

Annual Report 2020 - 2021



EAST GIPPSLAND
CATCHMENT
MANAGEMENT
AUTHORITY





Acknowledgement

Front cover photo – Ellen Dickman, EGCMA staff paddling the Buchan River
Photo supplied by – East Gippsland Catchment Management Authority

We acknowledge the Traditional Custodians of East Gippsland and recognise their continuing connection to Country, culture and community. We pay our respects to Elders past and present, and emerging leaders.

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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 for the East Gippsland Catchment Management Authority for the year ending 30 June 2021.

On behalf of the Board, I would like to thank all staff, agency partners, community groups and individuals for working together so well in a difficult year. East Gippslanders' are known for working together, but we all feel this year has proved an exception; where despite the significant barriers to all, we have managed to achieve a great deal of positive work for our community.

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. Improved performance and demonstrating outcomes

- The East Gippsland Catchment Management Authority (the Authority) has worked closely with DELWP to improve reporting systems and processes. This has included transitioning to a new system to submit, review and report on DELWP funded programs.
- The Authority monitors all past works, which consistently provides information about site condition and compliance with landholder agreements. The monitoring data shows reach and landscape scale assessments of our progress for over 230 sites across the region. Some of these sites have been part of the monitoring program, nearing 10 years.
- The Authority maintains Monitoring Evaluation Reporting and Improvement (MERI) Plans for major programs such as flagship waterway programs (Cann River and Gippsland Lakes) and the National Landcare Program. The monitoring underpins the Authority evaluation of progress against these long term programs of work.
- Shared services opportunities have increased efficiency and effectiveness as follows:
 - I. The Authority has maintained shared statutory services with West Gippsland CMA coordinating and administering the East and West Gippsland statutory functions. The Gippsland Lakes administration is shared with West Gippsland CMA also.
 - II. The Authority hosts the GunaiKurnai Traditional Owner Land Management Board (GKTOLMB) and the Gippsland Lakes Coordinating Committee providing administrative, human resources and management support to each entity.
 - III. The Authority remains committed to working with Vic Catchments to strengthen collaboration and performance in catchment management State-wide.

2. Climate Change

Consideration for climate change adaptation is now firmly entrenched into the Authority planning and implementation processes. Examples of programs specifically designed around climate change adaptation are as follows:

- I. The Gippsland Lakes program is working with partner agencies and community groups to implement a project aptly named 'Room to Move'. The project manages the lake environment and surrounds in a changing and variable climate. Issues such as lake level increases

affecting management of adjoining rivers and wetlands, lakeside town infrastructure planning and cultural heritage protection are all part of the design, planning and implementation of the project.

- II. The Authority is committed to achieve net zero emissions by 2025 through implementation of solar panel installations across all owned buildings. The Authority is working through the statutory planning approvals at present.
- III. The Authority is managing an agriculture project named “Sowing the Gap” which collaborates with local agricultural groups researching and trialling ways to fill feed gaps in dry times.
- IV. The Regional Catchment Strategy renewal process is considering climate change in all matters to ensure we are looking far enough ahead in setting priority.

3. Waterway and Catchment Health

Some of the key highlights for the waterway and catchment health program for this year is outlined below:

- The bushfire recovery program completed the repair and re-construction of fencing along waterways. Over the past 12 months the Authority has completed over 2,000ha woody weed control along waterways burnt in the 2019/2020 bushfires.
- East Gippsland has had a good season, with consistent rainfall in comparison to previous years. This has helped with the regrowth following bushfires and the growth of revegetation along our waterways.
- This was the final year of the current Gippsland Lakes funding. The program has delivered a well-coordinated and collaborative approach to managing the Gippsland Lakes Ramsar site and catchments. There are more than 40 agencies and community groups working together to manage the Gippsland Lakes.
- The Authority has progressed against all strategic river health programs including fencing along waterways, remote willow control and revegetation. The data on progress is contained in chapter 4.6 below.

4. Water for Agriculture

The Authority continues to support a productive and profitable agriculture sector across the region, through adapting to change and helping the sector do more with less water. Project examples that have supported this include:

- Topsoils – funded by the Commonwealth Government, the project brings together farmer focus groups through Landcare to work with leading scientists and best practice practitioners with Aquiculture Victoria and Southern Farming Systems.
- Sowing the Gap – funded by the Commonwealth Government, this project supports graziers to manage drought and build resilience into their farming operations.

5. Community Engagement and Partnerships

The Authority engagement activity is guided by an engagement plan reviewed annually and monitored by the Board at each meeting. The plan objective is to ensure that as many partners as possible are working together on common objectives based on RCS priorities.

Considering the challenging times, the Authority still managed to conduct over 600 engagement activities involving close over 8,000 people. This is a significant number in the context of a community population of around 40,000.

6. Recognise and support Aboriginal cultural values and economic inclusion in the water sector

The Authority continues to develop respectful partnerships with Traditional Owners to foster mutual respect, support economic development opportunities, support joint management; and continue to support training, skills development and capacity building between both organisations.

One of the key drivers is the Gunaikurnai Land and Water Aboriginal Corporation (GLaWAC) and Gippsland Environment Agencies (GEA) Partnerships Agreement and corresponding working group to implement key actions to achieve the regional outcomes.

Some of the highlights for the year has included:

- Partnering with GLaWAC together with other Gippsland water agencies to host water officers, helping to further identify cultural values and future management options along our waterways.
- Also, in partnership with GLaWAC, developed future waterway programs including the Gippsland Lakes “Room to Move”, the Mitchell River Flagship project, and the Integrated Catchment Management project, also along the Mitchell River. Important cultural priorities are being identified as part of these processes.
- Our long-term partnership with Moogji Aboriginal Corporation on the Snowy River has continued throughout the 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.

7. Recognise recreational value

Communities utilise our natural environments and waterways 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 and protecting the liveability of our region.

Some examples for the year included:

- Successful community grants to support community in undertaking priority projects, this has included Victorian Landcare Grants, Bushfire Recovery Grants and the Gippsland Lakes Community Grants.
- Recreational values have been incorporated into regional landscape plans, for example community spaces is incorporated into the flagship waterway project ‘Restoring Our Mitchell River’ and the Integrated Catchment Management project on the Lower Mitchell ‘Connection, Community and Country’.
- The Authority has assisted the Victorian Fisheries Authority to complete a Gippsland Lakes Fish Recovery Plan. The plan incorporates environmental improvement priorities, with fishery development such as fish stocking and changes to fishing regulations.

8. Resilient and liveable cities and towns

One of the Authority’s key initiatives is supporting and participating in the Integrated Water Management (IWM) Forum. The IWM Forum is integrated with the East Gippsland CEO’s forum to provide seamless support from key partner agency leaders. A key project for the forum this year is the development of the Bairnsdale IWM plan.

The plan includes:

- Wetland development to capture and treat stormwater in East Bairnsdale.
- Opportunities for water sensitive urban design, stormwater harvesting and reuse in West Bairnsdale.

- Water and vegetation management to the south of Bairnsdale, leading into Macleod Morass.

9. Leadership, diversity and culture

The Authority plays a key role in encouraging and facilitating community inclusion in integrated catchment management activities and to build community awareness and connectedness to our ecosystems, lakes, wetlands and waterways.

Some of the key initiatives for this year include:

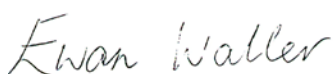
- Continuing to chair the GEA forum and lead implementation of the partnership agreement between GLaWAC and the 13 forum member agencies. The agreement is driving a coordinated effort in achieving outcomes like observer programs on boards and subcommittees of water corporations, contributing to cultural understanding and training, shared services and exchanges of staff between agencies and increased levels of participation in landscape programs.
- GEA also hosts our GEA Women in Leadership Team (WLT). Managed by women in Gippsland, the forum is about developing and fostering leadership at all levels. GEA WLT hosts an annual regional forum, a mentoring program, jointly convened training across agencies and has involved over 500 women in Gippsland to date.
- The Authority has implemented actions in the Diversity and Inclusion Plan and reported to the Board. Gender equity targets have been met at senior management level and broader gender equity remains a focus. The Authority is also encouraging greater adoption of diversity and inclusion with our partners.

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

The last year has presented significant challenges to the East Gippsland community. Highest amongst them is recovery from the drought and extensive bushfires and now coronavirus (COVID-19). The impacts have been widespread across East Gippsland in areas such as business and economic activity, social interaction and the environment.

The Catchment Condition report contained within provides examples of the impacts on environment and community over this past year. Whilst not surprising, the assessments show decline in condition across all our asset categories. The Authority is committed to considering and testing new ways to ensure a resilient environment and community in the future.

Despite these challenges our community, partners and staff have continued to support each other and make significant achievements together.



Ewan Waller, Chairperson

East Gippsland Catchment Management Authority

6 October 2021

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 2020 to 30 June 2021 were the Hon Lisa Neville MP, Minister for Water and the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

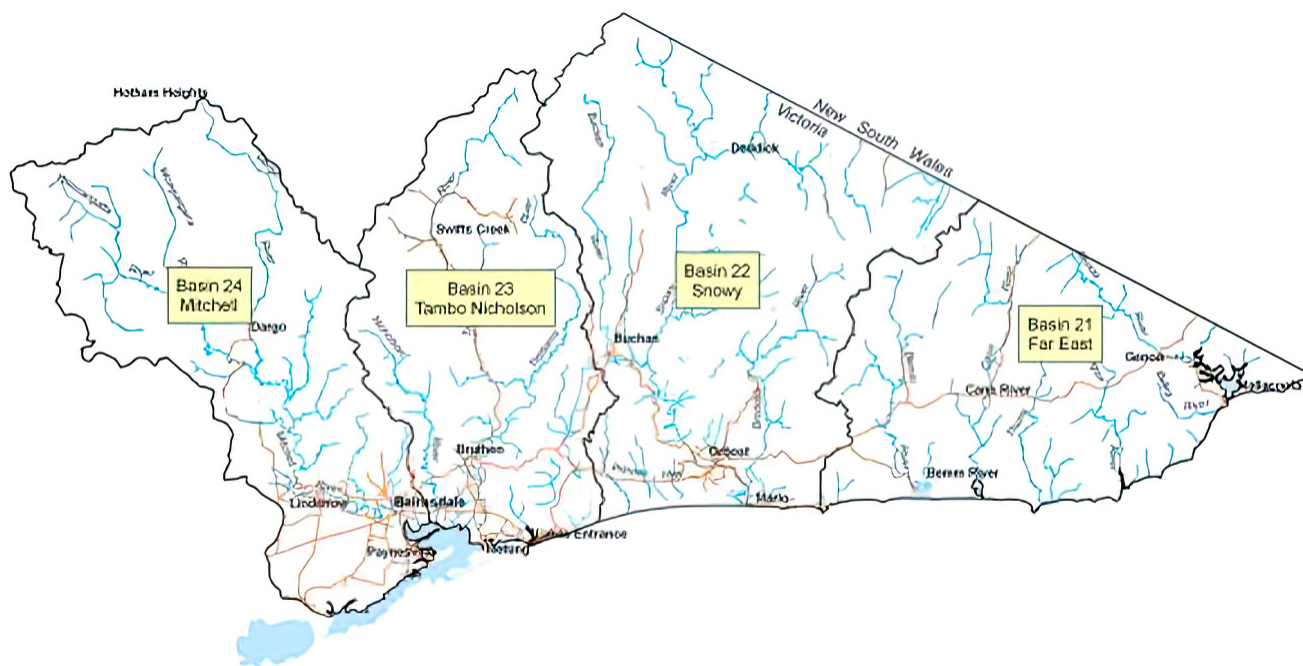
The Hon Richard Wynne acted as the Minister for Water from 15 February 2021 to 30 June 2021.

3. NATURE AND RANGE OF SERVICES PROVIDED

The Authority provides for the integrated management of land, biodiversity and water resources in the region. It also has responsibility for the planning and delivery of river health works and several statutory activities.

The Authority serves the communities of the East Gippsland Shire and parts of the Wellington and Alpine Shires. The Authority's customers and stakeholders include; Government departments (Federal and State), Traditional Owners, local government and non-government organisations, external investors, community groups and members of the public.

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 ha of land, lakes, and coastal waters out to 5.5 km, in the eastern-most part of Victoria. It is entirely south of the Great Dividing Range and includes the catchments of streams 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 Wangaratta Shire 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 catchments include deep, mid-catchment, mountain basins, which have been extensively cleared for dryland agriculture.

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

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

Some of the important features of East Gippsland are:

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

The Aboriginal community in East Gippsland is represented by Gunaikurnai, Bidwell, and Ngarigo Monero. GLaWAC is a Registered Aboriginal Party (RAP) in East Gippsland. Aboriginal people have a strong connection to country in East Gippsland.

In October 2010, the Federal Court made a determination (FCA1144) that native title exists over much of Gippsland and is held by the Gunaikurnai people (those persons who identify as Gunai, Kurnai, or Gunai/Kurnai). The court recognised the Gunaikurnai Land and Waters Aboriginal Corporation as the sole holder and representative body of these native title rights and interests on behalf of all Gunaikurnai people. At the same time, the State of Victoria entered into a recognition and settlement agreement with the corporation under the *Traditional Owner Settlement Act 2010*.

The agreement includes:

- a number of cultural recognition and strengthening initiatives.
- the transfer of 10 parks and reserves to the Gunaikurnai as 'Aboriginal title' and establishment of a Traditional Owner Land Management Board for joint management with the state rights to use crown land for traditional purposes, the Joint Management Plan is currently in implementation phase.

4. PURPOSE AND FUNCTIONS

4.1 VISION AND MISSION

The Authority is a government statutory authority whose role is managing waterways and influencing catchment management in partnership with the community. Our vision is:

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

4.2 OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

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” (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 – Water Plan (2016)
- Protecting Victoria’s Environment - Biodiversity 2037
- Regional Riparian Action Plan
- Victorian Floodplain Management Strategy
- Victorian Waterway Management Strategy
- Gippsland Region Sustainable Water Strategy
- *Climate Change Act 2017*
- *Marine and Coastal Act 2018*

4.3 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 Authority’s major functions, powers and duties under its governing legislation are described in the sections below.

4.4 CATCHMENT AND LAND PROTECTION ACT 1994

Coordinating the Regional Catchment Strategy and supporting plans

Responsibilities under the *CaLP Act* include providing 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.

Community Engagement

The Authority helps build government and community cooperation in maintaining our natural resources.

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.

4.5 WATER ACT 1989

On-ground river health works

The *Water Act 1989* establishes the Authority as caretaker for waterways of East Gippsland. This means planning and delivering on-ground works designed to maintain or improve the health of our waterways is guided by the East Gippsland Waterway Strategy (EGWS).

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

The Authority helps build government and community cooperation in maintaining and improving the health of our waterways.

4.6 PERFORMANCE AGAINST OUTPUT PERFORMANCE MEASURES

This section of the report includes annual achievements, operational performance and projects aligned to the regional outcomes in the corporate plan and program outputs.

4.6.1 ACHIEVEMENTS

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

- Continued to support community in bushfire recovery. This has included hosting and attending bushfire recovery community events, coordinated recovery efforts on environmental projects, and providing grants to community to undertake priority community projects.
- Bushfire recovery projects delivered by the Authority has been very successful. The re-construction and repair of fencing along waterways is complete, and over 2,000ha of woody weed control was completed during the year.
- The year also saw the five-year Gippsland Lakes program completed, with over 40 partner agencies and community groups working together to improve the health of the Gippsland Lakes.
- The interruptions to onground works and community engagement has been challenging, however the Authority was still able to deliver on all priorities and commitments for the year.

