



ANNUAL REPORT

2022-23

Contents

Acknowledgement

The West Gippsland Catchment Management Authority (CMA) is committed to working with Aboriginal stakeholders in Natural Resource Management (NRM) throughout the West Gippsland Region. The organisation is committed to developing and maintaining sound working relationships with Aboriginal People and organisations based on mutual trust, respect and understanding.

The Gunaikurnai peoples and the Kulin Peoples are the Traditional Owners 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 Brabralung and Brayakaulung 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 Taungurung in the hills to the north.

West Gippsland CMA has Memorandums of Understanding (MoU) with Bunurong Land Council Aboriginal Corporation (BLCAC) and Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC). In these MoU we agree to involve the respective Aboriginal corporations in all West Gippsland CMA projects from the beginning.

The West Gippsland CMA would like to acknowledge and pay our respects to the Traditional Land Owners within the catchment area, the Gunaikurnai, the Bunurong and Boon Wurrung and the Wurundjeri Peoples. We also acknowledge the responsibility to care for Country of Aboriginal and/or Torres Strait Islander Peoples and organisations in Natural Resource Management and pay respects to Elders, past, present and emerging.



Photo credits:
Cover: Corner Inlet
Above: GLaWAC smoking ceremony
This page: Bryan Watterson, Agnes River



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Report overview

Responsible Body Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the West Gippsland Catchment Management Authority's Annual Report for the year ending 30 June 2023.



Mikaela Power

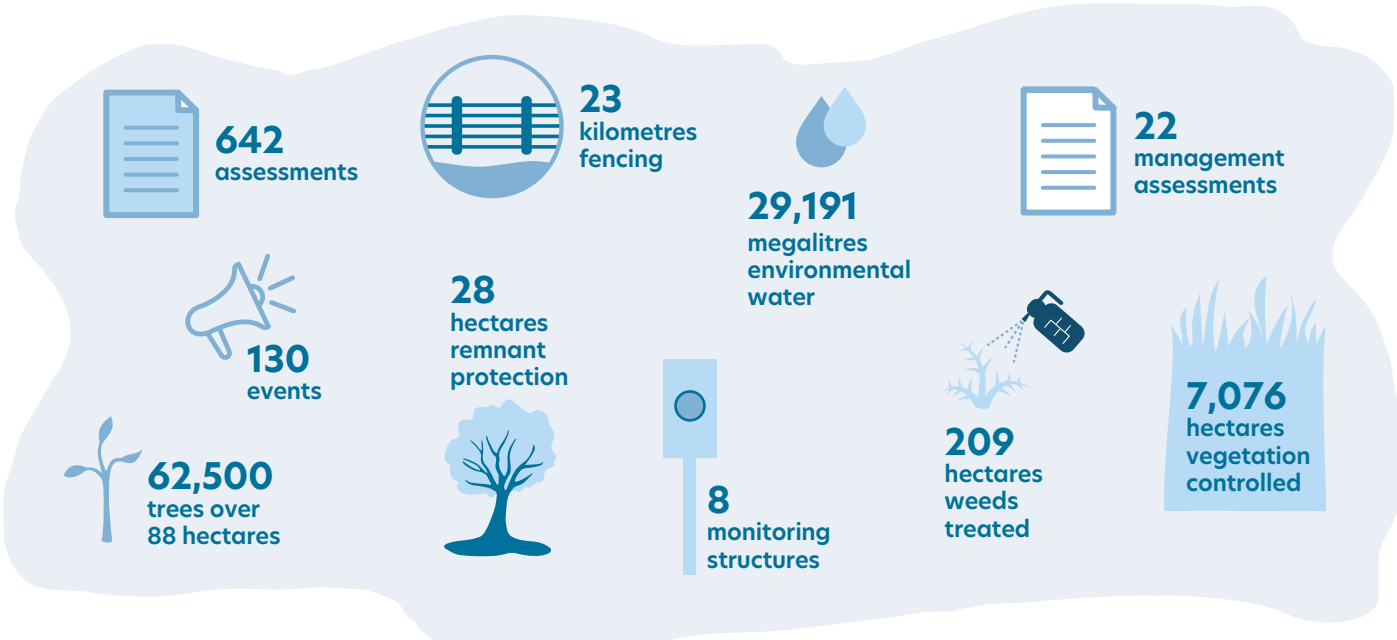
Chairperson

West Gippsland Catchment Management Authority
3 October 2023

2022-23 Highlights

Delivering Water for Victoria priorities

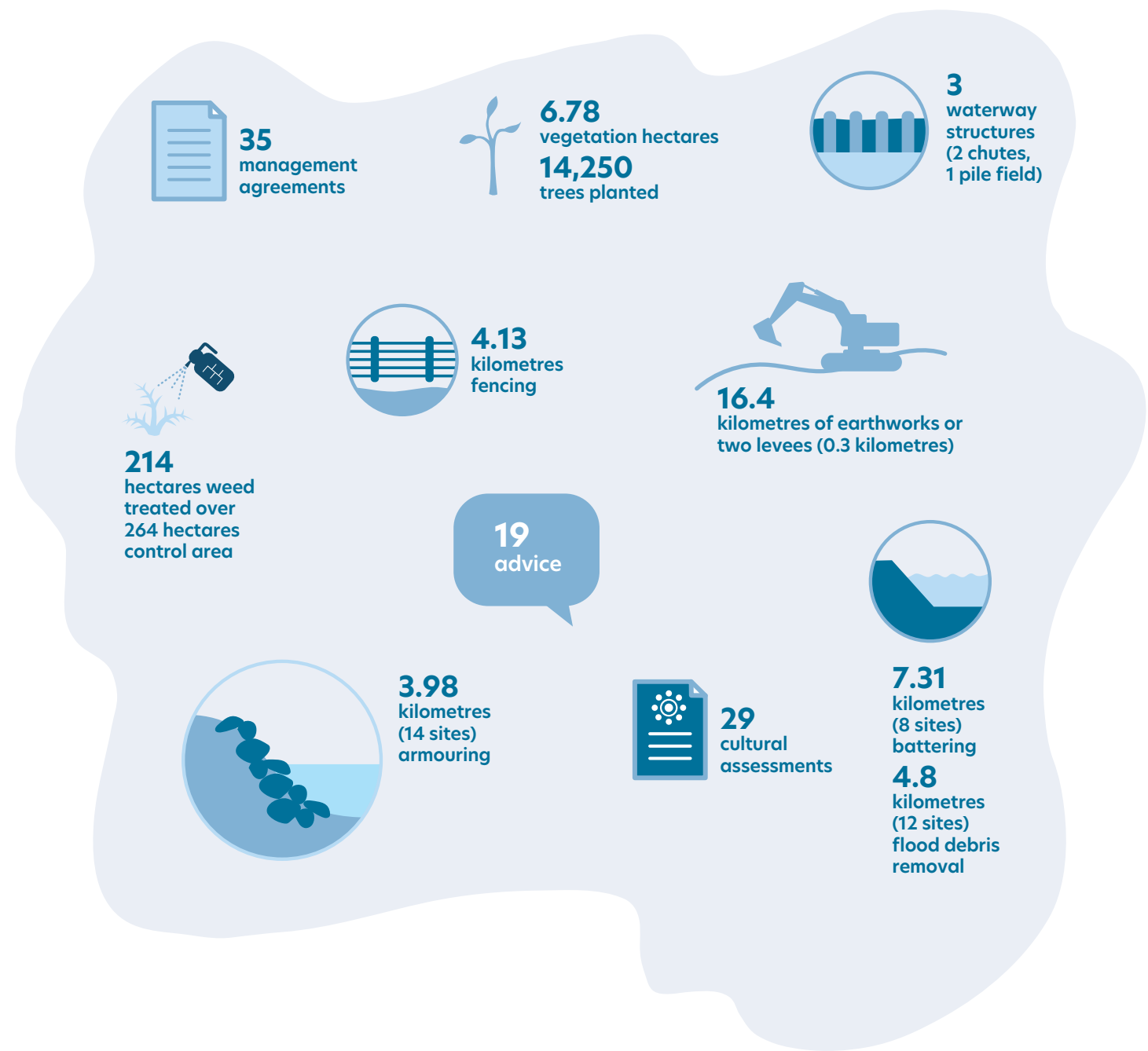
We are extremely proud of our work to deliver on the priorities in Water for Victoria. We have made significant progress again this year:



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.

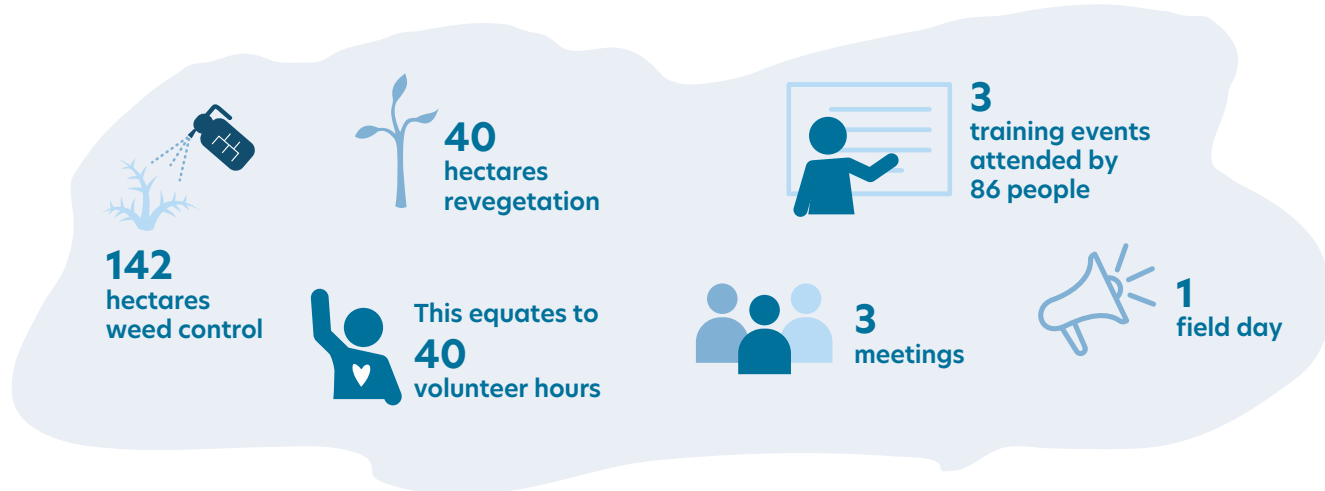
June 2021 flood and storm recovery response

In June 2021, storm damage across Gippsland and flooding in a number of catchments caused widespread power outage impacting many in our community, including our staff, and tested our ability to work remotely in an emergency. Over the last two years, we have assessed damage and undertaken repair works across the catchment via a comprehensive flood recovery program including the following:



Regional Landcare and community events

A range of successful Landcare and community events were held throughout the year focusing on different projects and audiences. In 2022-23 this included:



Sustainable Irrigation Program

The Lake Wellington Land and Water Management Plan was finalised in 2019 and provides a 10- year vision for sustainable irrigation and water management in the Lake Wellington catchment. This year, the Sustainable Irrigation Program delivered 21 new or updated irrigation farm plans, which will impact over 1,956 hectares of land in the Macalister Irrigation District and 4 irrigation efficiency projects (2 spray & 2 surface irrigation) covering an area of 48 hectares, providing estimated water savings of over 54 megalitres each year and a further 7 re-use systems totaling water savings of 527 megalitres.

More information about the success of the four-year SIP program can be found on page 33 of this report.

National Landcare Program

Three key projects were completed 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 2022-23, over 48,838.06 hectares were inspected which resulted in 169.25 hectares treated for weeds in Corner Inlet and over 1,730.34 hectares of weeds controlled in Alpine areas. Through our National Landcare Program, we continued the important partnership with GLaWAC with On Country work in Corner Inlet and Alpine areas.

In 2022-23, the WGCMA undertook a final year evaluation of all projects to help inform the next iteration of the program.

Fisheries Habitat Restoration Program

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

During 2022-23, 15.51 hectares of seagrass restoration was undertaken and 19.81 hectares of riparian area were protected and revegetated in the important estuary zone. More on this project can be found on page 37 of this report.

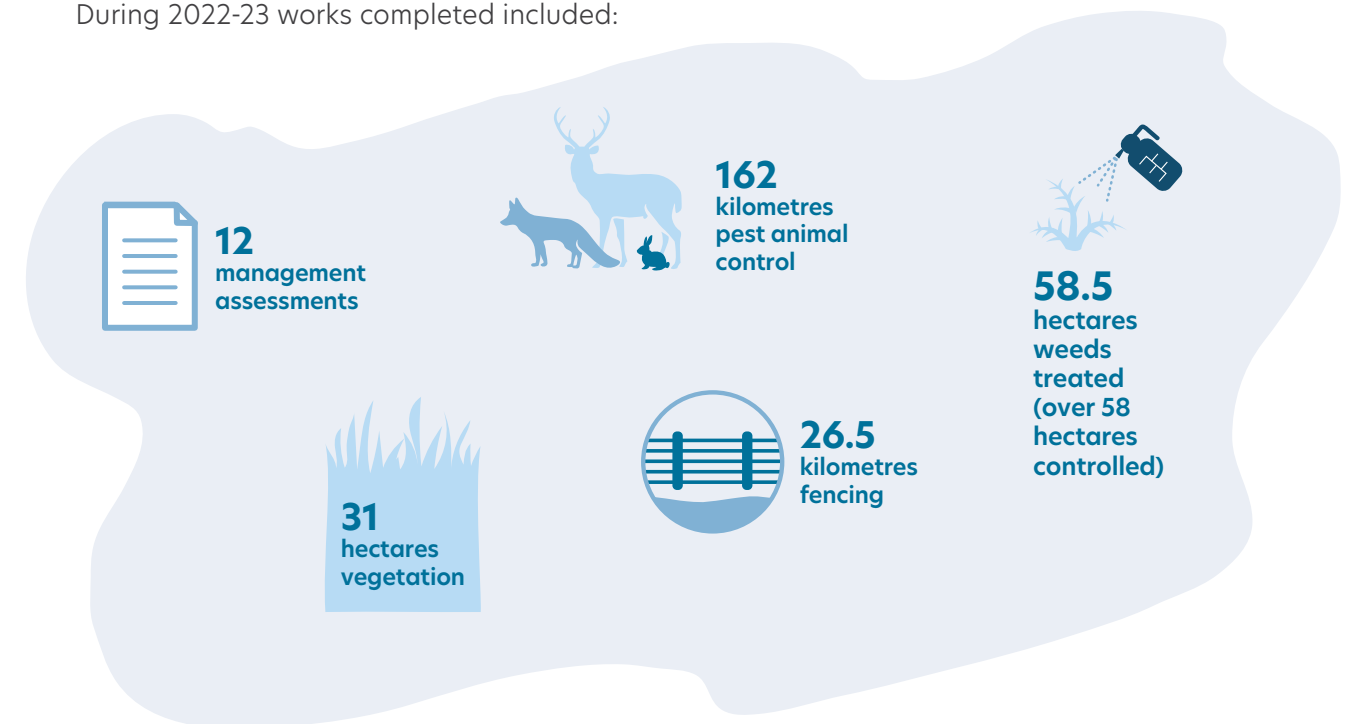
Water for the environment

Water for the environment plays an important role in improving the health of rivers and wetlands in Gippsland. This year, due to the higher-than-average rainfall and high river flows, a total of 29,191 gigalitres of water for the environment was released into the Thomson, Macalister and Latrobe rivers. This water is critical for native plants, fish, and other animals. These flows can move sediment and nutrients through rivers, connect habitats and improve water quality.

Powlett River/Kugerungmome Partnerships Project

During 2022-23 the Powlett River/Kugerungmome Partnerships Project continued. In partnership with Bass Coast Landcare Network, Trust for Nature, Parks Victoria, BLCAC, WGCMA and BirdLife Australia undertook riparian protection and enhancement, fox control and riparian vegetation protection and enhancement.

During 2022-23 works completed included:



Challenges

Climate change

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

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

At a statewide level, Victorian CMA's continued to collectively fund a Climate Change Coordinator to provide support for CMA's, facilitate joint projects, enhance knowledge exchange, and provide coordinated input into policy and program design at State and Federal levels.

Victorian CMA Climate Change forums were held quarterly in 2022-23. They provided an opportunity for updates and presentations on relevant projects to ensure CMAs were across current Climate Change information and to facilitate networking across the CMA's and with other relevant organisations.

During 2022-23, significant progress was made to improve the understanding of opportunities and challenges of co-benefits and co-investments related to carbon offsets in the water sector. This is a relatively new and evolving space and overlaps with the natural capital and biodiversity markets.

A statewide project officer supported the work of the Climate Change Coordinator and also worked on Blue and Teal carbon opportunities, with strong links to the Blue Carbon Lab continuing, focusing on integrating efforts in supporting delivery of Regional Catchment Strategies, Biodiversity 2037, and the Natural Environment Climate Change Adaptation Action Plan.

Changing demographics and visitation

Demographics in the region continue to change with an increase in absentee farmers, ageing landowners and urban-based farmers. The impact of COVID-19 on demographics is still being played out with anecdotal evidence that it may be driving an increase in tree- and sea-changers. 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 will need to meet these recruitment and retention challenges in the coming years. The role of Landcare and Waterwatch needs to be understood in this context as they offer the potential to evolve to meet contemporary and innovative approaches to participating in NRM. The impact of COVID-19 on volunteerism needs to be understood and may influence future participation rates.

Increased expectations

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

Industry transition

Industry transition continues to gain momentum. The closure of the Hazelwood power station, along with an evolving timber, gas and renewables industry, will present unique challenges in relation to land and water management in the coming years. The region is also experiencing an increase in large scale corporate-owned agricultural enterprises (e.g. horticultural and dairy sectors). Whilst there has been an upturn in milk production, farmers are taking a conservative approach to operating their businesses and prioritising stability over expansion as labour and weather challenges continue. This may affect some landholder's ability to engage in environmental restoration activities. Through established relationships and linkages, the WGCMA is well-positioned to assist in this transition.

Key initiatives and projects

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

All of these documents are available on our website wgcm.vic.gov.au



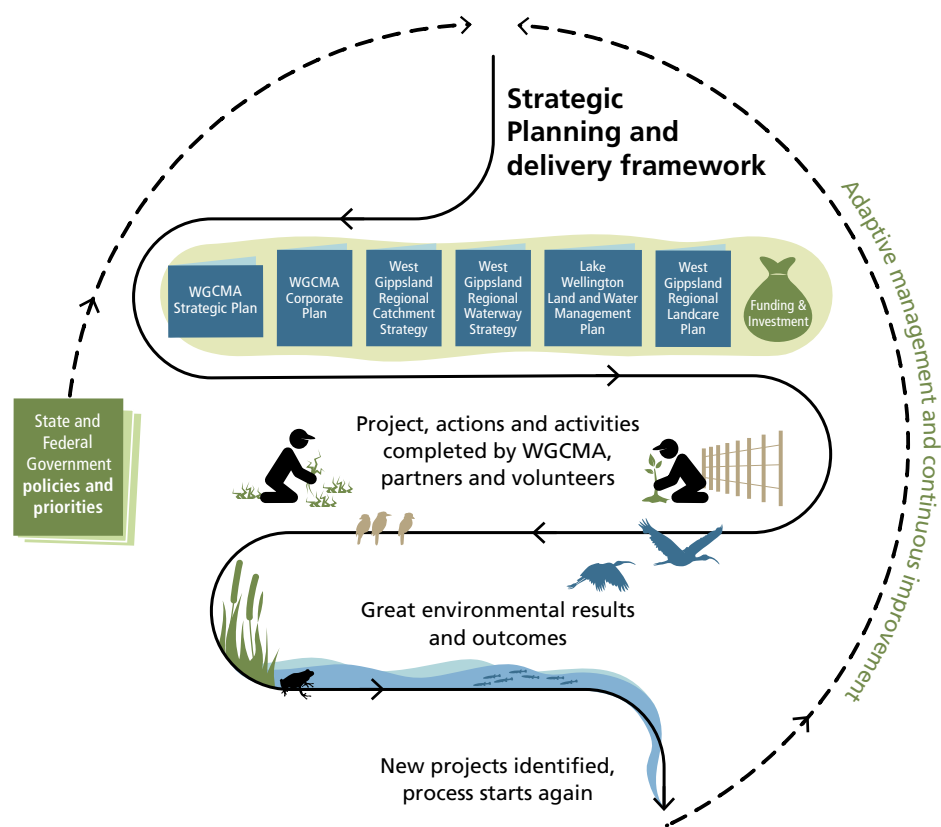


Table 1 is a summary of the key initiatives and projects delivered in 2022-23.

