

2019



2013

# Annual Report 2018-2019

EAST GIPPSLAND  
CATCHMENT  
MANAGEMENT  
AUTHORITY



## **Acknowledgement**

Front cover photo – Combiensbar River rehabilitation, before and after.

Photo supplied by – East Gippsland Catchment Management Authority.

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## PART 1 - YEAR IN REVIEW

### 1. CHAIRMAN'S REPORT

In accordance with the *Financial Management Act 1994 (FMA)*, we are pleased to present the Annual Report of Operations for the East Gippsland Catchment Management Authority for the year ended 30 June 2019.

This report provides transparency to our community, the government and other stakeholders about the outcomes we are achieving with government investment. The report describes how the Authority is responding to the priorities of Government reflected in the *Catchment Management Authority Letter of Expectations*.

As such, I provide this chairman's report consistent with those nine expectations as follows:

#### 1. Climate Change

Two major climate change initiatives were completed this year as follows:

- Continuation of the Lakes Entrance Growth and Adaption Strategy is a cooperative effort between East Gippsland Shire Council, DELWP planning and the EGCMA. The driver for this difficult project is to manage the potential future impacts of sea level rise and riverine flooding on Lakes Entrance Township. The agencies are working through the potential impacts on future town planning and development to try and determine the best adaption strategy for the future. The first stage of strategy findings is due for completion next year.
- The Gippsland Lakes Coordinating Committee has incorporated climate change planning into the program now and into the future. For example, Gunaikurnai Land and Water Aboriginal Corporation (GLaWAC) have identified and prioritised cultural and environmental values most at risk from the impacts of climate change and increased inundation around the lakes. The project is helping to identify important sites to the Gunaikurnai community where mitigation works can be implemented.

#### 2. Waterway and Catchment Health

The Authority is on track for completion of the Environmental Contribution (EC4) tranche of funding for both the Waterways and Our Catchments, Our Future (OCOC) programs. Key achievements are as follows:

- The Authority has met target for the Cann River flagship project.
- The Authority has completed stakeholder consultation and advance planning for the Lower Mitchell River flagship project as part of preparation for EC5.
- The Gippsland Lakes program; overseen by the Gippsland Lakes Coordinating Committee (GLCC) is progressing well, with all funds now allocated to projects involving more than 40 groups and agencies working together. The next version of the Gippsland Lakes program "Room to Move" has been developed for consideration by Victorian Government as part of EC5.
- Continuance of the Authority willow and woody weed control programs has progressed towards targets in the Mitchell and Snowy catchments.
- Continuation of the OCOC Dirty Dozen weed project around Ensay and the Skull Creek rehabilitation project near Lindenow has continued to involve many groups of landholders, NGO's, Traditional Owners and agency partners.

#### 3. Water for Agriculture

The Authority will be supporting the \$10 million Lindenow Valley Water Security project announced by the Commonwealth government recently. This initiative will support Lindenow Valley agriculture businesses to build infrastructure for water storage and application on farms in dry times when river flows are at their lowest. The exact details of the project such as outcomes, grant guidelines and the agency management structure will be determined next year.

#### 4. Community Engagement and Partnerships

The Authority engagement activity is guided by an annual Communications and Engagement Plan and participation plan reviewed annually and monitored by the Board at each meeting. The plan guides development and maintenance of engagement at all levels from Board

through to all staff.

The objective is to ensure that as many partners as possible are working together on common objectives based on Regional Catchment Strategy (RCS) priorities. Some examples are as follows:

- The Authority provides administrative support to the Gippsland Lakes Coordinating Committee jointly managed by the EGCMA and WGCMA. The committee reports to the Minister for Water and recommends priorities for Gippsland Lakes program funding.
  - The East Gippsland CEO's forum and Gippsland Environment Agencies (GEA) forum underpins implementation of the East Gippsland Catchment Partnership Agreement. Both forums are represented by agency leaders who are working together on common priorities set each year.
  - Program Working Groups are comprised of partner agencies, groups and individuals coordinating and implementing our landscape priority programs, both within East Gippsland and across CMA regions.
  - Our engagement activity has increased this year with a focus on recreational interest groups such as angling clubs, rowing groups and swimmers.
- #### 5. Recognise and support Aboriginal cultural values and economic inclusion in the water sector
- The Authority is supporting the GLaWAC water officer positions in Gippsland together with other Gippsland water corporations. The positions will help GLaWAC further identify cultural values along our waterways and discuss options for future management.
  - GLaWAC are participating fully in the development of future waterway programs such as Gippsland Lakes "Room to Move" and the flagship Mitchell River Rehabilitation. Important cultural priorities are being identified as part of these processes.
  - Our long term partnership with Moogji Aboriginal Corporation on the Snowy River will continue this year. The long term program has assisted Moogji to develop skills and reputation sufficient to meet competitive tender criteria

for other agencies in East Gippsland.

- The Authority is also supporting development of the "Parks as Products" initiative as part of implementation of the Gunaikurnai Joint Management Plan. Successful completion of this project is designed to identify and leverage cultural knowledge and stories relevant to each of the 10 jointly managed parks and reserves.

#### 6. Recognise recreational values

Communities utilise our natural environments for recreational purposes such as enjoying nature, camping, fishing and paddling. The Authority is working with many different community groups to increase their involvement and participation in improving the environment.

- 19 community groups have been involved in delivering the waterway health program this year, including Angling Clubs, Landcare Groups, local schools and Friends of Groups.
- Our community grants programs including Gippsland Lakes Community Grants, Landcare grants, Riparian Action Plan grants and Angler Riparian grants are assisting more groups to get involved in worthwhile projects.
- Additionally, the Authority will continue support for community led initiatives such as the Bairnsdale Rowing Regatta held annually on the Mitchell River and clean up days by community groups and clubs like the WyYung Angling Club.
- Recreational values are also being incorporated into regional landscape plans for the future. For example community spaces are being incorporated into the Lower Mitchell Rehabilitation plan, one of the priority flagship projects listed in the Water Plan for Victoria.

#### 7. Resilient and liveable cities and towns

The Integrated Water Management (IWM) Forum has been well integrated with the East Gippsland CEO's forum to provide seamless support from key partner agency leaders. IWM funding has been approved by the Minister for Water for several projects in East

Gippsland to be implemented next year.

#### 8. Leadership, diversity and culture

- The Authority CEO Chairs the GEA forum and led development of a partnership agreement between GLaWAC and the 13 forum member agencies. The agreement establishes four key objectives about aboriginal workforce development, increased participation in decision making on country, implementation of the Joint Management Plan and increasing cultural knowledge and understanding.

The agreement is driving a coordinated effort from all partner agencies and GLaWAC achieving outcomes like observer programs on boards and sub-committees of water corporations, contributing to cultural understanding and training, shared services and exchanges of staff between agencies and increased levels of participation in landscape programs.

There are approximately 30 Aboriginal people involved in the planning, delivery and monitoring of the waterway program. This includes the Moogji Aboriginal Crew working on the Snowy River, GLaWAC NRM Crew working on the Mitchell, Tambo and Buchan Rivers; and the GLaWAC Cultural Heritage Assessment Officers undertaking cultural assessment on areas of works.

- GEA also hosts our Women in Leadership forum (GEA WIL). Managed by women in Gippsland, the forum is about developing and fostering leadership at all levels. GEA WIL hosted an annual regional forum, a mentoring program, jointly convened training across agencies and has involved over 400 women in Gippsland to date.
- The Authority also provides administrative support services for East Gippsland Landcare Network, Gunaikurnai Land and Water Traditional Owner Land Management Board and Vic Catchments. The services utilise the Authority governance

skills, systems and expertise to help our partners focus on their respective roles. The service also improves efficiencies between partner organisations.

#### 9. Improved performance and demonstrating outcomes

- Monitoring Evaluation Reporting and Improvement (MERI) Plans are in place for the flagship waterway programs at Cann River and Gippsland Lakes. All National Landcare Program Phase 2 (NLP2) programs have MERI plans which guide Authority obligations for monitoring and reporting.
- Efficiencies are being achieved through shared services arrangements with other CMA's such as West Gippsland CMA for Statutory functions. The Shared Statutory unit is also trialling supporting two other CMA's presently. The EG CEO's forum is also achieving efficiencies through sharing services and staff.
- The Authority has a monitoring system for all past works which consistently provides information about site condition and compliance with landholder agreements. The information aggregates to provide reach and landscape scale assessments of our progress monitored by the Board.

The Authority is expanding formal partnerships with our community, interest groups and partner agencies. It is our enduring partnerships that help guide successful implementation.

On behalf of the Board, I would like to thank all those partners and our staff that have helped our Authority complete a very successful year's work.



Dr Peter Veenker FCPA  
Chairperson

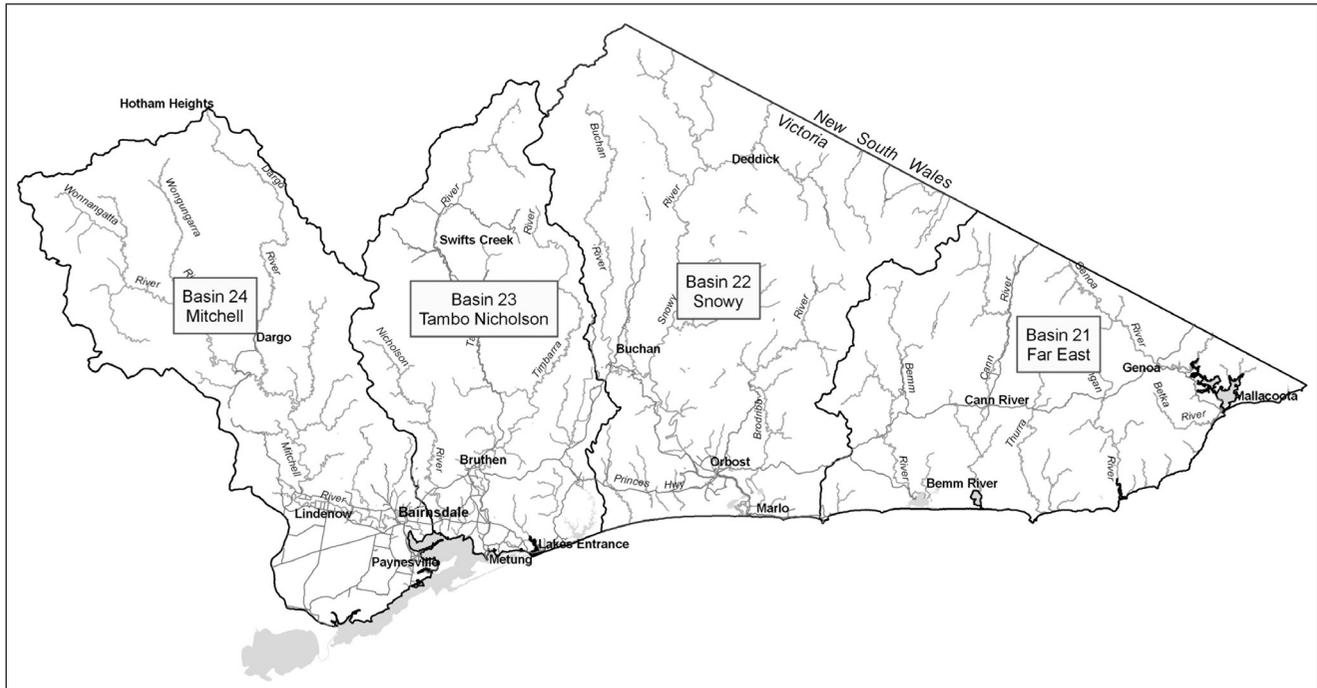
11 September 2019

## 2. MANNER OF ESTABLISHMENT AND RESPONSIBLE MINISTER/S

The East Gippsland Catchment Management Authority is established under the *Catchment and Land Protection Act 1994* (CaLP Act). The responsible Ministers for the period from 1 July 2018 to 30 June 2019 were the Hon Lisa Neville MP, Minister for Water and the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

## 3. NATURE AND RANGE OF SERVICES PROVIDED

Figure 1. *The East Gippsland Catchment Management Region*



### 3.1 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 (Km), 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 the East Gippsland diverse landscape include:

- The Gippsland Lakes, which have significant environmental, social and economic value and are a designated site on the Ramsar Convention on Wetlands of International Importance.
- An array of streams, especially the wild rivers, including the iconic Snowy River and Victoria's biggest unregulated stream, the Mitchell River.
- A long coastal reach with undeveloped estuaries, ocean beaches and spectacular headlands.
- Mountains and forests, which provide great scenery, clean air, clean water, recreational opportunity and forestry products.

- Productive farming lands, especially in the river valleys.
- Living wealth in the form of native plants and animals, some of which occur only in this region.
- Places of cultural significance for the Gunaikurnai people, including (8 of the 10) parks and reserves appointed under Native Title, jointly managed by GLaWAC and the Victorian Government through Parks Victoria.

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, including some of 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.

In a 2010 Native Title Determination, the Federal Court recognised that the Gunaikurnai hold native title rights over much of Gippsland.

At the same time, the Victorian Government took additional steps to recognise Gunaikurnai peoples' traditional rights and ownership and entered into a Recognition and Settlement Agreement (RSA) under the *Traditional Owner Settlement Act 2010* (Vic) with the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC). GLaWAC is the 'traditional owner group entity' for the purposes of the RSA. GLaWAC is also the Prescribed Body Corporate for the purposes of the *Native Title Act 1993* (Commonwealth) and the Registered Aboriginal Party (RAP) for the area for the purposes of the *Aboriginal Heritage Act 2006*.

As part of the RSA, ten parks and reserves have been granted to the Gunaikurnai as 'Aboriginal Title' by the Victorian Government. These Aboriginal Title areas are being jointly managed by Gunaikurnai and the Victorian Government. Eight of these parks and reserves are within the Authority's region.

## 4. PURPOSE AND FUNCTIONS

### 4.1 VISION, MISSION AND VALUES

The East Gippsland Catchment Management Authority's (the Authority) 2023 vision is:

"We are the leaders in integrated catchment management partnering with our communities to enhance East Gippsland's iconic landscapes, biodiversity and cultural heritage."

The Authority's strategic objectives directly reflect those of the Victorian Government Integrated Catchment Management Goals (ICM goals) articulated through the policy statement "Our Catchments Our Communities, Integrated Catchment Management in Victoria 2016-19" (OCOC). The 5 goals of the policy are:

1. Effective community engagement in catchment management.
2. Better connections between state, regional and local planning.
3. Strengthened implementation of

regional catchment strategies.

4. Clearer roles, strengthened accountability and coordination.
5. Improved monitoring, evaluation and reporting.

There are a number of other state-wide policies and frameworks that determine our planning approach. The Authority has ensured that its strategic direction aligns with the state-wide strategies such as:

- Water for Victoria
- Biodiversity Plan 2037
- Victorian Waterway Management Strategy
- Victorian Floodplain Management Strategy
- Regional Riparian Action Plan
- Gippsland Sustainable Water Strategy
- *Climate Change Act 2017*

### 4.2 STRATEGIC DIRECTION

Our strategic direction is determined within the East Gippsland Regional Catchment Strategy (RCS), which aligns with government policy and strategies listed above. The roles and responsibilities of the Authority in achieving the RCS vision and goals are set out in governing legislation. The major functions are:

### 4.3 CATCHMENT AND LAND PROTECTION ACT 1994

#### Coordinating the Regional Catchment Strategy and supporting plans

Responsibilities under the CaLP Act include providing the Victorian Government with the collective strategic views of this region, which takes account of State and Federal policy under the framework of the 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.

#### Community Engagement

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

## 4.4 WATER ACT 1989

### On-ground river health works

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 guided by the East Gippsland Waterway Strategy (EGWS). 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.

### Statutory Functions

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 is also provided 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.

### Community Engagement

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

## 4.5 PERFORMANCE AGAINST OUTPUT PERFORMANCE MEASURES

### 4.5.1 ACHIEVEMENTS

Some of the key achievements for the Authority this year have included:

- The working relationships the Authority has with Traditional Owners and other Aboriginal Groups to plan deliver and report collaborative projects together. These partnerships continue to improve the knowledge and capacity from all organisations involved.
- The continued support and partnerships with community groups to deliver natural resource management projects across East Gippsland. New community groups are involved with project delivery, including local Angling Clubs, rowing clubs and four wheel drive clubs.
- Supporting our communities during the drought has been an achievement of the Authority. The relationship the Authority has with

community members is trusted and respected. Community turn to our people for help and support during these tough times.

- The ongoing commitment to controlling willows across East Gippsland is a major achievement for the Authority. More than three quarters of our waterways across the region are free of willows and continue to be maintained at this level.

#### 4.5.2 OPERATIONAL PERFORMANCE AND PROJECTS

The following section of the report provides a summary of operational objectives and actual performance against those objectives for the reporting period.

##### Community Partnerships and Engagement

The Authority engagement activity is guided by an annual engagement and participation plan reviewed annually and monitored by the Board at each meeting. The plan guides development and maintenance of engagement at all levels from Board through to all staff.

