



ANNUAL REPORT 2014 - 2015

**EAST GIPPSLAND
CATCHMENT
MANAGEMENT
AUTHORITY**



Acknowledgement

Front cover photo - Mitchell River Silt Jetties, Gippsland Lakes

The Mitchell River enters Lake King through the Silt Jetties. Also known as digitate or finger jetties, these types of estuarine deltas are formed when large quantities of sediment are deposited at the river mouth and stabilised by protective vegetation.

Photo supplied by East Gippsland Marketing Inc.

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1. YEAR IN REVIEW

1.1 VISION, MISSION, VALUES

East Gippsland Regional Catchment Strategy Vision

The Regional Catchment Strategy Vision for East Gippsland states:

The 2033 Environment

A rich, biologically diverse region, managed on sound scientific principles in a way that responds to the values and needs of its human communities; a place where residents and visitors alike respect and conserve its natural wealth, as the foundation of their well-being; a place whose people, acting for all Australians, accept collective responsibility for the region's future.

1.2 CHAIRMAN'S REPORT

In accordance with the *Financial Management Act 1994* (FMA) I am pleased to present the Annual Report of Operations for the East Gippsland Catchment Management Authority for the year ending 30 June 2015.

Working closely with our community and government agency partners is a high priority of the Authority.

With this priority in mind the Authority has focussed our engagement activity around key future planning processes and on ground works programs.

We have consulted broadly on future plans such as the East Gippsland Regional Catchment Strategy Climate Change Mitigation and Adaption Plan, the Gippsland Lakes Ramsar Site Management Plan, the East Gippsland Landcare Support Plan and the Gippsland Lakes Hinterland Vegetation Plan. Each planning process involved a steering committee comprising local delivery partners and community interest groups. This way the plans were developed with stakeholder involvement as a priority through the process.

The Landcare Support Plan has been approved this year and all other plans are now nearing the final sign-off stages. The Authority would like to thank the extensive list of stakeholders involved in this future planning program for East Gippsland.

The board has also conducted a review of our engagement and communication processes for our on-ground works program. Utilising the Community Engagement Framework for Victoria's Catchment Management Authorities, we identified key areas we can improve our on-ground works engagement processes. This evaluation has been important to ensure we are working closely with the community and stakeholders on planning and implementing our works. The Authority board will continue to drive improved communication and engagement processes for all of our activities.

An example of our partnership principles in action is also evidenced by the Authority's administration of the Gippsland Lakes Environment Fund. A summary of the fund outcomes is provided within this report.

Further, the Authority welcomes the recent Andrews government announcement for East and West Gippsland CMAs to jointly administer the renewed Gippsland Lakes Coordinating Committee.

The task involves providing corporate support for the committee activities and administering all Gippsland Lakes funding and programs on behalf of the Victorian Government. The Gippsland Lakes is an important environmental and economic asset in Gippsland. The Authority is pleased to work in partnership with West Gippsland CMA to oversee this important work.

Our board values the strong relationship between ourselves, our partners, our staff and our community and thanks everyone who was involved in the significant outcomes achieved this year.



Dr Peter Veenker
Chairperson

1.3 CHIEF EXECUTIVE'S REPORT

This year the Authority employed 22 (20 FTE) staff and funded a \$9.2M works program. The Authority directly delivered a program of \$6M while \$3.2M was delivered through partner agencies and groups.

The works program proceeded very well and reflects the Authority priorities about working with large numbers of partners.

As well as agency and interest groups such as Landcare and Greening Australia, a large amount of waterway works are completed in one on one partnership with the land manager adjoining or managing the site. For instance a landholder with a grazing license is directly involved through a formal agreement on the waterway works.

This way, nearly all of our on-ground works are directly aligned with a partner land owner or manager.

To underpin this partnership approach, the Authority has conducted close to 900 engagement activities involving over 2,000 people in our community.

Some of the engagement activities undertaken by the Authority include

- Communicating and liaising with government agencies
- One on one engagement with landholders
- Community education and promotional events.

The Authority has continued to gather data that demonstrates increasing landholder and community agreement with our strategic direction for on-ground works. This reflects our genuine principle of working in partnership.

It is the involvement of the many varied community people and groups that help extend our reach beyond government effort alone. I would like to take this opportunity to thank the Authority board, staff and our many partner organisations and community individuals who have worked together to deliver on our priorities this year.



Graeme Dear
Chief Executive Officer

1.4 MANNER OF ESTABLISHMENT AND RESPONSIBLE MINISTER/S

1.4.1 BACKGROUND

Catchment Management Authorities (CMAs) were established to provide for the integrated management of land, biodiversity and water resources within their regions.

The East Gippsland Catchment Management Authority (the Authority) is established under the *Catchment and Land Protection Act 1994* (CaLP Act). The responsible Ministers during the 2014-15 reporting period were

- the Hon Ryan Smith MP, Minister for Environment and Climate Change for the period from 1 July 2014 to 3 December 2014
- the Hon Peter Walsh MLA, Minister for Water for the period from 1 July 2014 to 3 December 2014 and
- the Hon Lisa Neville MP, Minister for Environment, Climate Change and Water for the period from 4 December 2014 to 30 June 2015.

The Authority consists of

- A Board, responsible for strategic direction of natural resource management in the region
- Several formal Advisory Groups consisting of local community members and Agencies with a range of backgrounds and experience in natural resource management
- A Chief Executive Officer reporting directly to the Board and managing the day-to-day activities of the Authority
- The staff.

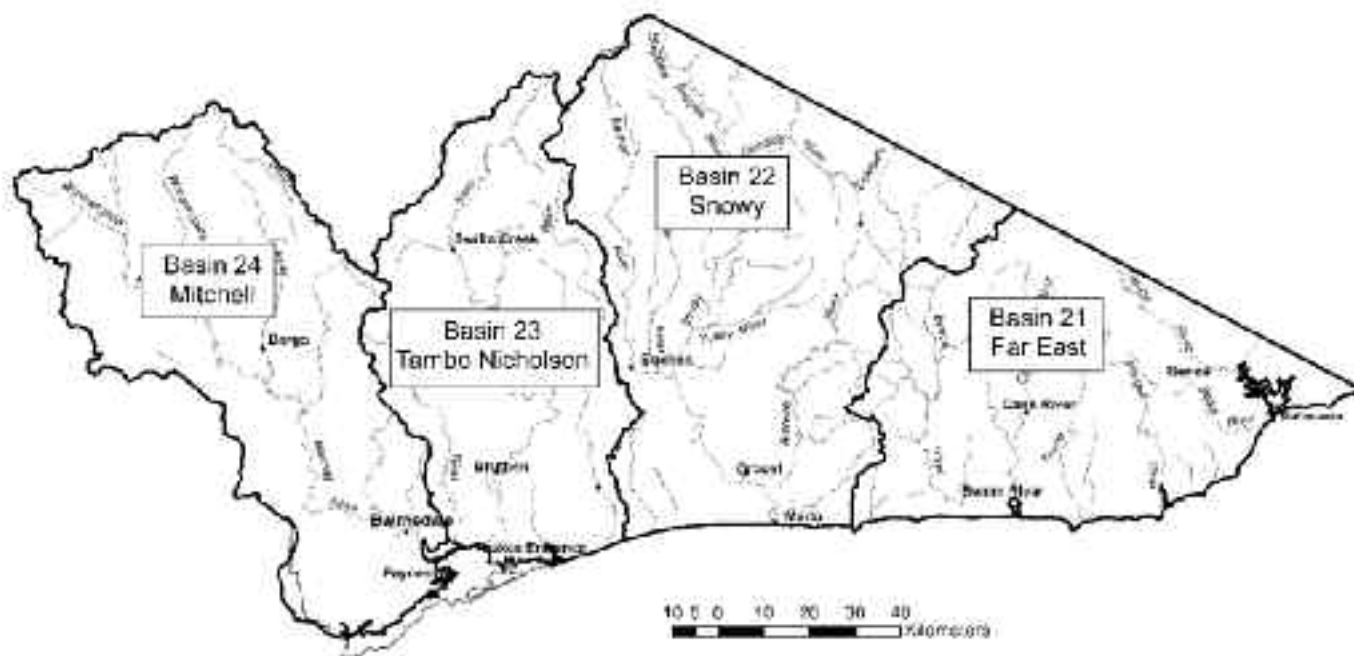


Figure 1. The East Gippsland Catchment Management Region

1.5 NATURE AND RANGE OF SERVICES PROVIDED

1.5.1 EAST GIPPSLAND REGION

The East Gippsland Catchment Management Region (Figure 1) covers 2.2 million hectares of land, lakes, and coastal waters out to 5.5 kilometres, in the eastern-most part of Victoria. It is entirely south of the Great Dividing Range

and includes the catchments of waterways from the Mitchell River eastwards. The region covers about ten per cent of Victoria.

The region includes most of the East Gippsland Shire, the northern part of the Wellington Shire, and that part of the

Alpine Shire south of the Great Dividing Range. It abuts the Rural City of Wangaratta and the New South Wales Shires of Snowy River, Bombala, and Eden Valley.

The Victorian Alps and mountains of the Great Dividing Range extend from the west to east across the northern boundary of the region. Foothills, lowland forests and coastal complexes to the south also extend from west to east, while rivers generally run north to south through the region, dissecting these landforms. Some catchments, such as the Mitchell, Tambo, Snowy and Cann River include deep, mid-catchment, mountain basins which have been extensively cleared for dry land agriculture.

Major land uses and industries include conservation, agriculture, tourism, native forestry, plantation forestry and fisheries. About 80% of the land in the region is in public ownership, mainly as State Forests or National Parks.

Most freehold land is used for farming, ranging from large commercial enterprises to small 'rural residential' properties. Cities and towns occupy a small proportion of land in the region.

Some of the important features of East Gippsland are

- The Gippsland Lakes, which have significant environmental, social and economic value and are sited on the Ramsar Convention on Wetlands of International Importance
- Its array of streams, especially the wild rivers, including the iconic Snowy River and Victoria's biggest unregulated stream, the Mitchell River
- Its long coastal reach with undeveloped estuaries, ocean beaches and spectacular headlands
- Its mountains and forests, which provide great scenery, clean air, clean water, recreational opportunity and forestry products
- Its scenic and productive farming lands, especially in the river valleys and
- Its living wealth in the form of native plants and animals, some of which occur only in this region.

The Mitchell, Tambo, and Snowy Rivers have substantial alluvial floodplains in their lower reaches containing the region's highly productive irrigation areas, including the Lindenow, Bruthen and Snowy Flats which are used intensively for horticulture, dairying and cattle production.

The Red Gum Plains are located in the south-west of the region, and extend from Bairnsdale to the Perry River in the west. As the name suggests the area was originally covered by red gums and native grasses, but is now used predominantly for dry land agriculture. The plains are noted for their dwindling areas of high value remnant red gum woodlands.

A complex of dunes and coastal vegetation extends along most of the coastline inclusive of amongst the best wetlands and estuarine systems in the state. The region includes the area of ocean out to three nautical miles from the coast which contains significant marine national park areas such as Beware Reef.

1.5.2 WHAT DOES THE AUTHORITY DO?

Responsibilities under the CaLP Act and *Water Act 1989* (Water Act) are summarised below:

Coordinating the Regional Catchment Strategy and Supporting Plans

Responsibilities under the CaLP Act include providing government with the collective strategic views of this region, which takes account of state and federal policy under the framework of the Regional Catchment Strategy (RCS) and associated action plans.

In delivering the RCS, the Authority seeks to maximise the impact and coordination of on-ground work by supporting agencies, individuals and community groups.

The Authority disseminates government policy and information to the community of East Gippsland and acts as a conduit for government investment into the region for Natural Resource Management (NRM) activities and projects.

Caretaker of River Health

The Water Act establishes the Authority as caretaker for the rivers of East Gippsland. This means planning and delivering on-grounds works designed to maintain or improve the health of our rivers. This is the only NRM on-ground works area for which the Authority has direct responsibility; most works undertaken within the riverbanks are completed under some form of Authority supervision or approval.

There are a number of statutory activities for which the Authority is directly accountable including licensing works on waterways and planning

referrals on floodplains. The Authority is also responsible for establishing and monitoring the Environmental Water Reserves for all our rivers. Advice and information on other river health related issues including comment on farm dam applications and input to strategies and plans being developed by other agencies and stakeholders is also provided.

1.6 OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

1.6.1 Strategic Direction

Our strategic direction is enshrined in the RCS. The roles and responsibilities of the Authority in achieving the RCS vision are set out in governing legislation. The major functions are:

1.6.2 CATCHMENT AND LAND PROTECTION ACT 1994

Coordinating the Regional Catchment Strategy and supporting plans

We complete the RCS and associated action plans in partnership with regional stakeholders and the community. We also oversee the implementation, monitoring and evaluation of action plans.

Community Engagement

We help build government and community cooperation in maintaining our natural resources.

1.6.3 WATER ACT 1989

On-ground river health works

We oversee river health works guided by the Victorian Waterway Management Strategy and the East Gippsland Waterway Strategy 2014 – 2022 (EGWS) through our own contractors, partner agencies and organisations.

Statutory Functions

We authorise works on waterways via a waterway works permit and assess planning referrals on floodplains.

Community Engagement

We help build government and community cooperation in maintaining and improving the health of our rivers.

1.7 PERFORMANCE AGAINST (STATUTORY) OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

1.7.1 WATERWAY GOALS

Under the Water Act, the Authority has a responsibility as the 'caretaker of river health' for the implementation of the EGWS. The intent of the waterway strategy on-ground works priorities are captured in the Authority's waterway goals. These do not describe all planned works, but instead sets targets for mitigating the key threats to rivers across

East Gippsland.

This year was the first year of implementing the EGWS. The EGWS applies for eight years 2014 – 2022. The Authority has developed waterway targets that summarise the key points in the EGWS and communicate the priorities and direction of the Authority's works program over the next eight years.

1.7.3 WILLOW CONTROL

Willow infestations are a key threat to waterways in East Gippsland affecting river stability, flows, water quality and the condition of the riparian vegetation. They have a major impact on reducing biodiversity values both in-stream and riparian.

This year the program focused on controlling willows in new areas and maintaining areas as willow free systems. There are only a few remaining patches of willows that have not been treated across East Gippsland and these areas will be targeted over the next eight years. The Authority continues to work with landholders to control willows on priority waterways using a staged approach, transforming a willow dominated riverbank to native vegetation.

This is the first year of willow control towards the new waterway goals. The Authority has made good progress towards the targets this year. Most treatments targeted for the next 8 years are for secondary treatment and maintenance. Primary treatments have largely been completed in previous years.

1.7.2 PROGRESS TOWARDS WATERWAY GOALS

Waterway Goals

By 2022 we will have achieved the following waterway goals:

The Mitchell River catchment, above the Glenaladale bridge, will have an additional 50km of fencing constructed to exclude grazing stock; and will be free of willows.

The Nicholson River, from the headwaters to the lake, will be free of willows and excluded from grazing stock.

The Tambo river, below Ramrod Creek, will have an additional 40km of fencing constructed to exclude grazing stock; and the Tambo catchment above the Bruthen Bridge will remain free of willows.

The estuaries of the Nicholson and Tambo, below the Princes Highway, will be free of willows and poplars. The Mitchell estuary below Picnic Point will be stabilised; free of willows and poplars and excluded from grazing stock.

The Snowy catchment will remain free of willows and the freehold sections of the Buchan and Brodribb rivers will be excluded from grazing stock.

All rivers in the Far East Gippsland catchment (Bemm, Cann, Thurra, Wingan and Genoa) will be free of willows and excluded from grazing stock.

Five priority wetlands fringing the Gippsland Lakes or Snowy River will be excluded from grazing stock.

Table 1: Progress towards the Waterway Goals 2014 – 2022 for willow treatments.

Waterway Goal	Total length (km)	Primary treatment (km)	Secondary treatment (km)	Maintenance treatment (km)	Total length treated (km)	Goal achieved (%)
Mitchell River catchment above Glenaladale bridge will be free of willows	1132	28	165	15	208	18
Nicholson River from the headwaters to the lake will be free of willows	106	0	0	0	0	0
The Tambo River above the Bruthen Bridge will remain free of willows	640	59	76	0	135	21
The Nicholson and Tambo estuaries below the Princes Highway and the Mitchell below Picnic Point will be free of willow and poplars	55	0	0	0	0	0
The Snowy catchment will remain free of willows	1250	0	211	177	388	31
All rivers in the Far East catchment will be free of willows	1200	120	0	0	120	10

1.7.4 STOCK EXCLUSION FENCING

Stock exclusion fencing is required to remove the threat of stock impacting on the condition of riparian areas and in-stream habitats. Stock exclusion is often followed up with revegetation to rehabilitate riverbanks and riparian habitat.

This year the Authority has focused on fencing the Mitchell River, and the rivers in the Far East basin. This has continued to link frontages to areas already fenced and areas protected in public land. The Authority will continue to work towards the new waterway goals with a focus on fencing the priority areas identified in table 2.

Achievement towards the fencing targets has commenced along waterways. The Authority has a current project to prioritise wetlands on the Snowy River and those fringing the Gippsland Lakes. Once this project is completed we will commence prioritised wetland works.

Table 2: Progress towards the Waterway Goals 2014 – 2022 for fencing.

Waterway goal	Target length (km)	Length fenced (km)	Goal achieved (%)
The Mitchell River above Glenaladale Bridge will have an additional 50km completed	50	6	12
The Nicholson River will be excluded from grazing stock	30	2	7
The Tambo River, below Ramrod will have an additional 40km of fencing constructed	40	3	8
The Mitchell estuary below Picnic Point will be excluded from grazing stock	9	1	11
Freehold sections of the Buchan and Brodribb Rivers will be fenced	12.5	1	8
All rivers in the Far East catchment will be excluded from stock	60	5	8
Five priority wetlands fringing the Gippsland Lakes or Snowy will be excluded from stock (No.)	–	–	0

1.7.5 STABILISATION

Stabilising the banks of rivers and estuaries reduces the likelihood of major erosion and bank slumping. The most common technique used to stabilise banks is rock beaching. This involves placing rock along the bottom of the

riverbank and continuing up the riverbank for approximately a third of the bank. The Mitchell River estuary above Bairnsdale township is a priority for bank stabilisation for the next eight years as the river supports urban infrastructure, including the Bairnsdale Township,

walking tracks, roads and residential areas.

