Corner Inlet and Anderson Inlet, where over 367 hectares of spartina were treated and 36,774 hectares of surveillance work was completed.

A key function is our role in providing statutory services and advice. In the last financial year, we processed 957 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.

The West Gippsland Catchment Partnership meets regularly through one major regional forum being the Gippsland Environmental Agencies (GEA). These forums enable agencies to discuss opportunities for strategic collaboration and priority setting. Areas of focus include progressing women in leadership roles, coordinated delivery of initiatives 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 are committed to working together towards shared objectives and mutual opportunities that meet our respective goals.

One of our key and well-established partnerships, is our relationship with Traditional Owners which 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 the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) is now strongly embedded in our planning and delivery activities. Our relationship with the Bunurong Land Council Aboriginal Corporation (BLCAC) continues to grow.

Our relationship with Landcare remains strong as we support staff, groups and networks in their quest to improve catchment health at a local level. We continue our long-term commitment to provide material and administrative support for Landcare across the region. Following a review in 2019 of our long-standing advisory group structure, we redesigned our approach and have now established a Community Engagement Network. This new format is allowing us to involve more community members and provide a wider selection of experiences and views. We expect this will be vital as we renew the Regional Catchment Management Strategy during 2021.

At a state level, it is fulfilling to be part of a maturing industry. This year saw Vic Catchments continue to bed down and work together effectively. Having ten CMAs working together in a coordinated and focused manner adds great value and drives many efficiencies through shared knowledge and action.

Exciting partnership opportunities lie ahead. Building on many years of discussion and learning, alternative land management options for estuary management at the Powlett River are gathering momentum. We have been working with local landholders, Parks Victoria, Landcare, DELWP, BLCAC and Bass Coast Shire Council to investigate options for a more balanced approach to managing the estuary. Acknowledged as a significant environmental location with the potential to link and augment the Yallock-Bulluk 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 significant progress on this in the coming years.

Looking forward

Looking ahead, 2021-22 will be a challenging year as we work with government and our partners to address the impacts of the June 2021 storm event. We will also further adjust, adapt, and recover from COVID-19. Despite this, 2021-22 and beyond will be an exciting time for natural resource management with the continued delivery of key state policies related to catchment management, water, and biodiversity. We look forward to assisting in the delivery of the next iteration of the Environmental Contribution Levy programs and have worked closely with many partners in the NRM industry to bring these programs to life. 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.

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 done in previous years. It is fulfilling to see this work well underway 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.

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 twelve months. We look forward to working with you all on the challenges ahead.



Peter Jennings OAM (Chair)



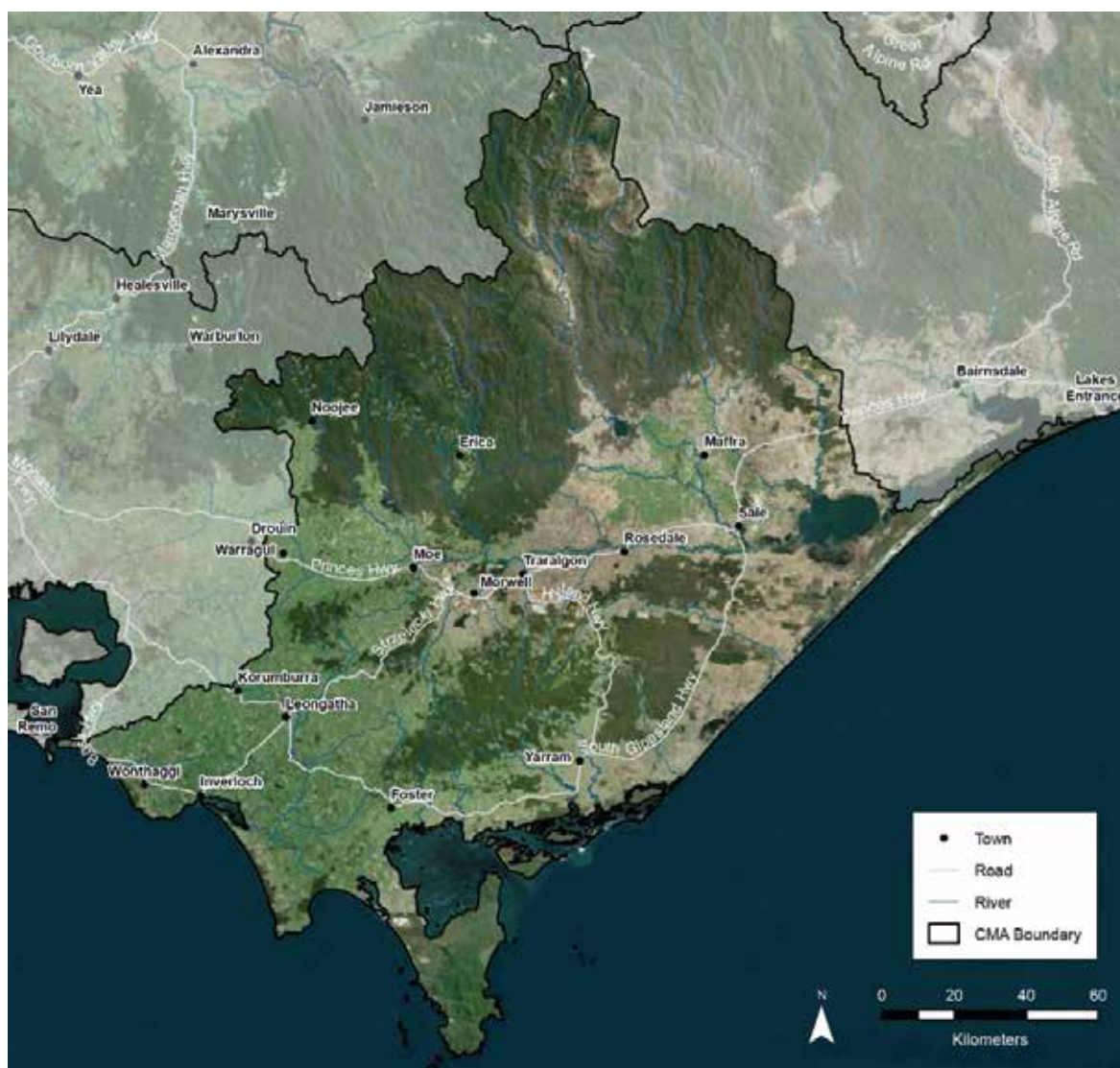
Martin Fuller (CEO)



About the West Gippsland region

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

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 8% 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 Wilsons Promontory, up to Mount Baw Baw and across a large part of East Gippsland.

Tribes of the Gunaikurnai include the Brataulung in South Gippsland, the Brabiralung and Braiakaulung in Central Gippsland, and the Tatungalung around the Gippsland Lakes.

Kulin Country extends westwards from Gunaikurnai Country and includes Bunurong in the southwest and the Wurundjeri and Taungurong 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 over 90% of the state's electricity and gas, almost 60% of the 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.



Catchment reporting

The Department of Environment, Land, Water and Planning (DELWP) and ten Victorian catchment management authorities (CMAs) have worked together to develop a framework for annual catchment condition reporting. The state-wide framework includes a set of agreed catchment condition indicators and aims to provide a more consistent approach across Victoria. We adopted the framework for reporting from 2016-17 onward.

This year's report provides a high-level assessment of the condition of waterways, biodiversity, land, coast, and community within our region. It is based on the best available data, expert advice and evidence gathered by us and our partners throughout the year. A summary of the catchment condition assessment is provided below for each of the five themes.

It is important to recognise that overall catchment condition changes very slowly over time and catchment-wide assessments are usually only available at irregular and widely spaced intervals.

Table 4: Catchment condition assessment summary











Theme	Previous 3-year Assessment	Annual Assessment	Summary Condition Assessment 2020-21
Waterways			<p>There have been variable climatic conditions over the past three years, with an increase in annual rainfall and river inflows experienced this year.</p> <p>Moderate and major flooding events occurred in parts of the region in June 2021. Whilst there were localised challenges this year, this does not increase concern about the future of managing waterways.</p> <p>Monitoring data is showing good fish migratory and recruitment numbers.</p> <p>Secure investment in waterway health through the Victorian Government's Environmental Contribution Levy funding program and cohesive coordination arrangements for the Gippsland Lakes and Corner Inlet is critical for the management of waterways in West Gippsland.</p>
Land			<p>This was a wetter than average year with a significant flood event and erosion, however there were no major fires or pest outbreaks throughout the past three years that might have long-term consequences.</p> <p>The annual percentage of exposed soil in the region has remained relatively low for the past three years at below 10%.</p> <p>Sustainable-agriculture-focused programs have had excellent participation rates and there has been an increase in area covered by landholder agreements, management plans, and land under formal covenants.</p> <p>A continuing trend towards large scale horticulture and urban expansion may result in increased soil exposure and runoff.</p>

Table 4: Catchment condition assessment summary continued

Theme	Previous 3-year Assessment	Annual Assessment	Summary Condition Assessment 2020-21
Biodiversity			<p>Although there was major and moderate flooding in June 2021 throughout the region, climatic conditions were largely favourable for vegetation establishment and growth throughout the year. There have not been any extreme bushfire events throughout the past three years that might have longer-term consequences.</p> <p>Latest modelling shows that the average percentage of woody tree cover across the region between 2000-20 is around 39%. Modelled tree cover was above average in 2020 at 46%.</p> <p>Discovery of two new sites with resident Growling Grass Frogs in the Gippsland Lakes area is promising.</p> <p>A condition assessment of the chain of ponds waterways found that the Providence Ponds and Perry River catchment contains the most extensive occurrences of Wet Verge Herbland known in Victoria. An assessment of aquatic life undertaken in 2021 has found that the ponds support listed threatened species of fish, including Flinders Pygmy Perch.</p> <p>Overall, supporting ecosystems appear stable, or in a slow decline, and there are still pressures on native ecosystems from a range of threats including pest animals and urban development.</p>
Coasts			<p>The continuing demand for urban expansion along the coast places pressure on coastal habitats that are not protected within formal parks and reserves.</p> <p>An increase in coastal erosion has been observed during the last three years.</p> <p>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.</p> <p>Monitoring and management of pest plants and animals in the coastal and marine environments are generating positive results.</p> <p>An improvement in estuary closure management and partnerships with stakeholders over the past year has resulted in no coastal urban inundation.</p>
Community			<p>Participation in on-ground works increased this year.</p> <p>COVID-19 restrictions impacted the ability of delivery of face-to-face community engagement events this year.</p>

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 above the long-term (20 years) observed average during 2020 and an average number of hot days (above 35°C). The region received higher than average rainfall and water runoff resulting in increased river inflows. Moderate and major flood events occurred in parts of the region during June 2021. No major bushfires impacted the region this financial year.

Rainfall

The average precipitation recorded for the region from 2000-2020 is 834 millimetres per year. Research conducted by the Australian National University indicates that the total annual rainfall observed in the West Gippsland region in 2020 was 991 millimetres, which is above the long-term recorded average. Whilst there is variability across the region, and from year to year, the long-term trend is showing a relatively minimal increase in total annual rainfall over time (Figure 3). Regionwide annual rainfall has been highly variable as seen in the decile ranges (Figure 2).

Figure 2: Victorian rainfall deciles – 1 July 2020 to 30 June 2021, Australian Gridded Climate Data

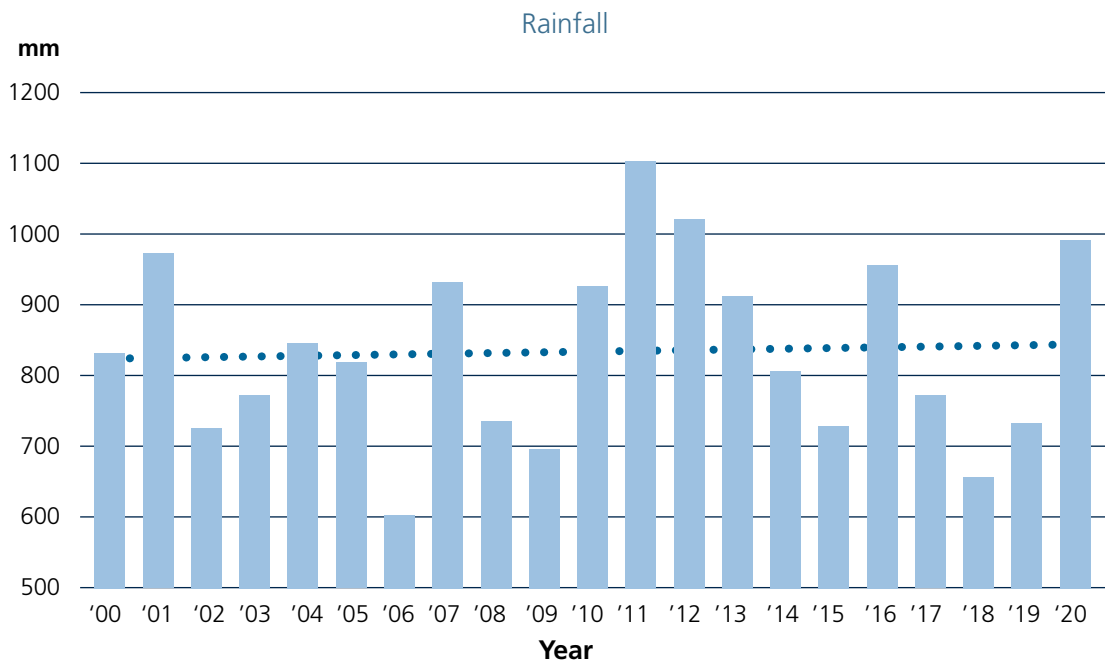
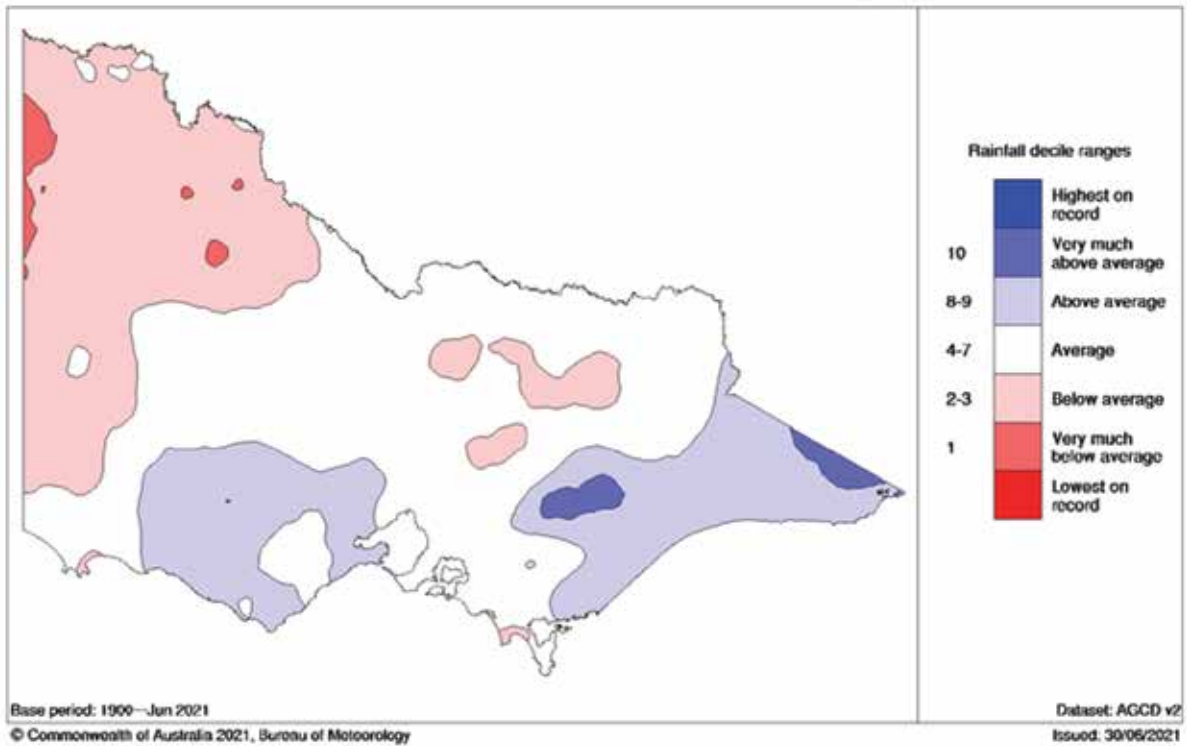


Figure 3: Total annual rainfall in West Gippsland region

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 was above average and the number of days above 35°C was about average. The long-term trend is showing a gradual increase in maximum temperature and number of hot days observed over time.