The objective is to ensure that as many partners as possible are working together on common objectives based on RCS priorities. Some examples are as follows:

- The Authority provides administrative support to the Gippsland Lakes Coordinating Committee jointly managed by the EGCMA and WGCMA. The committee reports to the Minister for Water and recommends priorities for Gippsland Lakes program funding.
- The East Gippsland CEO's forum and Gippsland Environment Agencies forum underpins implementation of the East Gippsland Catchment Partnership Agreement. Both forums are represented by agency leaders who are working together on common priorities set each year.
- Program Working Groups are comprised of partner agency, groups and individuals coordinating and implementing our landscape priority programs, both within East Gippsland and across CMA regions.
- Our engagement activity has increased this year with a focus on recreational interest groups such as angling clubs, rowing groups and swimmers.

##### Healthy Habitats – Waterway Management

The Authority is on track for completion of the EC4 tranche of funding for both the Waterways and OCOC programs. Key achievements are as follows:

- The Authority has met target for the Cann River flagship project.
- The Authority has completed stakeholder consultation and advance planning for the Lower Mitchell River flagship project as part of preparation for EC5.
- Continuation of the Authority willow and woody weed control programs has progressed towards targets in the Mitchell and Snowy catchments.
- Continuation of the OCOC Dirty Dozen weed project around Ensay and the Skull Creek rehabilitation project near Lindenow has continued to involve many groups of landholders, NGO's, Traditional Owners and agency partners.

##### Healthy Habitats and Threatened Species Recovery – Implementing the RCS

The Authority continues to work closely with partner agencies and community groups to deliver onground works and projects across regional landscape areas, including:

- The Topsoils2 project involves East Gippsland farmers and partner agencies working together to learn about our soils and look at ways to better manage soil resources. The project has already gathered data across more than 10,000 hectares of agricultural land throughout the region to benchmark current soil condition, fertility and farming practices.
- A highlight for this reporting period is the Cross Regional Alpine Peatland Protection Project. The project achieved all targets including weed and pig control, horse surveys and onground projects to control access to sensitive peatland zones.
- The Gippsland Lakes program; overseen by the Gippsland Lakes Coordinating Committee (GLCC) is progressing well, with all funds now allocated to projects involving more than 40 groups and agencies working together. The next version of the Gippsland Lakes program "Room to Move" has been developed for consideration by the Victorian Government as part of EC5.

##### Our Catchments, Our Communities

The two major projects the Authority is implementing through the Our Catchments, Our Communities funding is the Tambo Valley and the Red Gum Plains. These projects are part of the implementation of the East Gippsland Regional Catchment Strategy. Key achievements are as follows:

- The ongoing partnerships developed in the Tambo Valley project continue to grow and establish. DELWP in Swifts Creek are undertaking weed control and working closely with community to control priority weeds. The local community are working in collaboration with Swifts Creek Ensay Landcare Group to identify high priority sites along the Tambo River and undertake onground works to improve these areas; and the GLaWAC NRM crew continue to work along the Tambo River.
- The Red Gum Plains project has successfully fenced off the upper section of Skull Creek, a seasonal flowing creek on the Red Gum Plains. This year the program has also extended to include neighbouring wetlands in the catchment, so far six wetlands are protected. The Aboriginal story of the Walpa region continues to come to light, with the collaboration of AV, GEGAC, GLaWAC and the LAN.

#### 4.6 Waterway Goals

The EGWS 2014-2022 on-ground works priorities are captured in the Authority's waterway goals. These do not describe all planned works, but instead set targets for

mitigating the key threats to rivers across East Gippsland.

The Authority has developed waterway goals that summarise the key points

in the EGWS and communicate the priorities and direction of the Authority's works program.

#### 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 Lakes, 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.

#### 4.7 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 focussed on maintaining the Mitchell and Snowy catchments free of willows. Willows were controlled on Prospect Creek, Mitchell,

Wonnangatta, Snowy, Buchan and Combiobar Rivers. Poplar control was also undertaken on the lower Tambo River.

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

Waterway Goal	Total lengths (km)	Goal achieved (%)	Comments
Mitchell River catchment above Glenaladale Bridge will be free of willows	1132	93	The Mitchell River catchment remains predominately free of willows. This year the Authority focussed on controlling willows on Prospect Creek, Wonnangatta and lower Mitchell Rivers.
Nicholson River from the headwaters to the Lakes will be free of willows	106	100	The Nicholson River is free of willows. No additional willow control was undertaken on the Nicholson River this year. The Nicholson River is part of the willow maintenance program, with a willow pass undertaken every four years. The last willow pass was undertaken in 2017.
The Tambo River above the Bruthen Bridge will remain free of willows	640	98	The Tambo River is predominately free of willows. No additional willow control was undertaken on the Tambo this year. The Authority focussed on controlling blackberries and exotic trees.
The Nicholson and Tambo estuaries below the Princes Highway and the Mitchell below Picnic Point will be free of willow and poplars	55	76	Poplar control was undertaken on the lower Tambo this year. GLaWAC continue to work closely with the Authority and the community to undertake works.
The Snowy catchment will remain free of willows	1250	100	The Snowy catchment remains free of willows. Each year the Authority undertakes a maintenance pass along the entire Snowy River and tributaries.
All rivers in the Far East catchment will be free of willows	1200	97	The Authority has made good progress controlling the last remaining willows on the Cann and Combiobar Rivers. All other waterways in the Far East are part of the maintenance program.

#### 4.8 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 improve riverbank and riparian habitat.

Progress on the fencing program has been slowed due to landholders focussing on impacts of drought on farm operations. Despite severe drought conditions; many landholder agreements have been signed, awaiting

the opportunity for landholders to complete their fencing. The Authority will continue to work closely with landholders to complete the works in the coming months.

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

Waterway Goal	Goal length (km)	Length fenced (km)	Goal achieved (%)
The Mitchell River above Glenaladale Bridge will have an additional 50km completed	50	22	44
The Nicholson River will be excluded from grazing stock	64	39	61
The Tambo River, below Ramrod will have an additional 40km of fencing constructed	40	4	10
The Mitchell estuary below Picnic Point will be excluded from grazing stock	36	28	77
Freehold sections of the Buchan and Brodribb Rivers will be fenced	92	80	87
All rivers in the Far East catchment will be excluded from stock	90	79	88
Five priority wetlands fringing the Gippsland Lakes or Snowy River will be excluded from stock (No.)	5	5	100

#### 4.9 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 to approximately a third of the bank. This

year the Authority completed 1.8km bank stabilisation works along Clifton Creek (the backwater).

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

Waterway Goal	Goal 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	9.8	108

#### 4.10 GIPPSLAND LAKES

The Gippsland Lakes program is jointly managed between the East and West Gippsland CMA's who host the Gippsland Lakes Coordinating Committee. The committee provides advice to the Minister for Water regarding priorities for investment and helps ensure partners are working together in a coordinated and cooperative manner.

It is very pleasing to note the ongoing coordination between agencies and the community to delivery priorities for the Gippsland Lakes has continued to develop over the last twelve months. The four priority programs areas that have been established around the lakes are helping to direct the priority on ground efforts of a wide range of agency and community partners. The program continues to achieve significant on ground outcomes for the health of the Gippsland Lakes and has made

significant progress towards improved environmental management. Including, protecting large areas of fringing wetlands on private land, the involvement of Traditional Owners in the coordination of actions around the lakes, and the control and monitoring of priority pest plants and animals.

There are currently 40 partner groups and agencies directly involved in the Gippsland Lakes program, delivering on ground works and providing consistent up to date messages to the community. All projects are aligned with the priorities described in the Gippsland Lakes Priorities Plan and the Gippsland Lakes Ramsar Site Management Plan.

This year the Gippsland Lakes program has delivered:

- Shoreline protection using rock beaching along 1.3km of lake frontage. This has included the

- stabilisation of shorelines to protect fringing wetlands and works along the Mitchell River silt jetties to help further stabilise this landform.
- Monitoring the Burrnan Dolphins, including the delivery of a public information and awareness campaign to help minimise the impacts of vessels on the small population.
- A range of catchment based works including engineering works, over 2km of stock exclusion fencing and over 7ha of revegetation to help stabilise waterways at highest risk of erosion, reducing sediment inputs to the lakes.
- An investigation to identify and prioritise cultural and environmental values most at risk from the impacts of climate change and increased inundation around the lakes, helping to identify sites important to the Gunaikurnai community where mitigation works can be

- implemented.
- Works to protect, enhance and monitor over 350ha of wetlands on private land in areas fringing Lake Wellington, Jones Bay and Lake King including exclusion of stock, revegetation, and monitoring of water quality, wetland condition, frog and bird populations.
- A monitoring program for marine pests within the lakes utilising expertise from Victorian Government and research organisations, combined with passionate community groups helping to catalogue new species in the lakes and detect new records of the invasive Northern Pacific Seastar.
- Control and monitoring of priority pest plant and pest animal species across over 14,000ha of public land, focussing on reducing impacts on nesting birds through fox control, and the control and monitoring of deer and pigs in an around sensitive wetland and coastal habitats.

**4.11 PROGRESS TOWARDS ENGAGEMENT GOALS**

Each year the Authority renews its Engagement Plan to help guide activities for the following year. The plan contains a number of actions and goals to:

- Increase community awareness and satisfaction
- Conduct effective engagement activities
- Increase participation with stakeholders
- Manage enquiries promptly and accurately

- Stimulate knowledge and behavioural 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 2.

The Engagement Plan incorporates the Community Engagement and Partnerships Framework for Victoria’s Catchment Management Authorities and the five key principles that underpin our approach to community engagement and the establishment and management of our partnerships. The principles are as follows:

- We will embed community engagement and build partnerships in all that we do.
- Our people will be actively supported to engage communities and to build partnerships.
- Our community engagement and partnership approaches will be planned, tailored, targeted and evaluated.
- We will provide meaningful opportunities for our communities and partners to contribute to strategies and initiatives.
- 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 is involved,

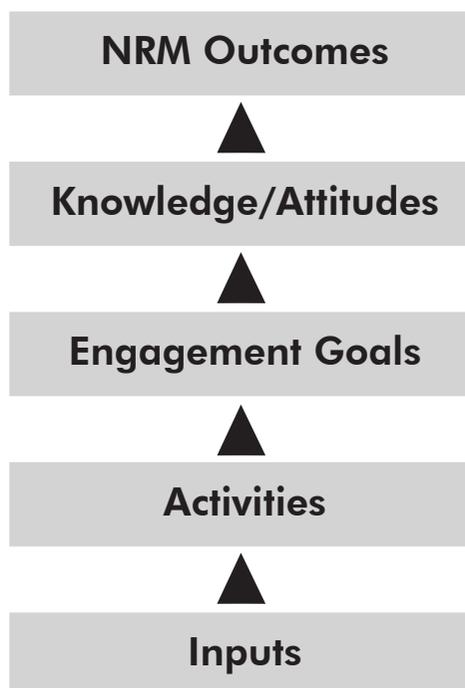
has input to, and can understand our strategic direction. The Authority utilises the Bennett’s Hierarchy approach (Bennett, C and Rockwell, K, 1995) to measure how we are progressing (Figure 2). The Bennett’s Hierarchy approach assumes inputs such as investment and skills contribute to the conduct of a wide range of activities.

The 2018/19 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 (Graph3), rather than the quantity (Graph 1).

We have continued to report on landholders views of the waterway goals to capture the perceptions of landholders (Graph 4). The perceptions of landholders can change for a myriad of reasons; for example, seeing the changes and benefits that rehabilitation works have on river health. Working through formal committees, stakeholder groups, partner agencies and individuals continues to strengthen our engagement and participation process.

The GLaWAC GEA Partnerships Agreement Working Group is now established. An action plan has been developed and each of the 13 agencies are working together with GLaWAC to streamline processes and opportunities. One initiative the group has worked on this year is to develop a three tier training program on cultural competence for all NRM agencies and water authorities in the Gippsland region.

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



### 4.12 ACHIEVEMENT OF THE ENGAGEMENT GOALS

Over the past twelve months, the Authority has conducted over 900 engagement activities involving close to 3,500 people. This is a significant number in the context of a community population of around 40,000.

Some of the engagement activities undertaken by the Authority include:

- Communicating and liaising with government agencies
- One-on-one engagement with

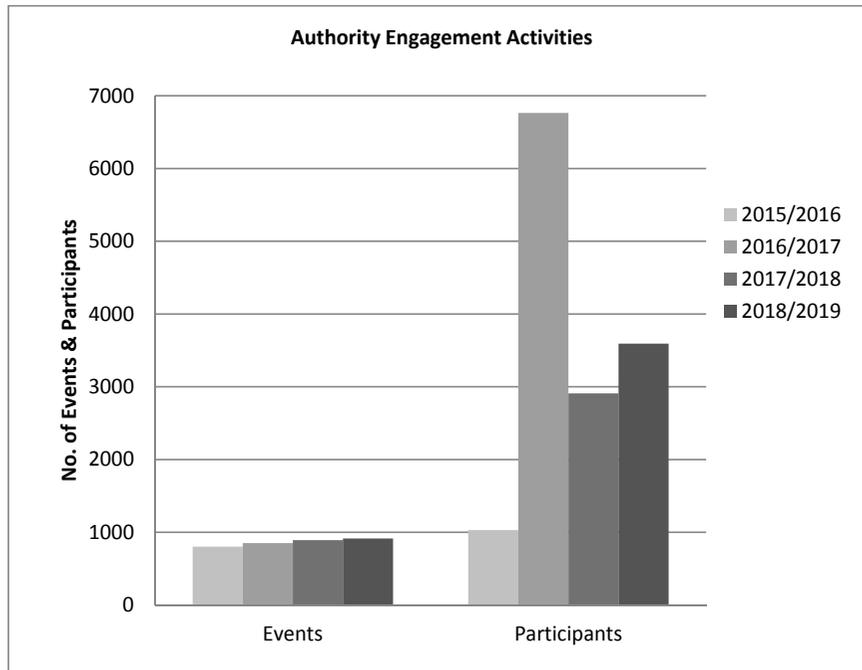
- landholders
- Community education and promotional events
- Media Coverage

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 the participant's

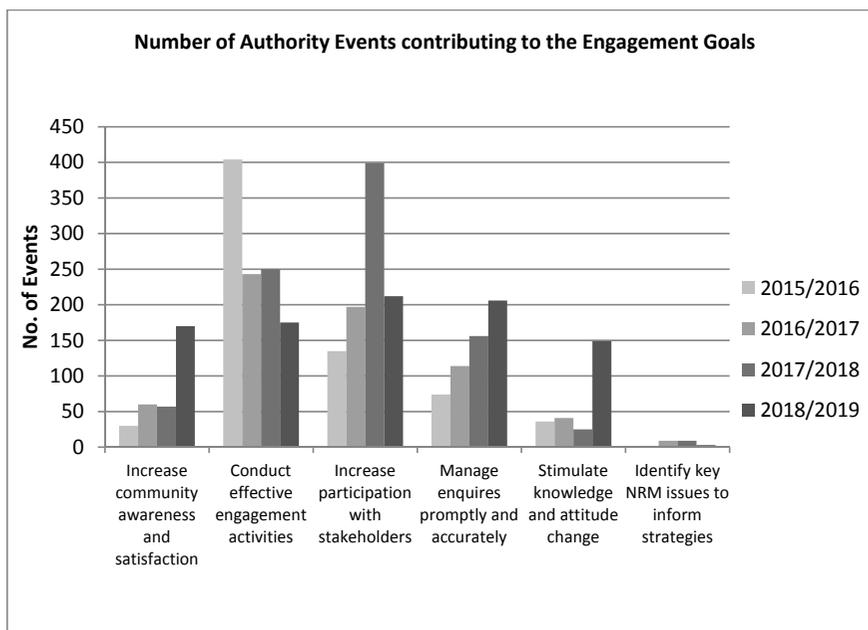
satisfaction and the support or otherwise of the Authority's goals (Graph 2). The ratings are designed as a learning tool in review processes with individual staff and functional areas.

### 4.13 KNOWLEDGE / ATTITUDE

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



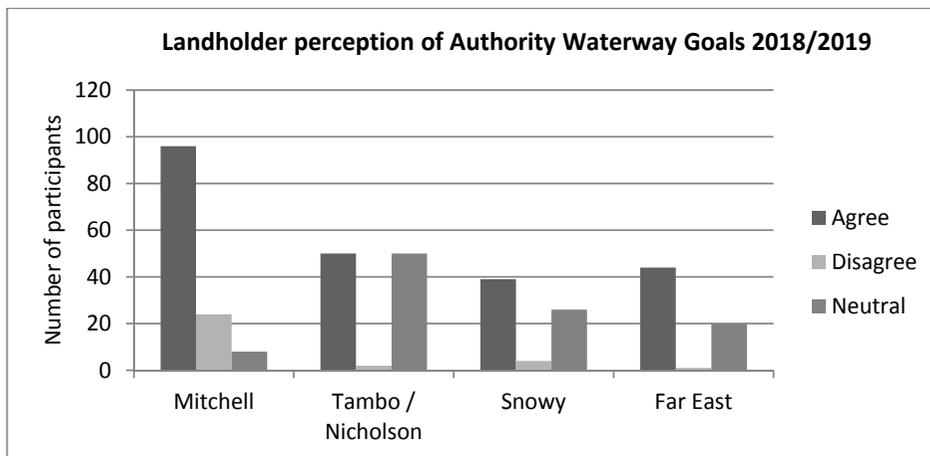
**Graph 1:** The number of events conducted, and the individuals engaged by the Authority from 2015/16 to 2018/19. Participation numbers have increased from previous year; this is due to the Authority running more community events for 2018/19.