Stabilisation works along the Mitchell River have not yet commenced. The Authority will continue to seek opportunities to undertake these works.

Table 3: Progress towards the Waterway Goals 2014 – 2022 for bank stabilisation.

Waterway goal	Target length (km)	Length stabilised (km)	Goal achieved (%)
The Mitchell estuary below Picnic Point will be stabilised; free of willows and poplars and excluded from grazing stock.	9	0	0

1.7.6 PROGRESSTOWARDS ENGAGEMENT GOALS

Each year the Authority reviews and renews the engagement plan to help guide activities for the following year. The plan contains a number of goals to help steer progress

- Increase community awareness and satisfaction

- Conduct effective engagement activities
- Increase participation with stakeholders
- Manage enquiries promptly and accurately
- Stimulate knowledge and attitude change
- Identify key NRM issues to inform strategies.

The engagement activities and events conducted by the Authority that are achieving the engagement goals are reported in Graph 1. The engagement plan incorporates the Community Engagement and Partnerships Framework for Victoria's Catchment Management Authorities that states five key principles that underpin our approach to community

engagement and the establishment and management of our partnerships. The principles are as follows:

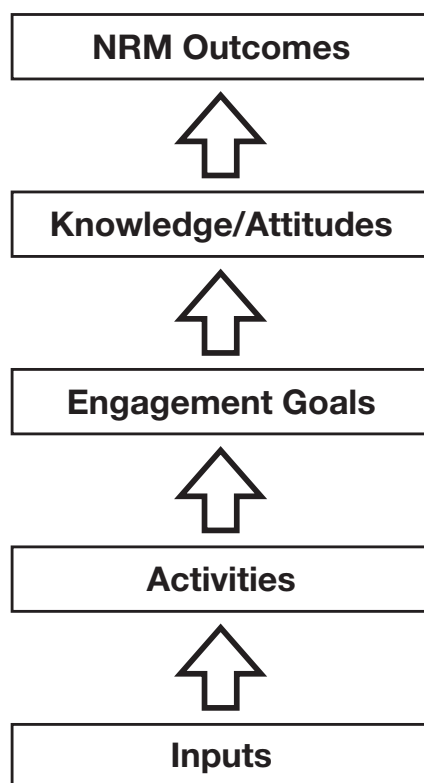
1. We will embed community engagement and build partnerships in all that we do.
2. Our people will be actively supported to engage communities and to build partnerships.
3. Our community engagement and partnership approaches will be planned, tailored, targeted and evaluated.
4. We will provide meaningful opportunities for our communities and partners to contribute to strategies and initiatives.
5. We will work transparently and respectfully with our communities and partners, and establish clear roles and expectations.

The Authority recognises that achieving our waterway goals will require significant levels of engagement to ensure the community and the Authority can understand and decide our strategic direction and are given a chance to get involved. The Authority utilises the Bennett's Hierarchy approach (Bennett, C and Rockwell, K, 1995) to measure how we are progressing (Figure 2). The Bennett's Hierarchy approach assumes inputs such as investment and skills contribute to the conduct of a wide range of activities. The 2014/15 engagement data measures the first four levels of the hierarchy and reflects our focus and effort in this area of our activities.

The Authority places greater emphasis on the quality of our engagement activities (Graph 2), rather than the quantity (Graph 1).

The Authority continues to hold events aimed at attracting larger numbers and targeting partners who can make a real contribution to improve asset condition. This year we have also reported on landholders views of the waterway goals (Graph 4). This is the first year of the waterways goals and the perceptions of landholders can change for a myriad of reasons, for example seeing the changes and benefits the rehabilitation works have on river health.

Figure 2:
A Bennett's Hierarchy framework for the Authority's achievement of outcomes.



1.7.7 ACHIEVEMENT OF THE ENGAGEMENT GOALS

As at 30 June 2015, the Authority employed 22 (20 FTE) staff and funded a \$9.2M works program. The Authority directly delivered a program of \$6M while \$3.2M was delivered through partners.

Activities

Over the past twelve months, the Authority has conducted close to 900 engagement activities involving over 2,000 people.

Some of the engagement activities undertaken by the Authority include

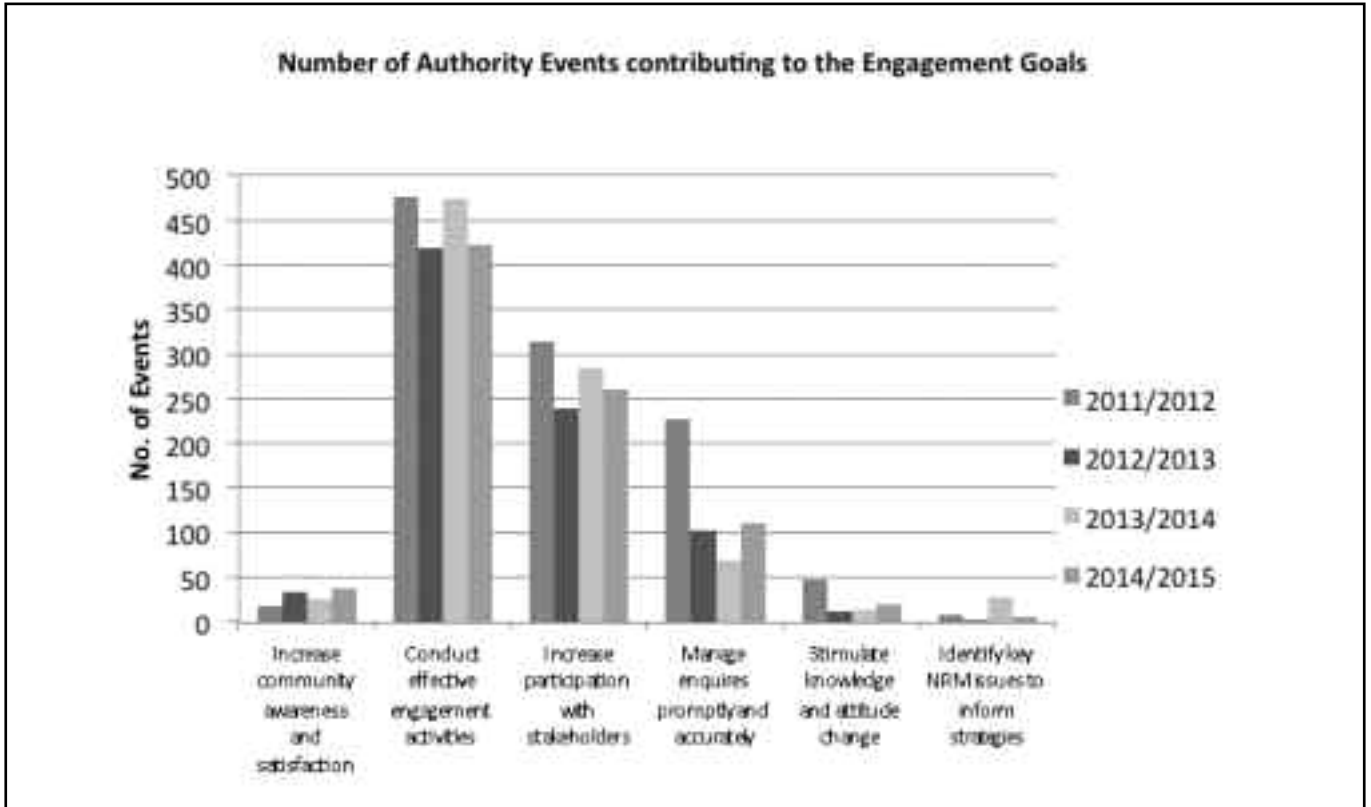
- Communicating and liaising with government agencies
- One on one engagement with landholders
- Community education and promotional events.

The spread of activities demonstrated in the following series of graphs represent the continued focus on broad participation with our stakeholders. The Authority has continued to gather data that demonstrates improved landholder and community attitudes towards river health through targeted engagement.

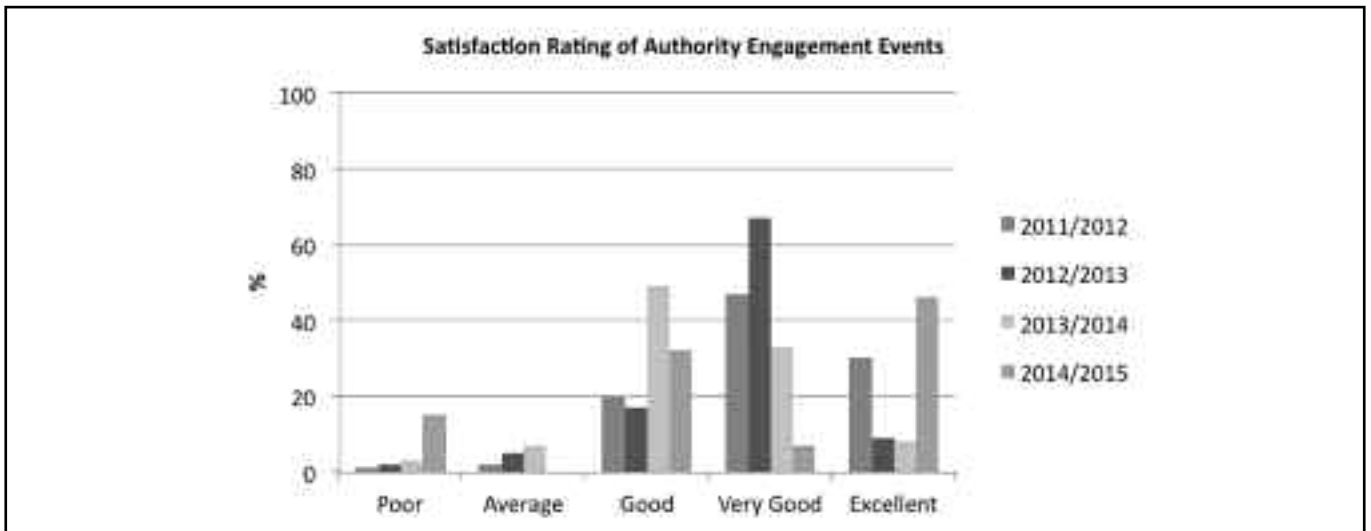
Each activity is rated poor to excellent based on evidence of participant's satisfaction and the perceived success in delivering the Authority's goals (Graph 2). The ratings are designed as a learning tool in review processes with individual staff and functional areas. There are more excellent and poor ratings this year due to the change in reporting structure to the board on engagement activities.

1.7.8 KNOWLEDGE / ATTITUDE

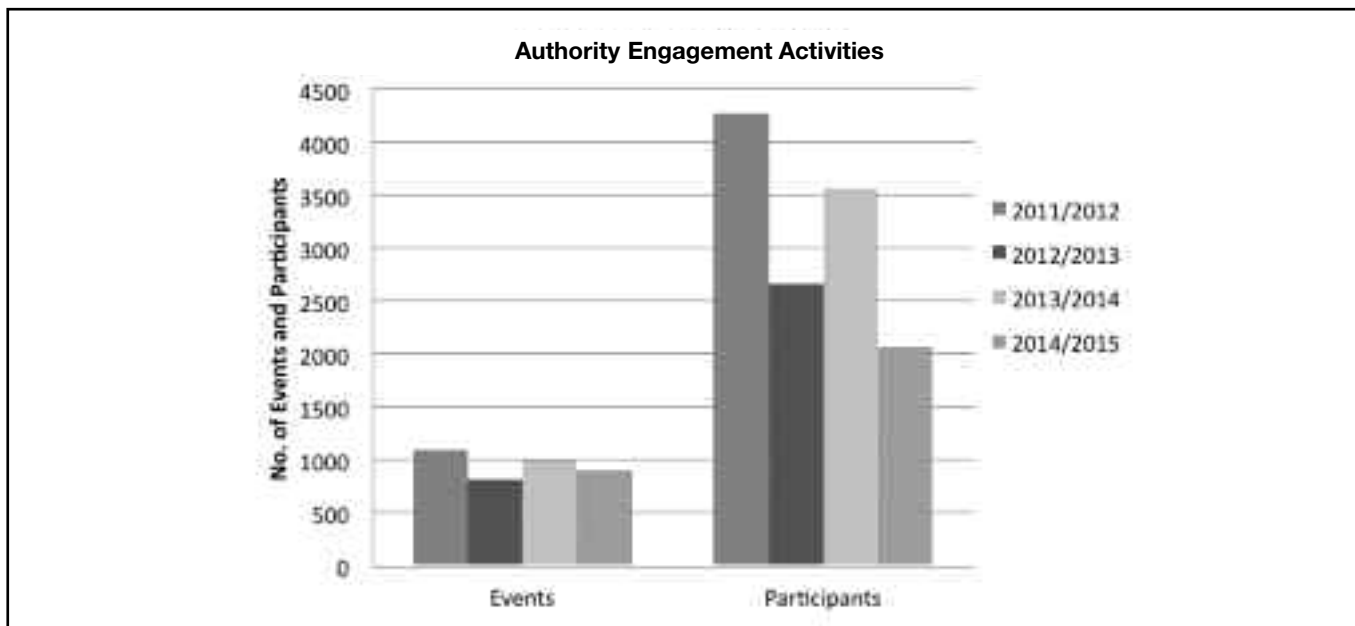
The Authority has captured the views of individual landholders to understand their perception of the waterway goals. The new waterway goals were developed from the targets in the EGWS.



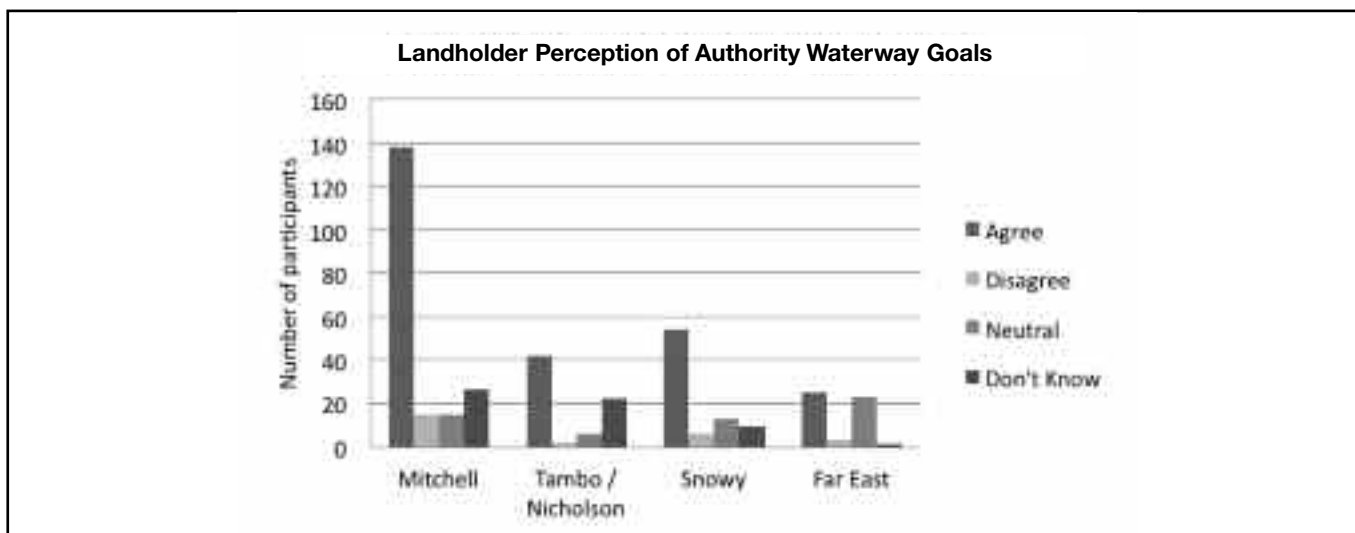
Graph 1: Events conducted by the Authority that achieve the engagement goals in 2014/15. The type of events held by the Authority has included training, workshops, presentations and key community events.



Graph 2: The quality of engagement activities conducted by the Authority during 2014/15. The satisfaction rating of events has increased in the excellent rating; this could possibly be due to a change in the reporting structure.



Graph 3: The number of events conducted, and the individuals engaged by the Authority from 2010/11 to 2014/15. A reduction in participants is primarily due to a re-structured Waterwatch program. The Waterwatch program previously focussed on working with school groups directly. The focus has changed to providing schools with the education toolkits to conduct the program themselves.



Graph 4: Landholder perceptions of the waterways within each basin for 2014/15. The landholder perceptions on the new waterway goals is encouraging, with many landholders agreeing with the proposed work outlined in the goals.

1.8 CONDITION AND MANAGEMENT OF LAND AND WATER RESOURCES IN THE REGION 2014/2015

1.8.1 INTRODUCTION

Under the CaLP Act the Authority is required to report annually on the condition and management of land and water resources within its region. This section focuses on the range of land and water management activities undertaken in East Gippsland during 2014/15, and includes condition observations based on work undertaken during the preparation of the 2013-2019 RCS.

The Authority utilises the program areas adopted in the RCS to support project integration by a range of delivery partners. The program areas are: Gippsland Lakes and Hinterland, Gippsland Lakes Upper Catchment, Far East Catchments, East Coast, and Region-wide.

The 2014/15 management activities described below were funded through the State Government's Victorian Water Programs Investment Framework and Victorian Landcare Program, and the Australian Government's Regional Delivery (AGRD) program. The AGRD

program includes funding from both the Caring for Our Country Program (July 2014 - December 2014) and the National Landcare Program (January 2015 – June 2015).

The Authority also administers the Gippsland Lakes Environment Fund (GLEF). The GLEF (\$10M over 4 years) provides funding for the implementation of the Gippsland Lakes Environmental Strategy. The management activities funded by GLEF are described in section 1.10.

1.8.2 OVERVIEW OF 2014/15 VICTORIAN WATER PROGRAMS INVESTMENT FRAMEWORK AND AUSTRALIAN GOVERNMENT MANAGEMENT ACTIVITIES IN EAST GIPPSLAND

The management activities undertaken to improve the condition of natural resource assets in the region are developed, approved by investors, and then implemented as projects. The region's project delivery model is designed to enable the most

appropriate organisation to delivery projects within their area of jurisdiction and expertise. Many projects are delivered on a collaborative basis with multiple delivery partners working together.

