

2013/14

annualreport



The office of the Port Phillip and Westernport Catchment Management Authority (PPWCMA) is located on the traditional lands of the Kulin Nation peoples and the PPWCMA wishes to acknowledge them as Traditional Owners. The PPWCMA pays their respects to their Elders, past and present, and the Elders from other communities who may be residing in or visiting the region.

This Annual Report outlines the Port Phillip and Westernport Catchment Management Authority's (PPWCMA) progress against the performance indicators in its 2013/14 Corporate Plan.

It also includes information about:

- the PPWCMA, its Board and staff;
- programs and their results;
- the work of partners and their contribution to the region's environmental goals;
- the condition of some of the natural resources in the region;
- compliance with governance requirements; and
- financial statements.

This report is available online at www.ppwcma.vic.gov.au

2013/14 PPWCMA Annual Report

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The PPWCMA thanks the following photographers: Alison Griffiths and Andrew Hobbs.

Front cover photo

In 2013/14, the PPWCMA started new projects supporting sustainable agriculture. In this photo, the PPWCMA's Karen Thomas is working with the Westernport Catchment Landcare Network and Mornington Peninsula Vignerons to set up demonstration sites for compost under vines as an alternative to herbicides and to improve soil moisture levels.

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Port Phillip and Western Port region

The Port Phillip and Western Port region is home to over 4 million people and boasts some of Victoria's most productive farming lands, spectacular parks, exciting landscapes and diverse natural ecosystems. The activities and lifestyles of the region's urban and rural residents, and the region's thriving tourism industry, are underpinned by the diversity and health of its natural resources. The challenges associated with a growing population and changing climate mean the region's natural resources need to be carefully managed.



Native Flora and Fauna

The extensive range of vegetation communities and natural ecosystems found in the region are home to many species of native flora and fauna. While there has been substantial development and alteration of the region's landscape, 39% of the region retains indigenous vegetation including several areas of significant grasslands. Around 34% of this vegetation is protected in parks or reserves and managed for conservation while a further 20% is found on other public land. The remaining 46% of this indigenous vegetation is retained on private land. There are many native animals that have adapted to the change, but around 340 flora species and 200 animal, bird, fish and reptile species are considered under threat of local or total extinction. Victoria's bird emblem, the Helmeted Honeyeater, is one of these threatened species.

Parks and Reserves

The region is home to many parks and reserves that support rare and diverse flora and fauna species and provide highly valued recreation and tourism areas. There are eight National Parks, six State Parks and eight marine protected areas, as well as numerous regional, metropolitan and local parks and conservation reserves.

4m+ people

600km coastline

Agriculture

Of the 1.3 million hectares in the region, around 45% is rural farmland with industries including horticulture, dairying, poultry farming, beef farming, horse management and viticulture. The region produces the second highest agricultural yield, in dollars per year, among Victoria's ten catchment management regions.



1.3m hectares

**39% native
vegetation**

Water Resources

The region's water storage and waterway system provides most of the potable supply for 75% of Victoria's population and many other economic, social and environmental benefits. There are around 8,400 kilometres of waterways, attracting around 100 million recreational visits annually. More than 900 wetlands are dotted across the region, three of which are listed as Wetlands of International Importance under the Ramsar Convention on Wetlands.