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

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

This was the final 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 also supported the Regional Agricultural Landcare Facilitator position, 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 2022-23

Funding source	Project Name	Percentage complete
Australian Government funding	NLP Regional Land Partnerships (five-year project) - Corner Inlet Connections	100 (complete)
	NLP Regional Land Partnerships (five-year project) - Alpine Peatlands	100 (complete)
	NLP Regional Land Partnerships (five-year project) - Sustainable Agriculture	100 (complete)
	NLP Regional Land Partnerships (five-year project) - Core Services	100 (complete)
	Corner Inlet Posidonia Partnerships	100 (complete)
Victorian Water Program Investment Framework (EC5)	WGCM Statutory Functions - Floodplain and waterway protection	66
	Caretaker of Waterway Health	66
	Flagship Waterway - Corner Inlet	66
	Flagship Waterway - Mid Thomson River	66
	Protecting Pristine Headwaters of the Victorian Alps and Strzelecki Ranges	66
	WGCM Strategic Floodplain Management Implementation	66
	Estuaries and Inlets of the Bunurong to the Mullungdung Coast	66
	Corner Inlet Ramsar Coordination	66
	West Gippsland Our Catchments, Our Communities	66
	Managing Environmental Water - Delivery and Community Engagement	66
	Environmental Water - Long Term Planning	66
	Sustainable Irrigation in WGCM	66
Other state-based funding	Regional Landcare Coordination in West Gippsland	66
	Victorian Landcare Grants in West Gippsland 2022-23	75
	Improving visitor access and experience in the Lower Thomson and Latrobe Wetlands	75
	Building adaptive capacity of vulnerable ecosystems	100 (complete)

Table 2: Outputs achieved in 2022-23

Category	Output	Unit of Measure	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Structural works	Water storage	Number	12	-	14	39	29	29
	Irrigation infrastructure	Hectares	47.83	27.16	604	236	552	638
	Waterway structure	Number	5	5	2	2	-	1
	Terrestrial structure	Number	0	-	-	0	-	3
	Monitoring structure	Number	155	43	11	13	13	13
	Road	Kilometres	0	1	4	-	-	-
	Fence	Kilometres	54.71	27.18	23	42	69	91
Environmental works	Vegetation	Hectares	170.33	55.19	103	151	198	292
	Weed control	Hectares	2,160	1,247	732	2,442	1,444	1,334
	Pest animal control	Hectares	1,221	42,784	43,461	74,797	6,869	17,445
	Earthworks	Hectares	9.36	32.19	1	72	72	2
Management services	Agricultural Practices	Number	30	1	-	-	-	-
	Water regimes	Number	8	8	12	20	21	21
Planning and regulation	Approval and advice	Number	1,266	1,585	1,312	1,639	1,345	872
	Management agreement	Number	73	75	10	63	53	55
	Assessment	Number	756	751	581	691	568	474
	Engagement event	Participants	3,127	2,182	2,762	3,639	5,169	2,360
	Partnership	Number	44	43	37	56	53	36
	Plan	Number	78	76	50	89	149	129
	Publication	Number	175	171	125	117	118	122
	Information management system	Number	2	2	-	3	3	3

Summary of financial results

The financial performance for the 2022-23 financial year was a net result of (\$0.6M).

At \$12.3M, total income from transactions was \$4.4M lower than the prior year which is primarily due to the non-recurring flood recovery funding received in 2021-22.

At \$13.1M, total expenses from transactions were higher than the previous year by \$1.7M due to several factors, including:

- An increase in employee provisions.
- More favourable weather conditions allowed for an increase in on-ground works to be undertaken.
- Dryer conditions led to an increase in applications for irrigation incentives.
- Increase in operating expenses due to increased office utilisation.

Total assets increased by \$4.5M, from \$20.0M to \$24.6M, which can be largely attributed to an increase in cash and deposits due to funding received in advance.

Total liabilities increased by \$5.1M, from \$2.4M to \$7.4M. The majority of this increase was the result of the recognition of contract liabilities relating to income received in advance.

Table 3: Five-year financial summary

Five-year financial summary	2022-23	2021-22	2020-21	2019-20	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from government	10,316	15,559	9,323	8,763	8,565
Total income from transactions	12,255	16,680	10,898	11,083	11,406
Total expenses from transactions	13,118	11,428	10,515	12,456	13,656
Net result from transactions	(862)	5,252	383	(1,373)	(2,250)
Net result for the period	(639)	5,411	430	(1,309)	(2,161)
Net cash flow from operating activities	4,333	5,938	867	(904)	(1,388)
Total assets	24,567	20,102	15,194	14,889	13,073
Total liabilities	7,488	2,383	2,886	3,110	2,325

Chair and CEO report

As the year draws to a close, it is fulfilling to reflect on our 25 years as an organisation that has supported the regional community in achieving long-term positive action to protect the special region we share.

Over the 2022-23 year we focused our efforts on delivering initiatives supported by both the state and Australian Governments such as works in Corner Inlet, on the flagship Agnes and Carran Carran (Thomson) Rivers, partnering for Alpine Peatlands and delivering sustainable irrigation programs.

West Gippsland Catchment Management Authority completed its 26th year as a stable, mature, and efficient organisation in one of Australia's most diverse natural resource regions. Together with our partners, we continued to achieve meaningful results for the environment. An efficient and adaptive approach has allowed us to quickly plan and implement programs that improve and protect the region's wonderful natural assets.

Governance and support

A key to success as an organisation remains the commitment to our organisational Strategic Plan (2019-2024) which is regularly reviewed and used annually to set directions and monitor our progress. This year we were able to deliver 96% of the activities approved in the annual action plan.

A consequence of having worked in the region for over 25 years is the establishment of strong and trusted relationships with local people and organisations. This approach helps ensure future generations and the environment benefit from the region's many natural resources. While not a new concept, the need for integrated catchment management remains important, particularly in the face of climate change, disaster, and regional transition. It is our charter and we are determined to facilitate and coordinate our efforts well into the future.

We are committed to nurturing a partnership-focused culture to achieve lasting results and remain conscious of the need to be nimble and adaptive. Partnerships this year have again increased and range from community groups and government agencies through to industry and commercial partners.

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

The West Gippsland Regional Catchment Strategy (RCS) endorsed in 2022 has been well received. Being a web-based 'living' strategy has amplified our ability to collaborate on its use with partners and community. Its strong focus on localities and things that matter at that scale ensures it will be very effective in helping shape and guide efforts to protect and improve our wonderful natural resources and features for years to come.

westgippsland.rcs.vic.gov.au

Operating environment

Overall, it has been more stable, but ongoing wet conditions create challenges in meeting expectation relating to the conveyance of water and drainage. Noting the impact of floods in the north of the state, the importance of planning and flood overlays and working with Local Government to update these remain vital. While this is challenging, we are committed to working with the community and individual landholders to create options to strike a balance and ensure environmental benefits from wet years are realised.

Transition focus

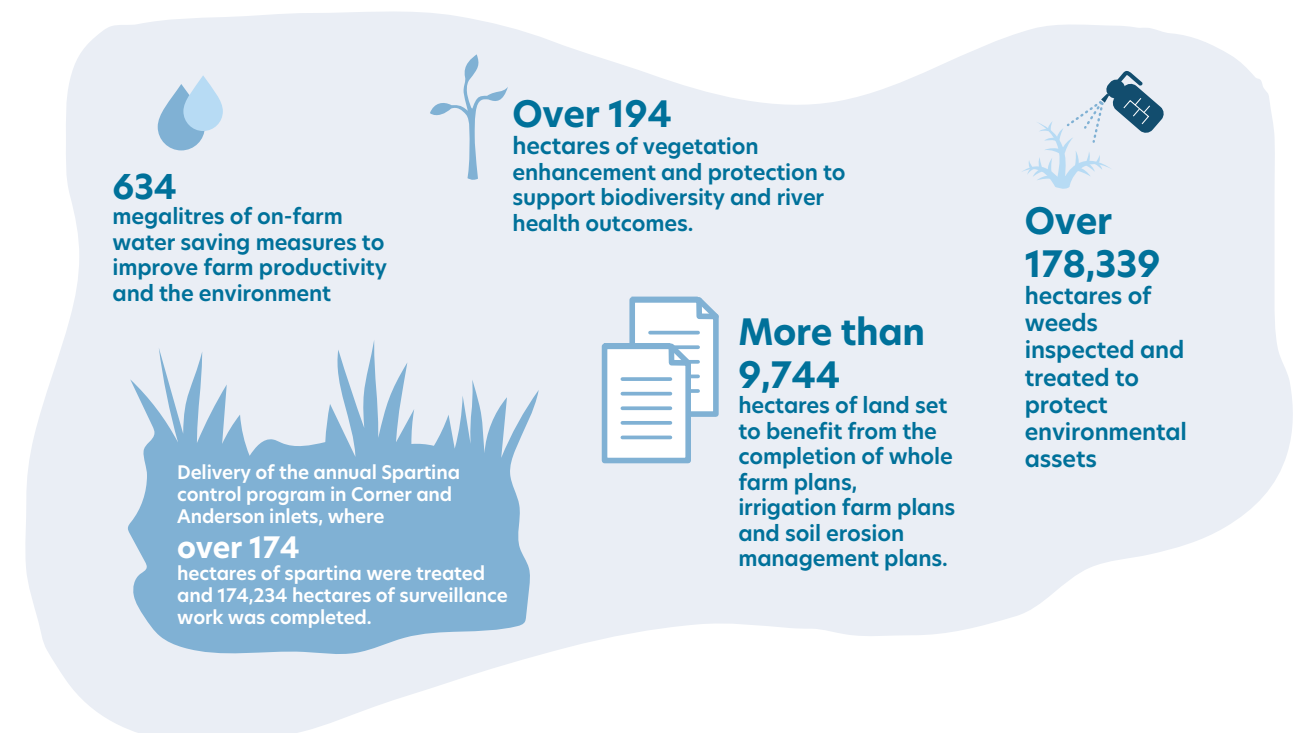
As flagged in 2021-22, the West Gippsland region is undergoing a considerable shift in the energy industry. Where we can, we are assisting and providing advice on the water and catchment element. Given the potential impact on the region's natural assets, we continue to work with government to understand the consequences as well as manage any changes that do arise and may impact on waterways and coasts.

Delivering results

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

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

Notable outputs delivered throughout the year include:





A key function for us is supplying statutory services and advice. In the last financial year, we processed 984 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.

Particularly satisfying this year was the completion of work on a flagship South Gippsland waterway, the Agnes River. Towards the end of the financial year, we were able to remove the final willow from this system after 25 years of sustained effort. Complementing this was weed control, fencing and revegetation that has resulted in a fully repaired river system that feeds into Corner Inlet.

Mature partnerships

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

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

We are also proud to further support the GEA this year by agreeing to the role of Chair and coordinating the support of a shared Executive Officer. The establishment of the role is evidence of an incredibly strong suite of relationships across the environmental agencies and supports the "pick up the phone" culture that exists amongst the organisations' senior leaders. Supported by a number of Working Groups represented by all partners, we remain committed to working together towards shared objectives and mutual opportunities that meet our respective goals.

During the year we were pleased to contribute to and see the release of the Victorian Government's Road Map for Traditional Owner Access to Water - Water Is Life. With strong regional partnerships in place with Traditional Owners and a history of working together, Water Is Life will add further support for the journey we are on.

Our formal engagement structure, known as the Community Engagement Network, was able to gather momentum with the effects of COVID now reduced. We are thankful and appreciate the high quality input to a range of key engagement processes over the last 12 months.

At a state level, it is satisfying to work with all other CMAs effectively. Having nine CMAs and Melbourne Water working together in a coordinated and focused manner added great value and continues to drive many efficiencies through shared knowledge and action. In addition, it creates staff and Board development opportunities that are adding to a mature, stable and action orientated industry.

Looking forward

The next 12 months will be challenging as we work with government and our partners to continue to develop our team and implement programs that protect and improve the natural resources of the region. As consequence of ongoing and sustained effort, we will build resilience into the natural systems which is vital given the impacts of climate variability and regional change.

It is an exciting time for natural resource management with the continued roll out of the Regional Catchment Strategy (RCS) and the delivery of key state policies related to catchment management, water and biodiversity. We look forward to helping plan for, and ultimately deliver, on the next iteration of the Environmental Contribution Levy. With this in mind, we are conscious of, and acknowledge, the financial contribution urban-based citizens make in paying the levy through their water bills. It is our intent to maximise the value of this contribution by protecting and rehabilitating waterways throughout the region for all Victorians to enjoy.

We are thrilled to be in position to continue improving the connectivity of waterways in the region. With the fishway at the Maffra Weir under construction and establishment of environmental watering infrastructure at the lower Latrobe Wetlands as well as seeing the iconic Thomson Fishway at Horseshoe Bend now fully functional, it is exciting to know our waterways are on an improving trajectory and have never been more connected. This is great news for the Carran Carran (Thomson) and Wirm wirndook Yeerung (Macalister) Rivers, Lower Latrobe Wetlands and the Gippsland Lakes. We are passionate about extending this effort to better connect the Latrobe system and working with government to act on this ambition.

We remain committed to helping the 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 commencing initiatives as part of the Australian Government's National Landcare Program II as this program takes shape.

Finally, we would like to thank all those we work with, including Traditional Owners, 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 and opportunities ahead.

Mikaela Power
Chair

Martin Fuller (CEO)
CEO

3 October 2023

About the West Gippsland region

The region at a glance	
Total land area	19,639 km ²
Population	200,000 approx.
Tenure	46% Public land and 54% Private land
River Basins	Latrobe, Thomson and South Gippsland
Traditional Owners	Gunaiurnai, Bunurong, Boonwurrung 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.

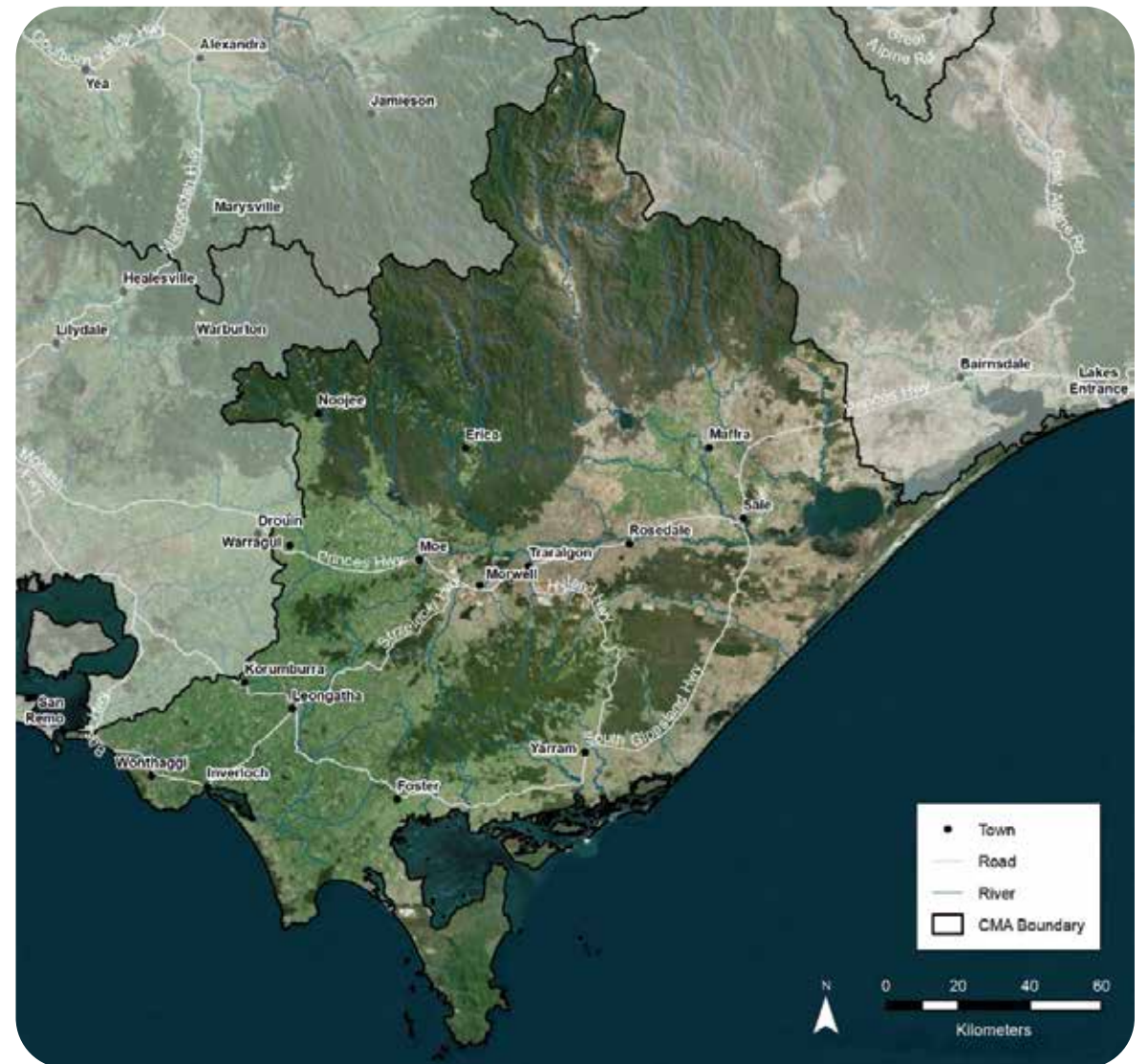
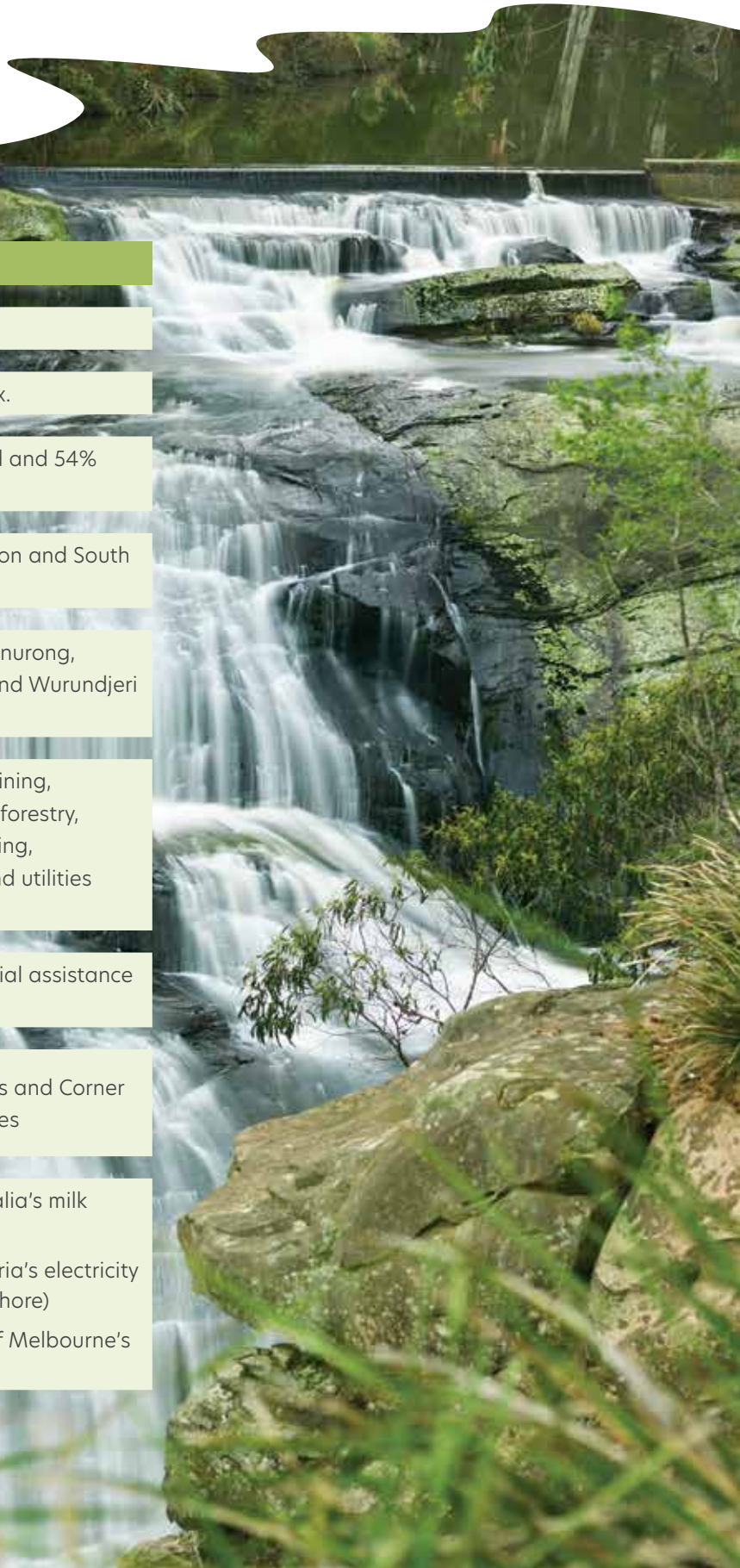


Figure 1: West Gippsland region

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

Catchment reporting

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

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

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

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

A major long-term industry transition is also underway in the Latrobe Valley with the closure of the Hazelwood mine and power plant, and the potential closure of the coal-fired power stations Yallourn 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.



Maffra and District Landcare volunteers

This section of the annual report provides an assessment of the condition of the region's environment and a reflection on the likely impact of annual scale actions, events and observed changes during the reporting period, taking into account data also collected over the previous four years.

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

How to interpret this report

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

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

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

Data supporting the Catchment Condition ratings can be found in Appendix 2 on page 116.

Note: The assessment indicators include 'positive, neutral, concerned or unknown' based on the annual and trend data over time and simply provide a high level assessment of the likely condition trend of that theme. Table 4: Regional catchment condition summary



Filming underway for our 25-year video



Table 4: Regional catchment condition summary

(Data supporting the Catchment Condition ratings can be found in Appendix 2).