Implementation of the East Gippsland RCS is designed to build on the East Gippsland collaborative partnership model, and partners have developed joint delivery targets for the coming years.

In 2014/15, the Victorian and Australian Government programs funded 24 projects in East Gippsland. Each project was undertaken in one of the four sub regional or region wide program areas that were adopted in the 2013-19 RCS.

The tables below list all 2014/15 Victorian and Australian Government funded projects, grouped under the respective RCS Program area headings and showing the organisation(s) responsible for implementation of each project.

Table 4.1: 2014/15 Victorian Government funded projects by RCS program area:

Project title	Responsible organisation(s)
Gippsland Lakes and Hinterland program area	
Waterway Management in the Gippsland Lakes and Hinterland	EGCMA
Landcare in the Gippsland Lakes and Hinterland	EGCMA, Landcare Groups and Networks
Gippsland Lakes Upper Catchment program area	
Waterway Management in the Gippsland Lakes Upper Catchment	EGCMA
Landcare in the Gippsland Lakes Upper Catchment	EGCMA, Landcare Groups and Networks
Far East Catchments program area	
Waterway Management in Snowy Basin	EGCMA
Waterway Management in the Far East Basin	EGCMA, Landcare Groups and Networks
Landcare in the Far East	EGCMA, Landcare Groups and Networks
East Coast program area	
Waterway Management in the Snowy Basin	EGCMA
Landcare in the East Coast	EGCMA, Landcare Groups and Networks
Region-wide program area	
Statutory Functions and Water Quality	EGCMA
Environmental Water Reserve	EGCMA
Regional Landcare Coordinator	EGCMA

Table 4.2: 2014/15 Australian Government funded projects by RCS program area:

Project title	Responsible organisation(s)
Gippsland Lakes and Hinterland program area	
Protecting the Environment Protection and Biodiversity Conservation (EPBC) listed Gippsland Red Gum Woodlands ecological community	EGCMA, TFN, EGLN, GA, GPCMN
Protecting Ramsar sites in the Gippsland Lakes	EGCMA, PV, GA, TFN
Gippsland Lakes Upper Catchment program area	
Protecting the EPBC listed White Box/Yellow Box Woodlands ecological community	EGCMA, TFN
Protecting the EPBC listed Alpine Sphagnum Bogs ecological community	EGCMA, PV
Protecting the EPBC listed Limestone Pomaderris Shrubland ecological community	EGCMA, PV
Far East Catchments program area	
Protecting EPBC listed species in the Upper Snowy through Fox control	EGCMA, DELWP
East Coast program area	
Protecting the EPBC listed Littoral Rainforest ecological community	EGCMA, TFN, PV, EGRCMN
Protecting EPBC listed species on the East Gippsland coast through Fox control	EGCMA, DELWP
Restoring East Gippsland coastal environments through weed control	EGCMA, PV, EGSC
Region-wide program area	
Supporting Aboriginal people's engagement and participation in natural resource management	EGCMA, GLaWAC
TopSoils – Improving agricultural practices through soil management	EGCMA, DEDJTR, EGLN, FEVL, GA, SFS
Regional Landcare Facilitator	EGCMA, FEVL

Key to Delivery Partners:

DELWP (Department of Environment, Land, Water and Planning), DEDJTR (Department of Development, Jobs, Transport and Resources), EGCMA (East Gippsland Catchment Management Authority), EGLN (East Gippsland Landcare Network), EGRCMN (East Gippsland Rainforest Conservation Management Network), EGSC (East Gippsland Shire Council), FEVL (Far East Victoria Landcare Network), GA (Greening Australia), GLaWAC (Gunaikurnai Land and Waters Aboriginal Corporation), GPCMN (Gippsland Plains Conservation Management Network), TFN (Trust for Nature), PV (Parks Victoria) and SFS (Southern Farming Systems).

Project Outputs

Project outputs reported in the tables under each of the following program area headings are based on the new DELWP output data standard. The aggregated outputs arising from all Victorian Government funded projects in each program area are presented in an outputs table. Similarly, aggregate outputs from all Australian Government funded projects are presented in AGRD output tables.

1.8.3 MANAGEMENT IN THE GIPPSLAND LAKES AND HINTERLAND PROGRAM AREA

The Gippsland Lakes and Hinterland program area embraces the terrestrial environments adjoining the Gippsland Lakes including the Red Gum Plains, extending west to the catchment of

Toms Creek, the foothills of the hinterland to the north and extending east to Lakes Entrance. Major sections of the Gippsland Lakes including Lake Victoria and Lake King are also contained within the program area.

The Gippsland Lakes and its fringing wetlands are internationally listed under the Ramsar Convention and form a group of aquatic ecosystems that are of high social and environmental value to the region. The lower reaches of major river systems, including the Heritage listed Mitchell River, flow through the program area and are major contributors of freshwater inflows to the Gippsland Lakes.

The program area contains the part of the region that is most changed by human activity and is the region's centre

of development and tourism, containing the significant townships of Bairnsdale, Lakes Entrance and Paynesville.

The terrestrial environments of the foothills and plains support a diverse range of important flora and fauna including many rare and threatened species. Habitat for these species is often limited to high value remnant areas of native vegetation, including the nationally threatened Central Gippsland Plains Grassland and the Forest Red Gum Grassy Woodland ecological communities found in the Red Gum Plains.

Overall, the natural resource assets of this program area are judged to be in moderate to good condition.

Victorian Government Project Summaries

In 2014/15, there were two Victorian Government projects in this program area.

Project: Waterway Management in the Gippsland Lakes and Hinterland

The Authority worked closely with landholders and the community to complete environmental on ground works in the estuaries and along the shoreline of the Gippsland Lakes. The projects included rehabilitation works (fencing, weed control and revegetation) and installing large wood into rivers to improve fish habitat, with particular focus on the Tambo estuary.

Project: Landcare in the Gippsland Lakes and Hinterland

This project continued to improve natural resources, sustainable agricultural practices and community capacity within the Gippsland Lakes and Hinterland landscape area. This project supported 25 community NRM groups and one Landcare Network to undertake projects within the Gippsland Lakes and Hinterland landscape area, to improve natural resources and community capacity.

Victorian Landcare Grant (VLG) funding was devolved to seven projects. Works include restoration of grassy woodlands on the Gippsland Plains, sediment mitigation, protective fencing, revegetation works and fencing works to improve biodiversity and productivity, completion of a Gippsland Rail Trail loop-walk restoration project on the Tambo River, raising awareness and enhancing East Gippsland environs whilst improving women's health, well-being and participation in Landcare, increasing successful establishment of Manna Gum woodland on Raymond Island, and continuation of the EcoWarrior secondary school education program.

Project Outputs

Table 4.3: Major project outputs in the Gippsland Lakes and Hinterland program area.

Output Description	Qualifier	Unit	Target	Actual
Engagement event	Presentation	Number	8	7
Fence	Fence	Length (km)	10	11
Grazing Regime	Controlled	Area (ha)	75	548
Partnership	Community groups	Number	9	9
Seedling propagation	Native indigenous	Number	3000	5000
Terrestrial habitat	Nest box	Number	60	60
Vegetation	Native indigenous	Area (ha)	80	83
Weed control	Non woody	Area (ha)	13	15

AGRD Project Summaries

In 2014/15, there were two AGRD projects in this Program area.

Project: Protecting the EPBC listed Gippsland Red Gum Woodlands ecological community

This project involves improving the ecological condition of EPBC listed Gippsland Red Gum Grassy Woodland and associated grasslands sites, by a range of measures including fencing to reduce grazing pressure, woody and herbaceous weed control, reducing the impacts of pest animals, conducting ecological burning and thinning, and revegetation and supplementary planting. These works are occurring over a number of private land sites on the Red Gum Plains west of Bairnsdale.

Project: Protecting Ramsar sites in the Gippsland Lakes

This project is improving the ecological condition of two Gippsland Lakes Ramsar sites at Jones Bay Wildlife Reserve and the shoreline adjoining the Lake Tyers Aboriginal Trust through revegetation and weed control.

AGRD Project Outputs

Table 4.4: Major AGRD project outputs in the Gippsland Lakes and Hinterland program area

Output title	Output type	Unit	Target	Actual
Fence	Fence	Length (km)	1.5	9.5
Vegetation	Native indigenous	Area (ha)	44	50
Weed control	Non-woody	Area (ha)	38	140
Pest animal control	Terrestrial	Area (ha)	70	146
Fire Regime	n/a	Area (ha)	10	2
Engagement event	Field day	No. of events	4	4
Engagement event	Workshop	No. of events	4	4
Assessment	Flora	Number	4	5
Assessment	Invasive species	Number	1	2
Assessment	Property	Number	6	6
Plan	Strategy	Number	1	1

1.8.4 MANAGEMENT IN THE GIPPSLAND LAKES UPPER CATCHMENT PROGRAM AREA

The Gippsland Lakes Upper Catchment program area includes the upper catchments of the Mitchell, Nicholson and Tambo rivers. It is bounded in the north by the Great Dividing Range, and to the east and west by catchment boundaries. The southern boundary is the foothills to the north of the Gippsland Plains. The area is strongly connected to, and supports the values of, the Gippsland Lakes and Hinterland program area downstream. Water from these catchments provides a range of beneficial uses to downstream communities and environments.

Much of the land within the program area is within the public estate, including large continuous tracts of land within the distinctive alpine environment of the Alpine National Park. This area is home to many rare and threatened species, as well as the nationally listed Alpine Sphagnum Bogs and Associated Fens ecological community.

The large continuous areas of native forest and woodland are punctuated by relatively confined areas of land cleared for agriculture, primarily in river valleys, and including towns and localities of Dargo, Ensay, Swifts Creek and the Wonnangatta Valley.

Overall, the natural resource assets of this program area are judged to be in good environmental condition.

Victorian Government Project Summaries

In 2014/15, there were two projects in this Program area.

Project: Waterway Management in the Gippsland Lakes Upper Catchment

This year the Authority focused on consolidating willow control in the upper catchments. The willow control is necessary to maintain these areas as willow free systems. Willow and weed control was also undertaken in waterways that were burnt in the summer 2014 bushfires, these works are important to reduce the impact weeds can have on systems once a disturbance such as fire has occurred.

The Authority continues to work with the community and landholders in Dargo and the Wonnangatta Valley to rehabilitate the rivers, including stock exclusion fencing, weed control and revegetation.

Project: Landcare in the Gippsland Lakes Upper Catchment

This project continued to enhance natural resources and community engagement within the Gippsland Lakes Upper Catchment landscape area. VLG funding supported one Landcare group to continue riparian revegetation and weed control.

Project Outputs

Table 4.5: Major Victorian Government project outputs in the Gippsland Lakes Upper Catchment program area. The management plan for the lower Tambo River is incomplete. The Authority has incorporated the plan into the Rivers 2040 framework and is currently completing this work.

Output Description	Qualifier	Unit	Target	Actual
Vegetation	Native indigenous	Area (ha)	5	8
Weed control	Woody	Area (ha)	117	180
Weed control	Non woody	Area (ha)	19	71
Partnership	Community groups	Number	1	1
Partnership	Mixed	Number	4	6
Partnership	Agency / Corporate	Number	2	2
Plan	Management	Number	1	0
Water storage	Trough	Number	2	4
Fence	Fence	Length (km)	3	4
Grazing regime	Exclusion	Area (ha)	3	10
Management Agreement	Binding perpetual	Number	3	4

AGRD Project Summaries

In 2014/15, there were three AGRD projects in this Program area.

Project: Protecting the EPBC listed White Box/Yellow Box Woodlands ecological community

This project is improving the condition of selected EPBC listed White Box– Yellow Box Woodland ecological community sites on private land in the Swifts Creek-Ensay area of the region. On ground works include woody and herbaceous weed control, reducing the impacts of deer browsing, and revegetation.

Project: Protecting the EPBC listed Alpine Sphagnum Bogs ecological community

This project is protecting and enhancing the condition of the East Gippsland portion of the EPBC listed Alpine Sphagnum Bogs and associated Fens ecological community located in the Alpine National Park. Measures include surveillance and treatment of woody and herbaceous weeds considered to pose a threat to the Bogs, developing and adopting protocols to reduce the impacts of fire and fire control activities, restoring natural hydrology regimes, reducing the impacts of deer, and reducing the pressure from feral horses. This project contributes to a broader Alps wide Alpine Bogs initiative by complementing related projects in neighbouring CMA regions.

Project: Protecting the EPBC listed Limestone Pomaderris Shrubland ecological community

This project is improving the condition of the entire extent of the EPBC listed Silurian Limestone Pomaderris Shrubland ecological community in the region, through the conduct of woody and herbaceous weed control over the site located at Marble Gully in the Upper Tambo River catchment.

AGRD Project Outputs

Table 4.6: Major AGRD project outputs in the Gippsland Lakes Upper Catchment program area

Output title	Output type	Unit	Target	Actual
Vegetation	Native indigenous	Area (ha)	22	35
Weed control	Non-woody	Area (ha)	350	693
Pest animal control	Terrestrial	Area (ha)	1300	1821
Engagement event	Training	No. of events	1	1
Assessment	Flora	Number	4	5
Assessment	Property	Number	1	2
Plan	Management	Number	2	2
Publication	Online/printed	Number	2	2

1.8.5 MANAGEMENT IN THE FAR EAST CATCHMENTS PROGRAM AREA

The Far East Catchments Program area includes the entire Snowy and Far East Basins, and the catchments of Lake Tyers and Ewings Morass. The program area includes some of the Victorian Alps together with the coastline from Lake Tyers to Cape Howe.

The Far East Catchments area is characterised by large tracts of intact, continuous, high quality native vegetation communities and ecosystems, particularly rivers and streams. The majority of land is within the public estate. Many streams have largely unmodified catchments from source to estuary, with minimal or no impacts from adjoining land use.

The area includes a diversity of environments from sub-alpine and montane ecosystems to lowlands foothill forest and streams, and is recognised as one of the most ecologically diverse areas in the State. It contains natural resource assets recognised as high value regionally and State wide.

Overall, the natural resource assets of this program area are judged to be in good environmental condition.

Victorian Government Project Summaries

In 2014/15, there were two projects in this Program area.

Project: Waterway management in the Far East Catchments

This year the Authority continued rehabilitation programs on the Snowy, Buchan, Cann and Combiobar rivers. The works included weed control, revegetation and maintaining fences to exclude stock from riverbanks. Most areas along the Cann and Snowy rivers are well vegetated and the works continue to increase diversity and close the remaining gaps. The focus on the Combiobar and Buchan rivers has been to continue to control willows and revegetate the priority areas for bed and bank stability.

Project Outputs

Table 4.7: Major project outputs in the Far East Catchments program area

Output Description	Qualifier	Unit	Target	Actual
Engagement event	Training	Number	2	2
Fence	Fence	Length (km)	13	14
Grazing Regime	Exclusion	Area (ha)	102	109
Vegetation	Native indigenous	Area (ha)	25	30
Weed control	Non woody	Area (ha)	36	50
Weed control	Woody	Area (ha)	40	68
Water Storage	Trough	Number	4	4
Management Agreement	Binding perpetual	Number	7	6
Partnership	Agency/Corporates	Number	3	5
Partnership	Mixed	Number	2	5

AGRD Project Summaries

In 2014/15, there was one AGRD project in this program area.

Project: Protecting EPBC listed species in the Upper Snowy through fox control

This project is improving the habitat for three EPBC listed species (Brush tailed Rock Wallaby, Spot tailed Quoll, and Long footed Potoroo) in the Upper Snowy catchment by implementing an intensive fox control regime on public and private land within and nearby the known range for these species.

The Authority continues to work with the community and landholders to exclude stock in remaining gaps along the Bemm and Cann rivers. These fences are creating a continuous riparian corridor, linking into existing fences or public lands.

Project: Landcare in the Far East Catchments

This project continued to improve natural resources and community participation within the Far East Catchment landscape area. It supported three community based natural resource management groups and one Landcare Network to undertake projects within the Far East Catchment landscape area.

VLG funding was granted to four projects. Works undertaken include continued rehabilitation of the banks of a creek denuded by fire, revegetation works and fencing works to improve biodiversity and productivity, erection of fencing and revegetation to create a corridor of connectivity between the Alpine National Park and the Deddick River, and rehabilitation of soil erosion.

AGRD Project Outputs

Table 4.8: Major AGRD Project Outputs in the Far East Catchments Program Area

Output title	Output type	Unit	Target	Actual
Pest animal control	Terrestrial	Area (ha)	172000	172000
Engagement event	Field day	No. of events	1	2
Assessment	Fauna	Number	2	2
Assessment	Invasive species	Number	2	2

1.8.6 MANAGEMENT IN THE EAST COAST PROGRAM AREA

The East Coast program area includes East Gippsland's open coastline and its adjoining coastal environments and marine habitats. The area defined includes Lake Tyers at its western margin and extends east to the New South Wales border. The area also includes landscapes that are 'functionally' related to the coast including estuarine areas such as the Snowy River estuary.

The East Coast program area is generally in good condition, with low levels of modification and disturbance.

Victorian Government Project Summaries

In 2014/15, there were two projects in this program area.

Project: Waterway Management on the Lower Snowy

The Authority has undertaken assessments in the lower Snowy to improve our knowledge and understanding of the broader Snowy system and the environmental flows. The Authority continues to work with the Moogji Aboriginal works crew to undertake rehabilitation works on the lower Snowy River as part of the Authority's aim to provide natural resource employment opportunities for indigenous people.

Project: Landcare in the East Coast Program Area

This project continued to restore natural resources and increase community participation and awareness within the East Coast landscape area. VLG funding was granted to three groups. Works undertaken include erection of fencing and revegetation to create a corridor of connectivity between the Snowy River and the Yalmy State Forest, the planning and development of an environmental path along the Lake Tyers foreshore, and construction of stock exclusion fencing to allow vegetation to regenerate naturally and decrease erosion on the Snowy River escarpment.