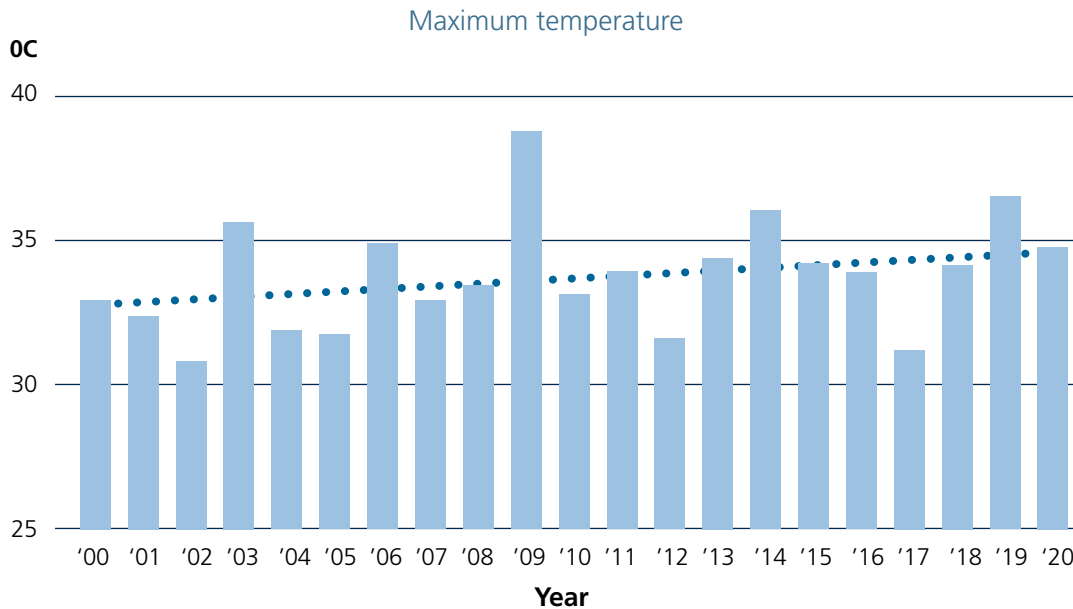


Figure 4: Annual maximum temperatures observed in West Gippsland region

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

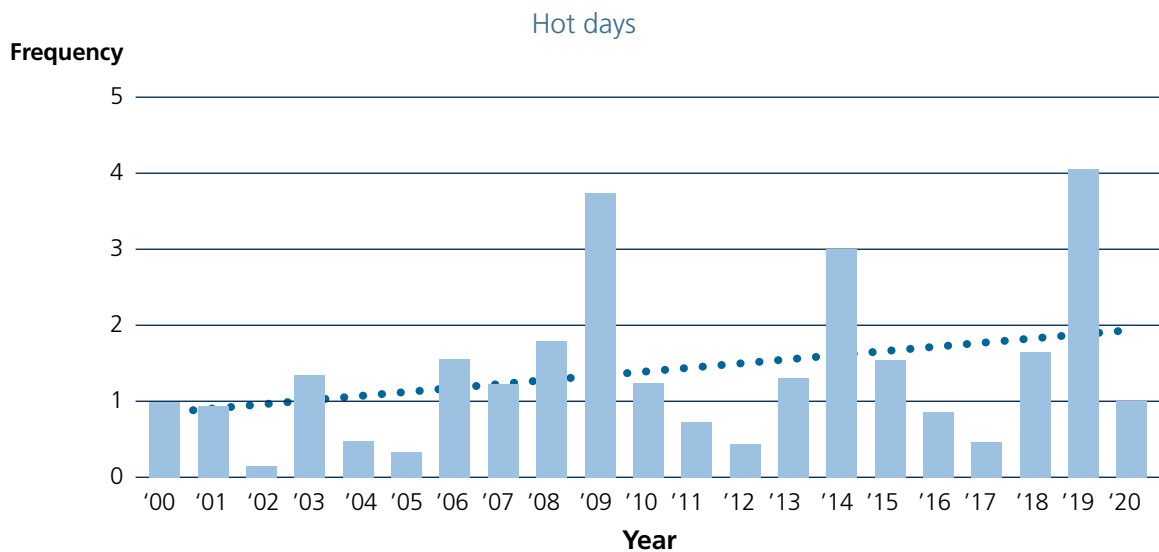


Figure 5: Number of days above 35°C per year in West Gippsland region

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

Slightly lower than average number of frost days (below zero) and percentage snow cover were observed again in 2020. The long-term trend is showing a slight decline in number of frost days and a decrease in percentage snow cover.

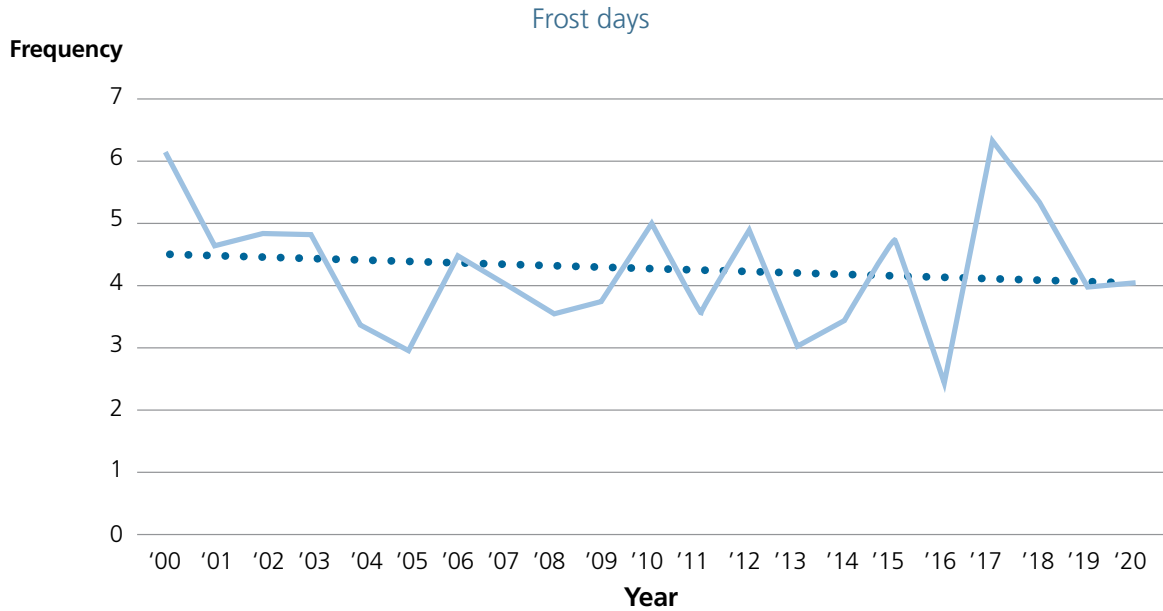


Figure 6: Number of frost days in West Gippsland region

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>).

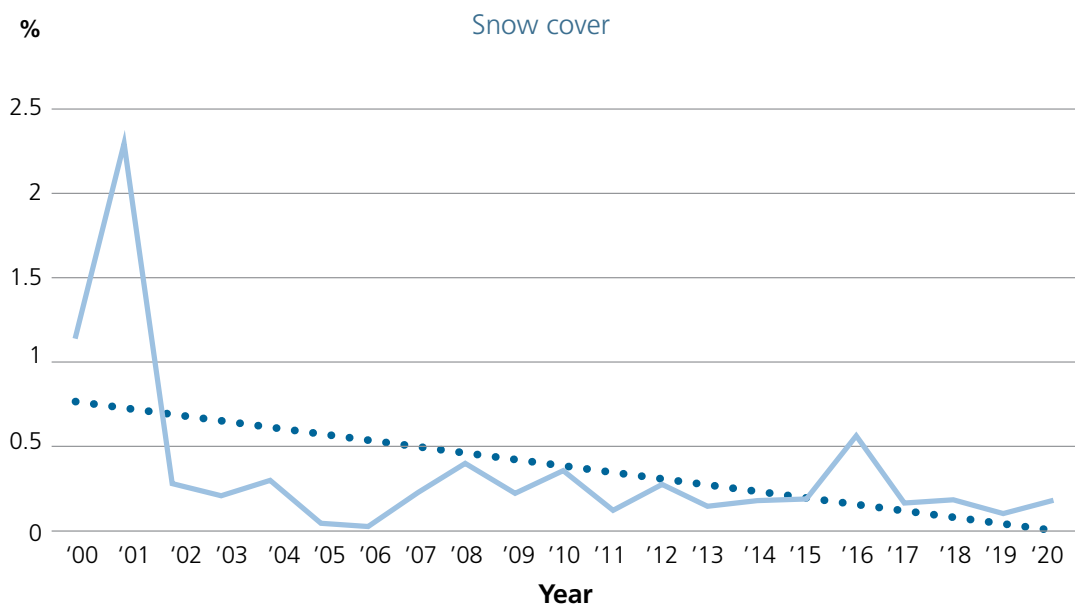


Figure 7: Percentage snow cover in West Gippsland region

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>).

Waterways

The condition of rivers, wetlands and estuaries

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 and Bunurong 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). Further downstream on the Thomson River, Cowwarr Weir also diverts water for the Macalister Irrigation District (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.

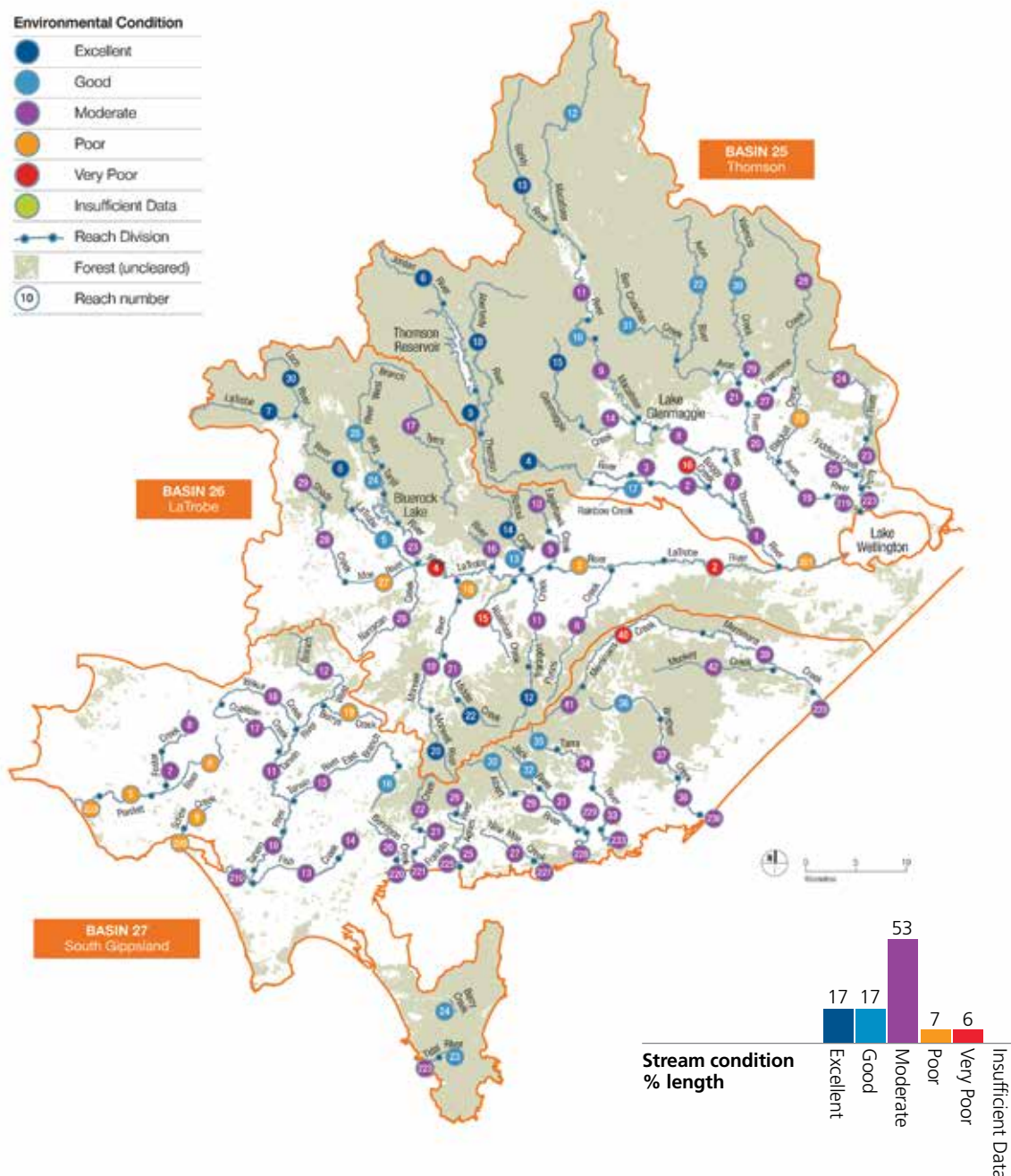


Figure 8: Index of Stream Condition in West Gippsland region

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 are being monitored between 2017 and 2020 to deliver the first state-wide IEC assessment.

Waterways indicator – River inflow

The total surface and subsurface water runoff into rivers throughout the region in 2020 were the third highest since 2000.

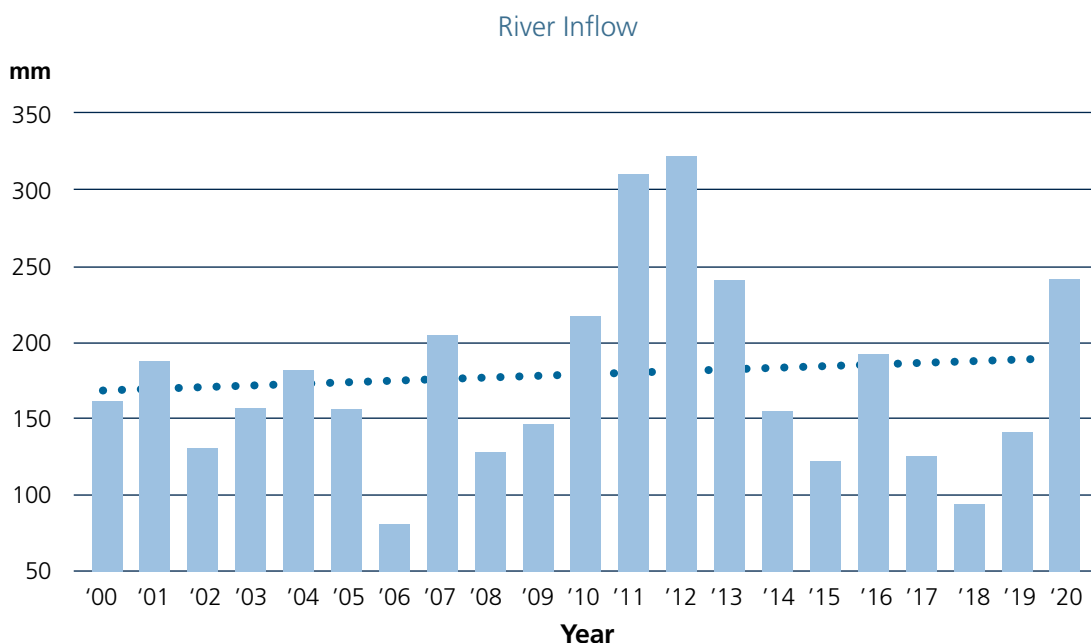


Figure 9: Total water runoff into rivers in West Gippsland region

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>).

Waterways indicator - Inundation

The percentage of water inundation across the region was similar to 2019-20, which was the second lowest since 2000.

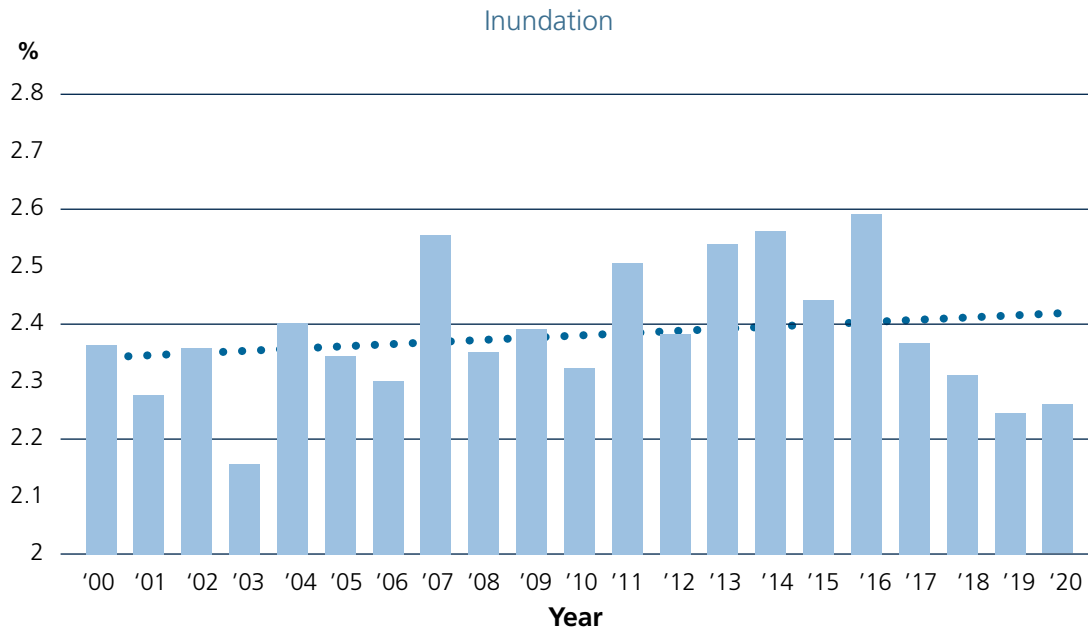


Figure 10: Percentage of inundation in West Gippsland region

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>).