4.6.2 OPERATIONAL PERFORMANCE AND PROJECTS

The following section of the report provides a summary of achievements related to the 2020/2021 Corporate Plan indicators and measures.

1. Improved performance and demonstrating outcomes

The Authority works closely with DELWP to improve reporting systems and processes. This has included transitioning to a new system to submit and review funding submission processes and support the development and renewal of guidelines and processes.

The Authority has continued to provide evidence and reporting of demonstrated outcomes of government investment into waterways and catchment health. The lower Mitchell River is the next flagship waterway to be nominated in East Gippsland.

The Authority monitors 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 for over 230 sites across the region. Some of these sites have been part of the monitoring program, nearing 10 years.

The Authority has maintained Monitoring Evaluation Reporting and Improvement (MERI) Plans for the existing flagship waterway programs, Cann River and Gippsland Lakes. The National Landcare Program projects have MERI plans. With additional projects funded for the year including Bushfire Recovery, Fish Habitat and Sustainable Agriculture.

The Authority has maintained shared services, this has shown improved efficiency and reduced costs, Shared service arrangements include:

- I. West Gippsland CMA coordinating and administering the East and West Gippsland statutory functions; and the Gippsland Lakes media and communications.
- II. The Authority hosting GKTOMLB, providing administrative, human resources and management support.

The Authority remains committed to working with Vic Catchments to continue to strengthen collaboration and performance in catchment management.

2. Climate Change

Adapting to climate change and variability is incorporated into the Gippsland Lakes program. The Authority is working with partner agencies and community groups to implement a project aptly named 'Room to Move'. The project manages the lake environment and surrounds in a changing and variable climate. Issues such as lake level increases affecting management of adjoining rivers and wetlands, lakeside town infrastructure planning and cultural heritage protection are all part of the design, planning and implementation of the project.

The Authority is committed to achieve net zero emissions by 2025 through implementation of solar panel installations across all owned buildings. The Authority is working through the statutory planning approvals.

3. Waterway and Catchment Health

Some of the key highlights for the waterway and catchment health program for this year is outlined below:

- The bushfire recovery program completed the repair and re-construction of fencing along waterways. Over the past 12 months the Authority has completed over 2,000ha woody weed

- control along waterways burnt in the 2019/2020 bushfires.
- East Gippsland has had a good season, with consistent rainfall in comparison to previous years. This has helped with the regrowth following bushfires and the growth of revegetation along our waterways.
- This was the final year of the current Gippsland Lakes funding. The program has delivered a well-coordinated and collaborative approach to managing the Gippsland Lakes Ramsar site and catchments. There are more than 40 agencies and community groups working together to manage the Gippsland Lakes.

The East Gippsland Waterway Strategy (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.

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 controlling willows and weeds following the bushfires. Control programs for the year included the Snowy and Cann Rivers, and the Upper Mitchell catchment area (Dargo River, Wentworth River and creeks and gullies). The Upper Mitchell catchment is of particular importance following fires as the prolific seeding willow *Salix cinerea* is present through this part of the region.

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

Waterway Goal	Total length (km)	Goal achieved (%)	Comments
Mitchell River catchment above Glenaladale Bridge will be free of willows	1132	95	Maintenance passes achieved throughout the Upper Mitchell catchment. Willows remain in the Dargo River through the township area.
Nicholson River from the headwaters to the Lakes will be free of willows	106	100	The Nicholson River is free of willows. The Nicholson River is part of a maintenance regime, with a willow pass occurring every four to five years.
The Tambo River above the Bruthen Bridge will remain free of willows	640	98	This section of the Tambo River is predominantly free of willows. No additional willow control was completed on the Tambo River this year.
The Nicholson and Tambo estuaries below the Princes Highway and the Mitchell River below Picnic Point will be free of willow and poplars	55	76	No additional willow and poplar control was undertaken in the lower sections of the Nicholson, Tambo or Mitchell Rivers this year.
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	98	The Authority continues to make good progress controlling the last remaining willows on the Cann and Combienbar Rivers. All other waterways in the Far East are part of the maintenance program.

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.

This year focussed on working with landholders under agreement to re-construct and repair fencing along waterways following the bushfires. In addition to this work, the Authority worked with seven new landholders in the far east basin to construct an additional 5km fencing under new landholder agreements.

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	25	50
The Nicholson River will be excluded from grazing stock	64	41	64
The Tambo River, below Ramrod will have an additional 40km of fencing constructed	40	6	16
The Mitchell River 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	84	91
All rivers in the Far East catchment will be excluded from stock	90	89	98
Five priority wetlands fringing the Gippsland Lakes or Snowy River will be excluded from stock (No.)	5	5	100

Bank 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. The target has been met. This year the Authority did not undertake any additional bank stabilisation works.

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

Waterway Goal	Goal length (km)	Length stabilised (km)	Goal achieved (%)
The Mitchell River estuary below Picnic Point will be stabilised; free of willows and poplars and excluded from grazing stock.	9	9.8	108

4. Water for Agriculture

The Authority continues to support a productive and profitable agriculture sector across the region, through adapting to change and helping the sector do more with less water. Project examples that have supported this include:

- Topsoils – funded by the Commonwealth Government, the project brings together farmer focus groups through Landcare to work with leading scientists and best practice practitioners with Agriculture Victoria and Southern Farming Systems.

- Sowing the Gap – funded by the Commonwealth Government, this project supports graziers to manage drought and build resilience into their farming operations.
- Central and Gippsland Sustainable Water Strategy – when completed and released, this document will set out the plans to secure the future water needs of the region and is reviewed every 10 years.

5. Community Engagement and Partnerships

The Authority engagement activity is guided by an annual engagement 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.

The Authority's Engagement Plan contains the following goals:

- Effective community engagement in catchment management
- Better connections between state, regional and local planning
- Strengthened implementation of the RCS
- Improve monitoring, evaluation and reporting

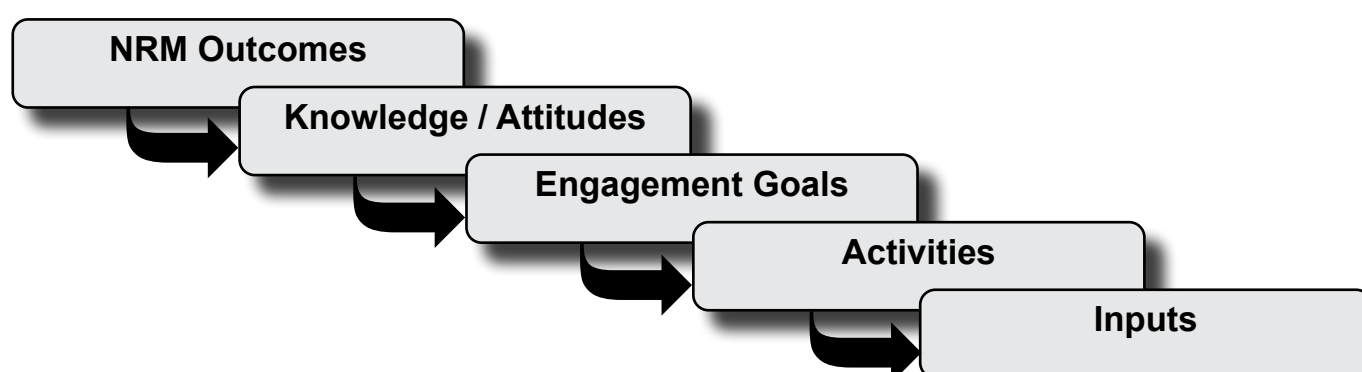
Considering the challenging times, the Authority still managed to conduct over 600 engagement activities involving close over 8,000 people. This is a significant number in the context of a community population of around 40,000.

Some highlights for 2020/2021 included:

- The Authority provided administrative support for the GKTOLMB. Established under the *TOLMB Act*, the Board assists with Joint Management planning and oversight.
- The East Gippsland Catchment Partnership Agreement was implemented through the GEA forum. The GEA works together on common regional priorities, some highlights for the year has included regional leadership, diversity and inclusion, implementing the Joint Management Plan and bushfire recovery and prevention.
- Partner forums and individual engagement events were maintained by the Authority for the purpose of ensuring people are working in a collaborative way.

The Authority recognises that achieving our waterway and engagement 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.

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



The following graphs show the engagement data measures for 2020/21. It has been a difficult year to support community through community engagement events.

The number of events held by the Authority has reduced, however participant numbers have doubled. This is due to a) the visual platforms we are now utilising to conduct our business. More people are able to attend more meetings, more often; and b) the internal reporting has improved (Graph 1).

In alignment with the engagement goals - Increasing participation with stakeholders, and managing enquiries still remain the core engagement activities for the Authority (Graph 2).

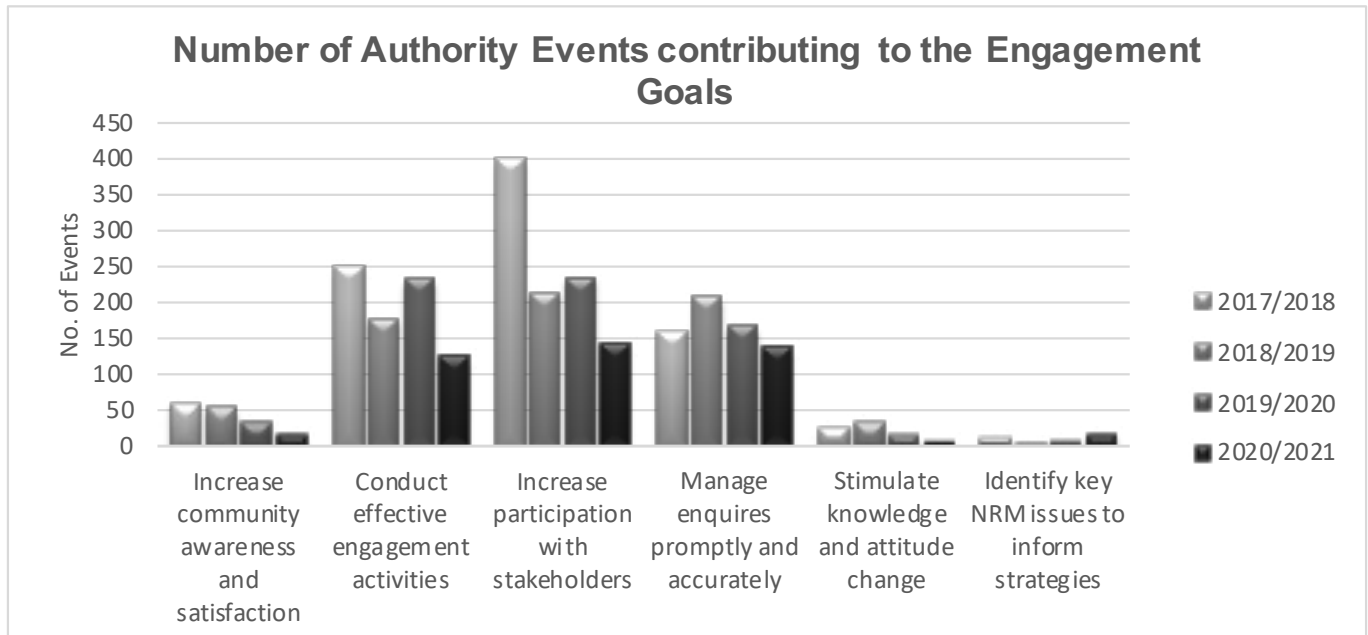
The community engagement that the Authority was able to conduct was well received and stakeholders and community are satisfied with Authority events and communications (Graph 3).

Landholder perceptions on the Authority waterway goals is encouraging with many landholders agreeing with the proposed works outlined in the goals. The 'disagree' perception across all basins has reduced since last year. This is likely to be attributed to the bushfire recovery efforts the Authority has undertaken (Graph 4).

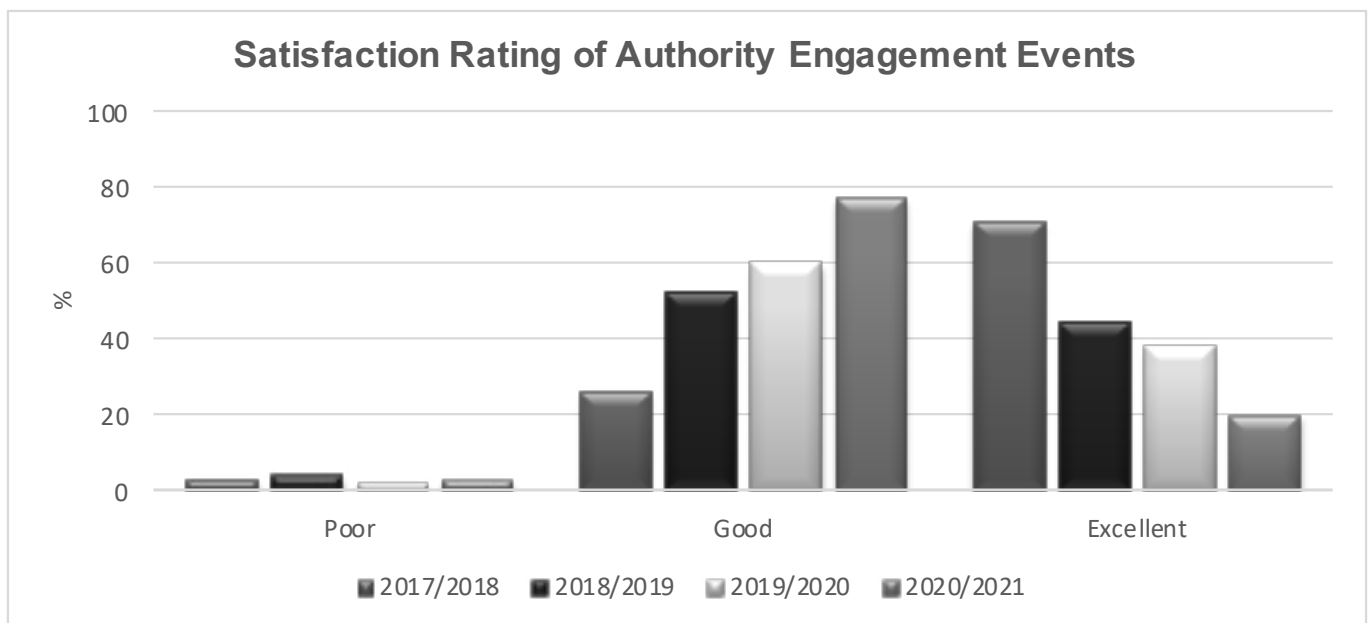
Graph 1: The number of events conducted, and the individuals engaged by the Authority from 2016/17 to 2020/21. Participant numbers have doubled, whilst events have decreased. This is primarily due to the nature of conducting business on visual platforms, it is easier for people to attend meetings, more often; and the internal reporting has improved.