Table 4.9: Major project outputs in the East Coast program area

Output Description	Qualifier	Unit	Target	Actual
Vegetation	Native indigenous	Area (ha)	21	19
Weed control	Non woody	Area (ha)	316	349
Partnership	Agencies/Corporates	Number	4	4
Weed control	Woody	Area (ha)	37	47
Assessment	Invasive Species	Number	1	1
Assessment	Cultural	Number	1	1
Fence	Fence	Length (km)	1	1

AGRD Project Summaries

In 2014/15 there were three AGRD projects in this program area.

Project: Protecting the EPBC listed Littoral Rainforest ecological community

This project is improving the ecological condition of EPBC listed Littoral Rainforest (LRF) and Coastal Vine Thicket sites located along the shorelines of coastal estuaries in the region between the Nicholson River to the west and Mallacoota Inlet in the east. This ecological community is listed as critically endangered, and it provides habitat for a number of threatened plants and animals. The condition of priority LRF sites on both public and private land is being improved by controlling transforming weeds, and reducing the impacts of deer browsing.

Project: Protecting EPBC listed species on the East Gippsland coast through fox control

This project is reducing the impact of fox predation across estuarine and coastal habitat for four EPBC listed species (Eastern Bristlebird, Long-nosed Potoroo, Southern Brown Bandicoot, and Fairy Tern) between Lake Tyers and Cape Howe through an intensive fox baiting regime.

Project: Restoring East Gippsland coastal environments through weed control

This project is reducing the extent and impact of priority weeds of the East Gippsland coast, including reducing the density of Boneseed infestation within four containment zones between Lake Tyers and Metung, controlling Bitou bush on the Mallacoota Foreshore Reserve, reducing the extent of Mirror Bush and Boxthorn on Tullaberga and Gabo islands, and controlling Sea Spurge and other transforming weeds along the coastline of Croajingolong National Park and Cape Conran Coastal Park.

AGRD Project Outputs

Table 4.10: Major AGRD project outputs in the East Coast program area

Output title	Output type	Unit	Target	Actual
Weed control	Non-woody	Area (ha)	313	314
Pest animal control	Terrestrial	Area (ha)	7510	6194
Engagement event	Field day	No. of events	2	5
Assessment	Fauna	Number	1	2
Assessment	Flora	Number	0	2
Assessment	Invasive species	Number	5	10
Assessment	Property	Number	3	10
Plan	Strategy	Number	1	1

1.8.7 MANAGEMENT IN THE REGION-WIDE PROGRAM

The East Gippsland Region-wide Program includes projects that apply across the region and do not logically fit within the four sub-regional Program areas.

Victorian Government Project Summaries

In 2014/15, there were two Victorian Government projects in this program area.

Project: Water Statutory, Environmental Water Reserve Officer and Water Quality Monitoring

The Authority's statutory planning activities continued to be delivered through a shared services agreement with the West Gippsland CMA, to allow for more efficient provision of services across the Gippsland region. The program fulfilled the Authority's obligations under the Water Act and *Planning and Environment Act 1987*, including the provision of flood advice, responding to statutory referrals from

local government, and issuing permits for works on waterways.

The number of statutory referrals decreased by 12% from 2013/2014, this is primarily due to a lessening of requests for flood advice related to property insurance and no major flooding in the region for the year.

This year the Authority reviewed the sites monitored for water quality as part of the Gippsland Regional Water Monitoring Partnership. Three sites on the Mitchell, Nicholson and Tambo rivers were monitored for water quality on a quarterly basis.

The focus for the environmental water program was implementing the first stages of the Snowy River environmental flow monitoring and investigation program. The first stage of the program considered the life cycle and stages of Australian Bass in the Snowy River. At this stage the project indicates that natural recruitment of Australian Bass has occurred in the Snowy River after the completion of the Snowy Mountain

Victorian Government Project Outputs

Table 4.11: Major Victorian Government project outputs in the Region-wide program area. The referral responses and permit outputs were under achieved. This is likely due to the decreased economic activity, no major flooding in the region and less insurance enquiries.

Output Description	Qualifier	Unit	Target	Actual
Publication	Online/printed	Number	13	13
Approval and advice	Advice	Number	206	206
Approval and advice	Permit	Number	40	15
Approval and advice	Referral response	Number	201	113
Monitoring structure	Measuring point	Number	3	3
Assessment	Water	Number	12	12
Partnership	Agencies/Corporates	Number	4	4

Hydro Scheme, however the prolonged drought in the first decade of this century may have reduced natural spawning resulting in a smaller population. The project also continued to collect data to continue to develop the hydrodynamic model of the estuary. The model can be used to predict water quality conditions under different flows and estuary mouth (ie open or closed) conditions. This will be invaluable in predicting the response of any future environmental flows on selected parameters in the estuary.

Project: Regional Landcare Coordinator

The Regional Landcare Coordinator (RLC) continued to actively participate in delivering the Victorian Landcare Program regionally, by providing strategic advice and support to 34 Landcare and community NRM groups and 3 Landcare networks in the East Gippsland region. The RLC reviewed and reported on the 2010-2014 East Gippsland Regional Landcare Support Action Plan. Subsequent to this, the RLC developed and commenced implementation of the 2015-2019 East Gippsland CMA Regional Landcare Support Plan. Activities include:

- supporting the development of skills and knowledge within the Landcare community, e.g. Strategic planning
- working with groups and networks to facilitate inclusion in landscape scale projects
- administered 2014-2015 Victorian Landcare Grants
- celebrating and recognising Landcare through the Regional Landcare Awards
- providing reporting on regional Landcare activities to the State; and
- monitoring and evaluating Landcare funded projects.

In 2014/15 the Regional Landcare Coordinator directly coordinated and reported on 34 projects funded through the Victorian Landcare Grants initiative.

AGRD Project Summaries

In 2014/15, there were three AGRD projects in this program area.

Project: Supporting Aboriginal people's engagement and participation in natural resource management

This project is supporting increased engagement with all East Gippsland Traditional Owner groups and provides opportunities to increase their participation in the planning and delivery of Australian Government NRM investment in the region. In particular, members of the Gunaikurnai Land and Waters Aboriginal Corporation NRM crew are contributing to the delivery of on ground works associated with Australian Government funded projects by providing services to a number of our delivery partners.

Project: TopSoils – Improving agricultural practices through soil management

The TopSoils project is building a current data set of the chemical and physical properties of East Gippsland's farming soils, to assist the identification of trends in soil characteristics and key indicators of soil asset decline. Targeted extension programs, including producer demonstration sites, will involve the expertise of five regional delivery partners, to provide farmers with improved skills and knowledge and address barriers to practice change. Project monitoring will involve workshop impact surveys, and pre and post program 'practice benchmarking', using Australian Bureau of Statistics indicators of farm practice.

Project: Regional Landcare Facilitator

The East Gippsland Regional Landcare Facilitator project is providing opportunities for farmers to develop skills and knowledge so they are able to make sound land and natural resource management decisions and independently source further knowledge and assistance when required. The project aims to stimulate thinking so change and experimentation becomes a matter of principle, assisting the creation of a sustainable farming community that is resilient and can adapt to change.

AGRD Project Outputs

Table 4.12: Major AGRD project outputs in the Region-wide program area

Output title	Output type	Unit	Target	Actual
Engagement event	Field day	No. of events	12	13
Engagement event	Training	No. of events	0	4
Engagement event	Workshop	No. of events	8	8
Partnership	Community	Number	8	10
Publication	Online/printed	Number	1	1

1.9 CASE STUDIES

The following case studies provide examples of the approach taken to NRM delivery in the region. The first case study describes the current approach being taken to protecting the Gippsland Lakes shorelines. The second case study describes TopSoils, an agricultural soil health project.

1.9.1 CASE STUDY: REHABILITATING THE GIPPSLAND LAKES SHORELINE

The Gippsland Lakes are an internationally significant, Ramsar listed wetland, supporting waterbirds during crucial lifecycle times. Excluding stock from shoreline habitat on the Gippsland Lakes and estuaries to date has been opportunistic, with limited planning and strategic direction. The Rehabilitating the Gippsland Lakes and Shoreline project

provided the Authority with an opportunity to target landholders to create continuous lines of stock exclusion fencing and revegetation, linking these frontages with existing Wildlife and Nature Reserves.

In all, 30 landholders fenced off frontages, installed off stream watering systems and controlled weeds, protecting critical birdlife habitat and reducing the movement of nutrient rich sediment into the lakes. The work undertaken by landholders will be enhanced over time as native vegetation establishes and improves the stability of the riparian zone.

The project has been running for the past three years and integrates other works occurring on the foreshore of the Gippsland Lakes. The Authority will

continue to work with landholders, DELWP and Parks Victoria to maintain the frontage as free of grazing stock and weeds.

1.9.2 CASE STUDY: TOPSOILS

'TopSoils' commenced in 2014 and is funded by the Australian and Victorian Governments.

The project aimed to characterise East Gippsland's farming soils through a region wide soil and plant tissue testing program, and identify soil health factors that may be strongly limiting production as well as broader catchment health.

The project has been led by the DEDJTR, with support from the Authority and four other partners; the EGLN, FEVL, GA and SFS.

Project partners collaboratively undertook testing with landholders from Grazing, Dairy and Horticulture enterprises. Landholders received their soil and tissue test results, together with assistance for interpretation. As well as characterising soil health issues across the region, the project aimed to encourage landholders to adopt the use of soil testing, particularly prior to fertiliser use.

Initial key findings point to localised issues with erosion, low soil pH, Phosphorus, Potassium, Molybdenum, Copper and Boron deficiencies.

The analysis has included assessing the relationship between landform and chemical properties, as well as collating and analysing historical soils data for East Gippsland and determining any significant changes over time.

Partner agencies are discussing the results with existing producer groups (i.e. Landcare) with the view to design three year programs of extension support.

1.10 GIPPSLAND LAKES MINISTERIAL ADVISORY COMMITTEE (GLMAC)

The Gippsland Lakes are made up of a series of shallow coastal lagoons separated from the sea by broad sandy barriers. They include Lake Wellington, Lake Victoria, Lake King and a number of smaller lagoons and wetlands. These Lakes are fed with freshwater from five main rivers – the Latrobe and the Avon flow into Lake Wellington, the Mitchell, Nicholson, and Tambo into Lake King. The Lakes form the largest navigable network of inland waterways in Australia. They contain a number of internationally significant wetlands and support a diverse range of flora and fauna. The Gippsland Lakes are home to around 400 indigenous plant species and 300 native wildlife species. The Lakes are internationally recognised as a feeding ground for migratory birds that travel from as far away as Siberia and the Arctic Circle.

In 2012, the Gippsland Lakes Ministerial Advisory Committee was established. The committee played an important role in advising the State Government on the

health of the Gippsland Lakes and priorities for investment into projects associated with the Lakes.

Since 2012 the Victorian Government provided \$10 million through the GLEF. The funds were provided to acknowledge the environmental, social and economic importance of the Gippsland Lakes.

The projects in the Gippsland Lakes program were directed by various plans and strategies, including the Gippsland Lakes Environment Strategy, the Regional Catchment Strategies and Regional Waterway Strategies.

The key driver of projects was the Gippsland Lakes Environment Strategy. The strategy considered the priorities for the GLEF funds based on analysis of the various Gippsland Lakes associated plans in the region. This strategy set out a series of objectives within a series of themes and many of the projects have achieved or partially achieved the objectives.

The program has made substantial investments in environmental improvements around the lakes and

catchment, important ecological research and a range of programs to build community participation in the management of the Lakes.

Since the beginning of the program, project funding of \$8.25M has been received and allocated to delivering projects in the Gippsland Lakes catchment. Of these funds \$6.3M has been expended as at 30 June 2015 with the balance of \$1.95M committed to approved projects to be undertaken in 2015/16.

In addition, \$1.75m was received over four years for governance, staffing and operational expenditure. Significant savings have been achieved in this regard with \$515k of funds to be allocated to the next phase of Gippsland Lakes projects. This will be added to the \$2.5million committed by the Andrews government for next financial year. In line with the latest announcements the Gippsland Lakes Coordinating Committee will be involved in advising the government on priorities for these total funds.

Table 4.13: Gippsland Lakes Environment Fund - Three Year financial Summary 2012/13-2015/16

Item	Budget (\$'000's)	Funds Spent	Committed	Remaining Funds
Summary	\$10,061	\$7,556	\$1,990	\$515
Sundry Income	\$61			
Approved Projects (72)	\$8,250	\$6,321	\$1,990	nil
Governance, Staffing and Operations	\$1,750	\$1,235	nil	\$515
Totals	\$10,061	\$7,556	\$1,990	\$515

Over the past three years, the following objectives have been achieved in the Gippsland Lakes catchment:

- 37 km of fence constructed along the lakes, estuaries and fringing wetlands

- 1296 ha of pest plant control undertaken to improve and/or maintain important vegetation
- 831 ha revegetated to restore habitat and improve water quality

- 90 monitoring programs undertaken to improve our understanding and inform future management
- 6,433 people engaged through workshops, educational sessions, community events and training days.

Some of the environmental projects undertaken as part of the GLEF have included fencing and rehabilitating riparian areas on the lakes, estuaries and fringing wetlands, restoring habitat for migratory bird species by managing pest plants and animals, improving water quality with sediment and nutrient management and excluding stock from waterways. An important aspect to all of the on-ground works has been the monitoring, evaluation and reporting of projects. This has improved our understanding of the lakes system and informs future decision-making and management.

The development of management and action plans is central to the delivery of the GLEF and future management of the lakes. Some of the plans completed in the program include foreshore management plans, renewal of the water quality objectives, eco-tourism plan, wastewater management plans, cultural heritage assessments and the sustainable boating action plan.

Our understanding of the lake system and ecological processes to inform future management has increased through research projects on algal blooms, sea grass, introduced marine species, the Burrunan dolphin and flora and fauna surveys. All completed project findings can be found on the Love Our Lakes website.

Community awareness and education is one of the most important aspects in improving the health of the Gippsland Lakes. A range of projects and engagement tools have been used to increase the appreciation and knowledge of the lakes. The projects have included case studies, interactive models, stories and tourism tours. The engagement tools have included workshops and forums, boat trips, meetings, websites, social and print media.

Over the past three years, the projects funded through the GLEF have delivered the following outputs:

Table 4.14: *Outputs funded through GLEF. Many people have been involved in the Gippsland Project since GLMAC commenced. The engagement events have included presentations, workshops, seminars, media releases, television and radio interviews. There are a reduced number of participants for training, the environmental schools program and catch a carp day did not go ahead in 2014/15. Additional flora assessments were undertaken by Greening Australia on wetlands in the Marlay Point district. There were also additional nest boxes fitted and monitored by the GPCMN.*

Output Description	Qualifier	Unit	Target	Actual
Approval and advice	Advice	Number	4	4
Engagement event	Presentation	Participants	342	482
Engagement event	Conference	Participants	100	2226
Engagement event	Workshop	Participants	815	1045
Engagement event	Field day	Participants	325	513
Engagement event	Training	Participants	3630	2167
Publication	Online/printed	Number	27	54
Partnership	Mixed	Number	15	15
Partnership	Agencies/Corporate	Number	1	1
Fence	Fence	Length (km)	35	37
Vegetation	Native indigenous	Area (ha)	447	831
Weed control	Non woody	Area (ha)	1119	1283
Weed control	Woody	Area (ha)	12	13
Water regime	River reach	Number	10	16
Water regime	Wetland	Number	1	1
Management Agreement	Binding non-perpetual	Number	12	29
Management Agreement	Binding perpetual	Number	2	2
Plan	Farm	Number	16	29
Plan	Strategy	Number	5	5
Plan	Management	Number	15	15
Assessment	Fauna	Number	46	46
Assessment	Flora	Number	3	35
Assessment	Ecological	Number	1	1
Assessment	Invasive species	Number	3	4
Assessment	Property	Number	1	2
Assessment	Soil	Number	2	2
Pest Animal Control	Terrestrial	Area (ha)	1011	1080
Crossing	Ford	Number	2	2
Terrestrial Habitat	Nest box	Area (ha)	15	46
Info Management System	Decision support	Number	2	2
Earthworks	Armouring	Length (km)	0.1	0.1

2. PERFORMANCE AGAINST OPERATIONAL AND BUDGETARY OBJECTIVES

The Authority's Corporate Plan outlines the Key Performance Areas, Performance Indicators and Targets consistent with the Statement of Obligations issued by the Minister on 20th June 2007 under the CaLP Act.

The following tables reflect those obligations and reports on the Authority's performance against both statements.