The Bays and Coast

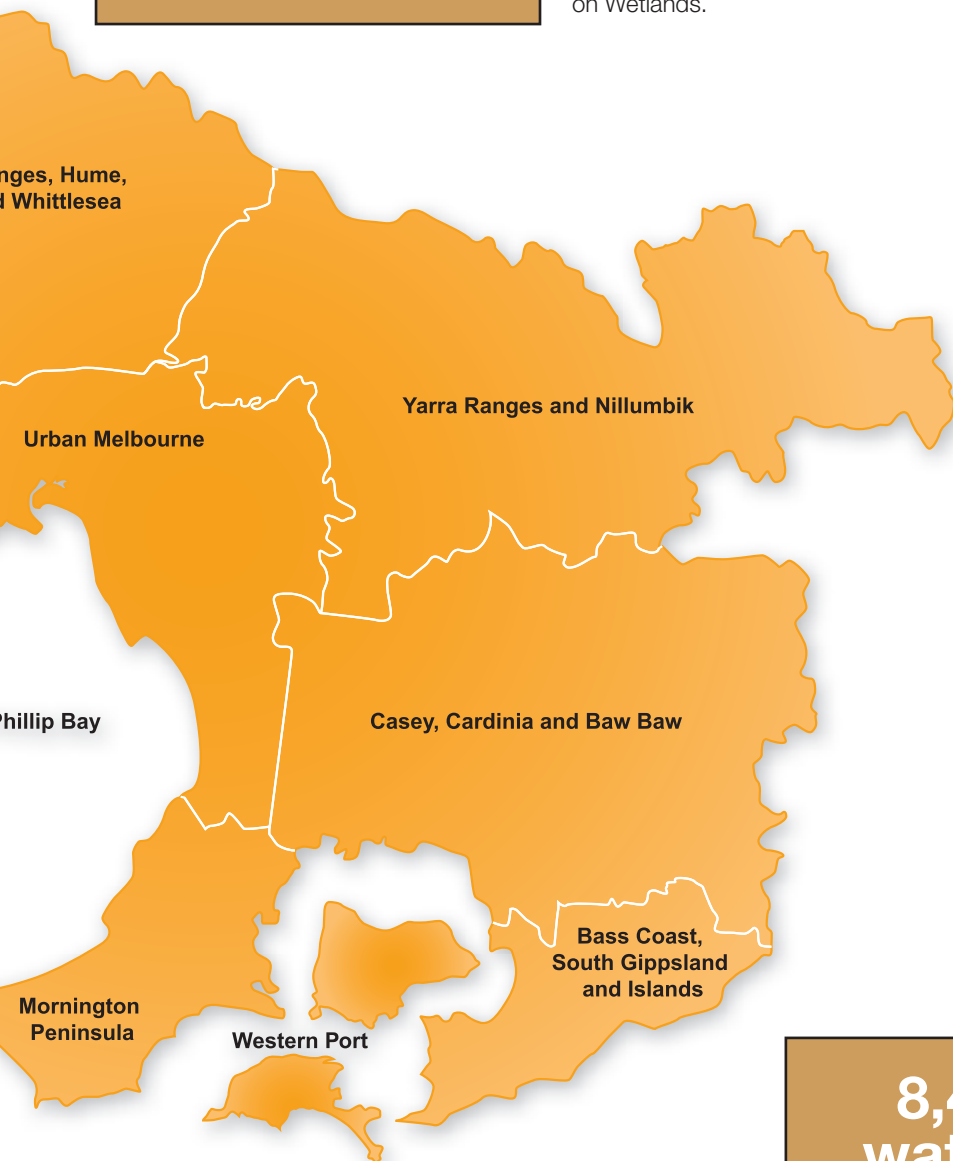
The catchments meet the sea at Port Phillip Bay and Western Port, each with unique ecological, economic and community values. The bays support commercial fishing, aquaculture, three major ports and provide the most popular recreational fishing areas in Victoria. Not surprisingly, some 90 million recreational visits are made each year to the bays and beaches of the region's 600 kilometre coastline.

Cultural and Natural Heritage

The region is home to many sites of cultural significance including important indigenous sites such as stone quarries, coastal shell middens and hundreds of scar trees scattered across the region, geological formations such as the Organ Pipes and Werribee Gorge, significant landscapes and vegetation of local and introduced species.

Managing the Region's Natural Resources

The region's environment, as measured by indicators such as air and water quality, is generally good by world standards. These factors are fundamental to Melbourne's reputation as one of the world's most livable cities. Managing the natural resources in this region is a complex task. Many people and organisations play a part including numerous Government agencies, 38 councils, various non-government organisations, agricultural and industry bodies and hundreds of volunteer Landcare and community groups.



**8,400km
waterways**

**45%
Farmland**

The role of the PPWCMA

Who we are

The Port Phillip and Westernport Catchment Management Authority (PPWCMA) is a Victorian Government statutory authority established under the *Catchment and Land Protection Act 1994*. The responsible Ministers for the period from 1 July 2013 to 30 June 2014 were the Hon. Peter Walsh MLA, Minister for Water, and the Hon. Ryan Smith MP, Minister for Environment and Climate Change.

What we do

The PPWCMA is responsible for:

- preparing a Regional Catchment Strategy and coordinating and monitoring its implementation;
- promoting cooperation in the management of land and water resources;
- advising on regional priorities and resource allocation;
- advising on matters relating to catchment and land protection;
- advising on the condition of land and water resources; and
- promoting community awareness and understanding of the importance of land and water resources, their sustainable use, conservation and rehabilitation.

Who we work with

The PPWCMA works mainly with Government departments, councils, water authorities, non-government environmental organisations, community groups and other partners to protect and enhance the natural resources within the region. In simple terms, we draw people and organisations together to create a shared vision for the region's environment and generate collaboration with and between these partners. The PPWCMA makes working together more attractive and productive than working alone.

The PPWCMA also works closely with the Victorian and Australian Governments to secure and direct funds to priority projects and secure additional funding from the private sector to support these projects.

At the local level, the PPWCMA helps landholders to improve their knowledge, skills and practices, and works with the broader public to increase interest in the environment and gain input from the community on important environmental issues.

Our vision

In 2030, people and organisations across the Port Phillip & Western Port region will be collaborating to protect and improve the extent, quality and diversity of its environmental assets. Amid continuous changes in land use and climate, there will be shared leadership in decision making, action, monitoring, reporting and learning that ensures targets for all environmental assets are met and contribute to the natural ecosystems being healthy and resilient.