**Graph 2:** Events conducted by the Authority aimed to achieve the engagement goals in 2018/19. The type of events held by the Authority has included training, workshops, presentations and community events. This year the focus has been to achieve all engagement goals, rather than focus on one or two.



**Graph 3:** The quality of engagement activities conducted by the Authority during 2018/19. Improved Authority reporting standards has seen a recalibration of data which continues a trend towards participant satisfaction. Participants enjoy the community events held by the Authority, including paddling trips and working closely with Angling Clubs.



**Graph 4:** Landholder perceptions of the waterway goals within each basin for 2018/19. The landholder perceptions on the waterway goals is encouraging, with many landholders agreeing with the proposed work outlined in the goals.

#### 4.14 CATCHMENT CONDITION

This section of the annual report provides an assessment of the condition of East Gippsland's environment. A key purpose of monitoring catchment condition is to help identify opportunities for adapting and changing the way we manage the environment.

In Victoria there are five catchment condition themes; waterways, biodiversity,

land, coasts and marine and community. The following section discusses each theme and provides:

- A description of regional context
- Indicators and condition assessments
- Evidence to support the assessment

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

regional environment. The assessment is based on available science, expert advice and community evidence gained during the preceding year and use of the criteria detailed in the sample table below. A positive assessment indicates a level of optimism about future direction and a concerned or highly concerned assessment indicates a more pessimistic view of the direction of environmental change.

##### Sample table

Assessment Criteria	
	An optimistic future with evidence that events during the year will have a positive impact on the longer term.
	A largely neutral state, where events during the year may have been significant but are within expected variation and will have little impact in the longer term.
	A level of concern that significant events during the year may have an adverse impact in the longer term.
	A high level of concern that significant events during the year are likely to have an adverse impact in the longer term.

#### 4.15 REGIONAL SUMMARY

East Gippsland contains a wealth of significant natural assets including rivers, wetlands, national parks and reserves. It is one of the only places on mainland Australia where the continuity of natural ecosystems from the Alps to the sea still exists.

The natural resources of the region are used to generate wealth in many ways. The major river floodplains support

intensive agriculture and horticulture; the alpine areas support recreational activities, and the foothills for grazing and timber production. The Gippsland Lakes and other coastal estuaries help drive our visitor economy.

It has been a challenging year for the communities and environments in East Gippsland. This year has been another dry year for the region. The region received only half of the annual average rainfall for the second year in a row.

On top of continued dry conditions there were wide spread fires across the Far East region. Pest plant and animal control remains a high priority as other environments and species are stressed from the dry conditions.

Our assessment summary captures the status, trends and existing data quality across the region for each theme for 2018/19 (Table 4).

**Table 4 Summary catchment condition assessment**

Theme	Summary conditions assessment	
Waterways	▲ Positive	Work along waterways continues to maintain many areas as free of willows and other pest plants. Fencing and revegetation works have continued to improve rivers and wetlands. More community groups are getting involved in looking after our waterways.
Biodiversity	▼ Concerned	The continued dry conditions, widespread fires and ongoing threat from pest plants and animals have impacted biodiversity in East Gippsland. Although targeted programs and projects are funded, these are not sufficient to change the current trajectory.
Land	▼ Concerned	The reduced rainfall and dry conditions have reduced ground cover across much of the region. The agricultural extension programs have focused on supporting farmers through dry times and improving soil health to improve pastures.
Coasts	▶ Neutral	There have been no extreme events during the year. One concern was finding eight individual Northern Pacific Sea Stars in the Gippsland Lakes since January 2019.
Community	▶ Neutral	Although dry conditions are impacting on communities, participation at events and involvement in community projects has remained stable. The focus this year was to support the community during difficult times, continue to strengthen existing partnerships; and continue to improve integrated catchment management.

#### 4.16 WATERWAYS - THE CONDITION OF RIVERS, WETLANDS AND ESTUARIES

East Gippsland's waterways are remarkable natural assets of Victoria. The region contains the Gippsland Lakes, six declared heritage rivers and many national parks and reserves. Our waterways provide many of Victoria's most natural fishing, swimming, camping, boating and scenic attractions. The health

of these waterways underpins many aspects of tourism, jobs and investment in the region.

The waterways in East Gippsland are generally in much better condition than in other regions of Victoria. Some 82% of total stream length is in 'excellent' or 'good' condition as defined by the Index of Stream Condition 2010<sup>1</sup>.

#### 2018-2019 Annual Waterway Condition Assessment

The overall condition of waterways is positive. Although the dry period has continued with reduced rainfall across all of the catchments, waterway condition has improved. The dry periods have allowed on ground works to continue for most of the year. The works for this year have included weed control, willow control, fencing, revegetation and bank stabilisation works.

<sup>1</sup> Index of Stream Condition The Third Benchmark of Victorian River Condition

**Table 5 Waterway Condition Assessment 2018/19**

 Positive	<p>Programs such as Regional Riparian Action Plan, Our Catchments, Our Communities, Rivers 2040 and the Gippsland Lakes Program have provided direct investment to improve the condition of waterways in East Gippsland.</p>
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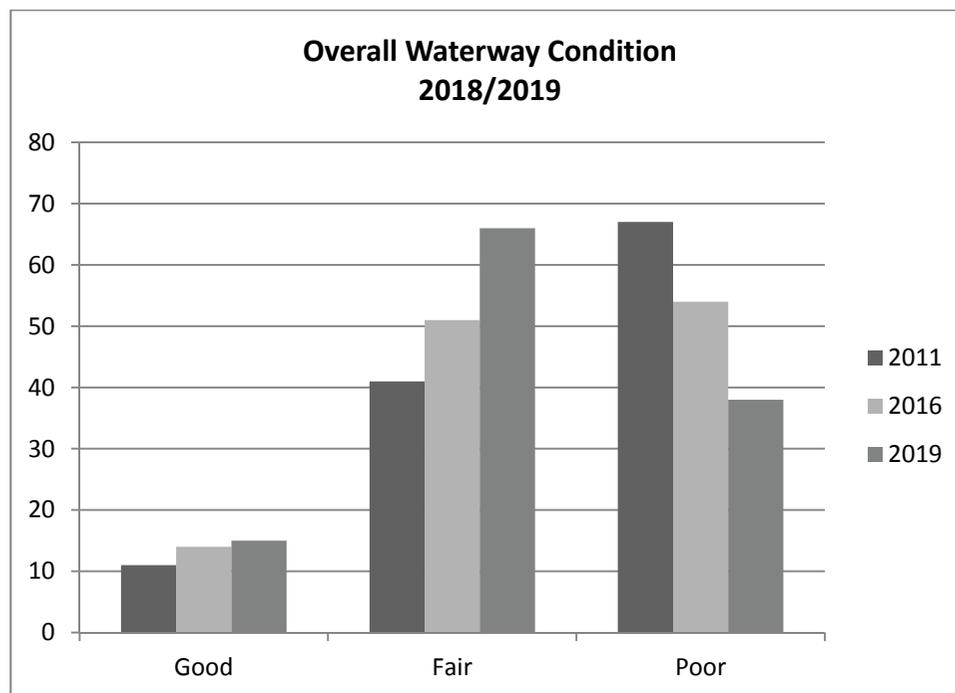
### Reasons for Assessment

The 2018/19 annual condition assessment for waterways is based on the following evidence:

- The works monitoring method data supports the assessment of condition for waterways across East Gippsland (Graph 5)<sup>2</sup>.
- This year the on-ground river health works program has made good progress in establishing landholder agreements on the Mitchell River and waterways in the Far East. Other

- notable works for the year include stabilising sections of the lower Clifton Creek and the Gippsland Lakes and continuing rehabilitation works along the Dargo, Wonnangatta, Cann, Combiobar and Buchan Rivers.
- Below average rainfall with extended drought conditions across the region has resulted in continued very low flows in rivers.
- There are approximately 30 Aboriginal people involved in the planning, delivery and monitoring of

- the waterway program. This includes the Moogji Aboriginal Crew working on the Snowy River, GLaWAC NRM Crew working on the Mitchell, Tambo and Buchan Rivers; and the GLaWAC Cultural Heritage Assessment Officers undertaking cultural assessment on areas of works.
- 19 community groups have been involved in delivering the waterway health program. This has included Angling Clubs, Landcare Groups, local schools and Friends of Groups.



**Graph 5:** The graph shows the comparison between the overall work site condition within waterways (rivers) in 2011, 2016 and 2019.

### Case Study - Combiobar River improvements

The last six years has shown a big difference on the Combiobar River. For many years the Authority has been partnering with landholders along the Combiobar River; constructing 20km of

fencing and installing off-stream stock watering systems to keep cattle out of the waterway. A weed control program followed together with planting native plants to help reduce erosion in the river channel and provide habitat for wildlife.

Through the Victorian Government's Regional Riparian Action Plan initiative, farmers, Landcare groups, angling clubs and the wider community are improving areas like the Combiobar. Through people working together, we are seeing great results for the critters who call our rivers home.

<sup>2</sup> East Gippsland CMA GIS Works Monitoring Method

**4.17 BIODIVERSITY - THE CONDITION OF NATIVE HABITAT AND HEALTH OF NATIVE SPECIES**

The East Gippsland region encompasses significant biodiversity assets, in particular a large amount of public forest which contain and support many native species. 83% of the region is public land; the majority of which is either state forest, national or coastal parks.

The geographical location of East Gippsland contributes to its importance as a hot spot for Victorian biodiversity, situated at the nexus of the southern cool temperate and eastern warm temperate zones<sup>3</sup>. There are 89 species which have more than 50% of their range within the East Gippsland region and of these, 37 species have 100% of their range within East Gippsland<sup>4</sup>.

**2018-2019 Annual Biodiversity Condition Assessment**

The overall condition of biodiversity in East Gippsland is concerning. The on ground works undertaken by the Authority, partner agencies and community groups continues to maintain and improve the condition of priority areas. However, on a regional perspective the prolonged dry conditions are impacting on the overall health and condition of species and ecosystems.

**Table 6 Biodiversity Condition Assessment 2018/19**

 <p>Concerned</p>	<p>The continued dry conditions, widespread fires and ongoing threat from pest plants and animals have impacted biodiversity in East Gippsland. Although targeted programs and projects are funded, these are not sufficient to change the current trajectory.</p>
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**Reasons for Assessment**

The 2018/2019 annual condition assessment for biodiversity is based on the following evidence:

- The persistent vegetation cover for the region was 2% lower than last year, the lowest since 2010<sup>5</sup>.
- Deer populations continue to increase and become more predominant across the region. Pigs continue to move in a south-westerly direction impacting on sensitive environments and ecosystems. There are specific projects funded to control the impacts of these species; however, the projects are small and targeted. These control efforts have not been sufficient to halt this spread.

Works undertaken to maintain and improve priority areas includes:

- The condition of alpine peatlands has improved. This year 2,800ha of pest animal control and 82ha weed control has been completed on peatlands in East Gippsland. The main works have occurred in Wonnangatta, Dargo High Plains, Dinner Plain area and the eastern Alps<sup>6</sup>.
- In the Far East, predation by foxes and dogs is considered the biggest threat to three nationally significant (Environment Protection and Biodiversity Conservation listed) species. Continued long term monitoring of the Eastern Bristlebird (*Dasyornis*

- brachypterus) indicates the population remains steady. Surveys for the Large Brown Tree Frog (*Littoria littlejohni*), which had not been seen for 20 years after 1994, have yielded additional detections and a trial of artificial structures to encourage breeding is showing early success.
- There are currently 131 permanent native vegetation protection covenants in place across 7,075 ha.
- \$4.2 million of new funding through the Victorian Government’s Biodiversity Response Planning program for 10 projects delivered over the next 3 years; projects include eradication of rodents from Gabo Island, pig control along the NSW border, deer control around Lake Tyers, protection of alpine peatlands, weed control along the coast, control of introduced aquatic predators in remote streams in the far east, additional covenanting and threat management of covenanted properties, pest animal threat management in the upper Snowy River area and expansion of Eastern Bristlebirds populations.
- Seabird breeding on the Gippsland Lakes appeared to be suppressed in 2018/19; for example there was low successful breeding amongst Little and Fairy Terns. The reasons for this are unclear but may be linked to reduced food.
- The community is taking ownership of their local

environment, with 20 community driven biodiversity projects delivered this year. The works have included 61 ha of weed control, 15.25 ha of revegetation and 3.775 km of fence constructed.

**Case Study – Schools, Seedlings and Skull Creek**

With gloves at the ready, this year students from Lindenow Primary School celebrated National Tree Day with a visit to the upper reaches of Skull Creek. Students planted over 300 native seedlings, including the endangered Woolly Waterlily, in an effort to help restore the 10 km stretch of wetlands near Lindenow.

Martin Potts, from Greening Australia (GA) appreciates the significance of being able to foster relationships with the environment from an early age. “These students are directly involved in improving the biodiversity around their own community, what better way to begin to understand the importance of protecting these wetland habitats as a whole”. he said.

Grade six teacher Adam Cairns appreciates the connection that these excursions bring to the biological studies being taught in the classroom. “It’s important that the kids learn that they can have an impact in the community, through planting trees and keeping the environment thriving, as they’ll be responsible for looking after it soon enough”.

<sup>3</sup> NRE (1997a). Victoria’s Biodiversity: Directions in Management. Department of Natural Resources & Environment, Victoria.

<sup>4</sup> DSEWPac (2011) Biodiversity Summary for NRM regions : East Gippsland.

<sup>5</sup> ANU Australia’s Environmental Explorer – East Gippsland Persistent Cover, Department of the Environment and Energy Australian National University

<sup>6</sup> National Landcare Program – Phase 2

#### 4.18 COASTS & MARINE - THE LEVEL OF PROTECTION FOR COASTS

The coasts of East Gippsland include some of Victoria's most picturesque landscapes including systems of dunes, rocky headlands, cliffs, marshes and sandy beaches. The East Gippsland coast and hinterland include a wide range of intact and continuous habitat, and include important vegetation communities and estuary systems. Large parts of the coastline include large mobile sand dunes with small embayment's punctuated by rocky headlands and outcrops a dominant feature of the Far East coast.

The region's marine environment is significant and contains marine protected areas adjoining Point Hicks, Cape Howe, and Beware Reef. The East Gippsland marine environment is unique, providing a very productive ecosystem resulting from mixing of the warm East Australian current, temperate southern waters, and cool waters from deep sea upwellings. The region contains a rich diversity of marine plants and animals, with approximately 90% of marine species in the region endemic to southern Australia.

The natural landscapes and unspoilt wild beauty of the region's coastal environments provide many recreational

opportunities and tourism is growing at a modest rate.

#### 2018-2019 Annual Coasts and Marine Condition Assessment

The overall condition of the coast in East Gippsland has remained neutral. There have been no major disturbances along the coast. The community and agencies continue to work together to improve understanding and knowledge of the coasts and marine systems within East Gippsland.

**Table 7 Coasts and Marine Condition Assessment 2018/19**

 Neutral	<p>There have been no extreme events during the year that might have long term consequences for the coasts of East Gippsland. One concern during the year was finding eight individual Northern Pacific Sea Stars in the Gippsland Lakes.</p>
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#### Reasons for Assessment

The 2018/2019 annual condition assessment for coasts and marine is based on the following evidence:

- There were four artificial estuary openings this year. Mallacoota Inlet, the Snowy River estuary, and Sydenham Inlet (the Bemm River estuary) were all artificially opened during the year. All openings were undertaken using a multi-agency approach with Parks Victoria leading the on-ground works with assistance from DELWP, GLaWAC, Gippsland Ports, and the Authority. Mallacoota estuary was opened for the first time in six years. Sydenham Inlet was opened twice; and the Snowy was opened in early May 2019. Lake Tyers continues to remain closed and water levels are very low.
- Parks Victoria has completed works to further stabilise the Mitchell River Silt Jetties. Works continue to focus on the most vulnerable sections of shoreline erosion impacting the structural integrity of the southern jetty.
- The Authority has completed rock beaching works to prevent shoreline erosion impacting on an important ephemeral wetland fringing Jones Bay, directly to the north of the Mitchell River Cut. Physical works will help limit shoreline retreat and protect the adjacent wetland habitat.
- GLaWAC have recently completed a project to help inform the highest priority areas for remedial works to protect physical cultural heritage and environmental values under threat from the impacts of shoreline erosion. The outcomes of the project will now inform on ground action to protect areas where significant values (including cultural and environmental assets) can be protected into the future under the increased influence of climate change.
- Friends of Beware Reef, the Authority, DELWP and Department of Jobs, Precincts & Regions continue to respond to the most recent reports and confirmed sightings of NPSS in the Gippsland Lakes. A total of 8 individual NPSS have been removed from the lakes since January 2019 by volunteers and contractors. These samples have been provided to RMIT for genetic analysis and comparison to the original individuals found in the lakes in 2015.