2.1 GOVERNANCE

Performance Area	Performance Indicators	Targets	Achievement Reporting
Board performance	Complete and submit an annual board performance assessment report, according to any guidelines issued	By 31 August annually	Completed August 2014
	Participation by board members in development activities	All board members participate in development activities	Ongoing as part of the board development plan
Board charter	Develop and implement a board charter	The board charter is reviewed (and if necessary, amended) by 30 June annually	Completed December 2014
Risk and financial management	Compliance to risk management plans for each program	All programs have risk management plans in place	Completed
		Nil non compliances with risk management plan	Nil non compliances
Policies and procedures	Regular review of policies and procedures	Each policy and procedure is reviewed at least annually	All policies and procedures reviewed during 2014/15

2.1.1 EFFICIENCY AND ORGANISATIONAL PERFORMANCE

Performance Area	Performance Indicators	Targets	Achievement Reporting
Grant management	Administration costs of grants are minimised	10 per cent or less of grant funds is spent on administration	Achieved
	Minimise time taken to determine grant applications	Grant applications are determined within one month of being received	Achieved
Regulatory waterway/ water functions	Number of days to process works on waterways permits	Not more than 20 working days	Average number of working days to process permits: 10.3 Number of permits that took more than 20 working days to process: 1
	Number of days to process referrals for any works on or in relation to a dam	Not more than 20 working days	Nil applications
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	Average number of working days to process referrals: 9.6 Number of referrals that took more than 20 working days to process: 1

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Performance Area	Performance Indicators	Targets	Achievement Reporting
Regulatory waterway/ water functions (Cont.)	Number of days to process enquiries from local government and the community on flooding	Not more than 20 working days	Average number of working days to respond to enquiries: 8.9 Number of enquiries that took more than 20 working days to process: Nil
	Number of days to process referrals for Water Use Licences that don't meet the standard water-use conditions	Not more than 20 working days	Nil applications
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans and seasonal adjustments to annual use limits	Not more than 20 working days	Nil applications
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences	Not more than 20 working days	Average number of working days to respond to enquiries: 10 Number of enquiries that took more than 20 working days to process: Nil

2.1.2 EFFECTIVENESS AND ENVIRONMENTAL OUTCOMES

Performance Area	Performance Indicators	Targets	Achievement Reporting
Integrated River Health Management	Revise Regional Waterway Strategy (RWS) to plan for waterways in relation to their economic, social and environmental values	Regional River Health Strategy revised every six years	New strategy endorsed by board June 2014
	Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the environmental water reserve in accordance with objectives	N/A	N/A
	Implement annual river health programs and activities to improve environmental values and health of water ecosystems	All annual river health targets and works programs achieved	Achieved
Regional Catchment Strategy (RCS) implementation	Complete and submit the developed RCS according to guidelines, standards and related information issued	Submit the developed or revised RCS by the due date as required in any guidelines, standards and related information issued	Not required in 2014/15
	Percentage of RCS annual actions implemented	All RCS annual actions implemented	100%
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	N/A	N/A
Invasive plant and animal management	Regional Invasive Plant and Animal Strategies incorporating related priorities in all land tenures in the region	Invasive Plant and Animal Strategies revised by 30 June every five years	Not required in 2014/15

Performance Area	Performance Indicators	Targets	Achievement Reporting
Regional and statutory planning	Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body	N/A	N/A
Salinity management	Implementation and periodic review of Regional Salinity Management Plans and Land and Water Management Plans	N/A	N/A
	Progress against annual action targets	N/A	N/A
	Develop regional salinity targets and corresponding works programs in accordance with the Murray Darling Basin Salinity Agreement (for applicable CMAs only)	N/A	N/A
	Annual report on the allocation and update of salt disposal entitlements submitted to the responsible Minister	N/A	N/A
Regional Landcare groups, networks and other community groups	Deliver the Regional Landcare Support Strategy, including coordination of Landcare at a Regional scale	Evaluate and revise the strategy every five years	Completed April 2015

2.2 INITIATIVES AND KEY ACHIEVEMENTS

2.2.1 RIVERS 2040

2014/15 saw the development of the Authority's 'Rivers 2040' concept, a new approach to setting, reporting and achieving waterway restoration targets. The framework has four clear stages and a timetable of waterway recovery, which will provide the Authority with the ability to implement strategic longer term thinking and smarter upfront investment, whilst communicating openly with all stakeholders. The concept draws waterway (condition) data from the Authority's existing waterway monitoring program, which assesses changes in river condition over time. The monitoring program is based on the Works Monitoring Method (WMM), a waterway monitoring system developed by the CMAs, Melbourne Water and DELWP.

2.2.2 CLIMATE CHANGE ADAPTATION AND MITIGATION PLAN

During the year, the Authority developed the East Gippsland RCS Climate Change Adaptation and Mitigation Plan. The plan was funded by the Commonwealth under the Regional NRM Planning for Climate Change Fund.

The plan has been completed to Final Draft stage, and now awaits review and approval from the board early next financial year.

2.2.3 RENEWAL OF THE RAMSAR SITE MANAGEMENT PLAN FOR THE GIPPSLAND LAKES

During the year, the Authority managed a project to renew the Gippsland Lakes Ramsar Site Management Plan. Development of the renewed plan was overseen by a steering committee which included representatives from West Gippsland Catchment Management Authority (WGCMA), Gippsland Lakes Ministerial Advisory Committee (GLMAC), Parks Victoria (PV) and Department of Environment, Land, Water and Planning (DELWP) (regional and Melbourne). Extensive consultation was undertaken with the Gippsland Lakes community during the development of the plan.

The plan is at final draft stage and awaits review and approval from the board early next financial year.

2.2.4 FUTURE INITIATIVES

The Andrews government recently announced for East and West Gippsland CMA's to jointly administer the renewed Gippsland Lakes Coordinating Committee. The committee itself will be jointly chaired by the Authority's Chair, Dr Peter Veenker, and the Chair of the WGCMA, Angus Hume.

The task involves providing corporate support for the committee activities and administering all Gippsland Lakes funding and programs on behalf of the Victorian Government with a focus on improving the health of the Gippsland Lakes through on-ground management and community engagement.

2.3 STRUCTURAL CHANGES TO THE EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY IN 2014-15 AFFECTING PERFORMANCE REPORTING

2.3.1 MAJOR CHANGES OR FACTORS AFFECTING PERFORMANCE

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

2.4 FIVE YEAR FINANCIAL SUMMARY

	2015 \$000	2014 \$000	2013 \$000	2012 \$000	2011 \$000
Operating Revenue					
State Government	8,616	10,871	10,396	7,437	9,159
Federal Government	2,267	2,549	2,336	2,335	2,335
Other Revenue	722	449	368	506	539
Total Operating Revenue	11,605	13,869	13,100	10,278	12,033
Operating Expenses					
Governance and Corporate	1,007	915	960	954	1,011
Project Expenditure	9,178	10,766	13,655	10,112	10,678
Total Operating Expenses	10,185	11,681	14,615	11,066	11,689
Total Assets	11,254	9,923	8,120	9,360	9,943
Total Liabilities	639	715	1,091	723	511

2.5 CURRENT YEAR FINANCIAL REVIEW

The Authority is financially sound, with adequate provisions in place to fulfil our obligations to staff and replacement of plant and equipment. Sufficient resources are now allocated to deliver the Corporate Plan objectives for 2015/16.

2.6 SIGNIFICANT CHANGES IN FINANCIAL POSITION

There were no significant matters which

changed our financial position during the reporting period.

2.7 SIGNIFICANT CHANGES OR FACTORS AFFECTING PERFORMANCE

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

2.8 CAPITAL PROJECTS

The Authority does not manage any capital projects.

2.9 DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS

The Authority has provided grants to partners in natural resource management including community groups and organisations in the East Gippsland region. Grants were provided in 2014/15 for the purposes of supporting the administration of Landcare groups and implementing on-ground natural resource management projects.

East Gippsland Landcare Grants Program recipients for 2014/15 included:

Landcare Support Grants to 23 Landcare groups		\$	11,500
Nagle College Landcare Group	Rainforest Project/Eco Warriors	\$	5,335
Raymond Island Landcare Group	Rob's Run - revegetation site	\$	4,643
East Gippsland Rainforest Conservation Management Network	Rainforest fire recovery	\$	9,035
Gippsland Plains Conservation Management Network	Caring for Cobbler's Creek	\$	9,082
Eagle Point Landcare Coastcare Group	Ah-Yee Project - Stage C part 1	\$	9,500
Lakes Entrance Community Landcare Group	Women's Landcare - Healthy earth, Healthy women, Healthy communities	\$	4,380
East Gippsland Landcare Network	Farming for a Sustainable Future	\$	57,070
Bruthen Landcare Group	Bruthen Rail Trail rehabilitation and enhancement	\$	4,888
Snowy West Landcare Group	Rail trail vegetation restoration at Newmerella - stage 3	\$	2,765
Goongerah Landcare Group	Control of emerging environmental weeds in the upper catchment of the Brodribb River	\$	9,286

Far East Victoria Landcare	Orbost pasture grazing trial - grazing management its impact on soil and plant health	\$ 9,860
Dargo Landcare Group	CNG - Not too hot to handle	\$ 9,445
Nicholson River Landcare Group	Treatment of invasive and noxious weeds on sections of Nicholson River embankment	\$ 9,421
Far East Victoria Landcare	Improving soil health and biodiversity across far east Gippsland	\$ 10,135
Total		\$ 166,345

In addition to the above Landcare groups, the following grant amounts were paid:

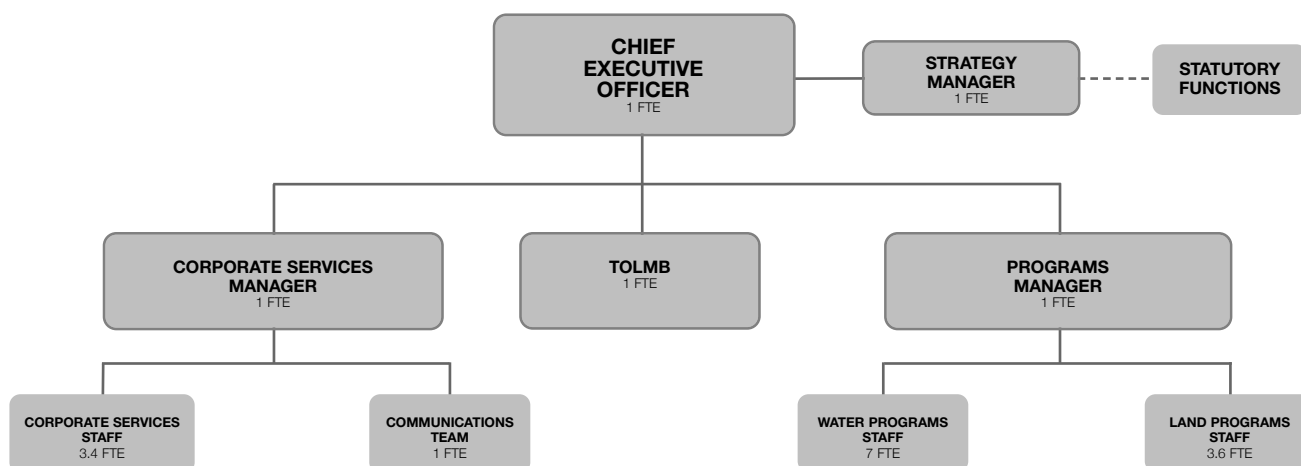
Not-for-profit organisations (excluding Landcare)	\$ 884,125
Landholders	\$ 421,853
Local Government	\$ 156,000
Partner Agencies	\$ 1,617,692

Total grants paid during the 2014/15 year was \$3.2 million.

2.10 SUBSEQUENT EVENTS

There were no events occurring after balance date which may significantly affect the Authority's operations in subsequent reporting periods.

3. GOVERNANCE AND ORGANISATIONAL STRUCTURE



3.1 CHART

3.1.1 SENIOR EXECUTIVES

Executive Function

Manages the Authority day to day operations on behalf of the Board and is responsible to the Board for delivery of the Corporate Plan.

Chief Executive Officer:
Graeme Dear

Corporate Services Unit

This unit is responsible for providing Corporate Services to the Authority.

Corporate Services includes financial management, risk management including enterprise risk and occupational health and safety, human resources and payroll, information technology and management, corporate communications, board and executive administrative support.

Manager:
Peter Quilligan

Strategy Unit

This unit provides leadership in the natural resource management strategy and plan development responsibilities of the Authority. Central to the unit is development of the RCS and all linking strategies and plans required to be prepared by the Authority from time to time.

The unit is the focal point for provision of technical support to the Board, Authority staff and other government agencies, principally on matters relating to the RCS and is responsible for the statutory and licensing functions referred to the Authority under the Water Act and CaLP Act.

Manager:
Rex Candy

Programs Unit

This unit coordinates the implementation, monitoring, evaluation and reporting of the RCS and the East Gippsland Waterway Strategy (EGWS). The Unit implements the Authority's program of waterway works and fulfils its responsibilities as Caretaker of River Health. The Unit also coordinates project activities with partner agencies to deliver actions in the RCS. Monitoring, evaluation and reporting is undertaken at various levels, including site specific monitoring, progress towards targets, mid-term evaluations and final reporting.

Manager: Bec Hemming

3.2 GOVERNING BOARD

Authority Board

The Board is responsible for

- Setting the strategic goals, objectives and performance targets of the Authority in conjunction with management and government (Corporate Plan)
- Ensuring resources are available to achieve these goals, including approving annual budgets and long term financial and capital management plans
- Appointing the Chief Executive Officer (CEO), setting CEO remuneration, assessing CEO performance annually and providing for CEO succession
- Reviewing the performance of the Authority
- Identifying and monitoring major risks as well as reviewing and ratifying systems of risk management and internal compliance and control
- Establishing and reviewing the Terms of Reference of all Committees of the Board
- Ensuring appropriate delegation of authority.

Board Members

Member	Term of Appointment	Meeting Attendance
Dr Peter Veenker (Chairperson)	1-10/2013 – 30/09/2017	6 of 6
Mr Arthur Allen	1-10/2014 – 30/09/2015	4 of 4
Mr William Bulmer	1/10/2011 – 30/09/2015	5 of 6
Mr John Groom	1/10/2011 – 30/09/2015	6 of 6
Mr Ross Ingram	14/10/2013 – 30/09/2017	6 of 6
Mr Richard Robertson	14/10/2013 – 30/09/2017	4 of 6
Mr Ken Skews	1/10/2014 – 30/09/2015	4 of 4
Mrs Kate Young	1/10/2011 – 30/09/2015	6 of 6

The following Committees report to the Board

3.3 AUDIT AND RISK COMMITTEE

The committee consists of the following members

Mr Ken Jones (Convenor and Independent Member)
 Mr John Groom
 Mr Ross Ingram
 Mr Mathew Scott (Independent Member) Appointed February 2015
 Mr John Williams (Independent Member) Resigned February 2015

The Committee assists the board in fulfilling its governance and oversight responsibilities. The Committee undertakes the oversight of

- Financial performance and the effectiveness of the financial reporting process, including performance against the annual budget, the annual financial statements and all other internal controls
- The scope of work, performance and independence of the independent external internal audit function
- Recommend to the Board the engagement and dismissal of internal auditors
- The scope of work and performance of the External Auditor
- Review the operation and implementation of the risk management framework
- Review and endorsement of finance, risk and related policies for board approval
- The effectiveness of management information systems and other systems of internal control

- The Authority's process for monitoring compliance with legislation, regulations, ministerial directions and other compliance obligations.

In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the internal and external auditors.

3.4 COMMUNICATIONS AND ENGAGEMENT COMMITTEE

The committee consists of the following members

Mrs Kate Young (Convenor)
 Dr Peter Veenker
 Ms Christine Wrench (External Member) Appointed February 2015
 Mr Frank O'Connor (External Member) Resigned February 2015

The committee's responsibilities include

- Overseeing the annual review of the Board Engagement Plan and recommending the completed plan to the Board for endorsement
- Oversee implementation of the Board Engagement Plan
- Oversee production of the Annual Report.

3.5 REMUNERATION COMMITTEE

The committee consists of the following members

Dr Peter Veenker (Convenor)
 Mr John Groom
 Mr Ross Ingram

The committee's responsibilities include

- Overseeing the performance review, remuneration and personal development of the CEO
- Planning for CEO succession.

3.6 OCCUPATIONAL HEALTH AND SAFETY

The safety of Authority employees and contractors is our highest priority and one of our core values. The Occupational Health and Safety (OHS) management system underpins our policy which aims to build a culture that provides a working environment, resources and support to make safety and well-being everyone's responsibility. The Authority strongly encourages its people to be proactive in reporting incidents and hazards with the objective of eliminating or minimising risk and to prevent reoccurrence as we strive to achieve the highest practicable safety standards.

The Occupational Health and Safety Committee, established as a management committee of the organisation, meets quarterly and facilitates consultation and cooperation between managers, employees and our contractors in regard to health, safety and wellbeing. The OHS Committee has further developed the Authority's safety management system during the year including the

- review of the OHS Policy
- development and progressive implementation of an OHS Action Plan
- implementation of the OHS Consultation Procedure
- conducting an OHS Participative Arrangement Survey and result analysis
- ongoing review of Safe Work Procedures and
- development and implementation of OHS Standards.

Safety related indicators measure the Authority's performance in OHS and demonstrate the Authority's commitment to continuous improvement, recognising that health and safety contributes to overall organisation and business objectives through a reduction of workplace injury and ill health.

OHS Performance Reporting	2014/15	2013/14
Incidents		
Contractor time lost to injuries/accidents (days)	2	20.5
Contractor Incident Notifications	2	7
Staff time lost to injuries/accidents (days)	5*	0*
Staff Incident Notifications	15*	14*
Incidents reported to WorkSafe	1	0
WorkCover Claims	0	0

*These statistics have been reported per 100 full-time equivalent staff members. The full-time equivalent staff members of the Authority as at 30 June 2015 was 20 (2014: 21.6). These statistics therefore do not reflect the actual number of days lost to staff injuries or staff incident notifications.

Unfortunately an accident occurred in November 2014 resulting in the death of a contractor's employee from snake bite. The Authority has undertaken an investigation. WorkSafe is investigating the incident.

A culture of safety awareness for all staff begins at induction and continues throughout the duration of employment, via formal accredited training programs, robust project management practices including project audits, contractor performance audits, incident and hazard reporting and promoting an ongoing commitment to continuous improvement in OHS.

OHS Training completed in the reporting period

Training Program	Number of Participants
Driver Education	20
First Aid (including annual CPR refresher)	15
Traffic Management Plan Implementation	3
Fire Warden & Emergency Response	3
Health & Safety Representative annual refresher	3
Diploma Occupational Health & Safety	1

4. WORKFORCE DATA

4.1 PUBLIC ADMINISTRATION VALUES AND EMPLOYMENT PRINCIPLES

The *Public Administration Act 2004* (PA Act) specifies a number of employment and conduct principles that must be observed by public sector organisations and their employees.

The Authority is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

4.2 COMPARATIVE WORKFORCE DATA

The Authority's philosophy of cost control and project delivery through partners is further demonstrated in our workforce data. Total staff numbers at June 30 2015 was 20 Full Time

Equivalent (FTE).

Employees have been correctly classified in workforce data collections.

The breakdown of staff for the Authority at the end of 2014/15 compared to 2013/14 is as follows:

Full Time Equivalent	2014/15	2013/14
Executive Officers	4	3
Managers	2	2
Corporate Services	4.4	3
Program Staff	8.6	10.6
Hosted Employees	1	3
TOTAL	20	21.6
Full Time Equivalent		
Male	12.8	12.8
Female	7.2	8.8
TOTAL	20	21.6
Full Time Equivalent		
Ongoing	18	19.6
Fixed Term	2	2
TOTAL	20	21.6

4.3 EXECUTIVE OFFICER DATA

For reporting purposes consistent with the PA Act, the Authority has one executive officer who is employed and remunerated in accordance with Government Sector Executive Remuneration and government executive employment policy.