Table 5: 2020-21 Annual waterways condition assessment

Overall Rating	Previous 3-year assessment	Annual Assessment	Condition Assessment 2020-21
Positive	↑	↑	An optimistic future with evidence that events during the year will have a positive impact in the long term.

Reasons for assessment:

- Above-average rainfall in 2020-21.
- An increase in annual river inflow compared to last year.
- Variable climatic conditions over the past three years.
- Similar annual percentage of water inundation across the region to that observed in 2019.
- Major and moderate flooding occurred in June 2021. The impact to waterways will be significant; however, the extent, both positive and negative, will not be known until next financial year.
- No major fire or drought events.
- Advantageous climatic conditions for planting new riparian vegetation and improved growth rates of established revegetation compared to recent years.
- Monitoring data is showing good fish migratory and recruitment numbers.

- Successful delivery of environmental flow releases and continued implementation of strategic waterway projects.
- Cohesive coordination arrangements for the Gippsland Lakes through the Gippsland Lakes Coordinating Committee.

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 programs are listed below.

Regional riparian action plan Landcare partnerships

We partnered with Maffra and District Landcare Network, Bass Coast Landcare Network, and Latrobe Catchments Landcare Network to deliver a number of on-ground riparian projects, including weed control, fencing, and revegetation in the Powlett Catchment, Middle Creek (Yinnar) and Newry Creek (Maffra). These works included 13 kilometres of fencing, 18 hectares of weed control and 65 hectares of revegetation.

Flagship waterways

As part of the state-wide trial of the Rivers 2040 framework, we selected the Thomson River between Cowwarr Weir and Macalister River confluence as our pilot site. This 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 2020-21, this project commenced the prioritisation of the works in the Rainbow Creek Management Plan.

Headwater willow control

In 2020-21, the far upper reaches of the Avon, Aberfeldy & Barkly rivers have been targeted as part of a four-year program to tackle willow infestations. In 2020-21, over 175 kilometres of willow inspection and weed control (where needed) were completed. The program aims to remove willows in the headwaters and therefore protect riverbanks downstream from re-infestation.

Lake Wellington integrated NRM

Funded through the Gippsland Lakes Coordinating Committee, we completed a partnership project with Greening Australia, Trust for Nature, GLaWAC, Parks Victoria, Latrobe Catchments Landcare Network, and GippsDairy to reduce nutrients and sediments reaching the Gippsland Lakes. The program has protected and enhanced the fringing wetlands of Lake Wellington. Works delivered as part of this program included:

- Supporting dairy farmers in the Macalister Irrigation District to retain nutrients on farm.
- Protecting riparian vegetation through fencing.
- Revegetation and weed control on key sites.
- Protecting and improving fringing wetlands of Lake Wellington.

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.

Our Catchments, Our Communities

The allocation of supply bill funding allowed us to begin planning the Powlett Catchment Integrated Catchment Management Project. This included collating historical information, preparing to develop the strategic directions statement and an inception meeting with the stakeholder reference group. The project will formally start in 2021-22.

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, 35,270 megalitres 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 2020-21, 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.

WATERWAYS CASE STUDY

Somewhere over the rainbow

Rainbow Creek in central Gippsland has had a colourful history since forming as a 'break away' from the Thomson River in the 1950s after a series of floods.

In December 2018, West Gippsland Catchment Management Authority (WGCMA) kicked off an important project to help change the future of Rainbow Creek.

According to WGCMA Waterways Project Officer, David Stork, there have been many changes to Rainbow Creek since it initially formed.

"Before starting this project, investigations told us that under extreme flood conditions, there is an increased risk of the Thomson River creating a new channel into Rainbow Creek," said David.

"When Rainbow Creek first formed it resulted in major disruption to landholders – including loss of productive land and access issues to property.

"We wanted to create a management plan for Rainbow Creek to address the risk of a new 'break away' forming as well as take the opportunity to get the community involved in planning the future directions for Rainbow Creek and the broader area."



Over the three years from 2018, a Waterway Management Plan was developed using an evidence based participatory method which involved collaboration with the local community, technical experts and agency representatives.

This included establishing an interagency and community-based working group, public meetings, one on one community interviews, flood modelling and benefit/cost analysis. The waterway management plan contains agreed options to address the risk of another avulsion as well as enhancing the values the community loves about Rainbow Creek and the Thomson River.

Throughout this process, the community's understanding of the largescale waterway processes impacting their land has increased, and their contributions significantly shaped the final Waterway Management Plan. The identified agreed actions are supported by the community and fully costed, making a strong business case with an 180% return on investment.

"Through this project, we were able to really turn around community sentiment," continued David.

"Just a few decades earlier, parts of this community had 'declared war' on the state government and it's agencies for issues around the avulsion.

"By inviting the community to be part of the process and working with them, we've not only got a great waterway management plan with actions that address the risks of avulsion, we have also got a plan and actions that are supported and understood by the community."

Actions identified for the Thomson River and Rainbow Creek include:

- Five avulsion hotspots.
- 35 kilometres of riparian fencing.
- 30 off-stream water troughs.
- 52 hectares of willow removal.
- 52 hectares of native riparian revegetation.
- 135 hectares of maintenance.
- Amenity works at Rainbow Park (in Cowwarr).

The WGCMA has successfully secured funding to begin the implementation of the Waterway Management Plan and some of the actions in it over the next three years.

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 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.

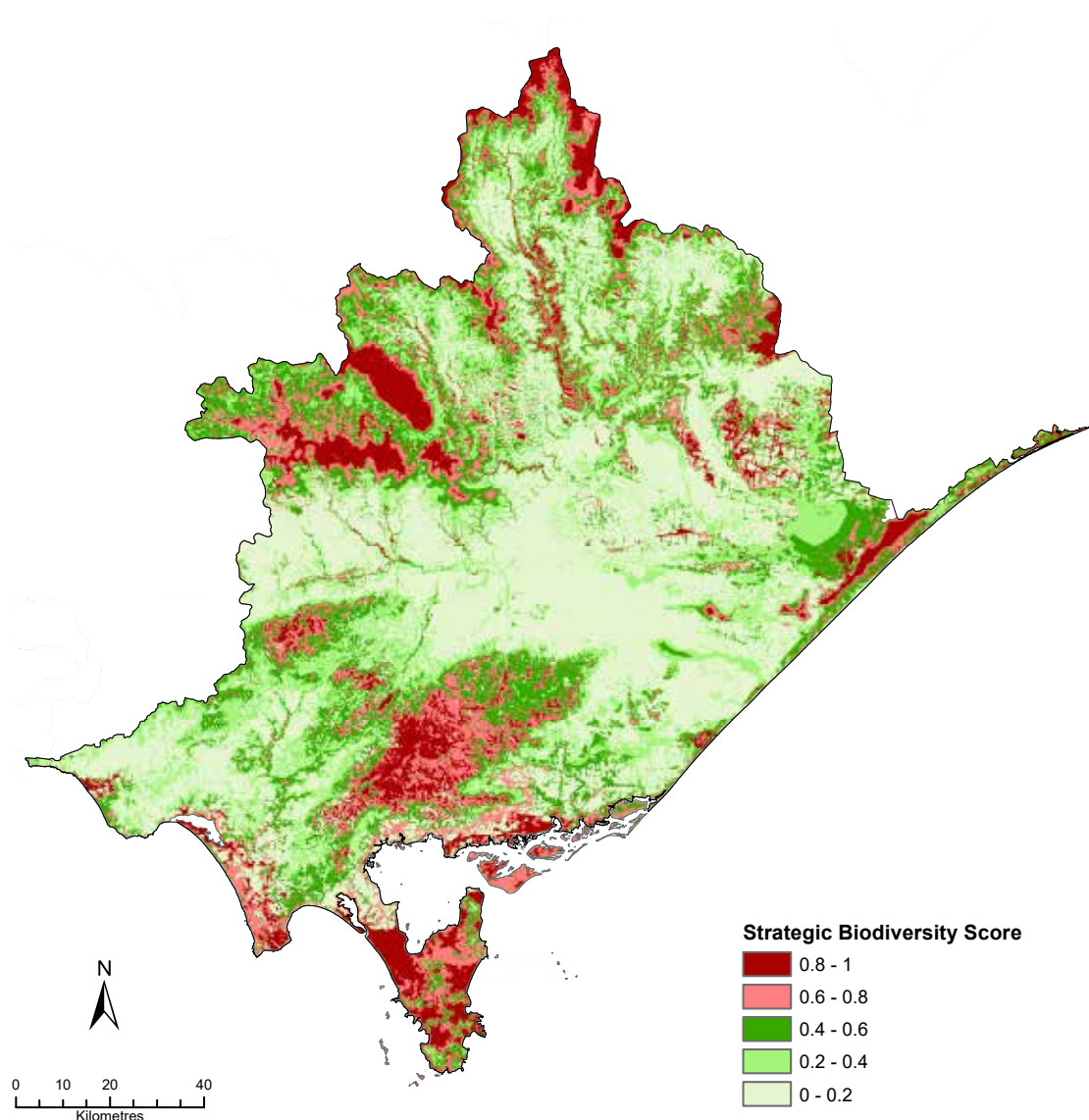


Figure 11: Strategic biodiversity scores for the West Gippsland region

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 (ANU) indicates that the percentage of tree cover across the region in 2020 is the highest observed since the year 2000. This is likely to be the result of a combination of ongoing revegetation efforts, good growing conditions and a lack of bushfires throughout the year.

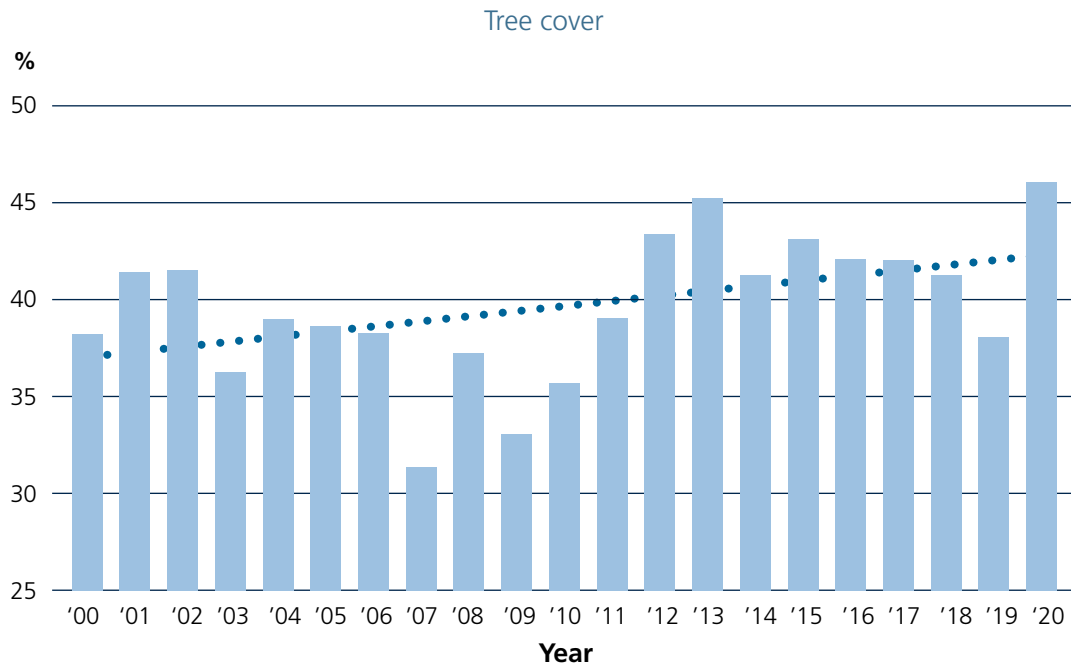


Figure 12: Percentage of tree cover in West Gippsland region

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

Table 6: 2020-21 Annual biodiversity condition assessment

Overall Rating	Previous 3-year assessment	Annual Assessment	Condition Assessment 2020-21
Neutral	➔	➔	A largely neutral state, where events during the year may have been significant but are within expected variation and will have little impact in the long term.

Reasons for assessment:

- Climatic conditions were more favourable than last year for establishing riparian revegetation throughout most of the year.
- Small gains were made due to revegetation and vegetation protection programs.
- Small losses due to urban development, primarily around regional centres.
- Landscape-scale initiatives focused on the Bunurong Coast, Red Gum Grassy Woodland 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 2020-21.
- Drought conditions eased in the eastern part of the region this year.
- Major and moderate flooding occurred in June 2021. The impact to biodiversity values may be significant; however, the extent, both positive and negative, will not be known for some time.
- No major bushfires or pest outbreaks throughout the year.
- 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).

Program highlights

Alpine Peatlands

This was the third 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 2020-21 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. 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.
- *Dutson Downs*: a partnership with Gippsland Water to work with GLaWAC to undertake threatened species protection work at Dutson Downs.

Protecting biodiversity in Corner Inlet

This is the third 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 and 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:

- Over four kilometres of fencing and more than 18 hectares of revegetation to protect waterways.
- Saltmarsh protection and enhancement works across almost 468 hectares.

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.

BIODIVERSITY CASE STUDY

Out foxed on the Bunurong Coast

A joint proposal by the South Gippsland Landcare Network and West Gippsland Catchment Management Authority in 2018 led to a three-year program that has reduced fox and rabbit numbers along the Bunurong coastline and given landholders incentives and skills to carry on works into the future.

The program, funded by the Victorian Government's Biodiversity Response Planning program, covers more than 16,000 hectares of coastline.

The project included focusing on three main areas:

1. engaging with and upskilling private landholders
2. targeted fox baiting
3. rabbit control.



Engaging with public and private landholders

Landholders along the Bunurong coast include Parks Victoria (which manages the Cape Liptrap Coastal Park), South Gippsland Shire Council (SGSC), large and small-scale farmers, lifestyle and holiday homeowners and township residents.

Through its existing partnerships with Tarwin Landcare Group, Trust for Nature, and Friends of Venus Bay Peninsula, South Gippsland Landcare Network was able to engage with as many private landholders as possible. In total, 30 private landholders plus Parks Victoria and SGSC participated in the program.

Landholders were given the opportunity to obtain their Agricultural Chemical Users Permit (ACUP) and 1080 accreditation at training days organised and funded by the project.



Targeted fox baiting

Contractors determined the best locations for 1080-baiting and soft-jaw trapping based on landholder knowledge, known fox habitat, vegetation and topography. Free-feeds (poison-free meat) were laid at potential sites and field cameras recorded which animals, if any, took them.

The site was abandoned when non-target animals were observed. Trapping was used in areas of high human activity.

Fox control was timed to coincide with lambing and fox breeding seasons, and to avoid holiday periods.

So far, seven five-week-rounds of baiting have been carried out at 185 stations, resulting in 1,759 baits being laid. Fox activity at the baiting sites (scats, prints, digging patterns, camera images) show that 421 lethal baits have been taken by foxes.

Alongside baiting, soft-jaw trapping has been carried out nine times for periods of seven nights. Forty traps have been laid at 20 sites near Venus Bay and Point Smythe, capturing 44 foxes.

Wet weather and COVID challenges

Wet weather and COVID-19 restrictions provided challenges to the project. The biggest challenge for rabbit control was the weather. The rabbit population declined significantly after the early 2020 release of calicivirus, but the following warm, wet spring provided ideal conditions for the population to increase. Also, two cooler than average summers have resulted in fewer flies, which reduced the spread of the virus.

COVID-19 restrictions caused delays in providing training, and some landholders were reluctant to allow contractors on their properties. However, contractors enacted COVID-19 SafeWork plans, which eased concerns and allowed the program to continue.