#### Case Study – Involving Traditional Owners in the management of the Gippsland Lakes

The involvement of the Traditional Owners; the Gunaikurnai people, in the planning and implementation of works on country is critical to improve the health of the lakes, and achieve the objectives of the Gippsland Lakes Ramsar Site Management Plan. Working in partnership with GLaWAC in an ongoing capacity has provided the opportunity for many project managers to strengthen environmental outcomes, share knowledge, and enhance working relationships with GLaWAC.

GLaWAC continue to contribute to important projects across the lakes including: monitoring fox populations prior to control works; undertaking revegetation and weed control in wetlands; contributing to, and learning more about, rainforest management; surveying sites for cultural heritage values; completing fox bating to protect migratory and resident shorebirds; and planting along waterways to help prevent erosion.

**4.19 LAND - THE MANAGEMENT OF ENVIRONMENT AND LONG TERM PRODUCTIVITY**

In East Gippsland, cleared agricultural lands are concentrated on the Gippsland Plains, the Mitchell, Tambo and Snowy River valleys and the Monaro Tablelands, where the original open grassy woodland

lent itself to grazing; and in the fertile river valleys where rich alluvial soil has supported the development of intensive agriculture.

**2018 – 2019 Annual Agricultural Land Condition Assessment**

Dry conditions have continued across the

region this year. Ground cover and soil moisture are reducing across many parts of the region. The agricultural extension programs have focused on supporting farmers through dry times and improving soil health to improve pastures.

**Table 8 Agricultural Land Condition Assessment 2017/18**

 Concerned	The reduced rainfall and dry conditions have reduced ground cover across much of the region. Weeds continue to impact on productivity and the dry conditions has meant a lot of hay and fodder been transported into the region, introducing new weeds into the region.
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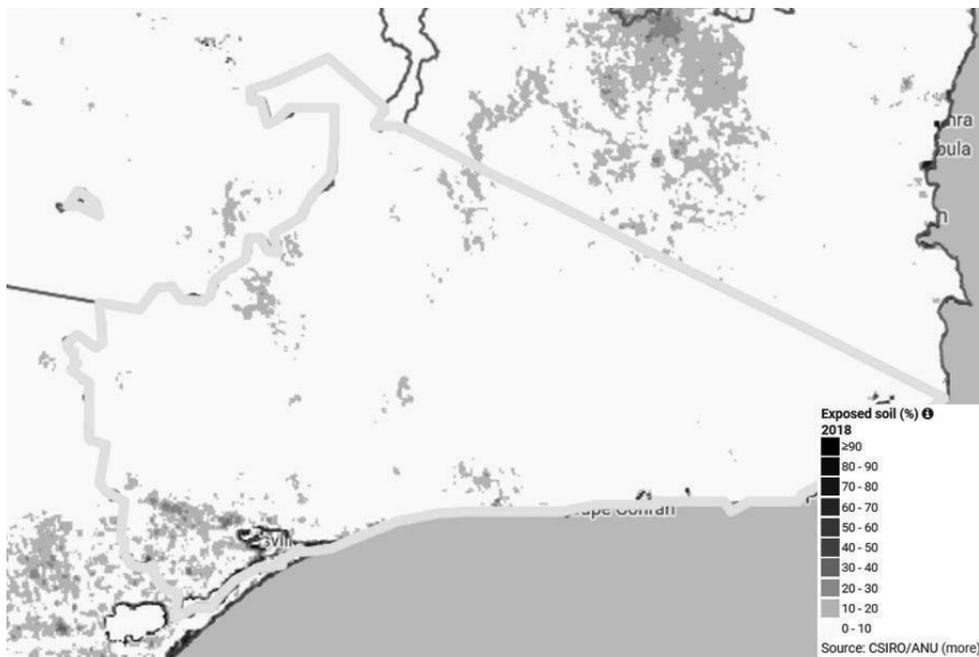
**Reasons for Assessment**

The 2018/2019 annual condition assessment for land is based on the following evidence:

- Within East Gippsland 97% of soil is protected by living vegetation or litter<sup>7</sup>. This is 0.6% less than last year (Graph 6). The dry conditions have impacted on this measure.
- Annual rainfall has continued to remain low this year with a total annual rainfall of just 633mm. This is the second year in a row with only half of the regional annual rainfall received. This has resulted in continued drought conditions throughout the region<sup>8</sup>
- The TopSoils project has moved

into the second phase. The first phase of TopSoils produced foundational data characterising the state of agricultural soils in the East Gippsland region and quantifying grazing and nutrient management practices. TopSoils2 is expanding the targeted grazing and mixed enterprise extension activities. The objective of TopSoils2 is to improve the productive potential of agricultural land and protect the condition of our soil resource, principally by improving soil health and the persistence and quality of ground cover; ultimately improving the Soil

- Carbon resource.
- Weeds continue to impact on agricultural productivity across the region. Especially with the drier conditions and hay and fodder transported into the region. Wild dogs continue to impact farming areas, particularly the upper snowy. These areas join large tracts of public land. The nearby Southern Ark fox and wild dog control program covers a public land area greater than 240,000ha.



**Graph 6:** The % of exposed soil for East Gippsland for 2018. Source: Australia’s Environment Explorer

<sup>7</sup> Australia’s Environment Explorer, East Gippsland, Percentage of exposed soil, MODIS satellite imagery following the methodology of Guerschman and colleagues (CSIRO)

<sup>8</sup> East Gippsland Annual Rainfall, total annual participation (rainfall and snow) during the year, Bureau of Meteorology Australian National University, CSIRO Land and Water

**Case Study – TopSoils2**

Topsoils2 involves East Gippsland farmers and partner agencies working together to learn about our soils and look at ways to better manage soil resources. The project has already gathered data across more than 10,000 hectares of agricultural land throughout the region to benchmark

current soil condition, fertility and farming practices.

Based on data collected, Agriculture Victoria and Southern Farming Systems have worked closely with farmers to design trials in the Tambo Valley, Swan Reach and Forge Creek. Focus groups organised by East Gippsland

Landcare Network, Far East Victoria Landcare and Snowy River Interstate Landcare Committee are discussing soil improvement options to improve productivity and efficiencies in their own businesses. This project is funded through the Commonwealth Government’s National Landcare Program – Phase 2 (NLP2).

**4.20 COMMUNITY - THE BENEFITS THAT FLOW FROM COMMUNITY PARTICIPATION**

Within the East Gippsland region, natural resource management is undertaken as a partnership between government agencies and the community. The size of the region; its large areas of remote and inaccessible public land and its relatively small population underlines the importance of effective partnerships. Aboriginal people have a strong cultural association with the natural resources and landscape of the East Gippsland

region. Protecting cultural heritage and maintaining ‘connection to Country’ are fundamental to retaining cultural links for present and future generations of Aboriginal people.

**2018-2019 Annual Community Condition Assessment**

This year the overall condition of community in East Gippsland is neutral. Communities in East Gippsland are accustomed to dealing with natural disasters and tough times; however, the prolonged dry period has impacted on the economic and social aspects

of communities in East Gippsland. The increased number of community events and participation is important during tough times in regional communities.

The participation reflects a focus on reporting all meetings held or attended by the Authority in accordance with the Our Catchments, Our Communities strategy. Traditional owner engagement continues to strengthen, with the GLaWAC Partnerships Agreement in place. This year a working group has been established to coordinate actions to implement the agreement.

**Table 9 Community Condition Assessment 2017/18**

 Neutral	<p>Although dry conditions are impacting on communities, participation at events and involvement in community projects has remained stable. The focus this year was to support the community during difficult times, continue to strengthen existing partnerships; and continue to improve integrated catchment management.</p>
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**Reasons for Assessment**

The 2018/2019 annual condition assessment for community is based on the following evidence:

- 918 community events held / attended by the Authority.
- The Authority has 11,030 followers on Facebook (457 more than last year).
- The Authority has 444 followers on Twitter.
- There are 3 Landcare Networks and 32 Landcare groups operating in East Gippsland.
- The Authority is working closely with an array of community groups to implement activities. The groups include angling clubs, rowing clubs, Landcare groups, coast care groups, friends of groups, 4 wheel drive clubs, local schools, and Traditional Owner groups.
- Organisational involvement in regional planning has increased through the Gippsland Environment Agencies (GEA). This group of 14 natural resource management agencies and water authorities work closely together to implement the catchment partnerships agreement and

- collaboratively work together on regional planning processes.
- Roundtables operate at various levels across East Gippsland. The Authority’s Annual Engagement Plan provides a description of each round table, including membership, roles and responsibilities. Each of the roundtables is interlinked and updates are shared across roundtables, primarily through the East Gippsland CMA.

**Case Study - Encouraging women to be great leaders**

A key Victorian Government initiative is to increase the number of women in leadership roles. Gippsland Environment Agencies (GEA) has developed an integrated and coordinated way to provide leadership opportunities to all women in natural resource management in Gippsland.

The Gippsland Environmental Agencies Women’s Leadership Team (the team) was established to inspire and encourage women to be great leaders at all levels, through a culture of growth and empowerment.

There are 13 agencies represented, including water authorities, CMA’s, DELWP, Parks Victoria, EPA and Traditional Owners. A key initiative by the team is to hold an annual women leadership forum. The theme for the forum this year was ‘Diversity in Leadership’.

The GEA Women in Leadership team Chair, Bec Hemming, said “With 100 people from 13 agencies in the room, this year’s forum was a great event to build connections and promote finding, making and taking opportunities”.

#### 4.21 PROGRAM OUTPUTS

*Table 10: East Gippsland Region Victorian Water Program Investment Framework (VWPIF), Gippsland Lakes Coordinating Committee (GLCC) and Victorian Landcare Program (VLP) Outputs for 2018/19. Please note the table below includes all outputs for the Gippsland Lakes Program (outputs delivered across East and West Gippsland CMA regions).*

Output	Unit of Measure	Target	Actual	% Complete
Approvals and Advice	Number	380	252	66
Assessments	Number	423	729	172
Earthworks	Kilometre	1	1	100
Engagement Event	Number of participants	940	1,740	185
Fencing	Kilometre	27	31	114
Grazing Regime	Hectares	68	607	892
Management Agreement	Number	13	31	238
Monitoring Structure	Number	6	6	100
Partnership	Number	113	206	182
Pest Animal Control	Hectares	9,103	14,001	153
Plan	Number	5	64	1280
Publication	Number	77	85	110
Revegetation	Hectares	110	116	105
Water Storage	Number	5	9	180
Waterway Structure	Number	27	28	103
Weed control	Hectares	1,659	2,906	175

The variations to the target versus actual outputs for the Victorian Water Program Investment Framework funding include:

- Over achievement of the Grazing Regime is due to unexpected outputs associated with fencing of large wetlands. Two significantly sized wetlands have been fenced through the program, incorporating far greater area than could have been predicted when setting targets.
- Over achievement of the Management Agreement output is due to an increase in landholder interest and participation through protecting waterways and wetlands.

**Table 11:** The Authority is supported through funding from the Commonwealth Government's National Landcare Program Phase 2(NLP2). The East Gippsland NLP Outputs for 2018/19 are:

DELWP Output	Unit of Measure	Target	Actual	% Complete
Fence	Km	2	6	300
Vegetation	Ha	20	47	235
Weed Control	Ha	85	106	124
Pest Animal Control	Ha	11,700	27,817	237
Management Agreement	Number	11	16	145
Assessment	Number	29	36	124
Engagement Event	Number of Events	28	28	100
Plan	Number	26	44	169

The additional outputs achieved for the NLP2 program in 2018/19 are due to:

- Additional fencing completed as part of the Alpine Peatlands project controlling vehicle access. The fence was constructed to protect peatlands.
- Additional vegetation completed as part of the Gippsland Lakes Ramsar project. Greening Australia achieved more revegetation than expected on Saltmarsh at Maringa Creek, Nyerimilang.
- Additional pest animal control completed as part of the Gippsland Lakes Ramsar project. More hectares and treatments were undertaken as part of the fox baiting program surrounding the lakes.

## 5 PERFORMANCE AGAINST KEY PERFORMANCE INDICATORS

Performance Area	Performance target	Achievement commentary
Business management and governance	Submit annually, a board performance assessment report according to any guidelines issued.	Completed
	A risk management strategy / plan approved by the Board and being implemented.	Completed
	One hundred per cent of the CMA's policies and procedures reviewed every three financial	Policies 100% Procedures 90%
	Full compliance with all applicable Standing Directions under the Financial Management Compliance Framework Checklist.	Full Compliance achieved under the Financial Management Compliance Framework Checklist. No material non-compliance with the Standing Directions 2016.
Regional planning and coordination	A regional catchment strategy (RCS) approved by the minister.	RCS in place covering the period from 2013 to 2019. Renewal is planned for completion by June 2020.
	A stakeholder and community engagement framework / plan approved by the Board.	Engagement plan reviewed annually and approved by the Board in June 2019.
	A regional Landcare support plan approved by the Board.	The Regional Landcare Support Plan for the period from 2015 to 2019 was completed in April 2015. The mid-term review completed with partners in early 2017.
	A regional waterways strategy approved by the minister.	The East Gippsland Waterway Strategy for the period from 2014 to 2022 was completed in 2013. Mid-term review completed in 2018.
	A regional floodplain strategy approved by the Board.	The East Gippsland Floodplain Strategy was approved by the Board in June 2017.
Regional delivery	Progress with implementation of the RCS (and its major sub-strategies) is reviewed by the Board annually.	RCS implementation progress reports presented to the Board every six months.
	Projects / activities to implement the RCS are delivered and reported according to associated funding agreements.	All required reporting pursuant to funding agreements has been met.
	Projects / activities to implement the regional waterways strategy and the regional floodplain management strategy delivered and reported according to associated funding agreements.	All required reporting pursuant to funding agreements has been met
Statutory functions under Part 10 of the Water Act	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated with waterway and floodplain management are responded to within the prescribed period.	Achieved
Statutory functions under Part 11 of the Water Act	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated with irrigation management are responded to within the prescribed period.	Achieved

## 6. KEY INITIATIVES

### 6.1 THE GUNAIKURNAI TRADITIONAL OWNER LAND MANAGEMENT BOARD HOSTING

The Authority continues to host the Gunaikurnai Traditional Owner Land Management Board (GKTOLMB) for provision of its Executive Officer, Project Officer and for supporting Board members. This co-operative arrangement builds capability at officer level by sharing management skills, and builds cultural awareness and long term relationships among CMA staff and GKTOLMB members. The success of the partnership is punctuated by good communication and respect between all parties.

### 6.2 GUNAIKURNAI LAND AND WATER ABORIGINAL CORPORATION PARTNERSHIP AGREEMENT

The Authority has led the establishment of, and signed, the partnership agreement with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) on 14th May 2018 together with another 13 Victorian Government departments and agencies who are members of the Gippsland Environment Agencies (GEA) Forum.

The agreement establishes shared objectives and actions to strengthen the partnership between all these agencies and GLaWAC. The agreement also establishes a working group comprising of all signatory members that reports progress towards objectives back to the GEA forum.

We are working very closely with the GLaWAC CEO and staff, especially in planning for and completing works within the 10 jointly managed parks and reserves together with land within the RAP area.

We share two Board directors with GLaWAC and our CEO is also the independent chair of the GLaWAC Audit and Finance committee to assist where we can in helping GLaWAC succeed.

Throughout 2017/18, the GLaWAC on Country Team worked with multiple East Gippsland agencies and community groups to deliver on ground works.

### 6.3 VIC CATCHMENTS HOSTING

The Authority's Board Chair was the Chair of Vic Catchments for up till 2019. Formed in 2017, Vic Catchments is a collegiate body comprising each Chair

and CEO of the ten Victorian CMA's and the Victorian Catchment Management Council.

The Authority provides staffing and administration support for Vic Catchments. It is designed to improve the state-wide delivery of the Our Catchments, Our Communities strategy for Victoria, and to improve coordination and engagement with the state-wide partners involved in Integrated Catchment Management in Victoria.

Vic Catchments also guides efficiency and effectiveness initiatives within the state-wide CMA sector. Priorities for 2018 included the following:

1. State-wide OHS systems and information sharing.
2. State-wide consideration of the new Coastal and Marine act responsibilities for CMA's.
3. Shared financial system upgrades.
4. Trialling expansion of the East and West Gippsland shared statutory planning unit.

### 6.4 EAST GIPPSLAND LANDCARE NETWORK (EGLN) HOSTING

The Authority has recently signed an agreement to provide staff and associated services to the East Gippsland Landcare Network. The arrangement will enable the Authority to support the volunteer network by alleviating the workload of EGLN being an employer and allowing the network's Executive to focus on its strategic objectives.

The arrangement includes providing staff, office accommodation, IT infrastructure and access to Authority equipment. This new level of collaboration between the Authority and EGLN will strengthen our existing partnership and lead to improved effectiveness and better outcomes for East Gippsland.

### 6.5 FLOOD PLAIN MANAGEMENT – TAMBO VALLEY, MITCHELL AND SNOWY FLOOD STUDIES

With technical support from the Authority, the East Gippsland Shire Council has completed a project to develop flood mapping for the Tambo River and establish flood warning arrangements. The project was also supported by the State Emergency Service and the Municipal Emergency Management Committee. An interim Flood Warning System has subsequently been established.