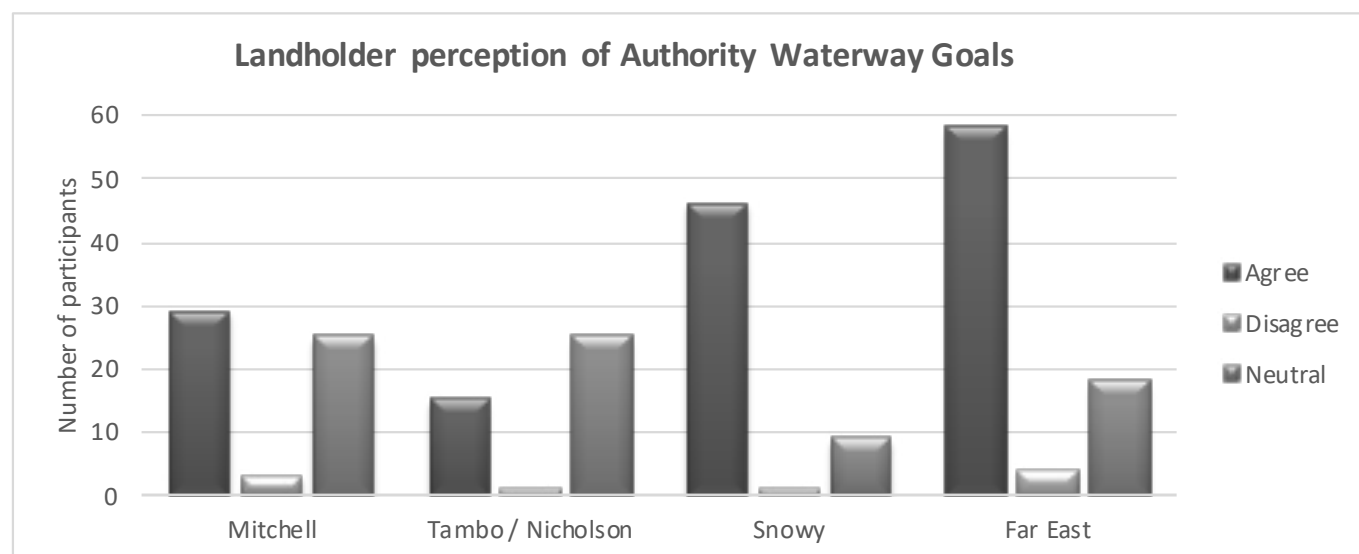
Graph 2: Events conducted by the Authority aimed to achieve the engagement goals in 2020/21. As you will see, across all goals, the number of events has reduced. Increasing participation with stakeholders, and managing enquiries still remain the core engagement activities for the Authority.



Graph 3: The quality of engagement activities conducted by the Authority during 2020/21. Stakeholder satisfaction remains good to excellent for events hosted by the Authority.



Graph 4: Landholder perceptions of the waterway goals within each basin for 2020/21. The landholder perceptions on the waterway goals is encouraging, with many landholders agreeing with the proposed work outlined in the goals. The ‘disagree’ perception measure across all basins has reduced since last year.



As part of the community engagement efforts for the year, see below some comments from landholders:

- A landholder from Buchan said “we lost 90% of the pasture and fences at the back of our property as well as stock yards. We had enough to worry about post fires including wandering stock as well as the welfare of our community, so it was vital to get our fences up again without fuss and delays. We were grateful for the support from the EGCMA in getting this done.”
- A landholder from the lower Mitchell River said “Not that long ago you couldn’t see the river from this spot, it was covered in blackberries, box thorn all sorts of weeds. The willows had choked the flow of the river in several spots creating its own erosion problems. No natural light entering under the canopy therefore no under growth and only bare dirt. The riverbank has now regrown and is looking great. Thanks to EGCMA for all the work they have done, they have been a pleasure to work with and are very easy to deal with. There is still lots of work to be done but seeing results like this gives me lots of motivation.”

6. Recognise and support Aboriginal cultural values and economic inclusion in the water sector

The Authority continues to develop respectful partnerships with Traditional Owners including Gunaikurnai to foster mutual respect, support economic development opportunities, support joint management; and continue to support training, skills development and capacity building between both organisations.

One of the key drivers is the GLaWAC/GEA Partnership Agreement and corresponding working group to implement key actions to achieve the regional outcomes. An example of this working is the arrangements developed to support organisations through secondments, shared services and simplified service level agreements.

Some of the highlights for the year has included:

- Partnering with GLaWAC together with other Gippsland water agencies to host water officers, helping to further identify cultural values and future management options along our waterways.

- Also, in partnership with GLaWAC, developed future waterway programs including the Gippsland Lakes “Room to Move”, the Mitchell River Flagship project, and the Integrated Catchment Management project, also along the Mitchell River. Important cultural priorities are being identified as part of these processes.
- Our long-term partnership with Moogji Aboriginal Corporation on the Snowy River has continued throughout the 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.

7. Recognise recreational value

Communities utilise our natural environments and waterways 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 and protecting the liveability of our region.

Some examples for the year included:

- Successful community grants to support community in undertaking priority projects, this has included Victorian Landcare Grants, Bushfire Recovery Grants and the Gippsland Lakes Community Grants.
- Recreational values have been incorporated into regional landscape plans, for example community spaces is incorporated into the flagship waterway project ‘Restoring Our Mitchell River’ and the Integrated Catchment Management project on the Lower Mitchell ‘Connection, Community and Country’.
- The Authority has assisted Victorian Fisheries Authority to complete a Gippsland Lakes Fish Recovery Plan. The plan incorporates environmental improvement priorities, with fishery development such as fish stocking and changes to fishing regulations.

8. Resilient and liveable cities and towns

The Authority continues to contribute to supporting healthy communities and resilient environments in collaboration with partner agencies. One of the key initiatives is supporting and participating in the Integrated Water Management (IWM) Forum. The IWM Forum is integrated with the East Gippsland CEO’s forum to provide seamless support from key partner agency leaders. A key project for the forum this year is the development of the Bairnsdale IWM plan.

The plan includes:

- Wetland development to capture and treat stormwater in East Bairnsdale.
- Opportunities for water sensitive urban design, stormwater harvesting and reuse in West Bairnsdale.
- Water and vegetation management to the south of Bairnsdale, leading into Macleod Morass.

9. Leadership, diversity and culture

The Authority plays a key role in encouraging and facilitating community inclusion in integrated catchment management activities and to build community awareness and connectedness to our ecosystems, lakes, wetlands and waterways.

Some of the key initiatives for this year include:

- Continuing to chair the GEA forum and lead implementation of the partnership agreement between GLaWAC and the 13 forum member agencies. The agreement is driving a

coordinated effort from all partner agencies and GLaWAC in achieving outcomes. These include 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.

- GEA also hosts our GEA Women in Leadership Team (WLT). Managed by women in Gippsland, the forum is about developing and fostering leadership at all levels. GEA WLT hosts an annual regional forum, a mentoring program, jointly convened training across agencies and has involved over 500 women in Gippsland to date.
- The Authority has implemented actions in the Diversity and Inclusion Plan including, gender equity targets have been met at senior management level and broader gender equity remains a focus. Through our engagement processes, the Authority is also encouraging greater adoption of diversity and inclusion with our partners.

4.7 PROGRAM OUTPUTS

Table 4: East Gippsland Region Victorian Government funded outputs for 2020/2021 (funding includes waterway & catchments, floodplain management, bushfire recovery and environmental water).

Output	Unit of Measure	Target	Actual	% Complete
Approval and advice	No.	240	368	153
Assessment	No.	66	54	82
Assessment	Ha	280	265	95
Engagement Event	No.	891	635	71
Fence	Km	15	117	780
Grazing	Ha	79	135	171
Information Management System	No.	3	3	100
Management Agreement	No.	14	13	93
Monitoring Structure	No.	5	5	100
Partnership	No.	138	130	94
Pest Animal Control	Ha	4000	4000	100
Plan	No.	16	15	94
Publication	No.	148	102	69
Vegetation	Ha	40	40	100
Water Storage	No.	14	21	150
Waterway Structure	Point	6	2	33
Weed Control	Ha	1297	2032	157

The variations to the target versus actual outputs for the Victorian Government funded programs include:

- Approvals and Advice - a busy year, with a 40% increase on the number of flood advice, referrals and WoW compared to last year.

- Weed control – Additional hectares achieved through the bushfire recovery program.
- Engagement events and Publications – reduced due to the limited community engagement events due to coronavirus restrictions.

Table 5: East Gippsland Region Commonwealth Government funded outputs for 2020/2021 (funding National Landcare Program and Regional Land Partnerships).

Output	Unit of Measure	Target	Actual	% Complete
Approval and advice	No.	1	1	100
Assessment	No.	60	124	207
Community groups	No.	7	7	100
Management Agreement	No.	1	1	100
Monitoring structure	No.	7	7	100
Partnership	No.	5	5	100
Pest Animal Control	Ha	302	550	182
Plan	No.	2	1	50
Publication	No.	22	26	118
Terrestrial feature	Ha	35	35	100
Vegetation	Ha	1	0	0
Waterway Structure	Point	50	0	0
Weed Control	Ha	90	155	172

The variations to the target versus actual outputs for the Victorian Government funded programs include:

- Assessments and Pest Animal Control – additional outputs were delivered as part of the bushfire recovery project. The outputs were not included in the original targets of the corporate plan as the project was not approved.
- Vegetation and Waterway Structure – the Authority has recently commenced the fish habitat and stabilisation project on the Snowy River. This project is delayed due to coronavirus restrictions and weather suitability.

4.8 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

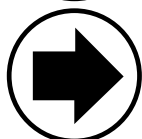
the criteria detailed in the sample table below. A positive assessment indicates a level of optimism about future direction and a concerned or highly concerned assessment indicates a more pessimistic view of the direction of environmental change.

Sample table

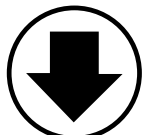
Assessment criteria



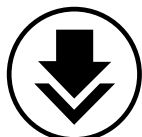
An optimistic future with evidence that events during the year will have a positive impact on the longer term.



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.

4.9 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.

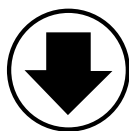
The natural resources of the region are used to generate wealth in many ways. The major river floodplains support intensive agriculture and horticulture, the alpine areas support recreational activities and the foothills for grazing and timber production. The Gippsland Lakes and other coastal estuaries help drive our visitor economy.

This year has continued to be challenging for everyone in East Gippsland. The flow on effects from prolonged drought and landscape scale bushfires are lasting, then a global pandemic moreover. The better than average rainfall for the year is helping the region recover, however there are still many signs of the hard, dry years we have had.

The following assessment summary captures the status, trends and existing data quality across the region for each theme for 2020/2021 (Table 6).

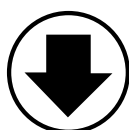
Table 6: Summary catchment condition assessment

Summary Condition Assessment



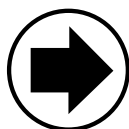
Water - concerned

The overall condition of waterways continues to be concerning. Although the region saw an increase in rainfall, it will take years for waterways to recover following the prolonged dry conditions and bushfires.



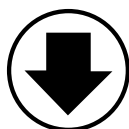
Biodiversity - concerned

Recovery efforts, including monitoring and supporting the threatened species and communities is positive, particularly the scale of aerial deer control efforts. However, it will take years for the region's biodiversity to recover.



Land - neutral

Although the region has seen increased rainfall in comparison to previous years, it will take farmers some years to recover from the drought and bushfires. The agricultural extension and the drought employment programs were very well received by the farming, and broader community.



Coasts - concerned

The overall condition of coasts in East Gippsland continues to be concerning. Water quality in the Gippsland Lakes has been variable following fires, storms and floods. Recovery efforts have included monitoring and managing coastal areas, including remote areas. The natural environment is recovering, however this will take years.



Community - highly concerned

Similar to last year, this year has continued to be difficult. Working through recovery, re-building and trying to work together while in isolation. It continues to be some of the toughest and hardest times we face as a community.

4.10 WATERWAYS – THE CONDITION OF RIVERS, WETLANDS AND ESTUARIES

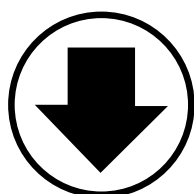
East Gippsland's waterways are remarkable natural assets of Victoria. The region contains the Gippsland Lakes, six declared heritage rivers and many national parks and reserves. Our waterways provide many of Victoria's most natural fishing, swimming, camping, boating and scenic attractions. The health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

2020/2021 Annual Waterway Condition Assessment

The overall condition of waterways continues to be heavily impacted by the previous year's events of drought and fires. In 2019/2020 most of the waterways and catchments across East Gippsland were impacted by the prolonged dry conditions, followed by landscape scale bushfires. With increased rainfall for the year, the vegetation is growing, and catchments are recovering. It will take years for catchments and waterways to recover.

Table 7: Waterway Condition Assessment 2020/21



Concerned – The lasting impacts from the 2019/20 fires is still evident across the region. This includes poor water quality flowing down the rivers following rain events, and weeds establishing along waterways.

Reasons for Assessment

The 2020/2021 annual condition assessment for waterways is based on the following evidence:

- The Authority's works program has been delivered as expected, meeting the requirements of funding agreements and the needs of community. The continued on ground works program included willow control, landholder agreements, riparian fencing, weed control and revegetation.
- The bushfire recovery program has completed the reconstruction and repair of fencing under agreement along waterways. The weed control program included over 2,000ha woody weed control on waterways that were burnt.
- 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, and Tambo Rivers; and the GLaWAC Cultural Heritage Assessment Officers undertaking cultural assessment on areas of works.

Case Study – Landholder Agreement Compliance

The landholder agreement provides a formal binding contract between the landholder and the Authority. It sets out the contributions to be made from both parties for fencing, weeds and off stream watering, ongoing maintenance and stock exclusion.

The agreement is integral to the ongoing future protection of crown frontage. The landholder agreement triggers a change from the traditional crown land management licence, to a riparian management licence. This does not allow any future grazing of stock on this land in East Gippsland.

There are currently 230 landholder agreements between the Authority and landholders across East Gippsland. The table below shows the number of agreements and agreement compliance for each of the basins.

East Gippsland Landholder Agreement Status

Basin	No. of agreements	No. of agreements complying	No. of agreements not complying
Mitchell	90	81	9
Nicholson / Tambo	36	35	1
Snowy	46	38	8
Far East	52	50	2
Gippsland Lakes	6	6	0
Total	230	210	20

Of the 230 agreements, 91% of landholders are complying with the agreement requirements. This is based on data collected via the past three years of works monitoring for all sites. This is an excellent outcome given the hardship and difficult times the region has faced over the past years. The Authority continues to work closely with landholders to exclude stock from waterways.

4.11 BIODIVERSITY – THE CONDITION OF NATIVE HABITAT AND HEALTH OF NATIVE SPECIES

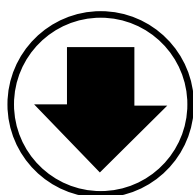
The East Gippsland region encompasses significant biodiversity assets, in particular a large amount of public forest which contain and support many native species. 83% of the region is public land; the majority of which is either state forest, national or coastal parks.

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. 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.

2020/2021 Annual Biodiversity Condition Assessment

The overall condition of biodiversity in East Gippsland is recovering from the previous year's events, however this will take a long time. Recovery works have provided opportunities to focus on threatened species and communities. The broad scale deer control program has been a major highlight for biodiversity for the year.

Table 8: Biodiversity Condition Assessment 2020/21



Concerned – Recovery efforts are showing positive biodiversity outcomes, however it will take a long time for the region to recover from such widespread and intense bushfires.