Contractors report that the number of bait-takes and trapped foxes has declined since the start of the project, indicating that the fox population has decreased. This conclusion is supported by fewer signs of fox activity, increased lambing rates and fewer foxes as roadkill.

The initial reduction in rabbit populations was encouraging, and indicated that in more favourable weather conditions, the K5 calicivirus will be effective.

An important part of the project was asking landholders to commit to ongoing control work so that native flora and fauna can recover from the impacts of foxes and rabbits. Training was delayed due to COVID-19 but was completed in May 2021.

Land

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 benchmark – Land managed for conservation

Table 7: Area of land managed for conservation

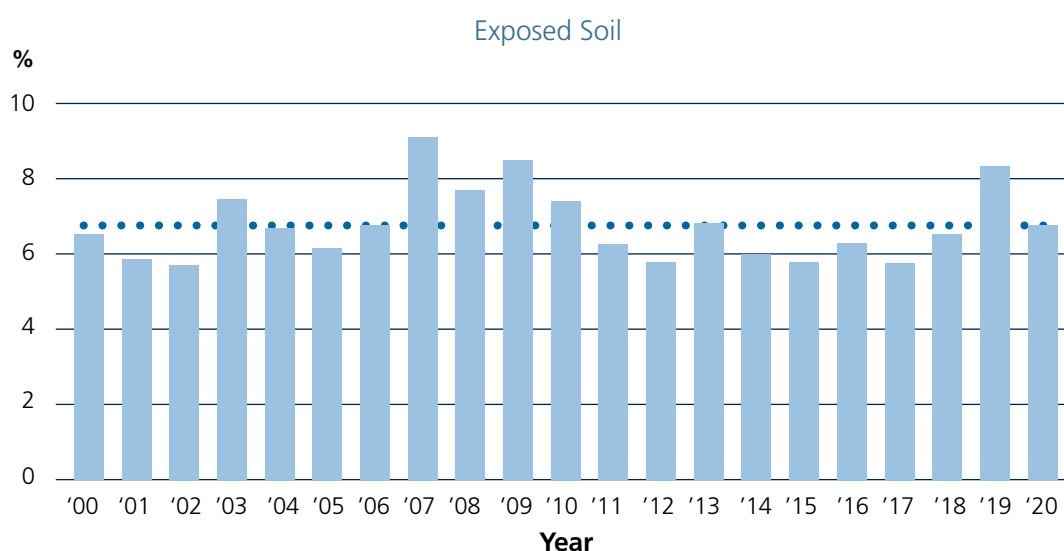
Protection Type	Area Covered (ha)	Additional Area This Year (ha)
National parks*	144,650	1,301
State parks*	18,126	25
Trust for Nature covenants	6,610	18
Trust for Nature owned properties	726	0
Landholder agreements and Sustainable Irrigation Program Farm Plans	77,497	2,877
Other*	532,065	0

* 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, Regional Park, State Forest, Uncategorised Public Land, Wilderness Park.

Land benchmark – land cover

Research conducted by ANU 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%) (Figure 13). 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 13: 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, ANU (<http://www.ausenv.online>).

Land indicator – Soil moisture

Research conducted by ANU shows that mean amount of moisture available in the soil was above the long-term average in 2020.

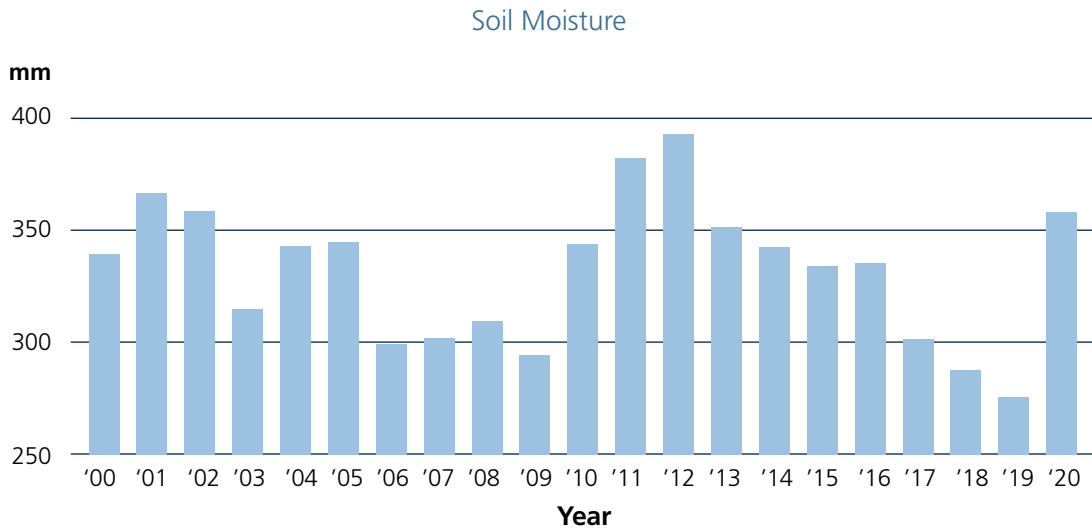


Figure 14: Average soil moisture availability in West Gippsland region

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, ANU (<http://www.ausenv.online>).

Table 8: 2020-21 Annual land condition assessment

Overall Rating	Previous 3-year assessment	Annual Assessment	Condition Assessment 2020-21
Neutral	➔	➔	A largely neutral state, where events during the year may have been significant but are within expected variation and will have little impact in the long term.

Reasons for assessment:

- 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 pest outbreaks.
- Major and moderate flooding occurred in June 2021. The impact of soil erosion is likely to be significant; however, the extent is currently unknown.
- The region has experienced variable climatic conditions over the past three years.
- There has been a change in land tenure through the designation of the new Yallock-Bulluk Marine and Coastal Park along 40 kilometres of coastline, which extends from San Remo to Inverloch.
- An increase in area covered by landholder agreements and management plans.
- An increase in area of land under formal covenants.
- Successful landholder engagement in sustainable-agriculture-focused programs (e.g. Fert\$mart, Healthy Soils, Sustainable Irrigation Program, CORE 4).

- 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 (increased soil exposure) 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 41 new or updated irrigation farm plans which will influence 2,850 hectares of land in the Macalister Irrigation District. There were 40 on-farm irrigation efficiency projects (reuse systems, spray irrigation and best practice surface irrigation) completed and covering an area of 1,135 hectares, providing estimated water savings of over 1,221 megalitres each year.

CORE 4

The CORE 4 program was completed in 2020-21 and supported dairy farmers to reduce nutrient loss to waterways. In 2020-21, we implemented the CORE 4 program in the Macalister Irrigation District (MID) to reduce nutrient loss to the Ramsar-listed Gippsland Lakes. Funding of \$800,000 was allocated to 60 on-ground projects which were completed in 2020-21. Together these projects are expected to save 19,200 kilograms of phosphorus and 104,000 kilograms of nitrogen per year.

Landcare – sustainable agriculture

This year we worked 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 is planned 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.

LAND CASE STUDY

Innovation pushes agricultural sector higher

Farm businesses in the Macalister Irrigation District (MID) are more efficient, productive, resilient and less polluting following the conclusion of a State Government program.

The Sustainable Irrigation Program (SIP) managed by the West Gippsland Catchment Management Authority (WGCMA) saw \$2 million of funding allocated to a range of irrigation initiatives leading to a further \$7 million in investment by individual farm businesses.

“This is a prime example of the great outcomes that happen when government agencies and the farming sector get together with common goals,” said WGCMA CEO Mr Martin Fuller.

“The Sustainable Irrigation Program assisted landholders to complete more than 8,000 hectares of irrigation farm planning. This equates to around one fifth of the total area of the Macalister Irrigation District.”

The plans provide irrigators with a detailed roadmap for future innovation, investment, and productivity on their farms. Following the planning, the on-farm incentives program assisted irrigators to improve 3,500 hectares of irrigation infrastructure which generated an estimated 7,000ML of water efficiency gains.

“The success and demand for the Farm Planning Program is evidence of the progressive culture locally where conducting a Whole Farm Plan is now seen as an essential aspect of future planning for any farm business.

“The investment in new and more efficient irrigation systems, which has seen around 7,000ML in water savings annually, valued at around \$1.4 million per year, reflects the demand by farmers to make the best possible use of every drop of irrigation water that comes onto their property,” added Mr Fuller.

Better planning on farms and more efficient, modern irrigation systems have also had a positive impact on the local environment with a notable reduction in nutrient laden irrigation water leaving farms, entering drains and creeks, and ending up in the Gippsland Lakes.



“Monitoring for nutrient from the MID shows that some of the measures we look for hit an all-time low over the last four years,” said WGCMA Lands Program Co-ordinator Mr Anthony Goode.

“It is a great reflection on the local farming community that the hard work and considerable investment over recent years has seen a significant reduction in farm run-off and nutrient being exported into local waterways,” added Anthony.

The ongoing drought meant the program needed to adjust to meet the changing needs of the farming community.

“We certainly found that the drought impacted on farmer expectations and how individual farm businesses approached issues like future planning and investment,” said Anthony.

“Over the life of the program, we were involved in more than 1,500 individual interactions with irrigators including almost 100 that were specifically related to the drought and immediate on farm demands and decisions.

“Arguably, this work with farm businesses that were going through a really tough time is probably one of the biggest, most important parts of the work we were able to be a part of,” concluded Anthony.

Coasts

The condition of marine and coastal environments

West Gippsland’s marine and coastal 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 and 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.

Some major threats to the condition of the coast and marine environments are 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 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 15). However, there are significant stretches of coast where agriculture and urban development are close to the coastal strip and to important lakes and estuaries.

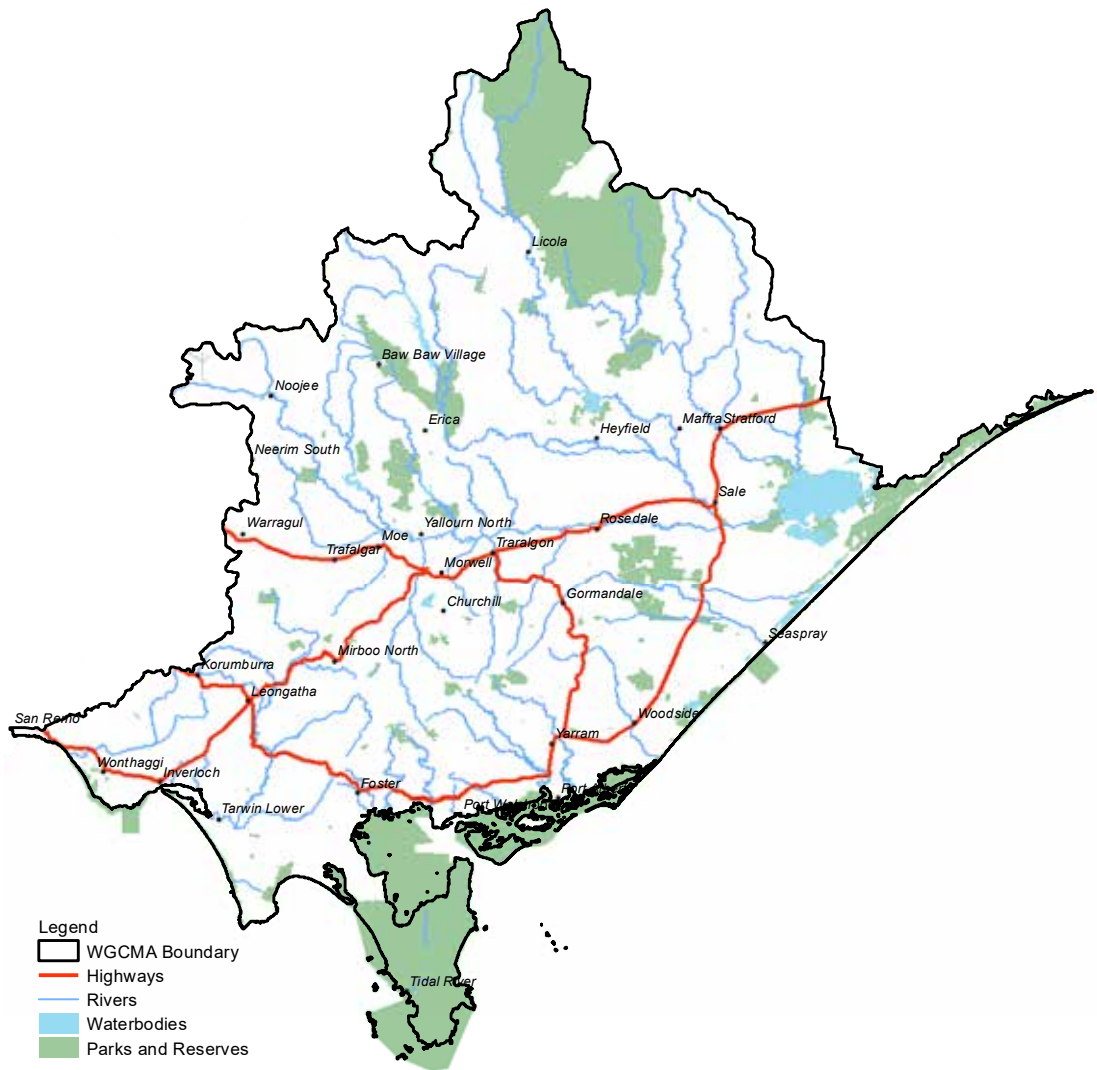


Figure 15: Area of land and water managed for environmental protection including terrestrial and marine parks and reserves

Table 9: 2020-21 Annual coasts condition assessment

Overall Rating	Previous 3-year assessment	Annual Assessment	Condition Assessment 2020-21
Neutral	➔	➔	A largely neutral state, where events during the year may have been significant but are within expected variation and will have little impact in the long term.

Reasons for assessment:

- No major fire events impacting the coast throughout the year.
- Major and moderate flooding occurred in June 2021. The impact on the coast is likely to be minor; however the full impact will not be known for some time.
- The ongoing dynamic coastline at Inverloch has been experiencing significant erosion in recent years, impacting on public access, amenity, and built assets.

- Recent 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.
- Continuing urban expansion and increasing runoff, particularly in coastal areas.
- 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.
- Monitoring and management of pest plants and animals in the coastal and marine environments including Spartina, foxes, Sea-urchins and Northern Pacific Sea-stars.

Program highlights

Corner Inlet

This is the third year of the five-year Corner Inlet Connections project, funded by the Australian Government's latest 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 main activities this financial year included:

- Over four kilometres of fencing and more than 18 hectares of revegetation to protect waterways.
- Saltmarsh protection and enhancement works across almost 468 hectares.

Fisheries Habitat Restoration Program

WGCM, 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 Corner Inlet Posidonia Partnership project is working with recreational fishers and local farmers to protect water quality and restore seagrass in an integrated approach to catchment management.

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 2020-21, the highlights included the implementation of the Spartina Control Management Plan which included **367** hectares of actual Spartina treatment.

Estuary management

In 2020-21, 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.
- Coordinating EstuaryWatch volunteers, including establishing a new group with Parks Victoria at Tidal River.

COASTS CASE STUDY



Seagrass restoration at Corner Inlet

Corner Inlet will be home to an additional 12 hectares of seagrass meadows, thanks to a partnership between Yarram Yarram Landcare Network and West Gippsland Catchment Management Authority (WGCMA).

According to WGCMA's CEO Martin Fuller, the project is improving both land and water to help improve seagrass meadows in Corner Inlet.

"It's well known that what we do on the land has an impact on our rivers and oceans," said Mr Fuller.

"In all our work, we take what we call an 'integrated catchment management approach'. That means, we implement projects on both land and water to help improve the health of an area.

"In this case, we're looking at the Corner Inlet catchment and the waterways that lead into the inlet. We want to reduce the amount of nutrients and sediments that are leaving farms, entering these waterways, and ultimately ending up in the seagrass meadows of Corner Inlet.

"There is a long history of work in Corner Inlet and farmers and fishers working together to help protect this special place."

The project will involve 12 hectares of seagrass restoration and 12 hectares of fencing and revegetation along rivers.

"Through the Corner Inlet Water Quality Improvement Plan, we've identified the top priority areas for work and our experienced staff will work with farmers to remove weeds, exclude stock from waterways and revegetate the rivers using locally grown seedlings," continued Mr Fuller.

"These farmers will enter into an agreement with us to ensure the 15-metre buffer on either side of the waterway is well maintained."

One of these properties belongs to Tim and Lisa on Bennison Creek.

"We don't see this as 'giving up' land," said Tim. "The environmental qualities of this property and the creek was a key attraction of the property to us. We're happy to be doing this work and this funding has allowed us to tackle much bigger areas of creek and estuary frontage."