Management activities linked to these assessments are presented in the program highlights below.

Theme	2022	Over last 5 years	Condition	Summary Comment
Water	→	→	Good	<p>Overall, the condition of water in the region has been assessed as good. In 2022-23, the region experienced above average rainfall and increased river inflows.</p> <p>There has been variable climatic conditions over the past five years and the region has experienced no major fire or drought events in 2022-23. There was a key focus on flood recovery works carrying on from 2021-22. Drier conditions in the second half of the year led to good progress with new riparian protection works.</p>
Land	→	→	Moderate	<p>Overall, the condition of land across the West Gippsland region has been assessed as moderate. This year was a wetter than average year, with an increase in soil water availability being observed. No areas of the region were drought declared. No major fires or pest outbreaks. The region has experienced variable climatic conditions over the past five years. An increase in area covered by landholder agreements and management plans. Anecdotal evidence of increased population and range of pest animals (particularly deer) across the region. The continuing trend of changes in land use towards large scale horticulture and urban expansion (increased runoff).</p>
Biodiversity	→	→	Moderate	<p>Overall, the condition of biodiversity in the region has been assessed as moderate. Small gains were made due to revegetation and vegetation protection programs.</p> <p>Small losses due to urban development, primarily around regional centres. No major fires, drought or pest outbreaks during 2022-23. Implementation of targeted pest, plant and animal programs by a range of partners. Anecdotal evidence of increasing numbers and range of pest animals, i.e. deer. Anecdotal evidence of climate change impacts (e.g. species composition changes and geographic spread). Aquatic fauna surveys conducted in 2021-22 recorded the presence of threatened species in the east of the region. Landscape-scale initiatives focused on the Bunurong Coast, and Alpine Peatland communities throughout the past five years. Improved regional planning through the Biodiversity Response Planning process (rollout of Biodiversity 2037) leading to the development over the last five years.</p>

Table 4: Regional catchment condition summary continued ...

Theme	2022	Over last 5 years	Condition	Summary Comment
Coast & Marine	→	→	Moderate	<p>Overall, the condition of coasts and marine environments in the West Gippsland region have been assessed as moderate. No major fire events impacting the coast throughout the year. There was extensive blue-green algae outbreaks in the Gippsland Lakes and beyond. Programs aimed at protecting and enhancing the coast and marine environments such as Corner Inlet Connections, Lake Wellington Integrated NRM project, and Spartina control program were successfully delivered over the past five years. Improved estuary closure management resulting in no coastal urban inundation. Continuing urban expansion and increasing runoff, particularly in coastal areas. The ongoing dynamic coastline at Inverloch has been experiencing significant erosion in recent years, impacting on public access, amenity, and built assets. Designation of the new Yallock-Bulluk Marine and Coastal Park along 40 kilometres of coastline, from San Remo to Inverloch, will improve the connectivity and management of existing protected areas.</p>
Community	→	→	Moderate	<p>Overall, condition within the community theme in the West Gippsland region has been assessed as moderate. Well organised and coordinated Landcare network and groups. Strong regional partnership between WGCMA and Landcare networks. Cultural Heritage training and positive partnership with Traditional Owner groups.</p> <p>In person engagement post COVID has seen an increase to pre-covid numbers at events and the community reconnecting to deliver NRM outcomes.</p>
Integrated Catchment Management	Not applicable	Not applicable	Not applicable	Incorporated into the Community theme

Management of land and water resources

Climate

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

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

Information presented in this report has been sourced from Australia's Environment Explorer, developed by the [Australian National University](#) and is provided in Appendix 2. The appendix provides a summary of the climatic conditions in West Gippsland during 2022-23.

Rainfall

The average precipitation recorded for the region from 2000-22 is 855 mm per year. Research conducted by the Australian National University indicates that the total annual rainfall observed in the West Gippsland region in 2022 was the third highest since 2000. The mean amount of moisture in the soil was the highest since 2000.

Maximum temperature and number of hot days

The maximum temperature was the lowest since 2000. The average number of days over 35°C since 2000 was 1.3 per year.

Frost and snow

The average number of frost days (below zero) between 2000-22 was 4.4 per year.

Water theme

The condition of rivers, wetlands, estuaries and groundwater

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

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 on a range of factors and to help inform the regional condition assessment included:

- Index of Stream Condition
- Index of Wetland Condition
- Index of Estuary Condition
- Extent of riparian land protected
- River inflow
- Inundation
- Wetland extent
- Groundwater.

2022-23 Program highlights

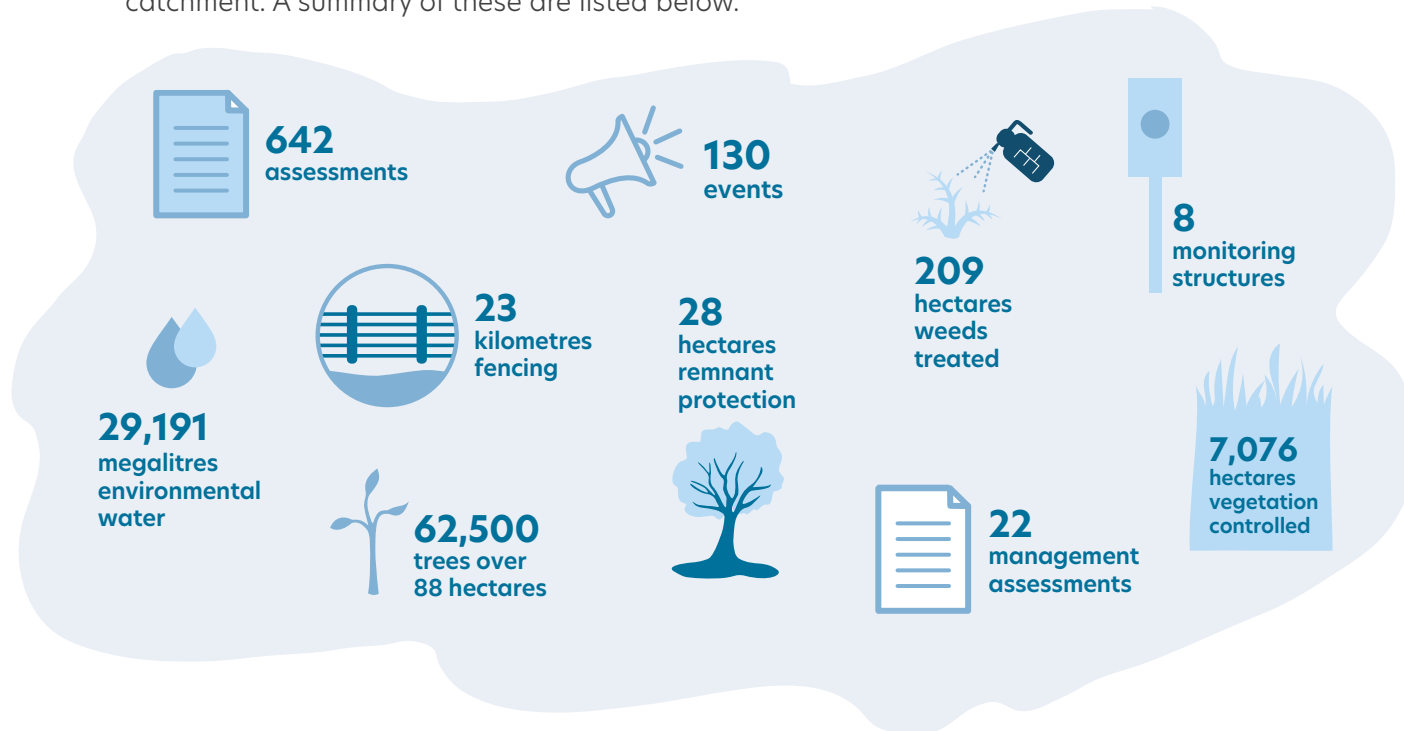
A range of activities delivered by the community and agencies contribute to habitat improvement and long-term improvements in the condition of waterways. Activities such as fencing and troughs for off-stream watering, revegetation and weed control, all support improved riparian and aquatic habitat and waterway condition. The table below provides a summary of waterway and habitat improvement activities that were supported by West Gippsland CMA in partnership with community and other stakeholders, between 2018-19 and 2022-23 in riparian areas and waterways.

Table 5: Waterway and habitat improvement activities summary

Output	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
1. Structural works							
1.2 Water storage	8	21	17	11	0	0	5
1.9 Fence (km)	37	43	46	21	4	25	34
2. Environmental works							
2.1 Vegetation (hectares)	242	160	255	76	69	44	104
2.2 Weed control (hectares) Area treated	436	230	149	123	81	59	230
2.2 Weed control (hectares) Area controlled	1094	726	4070	3414	3888	548	7193
2.8 Earth works (no)	5	2	11	22	1	46	71
4. Planning and regulation							
4.2 Management agreements (no.)	36	54	47	60	10	70	64

Delivering Water for Victoria priorities

This year's annual regional waterway program, our core waterway health program, delivered key programs aligned to the Water for Victoria priorities in waterways across the catchment. A summary of these are listed below.



Landcare community partnerships

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

Flagship waterways - Corner Inlet and Thomson/Rainbow Creek

The WGCMA has two Flagship Waterways - Corner Inlet (Agnes River) and the Thomson River between Cowwarr Weir and Macalister River confluence. The Corner Inlet (Agnes River) aims to fence off and revegetate 100% of the main stem and the Thomson/Rainbow Creek project aims to complete two key objectives: a natural riparian corridor from the Gippsland Lakes to the Alps and to address future avulsion risks of Rainbow Creek. In 2022-23, the Corner Inlet (Agnes) signed management agreements with 3 landholders, completed 69 hectares of weed control, planted 23,000 trees over an area of almost 19 hectares and fenced 11.3 kilometres of the river. The project is delivered in partnership with Agnes River District Landcare Group, Greening Australia and GLaWAC.

In 2022-23, the Thomson/Rainbow Creek Flagship project signed landholder management agreements with 2 landholders, installed a 10-20 metre squared grass chute, installed almost 3 kilometres of riparian protection fencing, planted 24,000 trees over an area of almost 14 hectares and treated almost 17 hectares of weed control.

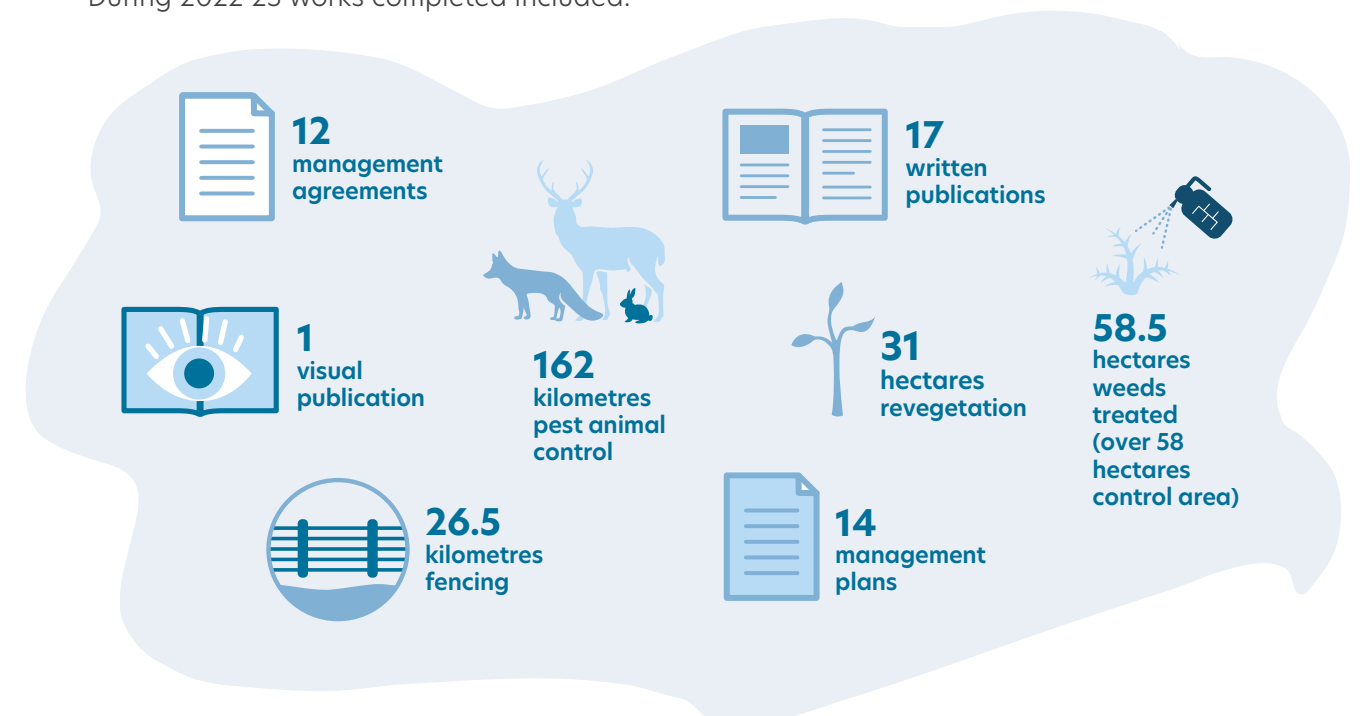
Headwater willow control

In 2022-23, the upper reaches of the Macalister, Jack and Albert Rivers have been targeted as part of a four-year program to tackle willow infestations. In 2022-23, over 1,028 hectares of weed control was completed. The program aims to remove willows in the headwaters and therefore protect riverbanks downstream from re-infestation.

Powlett River/Kugerungmome Partnerships Project

During 2022-23 the Powlett River/Kugerungmome Partnerships Project continued. In partnership with Bass Coast Landcare Network, Trust for Nature, Parks Victoria, BLCAC, WGCMA and BirdLife Australia undertook riparian protection and enhancement, fox control and riparian vegetation protection and enhancement.

During 2022-23 works completed included:



Flexible approach to water for the environment

Water for the environment is an important part of improving the health of rivers and wetlands in Gippsland. This year, due to the higher-than-average rainfall and high flows, 29.19 gigalitres of water for the environment was released into the Carran Carran (Thomson), Wirn wirndook Yeerung (Macalister) and Durt'Yowan (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 2022-23, 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.

"It's partnerships like this that help put another small piece in the jigsaw of repairing and improving landscapes right across the West Gippsland CMA region."



WATER CASE STUDY

One more piece in the puzzle

West Gippsland Catchment Management Authority has been working with landholders to repair local waterways to provide a legacy for the environment and build a landscape more able to withstand climate change impacts.

One project is restoring vegetation on a dairy farm along the Avon River and Nuntin Creek. Since European settlement, these waterways have provided water for stock and irrigation and borne the impact of agricultural practices as rivers were straightened, dams constructed, and wetlands drained.

"Working with landholders like the Cliff family is such a wonderful part of our work," said CEO of WGCMA, Martin Fuller.

"It's partnerships like this that help put another small piece in the jigsaw of repairing and improving landscapes right across the West Gippsland CMA region," added Martin.

The Cliff family farm milks 650 cows and the six hectare revegetation site includes naturally occurring wetlands which for generations have been incorporated into the day-to-day farming practice.

Today the farm is the picture of a modern farming enterprise. Large centre pivot irrigation, cows wearing data collecting collars, a 40-stand rotary platform and unfortunately, a near complete absence of native trees.

"We bought this property in 1948. My dad has recollections of much more native flora and fauna such as paperbarks and ringtail possums. Now, there are a couple of big gum trees that's about it," said Anthony Cliff.

Given the rather denuded landscape and the Nuntin Creek historically being seen largely as a drain for the neighbouring farms from the Macalister Irrigation District, the project Anthony has embarked on feels like a fresh start for this small pocket of the local environment.

The six hectare site has seen willow removal, weed treatment, fencing, and planting of 5,000 native trees and shrubs.

"They've planted a few different species around the site, trying to build some resilience around climate change. It's a bit of an experiment but it will look fantastic in a few years' time," says Anthony, who sees the emergence of climate change as a prompt to continue some of the practices he has used on the farm for many years as well as to build in some new ones.

Anthony, who is working on fencing off and planting around other water courses on the farm, says that small individual projects shouldn't be dismissed but rather seen through the lens of multiple projects all combining to make significant differences to local environments.

"If everyone gets on board, they'll contribute and add up to one big project - suck the carbon back in by planting trees. We've got to do a lot more here, but if you can get the whole district engaged and everyone doing a little more, that makes a difference."

Biodiversity

The condition of native habitat and the health of native species

A range of challenges can impact the condition of biodiversity within the West Gippsland region. The condition of biodiversity is impacted on a range of factors and to help inform the condition assessment including:

- Strategic Biodiversity Score
- Percentage Tree Cover
- Extent of Native Vegetation
- Area of pest herbivore and predator control
- Area of weed control
- Area of permanent protection.

Program highlights

Pest herbivore and predator control

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

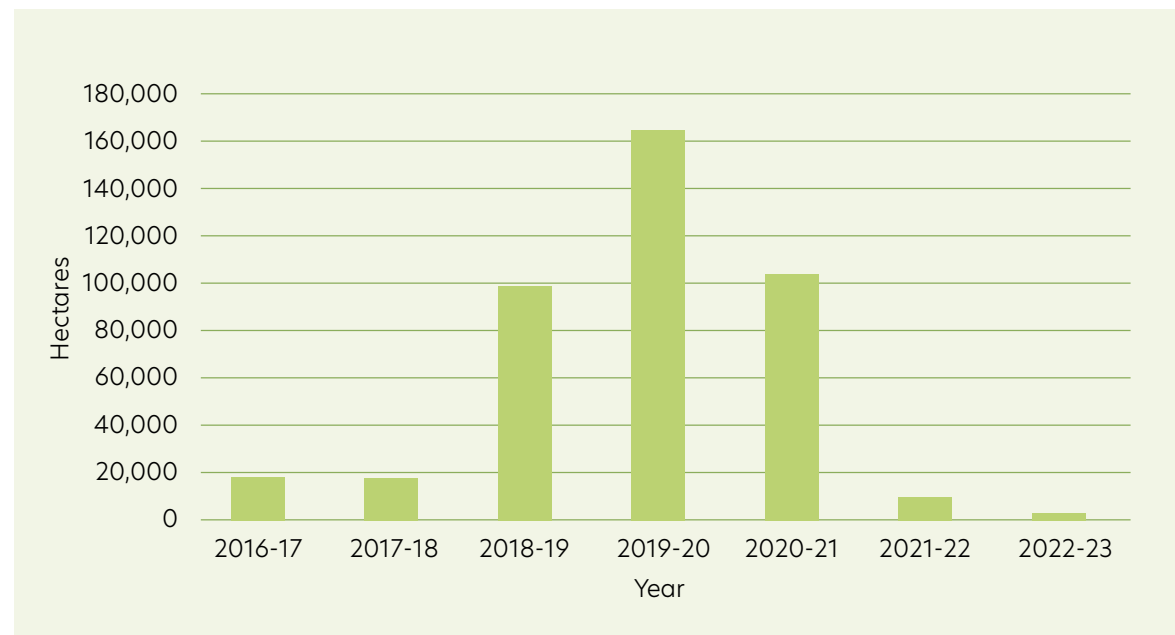


Figure 2: Area of pest animal control West Gippsland Region

Weed control

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

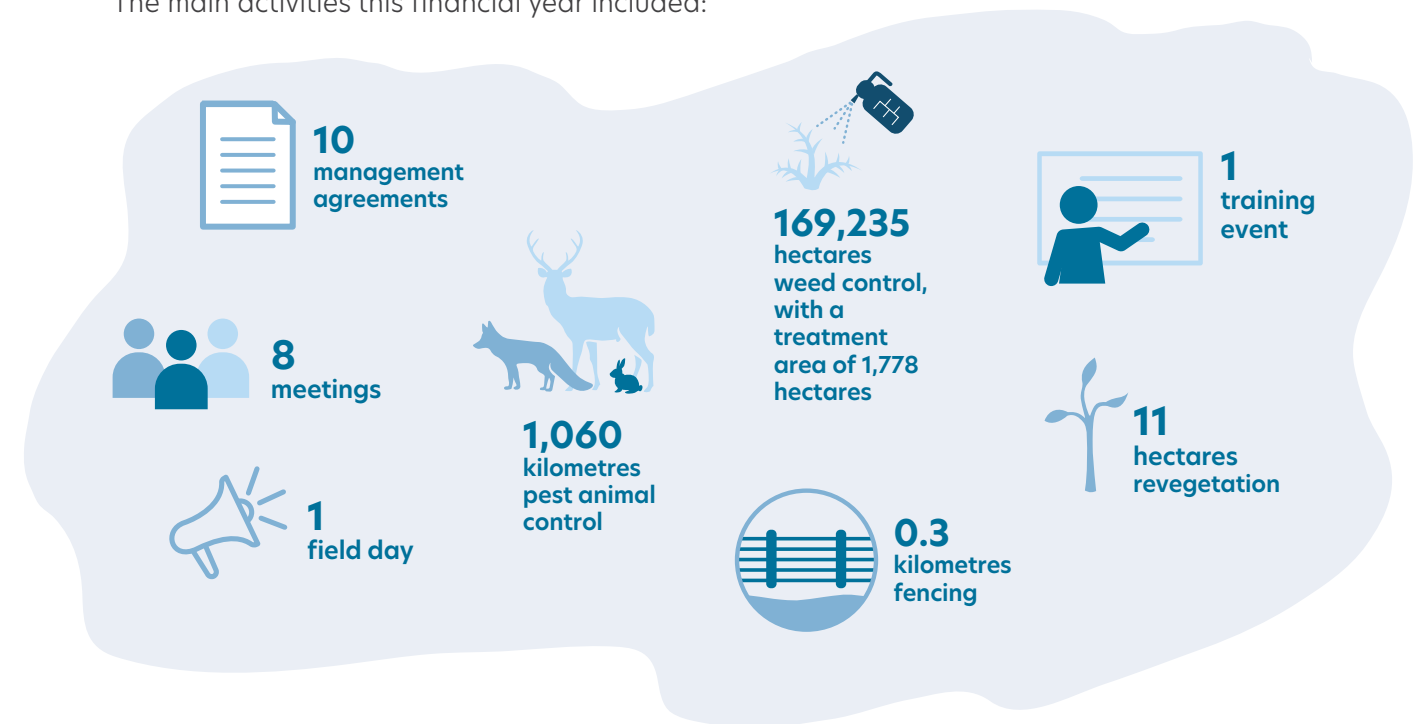
Alpine Peatlands

This was the final 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 two other CMAs. Project work in 2022-23 included 1,746 hectares of willow and weed removal and deer control trials.