The Snowy River Regional Floodplain Mapping Project has been completed by

DELWP, also with the Authority's support. The data and information outputs from this study are now being considered by the State Emergency Service and the East Gippsland Shire Council.

A similar project is currently underway for the Mitchell River. The project is focussed on the reach from Glenaladale to the river mouth, and is closely aligned with the Mitchell River Rehabilitation Plan project. This project is also being managed by DELWP, with support from the Authority.

### 6.6 THE GIPPSLAND LAKES COORDINATING COMMITTEE

The GLCC includes five community representatives with skills in aquatic science, waterway management and environmental science and conservation. It also includes five members who represent Victorian public sector agencies with waterway management responsibilities.

The Committee makes recommendations regarding allocation of the funding announced in the 2015-16 Victorian State Budget to improve the health of the lakes. The allocation is guided by the existing regional waterway strategies for East and West Gippsland and the Gippsland Lakes Ramsar Site Management Plan.

The committee is currently overseeing 41 partner agency projects across 4 priority program areas of work and 16 community projects. All of the funded projects align with the objectives of the Gippsland Lakes Ramsar Site Management Plan and the Gippsland Lakes Priorities Plan.

### 6.7 STRENGTHENING AGENCY PARTNERSHIPS AND FORUMS

The Authority has continued to work closely with two major cross-agency forums as follows:

The Gippsland Environment Agencies (GEA) Forum; comprises leaders of thirteen (13) major environmental agency partners in Gippsland, which is coordinating planning and works within broader Gippsland. Chaired by the Authority's CEO, the GEA Forum has the following strategic priorities:

1. Ensure implementation of the GLaWAC Partnership Agreement.
2. Ensure implementation of the East Gippsland Catchment Partnership Agreement.
3. Jointly communicate benefits of GEA initiatives

The East Gippsland CEO's and MD's forum comprises all leaders of East Gippsland agencies. Members come from traditional owner organisations, health organisations, local government, water authorities and Gippsland Ports. The forum is established to ensure East Gippsland agencies are working together on issues and strategic priorities for East Gippsland.

The forum is also the host for the Integrated Water Management forum for East Gippsland.

Chaired by the Authority's CEO, the forum has the following strategic priorities:

1. Participate in the East Gippsland Shire Council Economic Development Plan
2. Working together to improve staff skills sharing and capacity development
3. Ensure implementation of the GLaWAC Partnership Agreement.

#### 6.8 GIPPSLAND ENVIRONMENT AGENCIES – WOMEN IN LEADERSHIP FORUM

The Authority continues to take an active role to reflect our diverse community through memberships on boards, committees, executives and staff. We have supported development of the GEA

WIL forum which is fostering greater opportunity for women to develop and practice leadership skills. The Authority's Program Manager, Bec Hemming, is the current Chair of this forum.

#### 6.9 NRM COMMUNITY FUNDING

The Authority prides itself on working through partnerships with agencies, individuals and community groups.

A significant program of community grants (disclosed in detail in section 12) shows the extent of grant funding distributed for on-ground works with partners. Total grants paid this year were over \$3.97 million.

### 7. FIVE YEAR FINANCIAL SUMMARY

	18-19 \$000	17-18 \$000	16-17 \$000	15-16 \$000	14-15 \$000
<b>Operating Revenue</b>					
Victorian Government	9,761	8,633	9,093	8,869	8,616
Commonwealth Government	1,217	1,828	2,522	1,098	2,267
Other Revenue	873	956	1,141	690	722
<b>Total Operating Revenue</b>	<b>11,851</b>	<b>11,417</b>	<b>12,756</b>	<b>10,657</b>	<b>11,605</b>
<b>Operating Expenses</b>					
Governance and Corporate	1,146	962	986	1,000	1,007
Project Expenditure	10,137	10,872	13,147	9,879	9,178
<b>Total Operating Expenses</b>	<b>11,283</b>	<b>11,834</b>	<b>14,133</b>	<b>10,879</b>	<b>10,185</b>
<b>Total Assets</b>	<b>11,617</b>	<b>9,885</b>	<b>10,057</b>	<b>11,373</b>	<b>11,254</b>
<b>Total Liabilities</b>	<b>1,953</b>	<b>997</b>	<b>763</b>	<b>706</b>	<b>639</b>

#### 8. CURRENT YEAR FINANCIAL REVIEW

The Authority is financially sound, with adequate provisions in place to fulfil its obligations to staff and replacement of plant and equipment. Sufficient resources are allocated to deliver the Corporate Plan objectives for 2019/2020.

#### 9. SIGNIFICANT CHANGES IN FINANCIAL POSITION

There were no significant changes to our financial position during the reporting period.

#### 10. SIGNIFICANT CHANGES OR FACTORS AFFECTING PERFORMANCE

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

#### 11. CAPITAL PROJECTS

The Authority did not manage any capital projects in the reporting period.

#### 12. 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 2018/19 for the purposes of supporting the administration of Landcare groups and implementing on-ground natural resource management projects.

**East Gippsland Victorian Landcare Grants Program recipients for 2018/19 included:**

Various	Support grants	\$11,500
Friends of Mallacoota	Rehabilitate Gabo Island	\$3,520
East Gippsland Landcare Network	Protecting our Plants	\$19,970
Snowy West Landcare Group	STAGE 2 – Opuntoid Cactus and African Box Thorn Eradication at Newmerella	\$13,158
Snowy River Interstate Landcare Committee	Protecting Snowy Basin Assets	\$10,930
Friends of Upper Nicholson Catchment	Nurturing Natures Nesters	\$8,600
Far East Victoria Landcare	Improving soil and riparian health and biodiversity in Far East Gippsland	\$20,000
Raymond Island Landcare Group	Weed control project, Raymond Island	\$4,400
Swifts Creek Ensay Landcare	Tackling new and emerging weeds in the Upper Tambo	\$8,000
Barrier Landing Coastcare	Barrier Landing Stabilisation Works Plan	\$10,456
Far East Victoria Landcare	It's all about the grazing management in the Far East	\$20,000
East Gippsland Landcare Network	Grazing Management in the Mitchell Valley	\$18,612
Total		<b>\$ 149,146</b>

Not-for-profit organisations (excluding Victorian Landcare grants)	\$1,583,594
Landholders	\$175,386
Local Government	\$214,000
Partner Agencies	\$1,847,986

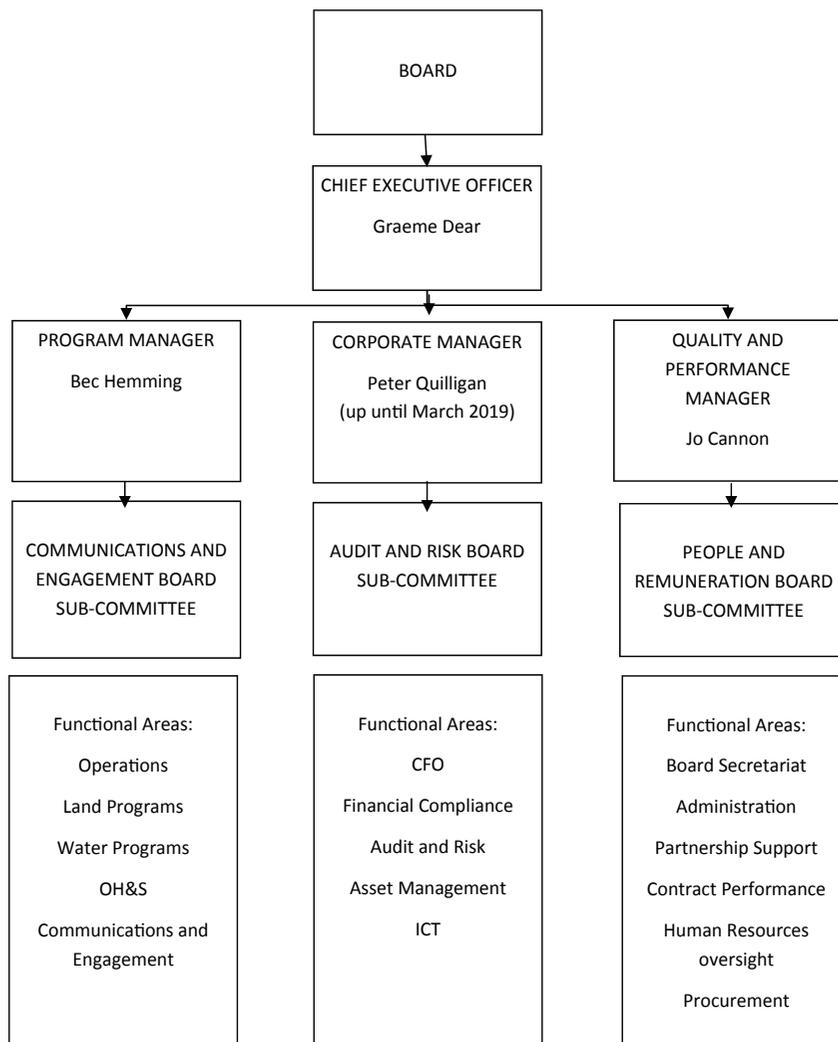
Total grants paid during the 2018/19 year were \$3.97 million.

**13. SUBSEQUENT EVENTS**

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

## PART 2 – GOVERNANCE & ORGANISATIONAL STRUCTURE

### 14 ORGANISATIONAL CHART



### 15. 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 the Victorian 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 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 Board Sub-Committees.
- Ensuring appropriate delegation of authority.

**Board Members**

Member	Term of Appointment	Meeting Attendance
Dr Peter Veenker (Chairperson)	01/10/2017 – 30/09/2019	5 of 6
Mr William Bulmer	27/10/2015 – 30/09/2019	4 of 6
Ms Jennifer Fraser	01/10/2017 – 30/09/2021	5 of 6
Ms Frances MacLennan	01/10/2017 – 30/09/2021	6 of 6
Ms Claire Miller	01/10/2017 – 30/09/2021	5 of 6
Mr Ewan Waller	01/10/2017 – 30/09/2021	5 of 6
Ms Glenys Watts	27/10/2015 – 30/09/2019	4 of 6
Dr Nicola Watts	27/10/2015 – 30/09/2019	5 of 6
Ms Christine Wrench	27/10/2015 – 30/09/2019	6 of 6

**16. BOARD COMMITTEES**

The following Committees report to the Board:

**16.1 AUDIT AND RISK BOARD SUB-COMMITTEE**

The Committee consists of the following Board members who are not involved in the day to day management of the Authority:

Mr Ewan Waller  
Mr William Bulmer  
Ms Claire Miller  
Dr Peter Veenker

The Committee also includes an external member:

Ms Thelma Hutchison

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 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.

Members are appointed by the Board for a maximum of three years. Meetings are held not less than quarterly.

**Audit and Risk Committee membership and meeting attendance 2018-19**

Name	Term	Attended	Eligible to attend
Mr Ewan Waller	1 July 2018 to 30 June 2019	4	4
Mr William Bulmer	1 July 2018 to 30 June 2019	1	4
Ms Claire Miller	1 May 2018 to 30 June 2019	4	4
Dr Peter Veenker	1 July 2018 to 30 June 2019	1	4
Ms Thelma Hutchison	1 November 2018 to 30 October 2020	1	3

## 16.2 COMMUNICATIONS AND ENGAGEMENT BOARD SUB-COMMITTEE

The Committee consists of the following Board members:

Ms Christine Wrench  
Ms Frances MacLennan  
Mr Ewan Waller  
Ms Glenys Watts

Dr Nicola Watts  
Dr Peter Veenker

The committee also includes an external member:

Ms Lauren Carey

The Committee's responsibilities include:

- Coordinate and oversee the implementation of Board-level communication and engagement activities.
- Oversee the annual review of the Communications and Engagement Plan including performance against key performance indicators, and recommend the completed plan to the Board for endorsement.
- Oversee implementation of the Communications and Engagement Plan.
- Oversee production of the Authority's Annual Report
- Review reports on and oversee implementation of the Authority's program communication and engagement activities.
- Review relevant communications and engagement policies for Board approval.

## 16.3 PEOPLE AND REMUNERATION BOARD SUB-COMMITTEE

The Committee consists of the following Board members:

Dr Peter Veenker  
Ms Jennifer Fraser  
Dr Nicola Watts

The Committee's responsibilities include:

- To ensure that the Board has a strategic, sustainable long-term approach to issues relating to the people working for the Authority, including:
  - People resources, strategic policy and planning
  - Organisational culture
  - Organisational structure
  - Industrial relations matters
  - Development and training
  - Remuneration and contracting strategies
  - Succession planning for key

- management positions
- Recruitment and retention
- To review the CEO's performance for the purpose of annual performance review and to recommend any annual increments in accordance with OPSER guidelines and current employment contract terms
- Review and recommend to the Board, in line with organisational and government policy, remuneration levels for executive management.
- Provide facilitation and oversight for preparation of Board Performance Reviews/Board member self-assessments and recommend any actions to the Board.
- Provide advice to the Board in respect of the recruitment of external members to Board sub-committees.

## 16.4 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.

The CEO manages all hosting arrangements and strategy development and oversight.

### Chief Executive Officer: Graeme Dear

### Corporate Services Unit

This unit is responsible for providing Corporate Services to the Authority. Corporate Services includes financial management, audit and risk management including enterprise risk, asset management, payroll and information technology and management.

### Manager: Acting Manager – Rob Carlesso

### Programs Unit

This unit coordinates the planning, implementation, monitoring, evaluation and reporting of the RCS, EGWS, Regional Floodplain Management Strategy (RFMS), Gippsland Lakes Ramsar Site Management Plan and all other supporting sub-strategies. The unit implements the Authority's waterway health program, Gippsland Lakes Program and the National Landcare Program.

The unit 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.

The unit also coordinates workplace health and safety and corporate communications and engagement.

### Manager: Bec Hemming

### Quality and Performance Unit

This unit provides Board and administration support. The unit also provides partnership support for hosted agencies and oversight support for contract performance, human resources and procurement.

### Manager: Jo Cannon

## 17. WORK HEALTH AND SAFETY

The safety of Authority employees and our contractors is our highest priority and one of our core values. The Work Health & Safety (WHS) management system underpins our policy which aims to build a culture that provides a working environment, resources and support to make safety, health and wellbeing everyone's responsibility.

During the 2018/19 financial year, management and the WHS Committee in consultation with stakeholders, implemented the annual WHS Action Plan. Initiatives included systems development further integrating WHS as part of our day to day project management.

The Authority's performance in WHS demonstrates a commitment to achieving best practice with a focus on continuous improvement and recognising that health and safety contributes to overall organisational and business success through a reduction in workplace injuries and ill health.

Throughout the year, we have had ten incidents. This represents 42 incidents per 100 FTEs.

There were no lost time claims for the reporting period.

<b>WHS Performance Reporting</b>			
Incidents	2018/19	2017/18	2016/17
Contractor time lost to injuries/accidents (days)	5	1	14
Contractor incident notifications	4	5	4
Staff time lost to injuries/accidents (days)*	0	1	0
Staff hazard/incident notifications**	10	13	9
Incidents reported to WorkSafe	0	0	0
WorkCover claims	0	0	0
Average cost per claim	0	0	0

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 reviews, incident and hazard reporting and promoting an ongoing commitment to continuous improvement in WHS.

#### WHS training completed in the reporting period

Training Program	Number of Participants
First aid (including annual CPR refresher)	11
Fire warden & emergency response	0
Health & safety representative annual refresher	0
Basic wildfire awareness	10

#### 18. EMPLOYMENT AND CONDUCT PRINCIPLES

- The Authority has applied the public sector employment principles and public sector values in the following ways: Compliance with Policies and Procedures that support a fair and equitable workplace for employees, including:
  - Human Resources Policy
  - Recruitment and Selection Procedure
  - Discipline and Grievance Procedure
  - General Human Resources Procedure
  - Gifts and Benefits Policy and Procedure
  - Diversity and Inclusion Plan 2019
  - Provision of training for staff, including:
    - Women in Leadership Forum attendance
    - Removing Roadblocks Workshop
    - Bullying and Harassment for employees
  - Dealing with Workplace Conflict
  - Duty of Care for Victorian employees
  - Managing stress
  - Victorian Charter of Human Rights and Responsibilities
  - Development of workplace behaviours based on the public sector values.

## PART 3 - WORKFORCE DATA

### 19. PUBLIC SECTOR 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 has policies and practices that are consistent with the Victorian Public Sector Commission's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The

Authority has advised its employees on how to avoid conflict of interest, how to respond to offers of gifts and how it deals with misconduct.

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.

### 20. COMPARATIVE WORKFORCE DATA

The Authority's philosophy of cost

control and project delivery through partners is further demonstrated in our workforce data.

On 30 June 2019, the Authority employed 26 staff numbers (23.3 full time equivalent), compared to 24 staff (21 full time equivalent) on 30 June 2018.

The proportion of women was 46% compared to 41% on 30 June 2018.

Employees have been correctly classified in workforce data collections.