On the water, Yarram Yarram Landcare Network and local fishers will take the lead in collecting broadleaf seagrass fruit, germinating the seeds, and releasing them back into Corner Inlet.

"This work requires a team effort, which is why we're very excited to be partnering in this project," continued Mr Fuller.

This project builds on existing work undertaken to protect seagrass by the Yarram Yarram Landcare Network and other partners as well as work by WGCMA under the Corner Inlet Connections project.

This project is supported by WGCMA through funding from the Australian Government's Fisheries Habitat Restoration Program.

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 of recent years. Some of the challenges include changing demographics (an ageing farming population and in-flux 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 provides 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 bench mark – Community participation

Table 10: Community participation

	Engagements in 2020-21	Engagements in 2019-20	Engagements in 2018-19
Event Participants	2,762	3,639	4,711
Assessments	704	743	644
Property Plans	40	79	103
On ground Works	377	409	391
Referrals, Advice and Permits	1,284	1,598	1,216
Total	5,169	6,468	7,065

Community benchmark – Landcare group health scores

Table 11: Landcare group health scores

Category/Year	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
5 = Trail blazing	1	5	5	6	7	5	3
4 = Rolling along smoothly	21	13	15	11	23	21	14
3 = Moving forward	5	16	21	22	9	20	22
2 = Struggling along	11	11	9	5	9	10	8
1 = Just hanging on	2	4	4	8	3	2	6
Total responses	40	49	54	52	51	58	53
Average group health score	3.20	3.08	3.15	3.04	3.43	3.29	3

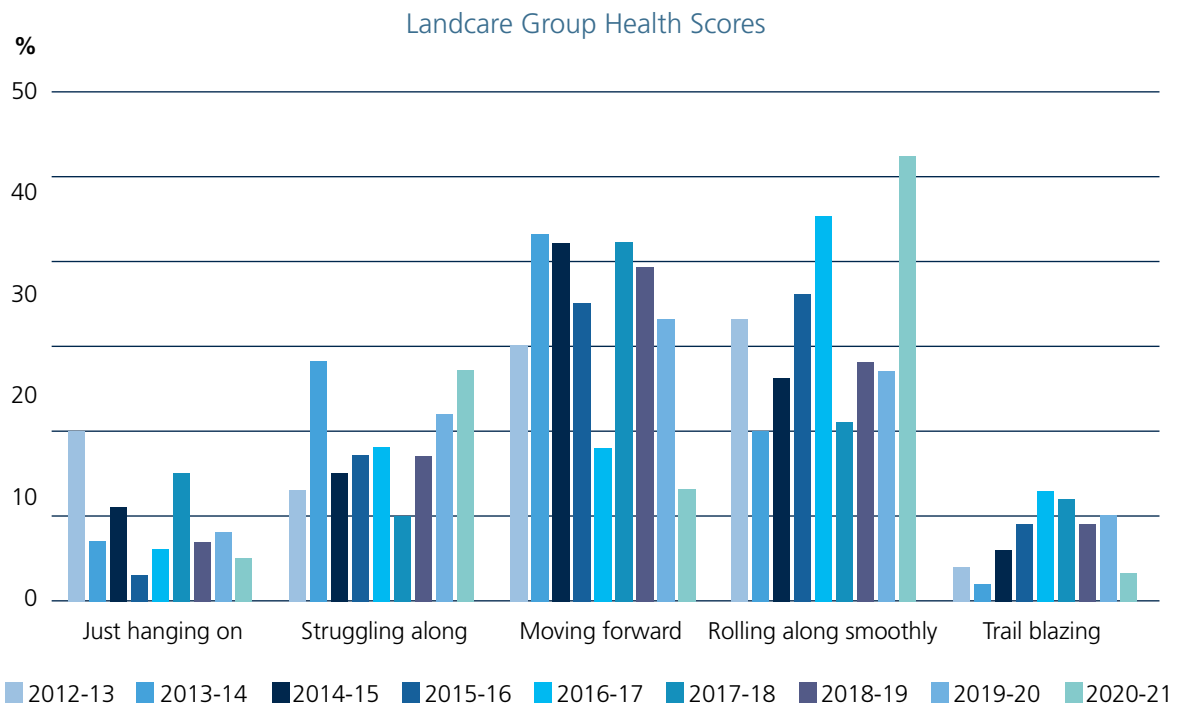


Figure 16: Average Landcare group health score 2012 to 2021

Active Partners 2021	
Agency/Research Organisations	43
Community Groups	34
Industry/Corporate Organisations	15
Traditional Owner Groups	6
Total Active Partners	98

Table 12: Active partners in 2021

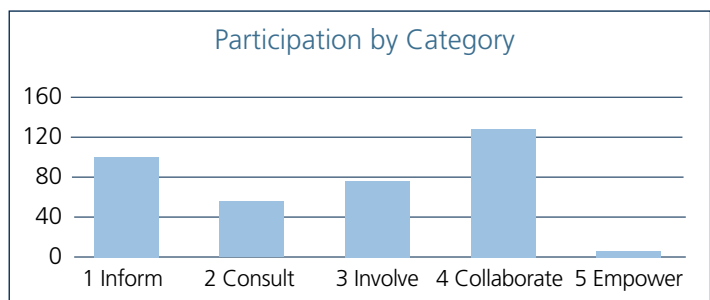




Figure 17: 2020-21 Annual community condition assessment
This is a new measure for 2020-21 that provides a benchmark for future years.

Table 13: 2020-21 Annual community condition assessment

Overall Rating	Previous 3-year assessment	Annual Assessment	Condition Assessment 2020-21
Neutral			A largely neutral state, where events during the year may have been significant but are within expected variation and will have little impact in the long term.

Reasons for assessment:

- Well organised and coordinated Landcare network and groups.
- Strong regional partnership between WGCMA and Landcare networks.
- COVID-19 restrictions have impacted all community engagement events throughout the 2020-21 resulting in limited direct engagement throughout the year.
- Cultural Heritage training and positive partnership with Traditional Owner groups.
- Improved regional partnerships among agencies demonstrated by the recent signing of the Regional Catchment Partnership Agreements.

Program highlights*Partnership with Regional Roads Victoria*

We developed a new partnership with Regional Roads Victoria (RRV) in 2020-21. 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 and North East CMA. We helped coordinate the development of guidelines and the 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.

*Our Catchments, Our Communities**Powlett Catchment Integrated Catchment Management Project*

In 2020-21, we began the planning process for the Powlett Catchment Integrated Catchment Management Project. This included collating historical information, preparing to develop a strategic directions statement and an inception meeting with the stakeholder reference group. The project will formally begin in 2021-22.

Regional partnerships

We continued to support the Gippsland Environment Agencies (GEA) Forum. Strategic discussions at the regional level across East and West Gippsland have strengthened the partnerships between agencies. This has included supporting GLaWAC on their journey to self-determination as part of the GEA – GLaWAC working group. The group will develop a strategic plan that will be available early in the new financial year 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.

Partnerships with Traditional Owners

A Cultural Heritage Information Pack (CHIP) was developed in consultation with GLaWAC and BLCAC for use within the WGCMA region. It is the first of its kind in Victoria and the pack will be used in conjunction with On Country presentations to educate the Landcare members in the region to have a better understanding of their responsibilities and opportunities to protect Aboriginal Cultural Heritage.

The production of the pack was funded as part of the Victorian Landcare Program support of working closer with Traditional Owners. Release of these packs was delayed until 2021. The CHIPs have so far been distributed to 80 staff and landcarers in conjunction with an On Country training session, feedback being that they are a great resource which is easy to use. More information about our partnership with Traditional Owners is available on page 48.

Community Engagement Network (CEN)

The CEN plays an important role in bringing community issues to us, as well as providing two times and was limited by COVID-19 restrictions. More information about the CEN is available on page 55.

Renewed Irrigator Reference Group (IRG)

This year, we renewed our 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 2020-21, 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.

COMMUNITY CASE STUDY

Reconciliation takes action!

Over the three weeks leading up to National Reconciliation Week, Traditional Owner corporations the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and Bunurong Land Council Aboriginal Corporation (BLCAC), and Landcare group members learnt about Cultural Heritage and working more closely together.

On the eve of National Reconciliation Week, the BLCAC representatives Uncle Mik Edwards, Eric Edwards, and Bradley Ward hosted West Gippsland Catchment Management Authority (WGCMA) and Landcare members at the Powlett River to learn about their Corporation and Cultural Heritage in the landscape.

Uncle Mik spoke about the difference in cultures, and the fact that members of the oldest culture in the world are constantly operating within the parameters of European culture.

He pointed out some of these and the trauma they have caused. Uncle Mik encouraged people to be aware and considerate of this. He said, “we all have the same colour blood” and should be “walking together”.

Bradley taught the group about protecting and recognising heritage sites. Learning about the very rare greenstone axe – revered and traded across the country – was a highlight for the group.



WGCMA's Aboriginal Cultural Heritage Officer Mandy Leggett said this session was the third in a series of workshops.

"Over the last three weeks we've had more than 60 Landcare members from across Gippsland attend Cultural Heritage sessions," said Mandy.

"GLaWAC staff Grattan Mullett Snr, Uncle Nicky Moffatt, Uncle Lloyd Hood, Bryce Baxter and Harley Wanganeen hosted two sessions at The Knob Reserve Stratford."

Grattan Mullett, Cultural Hub Manager at GLaWAC, reflected that to Traditional Owners connection to country is a priority and that it's important we work together.

Grattan spoke about the importance of cultural sites to the Gunaikurnai, both tangible sites in the landscape and intangible sites, where important events both good and bad have occurred. He also highlighted the importance of young people re-establishing their connection to country.

"Landcare members across the region have shown a strong desire to link to common goals of caring for country with Traditional Owners as well as developing relationships together," continued Mandy.

"Elder and leader of the GLaWAC Cultural Water Team, Uncle Lloyd Hood shared some of his life story with the group, which was quite confronting. Many people had not realised or heard directly the difficulties faced by Aboriginal people on the missions in Victoria.

"This was a powerful story from Uncle Lloyd and learning for participants."

Uncle Nicky Moffat, Cultural Heritage Officer and musician, talked about recognising heritage in the landscape. He also shared some of his moving story of reconnecting with family across the country.

Mandy explained that these workshops have seen Landcarers and others learning more than how to identify sites on country.

"Landcarers have had an insight into people's history, where they are at now and their aspirations for the future," said Mandy. "It has put them on the road to better understanding each other and working together."

According to Reconciliation Australia, Reconciliation is a journey for all Australians as individuals, families, communities, organisations and importantly as a nation. At the heart of this journey are relationships between the broader Australian community and Aboriginal and Torres Strait Islander Peoples.

This project is supported by WGCMA through funding from the Australian Government's National Landcare Program and the Victorian Government's Landcare Program.

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 2020-21, we responded to 330 planning permit referrals in an average response time of 11.5 days. We responded to 627 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. We issued 121 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 121 planning permit referrals and a further 173 flood advice and Southern Rural Water enquiries. We also issued 74 works on waterways permits.

In 2020-21, we provided administrative services on a contractual basis to the Corangamite Catchment Management Authority (CCMA) floodplain unit. On behalf of CCMA, we responded to 74 planning permit referrals and flood advice enquiries.

We continued to support 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 undertaken 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 to begin the process to update their planning scheme which includes new and amended 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 2020-21 to produce and update flood information for our region. We continued to progress a flood study for Rainbow Creek and Thomson River and have completed a flood study for the Eaglehawk Creek. In partnership with Federation University's Industry Placement Program and industry leaders, floodplain mapping has been commenced 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 2020-21, 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.

In June 2021, we responded to major flooding across the region. Impacted catchments include the Traralgon Creek and Thomson, Avon, Macalister, Tanjil, Latrobe, and Morwell rivers. We provided critical assistance to VicSES in the Incident Control Centre during this event.



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, Traditional Owners 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.

VALUES *we live by*

<p>Always working for a better environment</p>	<p>Respectful & TRUSTWORTHY</p>	<p><i>We get the job done</i></p>
<p><i>We act with</i> INTEGRITY</p>	<p>Approachable & collaborative</p>	
	<p><i>Great attitude</i></p>	<p>& OPEN ACCOUNTABLE</p>

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 DELWP’s Governance Guidelines for Statutory Authorities which was formally adopted in June 2005. Details of our board members are available on pages 56-58.



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 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	David McAninly , Staceys Bridge
David Sutton , Inverloch	David Meikle , Meeniyan	Diedre Griepsma , Inverloch
Evan De Gooyer , Korumburra	Geoff Gooch , Wurruk	Gerard Condon , Bushy Park
Tony Pitt , Nilma North	Ian Code , Leongatha	James Stranger , Traralgon
Jim Forsyth , Stratford	Jo Caminiti , Cowwarr	Joey Boothby , Inverloch
Liz Fleming , Traralgon	Madeline Watts , Eagle Point	Max Fletcher , Pakenham
Michael Hobson , Port Albert	Natalie Goodfellow , Stony Creek	Natasha Marty-Cripps , Leongatha
Nicole Creaser , Korumburra	Peter Warner , Wurruk	Rhonda Hastie , Moe South
	Trevor Colvin , Yarram	

Organising face-to-face events for our CEN members has been difficult during 2020-21 due to COVID-19 restrictions. We were, however, able to host an outdoor event at the Powlett River estuary for our CEN members. The Powlett is an ecologically important wetland, that will be the focus of an integrated catchment management program in 2021-22.

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, VEWH update, and our podcast.
- 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.

The board and committees

Peter Jennings OAM (Chair)

Peter was first appointed to the board on 1 October 2017. In the last financial year, he attended all 12 board meetings. Peter 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 and Executive Officer. Peter is a past 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.

Mikaela Power (Deputy Chair)

Mikaela joined our board on 27 October 2015 and is a graduate member of the Australian Institute of Company Directors. Mikaela 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.

Liz Clay

Liz was first appointed to the board on 1 October 2019 and attended all 12 board meetings. Liz is a certified organic farmer, working in the Gippsland region for over 37 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 committees including Southern Rural Water Irrigator Advisory committee and a previous term with WGCMA. She serves on the Gunaikurnai Traditional Owners Land Management Board. Liz holds teaching qualifications, a Masters in Applied Science (Systems Agriculture and Rural Development), and consults in ecological production systems. She is a graduate of the AICD.

Jane Hildebrant

Jane was first appointed to the board on 14 October 2013. In the last financial year, she attended 11 of the 12 board meetings. 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.



Jodie Mason

Jodie was first appointed to the board on 1 October 2017. In the last financial year, she attended all 12 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).

Shelley McGuiness

Shelley was first appointed to the board on 1 October 2019 and has over 25 years' experience in the land and water management sector including roles in research, extension, and policy. In the last financial year, she attended 11 of the 12 board meetings.

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.

Nicholas Murray

Nick was first appointed to the board on 1 October 2019. In the last financial year, he attended 11 of the 12 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 former member of the Gippsland Lakes Coordinating Committee and 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.

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

Belinda Nave

Belinda was first appointed to the board on 1 October 2017. In the last financial year, she attended all 12 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.

Board membership of committees

During the 2020-21 year our board members participated on the following committees:

- **Audit and Risk Committee** – Jodie Mason and Liz Clay
- **Remuneration Committee** – Peter Jennings (OAM) (Chair), Nick Murray and Shelley McGuiness
- **Corporate Committee** – Mikaela Power (Chair), Jane Hildebrant, and Belinda Nave
- **Landcare** – Liz Clay (Chair) and Mikaela Power
- **Regional Catchment Strategy Steering Committee** – Shelley McGuiness (Chair)

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), Ian Gibson (to 30 November 2020) and Michelle Dowsett (From 15 January 2021).

Table 14: Audit and risk committee membership and meeting attendance 2020-21

Name	Independent	Term	Attended	Eligible to attend
Vince Philpott Chairperson	✓	1 July 2020 to 30 June 2021	4	4
Ian Gibson	✓	1 July 2020 to 30 November 2020	2	2
Michelle Dowsett	✓	15 January 2021 to 30 June 2021	1	2
Jodie Mason	✗	1 July 2020 to 30 June 2021	3	4
Liz Clay	✗	1 July 2020 to 30 June 2021	4	4

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:

- Compliance with Standing Directions
- Occupational Health and Safety
- Performance Reporting Framework
- COVID-19 Review.