Protecting biodiversity in Corner Inlet

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

The main activities this financial year included:



Victorian Landcare Grants

We once again delivered Victorian Landcare Grants for West Gippsland. Successful 2022 recipients were announced in late 2022 with West Gippsland Landcare groups receiving \$318,250 for 19 projects and 28 support grants.

"A crucial part of the program is working with Traditional Owners to understand and reconnect with Country."



BIODIVERSITY CASE STUDY

Protecting pristine headwaters

Alpine peatlands are precious. High up in the headwaters of the catchment, these endangered ecological communities provide a river's first filtering systems and are easily disturbed and damaged.

Traditional Owners view Alpine areas as highly significant - where the rivers start their journey to the sea. Snow plains and peatlands perform the important function of purifying rainwater through the delicate sphagnum moss.

Alpine peatlands are highly valued for their intact native riparian zones, water quality and diverse ecological communities that have national conservation status.

West Gippsland CMA is proud to be a part of the Cross Regional Alpine Committee that holds a shared goal to protect and improve the condition of this endangered ecological community and make them more resilient to the effects of climate change.

"This is a partnership between Parks Victoria, North East, West Gippsland and East Gippsland CMAs, the Australian Government and DEECA," says Shayne Haywood.

This year marked the partnership's final year of a five-year National Landcare Program Regional Land Partnerships project and continued ten years of investment that delivered results on a statewide scale.

"The project concentrates efforts across northern Victoria and the great divide as far as Mount Buffalo and there is a lot of value and efficiencies that come with that - the scale we are operating at impacts all peatlands and by doing that we can proudly say we're achieving a fantastic outcome for the longer term," said Shayne.

"Alpine areas are the headwaters of drinking water for Victorian towns and Melbourne water supplies and also for the rivers that run into iconic places like the Gippsland Lakes."

Peatlands are protected through reducing threats to these fragile areas such as impacts of hard hoofed animals including deer and pigs, vehicle tracks and roads and weeds like willows, soft rush and lotus. The successful partnership model aims to ensure the systems are functioning as naturally as possible and to build resilience to the effects of climate change such as bushfire and altered water regimes. Fire protocols developed were put into use during the Black Summer bushfires to protect the peatlands.

A crucial part of the program is working with Traditional Owners to understand and reconnect with Country.

In 2022-23, West Gippsland CMA continued our important partnership with GLaWAC in working On Country in the Alpine areas.

"For us it's about connecting our young people back to this Country - looking at peatlands and the animals that live there and the water quality. The more we get engaged, the more we can understand and influence the management," said Gunaikurnai Elder, Uncle Russell Mullett.

Land theme

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.

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.

There are a range of indicators to inform the condition of land within West Gippsland the following have been used to do this:

- Land cover
- Soil moisture
- Agricultural commodities
- Land-use change.

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 21 new or updated irrigation farm plans which will influence 229 hectares of land in the Macalister Irrigation District. There were 4 on-farm irrigation efficiency projects (2 spray and 2 surface) completed covering an area of 48 hectares, providing estimated water savings of over 107 megalitres each year and 7 re-use systems – 527 megalitres.

Corner Inlet - Sustainable Agriculture Program

As part of the Australian Government's National Landcare Program, the WGCMA developed a Sustainable Agriculture Program which targeted dairy farmers in the Corner Inlet catchment to retain nutrient on farm, contribute to productivity and reduce run-off to our waterways. This was the final year of the program and across its life:

- Over 7,930 dairy farmers were directly engaged and had a farm nutrient plan developed.
- 30 farmers committed to on-ground works to implement these plans.
- Improved management practices were implemented over 1,015 hectares.

Landcare - Sustainable Agriculture

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 resumed in person meetings this year to share updates on Agriculture projects with the aim of improving coordination of activities across the region, reducing duplication of effort, developing networks and forming partnerships.

We have also partnered with Food and Fibre Gippsland to host the West Gippsland Drought Resilience and Innovation Adoption Officer. The Adoption Officer works with farmers and their communities to pick up innovative tools and practices to build drought resilient businesses.



Danni Carr, Member of Three Creeks Landcare Group

"So far, we have fenced and revegetated over 90% of the river."



LAND CASE STUDY

Last willow gone from Agnes River

West Gippsland CMA is proud to have removed the last remaining stand of willow trees from the entire length of the Agnes River – a first for the organisation and a win for the environment.

"Willows are a problem for rivers and removing them from 100% of the Agnes is a special milestone for the CMA," said CEO Martin Fuller.

"The Agnes is a flagship river for our region because it runs into Corner Inlet and what happens along its length has a flow on effect for the world renowned wetland."

West Gippsland CMA has recently celebrated 25 years and the team has been chipping away at removing willows across the catchment since it was established in 1997.

Someone who has been on the ground since this project began is Project Delivery Officer, Richard (Richie) Allen who has worked with the CMA for over 20 years. He forms partnerships with landholders to map out the works required and then creates an agreement to implement them.

"In the early days there was a different mindset, so we chipped in and just did what we could. As a few landholders came on board, the success spread like wildfire. Now people are queuing up to have works done because they see the benefits like how it's much easier to manage their stock," said Richie.

"Willows are introduced, impacting on waterways by diverting the water flow, changing the channel, making the river wider and have a massive leaf drop in one hit – which changes nutrients in the water."

The next step after removing willows and weeds is planting the riverbanks with native vegetation. The team will soon put thousands of indigenous species in the ground using a mix of 30% eucalypts and the remaining will be understorey plants. This links habitat which benefits the river health and wildlife.

"So far, we have fenced and revegetated over 90% of the river."

By the end of 2023-24, this will be 100% and I can see how the river is 'reclaiming' itself and wildlife is starting to return," he said.

To date, works on the Corner Inlet and Agnes River project, funded by the Victorian Government as one of its Flagship Rivers have also included:

- fencing 75.5 kilometres of river frontage at 70 sites
- planting 266,338 trees and shrubs to restore 237.63 hectares
- undertaking weed control on 422.51 hectares at 224 sites.

All the positive works along the Agnes upstream ultimately flow down to benefit fish, birds and seagrass in Corner Inlet. The buffer created by the weed removal, fencing and revegetation improves conditions for seagrass to flourish by reducing nutrient and sediment flowing into the inlet.

Agnes River is on Gunaikurnai Country and begins in the Strzelecki Ranges, meandering its way into Corner Inlet near the town of Toora. It is well known for the Agnes Falls where the river cascades into a spectacular 59 metre drop into a deep picturesque gorge.

Coasts and marine

The condition of coastal and marine environments

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

A range of indicators inform the condition of Coast and Marine environments within West Gippsland and the following have been used to do this:

- Extent of coastal vegetation
- Water

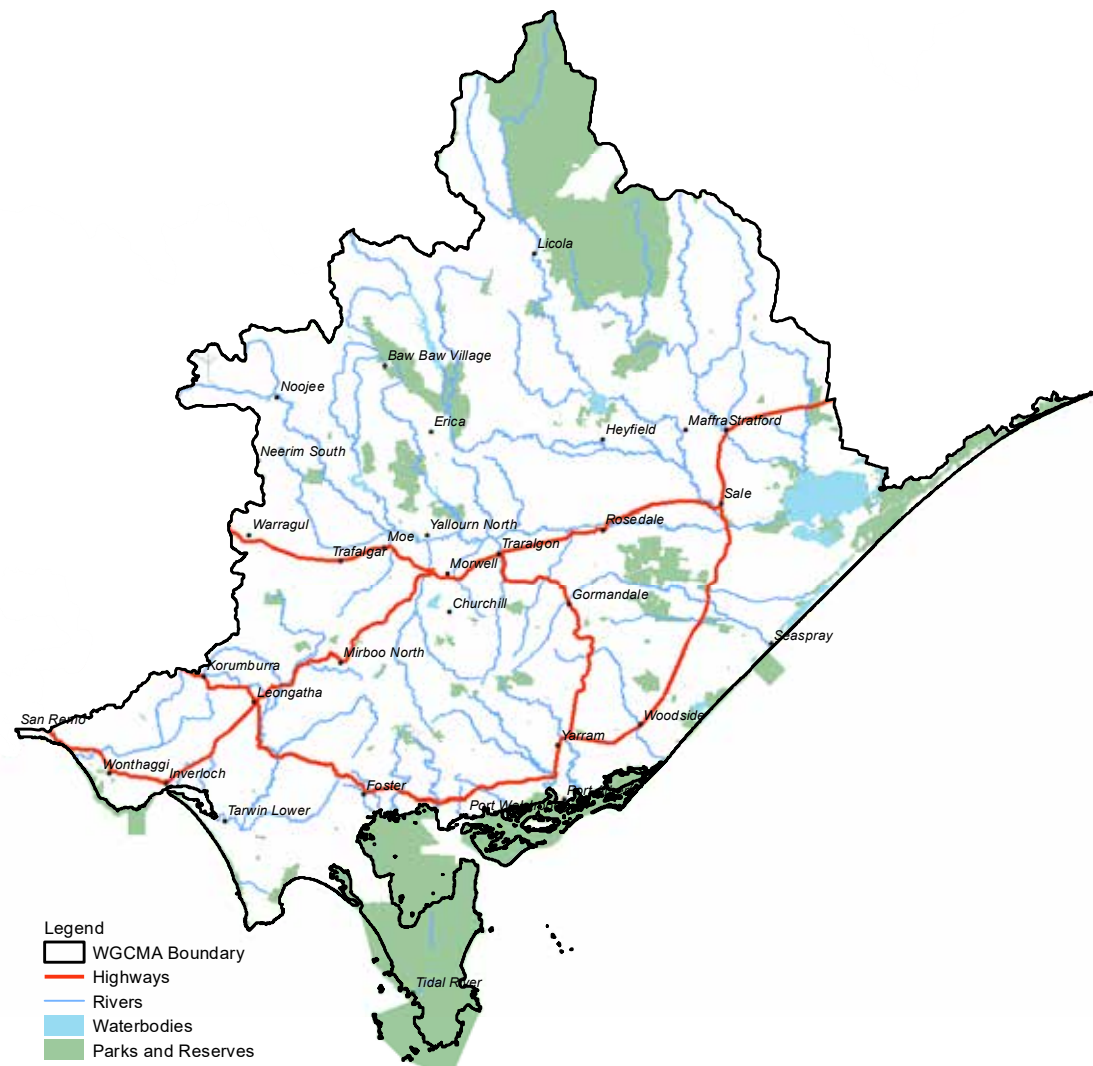
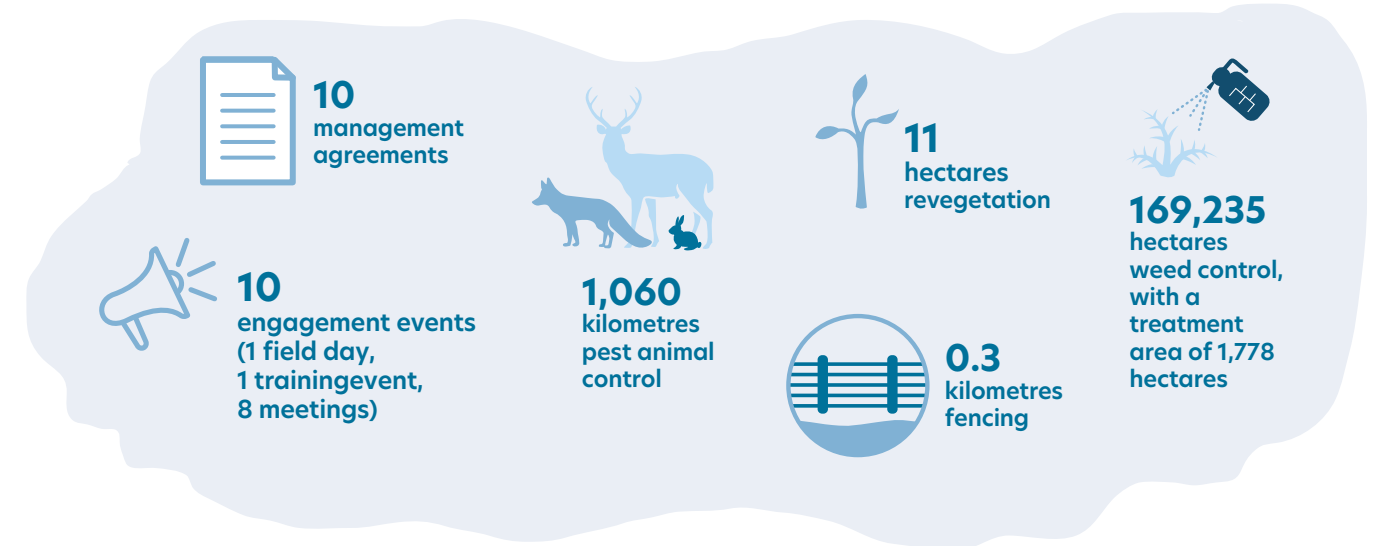


Figure 3: Area of land and water managed for coastal and marine protection including terrestrial and marine parks and reserves

Program highlights

Corner Inlet

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



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

WGCMA, in partnership with Yarram Yarram Landcare Network, delivered the final years of a project to restore 12 hectares of riparian area along tributaries within the catchment, creating a buffer between waterways and adjacent farmland and restoring 12 hectares of Broadleaf Seagrass (*Posidonia australis*) habitat. The project is working with recreational fishers and local farmers in an integrated approach to catchment management. In 2022-23, on-ground works included 19.81 hectares of riparian area being protected and revegetated in the important estuary zone and 15.51 hectares of seagrass restored.

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 2022-23, highlights included the implementation of the Spartina Control Management Plan which included 174 hectares of actual Spartina treatment.

Estuary management

In 2022-23, we undertook a range of projects to help protect, enhance and improve the management and understanding of estuaries. Key activities included:

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

"A strong sign of local interest is that several landholders have committed to legally protect their saltmarsh sites by placing a Trust for Nature covenant on their land."



COAST AND MARINE CASE STUDY



Protecting Corner Inlet coastlines

Over more than two decades, an extraordinary amount has been achieved through partnerships to protect world renowned Corner Inlet. From the upper reaches of the rivers that flow into the inlet down to the fragile saltmarsh and mudflats and into the bay, the combined efforts over time all add up to a positive future.

Corner Inlet is a world renowned and significant wetland. The precious ecosystem is a recognised haven for migratory birds and made up of extensive seagrass meadows, and unique intertidal mudflats and forests of white mangrove (*Avicennia marina*) – the world’s most southerly distribution of this species.

West Gippsland CMA and partners are overseeing a program of works to protect this special inlet forever. This year saw the last of the current five-year Corner Inlet Connections project, funded by the Australian Government’s National Landcare Program. This project is also complemented by state EC5 funded programs.

Across 2022-23, important protection works included 1,812 hectares of weed control – largely aerial and ground spraying of *Spartina*, putting over 40,500 plants in the ground, fencing 12 kilometres of waterways along with 1,059 hectares of fox control and monitoring and protection of nesting shorebirds.

“Controlling *Spartina* helps improve natural estuary habitat for important fish populations, allows vital plant species such as saltmarsh, mangrove and seagrass to re-establish and improves the feeding and breeding sites for local birds and internationally significant migratory species,” said WGCMA CEO Martin Fuller.

Project partner Trust for Nature is also helping to build on this legacy working to help local landholders fence, control high-threat weeds and legally protect more than 200 hectares of saltmarsh and nearby coastal habitats.

Coastal saltmarsh provides habitat for threatened species and migratory birds, buffers the coastline from erosion and stores large amounts of carbon. Historic loss of saltmarsh, mangroves and estuarine wetlands in Corner Inlet has been significant, with approximately 45 per cent lost since 1750. Climate change driven sea-level rise and coastal erosion will also impact these intertidal ecosystems.

John Hick, Trust for Nature Regional Manager said, “It’s very exciting and rewarding that more landholders have got involved during the past few years and are working closely with Trust for Nature to achieve great results.”

“A strong sign of local interest in protecting these marvelous natural areas and the wildlife they support is that several landholders have committed to legally protect their saltmarsh sites in perpetuity by placing a Trust for Nature covenant on their land.”

This will ensure they are protected forever to protect important habitat and wildlife that makes iconic Corner Inlet so special.

Tallying up works by the CMA and partners in Corner Inlet over the past 25 years is equally impressive including:

- 701,015 plants in the ground
- 360 kilometres of fencing – more than the distance from Melbourne to Lakes Entrance
- 11,828 hectares of weed control – that’s 195 MCGs
- 108 engagement events.

Community

The benefits that flow from community participation

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

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

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

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

Community theme benchmark - Community participation

Table 6: Community participation 2018-2023

Item	22/23	21/22	20/21	19/20	18/19
Event Participants	3172	2182	2762	3639	4711
Assessments	724	705	704	743	644
Property Plans	67	63	40	79	103
Ongoing Works	540	349	377	409	391
Referrals, Advice & Permits	1244	1542	1284	1598	1216

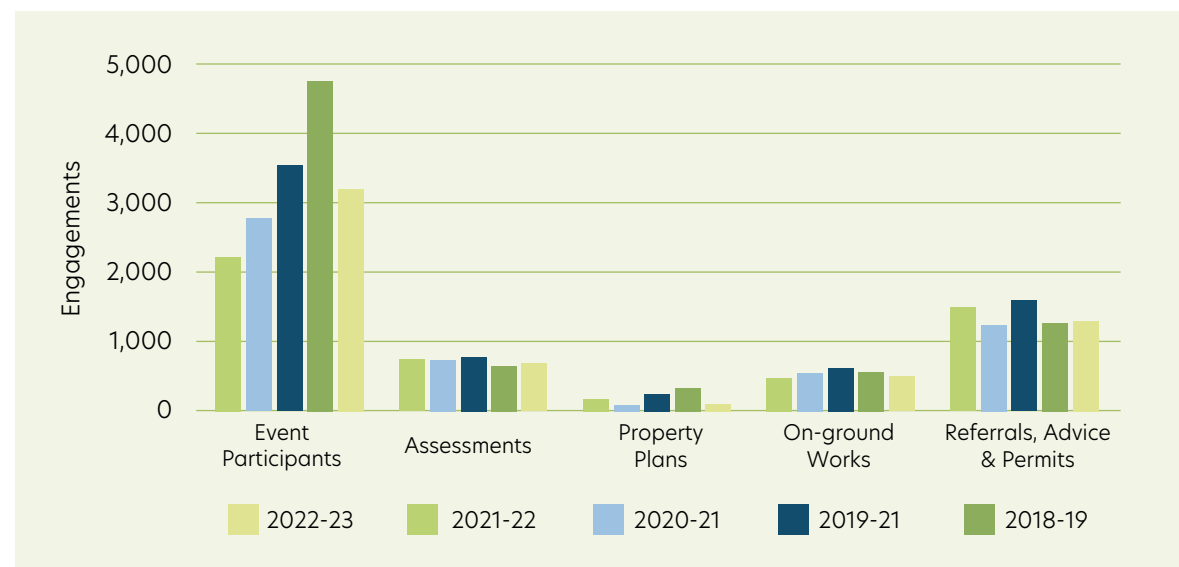


Figure 4: Community participation 2018-2023



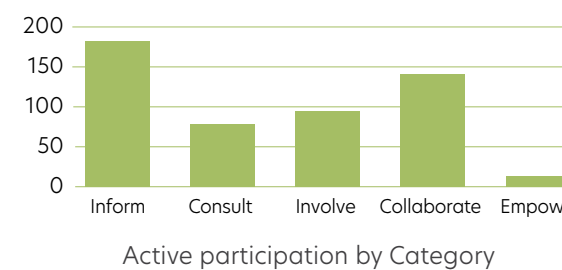
WGCMA Staff with members of the Community Engagement Network

Community theme benchmark - Active partners

Table 7: Active partners in 2022-23

Active Partners 2022-23	
Agency/Research Organisations	52
Community Groups	91
Industry/Corporate Organisations	17
Traditional Owner Groups	5

Figure 5: 2022-23 Annual community condition assessment



Community theme benchmark - Farm businesses engaged in works

Table 8: Farm businesses involved in on ground works

Property type	Number
Agistment	2
Beef	62
Biodiversity	1
Cropping	3
Dairy	65
Forestry	1
Horticulture	4
Other	10
Public Land	6
Sheep	16
Unknown	179
Total	325



Program highlights

Landcare and community volunteering legacy is strong

In West Gippsland, Landcare has a long and proud history, made up of a committed and motivated grassroots community that have delivered best practice natural resource management for more than 30 years. Five Landcare networks support 60 Landcare groups. There are also approximately 55 community NRM groups who do not sit within the Landcare network structure, such as friends of groups or foreshore committees of management. All these groups and networks drive projects that address local and landscape-scale issues through on ground works such as revegetation, pest plant and animal management, soil health and riparian management. They also build skills and social connections in the community through training and events.