Reasons for Assessment

The 2020/2021 annual condition assessment for biodiversity is based on the following evidence:

- In 2019/2020 over 50% of the region was burnt, of this over 1 million hectares that burnt was public land (State Forests and National Parks).
- As part of bushfire recovery, the emergency response aerial shooting operation treated over 250,000ha, reduced over 50% of deer abundance and feral cattle eradicated from the Snowy River National Park.
- Recovery efforts have increased focus and targeted works to improve the condition and abundance of threatened species and communities, for example, Littoral Rainforest, Alpine Peatlands, Glossy Black-cockatoo, Eastern Bristlebird and Spotted-tailed Quoll.
- The tree cover has reduced to 45%, this is a 10% loss since last year.
- The bushfire recovery funding, projects and community engagement has been a collaborative effort between partner agencies and community groups. The Authority is actively contributing to the local and state-wide recovery efforts.

Case Study – Bushfire Recovery for Glossy Black Cockatoos.

Approximately 38% of the South-eastern Glossy Black Cockatoo's (*Calyptorhynchus lathami*) range was impacted by the 2019/2020 bushfires. These fires burnt the fire-sensitive she oak (*Allocasuarina*) trees which these birds depend on for food. Glossy Black Cockatoos feed almost exclusively on the cones of female she-oak trees which can be 10 years old before they start producing cones. The fires also damaged old trees with large hollows which Glossy Black Cockatoos use for breeding.

Working together, the East Gippsland community and government agencies protected unburnt stands of she-oaks and planted new trees to replace some of those lost in the fires. The project also involved identifying suitable sites to install specially made nest boxes that the birds can use for breeding.

4.12 COASTS AND 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.

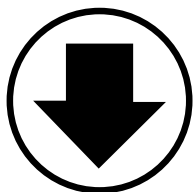
The region's marine environment contains marine protected areas adjoining Point Hicks, Cape Howe, and Beware Reef. The East Gippsland marine environment is unique, providing a very productive ecosystem resulting from mixing of the warm East Australian current, temperate southern waters, and cool waters 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.

2020/2021 Annual Coasts and Marine Condition Assessment.

The condition of coasts continues to be impacted by the previous year's events. Considerable lengths of the coastline, particularly in remote far East Gippsland burnt, including many of the estuaries. With higher than average rainfall, areas are re-growing and recovering. Recovery efforts in these areas has included monitoring, an important step to ensure natural recovery is occurring. The community and agencies continue to work together to improve understanding and knowledge of the coasts and marine systems within East Gippsland.

Table 9: Coasts and Marine Condition Assessment 2020/21



Concerned – The events from the previous year continue to impact on the condition of East Gippsland coasts and remote estuaries. The water quality flowing into the Gippsland Lakes has been variable, following fires, storms and floods.

Reasons for Assessment

The 2020/2021 annual condition assessment for coasts and marine is based on the following evidence:

- The Gippsland Lakes program has over 40 partner agencies and community groups involved in improving the health of the lakes. This includes project delivery, monitoring and assessment, citizen science programs and coordinating community engagement events.
- The water quality across the region has been variable, following events, including fires, thunderstorms, and flooding in the west of the Gippsland Lakes catchment.
- The Authority continues to work with the Victorian Fisheries Authority and local Angling Clubs to identify and place large wood habitat in and around the Gippsland Lakes and estuaries, this year another 50 logs / root ball structures were put into the Gippsland Lakes.
- Following the bushfires, continual monitoring has been undertaken across the burnt coastlines, as expected we are seeing natural recovery without too much disruption.

Case Study – Increasing Habitat for Frogs

Greening Australia has been working to increase and restore habitat for the Growling Grass Frogs and Green and Golden Bell Frogs of the Gippsland Lakes. These nationally threatened frog species live in the freshwater wetlands fringing the Gippsland Lakes. These wetlands are at risk from sea level rise and increases in salinity.

Greening Australia has worked together with the National Bell Frog Recovery team to create and identify wetlands that might provide the habitat these important frogs need further up the catchment. Improving and creating suitable wetland habitat can provide our environment; and the species it supports, with 'room to move'.

Works included embankment repairs, fencing, weed control and revegetation. The team enhanced the condition of the wetlands and increased freshwater availability for wetland dependent species.

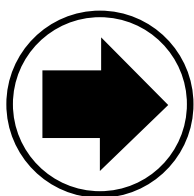
4.13 LAND – THE MANAGEMENT OF ENVIRONMENT AND LONG-TERM PRODUCTIVITY

In East Gippsland, cleared agricultural lands are concentrated on the Gippsland Plains, the Mitchell, Tambo and Snowy River valleys and the Monaro Tablelands. Here, the original open grassy woodland lent itself to grazing; and the fertile river valleys where rich alluvial soil supports the development of intensive agriculture.

2020/2021 Annual Agricultural Land Condition Assessment

Although the region has seen increased rainfall, the agricultural land will take some time to recover from the previous year's drought and subsequent bushfires. Exposed soil increased by 2.2%. Landholders have worked hard to rebuild infrastructure, including houses, sheds, fencing, watering systems and pasture renovation.

Table 10: Agricultural Land Condition Assessment 2020/21



Neutral – The increased rainfall for the year has provided opportunities for farmers to revitalize pasture and feed stocks. The increased exposed soil across the region will need to be monitored.

Reasons for Assessment

The 2020/2021 annual condition assessment for land is based on the following evidence:

- Exposed soil has increased by 2.2% from last year. In comparison, following the 2003 bushfires, exposed soil was 5.9%; in 2020, exposed soil is 5.1%.
- Some parts of East Gippsland received total annual rainfall over 900mm. The last time the region received over 900mm of rain was in 2016. Rainfall has been variable throughout, with some parts of the region still reporting concerns regarding rainfall totals and irregularity.
- The agricultural programs have had a challenging year, having to think about alternative methods of delivery for farmer engagement and learning opportunities. This has included webinars, social networking and providing one on one learning through virtual platforms.
- The drought / bushfire employment program finished in January 2020. The program employed close to 70 people, delivered 68 community projects and had over 20 partner agencies and community groups working together to deliver the program.

Case Study – Responding to Challenges with Local Farmers

In response to the challenges that local farmers have faced in the aftermath of bushfires and coronavirus restrictions, partners in the Topsoils program tailored their focus to meet the changing needs.

With field days and farm visits reduced, farmers across East Gippsland sat in front of their computers to stay in touch and informed. Topsoils partners ran a series of interactive online workshops for their farmer focus groups to replace the previously scheduled visits from interstate and international speakers. The events have been successful, although most participants would prefer to get together over a cup of tea and learn from each other. Despite this, they were still able to learn, share stories and apply their learnings to their own properties.

4.14 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.

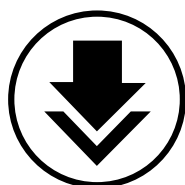
2020/2021 Annual Community Condition Assessment

This year the community has been recovering from drought and bushfires, all while trying to cope with coronavirus.

Communities in East Gippsland are accustomed to dealing with natural disasters and tough times however, we are still seeing the impacts on the economic, social, and cultural aspects of our communities. The increased number of community events and participation is important during tough times in regional communities; however, coronavirus has continued to impact the social gatherings for people.

This year has remained difficult, continuing to be some of the toughest and hardest times we face as a community. The social gatherings and camaraderie are important, however very limited due to coronavirus. The Authority has been working with partners agencies and community groups, to provide as much help and support as possible through these tough times.

Table 11: Community Condition Assessment 2019/20



Highly concerned – The drought, bushfires and coronavirus have severely impacted the economic, social and cultural aspects of communities across East Gippsland. Many individuals are stressed and traumatised from the experiences this year.

Reasons for Assessment

The 2020/2021 annual condition assessment for community is based on the following evidence:

- Coronavirus has limited the number of social gatherings, events, and support for communities during bushfire recovery efforts.
- It has been difficult to re-connect and support community using the visual platforms and isolated methods.
- There are 3 Landcare Networks and 32 Landcare groups operating in East Gippsland. The groups and networks continue to deliver on-ground works and engagement activities where possible.
- The Authority continues to work with an array of community groups to implement activities. The groups include Traditional Owners, angling clubs, rowing clubs, Landcare groups, coast care groups, friends of groups, 4-wheel drive clubs and local schools.
- 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 Authority.

Case Study – Bushfire Recovery Mallacoota Boat Trips

Once again, the Authority worked with community and Arthur Rylah Institute to host boat trips on the Mallacoota Inlet. Earlier in the year, over 80 people enjoyed a little rest and relaxation on the Inlet aboard the MV Loch Ard. The trip was a fantastic opportunity to share stories and talk about bushfire recovery.

Scientists from Arthur Rylah Institute were able to lend a hand, providing expertise in aquatic life, flora and fauna, and ecology. There was plenty discussed, including water quality, estuary health and monitoring the signs of regeneration and recovery.

5. PERFORMANCE AGAINST CORPORATE PLAN KEY PERFORMANCE INDICATORS

These indicators are submitted to the Minister for Water as a component of the Corporate Plan each year. They are an element of the compliance framework utilised by the Authority and the Minister.

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 years.	Policies 100% Procedures 80%
	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 2018.
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 2021.
	A stakeholder and community engagement framework / plan approved by the Board.	Engagement plan reviewed annually and approved by the Board.
	A Regional Landcare support plan approved by the Board.	The Regional Landcare Support Plan for the period from 2015 to 2019. The Authority is currently reviewing and renewing the strategy.
	A regional waterways strategy approved by the minister.	The East Gippsland Waterway Strategy operates for the period from 2014 to 2022. Mid-term review was completed in 2018.
	A regional floodplain strategy approved by the Board.	The East Gippsland Floodplain Strategy was approved by the Board in June 2017.

Performance Area	Performance target	Achievement commentary
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 <i>Water Act</i>	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 <i>Water Act</i>	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

THE GUNAIKURNAI TRADITIONAL OWNER LAND MANAGEMENT BOARD HOSTING

The Authority continues to host the 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.

GUNAIKURNAI LAND AND WATER ABORIGINAL CORPORATION PARTNERSHIP AGREEMENT

The Authority has led the establishment of, and signed, the partnership agreement with GLaWAC on 14th May 2018 together with another 13 Victorian Government departments and agencies who are members of the 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. An example is jointly planned on-ground work in the Gippsland Lakes Coastal Park. Another example is the joint planning completed for the Mitchell River flagship program, due to commence fully next year. These types of partnerships ensure we are working and learning from each other at all phases of new programs.

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 2020/21, the GLaWAC on Country Team also worked with multiple East Gippsland agencies and community groups to deliver on ground works.

SUPPORTING COMMUNITIES IN DROUGHT AND FIRE RECOVERY

The Authority has played a lead role in drought support and recovery. The Authority CEO chaired the East Gippsland Shire Council Drought Advisory Committee, which coordinated drought support programs and planning for East Gippsland.

The Authority completed a Drought Employment Program; funded by the Victorian Government, which has employed approximately 70 crew positions. The crews operated across the drought affected regions of North East, West Gippsland and East Gippsland CMA's.

The program was a collaboration between the GEA agencies, who shared work priorities and projects to support the crews ongoing. The program was an outstanding success; delivering environmental, social and economic outcomes for these regions.

The Authority has worked tirelessly to support our community and environment during and in post fire recovery. Initiatives like community field days, BBQ's and one on one visits have contributed to the environment recovery and mental wellbeing of our community.

PROGRESS TOWARDS NET ZERO EMISSIONS

The Authority has completed concept planning for a solar bank aimed to achieve net zero emissions by 2025. Initial assessments have been completed of total emissions and solar bank requirements.

Statutory approvals are in the process and design and construction is expected in the 2021/22 year.

THE GIPPSLAND LAKES COORDINATING COMMITTEE

The GLCC is managed by the Authority on behalf of the Minister for Water. The committee will be re-established to support the new round of Victorian Government Funding (7.5mill) over the next 3 years.

The committee makes recommendations regarding allocation of the funding. 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 ensures agencies and community are working together, with administration and delivery managed by the Authority. The program is currently overseeing 41 partner agency projects across 4 priority program areas of work and 16 community projects. All the funded projects align with the

objectives of the Gippsland Lakes Ramsar Site Management Plan and the Gippsland Lakes Priorities Plan.

STRENGTHENING AGENCY PARTNERSHIPS AND FORUMS

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

- The GEA Forum; chaired by the Authority CEO, comprises leaders of thirteen (13) major environmental agency partners in Gippsland, which is coordinating planning and works within broader Gippsland.
- 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.

GIPPSLAND ENVIRONMENT AGENCIES – WOMEN 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 Annual GEA Women Leadership forum which is fostering greater opportunity for women to develop and practice leadership skills.

7. FIVE YEAR FINANCIAL SUMMARY

	20/21	19/20	18/19	17/18	16/17
	\$000	\$000	\$000	\$000	\$000
Operating Revenue					
Victorian Government	10,276	9,582	9,761	8,633	9,093
Commonwealth Government	2,176	862	1,217	1,828	2,522
Other Revenue	663	958	1,067	956	1,141
Total Operating Revenue	13,115	11,402	12,045	11,417	12,756
Operating Expenses					
Governance and Corporate	1,519	1,663	1,300	962	986
Project Expenditure	8,555	9,846	9,983	10,872	13,147
Total Operating Expenses	10,074	11,509	11,283	11,834	14,133
Total Assets	15,204	12,727	11,707	9,885	10,057
Total Liabilities	2,175	3,177	2,043	997	763

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 2021/22.

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 2020/2021 for the purposes of supporting the administration of Landcare groups and implementing on-ground natural resource management projects.