Organisational structure

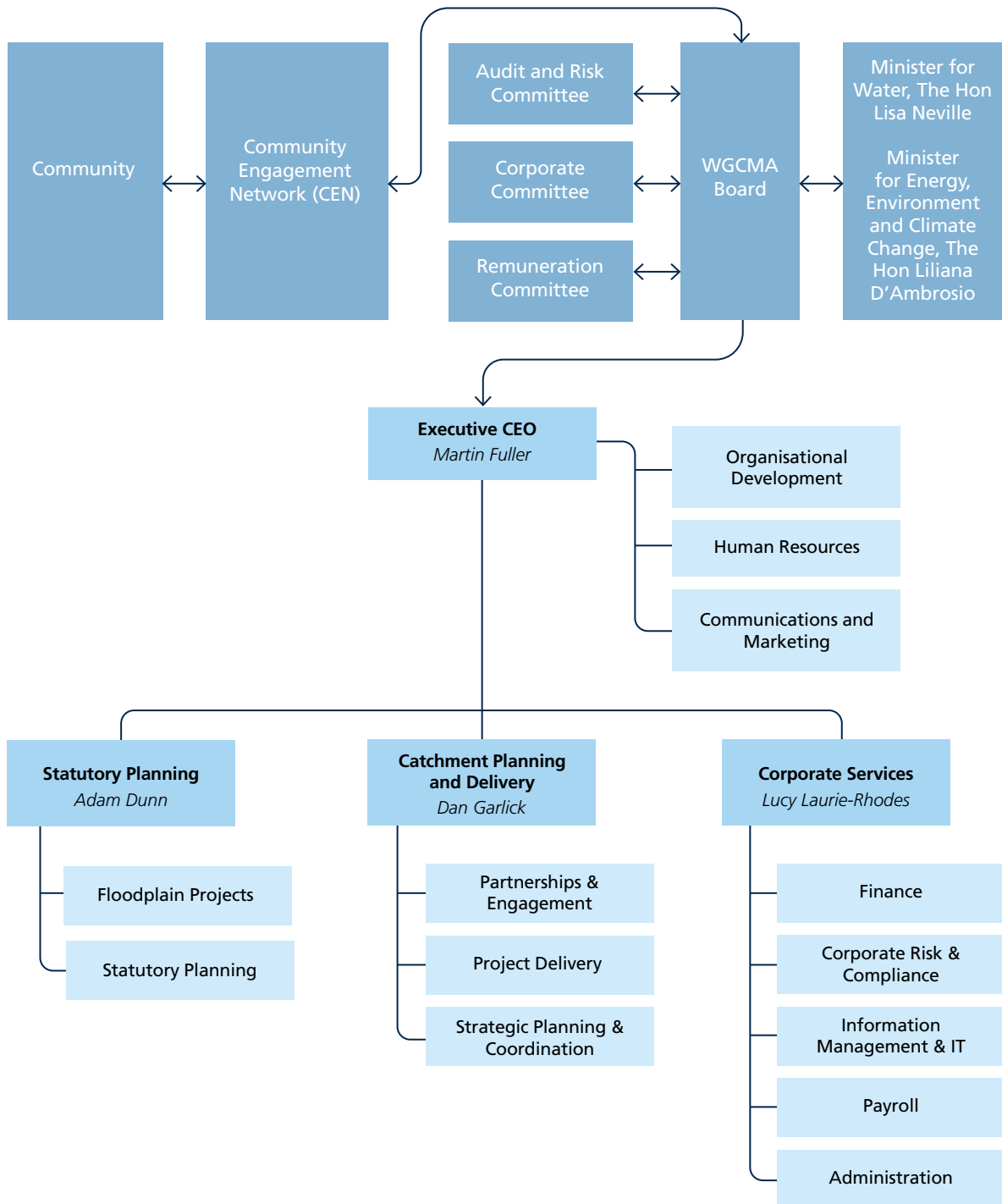


Figure 18: WGCMA's organisational structure 2020-21

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 (2020).

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

Table 15: Headcount and FTE as at June 2020 and June 2021

	June 2021							June 2020						
	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
AGE														
15-24	1	1	1	0	1	0	0	0	0	0	0	0	0	0
25-34	6	5	3	1	4	2	1	8	7	6	0	6	2	1
35-44	13	11	6	5	10	2	1	14	11	6	4	8	4	2
45-54	17	15	13	2	14	2	1	14	12	8	5	12	1	1
55-64	8	5	2	4	4	2	1	11	8	5	4	7	2	1
65+	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	45	37	25	12	33	8	4	47	38	25	13	33	9	5
Other (iii)	41	33	21	12	29	8	4	43	34	22	12	29	9	5
Senior Management	3	3	3	0	3	0	0	3	3	2	1	3	0	0
Executives	1	1	1	0	1	0	0	1	1	1	0	1	0	0
Total Employees	45	37	25	12	33	8	4	47	38	25	13	33	9	5

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 2020-21, 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)
- 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:

- First Aid training and CPR updates (24 participants).
- Mental Health First Aid (10 participants).
- COVID Safe Workplaces – all staff.
- Coronavirus Prevention – all staff.

Throughout the year, we have had seven incidents or near misses reported, including five involving minor damage to motor vehicles, and two near misses reported. This represents 18.9 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 16: OH&S five-year summary

	2020-21	2019-20	2018-19	2017-18	2016-17
Reported hazards/incidents (i)	7	10	12	10	10
Lost time standard claims	nil	nil	nil	nil	nil
Average cost per claim	nil	nil	nil	nil	nil
Training events	4	4	3	3	4

(i) Reported internally

With the emergence of COVID-19 as an OH&S challenge, the Pandemic Response 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 2020-21 year we have achieved the following results in line with our Environmental Management Strategy:

Table 17: Resource Smart Program five-year summary

Objective	Measure	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)	Use for 2016-17 (39 FTE)	Totals	Notes (i)
Reduce Energy Use (Electricity)	Total FTE per annum	19,998 kWh	88,625 kWh	135,574 kWh	113,334 kWh	178,323 kWh	357,532 kWh	89% decrease in total electricity usage from 5 years ago. Solar panels installed across 3 office and depot locations in 2019-2021.
		540 kWh	2,332 kWh	3,306 kWh	2,982 kWh	4,572 kWh		
Purchase of Green Power	% of energy purchase that is 'Green energy'	100%	100%	100%	100%	10%	100%	100% Green Energy is Purchased
Reduce Paper Use	White A4 reams used per annum	10	49	119	127	138	443	128 fewer reams used
	Reams used per FTE	0.27	1.28	2.9	3.34	3.6		
Increase Use of Recycled Paper	White A4 reams	10	49	92	86	102	339	100% of all purchased paper is recycled
Paper Recycling	Kg per annum	0	1,108	1,490	1,852	1,990	9,750	100% of used paper is recycled
	Kg Per FTE	0	29	36	48	51		
Reduce Fuel Use	Litres of fuel purchased per annum	29,759	29,293	41,706	41,586	37,871	140,426	8,112 litre decrease
Reduce Water Consumption	Kilolitres used per annum	45	515 (ii)	305	357	487	1709	90% decrease in water consumption

(i) Notes are five-year comparisons – 2016-17 to 2020-21.

(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 and 2020-21 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.

Performance area	Performance target	Achievement
Business management and governance	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.
Regional planning and coordination	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.

Performance area	Performance target	Achievement
Regional delivery	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 Lake Wellington Land and Water Management plan are delivered and reported according to associated funding agreements.	Approved projects and activities are being delivered and reported according to associated funding agreements.
Statutory functions under part 10 of the Water Act	90% of statutory requirements (permits, referrals, advice and licences) associated with waterway and floodplain management are responded to within the prescribed period.	Achieved 99%
Statutory functions under part 11 of the Water Act	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 pages 51-54. This is done through an annually approved Action Plan which cascades down through staff work plans and is reported quarterly to the board. For 2020-21, a 92% 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 Indigenous communities took a variety of forms this year.

We have a Memorandum of Understanding (MoU) with both the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and Bunurong Land Council Aboriginal Corporation (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. During 2020-21, BLCAC and GLaWAC have each dedicated a staff member to the development of the upcoming RCS. There have been ongoing meetings and input throughout this process as the input to the development of the RCS has a wider reach of providing the most current Traditional Owner perspectives across WGCMA projects and plans.

Our organisational cultural competency program is ongoing. In 2020, an internal Cultural Competency page was launched on our Intranet which provides staff with access to all documents they need to carry out their work, training videos for specific tasks such as a Welcome to Country, as well as Traditional Owner videos, podcasts and stories. It also includes further education for staff wishing to increase their Cultural Competence. This page has had 214 views since its inception. In 2020-21, we had five new staff and three board members complete stage one training. There were 15 members of the Community Engagement Network that attended a stage one training session at the Powlett River. A total of 60 Landcare group members attended training at The Knob Reserve with GLaWAC, and 27 people attended a training session with BLCAC at The Powlett River.

This year, cultural competency has been critical in our work with Traditional Owners and understanding and supporting each other through this time. Communication and knowing when to engage have been key during this period.

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 process for the renewal of our Regional Catchment Strategy (RCS) began this year, with both GLaWAC and BLCAC representatives sitting on the RCS development steering committee.

Our established Cultural Heritage process has worked well this year:

- We have completed over ten Aboriginal Cultural Heritage Register and Information System (ACHRIS) checks within the GLaWAC Registered Aboriginal Party (RAP) area.
- We have completed two ACHRIS checks within the BLCAC RAP area.
- Three projects have been adapted to avoid possible Aboriginal cultural heritage.
- Six projects have required site visits and the registration of new sites by GLaWAC.

Additional feedback has been given by Russell Mullett from GLaWAC which continues to inform this work.

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. The Cultural Water project has continued to grow with our staff working together closely. A highlight this year has been the use of traditional river names in the development of “Stories of Wirn Wirndook yerung – the Macalister River.” This is the first time a traditional name has been used in a WGCMA project.

Partnership meetings take place regularly, many of which have been conducted over Teams 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 - Gippsland Environmental Agencies (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 disrupted for part of this year. It has now resumed and other agencies continue to contract GLaWAC directly in this project area, including Greening Australia.

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

Opportunities for mentoring have reduced during this period, but have begun again and will continue in the areas of:

- Cultural Knowledge
- technical advice
- site recognition
- historical knowledge
- project planning
- project implementation
- reporting and
- environmental water knowledge.

Boon Wurrung

Tanderrum ceremony was cancelled during this period. It will hopefully resume in 2021.

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 Indigenous Corporation is a valuable learning experience for our staff and management. Information is being shared both ways, any advice and support is 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.



Cultural Heritage works between our two organisations have begun and we are developing this process as we go. We held one Cultural Heritage training session for Landcare groups within the Bunurong RAP area. This session was well attended and received positive feedback; the level of technical knowledge shared by BLCAC on the day was excellent.

BLCAC has been involved in the development of our program for EC5 which will include a project on the Powlett River. BLCAC are also involved in the development of the next Regional Catchment Strategy (RCS).

Partnerships and projects

Our Aboriginal Cultural Heritage Officer (ACHO) has developed partnerships with Indigenous communities and assisted employees to extend their understanding of Native Title and Indigenous 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 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. We have also participated in the state-wide Landcare Cultural Heritage initiative.

Working with youth

Throughout the year we have been involved in mentoring GLaWAC Cultural Water staff, GLaWAC Rangers and Indigenous 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, and data collection.

Involving women

Six members of our board are female. Nearly half of the Community Engagement Network (CEN) membership is female. Of our 37(FTE) employees, 54% are female.

Workforce Inclusion policy

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

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.

Diversity and Inclusion Plan Initiative	Measure	Actual progress for 2020-21	Actual progress for 2019-20	Actual progress for 2018-19
Promote the availability of flexible work arrangements	Number of staff with flexible work arrangements	100% of staff	100% of staff	73% 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 2020 to 30 June 2021 were the Hon Lisa Neville MP, Minister for Water, and the Hon Liliansa (Lily) D'Ambrosio MP, Minister for Energy, Environment and Climate Change. The Hon Richard Wynne MP acted as the Minister for Water from 15 February 2021 to 30 June 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.

WGCM 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 2020-21, we did not commence any contracts valued at over \$1 million under which the Local Jobs First Act would apply.



Government advertising expenditure

Nil reports: Our expenditure on government campaigns did not exceed \$100,000 in the 2020-21 reporting period.

Consultancy expenditure

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

During the 2020-21 financial year, there were two consultancies where the total fees payable to the consultants was \$10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies was \$ 29,694 (excluding GST).

Details of individual consultancies are outlined on our website, at www.wgcma.vic.gov.au.

Details of consultancies under \$10,000

During the 2020-21 financial year, there were two consultancies where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2020-21 in relation to these consultancies was \$8,086 (excluding GST).

Information and Communication Technology expenditure

For the 2020-21 reporting period, we had a total ICT expenditure of \$750,433 with the details shown below:

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
\$ 668,879	\$ 81,554	\$ 23,518	\$ 58,035

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

We did not award any major contracts (valued at \$10 million or more) during 2020-21.

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. 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

FOI statistics/timeliness

In the 2020-21 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.



Building Act 1983 compliance

We own two depot buildings located in Maffra and Cowwarr and comply 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 us, and 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.

No major works projects over \$50,000 were undertaken for these buildings.

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.

We continue to implement and apply this principle in our business undertakings. The Authority is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the Competition and Infrastructure Reform Agreement.

Public Interest Disclosure

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

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

Nil reports: 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 2020-21.

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.

Social Procurement Framework

The West Gippsland Catchment Management Authority (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.

In 2019, the WGCMA developed a Social Procurement Strategy to enable 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 that strategy, the WGCMA prioritise 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 18: SPF Objectives and reporting framework

Objective Prioritised	Outcome Sought	SPF Reporting Metric
Sustainable Victorian social enterprises and Aboriginal business sectors	Purchasing from Victorian Aboriginal businesses	Number of Victorian Aboriginal businesses engaged and the number as a proportion of the suppliers used by the CMA
Women's equality and safety	Adoption of family violence leave by Victorian Government suppliers	Number of suppliers to the CMA that have implemented a family violence leave policy
	Gender equality within Victorian Government suppliers	Number of suppliers to the CMA that have a gender equality policy
Sustainable Victorian Regions	Job readiness and employment for people in regions with entrenched disadvantage	Number of businesses engaged by the CMA within regions experiencing entrenched disadvantage

The WGCMA will commence reporting on its progress against the SPF objective using the reporting metrics detailed in the table above in subsequent reporting periods.

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 in electronic readable format.

Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise the WGCMA's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. The requirements can be found on the DTF website (www.dtf.vic.gov.au).

The WGCMA's target maturity rating is "competence", meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

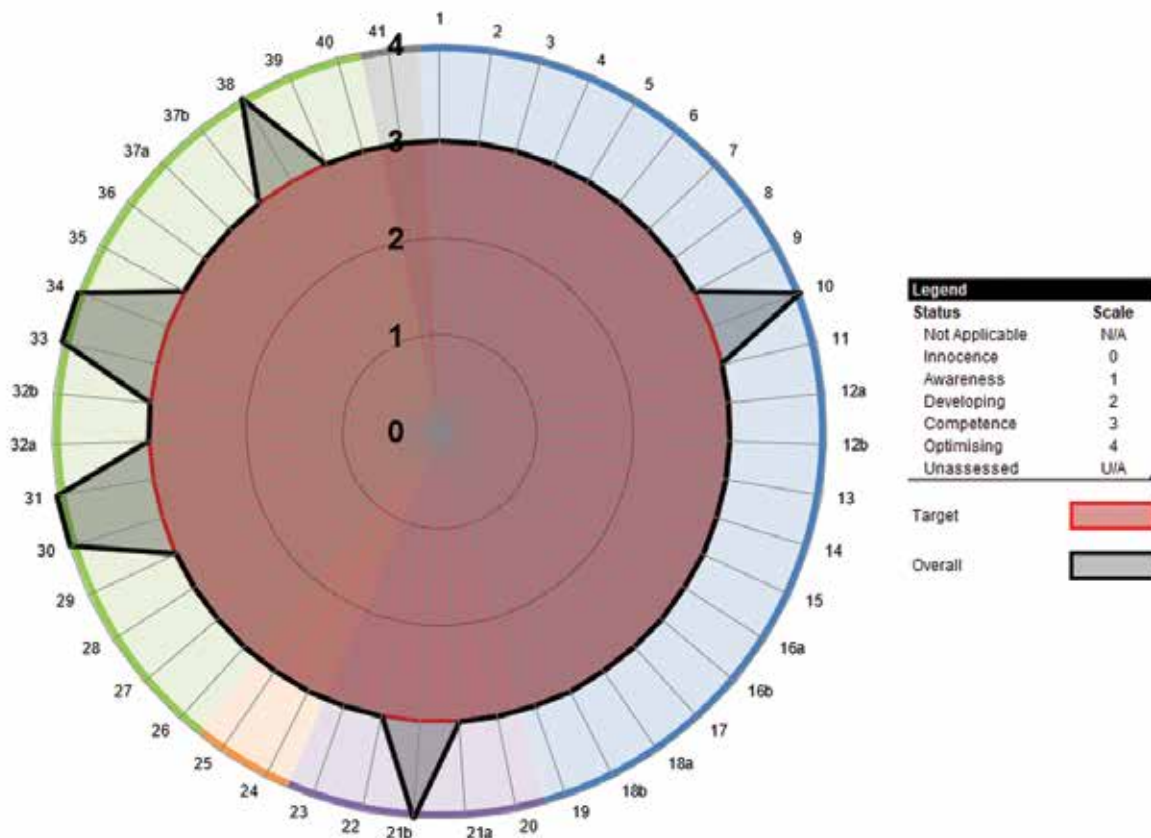


Figure 18: AMAF Maturity Assessment diagram



Leadership and Accountability (Requirements 1-19)

The Authority has met or exceeded its target maturity under all requirements under this category.