Landcare and community NRM groups have a successful history in the region and an ongoing commitment to environmental conservation and sustainable development in Victoria. Their current important role is in enhancing the West Gippsland environment and its ability to adapt to meet emerging challenges. Partnerships between agencies and community NRM groups are one of the best ways to achieve great on ground outcomes for the West Gippsland region.

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

Table 9: Landcare group health scores

Category	22-23	21-22	20-21	19-20	18-19
5 = Trail blazing	4	6	1	5	5
4 = Rolling along	15	11	21	13	15
3 = Moving forward	23	19	5	16	21
2 = Struggling	9	8	11	11	9
1 = Just hanging on	9	1	2	4	4
Total groups	60	45	40	49	54
Average group health score	2.93	3.29	3.2	3.08	3.15

Partnerships with Traditional Owners

Cultural competency

Our organisational cultural competency program is ongoing.

In 2022-23, we had eight new staff and over 50 Landcare staff and members complete stage one training. Additionally, our internal cultural competency intranet page has been renewed. This provides a comprehensive source of Traditional Owner information for all staff that can be used when planning projects and events.

Staff and volunteers also took part in our cultural competency sessions. The feedback from staff and Landcarers was very positive and they felt the content prepared them well to work with Traditional Owners.

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

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

Our established Cultural Heritage process has worked well this year:

- We have completed 128 ACHRIS checks across both the GLaWAC and BLCAC Registered Aboriginal Party areas.
- Several projects have been adapted to avoid possible Aboriginal cultural heritage.



Bunurong Elder Uncle Mik Edwards with WGCMA Staff Martin Fuller and Callum Edwards.

Partnerships with Traditional Land-owning groups

Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC)

We continue to work under the guidance of our MoU with GLaWAC. Further opportunities for involvement have been encouraged from the beginning of all projects undertaken during this time. A highlight of this year was hosting the first Yarns on Farms session. Yarns on Farms focuses on farm visits where the project team (Traditional Owners and CMA staff) and farmers undertake farm walks, discuss the landscape, share information on conservation and production activities and talk about the Indigenous and non-indigenous history and current interests in managing country. The program enables the project team and participating farmers and land managers to either develop or strengthen an already existing relationship through having a 'yarn'.

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

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

The Corner Inlet Connections project has seen monthly On Country work continue. Another highlight for this year was supporting GLaWAC to Protect Cultural Heritage from the impacts of climate change in Corner Inlet.

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

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

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

Boon Wurrung

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

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



Powlett River/Kugerungmome project partners

Bunurong Land Council Aboriginal Corporation (BLCAC)

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

Powlett River/Kugerungmome Cultural Heritage Management Project partnership session

We are excited to partner with BLCAC to deliver the Powlett River/Kugerungmome Cultural Heritage Management Project. The highlight for this project so far was the hosting of a partnership session for WGCMA, Parks Victoria, Trust for Nature, BCLN and South Gippsland Landcare Network to learn from the BLCAC on country team. They presented to 40 staff across the agencies and cultural heritage at the Mouth of the Powlett/Kugerungmome River. The day allowed project partners to have time to get to know one another and to discuss future work opportunities for the BLCAC on country team. This project is funded through EC5.

Partnerships and projects

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

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

We acknowledge and recognise:

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

We participate through 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.



"The day was an opportunity for Traditional Owners and landholders to come together on Country and get to know each other a bit better."

ABORIGINAL PARTNERSHIPS CASE STUDY

Yarns on Farms

It was a special day when Gunaikurnai Project Officers, West Gippsland Catchment Management Authority (CMA), farmers, landholders, land managers and Landcarers met to share stories and knowledge about land use and management across the Gunaikurnai Landscape.

The gathering was all about getting people together to meet, yarn, share and learn. Over 30 members of West Gippsland CMA's Irrigator Reference Group along with CMA staff participated in the session presented by Grattan Mullet senior, Uncle Lloyd Hood and Uncle Nikki Moffatt from the Gunaikurnai Lands and Waters Aboriginal Corporation.

Held on Brayakaulung Country at the Knob Reserve in Stratford, topics included understanding of landscapes, land managers experience, an introduction to Gunaikurnai Land and Waters Aboriginal Corporation, respecting and protecting Gunaikurnai cultural heritage and identifying and protecting plants and animals.

"The day was an opportunity for Traditional Owners and landholders to come together on Country and get to know each other a bit better," said Mandy Leggett, West Gippsland CMA's Aboriginal Cultural Heritage Officer.

Mandy introduced the day explaining the history behind the 'Yarns on Farms' farms concept, having been developed in 2010-11 by the Gunditj Mirring Corporation and the Glenelg Hopkins CMA in western Victoria. The two organisations gave permission for GLaWAC and WGCMA to share the project.

Mandy then gave a short history of the work completed so far, noting the first large group presentation of this kind was given by Uncle Lloyd close to ten years ago at Libby Balderstone's property at Darriman. Since then, there have been various large presentations over the years with Community members and Landcare groups.

Grattan Mullett Snr from GLaWAC gave an inspiring introduction of the battle to achieve Gunaikurnai Native Title, the GLaWAC corporation and how it operates and the aspirations of Traditional Owners for working on Country and maintaining Cultural Heritage within the Gunaikurnai Native Title area. Grattan also explained the importance to Gunaikurnai people of finding Cultural Heritage sites and stories in the rebuilding their connection to Country and how the GLaWAC corporation has grown from modest beginnings, to now employing over 70 people to work on Gunaikurnai Land and their aspirations for continued growth and employment for the Gunaikurnai people.

Uncle Lloyd Hood shared a very moving account of some of his personal experiences growing up on an Aboriginal Mission and then being forced to move off the Mission and experiencing the assimilation policies of the time. He spoke of the hardships he faced which to him often "seemed normal", until getting out in the wider community where he realised that not everyone experienced the same treatment as he and his family had.

Each participant was supplied a Cultural Heritage Information Pack on the day developed by WGCMA, GLaWAC and Bunurong Land Council Aboriginal Corporation to assist landholders in meeting their cultural heritage requirements and to be used when planning a new project or works to make sure landholders are adhering to the *Aboriginal Cultural Heritage Act (1996)*.

This first event will guide the next phase of the Yarns on Farms project which will involve smaller sessions on properties with Landholders and Traditional Owners. Farm walks, site visits, presentations, examination of aerial maps and the sharing of stories, history and experiences to consider Aboriginal and non-Indigenous perspectives about working on Country will all be included. It will be an annual part of the ongoing program and sure to be a highlight and where friendships are made and learnings will be shared.

Our Catchments, Our Communities

Powlett River/Kugerungmome Partnerships Project

During 2022-23 the Powlett River/Kugerungmome Partnerships Project continued working with Bass Coast Landcare Network, Trust for Nature, Parks Victoria, BLCAC, WGCMA and BirdLife Australia. The group continued works involving riparian protection and enhancement, fox control, riparian vegetation protection and enhancement. On ground works delivered in 2022-23 included:

- 11 landholders engaged
- 6.73 kilometres of stock exclusion fencing, which is protecting an area of 26.55 hectares
- 30.97 hectares revegetated
- 58.92 hectares of woody weed control and 34.31 non-woody weed control
- 162 hectares pest animal (fox) control
- 99 participants involved in field day engagement events
- 300 participants in presentation engagement events
- 108 participants in meetings
- 65 participants in training engagement events
- 28 participants in workshop engagement events.

Our Catchments, Our Communities – Regional Partnerships

We continued to support the GEA Forum including the implementation planning for the Regional Catchment Partnership Agreement. Strategic discussions at the regional level across East and West Gippsland have strengthened partnerships between agencies. This has included supporting GLaWAC on their journey to self-determination as part of the GEA – GLaWAC working group.

The GEA Executive Team is finalising a Strategic Plan for this forum which will guide collaboration, effort and advocacy for the region.

GEA – Women in Leadership

COVID-19 restrictions lifting meant that the Women in Leadership Team were able to recommence in person events including two leadership development workshops, four networking events and their annual forum. The theme for the forum this year was An Inspirational Tomorrow, where the 130 attendees across 12 agencies participated in a conversation about the future of Gippsland and were inspired by forward thinking leaders from the region. After an enormously challenging few years, it was great to reconnect in person.



Friends of Freestone Creek Landcare Group members

Community Engagement Network

The CEN plays an important role in information exchange with the community as they bring community issues to us and we share information on WGCMA projects and initiatives that members can take back to their communities. During 2022-23, the CEN met three times and participated in a briefing on the Sustainable Water Strategy and Regional Catchment Strategy.

Irrigator Reference Group and Environmental Water Advisory Groups

In 2022-23, we recruited new members to this group and thanked retiring members for their input and involvement. The group has an advisory role on programs like those offered through our Sustainable Irrigation Program and the Macalister Irrigation District Incentives Program.

We also established and renewed Environmental Water Advisory Groups for the Carran Carran (Thomson), Wirn wirndook Yeerung (Macalister) and Durt'Yowan (Latrobe) Rivers to help inform the Seasonal Watering Plans and Management Plans for these environmental water entitlements.



"This project is built on a strong history of collaboration and we plan to build on this wonderful legacy."

COMMUNITY CASE STUDY

A river united by community

Powlett River/Kugerungmome Partnerships project is a patchwork of partnerships that makes a whole of catchment, whole lot of difference to this much loved river.

Led by West Gippsland CMA, partners include Bunurong Land Council, Bass Coast Landcare Network, BirdLife Australia, Friends of Hooded Plover Bass Coast, Trust for Nature, and Parks Victoria. Enthusiastic local school students, the Kugerungmome Kids, are also lending a hand.

"This project is built on a strong history of collaboration and we plan to build on this wonderful legacy," said Paula Camenzuli, Natural Resource Management Strategic Planner for West Gippsland CMA.

"Working together in true partnership and involving community and school students is where the power lies - we can achieve and learn so much more when we do it together and support each other. The community, wildlife and environment are the winners."

In the upper reaches, Trust for Nature and Bass Coast Landcare Network are working with landholders to conserve and understand the endangered Giant Gippsland earthworm through research and enhancing habitat.

Along the river and its tributaries, Bass Coast Landcare Network and the CMA are partnering with landholders, community and local schools to fence and revegetate the waterway to protect and rehabilitate Bridge, Woolshed, Lance, and Foster Creeks and Powlett River reaches.

Across the year, they worked with seven landholders to revegetate 31 hectares, install 6.73 metres of stock exclusion fencing and plants 45,000 indigenous species to connect eight plus kilometres across the catchment. "I'm stoked to be delivering the project to link and repair waterways across the catchment," said Joel Kilgour, the Network's NRM Project Officer.

Trust for Nature is proud to be delivering two projects near Archies Creek where 32 hectares of remnant vegetation remains on adjoining properties. "This is a once in a many decade opportunity to help landholders restore a diversity of habitats that have suffered years of weed invasion. We can reduce the decline and have already started making a really big difference. It's a wonderful turning point for us," said John Hick, the Trust's Regional Manager, West Gippsland.

At the coast, the Landcare Network and CMA are partnering with BirdLife Australia and Bass Coast Friends of the Hooded Plover volunteers to protect and promote awareness of beach nesting shorebirds - especially the threatened Hooded Plover.

Bass Coast Landcare Network delivered targeted fox control with six 'pulses' of trapping and baiting. Volunteers assisted by noting signs of fox activity when monitoring nests. BirdLife Australia also used motion sensing cameras to understand why nests fail.

Partners and volunteers combined efforts to host community education events to show how we can share the beaches with these threatened birds. This all resulted in eight chicks fledging from Powlett River/Kugerungmome compared with five last season - largely attributed to the focus on fox control.

"In my 18 years, this has been the best," said Steve Johnson - Friends of the Hooded Plover - Bass Coast.

And the future is looking bright for the next generation - Kugerungmome Kids from Powlett River Primary School are tackling marine pollution and learning about the river from its significant cultural heritage to the tiny water insects beneath the surface. Black Swans have also been observed nesting in the estuary for the first time in over 20 years - a positive sign and great reward for partners and community working together.

Our organisation

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 2022-23, we:



Responded to **431** planning permit referrals in an average response time of 13.7 days

Answered **439** requests

for advice regarding flooding, drainage, annual use limits, whole farm plans and Southern Rural Water enquiries in an average response time of 13.7 days



Issued **105** works on waterways permits in an average response time of 12 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 110 planning permit referrals and a further 148 flood advice and Southern Rural Water enquiries. We also issued 52 works on waterways permits.

In 2022-23, we provided administrative services on a contractual basis to the Corangamite and North Central Catchment Management Authorities and uploaded 775 applications into FloodZoom.

We continued to support DEECA in the ongoing development and refinement of the FloodZoom planning system. We assisted DEECA with expert user input to improve usability to the system. Significant and ongoing work was also done updating the flood intelligence data that drives both the planning and the emergency management modules.

We collaborated with DEECA and councils through the Gippsland Integrated Water Management Forum. We actively participated in the Inverloch Regional and Strategic Partnership which developed the draft Cape to Cape Resilience Plan to address the erosion occurring along Inverloch Surf Beach.

Significant progress was made during 2022-23 to produce and update flood information for our region. We partnered with Latrobe City to develop a flood study for Waterhole Creek in Morwell. We also partnered with Federation University's Industry Placement Program and industry leaders and progressed flood mapping 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 2022-23, with 13 actions completed and another 19 of the 51 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 and Baw Baw Shire Council for funding through the Risk Resilience Grants Program.

Our purpose

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

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

Our vision

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

Our work

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

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

Our principles and values

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

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

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

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

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

Values we live by



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.



Members of the Water Team undergoing river monitoring

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*.

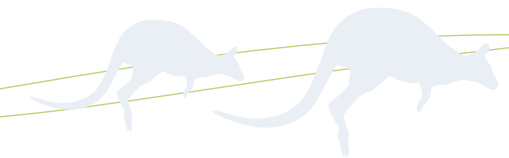
The *CaLP Act 1994* and the *Water Act 1989* define our main purposes as follows:

- 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 DEECA's Governance Guidelines for Statutory Authorities which was formally adopted in June 2005. Details of our Board members are available from page 59.

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

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



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

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

Community Engagement Network (CEN) charter

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

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

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

Community Engagement Network members

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

Two in person meetings and field trips were held in 2022-23. These were held at Corner Inlet and Thomson River Fishway and included a first hand look at current work activities.

We have further involved our CEN members by:

- Inviting them to various workshops and webinars.
- Sharing information via email including erosion updates, Central and Gippsland Sustainable Water Strategy, Victorian Environmental Water Holder update and our Gippslandscapes podcasts.
- Supporting the sharing of information between members such as the Landcare Network newsletters, and the WGCMA Catchment Snapshot e-newsletter.

The Board and committees

Mikaela Power (Chair)

Mikaela was appointed to the Board on 27 October 2015. In the last financial year, she attended all 9 Board meetings.

Mikaela holds qualifications in arts, education, business and company directorship. She has worked in the public and private sectors in Gippsland, Melbourne and internationally and now works at Federation University. Mikaela was a Baw Baw Shire Councillor from 2012-2022, serving as Mayor and Deputy Mayor 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.

Belinda Nave (Deputy Chair)

Belinda was appointed to the Board on 1 October 2017. In the last financial year, she attended 8 of the 9 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.

Susan Anderson

Susan was appointed to the Board on 1 October 2021. In the last financial year, she attended all 9 Board meetings.

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

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

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

Liz Clay

Liz was appointed to the Board on 1 October 2019. In the last financial year, she attended all 9 Board meetings.

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

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

Peter Jennings OAM

Peter was appointed to the Board on 1 October 2017. In the last financial year, he attended 8 of the 9 Board meetings.

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

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

Jodie Mason

Jodie was appointed to the Board on 1 October 2017. In the last financial year, she attended 8 of the 9 Board meetings.

Jodie has qualifications in forest science, business management and company directorship, and over 30 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 throughout Australia and internationally.

Jodie is a past Board member of Australian Forestry Standard Ltd, a current Board member of the Tasmanian Forest Practices Authority and is a Graduate of the Australian Institute of Company Directors (AICD).

Shelley McGuiness

Shelley was appointed to the Board on 1 October 2019. In the last financial year, she attended 7 of the 9 Board meetings.

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

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

Nicholas Murray

Nick was appointed to the Board on 1 October 2019. In the last financial year, he attended all 9 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 a member of the Gippsland Lakes Coordinating Committee and former member of the Gippsland Lakes Ministerial Advisory Committee.

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

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

Brian Stevens

Brian was appointed to the Board on 1 October 2021. In the last financial year, he attended 6 of the 9 Board meetings.

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

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

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

Board membership of committees

During the 2022-23 year our Board members participated on the following committees:

- Audit and Risk Committee – Susan Anderson, Shelley McGuinness and Liz Clay
- Remuneration Committee – Mikaela Power (Chair), Nicholas Murray and Brian Stevens
- Corporate Committee – Jodie Mason (Chair), Belinda Nave and Peter Jennings
- Landcare – Peter Jennings (Chair) and Susan Anderson
- Regional Catchment Strategy Steering Committee – Shelley McGuinness

Audit and Risk Committee

The main responsibilities of the Audit and Risk Committee are to:

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

Independent members of the Audit and Risk Committee are Ian Gibson (Chair) and Andrea Buckland.

Table 10: Audit and Risk Committee membership and meeting attendance 2022-23

Name	Independent	Term	Attended	Eligible to Attend
Ian Gibson, Chairperson	✓	1 July 2022 to 30 June 2023	4	4
Andrea Buckland	✓	1 July 2022 to 30 June 2023	4	4
Liz Clay	✗	1 July 2022 to 30 June 2023	4	4
Susan Anderson	✗	1 July 2022 to 30 June 2023	4	4
Shelley McGuinness	✗	1 July 2022 to 30 June 2023	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 Audit and Risk Committee. Reviews carried out this year were:

- Fraud Corruption and Control Framework
- Taxation and Purchasing Card Compliance
- Workforce Planning and Development
- Review of Annual Reporting Processes