The breakdown of staff for the Authority at the end of 2018/19 compared to 2017/18 is as follows:

	2018/2019		2017/2018	
	Number (headcount)	FTE	Number (headcount)	FTE
Executive Officer	1	1	4	4.0
Managers	4	3.6	6	5.2
Corporate Services staff	3	2.7	2	1.8
Program staff	10	9.6	9	7.4
Quality and Performance (including hosted employees) staff	8	6.4	3	2.6
<b>TOTAL</b>	<b>26</b>	<b>23.3</b>	<b>24</b>	<b>21.0</b>
Men	14		14	
Women	12		10	
<b>TOTAL</b>	<b>26</b>		<b>24</b>	

#### Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
- Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
- FTE means "Full Time Equivalent".

**21. WORKFORCE INCLUSION POLICY**

The Authority's Diversity and Inclusion Plan 2017 (DIP) is working towards

providing a workplace and work practices that embrace, reflect, respect and promote the diversity of our community. The DIP has a target of having employment levels of aboriginal

people within the EGCMA, contractors and Grant recipient partner groups reaching at least 5% by 2023.

The Authority's progress towards achieving this target is outlined below:

Diversity and Inclusion Plan 2019 initiative	Target	Progress in 2018/19	Progress in 2018/17
All management levels within the EGCMA will achieve a gender balanced membership.	2024	Achieved  (At Senior Manager level).	In progress.  Male 66% Female 34% (At Senior Management level).
Ensure Aboriginal people employed within the EGCMA, contractors and Grant recipient partner groups reach at least 5% by 2023	2023	GLaWAC Workforce Strategy completed. Developing workforce metrics for measurement.	Agreement reached with GLaWAC on Workforce Strategy support.

**22. EXECUTIVE OFFICER DATA**

For reporting purposes consistent with the PA Act, the Authority has one executive officer who is employed and

remunerated in accordance Office of Public Sector Executive Remuneration (OPSER) and the Victorian Government's Public Entity Executive Remuneration Policy.

The executive officer position detailed below is 1FTE.

Total number of EOs for the Authority, broken down into gender	Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.
Class						
EO-2			1	0		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 4 - OTHER DISCLOSURES

### 23. LOCAL JOBS FIRST

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

The Authority is required to apply the Local Job First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

#### Projects Commenced – Local Jobs First Standard

During 2018-19, the Authority commenced one Local Jobs First Standard project totalling \$1.6 million. This project was located in Gippsland and had a commitment of 100 per cent local content. No projects were commenced

that occurred statewide. The MSPG did not apply to this project.

The outcomes expected from the implementation of the Local Jobs First policy to this project where information was provided is as follows:

- 40 local people employed.

#### Projects Completed – Local Jobs First Standard

During 2018-19, the Authority completed no Local Jobs First Standard projects.

#### Reporting requirements – all projects

During 2018-19, there were no VIPP Plan's or Local Industry Development Plan's (LIDP) required.

#### Reporting requirements – grants

There were no grants provided during 2018-19, that required a conversation with the Industry Capability Network (Victoria) Ltd.

### 24. GOVERNMENT ADVERTISING EXPENDITURE

The Authority's expenditure in the 2018/19 reporting period on government campaign expenditure was nil.

### 25. CONSULTANCY EXPENDITURE

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

In 2018/19, there were 3 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2018/19 in relation to these consultancies was \$108,473 (excl. GST). Details of individual consultancies can be viewed at [www.egcma.com.au](http://www.egcma.com.au).

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

In 2018/19 there were 19 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2018/19 in relation to these consultancies was \$72,565 (excl. GST).

### 26. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2018/19 reporting period, the Authority had a total ICT expenditure of \$500,000 with the details shown below:

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure  (Total = Operational expenditure and Capital Expenditure)	Non-BAU ICT expenditure  • Operational expenditure (OPEX)	Non-BAU ICT expenditure  • Capital expenditure (Capex)
411	17	0	72

### 27. DISCLOSURE OF MAJOR CONTRACTS

The Authority did not award any major contracts (valued at \$10M or more) during 2018/19.

### 28. FREEDOM OF INFORMATION

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

An applicant has a right to apply for access to documents held by the

Authority. This comprises documents both created by the Authority or supplied to the Authority by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Authority is available on the Authority's website under its Part II Information Statement.

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

information provided to the Authority in confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times.

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

## Making a request

FOI requests can be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au). An application fee of \$29.60 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

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

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

Requests for documents in the possession of the Authority should be addressed to:

The FOI Officer  
East Gippsland Catchment Management Authority  
PO Box 1012  
Bairnsdale, Vic 3875  
Phone: 03 5150 3589  
Email: [FOI@egcma.com.au](mailto:FOI@egcma.com.au)

## FOI statistics/timeliness

During 2018/19, the Authority received two applications. These requests were from the general public.

The Authority made one FOI decision during the 12 months ended 30 June 2019. This decision was made within the statutory 30 day time period;

One decision had yet to be finalised.

The average time taken to finalise requests in 2018/19 was 6 days.

During 2018/19, no requests were subject to a complaint/internal review by OVIC.

## Further information

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

## 29. 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 2018-19.

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

## 30. COMPETITIVE NEUTRALITY 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.

## 31. 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.

The Authority is a "public body" for the purposes of the PD Act.

### What is a 'protected disclosure'?

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

### 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.

## How do I make a 'protected disclosure'?

You can make a protected disclosure about the Authority or its board members, officers or employees by contacting Independent Broad-Based Anti-Corruption Commission (IBAC) on the contact details provided below.

Please note that the Authority is not able to receive protected disclosures.

## How can I access the Authority's procedures for the protection of persons from detrimental action?

The Authority has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the Authority or its employees. You can access the Authority's procedures on its website at: <http://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](http://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.

## 32. DISABILITY ACT 2006

The Disability Act 2006 requires the Authority to ensure full compliance with the Act and to report on its compliance in their annual report. The Authority's Diversity and Inclusion Implementation Plan (DIP) incorporates the requirements of the Act. The plan has set clear objectives and actions. Progress in respect of the plan's implementation is reported to the Authority's Board. Initiatives to date include:

- Authority policies, procedures and systems are being reviewed to ensure people with disabilities are not disadvantaged.
- Project partners are required to include diversity and inclusion planning in all project proposals.
- Removal of all personal identifiers from job applications before short listing of candidates.
- Evaluating the accessibility of our website.

### 33. OFFICE-BASED ENVIRONMENTAL IMPACTS

The Authority's Sustainability Policy reflects its commitment to reducing its environmental impacts which are reflected in all of its current business practices by all staff.

### 34. 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.

### 35. 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 research and development activities undertaken by the Authority.
- e) Details of major promotional, public relations and marketing activities undertaken by the Authority to develop community awareness of the entity and its services; and
- f) Details of changes in prices, fees, charges, rates and levies charged.
- g) Declarations of pecuniary interests that have been duly completed by all relevant officers.

The information is available on request from:

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

- h) Assessments and measures undertaken to improve the occupational health and safety of employees (page 43).
- i) A list of the Authority's major committees; the purposes of each committee; and the extent to which the purposes have been achieved (page 40, 41 and 42).

### 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).
- l) Statement of industrial relations within the Authority.

### 36. FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Peter Veenker, on behalf of the Responsible Body, certify that the East Gippsland Catchment Management Authority has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Dr Peter Veenker, FCPA  
Chairperson

East Gippsland Catchment Management Authority

11 September 2019

## **PART 5 - FINANCIAL STATEMENTS**



Victorian Auditor-General's Office

# Independent Auditor's Report

## *To the Board of the East Gippsland Catchment Management Authority*

<b>Opinion</b>	<p>I have audited the financial report of the East Gippsland Catchment Management Authority (the authority) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2019</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
11 September 2019



Paul Martin  
*as delegate for the Auditor-General of Victoria*

## How this report is structured

The East Gippsland Catchment Management Authority has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about the Authority's stewardship of resource entrusted to it.

### Financial statements

Comprehensive operating statement  
Balance sheet  
Cash flow statement  
Statement of changes in equity

### Notes to the financial statements

#### 1. About this report

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

#### 2. Funding delivery of our services

Revenue recognised in respect of Government contributions and other income sources  
2.2 Income from transactions

#### 3. The cost of delivering services

Operating expenses of the Authority  
3.1 Expenses incurred in delivery of services  
3.2 Materials, grants, contracts and consultancies  
3.3 Lease expenses  
3.4 Other operating expenses

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

Land, buildings, information technology assets, plant and equipment, office furniture and equipment, motor vehicles, and intangible assets  
4.1 Total property, plant and equipment  
4.2 Other financial assets

#### 5. Other assets and liabilities

Other key assets and liabilities  
5.1 Receivables  
5.2 Payables  
5.3 Other non-financial assets

#### 6. Financing our operations

Cash flow information, commitments for expenditure  
6.1 Cash flow information and balances  
6.2 Commitments for expenditure  
6.3 Carry forward project funding

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

Financial risk management, contingent assets and liabilities as well as fair value determination  
7.1 Financial instruments specific disclosures  
7.2 Contingent assets and contingent liabilities  
7.3 Fair value determination

#### 8. Other disclosures

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## Declaration in the Financial Statements

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of the Authority at 30 June 2019.

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 9 September 2019.



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Peter Veenker  
Chairperson



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Graeme Dear  
CEO and Accountable Officer



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Robert Carlesso  
Chief Finance & Accounting Officer

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2019

	Notes	2019	2018
		\$	\$
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Government contributions	2.2.1	10,977,518	10,461,680
Interest		195,212	181,784
Other income	2.2.2	872,644	773,394
<b>Total income from transactions</b>		<b>12,045,374</b>	<b>11,416,858</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1	2,833,976	2,606,543
Depreciation	4.1.1	133,024	126,744
Materials, grants, contracts and consultancies	3.2	7,436,663	8,097,624
Lease expenses	3.3	247,000	216,686
Other operating expenses	3.4	632,286	786,223
<b>Total expenses from transactions</b>		<b>11,282,949</b>	<b>11,833,820</b>
<b>Net result from transactions</b>		<b>762,425</b>	<b>(416,962)</b>
<b>Other economic flows included in net result</b>	8.2	13,513	10,019
<b>Net result</b>		<b>775,938</b>	<b>(406,943)</b>
<b>Comprehensive result</b>		<b>775,938</b>	<b>(406,943)</b>

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## BALANCE SHEET

as at 30 June 2019

	Notes	2019	2018
		\$	\$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1	7,396,116	1,041,962
Receivables	5.1	954,867	346,201
Other financial assets	4.2	2,000,000	7,200,000
<b>Total financial assets</b>		<u>10,350,983</u>	<u>8,588,163</u>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	1,322,403	1,227,761
Other non-financial assets	5.3	33,820	69,277
<b>Total non-financial assets</b>		<u>1,356,223</u>	<u>1,297,038</u>
<b>Total assets</b>		<u>11,707,206</u>	<u>9,885,201</u>
<b>Liabilities</b>			
Payables	5.2	1,307,357	390,080
Employee related provisions	3.1.2	736,109	607,319
<b>Total liabilities</b>		<u>2,043,466</u>	<u>997,399</u>
<b>Net assets</b>		<u>9,663,740</u>	<u>8,887,802</u>
<b>Equity</b>			
Accumulated surplus		1,833,931	1,057,993
Asset revaluation reserve	8.3	842,443	842,443
Contributed capital		6,987,366	6,987,366
<b>Total Equity</b>		<u>9,663,740</u>	<u>8,887,802</u>

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## CASH FLOW STATEMENT

for the year ended 30 June 2019

	Notes	2019	2018
		\$	\$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		10,212,712	11,084,642
Interest received		225,010	175,906
Goods and services tax received from the ATO (i)		485,402	813,701
Other receipts		985,103	777,558
<b>Total receipts</b>		<b>11,908,227</b>	<b>12,851,807</b>
<b>Payments</b>			
Payments to suppliers and employees		(10,539,920)	(12,507,986)
<b>Net cash flows from operating activities</b>	6.1.1	<b>1,368,307</b>	<b>343,821</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets		(368,277)	(188,524)
Proceeds from the sale of non-financial assets		154,124	74,880
Sale of Financial Assets		5,200,000	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>4,985,847</b>	<b>(113,644)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>6,354,154</b>	<b>230,177</b>
Cash and cash equivalents at the beginning of the financial year		1,041,962	811,785
<b>Cash and cash equivalents at end of financial year</b>	6.1	<b>7,396,116</b>	<b>1,041,962</b>

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

Note:

(i) GST received from the Australian Taxation Office is presented on a net basis.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2019

	Accumulated surplus	Asset revaluation reserve	Contributed capital	Total
	\$	\$	\$	\$
Balance at 1 July 2017	1,464,936	842,443	6,987,366	9,294,745
Net result for the year	(406,943)	-	-	(406,943)
<b>Balance at 30 June 2018</b>	<b><u>1,057,993</u></b>	<b><u>842,443</u></b>	<b><u>6,987,366</u></b>	<b><u>8,887,802</u></b>
Net result for the year	775,938	-	-	775,938
<b>Balance at 30 June 2019</b>	<b><u>1,833,931</u></b>	<b><u>842,443</u></b>	<b><u>6,987,366</u></b>	<b><u>9,663,740</u></b>

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 1. ABOUT THIS REPORT

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

Its principal address is: East Gippsland Catchment Management Authority  
574 Main Street  
Bairnsdale VIC 3875

#### Basis of preparation

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

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid. The AASB 9 simplified approach is taken to measure the expected credit losses using a lifetime expected credit loss allowance (Note 7.1). This approach has had no impact for the Authority.

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

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

- fair value measurements of assets and liabilities;
- employee benefit provisions;
- accrued revenue/expenses.
- estimation of useful life of property, plant and equipment
- operating lease commitments

#### Compliance Information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 2. FUNDING DELIVERY OF OUR SERVICES

#### Introduction

The Authority's overall objective is for the co-ordinated control of natural resource management within the broader catchments of 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.

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

#### Structure

2.1 Summary of income that funds the delivery of our services

2.2 Income from transactions

#### 2.1 Summary of income that funds the delivery of our services

	Notes	2019 \$	2018 \$
Government contributions	2.2.1	10,977,518	10,461,680
Interest		195,212	181,784
Other income	2.2.2	872,644	773,394
<b>Total income from transactions</b>		<b>12,045,374</b>	<b>11,416,858</b>

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

#### 2.2 Income from transactions

##### 2.2.1 Total Government contributions

	2019 \$	2018 \$
<b>State Government</b>		
River Health/Healthy Waterways	4,295,827	5,100,804
Our Catchments, Our Communities	486,000	696,000
Catchment Planning/Corporate Governance	843,200	935,205
Second Generation Landcare	192,086	623,371
Water Statutory Functions	987,000	733,000
Natural Disaster Funding	686,106	-
Bushfire Recovery	50,000	-
Floodplain Management	150,000	150,000
Drought Assistance Program	1,600,000	-
Other State Funding	470,033	394,900
	<b>9,760,252</b>	<b>8,633,280</b>
<b>Commonwealth Government</b>		
National Landcare Program	1,217,266	1,828,400
	<b>1,217,266</b>	<b>1,828,400</b>
	<b>10,977,518</b>	<b>10,461,680</b>

Government 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 contributions.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 2.2.2 Other income

	2019	2018
	\$	\$
Administered funds	135,500	205,550
Miscellaneous	737,144	567,844
<b>Total other income</b>	<b><u>872,644</u></b>	<b><u>773,394</u></b>

Administered funds consists of funds received from organisations who are members of groups financially administered by the Authority, and are recognised as income from transactions when an entitlement is established or on receipt, whichever is the sooner, and disclosed in the comprehensive operating statement as other income.

Miscellaneous income consists predominantly of income received in regard to hosting arrangements with partners.

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

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 3. THE COST OF DELIVERING SERVICES

##### Introduction

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

##### Structure

- 3.1 Expenses Incurred in delivery of service
- 3.2 Materials, maintenance, grants, contracts & consultancy
- 3.3 Lease expenses
- 3.4 Other operating expenses

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

	Notes	2019 \$	2018 \$
Employee expenses	3.1.1	2,833,976	2,606,543
Materials, grants, contracts and consultancies	3.2	7,436,663	8,097,624
Lease expenses	3.3	247,000	216,686
Other operating expenses	3.4	632,286	786,223
		<u>11,149,925</u>	<u>11,707,076</u>

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

		2019 \$	2018 \$
Salaries & wages		1,991,151	1,942,840
Annual leave		210,697	144,717
Long service leave		133,622	36,507
Other leave		145,709	138,834
Superannuation	3.1.3	216,930	213,451
Other		135,867	130,194
<b>Total employee expenses</b>		<u>2,833,976</u>	<u>2,606,543</u>

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

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. Termination benefits are recognised when the Authority 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.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 3.1.2 Employee related provisions in the balance sheet

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

##### Significant judgement: Employee benefit provisions

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

	2019	2018
	\$	\$
<b>Current provisions for employee benefits</b>		
<b>Time in lieu and RDO:</b>		
Unconditional and expected to be settled within 12 months	12,051	8,289
<b>Annual leave:</b>		
Unconditional and expected to be settled within 12 months	134,063	108,428
Unconditional and expected to be settled after 12 months	29,908	29,908
<b>Long service leave:</b>		
Unconditional and expected to be settled within 12 months	28,517	32,171
Unconditional and expected to be settled after 12 months	397,103	303,483
	<u>601,642</u>	<u>482,279</u>
<b>Provisions for on-costs</b>		
Unconditional and expected to be settled within 12 months	26,831	19,935
Unconditional and expected to be settled after 12 months	50,100	46,658
<b>Total current provisions</b>	<u>678,573</u>	<u>548,872</u>
<b>Non-current provisions for employee benefits</b>		
<b>Long service leave:</b>		
Conditional and expected to be settled after 12 months	51,090	51,237
<b>Provisions for on-costs</b>		
Conditional and expected to be settled after 12 months	6,446	7,210
<b>Total non-current provisions</b>	<u>57,536</u>	<u>58,447</u>
<b>Total provisions for employee benefits and on-costs</b>	<u>736,109</u>	<u>607,319</u>

##### Wages and salaries, time in lieu, RDOs and annual leave:

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

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Authority expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

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

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. Termination benefits are recognised when the Authority 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.