Planning (Requirements 20-23)

The Authority has met or exceeded its target maturity under all requirements under this category.

Acquisition (Requirements 24 and 25)

The Authority has met its target maturity under all requirements under this category.

Operation (Requirements 26-40)

The Authority has met or exceeded its target maturity under all requirements under this category.

Disposal (Requirement 41)

The Authority has met its target maturity under all requirements under this category.

West Gippsland Catchment Management Authority Financial Management Compliance Attestation Statement

I, Peter Jennings, 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.

A handwritten signature in black ink that reads "Peter Jennings". The signature is written in a cursive, flowing style.

Peter Jennings

27 September 2021

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.



Independent Auditor's Report

To the Board of West Gippsland Catchment Management Authority

Opinion	<p>I have audited the financial report of West Gippsland Catchment Management Authority (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2021 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>
Basis for Opinion	<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. My independence is established by the <i>Constitution Act 1975</i>.</p> <p>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>
Board's responsibilities for the financial report	<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
5 October 2021



Paul Martin
as delegate for the Auditor-General of Victoria

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 2021 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

Revenue recognised in respect of Government contributions and other income sources

- 2.1 Summary of income that funds the delivery of our service
- 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 Lease expenses
- 3.4 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 executives
- 8.6 Related parties
- 8.7 Remuneration of auditors
- 8.8 Subsequent events
- 8.9 Correction of a prior period error
- 8.10 Change in accounting policies
- 8.11 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 2021 and financial position of the Authority at 30 June 2021.

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 27 September 2021.



Peter Jennings
Chairperson



Martin Fuller
CEO and Accountable Officer



Lucy Laurie-Rhodes
Chief Finance & Accounting Officer

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2021

	Notes	2021 \$	2020 \$
Income from transactions			
Government contributions	2.2.1	9,322,518	8,763,487
Interest	2.2.2	40,003	147,782
Other income	2.2.3	1,535,208	2,171,697
Total income from transactions		<u>10,897,729</u>	<u>11,082,966</u>
Expenses from transactions			
Employee expenses	3.1.1	4,744,743	5,249,348
Depreciation and amortisation	4.1.2	618,419	653,889
Materials, maintenance, grants, contracts and consultancies	3.2	4,527,356	5,740,739
Lease expenses	3.3	33,198	40,783
Other operating expenses	3.4	591,157	771,156
Total expenses from transactions		<u>10,514,873</u>	<u>12,455,915</u>
Net result from transactions (net operating balance)		<u>382,856</u>	<u>(1,372,949)</u>
Other economic flows included in net result			
Net gain/(loss) on non-financial assets (ii)	8.2	47,323	63,932
Net result		<u>430,179</u>	<u>(1,309,017)</u>
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.3	98,750	-
Comprehensive result		<u>528,929</u>	<u>(1,309,017)</u>

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 2021

	Notes	2021 \$	2020 \$
Assets			
Financial assets			
Cash and deposits	6.3	12,507,728	11,901,388
Receivables	5.1	248,999	72,934
Total financial assets		12,756,727	11,974,322
Non-financial assets			
Property, plant and equipment	4.1	2,051,591	2,569,028
Intangible assets	4.2	281,748	241,055
Other non-financial assets	5.3	104,128	104,301
Total non-financial assets		2,437,467	2,914,384
Total assets		15,194,194	14,888,706
Liabilities			
Payables	5.2	450,691	161,797
Lease liabilities	6.1	740,112	1,004,738
Employee related provisions	3.1.2	1,695,485	1,943,194
Total liabilities		2,886,288	3,109,729
Net assets		12,307,906	11,778,977
Equity			
Accumulated surplus/(deficit)		349,365	349,365
Physical asset revaluation surplus	8.3	494,109	395,359
Committed funds reserve	8.3	3,102,990	2,672,811
Contributed capital		8,361,442	8,361,442
Net worth		12,307,906	11,778,977

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 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts			
Receipts from government		9,478,170	8,939,321
Interest received		40,003	148,004
Goods and services tax received from the ATO (ii)		238,434	375,231
Other receipts		1,365,655	2,143,130
Total receipts		11,122,262	11,605,686
Payments			
Payments to suppliers and employees		10,241,520	12,491,366
Interest and other costs of finance paid		14,174	18,317
Total payments		10,255,694	12,509,683
Net cash flows from/(used in) operating activities	6.3.1	866,568	(903,997)
Cash flows from investing activities			
Purchases of non-financial assets	4.1.2	(104,059)	(583,649)
Proceeds from the sale of non-financial assets	8.2	106,298	162,859
Net cash (outflow) / inflow from investing activities		2,239	(420,790)
Cash Flows from Financing Activities			
Repayment of principal portion of lease liabilities (iii)		(262,467)	(252,199)
Net cash provided by / (used in) financing activities		(262,467)	(252,199)
Net increase / (decrease) in cash and cash equivalents		606,340	(1,576,986)
Cash and cash equivalents at the beginning of the financial year		11,901,388	13,478,374
Cash and cash equivalents at end of financial year	6.3	12,507,728	11,901,388

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 2021

	Accumulated surplus	Physical asset revaluation surplus	Committed funds reserve	Contributed capital	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	349,365	395,359	3,981,827	8,361,442	13,087,993
Net result for the year	(1,309,017)	-	-	-	(1,309,017)
Transfers to/(from) reserves (ii)	1,309,017	-	(1,309,017)	-	-
Balance at 30 June 2020	<u>349,365</u>	<u>395,359</u>	<u>2,672,810</u>	<u>8,361,442</u>	<u>11,778,977</u>
Net result for the year	430,179	98,750	-	-	528,929
Transfers to/(from) reserves (ii)	(430,179)	-	430,179	-	-
Balance at 30 June 2021	<u>349,365</u>	<u>494,109</u>	<u>3,102,990</u>	<u>8,361,442</u>	<u>12,307,906</u>

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 2021

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);
- 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 2021 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, and as such the closure of our offices had minimal affect on our activities. The Authority has utilised a 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. COVID-19 restrictions have caused some minor delays in on-ground works, which has resulted in less expenditure than otherwise expected (Note 3.2).

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 Revenue

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	2021 \$	2020 \$
Government contributions	2.2.1	9,322,518	8,763,487
Interest income	2.2.2	40,003	147,782
Other income	2.2.3	1,535,208	2,171,697
Total income from transactions		10,897,729	11,082,966

2.2 Income from transactions

2.2.1 Government contributions

	2021 \$	2020 \$
Income recognised as income of not-for-profit entities under AASB 1058		
State Government		
Catchment Planning	1,008,826	1,080,083
Sustainable Irrigation	1,041,000	872,000
River Health	4,591,000	4,360,000
Floodplain Management	150,000	150,000
Natural Disaster	-	-
Other State Funding	975,165	701,984
	7,765,991	7,164,067
Commonwealth Government		
National Landcare Program	1,556,527	1,599,420
Other Commonwealth Funding	-	-
	1,556,527	1,599,420
Total Government contributions	9,322,518	8,763,487

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 2020-21 the Authority has not recognised any revenue under AASB 15 (2019-20 \$nil).

2.2.2 Interest

	2021	2020
	\$	\$
Interest on bank deposits	<u><u>40,003</u></u>	<u><u>147,782</u></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

	2021	2020
	\$	\$
Partnership Contributions	1,301,469	1,892,028
Rental Income	37,200	31,000
Employee Contributions	196,539	215,418
Ancillary Trading	-	33,250
Total other income	<u><u>1,535,208</u></u>	<u><u>2,171,697</u></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 Lease expenses
- 3.4 Other operating expenses

3.1 Expenses incurred in delivery of services:

	Notes	2021 \$	2020 \$
Employee expenses	3.1.1	4,744,743	5,249,348
Materials, maintenance, grants, contracts and consultancies	3.2	4,527,356	5,740,739
Lease expenses	3.3	33,198	40,783
Other operating expenses	3.4	591,157	771,156
Total expenses incurred in the delivery of services		<u>9,896,454</u>	<u>11,802,026</u>

3.1.1 Employee benefits in the comprehensive operating statement

	2021 \$	2020 \$
Salaries & wages	3,688,581	3,640,383
Annual leave	295,965	283,653
Long service leave	142,345	69,510
Other leave	292,759	323,814
Defined contribution superannuation expense	384,379	382,457
Defined benefit superannuation expense	12,828	13,658
Other employee expenses	190,919	233,536
Movement in provisions for employee benefits (i)	(263,033)	302,338
Total employee benefit expenses	<u>4,744,743</u>	<u>5,249,348</u>

(i) The decrease in movement in provisions for employee benefits in 2021 is 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.

	2021	2020
	\$	\$
Current provisions for employee benefits		
Time in lieu and RDO:		
Unconditional and expected to be settled within 12 months	28,000	34,888
Annual leave:		
Unconditional and expected to be settled within 12 months	334,642	323,768
Unconditional and expected to be settled after 12 months	51,492	41,624
Long service leave:		
Unconditional and expected to be settled within 12 months	40,614	55,911
Unconditional and expected to be settled after 12 months	1,022,517	1,180,734
	<u>1,477,265</u>	<u>1,636,926</u>
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	46,232	49,001
Unconditional and expected to be settled after 12 months	134,091	157,462
Total current provisions	<u>1,657,588</u>	<u>1,843,390</u>
Non-current provisions for employee benefits		
Long service leave:		
Conditional and expected to be settled after 12 months	33,681	88,392
Provisions for on-costs		
Conditional and expected to be settled after 12 months	4,216	11,412
Total non-current provisions	<u>37,897</u>	<u>99,805</u>
Total provisions for employee benefits and on-costs	<u>1,695,485</u>	<u>1,943,194</u>
Reconciliation of movement in on-cost provision		2021
		\$
Opening balance		217,876
Additional provisions recognised		(33,336)
Closing balance		<u>184,539</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 and measured at the undiscounted amount expected to be paid, as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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 expended in relation to the major employee superannuation funds and contributions made by the Authority are as follows:

	2021	2020
	\$	\$
Defined benefit plans: (i)		
Vision super defined benefits scheme	-	1,495
Government superannuation office	12,828	12,163
Defined contribution plans:		
Vision super	142,794	144,254
Vic super	25,860	32,924
Other private schemes	215,725	205,279
Total	<u><u>397,207</u></u>	<u><u>396,115</u></u>

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

There was \$5,228 in contributions outstanding to the above schemes as at 30 June 2021 (2020: \$2,889)

3.2 Materials, maintenance, grants, contracts and consultancies

	2021	2020
	\$	\$
Materials	127,028	306,593
Repairs and maintenance	50,597	78,826
Grants paid	833,883	833,182
Contractors	3,431,893	4,174,217
Consultants	83,953	347,922
Total materials, maintenance, grants, contracts and consultancies (i)	<u><u>4,527,356</u></u>	<u><u>5,740,739</u></u>

(i) The reduction in total expenditure on materials, maintenance, grants and consultancies in 2021 is attributable to a number of factors:

- COVID-19 restrictions,
- The delay to the State Government budget announcement, and
- A new funding cycle commenced during the financial year. In the earlier stages of the new projects, there is an increased focus on planning rather than on-ground works.

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

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

3.3 Lease expenses

	2021	2020
	\$	\$
Short-term operating lease payments	19,025	22,466
Lease interest	14,174	18,317
Total lease expenses	<u>33,198</u>	<u>40,783</u>

The lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term 12 months or less; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

3.4 Other operating expenses

	2021	2020
	\$	\$
Telephones and mobile data	177,757	177,589
Fleet expenses	121,422	161,200
Fares and accommodation	21,809	74,424
Education, training, conferences and seminars	39,607	43,837
Meeting expenses	9,662	27,367
Other expenses	220,900	286,738
	<u>591,157</u>	<u>771,156</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	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Land at fair value	462,000	416,000	-	-	462,000	416,000
Buildings at fair value (i)	1,514,778	1,536,936	(540,204)	(298,402)	974,573	1,238,534
Works assets at fair value	151,000	151,000	-	(30,200)	151,000	120,800
Plant and equipment at fair value	232,557	235,246	(221,543)	(221,236)	11,014	14,011
Office furniture and equipment at fair value	596,868	736,476	(491,661)	(608,814)	105,206	127,662
Motor vehicles at fair value	1,018,990	1,159,142	(671,192)	(507,121)	347,798	652,022
Net carrying amount	<u>3,976,192</u>	<u>4,234,801</u>	<u>(1,924,601)</u>	<u>(1,665,773)</u>	<u>2,051,591</u>	<u>2,569,028</u>

Note:

(i) AASB 16 *Leases* has been applied for the first time from 1 July 2019

4.1.1 Total right-of-use assets: buildings, plant, equipment and vehicles

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 Carrying Amount 2021	Accumulated Depreciation 2021	Net carrying Amount 2021	Gross Carrying Amount 2020	Accumulated Depreciation 2020	Net carrying Amount 2020
Buildings at Fair Value	\$ 1,254,778	\$ (540,204)	\$ 714,573	\$ 1,256,936	\$ (270,402)	\$ 986,534
Net Carrying Amount	1,254,778	(540,204)	714,573	1,256,936	(270,402)	986,534

	Buildings at fair value
	\$
Opening Balance - 1 July 2020	986,534
Additions	-
Right-of-use adjustment (i)	(2,158)
Disposals	-
Depreciation	(269,803)
Closing Balance - 30 June 2021	714,574

	Buildings at fair value
	\$
Opening Balance - 1 July 2019 (ii)	1,256,936
Additions	-
Disposals	-
Depreciation	(270,402)
Closing Balance - 30 June 2020	986,534

Note:

- (i) 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.
- (ii) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 (Note 8.5.4)

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 \$300, 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 depreciated 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 FRD1031 *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 2021 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 1031 Non-Financial Physical Assets (FRD 1031). 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 1031.

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

	2021	2020
	\$	\$
Charge for the period		
Buildings	276,802	277,402
Works assets	7,550	7,550
Plant & equipment	2,997	9,905
Office furniture & equipment	60,436	61,498
Motor vehicles	254,721	291,764
Intangible assets	15,913	5,770
Total depreciation and amortisation	<u><u>618,419</u></u>	<u><u>653,889</u></u>

of which relates to right-of-use assets:

Buildings	269,803	270,402
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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:

Asset	Useful Life
Buildings	40 years
Buildings - right-of-use	2 - 20 years
Works assets	20 years
Plant and equipment	3 - 20 years
Furniture & office 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.

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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 at fair value	Motor vehicles at fair value	Total
	\$	\$	\$	\$	\$	\$	\$
2020-21							
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)
Write-Offs	-	-	-	-	-	-	-
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)
Closing balance	462,000	974,573	151,000	11,014	105,206	347,798	2,051,591
2019-20							
Opening balance	416,000	259,000	128,350	23,916	86,994	751,087	1,665,347
Additions (ii)	-	1,256,936	-	-	105,157	276,389	1,638,482
Disposals	-	-	-	-	(2,992)	(83,690)	(86,682)
Write-Offs	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Depreciation	-	(277,402)	(7,550)	(9,905)	(61,498)	(291,764)	(648,118)
Closing balance	416,000	1,238,533	120,800	14,012	127,661	652,022	2,569,028

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.

(ii) The 2019-20 buildings at fair value additions includes the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases.