5. OTHER DISCLOSURES

5.1 IMPLEMENTATION OF THE VICTORIAN INDUSTRY PARTICIPATION POLICY

The Authority had Nil (0) tenders over \$1M during the reporting period.

5.2 CONSULTANCY EXPENDITURE

5.2.1 DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2014-15, there were 12 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2014-15 in relation to these consultancies is \$766,132 (excl. GST). Details of individual consultancies can be viewed at www.egcma.com.au.

5.2.2 DETAILS OF CONSULTANCIES (VALUED AT LESS THAN \$10,000)

In 2014-15 there were 8 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2014-15 in relation to these consultancies is \$28,622 (excl GST).

5.3 DISCLOSURE OF MAJOR CONTRACTS

The Authority did not award any major contracts (valued at \$10M or more) during 2014-15.

5.4 GOVERNMENT ADVERTISING EXPENDITURE

The Authority's expenditure in the 2014/15 reporting period on government campaign expenditure did not exceed \$150,000.

5.5 FREEDOM OF INFORMATION

The Freedom of Information Act 1982 (FOI Act) allows the public access to documents held by government agencies, which includes right of access to documents held by the Authority. In the reporting period there were no requests for information.

The Freedom of Information (FOI) Officer is the Finance and Business Coordinator. A decision to release information is made by an Authorised Officer. Requests for information made under the Freedom of Information Act 1982 should be directed to:

The FOI Officer
East Gippsland Catchment
Management Authority
PO Box 1012
Bairnsdale, Vic 3875
Phone: 03 5150 3585
Email: FOI@egcma.com.au

The current application fee of \$27.20 applies to all requests at the time of publication of this report.

5.6 COMPLIANCE WITH BUILDING ACT 1993

The Authority owns and operates three regional depots in Bairnsdale, Orbost and Genoa.

The Authority complies with the *Building Act 1993*, the *Building Regulations 2006* and associated statutory requirements and amendments. Either an Occupancy Permit or a Certificate of Final Inspection is obtained for new facilities or for upgrades to existing facilities endorsed by a Municipal Building Surveyor or a Registered Building Surveyor Practitioner.

The Authority did not commence or complete any major projects or works on buildings owned by it greater than \$50,000 in 2014/15.

There have been no cases of registered building practitioners becoming deregistered following work on buildings owned by the Authority.

5.7 NATIONAL COMPETITION POLICY

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. The Authority continues to implement and apply this principle in its business undertakings.

Where appropriate, competitively neutral price adjustments have been made from July 1, 1997.

5.8 COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The PD Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'protected disclosure'?

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

The East Gippsland Catchment Management Authority is a "public body" for the purposes of the PD Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial

- mismanagement of public resources or
- risk to public health or safety or the environment or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a 'Protected Disclosure'?

You can make a protected disclosure about the East Gippsland Catchment Management Authority or its board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that the East Gippsland Catchment Management Authority is not able to receive protected disclosures.

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

The East Gippsland Catchment Management Authority has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the East Gippsland Catchment Management Authority or its employees.

You can access the East Gippsland Catchment Management Authority's procedures on its website at: www.egcma.com.au/about-us/303/.

Contacts

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address:
Level 1, North Tower,
459 Collins Street,
Melbourne Victoria 3000.

Mail:
IBAC, GPO Box 24234,
Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

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

5.9 CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES ACT 2006

The Authority is required to act compatibly with (the Charter) and gives proper consideration to human rights when making decisions. This responsibility is set out in the Charter and also the PA Act and the Code of Conduct for Victorian Public Sector Employees. The Authority ensures that human rights are taken into account when making decisions, providing advice and delivering services.

The Authority ensures that changes made to guidelines, policies or the legal framework take human rights into account. The Authority also ensures that its grievance processes comply with the Charter and are consistent with the PA Act.

In the reporting period, there have been no complaints related to the Charter.

5.10 OFFICE-BASED ENVIRONMENTAL IMPACTS

As part of the Authority's continued commitment to reducing its environmental impacts, the Authority's Green Team Committee continues to monitor the implementation of the Authority's Environmental ResourceSmart Strategy.

During the year, the committee met periodically to review and discuss the Authority's progress against original targets set in the strategy. The strategy has been updated to reflect the Authority's progress in containing resource consumption and capturing environmental reporting data.

5.11 STATEMENT OF AVAILABILITY OF OTHER INFORMATION

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the Authority and are available (in full) on request, subject to the provisions of the FOI Act:

- a) Details of publications produced by the Authority about itself, and how these can be obtained.
- b) Details of any major external reviews carried out on the Authority.
- c) Details of major research and development activities undertaken by the Authority.
- d) Details of major promotional, public relations and marketing activities undertaken by the Authority to develop community awareness of the entity and its services; and
- e) Details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:

Chief Executive Officer
East Gippsland Catchment
Management Authority
Phone: 03 5152 0600
Email: egcma@egcma.com.au

Additional information included in annual report

Details in respect of the following items have been included in the Authority's annual report, on the pages indicated below:

- f) Assessments and measures undertaken to improve the occupational health and safety of employees (28)
- g) A statement on industrial relations within the Authority (31)
- h) A list of the Authority's major committees; the purposes of each committee; and the extent to which the purposes have been achieved (27); and
- i) A statement of completion of declarations of pecuniary interests by relevant officers (31)

Information that is not applicable

The following information is not relevant to the Authority for the reasons set out below:

- j) A declaration of shares held by senior officers (No shares have ever been issued in the Authority's name).
- k) Details of overseas visits undertaken (No board members or senior executives took overseas work related trips.)

5.12 RISK MANAGEMENT ATTESTATION

I, Dr Peter Veenker, certify that the East Gippsland Catchment Management Authority has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The East Gippsland Catchment Management Authority's Audit and Risk Committee verifies this.

Signed:



Dr Peter Veenker
Chairperson
East Gippsland Catchment
Management Authority
Date: 26th August 2015

5.13 COMPLIANCE WITH DATAVIC ACCESS POLICY

In August 2012 the Victorian Government released the DataVic Access Policy, which enables the sharing of Government data at no, or minimal, cost to users. Government data from all agencies will be progressively supplied in a machine-readable format that will minimise access costs and maximise use and reuse. The Authority is progressively working towards compliance with this policy.

5.14 PECUNIARY INTERESTS

All Board Members and Senior Officers completed the required declarations of pecuniary interest. These are available to any persons who apply according to section 18M (2) of the CaLP Act.

5.15 PUBLICATIONS

A range of publications is readily available on the Authority's web site.

5.16 EXTERNAL REVIEWS

Nil.

5.17 INTERNATIONAL VISITS

Nil.

5.18 PUBLIC RELATIONS

The Authority has continued its public relations activities during the year as documented in Section 1 of this report.

5.19 INDUSTRIAL RELATIONS

Time lost because of disputes: Nil

**General Purpose
Financial Report**
Year Ended 30 June 2015

EGCMA

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

The attached financial report for the East Gippsland Catchment Management Authority has been prepared in accordance with Standing Directions 4.2 of 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 2015 and financial position of the Authority as at 30 June 2015.

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 4th September 2015



Dr Peter Veenker
Chairperson



Graeme Dear
CEO and Accountable Officer



Peter Quilligan
Chief Finance & Accounting Officer

EGCMA FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	NOTES	2015 \$	2014 \$
Income from Operating Activities			
Government contributions	4(a)	10,882,568	13,420,292
Income from Non-Operating Activities			
Interest	4(b)	281,991	274,691
Other income	4(b)	440,735	174,904
Total Income		11,605,294	13,869,887
Expenses from Operating Activities			
Depreciation	7	158,232	224,502
Employee Benefits	5	2,441,633	2,428,304
Materials, Consultants, Contractors and Grants Paid	6	6,770,229	8,755,487
Other		814,774	273,237
Total Expenses from Operating Activities		10,184,869	11,681,529
Other Economic Flows included in Net Result			
Net gain / (loss) on disposal of non-financial assets	4(c)	(13,421)	(8,989)
Net Result from Operating Activities		1,407,004	2,179,370
Other Comprehensive Income			
<i>Items that will not be classified to net result</i>			
Gain on revaluation of Property, Plant and Equipment		0	0
Total Comprehensive Result for the year		1,407,004	2,179,370

The comprehensive operating statement should be read in conjunction with the accompanying notes.

EGCMA

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY BALANCE SHEET AS AT 30 JUNE 2015

	NOTES	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	9, 15	9,523,360	8,605,940
Receivables	10	683,384	150,754
Prepayments		67,466	78,216
Total current assets		10,274,210	8,834,909
Non-current assets			
Property, plant and equipment	11	979,860	1,088,408
Total non-current assets		979,860	1,088,408
TOTAL ASSETS		11,254,070	9,923,317
LIABILITIES			
Current liabilities			
Payables	12, 15	170,364	277,871
Employee benefits	13	413,950	355,202
Total current liabilities		584,314	633,073
Non-current liabilities			
Employee benefits	13	54,483	81,975
Total non-current liabilities		54,483	81,975
TOTAL LIABILITIES		638,797	715,048
NET ASSETS		10,615,273	9,208,269
EQUITY			
Contributed capital	14	6,987,366	6,987,366
Reserves	14	576,277	576,277
Accumulated funds	14	3,051,630	1,644,626
TOTAL EQUITY		10,615,273	9,208,269
Commitments for expenditure	16		
Contingent assets and contingent liabilities	18		

The balance sheet should be read in conjunction with the accompanying notes.

EGCMA FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Notes	Accumulated Funds \$	Contributed Capital \$	Reserves \$	Total \$
Balance at 1 July 2013		(534,744)	6,987,366	576,277	7,028,899
Net result for the period		2,179,370	0	0	2,179,370
Transfers to/(from) reserves		0	0	0	0
Balance at 30 June 2014	14	1,644,626	6,987,366	576,277	9,208,269
Net result for the period		1,407,004	0	0	1,407,004
Transfers to/(from) reserves			0	0	0
Balance at 30 June 2015	14	3,051,630	6,987,366	576,277	10,615,273

The statement of changes in equity should be read in conjunction with the accompanying notes.

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	NOTES	2015 \$	2014 \$
Cash Flows from Operating Activities			
Receipts			
Interest received		243,159	277,938
Net goods & services tax received from the Australian Taxation Office		725,356	449,362
Other income		480,360	190,854
Receipts from Government		10,230,970	15,752,311
		<u>11,679,845</u>	<u>16,670,465</u>
Payments			
Payments to suppliers and employees		(10,699,321)	(13,503,265)
		<u>(10,699,321)</u>	<u>(13,503,265)</u>
Net cash (outflow) / inflow from operating activities	21	980,524	3,167,200
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(140,706)	(199,569)
Proceeds from sale of non-current assets		77,602	123,177
Net cash (outflow) / inflow from investing activities		(63,104)	(76,392)
Net increase / (decrease) in cash held		917,420	3,090,808
Cash and cash equivalents at the beginning of the financial year		8,605,940	5,515,132
Cash and cash equivalents at the end of the financial year	9	9,523,360	8,605,940

The cash flow statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**NOTE 1 SUMMARY OF
SIGNIFICANT ACCOUNTING
POLICIES****(a) Basis of Accounting
(i) General**

This financial report includes separate financial statements for the East Gippsland Catchment Management Authority (Authority) as an individual reporting entity. This financial report is a general purpose financial report that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements. The general purpose financial report complies with Australian Accounting Standards (AASs), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions. The Authority is a not for-profit entity for the purpose of preparing the financial statements.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

The financial statements have been prepared on a going concern basis. The accrual basis of accounting has been applied in the preparation of this financial report 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.

The annual financial report was authorised for issue by the Authority's Board on 04 September 2015.

The principal address is:

East Gippsland Catchment
Management Authority
574 Main Street
Bairnsdale Vic 3875

(ii) Accounting policies

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.

**(iii) Functional and presentation
currency**

Items included in this financial report are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Authority's functional and presentation currency.

**(iv) Classification between current
and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle - see 1(o) for a variation in relation to employee benefits.

(v) 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.

(vi) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and certain classes of property, plant and equipment.

(vii) Accounting estimates

The preparation of financial statements in conformity with AAS's requires the use of certain accounting estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

The most significant accounting estimates undertaken in the preparation of this financial report relate to:

- estimation of useful lives
- the impairment of assets
- doubtful debts
- provisions.

**(viii) Financial statement
presentation**

The Authority has applied the revised AASB 101 Presentation of Financial Statements which became effective for reporting periods beginning, on or after, 1 July 2014, and AASB 1054 Australian Additional Disclosures which became effective for reporting periods beginning on, or after, 1 July 2014.

(b) Changes in accounting policies

Subsequent to the 2013/14 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

**(i) AASB 10 Consolidated Financial
Statements**

AASB 10 provides a new approach to determine whether an entity has control over an entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an entity for financial reporting purposes:

- (a) The investor has power over the investee;
- (b) The investor has exposure, or rights to variable returns from its involvement with the investee; and
- (c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, the Authority has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group. The Authority has concluded that there are no additional entities that have met the control criteria and has not been required to amend the financial statements.

**EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**

(ii) AASB 11 Joint Arrangements

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

The Authority has reviewed its existing contractual arrangements with other entities to ensure they are aligned with the new classifications under AASB 11. It has concluded that it has no joint operations or joint ventures and has not been required to amend the financial statements.

(iii) AASB 12 Disclosure of Interests in Other Entities

AASB 12 Disclosure of Interests in Other Entities prescribes the disclosure requirements for an entity's interests in subsidiaries, associates, joint arrangements and extends to the entity's association with unconsolidated structured entities.

The Authority does not have any interests in subsidiaries, associates or joint arrangements.

(c) Revenue Recognition

(i) Fees and charges

Revenue is recognised when the services to which they relate have been provided.

(ii) Government grants and other contributions

Government grants and contributions are recognised as income from transactions on receipt or when the Authority obtains control of the contribution and meets certain other criteria as outlined in AASB 1004 *Contributions*, whichever is the sooner, and disclosed in the Comprehensive Operating Statement as government grants and other contributions. However, grants and

contributions received from the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Environment, Climate Change and Water have indicated are in the nature of owners' contributions, are accounted for as Equity – Contributions by Owners in accordance with FRD119A *Transfers through Contributed Capital*.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions.

(iii) Interest

Interest income is recognised using the effective interest rate method in the period in which it is earned.

(d) Expenses

(i) Depreciation and amortisation of non-current assets

All non-current physical assets that have a limited useful life are depreciated. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Land is not depreciated. Depreciation on other assets is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The assets residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Intangible assets with finite useful lives are amortised as an expense on a systematic basis (typically straight-line), commencing from the time the asset is available for use. The amortisation periods are reviewed and adjusted if appropriate at each balance date. Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually and adjusted if appropriate,

at each balance sheet date.

Major depreciation periods used are listed below and are consistent with the prior year, unless otherwise stated:

	2015 %	2014 %
Buildings	10	10
Information Technology	50	50
Plant, equipment and fittings	15	15
Furniture & office equipment	15	15
Motor vehicles	15-20	15-20

(ii) Employee benefits

These expenses include all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

(iii) Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents the contributions made or due by the Authority to the relevant superannuation plans in respect to the services of Authority staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Authority is required to comply with.

(iv) Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

(v) Other expenses

Other costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**(e) Cash and Cash Equivalents**

Cash and cash deposits recognised on the Balance Sheet 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 readily convertible to known amounts of cash with an insignificant risk of changes in value.

(f) Receivables

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services and accrued investment income; and
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables.

Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Contractual receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for impaired receivables.

Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of contractual receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amounts credited to the provision are recognised as an expense in the Comprehensive Operating Statement.

(g) Prepayments

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(h) Recognition and Measurement of Assets

Property, plant and equipment represents non-current physical assets comprising land, buildings, infrastructure, plant and equipment, furniture and office equipment and motor vehicles, used by the Authority in its operations. Items with a cost or value in excess of \$1,000 and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

(i) Acquisition

The purchase method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Where assets are constructed by the Authority, the cost at which they are recorded includes an appropriate share of fixed and variable overheads.

Assets acquired at no cost or for nominal consideration by the Authority are recognised at fair value at the date of acquisition.

(ii) Leasehold improvements

Leasehold improvements are measured at cost and amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

(iii) Non-current physical assets

All non-current physical assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of Financial Reporting Direction (FRD)103F *Non-Current Physical Assets*.

The Infrastructure assets are valued at depreciated replacement cost.

Plant, equipment and motor vehicles are measured at fair value. For the plant, equipment and vehicles asset class, where the Authority is able to demonstrate that there is no evidence

that a reliable market-based fair value (or other fair value indicators) exist for these assets, depreciated replacement cost could represent a reasonable approximation of fair value.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Comprehensive Operating Statement. When revalued assets are sold, it is the Authority's policy to transfer the amounts included in other reserves in respect of those assets to accumulated funds.

(iv) Revaluations

Revaluations are conducted in accordance with FRD 103F. Scheduled revaluation is undertaken every five years with an annual assessment of fair value to determine if it is materially different to the carrying value. The next revaluation is due in 2015/16. If the difference to carrying value is greater than 10 per cent, a management revaluation is undertaken while a movement greater than 40 per cent will normally involve an Approved Valuer (usually the Valuer General of Victoria) to perform a detailed assessment of the fair value. If the movement in fair value since the last revaluation is less than or equal to 10 per cent, then no change is made to carrying amounts.

Revaluation increments are credited directly to equity in the asset revaluation reserve surplus/(deficit), except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in determining the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as an expense in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of infrastructure, property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated surplus/(deficit) on derecognition of the relevant asset.

**EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015****(v) Impairment of Assets**

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount.

All other assets are assessed annually for indicators of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written-off by a charge to the Comprehensive Operating Statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

An impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading asset revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the Comprehensive Operating Statement, a reversal of that impairment loss is also recognised in the Comprehensive Operating Statement.