The following grant amounts were paid:

Not-for-profit organisations	\$1,222,813
Landholders	\$654,072
Partner Agencies	\$728,343

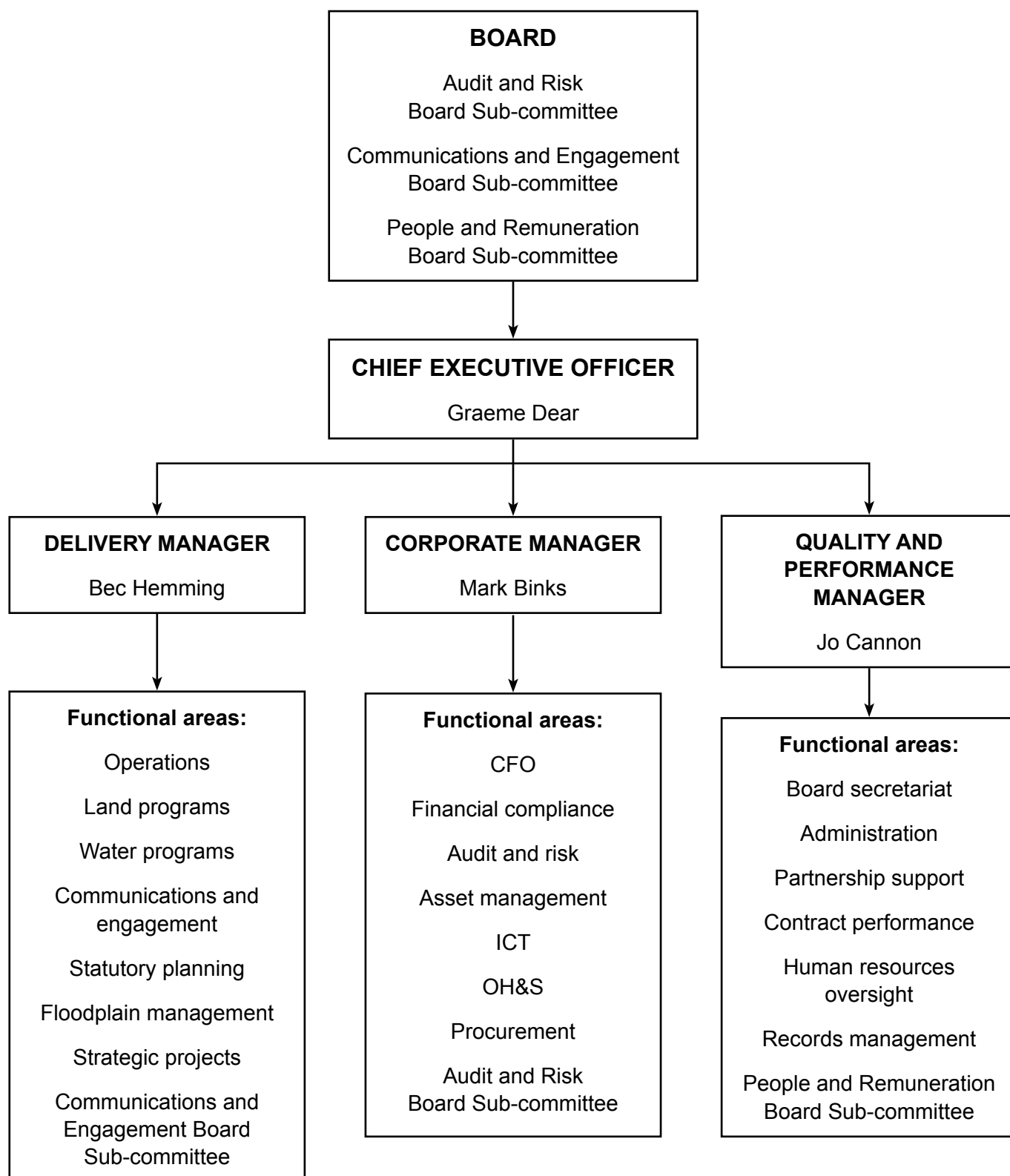
Total grants paid during the 2020/2021 year were \$2.61 million.

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 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
Mr Ewan Waller	01/10/2017 – 30/09/2023	6 of 6
(Chairperson)	01/05/2020 – 30/09/2023	
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
Ms Glenys Watts	27/10/2015 – 30/09/2023	6 of 6
Ms Merrilyn Woodhouse	01/10/2019 – 30/09/2023	6 of 6
Ms Courtney Mraz	01/10/2019 – 30/09/2023	6 of 6
Ms Kate Commins	01/07/2020 – 30/09/2023	6 of 6

16. BOARD COMMITTEES

The following Committees report to the Board:

16.1 AUDIT AND RISK BOARD SUB-COMMITTEE

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

- Ms Claire Miller

- Ms Marilyn Woodhouse
- Ms Jennifer Fraser
- Ms Glenys Watts
- Mr Ewan Waller (Ex-Officio Member)

The Committee also includes an external member:

- 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.

Meetings are held not less than quarterly.

Audit and Risk Committee membership and meeting attendance 2020-21

Name	Term	Attended	Eligible to attend
Ms Claire Miller (Convenor)	1 July 2020 to 30 June 2021	6	6
Ms Marilyn Woodhouse	1 July 2020 to 30 June 2021	6	6
Ms Jennifer Fraser	1 July 2020 to 30 June 2021	6	6
Ms Glenys Watts	1 July 2020 to 30 June 2021	6	6
Thelma Hutchison	1 July 2020 to 30 June 2021	5	6

16.2 COMMUNICATIONS AND ENGAGEMENT BOARD SUB-COMMITTEE

The Committee consisted of the following Board members:

- Ms Frances MacLennan
- Ms Glenys Watts
- Ms Courtney Mraz
- Ms Kate Commins
- Mr Ewan Waller (Ex-Officio Member)

The Committee also includes an external member:

- Ms Lauren Carey

The Committee's responsibilities include:

- Implementation of Board-level communication and engagement activities.
- Oversee the annual review of the Board Engagement Plan including performance against key performance indicator's and recommend the completed plan to the Board for endorsement.
- Oversee implementation of the Board Engagement Plan.
- Review reports on and oversee implementation of the Authority's program of 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:

- Mr Ewan Waller
- Ms Jennifer Fraser
- Ms Courtney Mraz

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:
 - I. People resources, strategic policy and planning
 - II. Organisational culture
 - III. Organisational structure
 - IV. Industrial relations matters
 - V. Development and training
 - VI. Remuneration and contracting strategies
 - VII. Succession planning for key management positions
 - VIII. Recruitment and retention
- To review the CEO's performance for the purpose of annual performance review and employment conditions in accordance with the Public Entity Executive Remuneration Policy (PEER policy) and current employment contract terms.
- 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.
- Undertake an annual review of the CEO Succession Plan and provide a report to the Board following the annual review, presenting the updated Plan for Board approval.

16.4 SENIOR EXECUTIVES

Chief Executive Officer

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

Chief Executive Officer: Graeme Dear

Delivery Unit

The unit coordinates the planning, implementation, monitoring, evaluation and reporting of the RCS, EGWS, 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.

In addition, the unit coordinates corporate communications and engagement.

Manager: Bec Hemming

Corporate Unit

The unit coordinates workplace health and safety and 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: Mark Binks

Quality and Performance Unit

The unit provides Board, administration and partnership support for hosted agencies. The unit manages contract oversight, human resources administration and records management.

Manager: Jo Cannon

17. PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES

The *Public Administration Act 2004* (PA Act) specifies several employment principles that must be observed by public sector organisations and their employees in addition to the Victorian Public Sector Commission conduct principles or public sector values.

The Authority has policies and procedures that are consistent with both the employment and conduct principles and which 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.

In addition, the Authority has applied the public sector employment principles and public sector values in the following ways:

Development and implementation of Plans, 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 2020
- Provision of training for staff, including:
 - I. How to have difficult conversations and communicate under pressure
 - II. Women in Leadership Forum attendance
 - III. Bullying and Harassment for employees
 - IV. Dealing with Workplace Conflict
 - V. Duty of Care for Victorian employees
 - VI. Managing stress
 - VII. Victorian Charter of Human Rights and Responsibilities
- Development of workplace behaviours based on the public sector values and the inclusion of these in the annual Performance and Development Review process.

18. OCCUPATIONAL HEALTH AND SAFETY

The safety of Authority employees and our contractors is our highest priority and one of our core values. The Occupational Health & Safety (OHS) 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 2020/2021 financial year, management and the OHS Committee in consultation with stakeholders, implemented the annual OHS Action Plan. Initiatives have included updating Authority policies and procedures and reviewing and updating contractor OHS standards.

The Authority's performance in OHS 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 0 incidents.

There were no lost time claims for the reporting period.

OHS Performance Reporting

Incidents	2020/2021	2019/2020	2018/2019
Contractor time lost to injuries/accidents (days)	0	0	5
Contractor incident notifications	4	1	4
Staff time lost to injuries/accidents (days)	0	0	0
Staff hazard/incident notifications	5	19	10
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 OHS.

OHS training completed in the reporting period

Training Program	Number of Participants
First aid (including annual CPR refresher)	12
Fire warden & emergency response	0
Health & safety representative (including annual refresher)	1
Basic wildfire awareness	0
4WD Training	5

PART 3 – WORKFORCE DATA

19. 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 2021, the Authority employed 25 staff (23.5 full time equivalent), compared to 23 staff (21.5 full time equivalent) on 30 June 2020.

Employees have been correctly classified in workforce data collections.

The breakdown of staff for the Authority at the end of 2020/2021 compared to 2019/2020 is as follows:

	2020/2021		2019/2020	
	Number (headcount)	FTE	Number (headcount)	FTE
Chief Executive Officer	1	1	1	1
Executive Assistant	1	0.6		
Senior Managers	3	3	2	2
Corporate Staff	3	2.8	4	3.8
Delivery staff	14	13.3	12	10.9
Quality and Performance (including hosted employees) staff	3	2.8	4	3.8
TOTAL	25	23.5	23	21.5

Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- The figures exclude casuals.
- FTE means "Full Time Equivalent".

20. WORKFORCE INCLUSION POLICY

The Authority's Diversity and Inclusion Plan 2020 (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 Authority, 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 2020/2021	Progress in 2019/2020
All management levels within the EGCMA will achieve a gender balanced membership.	2024	<p>Achieved at Senior Manager level:</p> <p>Male: 50% Female: 50%</p> <p>In progress at middle management.</p> <p>Male: 80% Female: 20%</p>	<p>Achieved at Senior Manager level:</p> <p>Male: 34% Female: 66%</p> <p>In progress at middle management.</p> <p>Male: 80% Female: 20%</p>
Employment levels of Aboriginal people within the Authority, contractors and grant recipient partner groups will be at least 5%.	2023	<p>Number of contracts awarded to suppliers who are Victorian Aboriginal businesses – 12.5%</p> <p>Employment of Aboriginal people to deliver Contracts awarded by the Authority – 17 people (% figure not available)</p> <p>Employment of Aboriginal people within the Authority – 0</p> <p>Number of grants awarded who involve traditional owners in their delivery – 3.5%</p>	<p>Number of contracts awarded to suppliers who are Victorian Aboriginal businesses – 12.5%</p> <p>Employment of Aboriginal people to deliver Contracts awarded by the Authority – 44 people (% figure not available)</p> <p>Employment of Aboriginal people within the Authority – 0</p> <p>Number of grants awarded who involve traditional owners in their delivery – 25%</p>

Executive Officer Data

The Authority had no Executive Officers that meet the Victoria Government's Public Entity Executive Remuneration (PEER) Policy, other than Responsible Persons, during the current or previous reporting period.

PART 4 - OTHER DISCLOSURES

21. 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 state-wide 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 2020-21, the Authority commenced no Local Jobs First Standard projects.

Projects Completed – Local Jobs First Standard

During 2020-21, the Authority completed one Local Jobs First Standard project, the 2019/2020 Provision of Employment, Training and On-Ground Services totalling \$4.225mil. The outcomes expected from the implementation of the Local Jobs First policy were achieved, including 36.6 total jobs secured.

Reporting requirements – all projects

During 2020-21, no business prepared a Local Industry Development Plan (LIDP) for Authority tenders.

Reporting requirements – grants

There were no grants provided during 2020/2021 that corresponded with the registration and issue of an Interaction Reference Number.

22. SOCIAL PROCUREMENT FRAMEWORK

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

In 2019, the Authority developed a Social Procurement Strategy to guide our approach to the delivery of social outcomes via our procurement.

In the Strategy, the Authority has prioritised three SPF objectives detailed in the tables below with their associated reporting metrics:

SPF Objective: Opportunities for Victorian Aboriginal people**SPF Outcome****SPF reporting metrics**

Employment of Victorian Aboriginal people by suppliers to the Victorian Government

Number of contracts awarded to suppliers who are Victorian Aboriginal businesses.

SPF Objective: Supporting Safe and Fair Work Practices**SPF Outcome****SPF reporting metrics**

Purchasing from suppliers that comply with industrial relations laws and promote secure employment

Number of Authority contracted suppliers that attest to compliance with the Workplace Self-Assessment Checklist and Industrial Relations Declaration of Compliance (for procurements over \$50,000)

SPF Objective: Sustainable Victorian Social Enterprises and Aboriginal business sectors**SPF Outcome****SPF reporting metrics**

Purchasing from Victorian social enterprises and Aboriginal businesses

Number of contracts awarded to suppliers who are Victorian Aboriginal businesses.

Achievements to date include:

- Having established our Social Procurement Strategy our focus is now on embedding the actions into our Procurement procedures and, where applicable, the implementation of our Diversity and Inclusion Implementation Plan.
- Have commenced implementation and measurement of the targets set which relate to our reporting metrics.
- Updated our Procurement Procedure to align with our Social Procurement Strategy.
- We will also partner with other agency to assist in ongoing improvement opportunities and the development of reporting metrics.

Case Study – Moogji**An Aboriginal Health Organisation creating a healthy ecosystem.**

Moogji is an Aboriginal Community Controlled Health Organisation that provides services to the East Gippsland community.

While predominantly a health organisation, Moogji has also established an environmental works team which has become a major part of their economic development.

For over 15 years now, Moogji has had an association with the East Gippsland Catchment Management Authority where it provides weed control and revegetation works and has worked on the Snowy Rehabilitation project.

23. GOVERNMENT ADVERTISING EXPENDITURE

The Authority's expenditure in the 2020/2021 reporting period on government campaign expenditure was nil.

24. CONSULTANCY EXPENDITURE

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

In 2020/2021 there were 5 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020/2021 in relation to these consultancies was \$72,751 (excl. GST). Details of individual consultancies can be viewed at www.egcma.com.au

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

In 2020/2021 there were 5 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2019/2020 in relation to these consultancies was \$28,529 (excl. GST).

25. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2020/2021 reporting period, the Authority had a total ICT expenditure of \$573,613 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)
\$378,000	\$196,000	0	\$196,000

26. DISCLOSURE OF MAJOR CONTRACTS

The Authority did not award any major contracts (valued at \$10M or more) during 2020/21.

27. FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by 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.

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 under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision 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. An application fee of \$30.10 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to 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

FOI statistics/timeliness

During 2020/21, the Authority received no applications.

The Authority made no FOI decisions during the 12 months ended 30 June 2021.

During 2020/21, 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.

28. 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 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 2020/21.

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

29. 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.

30. COMPLIANCE WITH THE *PUBLIC INTEREST DISCLOSURES ACT 2012*

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

The Authority is a “public body” for the purposes of the PID Act.

What is a public interest disclosure?

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

‘Improper or corrupt conduct’ involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

“Detrimental action’ is action taken against a person in reprisal for making a public interest disclosure.

How do I make a public interest disclosure?

You can make a public interest disclosure about the Authority or its Board members, officers or employees by contacting IBAC (details below).

The Authority is not able to receive public interest disclosures.

The Authority has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the Authority, its Board members, officers or employees. You can access the Authority’s procedures on its website at: www.egcma.com.au

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

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

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

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

31. COMPLIANCE WITH THE *DISABILITY ACT 2006*

The *Disability Act 2006* requires the Authority to prepare a disability action plan and to report on its implementation in the annual report. The Authority's Diversity and Inclusion Implementation Plan (DIP) has set clear objectives and actions to ensure the Authority is an inclusive workplace where people with disabilities are not disadvantaged by any internal policy or procedures.

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.
- Removal of all personal identifiers from job applications before short listing of candidates.

32. COMPLIANCE WITH ANY OTHER LEGISLATION

Nil requirements.

33. OFFICE-BASED ENVIRONMENTAL IMPACTS

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

The Authority has also commenced project scoping for a proposal to generate and supply solar power from the Authority's three depots at Bairnsdale, Orbost and Genoa and is currently in the process of applying for planning approval and meeting other statutory requirements.

The project aims to achieve net zero emissions by 2025 by generating and supplying solar power from our depots in Bairnsdale, Genoa and Orbost.

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.

The information is available on request from:

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

Additional information included in annual report

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

- g) Assessments and measures undertaken to improve the occupational health and safety of employees (page 41).
- h) A list of the Authority's major committees; the purposes of each committee; and the extent to which the purposes have been achieved (page 37).