4.2 Intangible assets

	2021	2020
	\$	\$
Computer Software		
Gross carrying amount		
Opening Balance	989,897	800,039
Additions	56,606	46,660
Additions - Work in Progress	-	143,198
Closing balance	1,046,503	989,897
Accumulated depreciation		
Opening Balance	(748,843)	(743,072)
Amortisation	(15,913)	(5,770)
Closing balance	(764,755)	(748,843)
Net book value at end of financial year	281,748	241,054

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.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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 five 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

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

	2021	2020
	\$	\$
Receivables		
Contractual		
Trade receivables	244,999	68,934
Other receivables	4,000	4,000
	<u>248,999</u>	<u>72,934</u>
Statutory		
GST input tax credits recoverable	-	-
	<u>-</u>	<u>-</u>
Total receivables	<u><u>248,999</u></u>	<u><u>72,934</u></u>
<i>Represented by:</i>		
Current Receivables	244,999	68,934
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	2021	2020
Contractual	\$	\$
Trade payables	94,967	85,772
Accrued expenses	304,768	69,170
	<u>399,734</u>	<u>154,942</u>
Statutory		
FBT accrual	4,067	3,966
Superannuation	5,228	2,889
GST payable	41,662	-
	<u>50,957</u>	<u>6,855</u>
Total payables	<u>450,691</u>	<u>161,797</u>
<i>Represented by:</i>		
Current Payables	450,691	161,797

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
	\$	\$	\$	\$	\$
2021					
Payables					
Trade payables	94,967	94,967	95,033	-	(66)
Accrued expenses	304,768	304,768	304,768	-	-
Total	<u>399,734</u>	<u>399,734</u>	<u>399,800</u>	<u>-</u>	<u>(66)</u>

	Carrying amount	Nominal Amount	Maturity dates		
			Less than 1 month	1-3 months	3-6 months
	\$	\$	\$	\$	\$
2020					
Payables					
Trade payables	85,772	85,772	81,886	3,886	-
Accrued expenses	69,170	69,170	69,170	-	-
Total	<u>154,942</u>	<u>154,942</u>	<u>151,056</u>	<u>3,886</u>	<u>-</u>

Note:

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

5.3 Other non-financial assets

	2021	2020
Current other assets	\$	\$
Prepayments	<u>104,128</u>	<u>104,301</u>
Total other assets	<u>104,128</u>	<u>104,301</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 7.2 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	2021	2020
		\$	\$
Current borrowings			
Lease Liabilities (i)	6.2	<u>272,300</u>	<u>262,746</u>
Total current borrowings		<u>272,300</u>	<u>262,746</u>
Non-current borrowings			
Lease Liabilities (i)	6.2	<u>467,812</u>	<u>741,991</u>
Total non-current borrowings		<u>467,812</u>	<u>741,991</u>

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
	\$	\$	\$	\$	\$	\$	\$
2021							
Lease Liabilities	740,112	757,171	23,244	69,731	189,237	474,959	-
Total	<u>740,112</u>	<u>757,171</u>	<u>23,244</u>	<u>69,731</u>	<u>189,237</u>	<u>474,959</u>	<u>-</u>
2020							
Lease Liabilities	1,004,738	1,036,029	22,787	68,423	185,736	759,083	-
Total	<u>1,004,738</u>	<u>1,036,029</u>	<u>22,787</u>	<u>68,423</u>	<u>185,736</u>	<u>759,083</u>	<u>-</u>

6.1.2 Interest expense

	2021	2020
	\$	\$
Interest on leases liabilities	<u>14,174</u>	<u>18,317</u>
Total interest expense	<u>14,174</u>	<u>18,317</u>

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

The Authority leases various properties. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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. The Authority has elected not to recognise right-of-use assets and lease liabilities for these leases.

As at 30 June 2021, the Authority has committed to short term leases and the total commitment at that date was \$13,064 (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 2020 relating to leases:

	2021	2020
	\$	\$
Interest expense on lease liabilities	14,174	18,317
Expenses relating to short term leases	19,025	22,466
Total amount recognised in the Comprehensive Operating Statement	<u>33,198</u>	<u>40,783</u>

6.2.2 Amounts recognised in the Cashflow Statement

The following amounts are recognised in the Cashflow Statement for the year ending 30 June 2020 relating to leases:

	2021	2020
	\$	\$
Total cash outflow for leases	<u>295,665</u>	<u>292,982</u>

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 department 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 leases

The Authority has elected to account for short-term 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.

	2021	2020
Cash and deposits disclosed in the balance sheet:	\$	\$
Cash on hand	900	900
Cash at bank	583,811	717,470
Deposits at call	11,923,018	11,183,018
Balance as per cash flow statement	<u>12,507,728</u>	<u>11,901,388</u>

6.3.1 Reconciliation of net result for the period to cash flow from operating activities

	2021	2020
	\$	\$
Net result for the period	430,179	(1,309,017)
Non-cash movements:		
(Gain)/loss on disposal of non-current assets	(47,323)	(63,932)
Depreciation and amortisation of non-current assets	618,419	653,889
	1,001,275	(719,060)
Movements in assets and liabilities:		
Decrease/(increase) in receivables	(176,065)	38,741
Decrease/(increase) in non-financial assets	173	(3,385)
(Decrease)/increase in payables	288,894	(492,510)
(Decrease)/increase in employee benefits	(247,709)	272,216
Net cash flows from/(used in) operating activities	<u>866,568</u>	<u>(903,997)</u>

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

	2021	2020
Operating commitments payable	\$	\$
Less than 1 year	13,064	13,087
1 to 5 years	-	-
5 years or more	-	-
Total commitments (inclusive of GST)	<u>13,064</u>	<u>13,087</u>

The 2019-20 and 2020-21 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 high 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).

Financial liabilities 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 2021 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 opening loss allowance on initial application date of AASB 9 and 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
30 June 2020						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	4,363	68,571	-	-	-	72,934
Loss Allowance	-	-	-	-	-	-
	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
30 June 2021						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	84,657	163,241	-	1,100	-	248,999
Loss Allowance	-	-	-	-	-	-

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 \$
2021			
Contractual financial assets			
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
Total contractual financial assets	12,756,727	-	12,756,727
Contractual financial liabilities			
<i>Payables: (i)</i>			
Trade payables	-	94,967	94,967
Accrued expenses	-	304,768	304,768
<i>Borrowings:</i>			
Lease Liabilities (ii)	-	740,112	740,112
Total contractual financial liabilities	-	1,139,846	1,139,846
2020			
Contractual financial assets			
Cash and deposits	11,901,388	-	11,901,388
<i>Receivables: (i)</i>			
Trade receivables	68,934	-	68,934
Other receivables	4,000	-	4,000
Total contractual financial assets	11,974,322	-	11,974,322
Contractual financial liabilities			
<i>Payables: (i)</i>			
Trade payables	-	85,772	85,772
Accrued expenses	-	76,026	76,026
<i>Borrowings:</i>			
Lease Liabilities (ii)	-	1,017,600	1,017,600
Total contractual financial liabilities	-	1,179,397	1,179,397

(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 Audit and Risk committee of the Authority.

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 debtor is the Victorian Government. 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 Westpac Bank and 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 Department'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 does not have any borrowings, and 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
			\$	\$	\$
2021					
Financial assets					
Cash and deposits	0.31	12,507,728	-	12,506,828	900
Contractual receivables	-	248,999	-	-	248,999
Total financial assets		12,756,727	-	12,506,828	249,899
Financial liabilities					
Contractual payables	-	399,734	-	-	399,734
Lease Liabilities		740,112	740,112		
Total financial liabilities		1,139,846	740,112	-	399,734
2020					
Financial assets					
Cash and deposits	1.06	11,901,388	-	11,900,488	900
Contractual receivables	-	72,934	-	-	72,934
Total financial assets		11,974,322	-	11,900,488	73,834
Financial liabilities					
Contractual payables	-	154,942	-	-	154,942
Lease Liabilities		1,004,738	1,004,738		
Total financial liabilities		1,159,680	1,004,738	-	154,942

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 \$
2021					
Cash and deposits (i)	12,507,728	(62,534)	-	62,534	-
2020					
Cash and deposits (i)	11,901,388	(59,502)	-	59,502	-

(i) Cash and deposits includes \$12,506,828 (2020: \$11,900,488) that is exposed to floating rates movements.

Sensitivities to these movements are calculated as follows:

- 2021: $\$12,506,828 \times -0.005 = -\$62,534$; and $\$12,506,828 \times 0.005 = \$62,534$
- 2020: $\$11,900,488 \times -0.005 = -\$59,502$; and $\$11,900,488 \times 0.005 = \$59,502$

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.

	2021 \$	2020 \$
Contingent assets		
As at 30 June 2021, the Authority has no known contingent assets.	-	-
Contingent liabilities		
Guarantees for loans to other entities (i)	26,500	26,500

(i) The amount disclosed is the nominal amount of the underlying loan that is guaranteed by the Authority. 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 2021.

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 2021-22 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
- Other payables

7.3.1 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

	Carrying amount as at 30 June 2021 \$	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
Total Land at Fair Value	462,000	-	374,000	88,000
Buildings at Fair Value				
Non-specialised buildings	974,573	-	-	974,573
Total Buildings at Fair Value	974,573	-	-	974,573
Works assets at Fair Value				
Works assets	151,000	-	-	151,000
Total Infrastructure at Fair Value	151,000	-	-	151,000
Plant and equipment at Fair Value				
Plant and equipment	11,014	-	-	11,014
Total Plant and equipment at Fair Value	11,014	-	-	11,014
Office furniture and equipment at Fair Value				
Office furniture and equipment	105,206	-	-	105,206
Total Office furniture and equipment at Fair Value	105,206	-	-	105,206
Motor vehicles at Fair Value				
Motor vehicles	347,798	-	-	347,798
Total Motor vehicles at Fair Value	347,798	-	-	347,798

Note:

(i) Classified in accordance with the fair value hierarchy, see Note 7.3.

	Carrying amount as at 30 June 2020	Fair Value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Land at Fair Value				
Non-specialised land	338,000	-	338,000	-
Specialised land	78,000	-	-	78,000
Total Land at Fair Value	416,000	-	338,000	78,000
Buildings at Fair Value				
Non-specialised buildings	1,238,534	-	-	1,238,534
Total Buildings at Fair Value	1,238,534	-	-	1,238,534
Works assets at Fair Value				
Works assets	120,800	-	-	120,800
Total Infrastructure at Fair Value	120,800	-	-	120,800
Plant and equipment at Fair Value				
Plant and equipment	14,011	-	-	14,011
Total Plant and equipment at Fair Value	14,011	-	-	14,011
Office furniture and equipment at Fair Value				
Office furniture and equipment	127,662	-	-	127,662
Total Office furniture and equipment at Fair Value	127,662	-	-	127,662
Motor vehicles at Fair Value				
Motor vehicles	652,022	-	-	652,022
Total Motor vehicles at Fair Value	652,022	-	-	652,022

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value:

Non-specialised land & non-specialised buildings

Non-specialised land and non-specialised buildings 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.

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 depreciated 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. 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.

Motor vehicles

Motor vehicles are valued using the depreciated 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 depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2021.

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
2020-21						
Opening Balance	78,000	1,238,534	120,799	14,012	127,662	652,022
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)
Gains or losses recognised in net result	-	-	-	-	-	-
Subtotal	78,000	959,574	113,249	11,014	105,206	347,798
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	10,000	15,000	37,750	-	-	-
Subtotal	10,000	15,000	37,750	-	-	-
Closing Balance	88,000	974,574	151,000	11,014	105,206	347,798
2019-20						
Opening Balance	78,000	259,000	128,349	23,916	86,994	751,087
Purchases (sales)	-	1,256,936	-	-	102,165	192,699
Transfers in (out) of Level 3	-	-	-	-	-	-
Depreciation	-	(277,402)	(7,550)	(9,905)	(61,498)	(291,764)
Gains or losses recognised in net result	-	-	-	-	-	-
Subtotal	78,000	1,238,534	120,799	14,012	127,662	652,022
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Closing Balance	78,000	1,238,534	120,799	14,012	127,662	652,022

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Specialised land	Market/Direct comparison approach adjusted for unobservable inputs (CSO allowance)	Sales evidence Unit of value by comparative basis (\$ per m ²) adjusted for Community Service Obligation (CSO) allowance on land.
Non-specialised buildings	Market/Direct comparison approach Fair Value	Sales evidence Unit of value by comparative basis (\$ per m ² and Market Yield) Comparative Market Rental pricing (\$ per m ²)
Works assets	Market/Direct comparison approach	Sales evidence Unit of value by comparative basis (\$ per m ²)
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Office furniture and equipment	Depreciated replacement cost	Cost per unit Useful life of furniture and equipment
Motor vehicles	Depreciated 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 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 2021 (2020 \$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.

	2021	2020
	\$	\$
Net gain/(loss) on disposal of non-financial assets		
Proceeds from sale of non-financial assets	99,134	148,054
Less written down value	(51,811)	(84,121)
Total net gain/(loss) on disposal of non-financial assets	47,323	63,932

8.3 Reserves

	2021	2020
	\$	\$
Physical asset revaluation surplus: (i)		
Balance at beginning of financial year	395,359	395,359
Revaluation increments	98,750	-
Balance at end of financial year	494,109	395,359
Committed funds reserve: (ii)		
Balance at beginning of financial year	2,672,809	3,981,826
Net transfers from accumulated funds	430,179	(1,309,017)
Balance at end of financial year	3,102,988	2,672,809
Total Reserves	3,597,097	3,068,168

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 Jul 2020 to 30 Jun 2021
The Hon. Richard Wynne, MP	Acting Minister for Water	15 Feb 2021 to 30 Jun 2021
The Hon. Lilians D'Ambrosio, MP	Minister for Energy, Environment and Climate Change	01 Jul 2020 to 30 Jun 2021
Peter Jennings	Chair	01 Jul 2020 to 30 Jun 2021
Mikaela Power	Board Member & Deputy Chair	01 Jul 2020 to 30 Jun 2021
Martin Fuller	CEO	01 Jul 2020 to 30 Jun 2021
Evelyn Hildebrandt	Board Member	01 Jul 2020 to 30 Jun 2021
Jodie Mason	Board Member	01 Jul 2020 to 30 Jun 2021
Belinda Nave	Board Member	01 Jul 2020 to 30 Jun 2021
Shelley McGuinness	Board Member	01 Jul 2020 to 30 Jun 2021
Nicholas Murray	Board Member	01 Jul 2020 to 30 Jun 2021
Elizabeth Clay	Board Member	01 Jul 2020 to 30 Jun 2021

Remuneration

Remuneration received or receivable from the Authority in connection with the management of the Authority during the reporting period was:

Income band	2021	2020
\$0–\$9,999	0	4
\$10,000–\$19,999	7	7
\$20,000–\$29,999	1	1
\$220,000–\$229,999	0	0
\$230,000–\$239,999	1	1
Total number of Responsible persons	9	13
Total Remuneration \$	371,198	378,099

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 Department of Parliamentary Services' 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.

Remuneration	2021	2020
	\$	\$
Short-term employee benefits	433,271	408,462
Post-employment benefits	40,747	39,264
Other long-term benefits	-	5,333
Termination benefits	95,251	-
Total remuneration	569,269	453,059
Total number of executives (i)	4	3
Total annualised employee equivalents (ii)	3.6	2.7

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 also reported within the related parties note disclosure (Note 8.6)
- (ii) 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 year, the Authority received significant funding from the following government-related entities:

Entity	Nature of Transaction/s	Payments received \$	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 year, the Authority made significant payments to the following government-related entities:

Entity	Nature of Transaction/s	Payments made \$	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	-

Key management personnel of the Authority includes all Responsible persons as listed in Note 8.4, and all members of the executive team which includes:

Mr Adam Dunn	Executive Manager Statutory Planning
Mr Dan Garlick	Executive Manager Catchment Planning and Delivery
Miss Lucy Laurie-Rhodes	Executive Manager Corporate Services
Mr Robert Carlesso	Corporate Services Manager (to 10 July 2020)

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 Department of Parliamentary Services' Financial Report.

Compensation of KMPs	2021 \$	2020 \$
Short-term employee benefits	772,467	753,860
Post-employment benefits	72,749	71,965
Other long-term benefits	-	5,333
Termination benefits	95,251	-
Share-based payments	-	-
Total	940,466	831,158

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

	2021	2020
	\$	\$
Victorian Auditor-General's Office for audit of financial statements	25,600	14,300
Internal audit costs	23,985	18,850
Total auditors' remuneration	49,585	33,150

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 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to the Model Financial Statements. The Authority is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

AASB 2020-1 Amendments to Australia 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. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted, however the AASB has recently issued AASB 2021-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Authority will not early adopt the Standard.

The Authority is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

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 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements - Simplified Disclosure for For-Profit Tier 2 Entities*.
- AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*.
- AASB 2020-7 *Amendments to Australian Accounting Standards - Covid-19-Rent Related Concessions: Tier 2 Disclosures*.
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2*.
- AASB 2020-9 *Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.

Appendix 1 – Disclosure index

This annual report 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: The confluence of the Thomson and Latrobe rivers, looking downstream towards the lower Latrobe River wetlands system and Gippsland Lakes. Image: Darryl Whittaker

Inside front and back: The mouth of the Powlett River. Image: Darryl Whittaker

Back: WGCMA staff Elsa Burnell and Paula Camenzuli with Perry River landholder John Boyd on his property. Image: Darryl Whittaker



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