(vi) Assets classified as held for sale

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, as their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. If the Authority considers that the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be

completed within 12 months from the date of classification. Assets are not depreciated or amortised while they are classified as held for sale. Assets classified as held for sale are classified as current assets.

(i) Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Authority.

Intangible assets consist of software and licences. These assets are amortised over 2 years.

(i) Web site costs

Costs in relation to web sites controlled by the Authority are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefits. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits controlled by the entity that can be reliably measured, are capitalised as an asset and amortised over the period of the expected benefits, which vary from three to five years.

(j) Finance Leases

The Authority does not have any finance leases.

(k) Operating Leases

The Authority does not have any Operating Leases.

(l) Financial Instruments / Investments**(i) Recognition**

Financial instruments are initially measured at fair value, plus in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly

attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured as set out below.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading or designated at fair value through profit and loss on initial recognition when doing so results in more relevant information. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets. Gains and losses arising from changes in fair value are recognised in the Comprehensive Operating Statement.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables and other receivables in the balance sheet. Loans and receivables are recorded at amortised cost less impairment.

(iv) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Authority's management has the positive intention and ability to hold to maturity. If the Authority were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets. Any held-to maturity investments held by the Authority are stated at amortised cost.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**(v) Available-for-sale financial assets**

Available-for-sale financial assets include those non derivative financial assets that are designated as available for sale and any financial assets not included in the other categories. Available-for-sale financial assets are measured at fair value. Gains and losses arising from changes in fair value are taken directly to equity and recycled to the Comprehensive Operating Statement upon disposal or the financial asset is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the Comprehensive Operating Statement of the period.

(vi) Fair value

Fair value is determined based on current bid prices for all quoted investments.

Consistent with AASB 13 *Fair Value Measurement*, the Authority determines the policies and procedures for both recurring fair value measurements such as infrastructure, property, plant and equipment and financial instruments and for non recurring fair value measurements such as assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Authority has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Authority determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

The Valuer General Victoria (VGV) is the Authority's independent valuation agency in relation to valuation of property, plant and equipment.

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

(m) Trade and Other Payables

Payables consist of:

- contractual payables, such as accounts payable and unearned income. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid, and arise when the Authority becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables 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 a contract.

The contractual payables are unsecured and are usually paid within 14 days of recognition.

(n) Provisions

Provisions are recognised when the Authority has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(o) Employee Benefits

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.

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non monetary benefits and annual leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Authority does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, and annual leave are measured at:

- undiscounted value if the Authority expects to wholly settle within 12 months; or
- present value if the Authority does not expect to wholly settle within 12 months.

**EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015****(ii) Long service leave**

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Authority does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value if the Authority expects to wholly settle within 12 months; and
- present value if the Authority does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non current LSL liability is measured at present value.

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

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The Authority recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, superannuation and worker's compensation are recognised and included in employee benefit liabilities and costs when the employee benefits

to which they relate are recognised as liabilities.

(v) Performance payments

Performance payments for the Authority's Executive Officers are based on a percentage of the annual salary package provided under the contract(s) of employment. A liability is recognised and is measured as the aggregate of the amounts accrued under the terms of the contract to balance date. No performance payments were made or provided for during the year.

(p) Contributions by Owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

Grants and contributions received from the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Environment, Climate Change and Water have indicated are in the nature of owners' contributions, are accounted for as Equity – Contributions by Owners.

(q) Taxation

The Authority is not liable for Income Tax.

(r) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note (refer to Note 16) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(s) Contingent Assets and Contingent Liabilities

Contingent assets and Contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 18) and, if

quantifiable, are measured at nominal value. Contingent assets and Contingent liabilities are presented inclusive of GST payable.

(t) Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis – i.e., inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(u) Objective and Funding

The Authority is responsible for the coordinated control of natural resource management within the broader catchments of East 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.

(v) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period. As at 30 June 2015, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2015. The Authority has not, and does not intend to, adopt these standards early.

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EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on the Authority's financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017 (Exposure Draft 263 - potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014 1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014 4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2015 6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

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EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2014-15 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15

AASB 2014 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

AASB 2014 8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]

AASB 2015 2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]

AASB 2015 3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

NOTE 2 FINANCIAL RISK MANAGEMENT

The Authority's activities expose it to a variety of financial risks, but primarily risks of market risk (interest rate risk), credit risk and liquidity risk. The Authority's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Authority. The Authority uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk. The Authority does not enter into derivative financial instruments and does not speculate in any type of financial instrument.

The board and senior management are responsible for monitoring and managing the financial risks of the Authority. They monitor these risks through bi-monthly board meetings where management reports are presented and analysed.

The main risks the Authority is exposed to through its financial instruments are as follows:

(a) Market Risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Authority's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Authority's exposure to market risk is primarily through interest rate risk with significant surplus funds held in term deposits and deposits at call. The Authority has no exposure to foreign exchange risk or other price risk.

(i) Interest rate risk

The Authority's exposure to market interest rates relates primarily to the Authority's funds invested term deposits and deposits at call. The interest rate on the Authority's term deposits is fixed and therefore the Authority is not exposed to any material interest rate risk.

At balance date term deposits totalled \$8,000,000, with a weighted average interest rate of 2.62% (2014: term deposits totalled \$5,200,000, with a weighted average interest rate of 3.15%).

At balance date \$1,517,560 was held in deposits at call with a weighted average interest rate of 2.08% (2014: 2.48%). All trade creditors and accruals are non-interest bearing.

Interest rate sensitivity analysis

A change of 1% in interest rates would have increased/(decreased) the net result by the amounts detailed below. The analysis assumes that all other variables remain constant.

(b) Credit Risk

Credit risk is the risk of financial loss to the Authority as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from the Authority's receivables and financial assets available for sale.

The Authority has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Authority measures credit risk on a fair value basis.

The Authority does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than the Government. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

	\$	Interest Rate Risk			
		-1%		+1%	
		Result \$	Equity \$	Result \$	Equity \$
Cash and Cash Equivalents					
2015	9,523,360	(95,234)	(95,234)	95,234	95,234
2014	8,605,940	(86,059)	(86,059)	86,059	86,059

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EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**(c) Liquidity Risk**

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority manages its liquidity risk by maintaining adequate cash reserves and continually monitoring the Authority's expenditure commitments and cash flow needs.

(d) Fair Value

The fair value of financial assets and financial liabilities has been estimated for recognition, measurement and for disclosure purposes.

Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial

statements approximates their fair values. The carrying amount of creditors and accruals at 30 June 2015 approximates market value.

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted

pricing models based on discounted cash flow analysis.

NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results (refer Note 1(a) (vii)).

NOTE 4: REVENUE**(a) Government Contributions**

Contributions to operations:

State Government

River Health/Healthy Waterways

Other State

Gippsland Lakes Environment Fund

Catchment Planning/Corporate Governance

Flood Recovery Program

Flood Employment Program

Second Generation Landcare

Water Statutory Functions

Bush Fire Recovery

Recreational Fishing Grants

Commonwealth Government

Caring for Our Country

National Landcare Program

Other Commonwealth

Total Government contributions shown as operating revenue

Total Government contributions**(b) Other revenues**

Interest

Other:

Miscellaneous

Total other revenues

(c) Profit and/or loss on sale of non-current assets

Proceeds from sale of fixed assets

Less written down value

Net profit/(loss) on disposal of non-current assets**Total revenue**

	2015 \$	2014 \$
River Health/Healthy Waterways	3,468,000	4,173,840
Other State	0	80,000
Gippsland Lakes Environment Fund	2,932,040	3,499,560
Catchment Planning/Corporate Governance	802,331	905,482
Flood Recovery Program	94,549	829,792
Flood Employment Program	0	400,000
Second Generation Landcare	278,000	273,000
Water Statutory Functions	572,000	342,000
Bush Fire Recovery	268,255	180,000
Recreational Fishing Grants	200,000	187,678
Commonwealth Government		
Caring for Our Country	1,125,843	2,251,685
National Landcare Program	1,125,842	0
Other Commonwealth	15,708	297,255
Total Government contributions shown as operating revenue	10,882,568	13,420,292
Total Government contributions	10,882,568	13,420,292
(b) Other revenues		
Interest	281,991	274,691
Other:		
Miscellaneous	440,735	174,904
Total other revenues	440,735	174,904
(c) Profit and/or loss on sale of non-current assets		
Proceeds from sale of fixed assets	77,601	123,177
Less written down value	(91,022)	(132,166)
Net profit/(loss) on disposal of non-current assets	(13,421)	(8,989)
Total revenue	11,591,873	13,860,899

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EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 5 EMPLOYEE BENEFITS

	2015 \$	2014 \$
Salaries & Wages	1,684,950	1,688,628
Annual Leave	144,372	134,820
Long Service Leave	36,413	57,968
Other Leave	120,748	122,766
Superannuation	193,663	182,815
Salary On Costs (excluding superannuation)	261,487	241,307
	2,441,633	2,428,304
	2,441,633	2,428,304

NOTE 6 EXPENSES - MATERIALS, CONSULTANTS, CONTRACTORS AND GRANTS PAID

Materials	226,099	705,423
Consultants	557,138	124,989
Contractors	2,625,977	4,215,471
Grants Paid	3,361,015	3,709,604
	6,770,229	8,755,487
	6,770,229	8,755,487

NOTE 7 EXPENSES - DEPRECIATION

Information technology	53,189	112,771
Plant, equipment & fittings	8,811	11,715
Furniture & office equipment	1,951	1,790
Motor vehicles	80,515	82,356
Buildings	13,766	15,870
	158,232	224,502
	158,232	224,502

NOTE 8 REMUNERATION OF AUDITORS

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Authority's financial report:

Audit Fees	10,250	10,000
<i>(amounts are exclusive of GST)</i>	10,250	10,000
	10,250	10,000

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FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9 CASH AND CASH EQUIVALENT ASSETS	2015 \$	2014 \$
Cash and cash equivalent assets		
Cash on hand	800	800
Cash at bank	5,000	4,886
Deposits at call	1,517,560	3,400,253
Investments		
Term Deposits - Treasury Corporation of Victoria	6,000,000	3,200,000
Term Deposits - National Australia Bank	2,000,000	2,000,000
The deposits at call are bearing floating interest rates between 1.50% and 2.35% (2014: 2.45% and 2.5%)	9,523,360	8,605,940

NOTE 10 RECEIVABLES

Current		
Trade debtors	643,301	65,791
Less provision for doubtful debts	(65,791)	(65,791)
	577,510	0
GST Paid	12,313	96,026
Accrued Interest on Term Deposits	93,561	54,727
Total receivables	683,384	150,753

These amounts generally arise from the usual operating activities of the Authority.

The ageing analysis of these receivables is as follows:

Up to 6 months	683,383	150,753
Over 6 months	65,791	65,791
	749,174	216,544

Movements in the provision for doubtful debts are as follows:

At 1 July	(65,791)	(65,791)
Provision for doubtful debts recognised during the year	0	0
Receivables written off during the year as uncollectable	0	0
Unused amount reversed	0	0
	(65,791)	(65,791)

The creation and release of the provision for doubtful debts has been included as an expense in the Comprehensive Operating Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The Authority has no exposure to changes in the foreign exchange rate, and the carrying amounts of the Authority's current receivables are denominated in Australian dollars.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value. The Authority does not hold any collateral as security. Refer to Note 2 for more information of the risk management policy of the Authority.

EGCMA FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 11 PROPERTY PLANT & EQUIPMENT	2015 \$	2014 \$
(a) Classes of property, plant and equipment		
Land		
At fair value	358,000	358,000
	<u>358,000</u>	<u>358,000</u>
Buildings		
At fair value	130,367	160,719
Accumulated depreciation	(13,766)	(15,870)
	<u>116,601</u>	<u>144,849</u>
Information technology		
At fair value	106,635	217,291
Accumulated depreciation	(53,189)	(112,771)
	<u>53,446</u>	<u>104,520</u>
Plant, equipment and fittings		
At fair value	56,134	78,368
Accumulated depreciation	(8,811)	(11,715)
	<u>47,323</u>	<u>66,653</u>
Furniture and office equipment		
At fair value	13,959	12,547
Accumulated depreciation	(1,952)	(1,788)
	<u>12,007</u>	<u>10,759</u>
Motor vehicles		
At fair value	472,998	485,984
Accumulated depreciation	(80,515)	(82,357)
	<u>392,483</u>	<u>403,627</u>
Total property, plant and equipment	<u><u>979,860</u></u>	<u><u>1,088,408</u></u>

Basis of valuation

Land and Buildings were independently valued as at 30 June 2011 by the Valuer-General Victoria. The basis of valuation is fair value as defined under the Australian Accounting Standard AASB116 and FRD103F with emphasis on the depreciated replacement cost approach and direct comparison.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

(b) Movements during the reporting periods

	Land	Buildings	Information Technology	Plant, Equipment and Fittings	Furniture and Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying Amount							
Balance as at 1 July 2013	358,000	158,465	148,892	77,915	11,146	491,089	1,245,507
Additions	0	2,254	68,602	3,482	1,402	123,829	199,569
Disposals	0	0	(203)	(3,028)	0	(128,935)	(132,166)
Revaluations	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Write-Offs	0	0	0	0	0	0	0
Derecognition	0	0	0	0	0	0	0
Depreciation	0	(15,870)	(112,771)	(11,715)	(1,790)	(82,356)	(224,502)
Balance as at 1 July 2014	358,000	144,849	104,520	66,653	10,759	403,627	1,088,408
Additions	0	0	2,115	0	3,200	135,391	140,706
Disposals	0	(14,482)	0	(10,519)	0	(66,020)	(91,021)
Revaluations	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Write-Offs	0	0	0	0	0	0	0
Derecognition	0	0	0	0	0	0	0
Depreciation	0	(13,766)	(53,189)	(8,811)	(1,952)	(80,515)	(158,233)
Balance as at 30 June 2015	358,000	116,601	53,446	47,323	12,007	392,483	979,860

Refer Note 1 for the accounting policy relating to disclosure of the fair value measurement hierarchy.

The Authority has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

The fair value measurement hierarchy for assets as at 30 June 2015 is presented below. Please note this does not reconcile to the tables presented above as this only includes those assets measured at fair value.

EGCMA FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

(c) Fair value measurement hierarchy for assets as at 30 June 2015.

	Carrying amount as at 30 Jun 15	Fair Value measurement at end of reporting period using:		
		Level 1(i)	Level 2 (i)	Level 3 (i)
Land at Fair Value				
Non-specialised land				
Specialised land	358,000			358,000
Total Land at Fair Value	358,000	0	0	358,000
Buildings at Fair Value				
Specialised buildings				
Non-specialised buildings	116,601		116,601	
Heritage assets				
Total Buildings at Fair Value	116,601	0	116,601	0
Plant, equipment and fittings at Fair Value				
Plant, equipment and fittings	47,323			47,323
Total Plant, equipment and fittings at Fair Value	47,323	0	0	47,323
Information technology, furniture and office equipment at Fair Value				
Information technology, furniture and office equipment	65,453			65,453
Total information technology, furniture and office equipment at Fair Value	65,453	0	0	65,453
Motor vehicles at Fair Value				
Motor vehicles (ii)	392,483			392,483
Total Motor Vehicles at Fair Value	392,483	0	0	392,483

Note:

(i) Classified in accordance with the fair value hierarchy, see Note 1(m)(vi).

(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value.

There have been no transfers between levels during the period.

Specialised Land

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

Non-Specialised Buildings

Non specialised buildings are valued also 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.

To the extent that non specialised land and buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2015.

Vehicles

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

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

Reconciliation of Level 3 Fair Value

2015	Specialised Land	Plant, equipment and fittings	Information technology, furniture and office equipment	Vehicles
	\$	\$	\$	\$
Opening Balance	358,000	66,653	115,279	403,627
Purchases (sales)		0	5,315	135,391
Transfers in (out) of Level 3		(10,519)	0	(66,020)
Gains or losses recognised in net result				
Depreciations		(8,811)	(55,141)	(80,515)
Impairment loss				
Subtotal	0	(19,331)	(49,825)	(11,144)
Revaluation				
Subtotal	0	0	0	0
Closing Balance	358,000	47,323	65,453	392,483
Unrealised gains/(losses) on non-financial assets	0	0	0	0

2014	Specialised Land	Plant, equipment and fittings	Information technology, furniture and office equipment	Vehicles
	\$	\$	\$	\$
Opening Balance	358,000	77,915	160,038	491,089
Purchases (sales)		3,482	70,004	123,829
Transfers in (out) of Level 3		(3,028)	(203)	(128,935)
Gains or losses recognised in net result				
Depreciations		(11,715)	(114,560)	(82,356)
Impairment loss				
Subtotal	0	(11,262)	(44,759)	(87,462)
Revaluation				
Subtotal	0	0	0	0
Closing Balance	358,000	66,653	115,279	403,627
Unrealised gains/(losses) on non-financial assets	0	0	0	0

EGCMA FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Description of significant unobservable inputs to Level 3 valuations

2015	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	50–70% (60%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Plant, equipment and fittings	Depreciated replacement cost	Cost per unit	\$3,000–\$4,000 per unit (\$3,500 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of plant and equipment	10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Information technology, furniture and office equipment	Depreciated replacement cost	Cost per unit	\$3,000–\$4,000 per unit (\$3,500 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of information technology, furniture and office equipment	3–10 years (7 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Vehicles	Depreciated replacement cost	Cost per unit	\$25,000–\$60,000 per unit (\$40,000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of vehicles	7.5–10 years (7.5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Description of significant unobservable inputs to Level 3 valuations

2014	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	50–70% (60%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Plant, equipment and fittings	Depreciated replacement cost	Cost per unit	\$3,000–\$4,000 per unit (\$3,500 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of plant and equipment	10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Information technology, furniture and office equipment	Depreciated replacement cost	Cost per unit	\$3,000–\$4,000 per unit (\$3,500 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of information technology, furniture and office equipment	3–10 years (7 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Vehicles	Depreciated replacement cost	Cost per unit	\$25,000–\$60,000 per unit (\$40,000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of vehicles	7.5–10 years (7.5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

EGCMA FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12 PAYABLES	2015 \$	2014 \$
Current Payables		
Trade payables	141,458	215,309
Other	28,906	62,562
Total Payables	<u>170,364</u>	<u>277,871</u>

The carrying amounts of the Authority's trade and other payables are denominated in Australian Dollars.