Information that is not applicable

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

- i) A declaration of shares held by senior officers (no shares have ever been issued in the Authority's name).
- j) Details of overseas visits undertaken (no Board members or senior executives took overseas work-related trips).
- k) Statement of industrial relations within the Authority.

36. ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

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

Leadership and accountability (requirements 1 to 19)

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

Planning (requirements 20 – 23)

The Authority has met its target maturity level under most of the requirements in this category. The Authority continues to develop its asset management strategy to cover all asset classifications over the asset life cycle.

Acquisition (requirements 24 and 25)

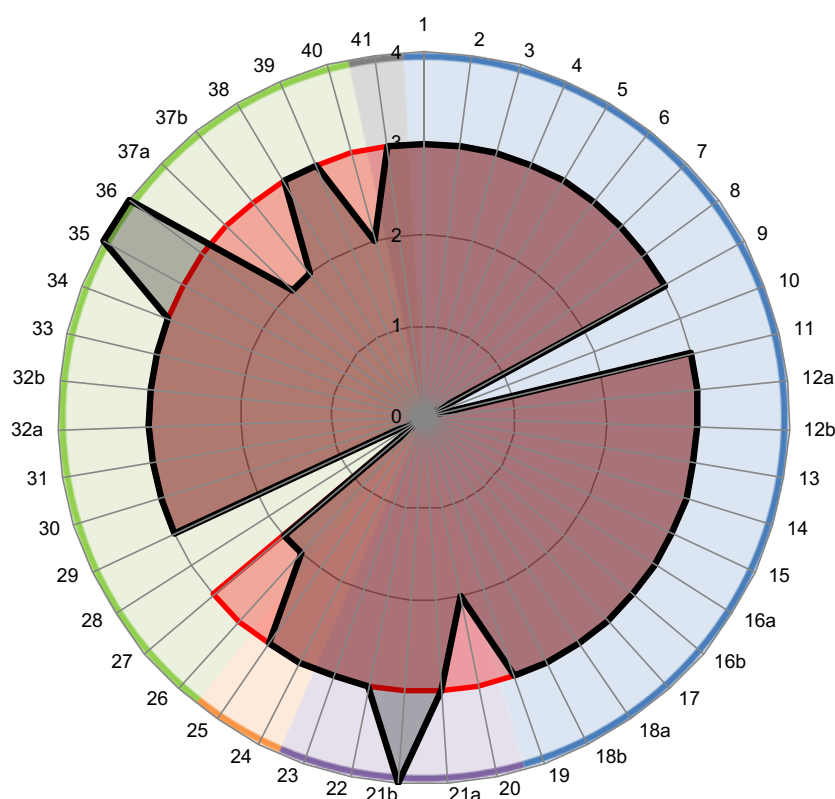
The Authority has met its target maturity level in this category.

Operation (requirements 26-40)

The Water Authority has met or exceeded its target maturity level under most of the requirements in this category. The Authority continues to improve with some requirements in the areas of monitoring and preventative action and information management. The Authority is developing a plan for its information needs for its Asset management System.

Disposal (requirement 41)

The Authority has met its target maturity level in this category.



Legend

Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Target

Overall

37. FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Ewan Waller, 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.



Ewan Waller
Chairperson
East Gippsland Catchment Management Authority

6 October 2021

PART 5 - FINANCIAL STATEMENTS



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of East Gippsland Catchment Management Authority

Opinion	<p>I have audited the financial report of East Gippsland Catchment Management Authority (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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



Paul Martin

as delegate for the Auditor-General of Victoria

MELBOURNE
6 October 2021

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 2021 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
2.1 Summary of income that funds the delivery of our services
2.2 Income from transactions

3. The cost of delivering services

Operating expenses of the Authority
3.1 Expenses incurred in delivery of services
3.2 Materials, grants, contracts and consultancies
3.3 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 Property, plant and equipment
4.2 Intangible Assets
4.3 Other Assets

5. Other assets and liabilities

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

6. Financing our operations

Cash flow information, commitments for expenditure
6.1 Borrowing - Leases
6.2 Cash flow information and balances
6.3 Commitments for expenditure
6.4 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 executive officers
8.6 Related parties
8.7 Remuneration of auditors
8.8 Subsequent events
8.9 Economic Dependency
8.10 Australian Accounting Standards issued that are not yet effective

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

COMPREHENSIVE OPERATING STATEMENT (i)

for the financial year ended 30 June 2021

	Notes	2021	2020
		\$	\$
Continuing operations			
Income and revenue from transactions			
Government contributions	2.2.1	12,451,794	10,443,756
Interest		34,299	109,778
Other income	2.2.2	629,330	848,690
Total income from transactions		13,115,423	11,402,224
Expenses from transactions			
Employee expenses	3.1.1	2,663,528	2,801,765
Depreciation and amortisation	4.1.1	437,322	411,384
Materials, grants, contracts and consultancies	3.2	6,373,273	7,668,343
Other operating expenses	3.3	600,089	627,449
Total expenses from transactions		10,074,212	11,508,941
Net result from transactions (net operating balance)		3,041,211	(106,717)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	8.2	40,742	(6,642)
Other gain from other economic activities	8.2	29,754	-
Net result		3,111,707	(113,359)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Gain on revaluation of property, plant and equipment	8.3	379,010	-
Comprehensive result		3,490,717	(113,359)

The accompanying notes form part of these financial statements.

Note:

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

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

BALANCE SHEET (i)

as at 30 June 2021

	Notes	2021 \$	2020 \$
Assets			
Financial assets			
Cash and deposits	6.2	11,751,978	9,252,662
Receivables	5.1	142,911	325,826
Contract assets	5.3	878,770	734,837
Total financial assets		12,773,659	10,313,325
Non-financial assets			
Property, plant and equipment	4.1	2,112,859	2,074,376
Intangible assets	4.2	362,045	254,865
Other non-financial assets	5.4	35,558	84,489
Total non-financial assets		2,510,462	2,413,730
Total assets		15,284,121	12,727,055
Liabilities			
Payables	5.2	934,628	768,299
Contract liabilities	5.3	-	809,820
Employee related provisions	3.1.2	732,358	759,164
Borrowings	6.1	576,037	839,391
Total liabilities		2,243,023	3,176,674
Net assets		13,041,098	9,550,381
Equity			
Accumulated surplus		4,832,279	1,720,572
Asset revaluation reserve	8.3	1,221,453	842,443
Contributed capital		6,987,366	6,987,366
Net Worth		13,041,098	9,550,381

The accompanying notes form part of these financial statements.

Note:

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

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

CASH FLOW STATEMENT (i)

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts			
Receipts from government		11,498,041	10,337,959
Interest received		34,299	109,778
Goods and services tax received from the ATO (ii)		451,802	517,178
Other receipts		807,225	742,894
Total receipts		12,791,367	11,707,809
Payments			
Payments to suppliers and employees		(9,878,617)	(11,234,286)
Total payments		(9,878,617)	(11,234,286)
Net cash flows from operating activities	6.2.1	2,912,750	473,523
Cash flows from investing activities			
Purchases of non-financial assets		(292,952)	(421,110)
Proceeds from the sale of non-financial assets		129,720	83,520
Sale of Financial Assets		-	2,000,000
Net cash inflow from investing activities		(163,232)	1,662,410
Cash Flows from Financing Activities			
Repayment of principal component of lease borrowing		(250,202)	(279,387)
Net cash used in financing activities		(250,202)	(279,387)
Net increase in cash and cash equivalents		2,499,316	1,856,546
Cash and cash equivalents at the beginning of the financial year		9,252,662	7,396,116
Cash and cash equivalents at end of financial year	6.2	11,751,978	9,252,662

The accompanying notes form part of these financial statements.

Note:

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

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

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY (i)

for the financial year ended 30 June 2021

	Accumulated surplus	Asset revaluation reserve	Contributed capital	Total
	\$	\$	\$	\$
Balance at 1 July 2019	1,833,931	842,443	6,987,366	9,663,740
Net result for the year	(113,359)	-	-	(113,359)
Balance at 30 June 2020	1,720,572	842,443	6,987,366	9,550,381
Net result for the year	3,111,707	-	-	3,111,707
Other comprehensive income for the year	-	379,010	-	379,010
Balance at 30 June 2021	4,832,279	1,221,453	6,987,366	13,041,098

The accompanying notes form part of these financial statements.

Note:

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

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Authority.

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

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.

Coronavirus (COVID-19) pandemic and the impact on the financial statement. Since March 2020, the Victorian government has imposed a number restrictions on the community in response to the coronavirus (COVID-19) pandemic. In 2020-21 new 4 year funding agreements from Department of Environment, Land, Water and Planning were replaced with 12 month Supply Bill funding to fund the Authority in 2020-21 only. Long term funding agreements are expected to commence in 2021-22.

Land and building were revalued in 2020-21 and the valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period. Apart from this there has not been a significant impact on the operating and economic environment for the Authority. Management have considered the impacts of COVID-19 on the judgements and assumptions applied to accounting policies, estimates and have deemed that there is no effect.

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:

- the timing of satisfaction of performance obligations (Note 2.2);
- determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 or AASB 1058 (Note 2.2);
- employee benefit provisions (Note 3.1.2);
- estimation of useful life of property, plant and equipment (Note 4.1.1);
- accrued expenses (Note 5.2);
- estimating discount rate when not implicit in the lease (Note 6.1);
- determining whether the lease arrangement is in substance short-term arrangement (Note 6.1);
- fair value measurements of assets and liabilities (Note 7.3);

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

1. ABOUT THIS REPORT (cont.)

Rounding

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

Compliance Information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 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 2021

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.

The Authority has made judgement on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the authority satisfies the performance obligation by providing the relevant services to the relevant agencies. The performance obligations are so specific, that the unfulfilled performance obligation are easily measured and determined which closely reflect the progress to completion as costs are incurred as the works are carried out.

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	2021 \$	2020 \$
Government contributions	2.2.1	12,451,794	10,443,756
Interest		34,299	109,778
Other income	2.2.2	629,330	848,690
Total income from transactions		13,115,423	11,402,224

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

	2021 \$	2020 \$
State Government		
Income recognised as income of not-for-profit entities		
River Health/ Healthy Waterways	2,814,000	4,181,000
Our Catchments, Our Communities	677,000	391,000
Catchment Planning/Corporate Governance	843,200	843,200
Second Generation Landcare	393,995	219,432
Water Statutory Functions	697,000	822,000
Natural Disaster Funding	-	686,215
Bushfire Recovery	3,250,000	-
Floodplain Management	75,000	150,000
Other State Funding	765,855	423,441
Income recognised as revenue from customers		
Drought Assistance Program	759,820	1,865,180
Total State Government	10,275,870	9,581,468
Commonwealth Government		
Income recognised as revenue from customers		
National Landcare Program	2,175,924	862,288
Total Commonwealth Government	2,175,924	862,288
	12,451,794	10,443,756

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

2.2.1 Total Government contributions (cont.)

Government contributions are recognised as income in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Authority has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Authority recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue contribution by owners in accordance with AASB 1004.

Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers. This grant relates to the employment of rural sector workers who have been displaced due to severe drought conditions. Revenue is recognised over time when the rural sector employees are employed and paid for their services. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (refer Note 5.3). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (refer Note 5.3).

2.2.2 Other income

	2021	2020
	\$	\$
Partnership Contributions	148,610	88,143
Hosted Entity Services	372,115	760,547
Employee Contribution	73,832	-
Right of Use Building Rent Concession	34,773	-
Total other income	629,330	848,690

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

Hosted Services consists of funds received for providing payroll and other services to external organisations. Amounts received include reimbursement of salary paid and payment for services provided. This revenue is recognised at a point in time when the expenses are incurred by the entity and invoiced to the Hosted entity. These organisations includes Gunaikurnai Traditional Owners Land Management Board and Southern Farming Services. These funds are received with specific performance obligations as per AASB15.

The Authority as at July 2019 has applied AASB 16 Leases which has resulted in a lease liability and right of use asset being recognised for the first time. The liability is measured at the present value of the remaining lease payments, discounted using the Authority's incremental borrowing rate. Actual lease payment in 2020-21 was less than anticipated due to a variable element of the lease contract. This gain has been recognised as right of use building rent concession as other revenue.

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

The income was recognised when performance obligations have been met at a particular point in time or over a period.

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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 Other operating expenses

3.1 Expenses incurred in delivery of services

	Notes	2021 \$	2020 \$
Employee expenses	3.1.1	2,663,528	2,801,765
Materials, grants, contracts and consultancies	3.2	6,373,273	7,668,343
Other operating expenses	3.3	600,089	627,449
		<u>9,636,890</u>	<u>11,097,557</u>

3.1.1 Employee expenses in the comprehensive operating statement

		2021 \$	2020 \$
Salaries and wages		2,029,226	2,057,940
Annual leave		175,881	193,734
Long service leave		22,528	79,283
Other leave		152,000	152,794
Superannuation	3.1.3	222,239	225,315
Other employee expenses		61,654	92,699
Total employee expenses		<u>2,663,528</u>	<u>2,801,765</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 2021

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.

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.

	2021 \$	2020 \$
Current provisions for employee benefits		
Time in lieu and RDO:		
Unconditional and expected to be settled within 12 months	16,110	7,279
Annual leave:		
Unconditional and expected to be settled within 12 months	149,396	149,040
Unconditional and expected to be settled after 12 months	16,600	20,000
Long service leave:		
Unconditional and expected to be settled within 12 months	24,350	22,279
Unconditional and expected to be settled after 12 months	414,344	447,945
	<u>620,800</u>	<u>646,543</u>
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	30,770	24,643
Unconditional and expected to be settled after 12 months	57,172	56,514
Total current provisions	<u>708,742</u>	<u>727,700</u>
Non-current provisions for employee benefits		
Long service leave:		
Conditional and expected to be settled after 12 months	20,875	27,939
Provisions for on-costs		
Conditional and expected to be settled after 12 months	2,741	3,525
Total non-current provisions	<u>23,616</u>	<u>31,464</u>
Total Provisions for employee benefits and on-costs	<u>732,358</u>	<u>759,164</u>
	2021	2020
	\$	\$
Reconciliation of movement in on-cost provision		
Opening balance	84,682	83,377
Additional provisions recognised	24,586	19,558
Reductions resulting from payments/other sacrifices of future economic benefit	(16,040)	(16,431)
Unwind of discount and effect of changes in the discount rate	(2,545)	(1,822)
Closing balance	<u>90,683</u>	<u>84,682</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

- undiscounted value, if they will be wholly settled within 12 months; or
- present value; if not expected to be wholly settled within 12 months.

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.

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

3.1.2 Employee related provisions in the balance sheet (cont.)

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.

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:

	2021	2020
	\$	\$
Defined benefit plans: (i)		
Vision super defined benefits scheme	6,900	7,533
Defined contribution plans:		
Vision super	70,641	62,259
Vic super	11,890	9,539
Other private schemes	132,808	145,984
Total	222,239	225,315

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

There was \$0 in contributions outstanding to the above schemes as at 30 June 2021 (2020: \$22,423).

3.2 Materials, grants, contracts and consultancies

	2021	2020
	\$	\$
Materials	22,651	165,137
Grants paid	2,605,883	3,736,094
Contractors	2,900,931	3,518,918
Consultants	843,808	248,194
Total materials, grants, contracts and consultancies	6,373,273	7,668,343

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

3.3 Other operating expenses

	2021	2020
	\$	\$
Computer software and support	237,151	213,611
Education and training	50,693	32,221
Fares and accommodation	15,102	37,321
Fuels and lubricants	31,826	49,784
Insurance	39,848	40,228
Repairs and Maintenance	26,092	22,862
Interest expense on lease liabilities	21,622	31,504
Lease Expenses	-	17,647
Other	177,755 (i)	182,271
	600,089	627,449

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

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

(i) 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 2021

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 fair values were determined.