Organisational structure

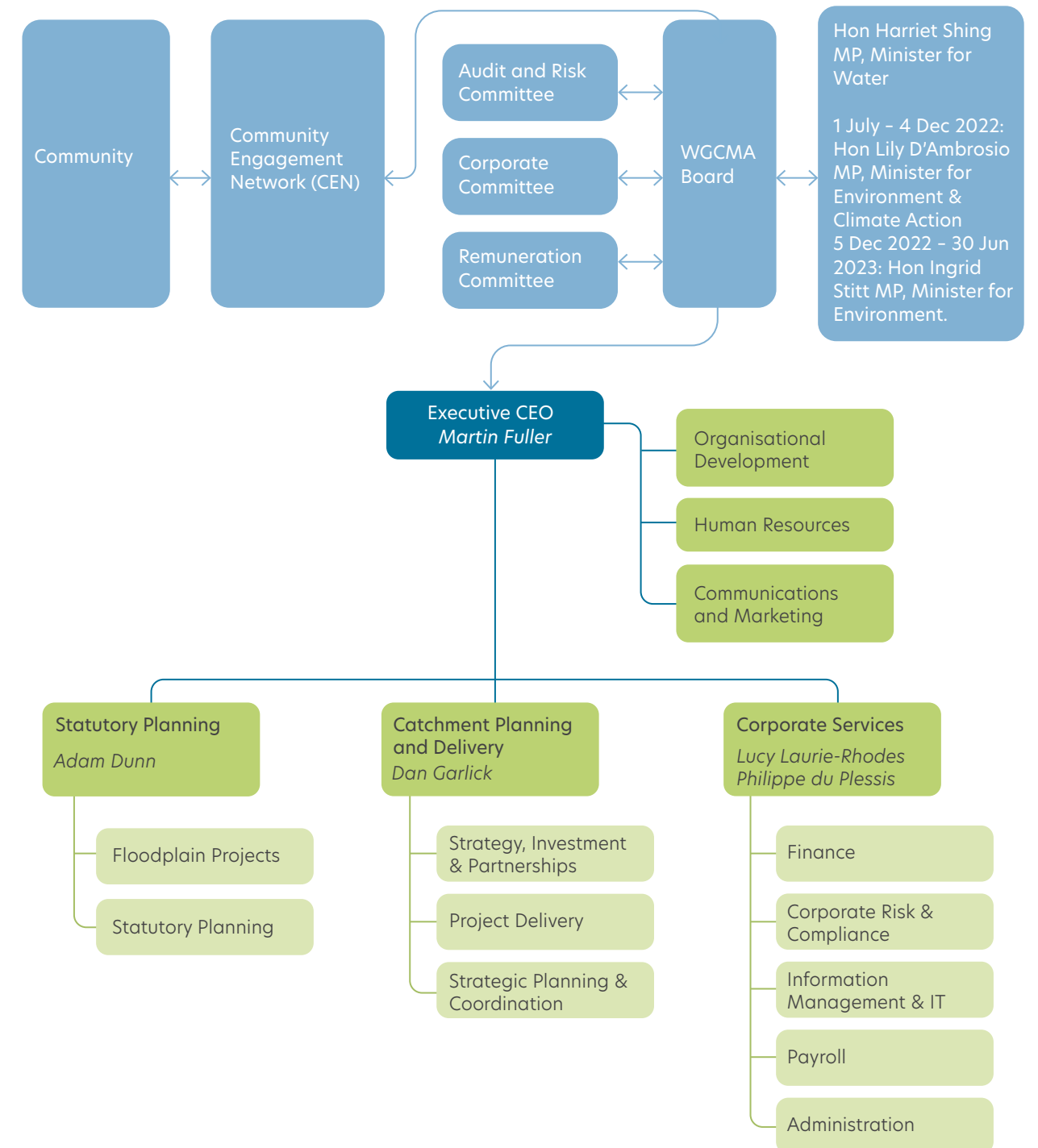


Figure 6: WGCMA's organisational structure 2022-23



Our People



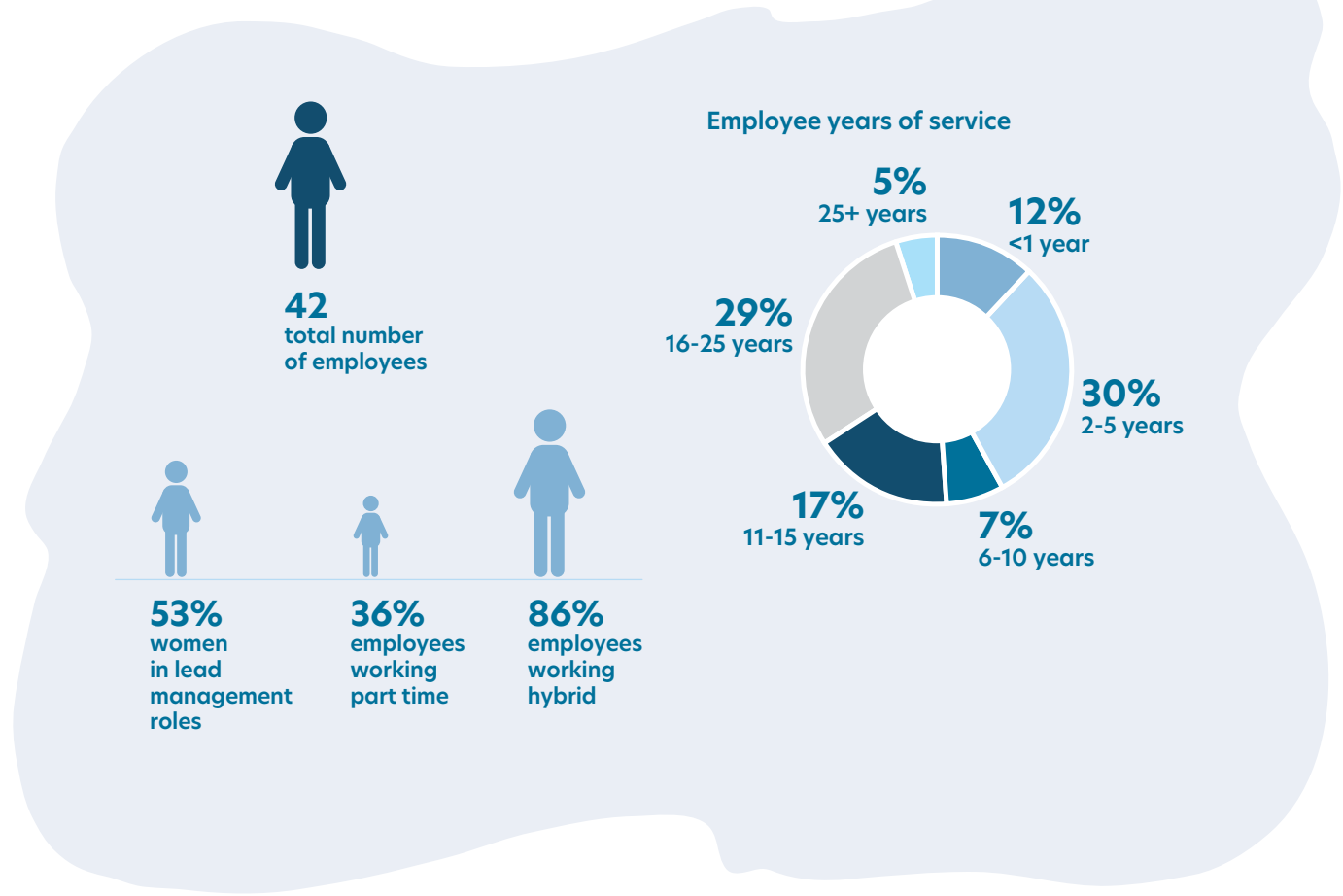
Supporting our people to be their best

Our people are resilient, highly competent, and capable of great outcomes. We focus our efforts on building programs and initiatives that drive a continuous improvement culture which in turn enhances the employee experience. Our people are engaged and aligned to what WGCMA is trying to achieve, are satisfied in their roles which in turn, builds a strong stakeholder experience.

We put our people at the heart of what we do and are dedicated to helping them grow their careers and reach their professional goals. We know our people get their best work done when they're in control of where and how they work, designing their work week around their team and personal commitments.

We are continuously working towards building an inclusive environment, one where what makes us different from each other makes us stronger and brings us together. We share a commitment to value and embrace diversity in all forms so that our work environment is a safe space we can all belong. This is integral to creating a great employee experience, growing our capability, and supporting our communities.

Current snapshot of our workforce



Health, safety & wellbeing

We aim to support all our people to be their best in every sense. To this aim, we launched our rolling Organisational Development Plan to incorporate a Health and Wellbeing focus. To help us understand the wellbeing experience of our people and to plan future initiatives, we run regular scheduled employee pulse surveys. Our most recent survey, indicated our people are doing well, are satisfied with their work/life balance, they feel a sense of belonging to the organisation and connect with their leaders in meaningful ways.

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.

As part of our health and wellbeing program, we organised the following health initiatives:

- Annual flu shots, skin checks and audiology testing.
- Promotion of psychological, emotional and physical wellbeing initiatives through Employee Assistance Program, workshops and activities.
- Continued to run a range of virtual and in person activities to encourage staff social and workplace connection.

Throughout the year, there were no notifiable incidents that were required to be reported to the Victorian Workcover Authority for the reporting period.

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 and focus on and review key topics including:

- Prioritising the safety of our workforce.
- Enhance safety leadership capabilities.
- Improve our safety culture.
- Meet the relevant Australian standards to improve safety data collection, compliance, and reporting.
- Training delivery, safety inspections, and investigations.

Table 11: OH&S five-year summary

	2022-23	2021-22	2020-21	2019-20	2018-19
Reported hazards/incidents (i)	5	6	7	10	12
Lost time standard claims	Nil	Nil	Nil	Nil	Nil
Average cost per claim	Nil	Nil	Nil	Nil	Nil
Training events	2	2	4	4	3

Recruitment & onboarding

We made significant updates to centralise our recruitment capability in 2022-23, improving our ability to attract talented and diverse employees across all areas of the organisation. Multiple improvements have also been made this year to both candidate and hiring manager experience, including:

- Electronic onboarding for all employees.
- Development of our Employee Onboarding Manual.
- Improved updates to our Employee Contracts, Position Descriptions and other shortlisting resources.
- Streamlined communications processes amongst stakeholders.
- Achieved higher level of governance during the recruitment process.

Learning and development

We are continually improving our learning and development systems to ensure our people are equipped for the interpersonal complexities of today's professional environment. We have developed a learning and development framework to ensure all capability development activities position us to meet current and future challenges.

We promote succession planning for the development of our people to progress to senior or specialist roles by way of creating opportunities to participate in higher duties, secondments, mentoring and other skill sharing options.

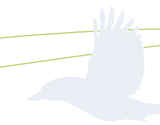
Highlights for this year

- Created strong cultural awareness through our internal Cultural Heritage Training Program.
- Developed and launched a Learning and Development Framework.
- Optimised our learning management system to improve end user experience and accurate record keeping.
- Almost 100% completion rate of all mandatory compliance training which includes privacy, cyber-security, health and safety, bullying and harassment, fraud and corruption and meeting our legal, ethical and governance requirements.

Flexibility

Workplace flexibility has always been an important offering for our people. We know our people get their best work done when they're in control of where and how they work. Our ability to remain agile and continue to effectively work remotely is a testament to our culture and capability in responding to transformational change. With a large majority of our people now working remotely for at least two days per week, benefits observed include:

- Improved Productivity and Time Management
- Increased Work Life Balance
- Maintained connection to organisation and co-workers.



Leadership

Our current leadership development model is both opportunistic, adaptive and bespoke to cater to individual leaders. Through ongoing review and discussion individuals and their managers identify needs for specific leadership development and training opportunities.

We build leadership capability and capacity throughout the organisation by developing excellent leaders and managers who model people leadership, management and supervision skills and behaviours. This includes coaching and mentoring by team leaders and managers as well as direct feedback during employee reviews each year.

Highlights for this year

- We have strengthened our leadership capability and capacity to encourage high levels of performance.
- We lead and coach others to develop and achieve their full potential.
- Continue to deliver Leadership Development Programs.
- Deliver initiatives that support Leaders to collaborate on key priorities and issues.
- Fostered an environment that allows our people to lead and excel - Leaders at all levels.

Further work is being done to make similar improvements for the coming year including a more formalised approach to leadership by integrating into our *People & Culture Strategy 2023-28* and designing a Leadership Program for 2023-24.

Diversity and inclusion

Our focus on diversity and inclusion is integral to how we service our stakeholders, support our people and contribute to our communities. Our approach is underpinned by our values and speaks to the heart of our purpose. We are on track for delivering our Diversity and Inclusion outcomes from the *Diversity & Inclusion Strategy 2017-2018*. We plan to launch our rolling Diversity & Inclusion Plan in 2023.

Highlights for this year

- Trained our recruiters in disability awareness and confidence and reviewed our platforms to ensure accessibility.
- Trained our people in LGBTQI+ Awareness and Safety.
- Established and launched our new resources which assist us to create truly accessible environments for our stakeholders and people.
- Strengthened group policies, including our Parental Leave policy and our Family and Domestic Violence Policy.
- Continued tracking inclusion through our Employee Engagement Survey.

Workforce data

On 30 June 2023:

West Gippsland Catchment Management Authority employed 42 staff (37 full time equivalent), compared to 41 staff (35 full time equivalent) on 30 June 2022.

All employees, except executives (including senior managers) are covered by the West Gippsland Catchment Management Authority's Enterprise Agreement 2020.

Employees have been correctly classified in workforce data collections.

Table 12: Headcount and FTE as at June 2023 and June 2022

Classification	2023-23	2023-23	2021-22	2021-22
	Number (headcount)	FTE	Number (headcount)	FTE
Executives	1	1	1	1
Senior Managers	4	4	3	3
Administration staff	37	32	37	31
Total	42	37	41	35

Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded from workforce data: employees on leave without pay or absent on secondment, graduates, external contractors/consultants and temporary staff employed by employment agencies.
- Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
- Executive means the agency head or accountable officer. Senior Manager means an employee, excluding the executive, not covered by the Authority's Enterprise Agreement. All other staff are administrative staff involved in project management and delivery, provision of statutory services, or administration of the Authority.
- FTE means Full Time Equivalent.

Environmental report

Reducing our environmental impact

We are committed to implementing the Resource Smart Program and reducing the organisation's environmental impact. During the 2022-23 year we have achieved the following results in line with our Environmental Management Strategy:

Table 13: Resource Smart Program five-year summary

Objective	Measure	Use for 2022-23 (37 FTE)	Use for 2021-22 (iii) (35 FTE)	Use for 2020-21 (iii) (37 FTE)	Use for 2019-20 (iii) (38 FTE)	Use for 2018-19 (41 FTE)	Totals	Notes (i)
Reduce Energy Use (Electricity)	Total FTE per annum	56,775 kWh	51,509 kWh	19,998 kWh	88,625 kWh	135,574 kWh	352,481 kWh	54.6% decrease in total electricity usage from 5 years ago. Solar panels installed across 3 office and depot locations in 2019-2021.
		1,534 kWh	1,472 kWh	540 kWh	2,332 kWh	3,306 kWh	N/A	
Purchase of Green Power	% of energy purchase that is 'Green energy'	100%	100%	100%	100%	100%	100%	100% Green Energy is Purchased
Reduce Paper Use	White A4 reams used per annum	91	8	10	49	119	277	119 fewer reams used annually than 5 years ago
	Reams used per FTE	2.5	0.23	0.27	1.28	2.9	N/A	
Increase Use of Recycled Paper	White A4 reams	91	8	10	49	92	250	100% of all purchased paper is recycled
Paper Recycling	Kg per annum	-	-	-	1,108	1,490	2,598	100% of used paper is recycled, however from 2020-21 weight records are no longer supplied by vendor
	Kg Per FTE	-	-	-	29	36	N/A	
Reduce Fuel Use	Litres of fuel purchased per annum	67,042	62,485	60,429	79,279	41,706	310,941	Fuel usage in 2021-22 has increased by 50% from 5 years ago
Reduce Water Consumption	Kilolitres used per annum	1,417 (ii)	1,007 (ii)	723 (ii)	918 (ii)	305	4,370	182% increase in water consumption from 5 years ago due to watering of plants at Maffra depot

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

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

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

FRD 24 - Environmental Reporting

In addition to our Resource Smart Program reporting, we are required to report various environmental indicators as per the following.

Table 14: FRD 24 Reporting of environmental data by government entities

EL1 - Total electricity consumption segmented by source:	2022-23 MW Hrs	2021-22 MW Hrs
Purchased	56.8	51.5
Not directly purchased	0.0	0.0
Self-generated	42.5	37.5
TOTAL	99.3	89.0

The Authority purchases all its electricity under a State Purchasing Contract and has installed solar panels at three office sites

EL4 - Total electricity offsets segmented by offset type:	2022-23 MW Hrs	2021-22 MW Hrs
LGC's voluntarily retired by the entity	0.0	0.0
LGC's voluntarily retired on the entity's behalf	0.0	0.0
GreenPower	56.8	51.5
Renewable Power Percentage	n/a	n/a
TOTAL	56.8	51.5

The Authority only purchases GreenPower and does not generate LGC's

T2 - Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	2022-23	2021-22
Road Vehicles:		
Petrol - (no.)	1	1
Petrol - (%)	5%	4%
Diesel/biodiesel - (no.)	21	23
Diesel/biodiesel - (%)	95%	96%
TOTAL Road Vehicles - (no.)	22	24
TOTAL Road Vehicles - (%)	100%	100%
Non-road Vehicles:		
Petrol - (no.)	0	0
Petrol - (%)	0%	0%
Diesel/biodiesel - (no.)	3	3
Diesel/biodiesel - (%)	100%	100%
TOTAL Non-road Vehicles - (no.)	3	3
TOTAL Non-road Vehicles - (%)	100%	100%

All road vehicles are passenger, while all non-road vehicles are other (falling outside the classification categories)

B3 - NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs	2022-23	2021-22
	N/A	N/A

The Authority had no newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs

Report against Corporate Plan targets

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

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

Table 15: Corporate Plan targets and achievements

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.

Table 15: Corporate Plan targets and achievements continued ...

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 LWMP 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 page 53. This is done through an annually approved Action Plan which cascades down through staff work plans and is reported quarterly to the Board. For 2022-23, a 96% delivery was achieved for the Action Plan.

Community inclusion

Multicultural Victoria Act 2004

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

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

We meet every six months with each corporation to develop and plan projects as well as monitor their implementation. The Traditional Owner section of our *Regional Catchment Strategy 2021 - 2027* guides our work together.

Working with youth

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

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

Involving women

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

Workforce Inclusion policy

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

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

Table 16: Inclusion measures and progress 2019-23

Diversity and Inclusion Plan Initiative	Measure	Actual progress for 2022-23	Actual progress for 2021-22	Actual progress for 2020-21
Promote the availability of flexible work arrangements	Number of staff with flexible work arrangements	100% of staff	100% of staff	100% of staff

Note: reported as a percentage against headcount figure.

Other disclosures

Manner of establishment and relevant Minister

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

The responsible Ministers for the period 1 July 2022 - 4 Dec 2022:
 Hon Harriet Shing MP, Minister for Water
 Hon Lily D'Ambrosio MP, Minister for Environment & Climate Action

The responsible Ministers for the period 5 Dec 2022 - 30 Jun 2023:
 Hon Harriet Shing MP, Minister for Water
 Hon Ingrid Stitt MP, Minister for Environment.

Local Jobs First Act 2003

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

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

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

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

During 2022-23, we did not commence any contracts under which the *Local Jobs First Act 2003* would apply.

Government advertising expenditure

In 2022-23 there were no government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

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

In 2022-23, there were no consultancies where the total fees payable to the consultants was \$10,000 or greater.

Details of individual consultancies are outlined on the Authorities website, wgcma.vic.gov.au

Details of consultancies under \$10,000

In 2022-23, there were seven consultancies engaged during the year where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies was \$40,030 (excl. GST).

Information and Communication Technology expenditure

For the 2022-23 reporting period, the Authority's had a total ICT expenditure of \$902,672 with the details shown below:

Table 17: BAU Expenditure 2022-23

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
\$820,403	\$82,269	\$52,845	\$29,424

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

Disclosure of major contracts

The Authority did not award any major contracts (valued at \$10 million or more) during 2022-23.

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 foi.vic.gov.au. An application fee of \$31.80 applies from 1 July 2023. 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
E: lucyl@wgcma.vic.gov.au

FOI statistics/timeliness

- During 2022-23, West Gippsland Catchment Management Authority received one FOI application.
- Of these requests one was from the general public.
- We made one FOI decision during the 12 months ended 30 June 2023.
- One decision was made within the statutory 30 day time period.
- The average time taken to finalise requests in 2022-23 was 17 days.
- No requests were subject to complaint/internal review by OVIC throughout the period.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act, and foi.vic.gov.au.

Building Act 1983 compliance

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

Appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the WGCMA, and we ensure that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, *Building Regulations 2018* and the National Construction Code.

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

Competitive neutrality policy

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

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

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (the Act) enables people to make disclosures about improper conduct by public officers and public bodies.

The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'public interest disclosure'?

A public interest disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

West Gippsland Catchment Management Authority is a "public body" for the purposes of the Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

- corrupt conduct
- criminal offence
- serious professional misconduct
- dishonest performance of public functions
- intentional or reckless breach of public trust
- intentional or reckless misuse of information
- substantial mismanagement of public resources
- substantial risk to health or safety of a person
- substantial risk to the environment
- conduct of any person that adversely affects the honest performance by a public officer of their functions
- conduct of any person that is intended to adversely affect the effective performance by a public officer of their functions for the benefit of the other person.

Conduct that is trivial will not constitute improper conduct for the purpose of the Act.

How do I make a 'public interest disclosure'?

You can make a public interest disclosure about West Gippsland Catchment Management Authority or its Board members, officers or employees by contacting the Independent Broad-based Anti-corruption Commission (IBAC), the Victorian Inspectorate (VI) or the Victorian Ombudsman (VO) on the contact details provided below.

West Gippsland Catchment Management Authority is not able to receive public interest disclosures.

How can I access West Gippsland Catchment Management Authority's procedures for the protection of persons from detrimental action?

We have established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about West Gippsland Catchment Management Authority or its employees. You can access our procedures on our website: wgcm.vic.gov.au

Contacts

As noted earlier, the Act does not permit us to receive public interest disclosures. If you wish to make a disclosure about West Gippsland Catchment Management Authority or any of its staff, please make that disclosure directly to the IBAC, the VO or the VI. The IBAC can be contacted in writing at:

Independent Broad-based Anti-corruption Commission (IBAC) Victoria
Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000, or IBAC, GPO Box 24234, Melbourne Victoria 3001.

W: ibac.vic.gov.au

T: 1300 735 135

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

The VI can be contacted in writing at:
Victorian Inspectorate Level 8, 565 Bourke Street, Melbourne Victoria 3000.

W: vicinspectorate.vic.gov.au

T: 1800 518 197

E: info@vicinspectorate.vic.gov.au

The VO can be contacted in writing at:
Victorian Ombudsman Level 2, 570 Bourke Street Melbourne VIC 3000.

W: ombudsman.vic.gov.au

T: 1800 806 314

The VO also offers an online form, available at: ombudsman.vic.gov.au/complaints

Emergency Procurement

During 2022-23, West Gippsland Catchment Management Authority did not activate its Emergency Procurement Plan.

Charter of Human Rights and Responsibilities Act 2006

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

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

Employment and conduct

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

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

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

Capital projects

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

Grants and transfer payments

No grant or transfer payments were made by the WGCMA during 2022-23.

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 ovic.vic.gov.au.