##### Long service leave (LSL):

**Unconditional LSL** is disclosed 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; or
- 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 a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL 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' in the net result.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 3.1.3 Superannuation contributions

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

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

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

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

	2019	2018
	\$	\$
<b>Defined benefit plans: (i)</b>		
Vision super defined benefits scheme	6,933	6,698
<b>Defined contribution plans:</b>		
Vision super	69,784	65,529
Vic super	28,742	24,661
Other private schemes	111,471	116,563
<b>Total</b>	<u>216,930</u>	<u>213,451</u>

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

There was \$23,396 in contributions outstanding to the above schemes as at 30 June 2019 (2018: \$8,831).

#### 3.2 Materials, grants, contracts and consultancies

	2019	2018
	\$	\$
Materials	200,430	338,989
Grants paid	3,970,112	4,774,752
Contractors	3,050,502	2,575,664
Consultants	215,619	408,219
<b>Total materials, grants, contracts and consultancies</b>	<u>7,436,663</u>	<u>8,097,624</u>

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

#### 3.3 Lease expenses

	2019	2018
	\$	\$
Operating lease payments	247,000	216,686
<b>Lease expenses</b>	<u>247,000</u>	<u>216,686</u>

Operating lease payments are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term. The leased asset is not recognised in the balance sheet.

#### 3.4 Other operating expenses

	2019	2018
	\$	\$
Computer software and support	189,849	197,804
Education and training	36,421	30,548
Fares and accommodation	48,511	80,249
Fuels and lubricants	69,157	57,778
Impairment of Flood Recovery Funding	-	147,651
Insurance	38,211	33,012
Education & Training	36,421	30,548
Repairs & Maintenance	26,477	30,299
Other	187,239	178,334
	<u>632,286</u>	<u>786,223</u>

Note:

(i) "Impairment of Flood Recovery Funding" relates to income recognised in 2016/17 being a claim for reimbursement of expenses incurred during that year. In 2017/18, the claim has been adjusted for expenditure ineligible for reimbursement. The adjustment was recognised as an impairment expense in 2017/18.

(ii) "Other" includes advertising and promotions, bank charges, cleaning, conferences and seminars, photocopying and printing, postage, staff facilities, stationary, subscriptions, publications, telephones and utility charges.

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

#### Introduction

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

#### *Significant judgement: fair value measurement*

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

#### *Significant judgement: useful life*

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how fair values were determined.

#### Structure

##### 4.1 Property, plant, equipment and intangible assets

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Land at fair value	575,000	575,000	-	-	575,000	575,000
Buildings at fair value	160,000	160,000	(43,348)	(30,400)	116,652	129,600
Information Technology assets at fair value	42,678	360,994	(24,382)	(342,284)	18,296	18,710
Plant and equipment at fair value	119,596	138,075	(91,660)	(109,761)	27,936	28,314
Office furniture and equipment at fair value	43,914	57,850	(32,223)	(47,281)	11,691	10,569
Motor vehicles at fair value	648,201	619,220	(146,979)	(153,652)	501,222	465,568
Intangible Assets	164,263	92,657	(92,657)	(92,657)	71,606	-
<b>Net carrying amount</b>	<b>1,753,651</b>	<b>2,003,796</b>	<b>(431,248)</b>	<b>(776,035)</b>	<b>1,322,403</b>	<b>1,227,761</b>

#### Initial recognition:

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### Subsequent measurement:

Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

### Specialised land & buildings

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.

### Non specialised land & buildings

Non-specialised buildings are valued using the depreciated replacement cost method.

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.

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

### Significant judgement: revaluations

Revaluations are conducted in accordance with FRD 103H. 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. A revaluation of assets to fair value was last completed as at 30 June 2016. The next revaluation is due in 2020/21. 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 STATEMENTS

for the year ended 30 June 2019

### 4.1.1 Depreciation and amortisation

	2019	2018
Charge for the period	\$	\$
Buildings	12,948	14,400
Information Technology assets	17,224	6,605
Plant & equipment	4,393	4,996
Office furniture & equipment	1,370	1,865
Motor vehicles	97,089	98,878
<b>Total depreciation</b>	<b><u>133,024</u></b>	<b><u>126,744</u></b>

All non-physical assets that have a finite useful lives are depreciated.

Asset	Useful Life
Buildings	20 years
Information technology	4 years
Plant and equipment	10 years
Furniture & office equipment	10 years
Motor vehicles	7-10 years

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

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

### Impairment of Property, plant & equipment

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

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

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

	Land at fair value	Buildings at fair value	Information Technology assets at fair value	Plant and equipment at fair value	Office furniture and equipment	Motor vehicles at fair value	Intangible Assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2018-19</b>								
Opening balance	575,000	129,600	18,710	28,314	10,569	465,568	-	1,227,761
Additions	-	-	16,810	4,015	2,492	273,354	71,606	368,277
Disposals	-	-	-	-	-	(140,611)	-	(140,611)
Depreciation	-	(12,948)	(17,224)	(4,393)	(1,370)	(97,089)	-	(133,024)
<b>Closing balance</b>	<b>575,000</b>	<b>116,652</b>	<b>18,296</b>	<b>27,936</b>	<b>11,691</b>	<b>501,222</b>	<b>71,606</b>	<b>1,322,403</b>
<b>2017-18</b>								
Opening balance	575,000	144,000	7,334	33,310	12,434	458,764	-	1,230,842
Additions	-	-	17,981	-	-	170,543	-	188,524
Disposals	-	-	-	-	-	(64,861)	-	(64,861)
Depreciation	-	(14,400)	(6,605)	(4,996)	(1,865)	(98,878)	-	(126,744)
<b>Closing balance</b>	<b>575,000</b>	<b>129,600</b>	<b>18,710</b>	<b>28,314</b>	<b>10,569</b>	<b>465,568</b>	<b>-</b>	<b>1,227,761</b>

#### 4.2 Other financial assets

	2019	2018
	\$	\$
<b>Term deposits (i)</b>		
Term Deposits - Treasury Corporation of Victoria	-	5,200,000
Term Deposits - National Australia Bank	2,000,000	2,000,000
<b>Total other financial assets</b>	<b>2,000,000</b>	<b>7,200,000</b>

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 5. OTHER ASSETS AND LIABILITIES

#### Introduction

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

#### *Significant judgement: Accrued revenue and accrued expenses*

Accrued revenue is goods and services that have been provided to a third party but had not been invoiced at the balance date and accrued expenses represent goods or services that have been consumed but have not been invoiced by the supplier as at the balance date.

In estimating the amount of an accrued revenue or accrued expense, consideration is given to the stage of completion of the services being performed, and the extent of the costs incurred that are recoverable.

#### Structure

5.1 Receivables

5.2 Payables

5.3 Other non-financial assets

#### 5.1 Receivables

Current receivables	2019	2018
<b>Contractual</b>	\$	\$
Trade receivables	807,026	202,130
Accrued revenue	46,902	26,419
	<u>853,928</u>	<u>228,549</u>
<b>Statutory</b>		
GST input tax credits recoverable	100,939	117,652
<b>Total current receivables</b>	<u><u>954,867</u></u>	<u><u>346,201</u></u>

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost less any impairment.

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

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

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 5.2 Payables

<b>Current Payables</b>	<b>2019</b>	<b>2018</b>
<b>Contractual</b>	<b>\$</b>	<b>\$</b>
Trade payables	525,682	304,062
Accrued expenses	758,279	24,841
Other payables	-	38,124
	<u>1,283,961</u>	<u>367,027</u>
<b>Statutory</b>		
Superannuation	23,396	23,053
<b>Total current payables</b>	<u><u>1,307,357</u></u>	<u><u>390,080</u></u>

#### Payables consist of :

**Contractual payables** are classified as financial instruments and categorised as 'financial liabilities at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured 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 contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the first 30 days from the date of the invoice.

#### 5.2.1 Maturity analysis of contractual payables

	Carrying amount \$	Maturity dates		
		Less than 1 month \$	1-3 months \$	3-6 months \$
<b>2019</b>				
<b>Payables:</b>				
Trade payables	525,682	525,682	-	-
Accrued expenses	758,279	758,279	-	-
Other payables	-	-	-	-
<b>Total</b>	<u><u>1,283,961</u></u>	<u><u>1,283,961</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Payables:</b>				
<b>2018</b>				
Trade payables	304,062	304,062	-	-
Accrued expenses	24,841	24,841	-	-
Other payables	38,124	38,124	-	-
<b>Total</b>	<u><u>367,027</u></u>	<u><u>367,027</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

#### 5.3 Other non-financial assets

Prepayments	\$ 33,820	\$ 69,277
<b>Total other non-financial assets</b>	<u><u>33,820</u></u>	<u><u>69,277</u></u>

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 6. FINANCING OUR OPERATIONS

This section provides information on the sources of finance utilised by the Authority during its operations and other information related to financing activities of the Authority.

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

#### Structure

- 6.1 Cash Flow information and balances
- 6.2 Commitments for expenditure
- 6.3 Carry forward project funds

#### 6.1 Cash flow information and balances

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

	2019	2018
<b>Cash and deposits disclosed in the balance sheet:</b>	<b>\$</b>	<b>\$</b>
Cash on hand	800	800
Cash at bank	823,879	5,000
Deposits at call	6,571,437	1,036,162
<b>Balance as per cash flow statement</b>	<b><u>7,396,116</u></b>	<b><u>1,041,962</u></b>

#### 6.1.1 Reconciliation of net result to cash flow from operating activities

	2019	2018
	<b>\$</b>	<b>\$</b>
<b>Net result for the period</b>	<b>775,938</b>	<b>(406,943)</b>
<b>Non-cash movements:</b>		
Gain on disposal of non-current assets	(13,513)	(10,019)
Depreciation	133,024	126,744
	<u>895,449</u>	<u>(290,218)</u>
<b>Movements in assets and liabilities:</b>		
Decrease/(increase) in receivables	(608,666)	404,625
(Increase)/decrease in other non-financial assets	35,457	(5,420)
Increase/(decrease) in payables	917,277	231,670
Increase in employee related provisions	128,790	3,164
<b>Net cash flows from/(used in) operating activities</b>	<b><u>1,368,307</u></b>	<b><u>343,821</u></b>

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 6.2 Commitments for expenditure

Commitments for future expenditure include operating and external program commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

#### 6.2.1 Total commitments payable

	2019	2018
	\$	\$
<b>Operating lease commitments payable</b>		
Less than one year	340,590	345,680
1 Year up to 5 years	1,182,425	1,203,826
Total commitments (inclusive of GST)	<u>1,523,015</u>	<u>1,549,506</u>
	138,456	140,864
Total operating lease commitments payable (excluding GST)	<u><u>1,384,559</u></u>	<u><u>1,408,642</u></u>

Operating lease commitments relate to office, depot and car parking facilities with lease terms between one and five years. These contracts do not allow the Authority to purchase the facilities after the lease ends, but the Authority has the option to renew each of the leases at the end of the lease term.

As at 30 June 2019 the Authority had \$Nil in finance lease commitments (2018: \$Nil).

As at 30 June 2019 the Authority had \$Nil in capital expenditure commitments (2018: \$Nil).

### 6.3 Carry forward project funding

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

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

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

##### Introduction

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

7.1 Financial instruments specific disclosures

7.2 Contingent assets and contingent liabilities

7.3 Fair value determination

##### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Authority's activities, certain financial assets and financial liabilities arise under statute rather than a contract, and as such, do not meet the definition of financial instruments.

##### Categories of financial assets under AASB 9

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

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

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

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 7.1.1 Financial instruments: Impairment of Financial Assets

From 1 July 2018, the authority has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss Approach. Subject to AASB 9 impairment assessment include the Authority's contractual receivables and statutory receivables.

##### Contractual receivables at amortised cost

The Authority applies AASB 9 simplified approach for all contractual receivables to measure the expected credit losses using a lifetime expected loss allowance based on the assumptions about the risk of default and the expected loss rates. The Authority has grouped contractual receivables on shared credit risk characteristics and days past due, and select the credit loss rate based on the Authority's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the Authority determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial year as follows:

	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
<b>1 July 2018</b>						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	228,549	-	-	-	-	228,549
<b>Loss Allowance</b>	-	-	-	-	-	-
	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
<b>30 June 2019</b>						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	854,327	-	-	-	-	854,327
<b>Loss Allowance</b>	-	-	-	-	-	-

##### Statutory receivables at amortised cost

The Authority's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. There was no loss allowance recognised at 30 June 2018 under AASB 139, and no additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 7.1.2 Financial instruments: Categorisation

	Cash and Deposits \$	Financial assets - at amortised cost \$	Financial liabilities at amortised cost \$	Total \$
<b>2019</b>				
<b>Contractual financial assets</b>				
Cash and deposits	7,396,116	-	-	7,396,116
<i>Receivables: (i)</i>				
Trade receivables	-	807,026	-	807,026
Accrued revenue	-	46,902	-	46,902
Other financial assets	2,000,000	-	-	2,000,000
<b>Total contractual financial assets</b>	<b>9,396,116</b>	<b>853,928</b>	<b>-</b>	<b>10,250,044</b>
<b>Contractual financial</b>				
<i>Payables: (i)</i>				
Trade payables	-	-	525,682	525,682
Accrued expenses	-	-	758,279	758,279
Other payables	-	-	-	-
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,283,961</b>	<b>1,283,961</b>
<b>2018</b>				
<b>Contractual financial assets</b>				
Cash and deposits	1,041,962	-	-	1,041,962
<i>Receivables: (i)</i>				
Trade receivables	-	202,130	-	202,130
Accrued revenue	-	26,419	-	26,419
Other financial assets	7,200,000	-	-	7,200,000
<b>Total contractual financial assets</b>	<b>8,241,962</b>	<b>228,549</b>	<b>-</b>	<b>8,470,511</b>
<b>Contractual financial liabilities</b>				
<i>Payables: (i)</i>				
Trade payables	-	-	304,062	304,062
Accrued expenses	-	-	24,841	24,841
Other payables	-	-	38,124	38,124
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>367,027</b>	<b>367,027</b>

(i) The total amounts disclosed here exclude statutory amounts.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 7.1.3 Financial risk management objectives and policies

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

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

#### Financial instruments: Credit risk

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

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

#### Financial instruments: Liquidity risk

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

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The Authority does not have any borrowings, and maintains high levels of cash and deposits readily available to meet its financial obligations. The Authority manages its liquidity risk by maintaining adequate cash reserves and continually monitoring the Authority's expenditure commitments and cash flow needs.

#### Financial instruments: Market risk

The Authority's exposure to market risk is primarily through interest rate risk with significant surplus funds held in deposits at a call in the Central Banking System. The Authority has no exposure to foreign exchange risk or other price risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is required to invest surplus funds with the State Government Central Banking System (CBS) in compliance with the Standing Directions 2018 under the Financial Management Act 1994 (2018 Directions). The floating interest rates provided by the Central Banking System expose the Authority to interest rate risk. Management monitors movements in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Authority's sensitivity to interest rate risk are set out in the table that follows.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### Interest rate exposure of financial instruments

	Weighted average interest rate %	Interest rate exposure			
		Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
<b>2019</b>					
<b>Financial assets</b>					
Cash and deposits	1.58	7,396,116	-	7,395,316	800
Contractual receivables (i)	-	853,928	-	-	853,928
Other financial assets	2.40	2,000,000	2,000,000	-	-
<b>Total financial assets</b>		<b>10,250,044</b>	<b>2,000,000</b>	<b>7,395,316</b>	<b>854,728</b>
<b>Financial liabilities</b>					
Contractual payables	-	1,307,357	-	-	1,307,357
<b>Total financial liabilities</b>		<b>1,307,357</b>	<b>-</b>	<b>-</b>	<b>1,307,357</b>
<b>Financial assets</b>					
Cash and deposits	1.48	1,041,962	-	810,985	800
Contractual receivables (i)	-	228,549	-	-	228,549
Other financial assets	2.09	7,200,000	7,200,000	-	-
<b>Total financial assets</b>		<b>8,470,511</b>	<b>7,200,000</b>	<b>810,985</b>	<b>229,349</b>
<b>Financial liabilities</b>					
Contractual payables	-	367,027	-	-	367,027
<b>Total financial liabilities</b>		<b>367,027</b>	<b>-</b>	<b>-</b>	<b>367,027</b>

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

### Interest rate risk sensitivity

The sensitivity analysis below shows the impact on the Authority's net result and equity for a movement of 50 basis points up and down in market interest rates.