Due to the short-term nature of the current payables, their carrying value is assumed to approximate their fair value.

NOTE 13 EMPLOYEE BENEFITS

Current

Annual leave and unconditional long service leave entitlements, representing 7 years of continuous service, measured at Nominal Value

Annual leave		
Unconditional and expected to settle within 12 months	75,373	72,057
Unconditional and expected to settle after 12 months - measured at present value	25,112	18,211
Long service leave		
Unconditional and expected to settle within 12 months	40,099	
Unconditional and expected to settle after 12 months	218,724	215,054
Other - Time in Lieu		
Unconditional and expected to settle within 12 months	1,177	4,876
Provisions for on-costs		
Unconditional and expected to settle within 12 months	17,182	10,621
Unconditional and expected to settle after 12 months	36,283	34,383
Total Current	<u>413,950</u>	<u>355,202</u>

Non-Current

Conditional long service leave entitlements, measured at Present Value

Long service leave	47,426	71,444
On-costs	7,057	10,531
Total Non-Current	<u>54,483</u>	<u>81,975</u>

Aggregate carrying amount

Current	413,950	355,202
Non-Current	54,483	81,975
Total Employee Benefits	<u>468,433</u>	<u>437,178</u>

Full Time Equivalent Employee numbers at end of financial year:	19.80	21.40
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The following assumptions were adopted in measuring the present value of long service leave entitlements:

Weighted average increase in employee costs	4.44%	4.44%
Weighted average discount rates	3.03%	3.13%
Weighted average settlement period	7 years	7 years

EGCMA

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14 CONTRIBUTED CAPITAL, RESERVES AND ACCUMULATED FUNDS	2015 \$	2014 \$
(a) Contributed capital		
Balance at beginning of year	6,987,366	6,987,366
Balance at end of year	6,987,366	6,987,366
(b) Reserves		
Asset revaluation reserve		
Balance at beginning of year	576,277	576,277
Transfer of increments/decrements on disposal of non-current assets	0	0
Net transfers (to)/from accumulated funds	0	0
Asset revaluation reserve	576,277	576,277
Total Reserves	576,277	576,277
(c) Accumulated funds		
Balance at beginning of year	1,644,626	(534,744)
Net result for the period	1,407,004	2,179,370
Transfer from Asset Revaluation Reserve	0	0
Transfer (to)/from Committed Funds Reserve	0	0
Balance at end of year	3,051,630	1,644,626

NOTE 15 FINANCIAL INSTRUMENTS

The following table sets out the Authority's exposure to interest rate risk and the effective weighted average interest rate by maturity periods. Exposures arise predominantly from liabilities bearing fixed interest rates.

Interest rate exposures and maturities

	<i>Weighted Average Floating Interest Rate</i>	<i>Weighted Average Fixed Interest Rate</i>	<i>Non Interest Bearing</i>	<i>Floating Interest</i>	<i>Fixed Interest Maturing less than 1 year</i>	<i>Total</i>
2015						
Financial asset						
Cash and cash equivalents	2.08%	2.86%	800	1,522,560	8,000,000	9,523,360
Receivables	N/A	N/A	671,071	0	0	671,071
Financial Liabilities						
Payables	N/A	N/A	(170,364)	0	0	(170,364)
Net financial assets/liabilities			501,507	1,522,560	8,000,000	10,024,067
2014						
Financial asset						
Cash and cash equivalents	2.32%	3.15%	800	3,405,139	5,200,000	8,605,940
Receivables	N/A	N/A	120,518	0	0	120,518
Financial Liabilities						
Payables	N/A	N/A	(277,871)	0	0	(277,871)
Net financial assets/liabilities			(156,552)	3,405,139	5,200,000	8,448,587

**EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 15: FINANCIAL INSTRUMENTS (cont.)

The fair value of financial instruments must be estimated for recognition and measurement or for disclosure purposes.

Refer to Note 1(m)(vi) for accounting policy relating to disclosure of fair value measurement hierarchy.

The following tables present the Authority's financial assets and financial liabilities measured and recognised at fair value at 30 Jun 2015 and 2014. It also shows the comparison between the carrying amount of the asset or liability and its fair value.

2015	Carrying amount as at 30 June 2015 \$	Fair Value as at 30 June 2015 \$
Fair value of financial instruments measured at amortised cost		
Assets		
Cash and cash equivalents and receivables	10,194,431	10,194,431
Total Assets	10,194,431	10,194,431
Liabilities		
Payables	170,364	170,364
Total Liabilities	170,364	170,364

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

NOTE 16 COMMITMENTS

2015
\$

2014
\$

Non-Capital commitments

As at 30 June 2015 the Authority had \$143,926 (2014: \$222,834) in non-capital expenditure commitments. All outstanding commitments are to be expensed in the 2014/15 financial year.

Within one year	81,592	78,805
Later than one year but not later than five years	62,334	144,029
Later than five years	0	0
	<u>143,926</u>	<u>222,834</u>

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17 CARRY FORWARD 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 primarily funded by Victorian and Australian Government programs. The Authority receives 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 Environment, Climate Change and Water.

The projects funded by the State and Commonwealth Governments can be undertaken over multiple financial years and funding 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.

Refer Note 9 - Cash and cash equivalent assets.

NOTE 18 CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

As at 30 June 2015, the Authority has no contingent assets (\$nil 2014).

Contingent Liabilities

As at 30 June 2015, the Authority has no contingent liabilities (\$nil 2014).

NOTE 19 SUPERANNUATION

Accumulation and Defined Benefits

The Authority makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the Authority and the Authority's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

The Superannuation Guarantee contribution rate is legislated to progressively increase to 12% by 2025. The Superannuation Guarantee rate will remain at 9.5% for 7 years, increasing to 10% from 1 July 2021, and eventually to 12% from 1 July 2025.

Defined Benefit

As provided under Paragraph 34 of AASB 119, the Authority does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Authority in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

**EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015****NOTE 19: SUPERANNUATION (cont.)***Funding Arrangements*

The Authority makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the Vested Benefit Indexed (VBI) of the defined benefit category of which the Authority is a contributing employer was 103.4%.

The Australian Prudential Regulation Authority (APRA) has introduced a prudential standard (SPS 160 - Defined Benefit Matters) to determine the funding requirements of a defined benefit (DB) arrangement. Under this standard:

- the VBI is the measure to determine whether there is an unfunded liability; and
- any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the defined benefit category's funding arrangements from prior years.

The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

The Authority is also required to make additional contributions to cover the contribution tax payable on the components 2 and 3 referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions - regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, the Authority makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, the Authority reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including the Authority) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: SUPERANNUATION (cont.)

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- The service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Authority's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Retrenchment increments

During 2014-15, the Authority was not required to make payments to the Fund in respect of retrenchment increments (\$nil in 2013/14). The Authority's liability to the Fund as at 30 June 2015, for retrenchment increments, accrued interest and tax is \$nil (\$nil in 2013/14).

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which the Authority is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The Authority was notified of the results of the actuarial investigation during January 2015.

Prior actuarial investigation shortfall amounts.

The Fund's prior actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category. A total of \$2.6 million (excluding contributions tax) was outstanding as at 30 June 2015 (\$9.2 million amount for 2013/14).

The Authority was informed of its share of the shortfall on 2 August 2012 and the Authority's share of the shortfall amounted to \$115,343 (excluding contributions tax) which has been accounted for in the 2011/12 Comprehensive Operating Statement with Employee Benefits and in the Balance Sheet in Current Liabilities Provisions.

The Authority has \$Nil amount owing as at 30 June 2015 (\$Nil 2013/14).

EGCMA FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: SUPERANNUATION (cont.)

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2014 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	\$M
Net Market Value of Assets	2,354.9
Accrued Benefits	
(per accounting standards)	2,061.9
Difference between Assets and Accrued Benefits	293.00
Vested Benefits	
(Minimum sum which must be paid to members when they leave the fund)	2,277.8

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2017.

Fund	Type of Scheme	Rate %	2015 \$	2014 \$
Vision Super	Defined benefits	9.50%	6,280	5,698
Vic Super New Scheme	Accumulation	9.50%	46,896	34,095
Vision Super Saver	Accumulation	9.50%	58,389	75,854
All Other funds	Accumulation	9.50%	82,098	67,168
Total contributions to all funds			193,663	182,815

As at the balance date there was no contributions payable to any fund (\$Nil 2014).

No balances were repayable in respect of loans made to the Authority from any fund.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$10,015.

FINANCIAL STATEMENTS 2014 - 2015

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20 RESPONSIBLE PERSONS RELATED DISCLOSURES

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

The persons who were responsible persons at anytime during the financial year were:

Honourable Ryan Smith MLA	Minister for Environment and Climate Change	1st July 2014	3rd December 2014
Honourable Peter Walsh MP	Minister for Water	1st July 2014	3rd December 2014
Honourable Lisa Neville MLA	Minister for Environment, Climate Change and Water	4th December 2014	30th June 2015
Peter Veenker	Chair	1st July 2014	30th June 2015
John Colin Groom	Board Member & Deputy Chair	1st July 2014	30th June 2015
Graeme James Dear	Chief Executive Officer	1st July 2014	30th June 2015
Ross Anthony Ingram	Board Member	1st July 2014	30th June 2015
William Ernest Bulmer	Board Member	1st July 2014	30th June 2015
Kate Louise Young	Board Member	1st July 2014	30th June 2015
Richard Geoffrey Robertson	Board Member	1st July 2014	30th June 2015
Arthur Allen	Board Member	1st October 2014	30th June 2015
Ken Skews	Board Member	1st October 2014	30th June 2015

No contractors had significant management responsibilities during the financial year ended 30 June 2015 (2014: Nil).

Remuneration of responsible persons

Remuneration paid to Ministers is reported in the Annual Report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests which each member of the Parliament completes.

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

Band	2015	2014
\$0-\$9,999	2	4
\$10,000-\$19,999	5	5
\$20,000-\$29,999	1	1
\$30,000-\$39,999	0	0
\$50,000-\$59,999	0	0
\$180,000-\$189,999	0	1
\$190,000-\$199,999	1	0
Total Remuneration \$	311,043	310,519

Responsible Persons - related parties

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2015 (2013/14: Nil).

**EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**

Remuneration of executive officers

The number of executive officers, other than responsible persons, whose total remuneration falls within the specified bands above \$100,000 are as follows:

Band	Total Remuneration		Base Remuneration	
	2015	2014	2015	2014
\$120,000-\$129,999	0	1	0	1
\$130,000-\$139,999	2	0	2	0
\$150,000-\$159,999	0	1	0	1
Total number of Executive Officers	2	2	2	2
Total Annualised Employee Equivalent (*)	2.0	2.0	2.0	2.0
Total Remuneration \$	262,561	279,305	262,561	279,305

(*) Annualised Employee Equivalent is based on working 38 ordinary hours per week over the reporting period.

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the first two columns in the table above in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

**NOTE 21 RECONCILIATION OF NET RESULT FOR THE PERIOD TO
NET CASH FLOWS FROM OPERATING ACTIVITIES**

	2015 \$	2014 \$
Net result for the period	1,407,004	2,179,370
Add/(less) Non-Cash Flows in Net Result		
(Profit) / loss on disposal of non-current assets	13,421	8,989
Depreciation and amortisation	158,232	224,502
	1,578,657	2,412,861
Changes in Assets and Liabilities		
Decrease/(increase) in trade receivables	(532,631)	1,149,570
Decrease/(increase) in prepayments	10,750	(19,176)
(Decrease)/Increase in payables	(107,508)	(393,453)
(Decrease)/increase in employee benefits	31,256	17,398
Net Cash flows from Operating Activities	980,524	3,167,200

NOTE 22 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.

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, East Gippsland Catchment Management Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the East Gippsland Catchment Management Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

The board members of the East Gippsland Catchment Management Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the board members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

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

EGCMA FINANCIAL STATEMENTS 2014 - 2015

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the East Gippsland Catchment Management Authority as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
9 September 2015



John Doyle
Auditor-General

APPENDIX 1

DISCLOSURE INDEX

The Annual Report of the East Gippsland Catchment Management Authority is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

LEGISLATION	REQUIREMENT	PAGE REFERENCE
Ministerial Directions		
Report of operations – FRD guidance		
Charter and purpose		
FRD 22F	Manner of establishment and the relevant Ministers	5
FRD 22F	Objectives, functions, powers and duties	6
FRD 22F	Performance against (statutory) objectives, functions, powers, duties	5-21
FRD 22F	Initiatives and key achievements	24
FRD 22F	Nature and range of services provided	5-6
Management and structure		
FRD 22F	Organisational structure	26-27
Financial and other information		
FRD 8C, SD 4.2(k)	Performance against output performance measures	N/A
FRD 8C	Budget portfolio outcomes	N/A
FRD 10	Disclosure index	66
FRD 12A	Disclosure of major contracts	29
FRD 15B	Executive officer disclosures	29
FRD 22F	Employment and conduct principles	28
FRD 22F	Occupational health and safety policy	28
FRD 22F	Five year financial summary	25
FRD 22F	Significant changes in financial position during the year	25
FRD 22F	Significant changes or factors affecting performance	25
FRD 22F	Performance against operational and budgetary objectives	22-24
FRD 22F	Subsequent events	26
Financial Report		
FRD 22F	Application and operation of <i>Freedom of Information Act 1982</i>	29
FR 22F	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	29
FRD 22F	Statement on National Competition Policy	30
FRD 22F	Application and operation of the <i>Protected Disclosure 2012</i>	30
FRD 22F	Application and operation of the <i>Carers Recognition Act 2012</i>	N/A
FRD 22F	Details of consultancies over \$10,000	29
FRD 22F	Details of consultancies under \$10,000	29
FRD 22F	Statement of availability of other information	31
FRD 24C	Reporting of office based environmental impacts	30
FRD 25B	Victorian Industry Participation Policy disclosures	29
FRD 29A	Workforce Data disclosures	29
SD 4.5.5	Risk management compliance attestation	31

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LEGISLATION	REQUIREMENT	PAGE REFERENCE
Ministerial Directions (continued)		
Financial Report		
SD 4.2(g)	Specific information requirements	34
SD 4.2(j)	Sign off requirements	34
Financial statements required under Part 7 of the FMA		
SD4.2(a)	Statement of changes in equity	37
SD4.2(b)	Operating statement	35
SD4.2(b)	Balance sheet	36
SD4.2(b)	Cash flow statement	37
Other requirements under Standing Directions 4.2		
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	38
SD4.2(c)	Compliance with Ministerial Directions	34
SD4.2(d)	Rounding of amounts	38
SD4.2(c)	Accountable officer's declaration	34
SD4.2(f)	Compliance with Model Financial Report	38
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9A	Departmental Disclosure of Administered Assets and Liabilities by Activity	N/A
FRD 11A	Disclosure of Ex gratia Expenses	N/A
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21B	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	62-63
FRD 102	Inventories	N/A
FRD 103E	Non Financial Physical Assets (Pending revision)	40
FRD 104	Foreign Currency	N/A
FRD 106	Impairment of Assets	41
FRD 109	Intangible Assets	41
FRD 107A	Investment Properties	N/A
FRD 110	Cash Flow Statements	37
FRD 112D	Defined Benefit Superannuation Obligations	58-61
FRD 113	Investments in Subsidiaries, Jointly Controlled Entities and Associates (Pending revision)	39
FRD 114A	Financial Instruments – General Government Entities and Public Non Financial Corporations	57
FRD 119A	Transfers through Contributed Capital	N/A
Legislation		
	<i>Freedom of Information Act 1982</i>	29
	<i>Building Act 1993</i>	29
	<i>Protected Disclosure Act 2001</i>	30
	<i>Carers Recognition Act 2012</i>	N/A
	<i>Victorian Industry Participation Policy Act 2003</i>	29
	<i>Financial Management Act 1994</i>	34

LIST OF USED ACRONYMS/ABBREVIATIONS

AGRDR	Australian Government's Regional Delivery program
CaLP Act	<i>Catchment and Land Protection Act 1994</i>
CEO	Chief Executive Officer
Charter	<i>Charter of Human Rights and Responsibilities Act 2006</i>
CMAs	Catchment Management Authorities
DEDJTR	Department of Development, Jobs, Transport and Resources
DEWLP	Department of Environment, Land, Water and Planning
EGCMA	East Gippsland Catchment Management Authority
EGLN	East Gippsland Landcare Network
EGSC	East Gippsland Shire Council
EGWS	East Gippsland Waterway Strategy
EPBC	Environment Protection and Biodiversity Conservation
FEVL	Far East Victoria Landcare Network
FMA	<i>Financial Management Act 1994</i>
FOI	Freedom of Information
FOI ACT	<i>Freedom of Information Act 1982</i>
FTE	Full Time Equivalent
GA	Greening Australia
GLEF	Gippsland Lakes Environmental Fund
GLaWAC	Gunaikurnai Land and Waters Aboriginal Corporation
GLMAC	Gippsland Lakes Ministerial Advisory Committee
GPCMN	Gippsland Plains Conservation Management Network
Ha or ha	Hectare
IBAC	Independent Broad-based Anti-corruption Commission
Km	Kilometre
LRF	Littoral Rainforest
LWMP	Land and Water Management Plan
N/A	Not Applicable
No.	Number
NRM	Natural Resource Management
OHS	Occupational Health & Safety
PA Act	<i>Public Administration Act 2004</i>
PD Act	<i>Protected Disclosure Act 2012</i>
PV	Parks Victoria
RCS	Regional Catchment Strategy
RLC	Regional Landcare Coordinator
RNVP	Regional Native Vegetation Plan
SFS	Southern Farming Systems
The Authority	East Gippsland Catchment Management Authority
TFN	Trust for Nature
VLG	Victorian Landcare Grant
Water Act	<i>Water Act 1989</i>
WMM	Works Monitoring Method



EAST GIPPSLAND
CATCHMENT
MANAGEMENT
AUTHORITY



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