Social Procurement Framework

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

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

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

Table 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	<ul style="list-style-type: none">• Number of Victorian Aboriginal Businesses engaged (2)• Total expenditure with Victorian Aboriginal Businesses, expressed both in dollar terms and as a percentage of total procurement (1.3%)
Opportunities for Victorians with a disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises	<ul style="list-style-type: none">• Number of disability enterprises engaged (4)• Total expenditure with disability enterprises (0.5%)
Sustainable Victorian Regions	Job readiness and employment for people in regions with entrenched disadvantage	<ul style="list-style-type: none">• Total expenditure with suppliers with business addresses within Deciles 1 & 2 within Victoria (1.6%)



The following details the Authority's 2022-23 aggregate expenditure with identified Social Benefit suppliers.

Table 19: WGCMA aggregate expenditure with identified Social Benefit suppliers - 2022-23

Area of Social Benefit	No.	Value (\$) (GST ex.)	% Total Spend
Total Expenditure	391	\$7,429,828	100.0%
Social benefit suppliers	8	\$135,004	1.8%
Objective: Opportunities for Victorian Aboriginal people Outcome: Purchasing from Victorian Aboriginal businesses			
Aboriginal businesses engaged	2	\$94,712	1.3%
Objective: Opportunities for Victorians with disability Outcome: Purchasing from Victorian social enterprises and Australian Disability Enterprises			
Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged (Group 1)	1	\$1,340	0.1%
Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged (Group 2)	3	\$32,117	0.4%
Objective: Opportunities for disadvantaged Victorians Outcome: Purchasing from Victorian social enterprises			
Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts) engaged (Group 1)	2	\$11,216	0.2%
Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts) engaged (Group 2)	4	\$101,379	1.4%
Objective: Sustainable Victorian social enterprises and Aboriginal business sectors Outcome: Purchasing from Victorian social enterprises and Aboriginal businesses			
Social enterprises engaged (Group 1)	7	\$133,952	1.8%
Social enterprises engaged (Group 2)	-	-	-

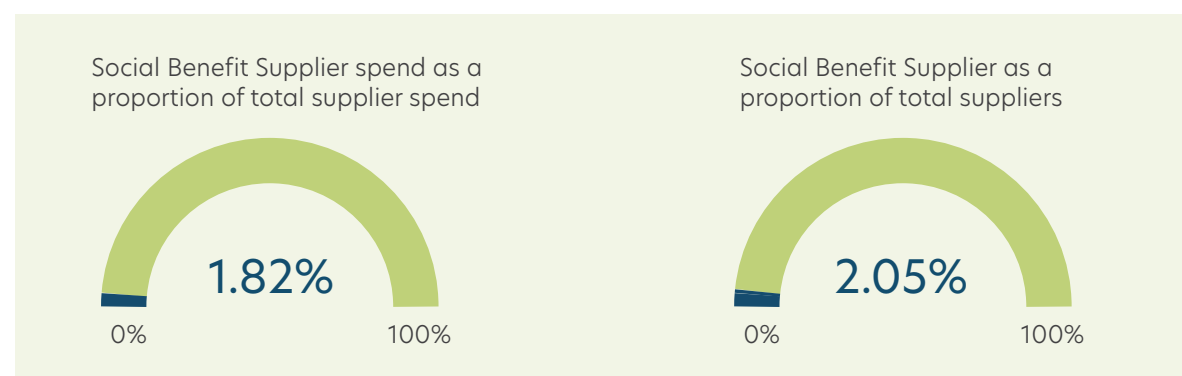


Figure 7: Social benefit procurement

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 data.vic.gov.au in electronic readable format.

West Gippsland Catchment Management Authority Financial Management Compliance Attestation Statement

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

Mikaela Power

3 October 2023

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.



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 2023 in the following structure to provide users with information about the Authority's stewardship of resource entrusted to it.

Financial statements

Comprehensive operating statement

Balance sheet

Cash flow statement

Statement of changes in equity

Notes to the financial statements

1. About this report

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

2. Funding delivery of our services

Income recognised in respect of Government contributions and other income sources

2.1 Income from transactions

3. The cost of delivering services

Operating expenses of the Authority

3.1 Employee expenses

3.2 Materials, maintenance, grants and consultancies

3.3 Other operating expenses

4. Key assets available to support output delivery

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

4.1 Total property, plant and equipment

4.2 Intangible assets

5. Other assets and liabilities

Other key assets and liabilities

5.1 Receivables

5.2 Payables

5.3 Contract liabilities

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 Responsible persons
- 8.4 Remuneration of executive officers
- 8.5 Related parties
- 8.6 Remuneration of auditors
- 8.7 Subsequent events
- 8.8 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 2023 and financial position of the Authority at 30 June 2023.

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 03 October 2023.



Mikaela Power
Chairperson



Martin Fuller
CEO and Accountable Officer



Lucy Laurie-Rhodes
Chief Finance & Accounting Officer

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2023

	Notes	2023 \$	2022 \$
Income from transactions			
Government contributions	2.1.1	10,315,586	15,558,667
Interest		571,727	50,640
Other income	2.1.2	1,368,174	1,070,970
Total income from transactions		12,255,487	16,680,277
Expenses from transactions			
Employee expenses	3.1.1	5,065,059	4,610,765
Depreciation and amortisation	4.1.2	640,002	585,602
Materials, maintenance, grants and consultancies	3.2	1,820,674	1,098,089
Contractors		4,790,615	4,433,935
Interest expense on lease liabilities	6.2.2	5,374	9,851
Other operating expenses	3.3	795,828	690,478
Total expenses from transactions		13,117,551	11,428,720
Net result from transactions (net operating balance)		(862,064)	5,251,556
Other economic flows included in net result			
Net gain/(loss) on non-financial assets (ii)	8.2	222,261	159,114
Net result		(639,804)	5,410,670
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus		-	-
Comprehensive result		(639,804)	5,410,670

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 2023

	Notes	2023 \$	2022 \$
Assets			
Financial assets			
Cash and deposits	6.3	21,491,009	17,759,434
Receivables	5.1	104,088	112,647
Total financial assets		21,595,098	17,872,080
Non-financial assets			
Property, plant and equipment	4.1	2,865,657	2,043,849
Intangible assets	4.2	6,828	10,681
Other non-financial assets		99,631	174,945
Total non-financial assets		2,972,115	2,229,476
Total assets		24,567,213	20,101,556
Liabilities			
Payables	5.2	549,668	358,771
Contract Liabilities	5.3	4,161,300	-
Lease liabilities	6.1	1,103,051	468,926
Employee related provisions	3.1.2	1,674,421	1,555,283
Total liabilities		7,488,440	2,382,980
Net assets		17,078,773	17,718,576
Equity			
Accumulated surplus/(deficit)		349,365	349,365
Physical asset revaluation surplus		494,109	494,109
Committed funds reserve		7,873,856	8,513,660
Contributed capital		8,361,442	8,361,442
Net worth		17,078,773	17,718,576

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 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts			
Receipts from government		14,632,471	15,690,951
Interest received		571,727	50,640
Goods and services tax received from the ATO (ii)		386,746	378,617
Other receipts		1,221,148	1,075,550
Total receipts		16,812,091	17,195,758
Payments			
Payments to suppliers and employees		(12,473,570)	(11,248,123)
Interest and other costs of finance paid		(5,374)	(9,851)
Total payments		(12,478,944)	(11,257,974)
Net cash flows from/(used in) operating activities	6.3.1	4,333,147	5,937,785
Cash flows from investing activities			
Purchases of non-financial assets		(590,372)	(609,777)
Proceeds from the sale of non-financial assets		273,380	196,831
Net cash (outflow) / inflow from investing activities		(316,993)	(412,947)
Cash Flows from Financing Activities			
Repayment of principal portion of lease liabilities (iii)		(284,578)	(273,133)
Net cash provided by / (used in) financing activities		(284,578)	(273,133)
Net increase / (decrease) in cash and cash equivalents		3,731,576	5,251,706
Cash and cash equivalents at the beginning of the financial year		17,759,434	12,507,728
Cash and cash equivalents at end of financial year	6.3	21,491,009	17,759,434

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 2023

	Accumulated surplus	Physical asset revaluation surplus	Committed funds reserve	Contributed capital	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	349,365	494,109	3,102,989	8,361,442	12,307,906
Net result for the year	5,410,670	-	-	-	5,410,670
Transfers to/(from) reserves (ii)	(5,410,670)	-	5,410,670	-	-
Balance at 30 June 2022	349,365	494,109	8,513,659	8,361,442	17,718,576
Net result for the year	(639,804)	-	-	-	(639,804)
Transfers to/(from) reserves (ii)	639,804	-	(639,804)	-	-
Balance at 30 June 2023	349,365	494,109	7,873,856	8,361,442	17,078,773

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 2023

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 6.2);
- determining whether the lease arrangement is in substance short-term arrangement (Note 6.2);
- lease terms (Note 6.2);
- determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 or AASB 1058 (Note 2.1);
- the timing of satisfaction of performance obligations (Note 2.1);
- determining transaction price and amounts allocated to performance obligations (Note 2.1);
- fair value measurements of assets and liabilities (Note 7.3).

Rounding

Unless otherwise stated, amounts 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.

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.

2.1 Income from transactions

Significant judgement: Grants Contributions

The Authority has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

2.1.1 Government contributions

	2023 \$	2022 \$
Income recognised as income of not-for-profit entities under AASB 1058		
State Government		
Catchment Planning	252,999	1,968,809
Sustainable Irrigation	1,116,000	1,234,000
River Health	5,034,500	4,549,844
Floodplain Management	300,000	210,000
Flood Recovery Funding	-	5,064,000
Other State Funding	963,382	1,209,167
	7,666,881	14,235,820
Commonwealth Government		
National Landcare Program	1,933,006	1,322,846
Other Commonwealth Funding	65,000	-
	1,998,006	1,322,846
Income recognised as revenue from contracts with customers under AASB 15		
State Government		
Other State Funding	650,700	-
	650,700	-
Total Government contributions	10,315,586	15,558,667

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. As at the 30 June 2023 the Authority has recognised \$650,700 as revenue under AASB 15 (2022: \$0). Revenue is recognised when the Authority satisfies the performance obligation by providing the relevant services. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

2.1.2 Other income

	2023	2022
	\$	\$
Partnership Contributions	1,130,461	727,001
Rental Income	33,000	42,200
Employee Contributions	204,713	187,150
Ancillary Trading	-	114,620
Total other income	<u>1,368,174</u>	<u>1,070,970</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.

3.1 Employee expenses

3.1.1 Employee benefits in the comprehensive operating statement

	2023	2022
	\$	\$
Salaries & wages	3,582,839	3,481,767
Annual leave	325,435	314,796
Long service leave	43,724	106,430
Other leave	380,440	329,638
Defined contribution superannuation expense	436,694	393,144
Defined benefit superannuation expense	12,633	11,867
Other employee expenses	164,156	151,094
Movement in provisions for employee benefits (i)	119,138	(177,971)
Total employee benefit expenses	<u>5,065,059</u>	<u>4,610,765</u>

(i) The increase in movement in provisions for employee benefits in 2023 is largely due to increase 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.

	2023	2022
	\$	\$
Current provisions for employee benefits		
Time in lieu and RDO:		
Unconditional and expected to be settled within 12 months	28,055	27,217
Annual leave:		
Unconditional and expected to be settled within 12 months	365,116	337,009
Unconditional and expected to be settled after 12 months	38,619	57,429
Long service leave:		
Unconditional and expected to be settled within 12 months	45,754	42,100
Unconditional and expected to be settled after 12 months	982,222	894,247
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	49,947	45,240
Unconditional and expected to be settled after 12 months	127,787	116,010
Total current provisions	<u>1,637,500</u>	<u>1,519,252</u>
Non-current provisions for employee benefits		
Long service leave:		
Conditional and expected to be settled after 12 months	32,800	32,097
Provisions for on-costs		
Conditional and expected to be settled after 12 months	4,121	3,934
Total non-current provisions	<u>36,921</u>	<u>36,031</u>
Total provisions for employee benefits and on-costs	<u>1,674,421</u>	<u>1,555,283</u>

	2023
	\$
Reconciliation of movement in on-cost provision	
Opening balance	165,184
Additional provisions recognised	16,671
Closing balance	<u>181,855</u>

Wages and salaries and annual leave:

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

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

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

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

Long service leave (LSL):

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

Unconditional LSL liability amounts expected to be wholly settled within 12 months are measured at the nominal value. Unconditional LSL liability amounts 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 the non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.3 Superannuation contributions

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

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

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

	Paid Contribution for the year		Contributions outstanding at year-end	
	2023	2022	2023	2022
Defined benefit plans: (i)	\$	\$	\$	\$
Government superannuation office	12,545	12,486	408	320
Defined contribution plans:				
Vision super	142,452	117,350	3,768	2,734
Aware super (ii)	65,572	19,873	1,349	258
Other private schemes	217,697	246,697	5,535	5,293
Total	438,266	396,406	11,061	8,606

Note:

- (i) The basis for determining the level of contributions is determined by the actuary of the defined benefit superannuation plan.
(ii) Due to the merger of Vic Super and Aware Super on 1st May 2023 the Aware Super line has been restated for 2022 to include both Vic Super and Aware Super.

3.2 Materials, maintenance, grants and consultancies

	2023	2022
	\$	\$
Materials	422,430	318,591
Repairs and maintenance	82,152	68,847
Grants paid	840,538	83,167
Computer software and support	368,663	597,127
Consultants	106,891	30,356
Total materials, maintenance, grants, and consultancies (i)	1,820,674	1,098,089

Note:

- (i) The increase in total expenditure on materials, maintenance, grants and consultancies in 2023 is attributable to a number of factors:
- Weather conditions have been favourable increasing the amount of on-ground works undertaken; and
 - Irrigation incentive grants have been more widely taken up due to the dryer conditions.

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

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

3.3 Other operating expenses

	Notes	2023	2022
		\$	\$
Telephones and mobile data		162,091	167,657
Fleet expenses		191,746	153,880
Fares and accommodation		50,487	40,692
Lease expenses	6.2.1	20,207	19,654
Education, training, conferences and seminars		40,538	31,392
Meeting expenses		35,452	21,984
Insurance		40,842	33,940
Office expenses		78,508	65,875
Promotions and public relations		14,159	26,696
Subscriptions and publications		28,216	19,736
Other expenses		133,581	108,973
		795,827	690,479

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.

4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Land at fair value	462,000	462,000	-	-	462,000	462,000
Buildings at fair value	2,457,865	1,516,724	(1,108,595)	(817,198)	1,349,269	699,526
Works assets at fair value	151,000	151,000	(15,100)	(7,550)	135,900	143,450
Plant and equipment at fair value	250,352	239,903	(203,716)	(197,257)	46,636	42,646
Office furniture and equipment at fair value	681,175	613,789	(516,149)	(492,858)	165,026	120,931
Motor vehicles at fair value	1,201,552	1,200,913	(494,726)	(625,617)	706,826	575,296
Net carrying amount	5,203,943	4,184,329	(2,338,286)	(2,140,480)	2,865,657	2,043,849

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.

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

Subsequent measurement

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

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

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

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

Revaluation of property, plant and equipment

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

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

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

The Authority's assets relating to land and buildings were independently valued by the VGV as at 30 June 2021.

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.

4.1.1 Total right-of-use assets: buildings

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

	2023			2022		
	Gross Carrying Amount	Accumulated Depreciation	Net carrying Amount	Gross Carrying Amount	Accumulated Depreciation	Net carrying Amount
Buildings at Fair Value	2,175,428	(1,082,502)	1,092,926	1,256,724	(810,698)	446,026
Net Carrying Amount	2,175,428	(1,082,502)	1,092,926	1,256,724	(810,698)	446,026

	Buildings at fair value
Opening Balance - 1 July 2022	446,026
Additions	917,326
Right-of-use adjustment (i)	1,378
Disposals	-
Depreciation	(271,804)
Closing Balance - 30 June 2023	1,092,926

Opening Balance - 1 July 2021	714,573
Additions	-
Right-of-use adjustment (i)	1,947
Disposals	-
Depreciation	(270,494)
Closing Balance - 30 June 2022	446,026

Note:

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

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.

Right-of-use asset - Subsequent measurement

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

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

Management has completed an assessment at 30 June 2023 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.

4.1.2 Depreciation and amortisation

	2023	2022
Charge for the period	\$	\$
Buildings	291,397	276,994
Works assets	7,550	7,550
Plant & equipment	6,459	3,896
Office furniture & equipment	74,162	54,910
Motor vehicles	256,581	238,399
Intangible assets	3,853	3,853
Total depreciation and amortisation	640,002	585,602

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

Buildings	271,804	270,494
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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	1 - 10 years
Works assets	20 years
Plant and equipment	3 - 20 years
Office furniture & equipment	3 - 10 years
Motor vehicles	4 years
Intangible assets	3 - 10 years

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

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

Impairment

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

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

	Land at fair value	Buildings at fair value	Works assets at fair value	Plant and equipment at fair value	Office furniture and equipment at fair value	Motor vehicles at fair value	Total
	\$	\$	\$	\$	\$	\$	\$
2022-23							
Opening balance	462,000	699,526	143,450	42,646	120,931	575,297	2,043,849
Additions	-	939,763	-	10,449	118,257	414,377	1,482,846
Disposals	-	-	-	-	-	(26,267)	(26,267)
ROU adjustment	-	1,378	-	-	-	-	1,378
Revaluation	-	-	-	-	-	-	-
Depreciation	-	(291,397)	(7,550)	(6,459)	(74,162)	(256,581)	(636,149)
Closing balance	462,000	1,349,269	135,900	46,636	165,026	706,826	2,865,656
2021-22							
Opening balance	462,000	974,573	151,000	11,014	105,206	347,798	2,051,591
Additions	-	-	-	35,528	71,193	485,162	591,883
Disposals	-	-	-	-	(558)	(19,265)	(19,823)
ROU adjustment	-	1,947	-	-	-	-	1,947
Revaluation	-	-	-	-	-	-	-
Depreciation	-	(276,994)	(7,550)	(3,896)	(54,910)	(238,399)	(581,749)
Closing balance	462,000	699,526	143,450	42,646	120,931	575,297	2,043,849

4.2 Intangible assets

Significant judgement: Determination whether configuration and customisation services are distinct from SaaS access
The authority considers where the software code resides, whether it is identifiable and whether the authority has the power to both obtain economic benefits from the software and restrict the access of others to those benefits. Configuration or customisation costs that do not qualify for recognition as an intangible asset are expensed.

	Notes	2023	2022
		\$	\$
Computer Software			
Gross carrying amount			
Opening Balance		709,814	1,046,503
Acquisition adjustment (i)		-	(281,191)
Acquisitions		-	-
Disposals		-	(55,498)
Closing balance		709,814	709,814
Accumulated depreciation			
Opening Balance		(699,133)	(764,755)
Depreciation adjustment (i)		-	13,977
Disposals		-	55,498
Amortisation		(3,853)	(3,853)
Closing balance		(702,986)	(699,133)
Net book value at end of financial year		6,828	10,681

Note:

(i) Adjustments relate to change in accounting policy relating to SaaS arrangements.

Initial recognition

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

Subsequent measurement

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

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

Impairment of intangible assets

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

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Authority with the right to access the cloud provider's application software over the contract period. As such, the Authority does not recognise the contract as an intangible asset.

5. OTHER ASSETS AND LIABILITIES

Introduction

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

5.1 Receivables

	2023	2022
	\$	\$
Receivables		
Contractual		
Trade receivables	28,472	81,007
Other receivables	4,000	4,000
	<u>32,472</u>	<u>85,007</u>
Statutory		
FBT Receivable	-	6,383
GST input tax credits recoverable	71,616	21,257
	<u>71,616</u>	<u>27,640</u>
Total receivables	104,088	112,647
<i>Represented by:</i>		
Current Receivables	100,088	108,647
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'. 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.

	2023	2022
	\$	\$
Payables		
Contractual		
Trade payables	236,536	181,771
Accrued expenses	286,052	154,908
	<u>522,588</u>	<u>336,679</u>
Statutory		
FBT accrual	10,943	3,848
Superannuation	11,061	8,606
Payroll Tax	5,076	9,638
GST payable	-	-
	<u>27,081</u>	<u>22,092</u>
Total payables	549,668	358,771
<i>Represented by:</i>		
Current Payables	549,668	358,771

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.

5.3 Contract liabilities

	2023	2022
	\$	\$
Contract liabilities	-	-
Opening balance	-	-
Add: Payments received for performance obligations yet to be completed during the period	4,812,000	-
Less: revenue recognised in the reporting period for the completion of performance obligations	(650,700)	-
Total current contract liabilities	4,161,300	-

Contract liabilities include consideration received in advance in the form of government contributions.

6. HOW WE FINANCED OUR OPERATIONS

Introduction

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

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

6.1 Borrowings

	Notes	2023	2022
		\$	\$
Current borrowings			
Lease Liabilities (i)	6.2	266,346	283,419
Total current borrowings		266,346	283,419
Non-current borrowings			
Lease Liabilities (i)	6.2	836,705	185,507
Total non-current borrowings		836,705	185,507
Total Borrowings		1,103,051	468,926

Note:

- (i) Secured by assets leased. Lease 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
	\$	\$	\$	\$	\$	\$	\$
2023							
Lease Liabilities	1,103,051	1,180,187	24,881	70,930	200,764	883,612	-
Total	1,103,051	1,180,187	24,881	70,930	200,764	883,612	-
2022							
Lease Liabilities	468,926	476,041	23,791	71,372	193,713	187,165	-
Total	468,926	476,041	23,791	71,372	193,713	187,165	-

6.2 Leases

Significant judgement: Lease Terms

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

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

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

As at 30 June 2023, the Authority has committed to short term leases and the total commitment at that date was \$14,692 (Note 6.4)

6.2.1 Right-of-use assets

Right-of-use assets are presented in Note 4.1.1

6.2.2 Amounts recognised in the Cashflow Statement

The following amounts are recognised in the Cashflow Statement for the year ending 30 June 2023 relating to leases:

	2023	2022
	\$	\$
Interest expense on lease liabilities	5,374	9,851
Expenses relating to short term leases	20,207	19,654
Repayment of principal portion of lease liabilities	284,578	273,133
Total cash outflow for leases	310,159	302,637

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

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

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

Lease Liability - Initial Measurement

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

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

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability - Subsequent Measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance to fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or net result if the right-of-use asset is already reduced to zero.