	Carrying amount \$	Interest rate			
		-50 basis points		+50 basis points	
		Net result \$	Equity \$	Net result \$	Equity \$
<b>2019</b>					
Cash and deposits	7,396,116	(36,981)	(36,981)	36,981	36,981
Other financial assets	2,000,000	(10,000)	(10,000)	10,000	10,000
	<b>9,396,116</b>	<b>(46,981)</b>	<b>(46,981)</b>	<b>46,981</b>	<b>46,981</b>
<b>2018</b>					
Cash and deposits (i)	1,041,962	(5,210)	(5,210)	5,210	5,210
Other financial assets	7,200,000	(36,000)	(36,000)	36,000	36,000
	<b>8,241,962</b>	<b>(41,210)</b>	<b>(41,210)</b>	<b>41,210</b>	<b>41,210</b>

(i) Cash and deposits includes \$7,396,116 (2018: \$1,041,162) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2019:  $\$7,396,116 \times (0.005) = (\$36,982)$ ; and  $\$7,396,116 \times 0.005 = \$36,982$
- 2018:  $\$1,041,162 \times (0.005) = (\$5,205)$ ; and  $\$1,041,162 \times 0.005 = \$5,205$

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

There are no contingent assets or liabilities in 2019 or 2018.

#### 7.3 Fair value determination

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Authority.

The Authority's property, plant and equipment are carried at fair value.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

The Authority determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

##### Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Authority determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

These financial instruments include:

##### Financial assets

- (1) Cash and deposits
- (2) Receivables:
  - Receivables
  - Accrued revenue
- (3) Other financial assets

##### Financial liabilities

- (1) Payables:
  - Trade payables
  - Accrued expenses
  - Other payables

**EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2019

**7.3.1 Fair value determination: Non-financial physical assets**

**Fair value measurement hierarchy**

	Carrying amount as at 30 June 2019	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	575,000	-	575,000	-
<b>Total land at fair value</b>	<b>575,000</b>		<b>575,000</b>	
Buildings at fair value				
Non-specialised buildings	116,652	-	116,652	-
<b>Total buildings at fair value</b>	<b>116,652</b>		<b>116,652</b>	
Information technology assets	18,296	-	-	18,296
<b>Total information technology assets at fair value</b>	<b>18,296</b>			<b>18,296</b>
Plant and equipment at fair value				
Plant and equipment	27,936	-	-	27,936
<b>Total plant and equipment at fair value</b>	<b>27,936</b>			<b>27,936</b>
Office furniture and equipment at fair value				
Office furniture and equipment	11,691	-	-	11,691
<b>Total Office furniture and equipment at fair value</b>	<b>11,691</b>			<b>11,691</b>
Motor vehicles at fair value				
Motor vehicles	501,222	-	-	501,222
<b>Total motor vehicles at fair value</b>	<b>501,222</b>			<b>501,222</b>
Intangible assets at fair value				
Intangible assets	71,606	-	-	71,606
<b>Total intangible assets at fair value</b>	<b>71,606</b>			<b>71,606</b>

Note:

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

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

	Carrying amount as at	Fair value measurement at end of reporting period using:		
		30 June 2018	Level 1	Level 2
	\$	\$	\$	\$
Land at fair value				
Non-specialised land	575,000	-	575,000	-
	<b>575,000</b>	<b>-</b>	<b>575,000</b>	<b>-</b>
Buildings at fair value				
Non-specialised buildings	129,600	-	129,600	-
<b>Total buildings at fair value</b>	<b>129,600</b>	<b>-</b>	<b>129,600</b>	<b>-</b>
Information Technology assets at fair value				
Information Technology assets	18,710	-	-	18,710
<b>Total information technology assets at fair value</b>	<b>18,710</b>	<b>-</b>	<b>-</b>	<b>18,710</b>
Plant and equipment at fair value				
Plant and equipment	28,314	-	-	28,314
<b>Total plant and equipment at fair value</b>	<b>28,314</b>	<b>-</b>	<b>-</b>	<b>28,314</b>
Office furniture and equipment at fair value				
Office furniture and equipment	10,569	-	-	10,569
<b>Total office furniture and equipment at fair value</b>	<b>10,569</b>	<b>-</b>	<b>-</b>	<b>10,569</b>
Motor vehicles at fair value				
Motor vehicles	465,568	-	-	465,568
<b>Total motor vehicles at fair value</b>	<b>465,568</b>	<b>-</b>	<b>-</b>	<b>465,568</b>

There were no intangible assets as at June 2018.

There have been no transfers between levels during the period.

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

#### Non-specialised land & non-specialised buildings

Non-specialised land is valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal value.

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre was applied to the subject asset. The effective date of the valuation was 30 June 2016.

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### Specialised land

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

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

An independent valuation of the Authority's specialised land was performed by the Valuer-General Victoria using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2016.

An independent valuation of the Authority's works assets was performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre was applied to the subject asset. The effective date of the valuation was 30 June 2016.

### Motor vehicles

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

### Plant and equipment, information and technology assets and office furniture and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2019.

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

### Reconciliation of Level 3 fair value movements

	Intangible Assets	Information Technology Assets	Plant and equipment	Office furniture and equipment	Motor vehicles
	\$	\$	\$	\$	\$
<b>2018-19</b>					
Opening Balance	-	18,710	28,314	10,569	465,568
Purchases (sales)	71,606	16,810	4,015	2,492	132,743
Depreciation	-	(17,224)	(4,393)	(1,370)	(97,089)
Subtotal	<u>71,606</u>	<u>18,296</u>	<u>27,936</u>	<u>11,691</u>	<u>501,222</u>
Revaluation	-	-	-	-	-
Subtotal	<u>71,606</u>	<u>18,296</u>	<u>27,936</u>	<u>11,691</u>	<u>501,222</u>
Closing Balance	<u>71,606</u>	<u>18,296</u>	<u>27,936</u>	<u>11,691</u>	<u>501,222</u>
<b>2017-18</b>					
Opening Balance	-	7,334	33,310	12,434	458,764
Purchases (sales)	-	17,981	-	-	105,682
Depreciation	-	(6,605)	(4,996)	(1,865)	(98,878)
Subtotal	<u>-</u>	<u>18,710</u>	<u>28,314</u>	<u>10,569</u>	<u>465,568</u>
Closing Balance	<u>-</u>	<u>18,710</u>	<u>28,314</u>	<u>10,569</u>	<u>465,568</u>

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

#### Description of significant unobservable inputs to Level 3 valuations at 30 June 2019

	Valuation technique	Significant unobservable inputs
Intangible assets	Depreciated replacement cost	Cost per unit Useful life of intangible assets
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Information technology, Office furniture and equipment	Depreciated replacement cost	Cost per unit Useful life of furniture and equipment
Motor vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles

Significant unobservable inputs have remained unchanged since June 2017.

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 8. OTHER DISCLOSURES

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

#### Structure

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

#### 8.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

The Authority had no ex-gratia expenses for the year ending 30 June 2019 (2018 \$0).

#### 8.2 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

	2019	2018
	\$	\$
<b>Net gain on disposal of non-financial assets</b>		
Proceeds from sale of non-financial assets	154,124	74,880
Less written down value	(140,611)	(64,861)
<b>Total net gain on disposal of non-financial assets</b>	<u>13,513</u>	<u>10,019</u>

#### 8.3 Reserves

	2019	2018
	\$	\$
<b>Asset revaluation reserve:(i)</b>		
Balance at beginning of financial year	<u>842,443</u>	<u>842,443</u>
<b>Balance at end of financial year</b>	<u>842,443</u>	<u>842,443</u>

(i) The assets revaluation reserve arises on the revaluation of land and buildings.

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 8.4 Responsible persons

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 names of the persons who were responsible persons of the Authority at any time during the financial year were:

The Hon. Lisa Neville, MP	Minister for Water	01 Jul 2018 to 30 Jun 2019
The Hon. Liliana D'Ambrosio	Minister for Energy, Environment and Climate Change	01 Jul 2018 to 30 Jun 2019
Peter Veenker	(Chair)	01 Jul 2018 to 30 Jun 2019
William Ernest Bulmer	(Board Member)	01 Jul 2018 to 30 Jun 2019
Graeme Dear	CEO	01 Jul 2018 to 30 Jun 2019
Nicola Watts	(Board Member)	01 Jul 2018 to 30 Jun 2019
Ewan Waller	(Board Member)	01 Jul 2018 to 30 Jun 2019
Jennifer Fraser	(Board Member)	01 Jul 2018 to 30 Jun 2019
Christine Wrench	(Board Member)	01 Jul 2018 to 30 Jun 2019
Glenys Watts	(Board Member)	01 Jul 2018 to 30 Jun 2019
Claire Miller	(Board Member)	01 Jul 2018 to 30 Jun 2019
Frankie MacLennan	(Board Member)	01 Jul 2018 to 30 Jun 2019

### Remuneration

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

Income band	2019	2018
\$0-\$9,999	0	2
\$10,000-\$19,999	8	8
\$20,000-\$29,999	1	1
\$200,000-\$209,999 ( <i>Accountable Officer</i> )	1	1
<b>Total number of Responsible persons</b>	<b>10</b>	<b>12</b>
<b>Total Remuneration \$</b>	<b>356,721</b>	<b>370,479</b>

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

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 8.5 Remuneration of executive officers

The number of executive officers and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

<b>Remuneration of executive officers</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Short-term employee benefits	522,665	442,235
Post-employment benefits	35,258	42,013
Other long-term benefits	13,067	11,056
<b>Total remuneration</b>	<b>570,989</b>	<b>495,304</b>
<b>Total number of executives (i)</b>	<b>4</b>	<b>3</b>
<b>Total annualised employee equivalents (ii)</b>	<b>4</b>	<b>3</b>

Notes:

(i) The total number of executive officers includes, but is not limited to, persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.6).

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 8.6 Related parties

The Authority is a wholly owned and controlled entity of the State of Victoria. Related parties of the Authority include:

- all key management personnel and their close family members and personal business interests
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

#### Significant transactions with government-related entities

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

Entity	Funding received	
	2019	2018
	\$	\$
Department of Environment, Land, Water and Planning	11,152,814	10,531,582
Department of Treasury and Finance	1,037,973	263,385
Department of Environment & Energy	1,457,210	-

The funding received was government contributions for specific activities undertaken by the Authority in the ordinary course of its business.

As at the balance date Department of Environment & Energy owed the Authority	872,280	-
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During the year, the Authority made significant payments to the following government related entities:

Entity	Payments made	
	2019	2018
	\$	\$
Department of Environment, Land, Water and Planning	191,947	882,668
The Authority's main financial risks include credit risk, liquidity risk and interest rate risk. The Authority manages these risks in	7,150	3,300
	1,298,155	1,104,084
Trust for Nature (Victoria)	235,070	539,279
Parks Victoria	694,157	813,138
East Gippsland Region Water Corporation	2,052	29,600

	Amounts owing to	
	2019	2018
	\$	\$

As at the balance date the following amounts were owed by the Authority to government related entities

Department of Environment, Land, Water and Planning	25,300	-
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# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### Significant transactions with non-government related entities

During the year, the Authority received income from the following non-government related entities:

Entity	Funding received	
	2019	2018
	\$	\$
Gunaikurnai Traditional Owners Land Management Board	509,838	1,107,544
As at the balance date Gunaikurnai Traditional Owners Land Management Board owed the Authority	16,232	129,338

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

Entity	Payments made	
	2019	2018
	\$	\$
Gunaikurnai Land and Waters Aboriginal Corporation	309,472	218,164

The payments made were for specific activities or services required by the Authority in the ordinary course of its business.

	Amounts owing from	
	2019	2018
	\$	\$
As at the balance date the following amounts were owed by the non government entity to the authority		
Gunaikurnai Land and Waters Aboriginal Corporation	16,101	-

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Authority, directly or indirectly, this comprises all board members and the Chief Executive Officer. Key management personnel include all Responsible persons as listed in Note 8.4.

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs	2019	2018
	\$	\$
Short-term employee benefits	290,454	299,468
Post-employment benefits	53,200	59,955
Other long-term benefits	13,067	11,056
<b>Total</b>	<b>356,721</b>	<b>370,479</b>

### Transactions with key management personnel and other related parties

Given the breadth and depth of Corporation activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the Authority, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Outside of normal citizen type transactions, there were no related party transactions that involved key management personnel, their close family members and their personal business interests.

# EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 8.7 Remuneration of auditors

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

	2019	2018
	\$	\$
Victorian Auditor-General's Office for audit of financial statements	<u>17,000</u>	<u>10,800</u>
<b>Total remuneration of auditors</b>	<b><u><u>17,000</u></u></b>	<b><u><u>10,800</u></u></b>

### 8.8 Subsequent events

No matter 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 transaction years.

## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 8.9 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2019 reporting period. The Department of Treasury and Finance assesses the impact of all these new standards and advises the Authority of their applicability and early adoption where applicable. The following is a list of the AASs issued but are not yet effective for the 2018-19 reporting period.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on financial statements
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 2019	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. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. The Authority has assessed its revenue contracts and believe that this standard will have minimal impact on the timing and recognition of revenue.
AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Public-Sector Licensors	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1 Jan 2019	AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include: <ul style="list-style-type: none"> <li>• Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058;</li> <li>• IP licenses to be accounted for under AASB 15; and</li> <li>• Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16.</li> </ul>
	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: <p>AASB 9</p> <ul style="list-style-type: none"> <li>• Statutory receivables are recognised and measured similarly to financial assets.</li> </ul> <p>AASB 15</p> <ul style="list-style-type: none"> <li>• The 'customer' does not need to be the recipient of goods and/or services;</li> <li>• The "contract" could include an arrangement entered into under the direction of another party;</li> <li>• Contracts are enforceable if they are enforceable by legal or 'equivalent means';</li> <li>• Contracts do not have to have commercial substance, only economic substance; and</li> <li>• Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.</li> </ul>

AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. The Authority has one operating lease and the impact will be minimal.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p>
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## EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

<p>AASB 1058 <i>Income of Not-for-Profit Entities</i></p>	<p>AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	<p>1 Jan 2019</p>	<p>Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions.</p> <p>The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed.</p> <p>The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement. The Authority has assessed that this standard will have minimal impact.</p>
<p>AASB 1059 <i>Service Concession Arrangements: Grantors</i></p>	<p>This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.</p>	<p>1 January 2020 (The State is intending to early adopt AASB 1059 for annual reporting)</p>	<p>For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied:</p> <ul style="list-style-type: none"> <li>• Operator is providing public services using a service concession asset;</li> <li>• Operator manages at 'least some' of public services under its own discretion;</li> <li>• The State controls / regulates: <ul style="list-style-type: none"> <li>– what services are to be provided;</li> <li>– to whom; and</li> <li>– at what price</li> </ul> </li> <li>• State controls any significant residual interest in the asset.</li> </ul> <p>If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.</p>
<p>AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059</p>	<p>This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.</p>	<p>1 January 2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 January 2019)</p>	<p>This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020. As the State has elected to early adopt AASB 1059, the financial impact will be reported in the financial year ending 30 June 2019, rather than the following year.</p>
<p>AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities</p>	<p>This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.</p>	<p>1 Jan 2019</p>	<p>Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions.</p> <p>For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption.</p> <p>The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets.</p> <p>In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed.</p>

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## LIST OF USED ACRONYMS/ABBREVIATIONS

BAU	Business as Usual
CaLP Act	<i>Catchment and Land Protection Act 1994</i>
CEO	Chief Executive Officer
CMAs	Catchment Management Authorities
DELWP	Department of Environment, Land, Water and Planning
DIP	Diversity and Inclusion Plan 2017
EGCMA	East Gippsland Catchment Management Authority
EGWS	East Gippsland Waterway Strategy
FMA	<i>Financial Management Act 1994</i>
FOI	Freedom of Information
FOI ACT	<i>Freedom of Information Act 1982</i>
GA	Greening Australia
GEA	Gippsland Environment Agencies
GEA WIL	Gippsland Environment Agencies – Women in Leadership
GKTOLMB	Gunaikurnai Traditional Owner Land Management Board
GLaWAC	Gunaikurnai Land and Waters Aboriginal Corporation
GLCC	Gippsland Lakes Coordinating Committee
Ha or ha	Hectare
IBAC	Independent Broad-based Anti-corruption Commission
FCPA	Fellow of Certified Practising Accountant
ICT	Information and Communication Technology
Km	Kilometre
MERI	Monitoring Evaluation Reporting and Improvement
No.	Number
Non BAU	Non Business as Usual

NLP	National Landcare Program
NLP2	National Landcare Program Phase 2
NRM	Natural Resource Management
PA Act	<i>Public Administration Act 2004</i>
PD Act	<i>Protected Disclosure Act 2012</i>
PV	Parks Victoria
RAP	Registered Aboriginal Party
RCS	Regional Catchment Strategy
RFMS	Regional Floodplain Management Strategy
RRAP	Regional Riparian Action Plan
RSA	Recognition and Settlement Agreement
The Authority	East Gippsland Catchment Management Authority
VLP	Victorian Landcare Program
VWPIF	Victorian Water Program Investment Framework
Water Act	Water Act 1989
WHS	Workplace Health and Safety



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