Structure

4.1 Property, plant, equipment

4.2 Intangible assets

4.3 Other financial assets

4.1 Property, plant, equipment

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Land at fair value	742,000	575,000	-	-	742,000	575,000
Buildings at fair value (i)	1,396,273	1,247,273	(543,630)	(326,830)	852,643	920,443
Information Technology assets at fair value	319,934	242,225	(114,629)	(58,525)	205,305	183,700
Plant and equipment at fair value	129,957	126,007	(109,606)	(96,261)	20,351	29,746
Office furniture and equipment at fair value	46,885	43,913	(37,823)	(33,902)	9,062	10,011
Motor vehicles at fair value	469,142	530,916	(185,644)	(175,440)	283,498	355,476
Net carrying amount	3,104,191	2,765,334	(991,332)	(690,958)	2,112,859	2,074,376

(i) Building at fair value includes right of use assets included in note 4.1 (a) which were recognised under the adoption of AASB 16 Leases from 1 July 2019

4.1(a) Total right-of-use Property, plant, equipment.

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Buildings at fair value	1,087,273	1,087,273	(543,636)	(271,818)	543,637	815,455
Net carrying amount	1,087,273	1,087,273	(543,636)	(271,818)	543,637	815,455

	Buildings 2021	Buildings 2020
Opening balance 1 July 2020	815,455	1,087,273
Depreciation	(271,818)	(271,818)
Closing balance 30 June 2021	543,637	815,455

(a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 to right-of-use assets recognised under AASB 16 at 1 July 2019.

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 2021

4.1(a) Total right-of-use Property, plant, equipment (cont.)

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

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

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

Subsequent measurement:

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

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

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

Specialised buildings and works assets are valued using the depreciated replacement cost method.

Right-of-use asset – Subsequent measurement

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

As per the requirements of FRD103I Non-Financial Physical Assets, right-of-use assets are subject to revaluation to Fair Value, whereby management undertake an assessment to determine whether the current lease payments under the contract approximate current market rentals for equivalent properties that would be paid in the current environment.

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

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

Significant judgement: revaluations

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 103I Non-Financial Physical Assets (FRD 103I).

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Authority to conduct these scheduled revaluations.

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

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 2021

4.1.1 Depreciation and amortisation

	2021	2020
	\$	\$
Charge for the period		
Buildings (i)	279,810	283,482
Information technology assets	56,651	34,143
Plant and equipment	13,345	4,602
Office furniture & equipment	3,921	1,680
Motor vehicles	73,432	87,477
Intangible Assets	10,163	-
Total depreciation	437,322	411,384

(i) The table incorporates depreciation of right-of-use assets as AASB 16 Leases, applied for the first time from 1 July 2019

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

Asset	Useful Life
Buildings	20 years
Buildings - right of use assets	5 years
Information technology	3-5 years
Plant and equipment	10-15 years
Furniture & office equipment	10-15 years
Motor vehicles	7-8 years
Intangible Assets	5 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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Authority obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

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 2021

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 at fair value	Motor vehicles at fair value	Total
	\$	\$	\$	\$	\$	\$	\$
2020-21							
Opening balance	575,000	920,443	183,700	29,746	10,011	355,476	2,074,376
Additions	-	-	78,256	3,950	2,972	90,431	175,609
Disposals	-	-	-	-	-	(88,977)	(88,977)
Revaluation	167,000	212,010	-	-	-	-	379,010
Depreciation	-	(279,810)	(56,651)	(13,345)	(3,921)	(73,432)	(427,159)
Closing balance	742,000	852,643	205,305	20,351	9,062	283,498	2,112,859
2019-20							
Opening balance	575,000	116,652	18,296	27,936	11,691	501,222	1,250,797
Recognition of right of use asset on initial application of AASB 16 (i)	-	1,087,273	-	-	-	-	1,087,273
Adjusted Opening Balance	575,000	1,203,925	18,296	27,936	11,691	501,222	2,338,070
Additions	-	-	199,547	6,412	-	31,893	237,852
Disposals	-	-	-	-	-	(90,162)	(90,162)
Depreciation	-	(283,482)	(34,143)	(4,602)	(1,680)	(87,477)	(411,384)
Closing balance	575,000	920,443	183,700	29,746	10,011	355,476	2,074,376

(i) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases.

4.2 Intangible assets (i)

Reconciliation of movements in carrying values of intangible assets

	\$	\$
	2021	2020
Gross carrying amount		
Opening balance	347,522	164,263
Additions	117,343	183,259
Disposals	(92,657)	-
Closing balance	372,208	347,522
Accumulated amortisation		
Opening balance	(92,657)	(92,657)
Disposals	92,657	-
Amortisation	(10,163)	-
Closing balance	(10,163)	(92,657)
Net book value at end of financial year	362,045	254,865

(i) Intangible assets include a new Financial and Payroll system and Document Management System which was commissioned during 2020-21.

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

4.2 Intangible assets (cont.)

Initial recognition

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

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between three and five years.

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in section 4.1.1

Significant intangible assets

The Authority is capitalising the development of a new financial system and NRMS (Project Software). This project commenced in 2018-19 and was completed late 2020-21.

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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, contract liabilities and accrued expenses

Performance obligations in contracts are normally stipulated in the contract with customers and the obligations are satisfied when the service obligations have been completed. For example the supply of goods and services or upon completion of service. Whilst payment is due on the completion of the obligation or service.

Structure

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

5.1 Receivables

Current receivables

Contractual

Trade receivables

	2021	2020
	\$	\$
	142,911	278,415
	<u>142,911</u>	<u>278,415</u>

Statutory

GST input tax credits recoverable

State revenue office payroll tax refund

	-	26,356
	-	21,055
	<u>-</u>	<u>21,055</u>

Total current receivables

	<u>142,911</u>	<u>325,826</u>
--	-----------------------	-----------------------

Contractual receivables, which are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The Authority holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measures them at amortised cost using the effective interest method, less any impairment. Subsequent to initial measurement they are measured at amortised cost less any impairment; and

Statutory receivables 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 2021

5.2 Payables

Significant judgement: Accrued expenses

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

Current Payables	2021	2020
Contractual	\$	\$
Trade payables	177,612	454,318
Accrued expenses	587,051	233,484
	<u>764,663</u>	<u>687,802</u>
Statutory		
Superannuation Guarantee	-	22,423
GST Payable	116,068	-
FBT payable	10,462	13,828
PAYG withholding Tax	43,435	44,246
Total current payables	<u>934,628</u>	<u>768,299</u>

Payables consist of :

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid; and

Statutory Payables 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

	Maturity dates			
	Carrying amount	Less than 1 month	1-3 months	3-6 months
2021	\$	\$	\$	\$
Payables:				
Trade payables	177,612	177,612	-	-
Accrued Expenses	587,051	587,051	-	-
Total	764,663	764,663	-	-
2020				
Payables:				
Trade payables	454,318	454,318	-	-
Accrued Expenses	233,484	233,484	-	-
Total	687,802	687,802	-	-

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

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

5.3 Contract assets and liabilities

	2021	2020
Contract assets	\$	\$
National landcare program - funding owed to authority at balance date	878,770	734,837
Total contract assets	878,770	734,837
Contract liabilities	\$	\$
Drought assistance program - funding received in advance	-	759,820
National Landcare program - funding received in advance	-	50,000
Total contract liabilities	-	809,820

Contract assets relating to funding owing to authority at balance date

The funding owed to the authority at balance date relates to consideration for work completed but not billed or invoiced as at the reporting date. The contract asset is transferred to receivables when the rights become unconditional and when the authority issues an invoice to the customer.

Contract liabilities relating to funding received in advance

Funding received in the reporting period, but the performance obligations are outstanding at 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.

Contract asset and contract liabilities reconciliations

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract asset and liabilities and how much relates to performance obligations that were satisfied in a prior year.

Contract asset reconciliation	2021	2020
	\$	\$
Balance at beginning of financial year	734,837	-
Amount settled during the current year that was included in the balance at the beginning of the period	(734,837)	-
Revenue recognised in current year under AAS15 which had not been received as at balance day	878,770	734,837
Balance at end of financial year	878,770	734,837
Contract liability reconciliation	2021	2020
	\$	\$
Balance at beginning of financial year	809,820	-
Amount recognised as revenue during current year that was included in the balance at the beginning of the period	(809,820)	-
Revenue received in current year which performance obligations had not been completed as at balance date	-	809,820
Balance at end of financial year	-	809,820

5.4 Other non-financial assets

	\$	\$
Prepayments	35,558	84,489
Total other non-financial assets	35,558	84,489

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 2021

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 Borrowings - Leases
- 6.2 Cash Flow information and balances
- 6.3 Commitments for expenditure
- 6.4 Carry forward project funds

The Authority's only Borrowings is a lease for its office accommodation at 574 Main St Bairnsdale. Details of this list is detailed in note 6.1.1 Leases.

6.1 Borrowings - Leases

	2021	2020
	\$	\$
Current Borrowings		
Lease Liabilities (i)	279,547	262,554
Non Current		
Lease Liabilities	296,490	576,837
Total Borrowings	576,037	839,391

(i) Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Maturity analysis of Borrowings

	Carrying Amount	Nominal Amount	Less than 1 month	1-3 Months	3 months - 1 year	1-5 years	5+ years
2021							
Lease Liabilities	576,037	279,547	23,296	46,591	209,660	296,490	-
	576,037	279,547	23,296	46,591	209,660	296,490	-
2020							
Lease Liabilities	839,391	247,885	21,880	43,760	196,914	576,837	-
	839,391	247,885	21,880	43,760	196,914	576,837	-

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for the year ended 30 June 2021

6.1.1 Leases

Information about leases for which the Authority is a lessee is presented below.

The Authority leases its office accommodation at 574 Main St Bairnsdale. The lease contract is typically made for a fixed period of 5 year with an option to extend. Lease payments for properties are renegotiated every 5 years to reflect market rentals. The current lease expires in 2023.

6.1.1(a) Right-of-use assets

Right-of-use assets are presented in note 4.1(a).

6.1.1(b) Amounts recognised in the Comprehensive Operating Statement

	2021	2020
	\$	\$
Interest expense on lease liabilities	21,622	31,504
Expenses relating to short term leases	-	17,647
	<u>21,622</u>	<u>49,151</u>

6.1.1(c) Amounts recognised in the Statement of Cashflows

	2021	2020
	\$	\$
Total cash outflow for leases	(250,202)	(279,387)
	<u>(250,202)</u>	<u>(279,387)</u>

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

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

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

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

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

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

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

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for the year ended 30 June 2021

6.1.1(c) Amounts recognised in the Statement of Cashflows (cont.)

Lease Liability – subsequent measurement

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

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

Short-term leases and leases of low-value assets

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

Presentation of right-of-use assets and lease liabilities

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

6.2 Cash flow information and balances

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

	2021	2020
Cash and deposits disclosed in the balance sheet:	\$	\$
Cash on hand	700	800
Cash at bank	555,764	1,126,842
Deposits at call	11,195,514	8,125,020
Balance as per cash flow statement	11,751,978	9,252,662

6.2.1 Reconciliation of net result to cash flow from operating activities

	2021	2020
	\$	\$
Net result for the period	3,111,707	(113,359)
Non-cash movements:		
(Gain)/loss on disposal of non-current assets	(40,742)	6,642
Interest for leases	21,622	31,504
Depreciation and amortisation	437,322	411,384
Revenue on Right of Use Building Rent Concession	(34,774)	-
	3,495,135	336,171
Movements in assets and liabilities:		
Decrease in receivables	182,915	629,041
(Increase) in contract assets	(143,933)	(734,837)
Decrease/(increase) in other non-financial assets	48,931	(50,669)
Increase/(decrease) in payables	166,329	(539,058)
(Decrease)/increase in contract liabilities	(809,820)	809,820
Increase in employee related provisions	(26,806)	23,055
Net cash flows from operating activities	2,912,751	473,523

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for the year ended 30 June 2021

6.3 Commitments for expenditure

6.3.1 Total commitments payable

2020-21	Less than a year \$	1-5 years \$	5+ years \$	Total \$
Capital expenditure commitments payable (i)	-	-	-	-
Other commitments payable	59,400	64,350	-	123,750
Total commitments (inclusive of GST)	59,400	64,350	-	123,750
2019-20				
Capital expenditure commitments payable (i)	89,013	-	-	89,013
Other commitments payable	17,979	-	-	17,979
Total commitments (inclusive of GST)	106,992	-	-	106,992

(i) Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.4 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.

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7. Risk, Contingencies and Valuations Judgements

Introduction

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

Structure

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

7.1 Financial instruments: Specific Disclosures

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 instruments

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.

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Contractual receivables at amortised cost

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

Under this approach, the expected loss rate for the year ending 30 June 2021 has been calculated at 0%, and as such no loss allowance has been recognised. The Authority has a low expected loss rate due to majority of funding sourced from State and Federal government.

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

	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
30 June 2020						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	278,415	-	-	-	-	278,415
Loss Allowance	-	-	-	-	-	-
	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
30 June 2021						
Expected Loss Rate	0%	0%	0%	0%	0%	
	\$	\$	\$	\$	\$	\$
Gross carrying amount of contractual receivables	142,911	-	-	-	-	142,911
Loss Allowance	-	-	-	-	-	-

Statutory receivables at amortised cost

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

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

7.1.2 Financial instruments: Categorisation

	Cash and Deposits \$	Financial assets - at amortised cost \$	Financial liabilities at amortised cost \$	Total \$
2021				
Contractual financial assets				
Cash and deposits	11,751,978	-	-	11,751,978
<i>Receivables: (i)</i>				
Trade receivables	-	142,911	-	142,911
Total contractual financial assets	11,751,978	142,911	-	11,894,889
Contractual financial				
<i>Payables: (i)</i>				
Trade payables	-	-	764,663	764,663
Borrowings Lease Liabilities (ii)	-	-	576,037	576,037
Total contractual financial liabilities	-	-	1,340,700	1,340,700

	Cash and Deposits \$	Financial assets - at amortised cost \$	Financial liabilities at amortised cost \$	Total \$
2020				
Contractual financial assets				
Cash and deposits	9,252,662	-	-	9,252,662
<i>Receivables: (i)</i>				
Trade receivables	-	278,415	-	278,415
Total contractual financial assets	9,252,662	278,415	-	9,531,077
Contractual financial liabilities				
<i>Payables: (i)</i>				
Trade payables	-	-	687,802	687,802
Borrowings Lease Liabilities (ii)	-	-	839,391	839,391
Total contractual financial liabilities	-	-	1,527,193	1,527,193

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

(ii) Borrowing lease liabilities are accounted for using AASB 16 and included here for completeness of financial liabilities disclosures.

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NOTES TO THE FINANCIAL STATEMENTS

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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 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.

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7.1.3 Financial risk management objectives and policies (cont.)