Short term and low value leases

The Authority has elected to account for short-term and low value leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in net result on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The authority presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

6.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2023	2022
Cash and deposits disclosed in the balance sheet:	\$	\$
Cash on hand	400	569
Cash at bank	-	326,949
Deposits at call	21,490,609	17,431,916
Balance as per cash flow statement	<u>21,491,009</u>	<u>17,759,434</u>

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

	2023	2022
	\$	\$
Net result for the period	(639,804)	5,410,670
Non-cash movements:		
(Gain)/loss on disposal of non-current assets	(222,261)	(159,114)
SaaS adjustment	-	267,214
Depreciation and amortisation of non-current assets	640,002	585,602
	<u>(222,062)</u>	<u>6,104,373</u>
Movements in assets and liabilities:		
Decrease/(increase) in receivables	8,558	136,352
Decrease/(increase) in non-financial assets	75,315	(70,818)
(Decrease)/increase in payables	190,897	(91,920)
(Decrease)/increase in contract liabilities	4,161,300	-
(Decrease)/increase in employee benefits	119,138	(140,202)
Net cash flows from/(used in) operating activities	<u>4,333,147</u>	<u>5,937,785</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

	2023	2022
Operating commitments payable	\$	\$
Less than 1 year	14,692	13,453
1 to 5 years	-	-
5 years or more	-	-
Total commitments (inclusive of GST)	<u>14,692</u>	<u>13,453</u>

The 2021-22 and 2022-23 operating lease commitments relate to an office lease with a term of 12 months. The contract does not allow the Authority to purchase the facilities after the lease ends, but the Authority has the option to renew the lease at the end of the lease term. Short-term operating lease payments are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term. The leased asset is not recognised in the balance sheet.

6.5 Carry forward project funding

Catchment Management Authorities are responsible for the facilitation and coordination of catchments in an integrated and sustainable manner. This is achieved by undertaking projects funded by Victorian and Australian Government programs. The Authority received funding for specific projects which are guided by the Regional Catchment Strategy and delivered in line with the Authority's Corporate Plan approved by the Minister for Water.

The projects funded by the State and Commonwealth Governments can be undertaken over multiple financial years and is received at various stages of the project life based on contractual agreements. At the end of the financial year there are some projects that have not reached completion but will be completed within the contractual terms in future financial periods. At balance date the Authority has cash and cash equivalents that will be utilised to complete these projects in future financial years.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Authority is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Authority relate mainly to fair value determination.

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. Statutory receivables and payables (FBT, GST etc) are not considered financial instruments.

Categories of financial instruments

Financial Assets are measured at amortised cost if they are held by the Authority to collect contractual cash flows, the contractual terms give rise to cash flows that are solely payments of principal and interest, and if they not designated as fair value through net result. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, these financial assets are measured at amortised cost using the effective interest method less any impairment. The financial assets at amortised cost category includes cash and deposits, and trade and other receivables (excluding statutory receivables and lease liabilities).

Financial liabilities at amortised cost are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. Financial instrument liabilities measured at amortised cost include all of the Authority's contractual payables (excluding statutory payables).

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Contractual receivables at amortised cost

The Authority has a low expected loss rate due to majority of funding sourced from State and Federal government.

The expected loss rate for the year ending 30 June 2023 has been calculated at 0%, and as such no loss allowance has been recognised.

7.1.2 Financial risk management objectives and policies

The Authority's main financial risks include credit risk, liquidity risk and interest rate risk. The Authority manages these financial risks in accordance with its financial risk management policy.

The Authority uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the CEO and the Board.

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Authority's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Authority. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Authority's contractual financial assets is minimal because the main debtors are the Victorian and Commonwealth Governments. For debtors other than the Government, the Authority has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate. For cash assets, the Authority's policy is to only deal with banks with a high credit rating assigned by international credit-rating agencies. All cash and deposits are held with the National Australia Bank.

The Authority records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Authority's contractual receivables and statutory receivables.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Authority operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The Authority maintains high levels of cash and deposits readily available to meet its financial obligations. The Authority manages its liquidity risk by maintaining adequate cash reserves and continually monitoring the Authority's expenditure commitments and cash flow needs.

Financial instruments: Market risk

The Authority's exposure to market risk is primarily through interest rate risk with significant surplus funds held in deposits at a call in the Central Banking System. The weighted average interest rate was 3.06% in 2023 (2022: 0.31%).

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.

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
	\$	\$	\$	\$	\$
2023					
Cash and deposits (i)	21,491,009	(107,453)	-	107,453	-
2022					
Cash and deposits (i)	17,759,434	(87,160)	-	87,160	-

(i) Cash and deposits includes \$21,490,609 (2022: \$17,431,916) that is exposed to floating rates movements.

Sensitivities to these movements are calculated as follows:

- 2023: \$21,490,609 x -0.005 = -\$107,453; and \$21,490,609 x 0.005 = \$107,453
- 2022: \$17,431,916 x -0.005 = -\$87,160; and \$17,431,916 x 0.005 = \$87,160

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.

	2023	2022
	\$	\$
Contingent assets		
As at 30 June 2023, the Authority has no known contingent assets.	-	-
Contingent liabilities		
Guarantees for loans to other entities (i)	26,500	53,000

(i) The amount disclosed is the nominal amount of the underlying loan that is guaranteed by the Authority. The decrease in the contingent liabilities in 2023 was due to the Authority changing the guarantees from the Australia and New Zealand Bank to the National Australia Bank, which was still in progress as at 30 June 2022. The Authority has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts at 30 June 2023.

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.

7.3.1 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.

7.3.2 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 2023-24 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Lease liabilities
Receivables:	Payables:
• Trade receivables	• Trade payables
• Other receivables	• Accrued expenses

7.3.3 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

Non-specialised land is fair valued in accordance with level 2 categorisation. Specialised land, buildings, work assets, plant and equipment, office furniture and motor vehicles are fair valued as level 3.

There have been no transfers between levels during the period.

Non-specialised land & non-specialised buildings

Non-specialised land is valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value, and are classified as Level 2 fair value measurements.

For the Authority's non-specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, non-specialised buildings are classified as Level 3 fair value measurements.

Right-of-use non-specialised buildings are valued as per the requirements of AASB 16 *Leases*. This is detailed further in Note 6.2.

For non-specialised land and non-specialised buildings (excluding right-of use-assets), an independent valuation was performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre was applied to the subject asset. The effective date of the valuation was 30 June 2021.

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.

Works assets

Works assets represent an owned Quarry, which is valued using the current replacement cost method.

An independent valuation of the Authority's works assets was performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach, with an effective date of 30 June 2021. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre was applied to the subject asset.

Motor vehicles

Motor vehicles are valued using the current replacement cost method. The Authority acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Authority who set relevant depreciation rates during use to reflect the utilisation of the motor vehicles.

Plant and equipment and Office furniture and equipment

Plant and equipment and office furniture and equipment is held at fair value. When plant and equipment or office furniture and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2023.

For all assets measured at fair value, the current use is considered the highest and best use.

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Non-specialised buildings	Current replacement cost	Direct cost per square metre Useful life of non-specialised buildings
Works assets	Current replacement cost	Direct cost per square metre Useful life of quarry
Plant and equipment	Current replacement cost	Cost per unit Useful life of plant and equipment
Office furniture and equipment	Current replacement cost	Cost per unit Useful life of office furniture and equipment
Motor vehicles	Current replacement cost	Cost per unit Useful life of vehicles

8. OTHER DISCLOSURES

Introduction

This section provides additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

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 2023 (2022 \$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.

	2023	2022
	\$	\$
Net gain/(loss) on disposal of non-financial assets		
Proceeds from sale of non-financial assets	248,527	178,937
Less written down value	(26,266)	(19,823)
Total net gain/(loss) on disposal of non-financial assets	222,261	159,114

8.3 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. Harriet Shing MP	Minister for Water	1 Jul 2022 to 30 Jun 2023
The Hon. Liliانا D'Ambrosio MP	Minister for Environment & Climate Action	1 Jul 2022 to 4 Dec 2022
The Hon Ingrid Stitt MP	Minister for Environment	5 Dec 2022 to 30 Jun 2023
Mikaela Power	Chair	1 Jul 2022 to 30 Jun 2023
Belinda Nave	Board Member & Deputy Chair	1 Jul 2022 to 30 Jun 2023
Martin Fuller	CEO	1 Jul 2022 to 30 Jun 2023
Peter Jennings	Board Member	1 Jul 2022 to 30 Jun 2023
Jodie Mason	Board Member	1 Jul 2022 to 30 Jun 2023
Shelley McGuinness	Board Member	1 Jul 2022 to 30 Jun 2023
Nicholas Murray	Board Member	1 Jul 2022 to 30 Jun 2023
Elizabeth Clay	Board Member	1 Jul 2022 to 30 Jun 2023
Susan Anderson	Board Member	1 Jul 2022 to 30 Jun 2023
Brian Stevens	Board Member	1 Jul 2022 to 30 Jun 2023

Remuneration

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

Income band	2023	2022
\$0-\$9,999	0	1
\$10,000-\$19,999	8	7
\$20,000-\$29,999	1	2
\$230,000-\$239,999	0	1
\$240,000-\$249,999	1	0
Total number of Responsible persons	10	11
Total Remuneration \$	402,867	390,791

The compensation detailed above excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

8.4 Remuneration of executive officers

The Authority did not have any executive officers, other than the CEO, to whom the Victorian Government's Public Entity Executive Remuneration (PEER) Policy applies. The CEO is an accountable officer and therefore disclosed under Note 8.3

8.5 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 2023 financial year, the Authority received significant funding from the following government-related entities:

Entity	Nature of Transaction/s	Payments received 2023	Funding Receivable at 30 June 2023
		\$	\$
Department of Energy, Environment and Climate Action (Formerly DELWP)	Service Level Agreements and Lease Agreement	12,954,914	-
East Gippsland Catchment Management Authority	Service Level Agreements and Shared Services	803,563	-

During the 2022 financial year, the Authority received significant funding from the following government-related entities:

Entity	Nature of Transaction/s	Payments received 2022 \$	Funding Receivable at 30 June 2022 \$
Department of Environment, Land, Water and Planning	Service Level Agreements and Lease Agreement	14,996,709	-
East Gippsland Catchment Management Authority	Service Level Agreements and Shared Services	476,824	-

During the 2023 financial year, the Authority made significant payments to the following government-related entities:

Entity	Nature of Transaction/s	Payments made 2023 \$	Payable at 30 June 2023 \$
Trust for Nature (Victoria)	Service Supply Agreement	258,696	131,937
Department of Energy, Environment and Climate Action (Formerly DELWP)	Reimbursement of expenditure and Service Supply Agreements	185,451	-
Parks Victoria	Service Supply Agreement	491,064	-
Goulburn Broken Catchment Management Authority	Reimbursement of expenditure	95,822	47,618

During the 2022 financial year, the Authority made significant payments to the following government-related entities:

Entity	Nature of Transaction/s	Payments made 2022 \$	Payable at 30 June 2022 \$
Trust for Nature (Victoria)	Service Supply Agreement	178,925	-
Department of Environment, Land, Water and Planning	Reimbursement of expenditure and Service Supply Agreements	163,421	29,684
Goulburn Broken Catchment Management Authority	Reimbursement of expenditure	111,955	-
Department of Jobs, Precincts and Regions	Reimbursement of expenditure and Service Supply Agreements	100,000	-

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Compensation of KMPs	2023 \$	2022 \$
Short-term employee benefits	365,720	356,017
Post-employment benefits	37,147	34,774
Total	402,867	390,791

There were no significant related party transactions or balances that involved key management personnel, their close family members and their personal business interest.

8.6 Remuneration of auditors

	2023 \$	2022 \$
Victorian Auditor-General's Office for audit of financial statements	28,000	26,000
Internal audit costs	28,760	24,440
Total auditors' remuneration	56,760	50,440

8.7 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.

8.8 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. These accounting standards have not been applied to the Financial Statements. The Authority is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

AASB 2022-10 amends AASB 13 Fair Value Measurement by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 Non-current Assets Held for Sale and Discontinued Operations or if it is highly probable that it will be used for an alternative purpose;
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – AASB 17 replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current

AASB 2020-1 amended AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current; and
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023.

The Authority is in the process of analysing the impacts of these standards and amendments. However, it is not anticipated to have a material impact. The Authority will not early adopt the Standard.

Other Amending Standards

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Authority's reporting.



Independent Auditor's Report

To the Board of the West Gippsland Catchment Management Authority

Opinion I have audited the financial report of the West Gippsland Catchment Management Authority (the authority) which comprises the:

- balance sheet as at 30 June 2023
- 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.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

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

Board's responsibilities for the financial report 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 *Financial Management Act 1994*, 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.

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.

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
6 October 2023

Paul Martin
as delegate for the Auditor-General of Victoria

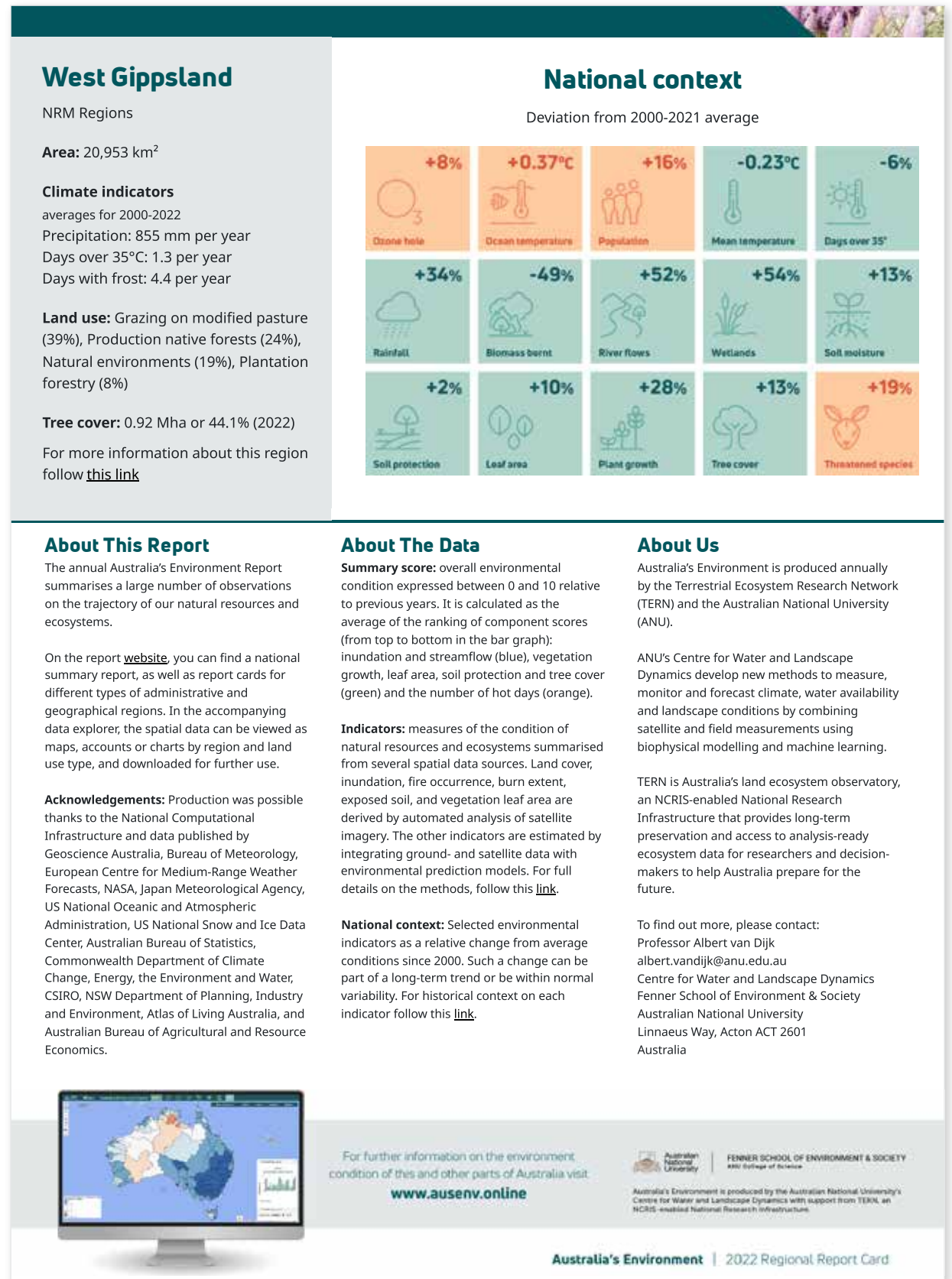
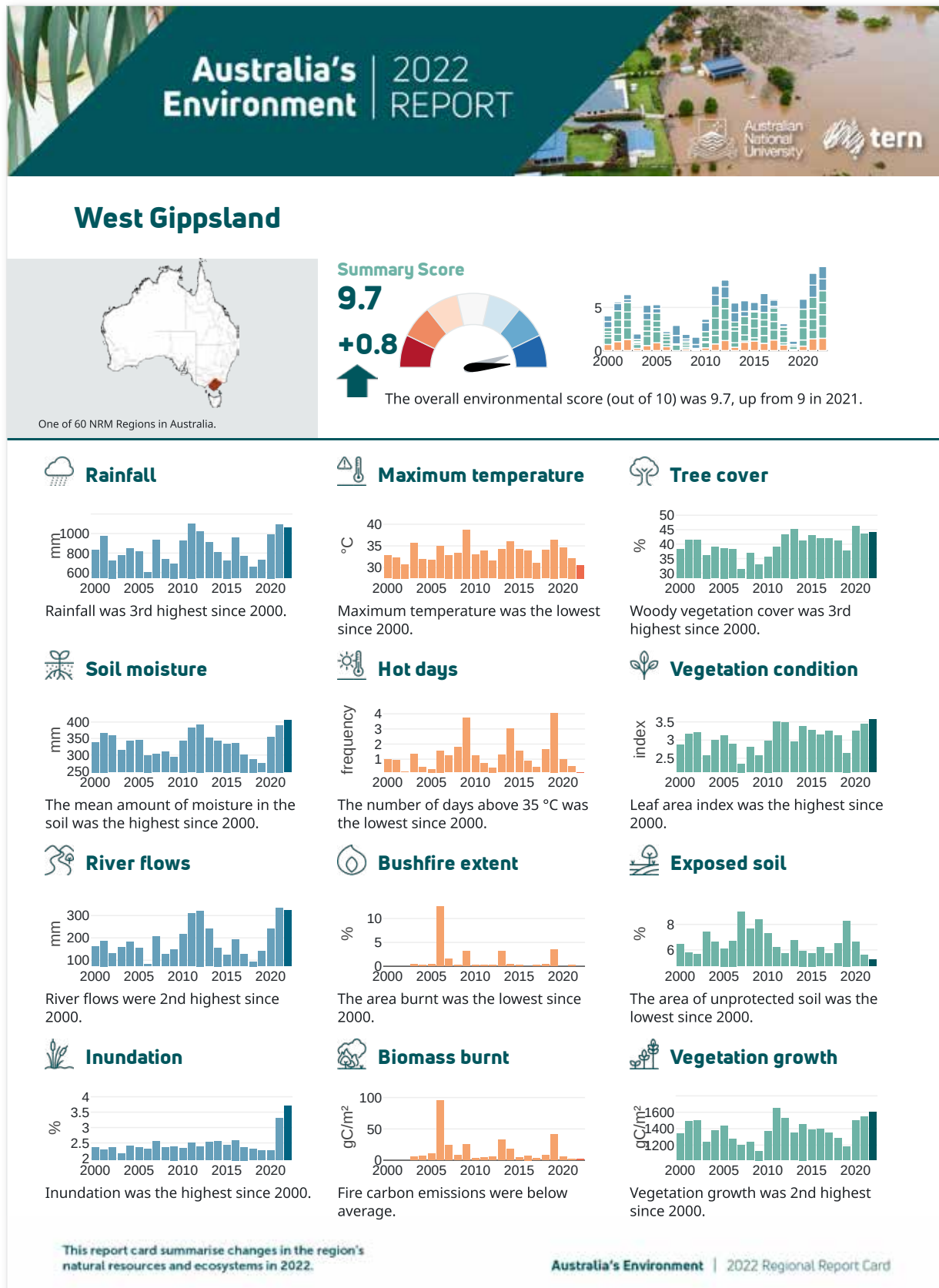
Appendix 1 – Disclosure index

West Gippsland Catchment Management Authority's Annual Report 2022-23 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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Appendix 2 - West Gippsland Environment Report summary





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



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