Interest rate exposure of financial instruments

	Weighted average interest rate %	Carrying amount \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
2021					
Financial assets					
Cash and deposits	0.10	11,751,978	-	11,751,278	700
Trade receivables (i)	-	142,911	-	-	142,911
Total financial assets		11,894,889	-	11,751,278	143,611
Financial liabilities					
Contractual payables	-	808,098	-	-	808,098
Borrowings Lease Liabilities	3.90	576,037	576,037	-	-
Total financial liabilities		1,384,135	576,037	-	808,098
2020					
Financial assets					
Cash and deposits	1.48	9,252,662	-	9,251,862	800
Trade receivables (i)	-	278,415	-	-	278,415
Total financial assets		9,531,077	-	9,251,862	279,215
Financial liabilities					
Contractual payables	-	732,048	-	-	732,048
Borrowings Lease Liabilities	3.90	839,391	839,391	-	-
Total financial liabilities		1,571,439	839,391	-	732,048

(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 \$
2021					
Contractual financial assets					
Cash and deposits (i)	11,751,978	(58,760)	(58,760)	58,760	58,760
Total contractual financial assets	11,751,978	(58,760)	(58,760)	58,760	58,760
Contractual financial Liabilities					
Borrowings - Leases (ii)	576,037	(2,880)	(2,880)	2,880	2,880
Total contractual financial liabilities	576,037	(61,640)	(61,640)	61,640	61,640
2020					
Contractual financial assets					
Cash and deposits (i)	9,252,662	(46,263)	(46,263)	46,263	46,263
Total contractual financial assets	9,252,662	(46,263)	(46,263)	46,263	46,263
Contractual financial Liabilities					
Borrowings - Leases (ii)	839,391	(4,197)	(4,197)	4,197	4,197
Total contractual financial liabilities	839,391	(161,244)	(161,244)	161,244	161,244

(i) Cash and deposits includes \$11,751,978 (2020: \$9,252,662) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2021: $\$11,751,978 \times (0.005) = (\$58,760)$; and $\$11,751,978 \times 0.005 = \$58,760$
- 2020: $\$9,252,663 \times (0.005) = (\$46,263)$; and $\$9,252,663 \times 0.005 = \$46,263$

(i) Borrowings - lease includes \$839,391 (2019: \$0) that is exposed to interest rates movements at point of negotiation.

- 2021: $\$610,810 \times (0.005) = (\$3,054)$; $\$610,810 \times 0.005 = \$3,054$
- 2020: $\$839,391 \times (0.005) = (\$4,197)$; $\$839,391 \times 0.005 = \$4,197$

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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 2021 or 2020.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

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

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

Fair value hierarchy

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

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

The Valuer General Victoria (VGV) is the Authority's independent valuation agency, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

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7.3.1 Fair value determination: Financial Instruments

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

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020-21 reporting period.

Financial assets

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

Financial liabilities

- (1) Payables:
 - Trade payables
 - Contractual payables
- (2) Borrowings:
 - Lease liabilities

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

Fair value of financial instruments

	Carrying amount 2021	Fair value 2021	Carrying amount 2020	Fair value 2020
Financial assets	\$	\$	\$	\$
Trade receivables	142,911	142,911	278,415	278,415
Financial liabilities				
Trade payables	177,612	177,612	454,318	454,318
Accrued expenses	587,051	587,051	233,484	233,484
Borrowing Lease Liabilities	576,037	576,037	839,391	839,391

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7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

		Carrying amount as at 30 June 2021 \$	Fair value measurement at end of reporting period using:		
			Level 1 (i) \$	Level 2 (i) \$	Level 3 (i) \$
Land at Fair Value					
	Non-specialised land	742,000	-	742,000	-
Total land at fair value		742,000		742,000	-
Buildings at fair value					
	Non-specialised buildings	309,006	-	-	309,006
Buildings - Right of Use	Non-specialised buildings	543,637	-	-	543,637
Total buildings at fair value		852,643	-	-	852,643
	Information technology assets	205,305	-	-	205,305
Total information technology assets at fair value		205,305	-	-	205,305
Plant and equipment at fair value					
	Plant and equipment	20,351	-	-	20,351
Total plant and equipment at fair value		20,351	-	-	20,351
Office furniture and equipment at fair value					
	Office furniture and equipment	9,062	-	-	9,062
Total Office furniture and equipment at fair value		9,062	-	-	9,062
Motor vehicles at fair value					
	Motor vehicles	283,498	-	-	283,498
Total motor vehicles at fair value		283,498	-	-	283,498

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7.3.2 Fair value determination: Non-financial physical assets (cont.)

		Carrying amount as at	Fair value measurement at end of reporting period using:		
		30 June 2020	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Land at fair value					
	Non-specialised land	575,000	-	575,000	-
		575,000	-	575,000	-
Buildings at fair value					
	Non-specialised buildings	104,988	-	104,988	-
	Non-specialised buildings	815,455	-	815,455	-
	Total buildings at fair value	920,443	-	920,443	-
Information Technology assets at fair value					
	Information Technology assets	183,700	-	-	183,700
	Total information technology assets at fair value	183,700	-	-	183,700
Plant and equipment at fair value					
	Plant and equipment	29,746	-	-	29,746
	Total plant and equipment at fair value	29,746	-	-	29,746
Office furniture and equipment at fair value					
	Office furniture and equipment	10,011	-	-	10,011
	Total office furniture and equipment at fair value	10,011	-	-	10,011
Motor vehicles at fair value					
	Motor vehicles	355,476	-	-	355,476
	Total motor vehicles at fair value	355,476	-	-	355,476

There has been an reassessment of Fair Value determination levels (Note 7.3.1) which has resulted in buildings being transferred from level 3 to level 2.

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

Non-specialised buildings are valued using depreciated replacement cost which is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed of expired future economic benefits of the asset and are classified as Level 3 fair value measurements

Right of Use non-specialised buildings are valued as per the requirements of AASB 16 Leases. This is detailed further in note 6.1. Carrying amount has been compared to market indices to ensure value represents fair value.

For non-specialised land and non-specialised buildings (excluding right of use assets), an independent valuation was performed by the Valuer-General Victoria (VGV) in accordance with FRD 1031 to determine the fair value using the market approach. The effective date of the valuation was 30 June 2021.

Significant valuation uncertainty

The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

Note 7.3.2 Fair value determination: Non-financial physical assets (cont.)

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 (VGC) using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2021.

Significant valuation uncertainty

The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

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 2021.

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

Reconciliation of Level 3 fair value movements

	Building	Information Technology Assets	Plant and equipment	Office furniture and equipment	Motor vehicles
	\$	\$	\$	\$	\$
2020-21					
Opening Balance	-	183,700	29,746	10,011	355,476
Purchases (sales)	-	78,256	3,950	2,972	1,454
Transfer in	920,443	-	-	-	-
Revaluation	212,010	-	-	-	-
Depreciation	(279,810)	(56,651)	(13,345)	(3,921)	(73,432)
Subtotal	852,643	205,305	20,351	9,062	283,498
Revaluation	-	-	-	-	-
Subtotal	852,643	205,305	20,351	9,062	283,498
Closing Balance	852,643	205,305	20,351	9,062	283,498
2019-20					
Opening Balance	-	18,296	27,936	11,691	501,222
Purchases (sales)	-	199,547	6,412	-	(58,269)
Recognition of right of use asset on initial application of AASB 16.	-	-	-	-	-
Depreciation	-	(34,143)	(4,602)	(1,680)	(87,477)
Subtotal	-	183,700	29,746	10,011	355,476
Closing Balance	-	183,700	29,746	10,011	355,476

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

Note 7.3.2 Fair value determination: Non-financial physical assets (cont.)

Description of significant unobservable inputs to Level 3 valuations at 30 June 2021

	Valuation technique	Significant unobservable inputs
Non-specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of non-specialised buildings
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

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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 Economic Dependency
- 8.10 Australian Accounting Standards issued that are not yet effective

8.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity 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 2021 (2020: \$0).

8.2 Other economic flows included in net result

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

	2021 \$	2020 \$
Net gain on disposal of non-financial assets		
Proceeds from sale of non-financial assets	129,720	83,520
Less written down value	(88,978)	(90,162)
Net gain on disposal of non-financial assets	40,742	(6,642)
Other gain from other economic flows		
Net gain arising from revaluation of long service leave liability	29,754	-
Net Other gain from other economic flows	29,754	-

8.3 Reserves

	2021 \$	2020 \$
Asset revaluation reserve:(i)		
Balance at beginning of financial year	842,443	842,443
Revaluation increments	379,010	-
Balance at end of financial year	1,221,453	842,443

(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 2021

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 2020 to 14 Feb 2021
The Hon. Richard Wynne, MP	Acting Minister for Water	15 Feb 2021 to 30 Jun 2021
The Hon. Lily D'Ambrosio	Minister for Energy, Environment and Climate Change	01 Jul 2020 to 30 Jun 2021
Ewan Waller	Chairperson	01 Jul 2020 to 30 Jun 2021
Graeme Dear	CEO	01 Jul 2020 to 30 Jun 2021
Jennifer Fraser	(Board Member)	01 Jul 2020 to 30 Jun 2021
Kate Commins	(Board Member)	01 Jul 2020 to 30 Jun 2021
Glenys Watts	(Board Member)	01 Jul 2020 to 30 Jun 2021
Claire Miller	(Board Member)	01 Jul 2020 to 30 Jun 2021
Frankie MacLennan	(Board Member)	01 Jul 2020 to 30 Jun 2021
Merrilyn Woodhouse	(Board Member)	01 Jul 2020 to 30 Jun 2021
Courtney Mraz	(Board Member)	01 Jul 2020 to 30 Jun 2021

Remuneration

Income band	2021	2020
\$0–\$9,999	0	3
\$10,000–\$19,999	7	7
\$20,000–\$29,999	1	1
\$209,999–\$219,999 (<i>Accountable Officer</i>)	1	1
Total Remuneration \$	360,987	368,475

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 2021

8.5 Remuneration of executive officers

The East Gippsland CMA did not have any executive officers, other than the CEO, to whom the Victorian Government's Public Entity Executive Remuneration (PEER) Policy applies. The CEO is an accountable officer and therefore disclosed under Note 8.4 and Note 8.6.

Remuneration of executive officers

	2021	2020
	\$	\$
Short-term employee benefits	-	447,995
Post-employment benefits	-	42,560
Other long-term benefits	-	11,200
Total remuneration	-	501,755
Total number of executives (i)	-	3
Total annualised employee equivalents (ii)	-	3

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.

In the previous period, the executive officers disclosed included senior managers that held contracts under the previous Victorian Public Sector Commission's (VPSC) Government Sector Executive Remuneration Panel (GSERP). With the commencement of the Victorian PEER contracts in the 2020 reporting year, the senior managers no longer meet the PEER policy definition and are no longer reported as executive officers in 2021.

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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 related entities

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

Entity	Funding received	
	2021	2020
	\$	\$
Department of Environment, Land, Water and Planning	11,561,305	13,993,495
Gunaikurnai Traditional Owners Land Management Board	367,697	470,645

As at the balance date the following amounts were owed government related entities to the authority:

Gunaikurnai Traditional Owners Land Management Board	23,198	7,255
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The funding received was government contributions for specific activities undertaken by the Authority in the ordinary course of its business.

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

Entity	Payments made	
	2021	2020
	\$	\$
Department of Environment, Land, Water and Planning	499,067	841,070
Dept of Jobs, Precincts and Regions	44,309	103,358
West Gippsland Catchment	697,400	1,119,612
Trust for Nature (Victoria)	38,830	174,190
Parks Victoria	621,324	698,564
East Gippsland Region Water Corporation	54,099	3,659

Amounts owing to	
2021	2020
\$	\$

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

Dept of Jobs, Precincts and Regions	-	44,309
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EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

8.6 Related parties (cont.)

Significant transactions with non-government related entities

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

	Payments made	
	2021	2020
Gunaikurnai Land and Waters Aboriginal Corporation	99,946	252,869
Entity	\$	\$

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

	Amounts owing from	
	2021	2020
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 of the Authority includes all Responsible persons as listed in Note 8.4, and all members of the executive team which includes:

Rebecca Hemming	Delivery Manager
Jo Cannon	Quality & Performance Manager
Mark Binks	Corporate Manager

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.

	2021	2020
Compensation of KMPs	\$	\$
Short-term employee benefits	733,912	619,981
Post-employment benefits	35,428	23,894
Other long-term benefits	9,323	6,288
Total	778,663	650,163

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

8.6 Related parties (cont.)

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.

During the year Graeme Dear (CEO) was a Director of the Victorian Fisheries Association (VFA) who had no involvement in grant application discussions or decisions. The Authority received \$100,000 in grants through an open tender process. There were no other related party transactions that involved key management personnel, their close family members and their personal business interests.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

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:

	2021	2020
	\$	\$
Victorian Auditor-General's Office for audit of financial statements	17,800	17,500
Total remuneration of auditors	17,800	17,500

8.8 Subsequent events

Covid19 Update

A further outbreak of the Covid19 Delta strain has resulted in a significant lockdown of Victoria in July and August 2021. This has effected the engagement of contractors and movement of staff through the catchment area which is delaying the progress of some projects. Lockdowns are expected to be reduced when we reach immunisation targets by November/ December 2021.

Apart from this no other 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 2021

8.9 Economic dependency

The authority is dependant on the Department of Environment Land, Water and Planning (DELWP) for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the authority.

8.10 Australian Accounting Standards issued that are not yet effective

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

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

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted, however the AASB has recently issued AASB 2021-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Authority will not early adopt the Standard.

Other Amending Standards

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

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

EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

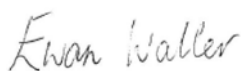
Declaration in the Financial Statements

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 Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of the Authority at 30 June 2021.

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

We authorise the attached financial statements for issue on 21 September 2021



Ewan Waller
Chairperson



Graeme Dear
CEO and Accountable Officer



Daryl Cooper
Chief Finance & Accounting Officer

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APPENDIX 2 – 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
COVID-19	Coronavirus
DELWP	Department of Environment, Land, Water and Planning
DIP	<i>Diversity and Inclusion Plan 2017</i>
EC4	Fourth Environmental Contributions Levy
EGCMA	East Gippsland Catchment Management Authority
EGWS 2014-2022	East Gippsland Waterway Strategy
FCPA	Fellow of Certified Practicing Accountant
FMA	<i>Financial Management Act 1994</i>
FOI	Freedom of Information
FOI ACT	<i>Freedom of Information Act 1982</i>
GEA	Gippsland Environment Agencies
GEA WLT	Gippsland Environment Agencies – Women Leadership Team
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
ICM	Integrated Catchment Management
ICT	Information and Communication Technology
IWM	Integrated Water Management
Km	Kilometre
MPSG	Major Project Skills Guarantee
No.	Number
Non BAU	Non-Business as Usual
NLP	National Landcare Program
NRM	Natural Resource Management
OHS	Occupational Health and Safety
PA Act	<i>Public Administration Act 2004</i>
PEER	Public Entity Executive Remuneration Policy
PD Act	<i>Protected Disclosure Act 2012</i>

PV	Parks Victoria
RAP	Registered Aboriginal Party
RCS	Regional Catchment Strategy
RRAP	Regional Riparian Action Plan
RSA	Recognition and Settlement Agreement
SPF	Social Procurement Framework
The Authority	East Gippsland Catchment Management Authority
VFA	Victorian Fisheries Authority
VIPP	Victorian Industry Participation Policy
VLP	Victorian Landcare Program
VWPIF	Victorian Water Program Investment Framework
Water Act	<i>Water Act 1989</i>