Our values

- Vibrant and positive - we embrace challenges with energy and enthusiasm;
- Reliable – we do what we say we will do and deliver on our promises;
- Knowledgeable and articulate - we seek to understand the complexities of a situation and to communicate them simply;
- Respectful - we actively listens to others and respect their views;
- Focused - we value clarity of purpose and focus on the things that matter most;
- Balanced – we value and encourage a healthy work-life balance; and
- Supportive – we support our colleagues and our partners.



We draw people together to create a shared vision of the region's environment.

2013/14 Highlights

The PPWCMA's successes and highlights during 2013/14 included:

- Securing total **revenue of \$6.9 million** to enable natural resource management activities across the region.
- Developing a modern, ground-breaking, web-based, interactive **Regional Catchment Strategy** and submitting it for Government approval.
- Clocking up **10 years of Grow West** returning degraded landscapes around Bacchus Marsh back to valuable native habitat - with more than a million trees planted!
- Contributing just over \$214,000 to 59 projects by **Landcare and community groups** through the PPWCMA Community Grants.
- **Greening the Maribyrnong Valley** by undertaking 190 hectares of weed removal and feral animal control and 222 hectares of revegetation.
- Helping migratory birds and other native animals by coordinating \$999,000 of environmental work in internationally-recognised **Ramsar wetlands** on the shores of Port Phillip Bay and Western Port.
- Launching **Living Links** to improve connections between parks, open spaces, beaches, rivers and wetlands in Melbourne's south-east and make this area a world-class urban ecosystem.
- Starting new 5-year projects to help **Indigenous communities** and to promote **sustainable agriculture** across the region.
- Announcing the inaugural **Yarra4Life Wildlife Grants** totalling \$320,000 for 3 projects funded through the generous philanthropy of the Judith Eardley Save Wildlife Association.
- Launching a new **Landcare Support Strategy** outlining the ways we will assist Landcare and community groups across the region.



In May 2014, Living Links was launched to improve environmental connections in Melbourne's south-east

Chair's message

On numerous occasions during my time as Chair of the PPWCMA, I have received comment that our organisation has a reputation for "punching above our weight". I take this as a wonderful compliment for our Board, CEO and staff, knowing it reflects their persistent determination that we be a lean, efficient organisation that achieves a great deal for natural resource management. I am pleased to report that 2013/14 has been another year in which we have built on this reputation.

Planning pioneers

A highlight of the year was the submission of our new Regional Catchment Strategy for Government approval. This strategy has innovations that set it apart from all others across Australia, not least of which are that it is web-based and includes interactive mapping. Our Board knows it is the prototype for strategic environmental planning in the future and we are proud to have pioneered this concept. My congratulations go to the staff and Board members that have had the vision and persistence to take this from concept to reality.

Walking the talk

We are also proud that our strategic planning work extends into on-ground environmental projects. Our revegetation activities at Grow West in partnership with various partners and landholders continue to mount and now stand at more than a million trees planted over ten years. Our effort to bring many partners together for the Greening the Maribyrnong project has the attention of Minister for Environment & Climate Change Ryan Smith who launched the project a few years ago then visited again this year to see first-hand the progress with weed removal, pest animal control and revegetation. Yarra4Life has started new work to help the threatened populations of Helmeted Honeyeaters and Leadbeaters Possums. And we were very pleased to have Parliamentary Secretary for Environment Brad Battin launch the new Living Links website as an important milestone in our quest to have a world-class urban ecosystem in Melbourne's south-eastern suburbs. We have an excellent team of Environmental Project Coordinators who are doing outstanding work and I applaud them for it.

In touch with our stakeholders

A number of our PPWCMA Board meetings through the year were hosted by partner organisations. Our thanks go to the leaders of the Melbourne City Council, Victorian Farmers Federation and Melbourne Water for making this possible and engaging with us on matters of mutual interest and importance. We were also fortunate to have two Board meetings at Parliament House providing us the opportunity to hold discussions with various Ministers and Parliamentarians. Our thanks also to the West Gippsland Catchment Management Authority for the opportunity for a joint meeting and to tour and discuss projects in the Cape Liptrap, Tarwin and Corner Inlet areas which provided us valuable insights for similar programs in our region.

We also benefitted from engaging at meetings or other events with many partner organisations including the Department of Environment & Primary Industries, Parks Victoria, Southern Rural Water, Westernport Water, Phillip Island Nature Parks, various Councils and the Bass Coast Landcare Network on natural resource management matters of importance for this region.

Staying in touch with our stakeholders across the region helped the PPWCMA to make important submissions regarding Government policy and planning processes including the Plan Melbourne metropolitan Strategy, the Central Region Coastal Plan and the Australian Government's Agricultural Competitiveness White Paper.

Keeping business in order

Back at the office, the PPWCMA again demonstrated excellent financial, governance, risk and operational management and stayed on track throughout 2013/14 with all projects. I thank all of our Board members for their high-level stewardship of the organisation that enables our staff to do what they do best. I also thank our excellent Business Team staff for another year of high achievement.

Looking ahead, we will face more challenges but, all of our Board and staff are rightfully passionate about our environment and committed to collaboration and excellence. This gives us a great platform to keep punching above our weight in the years ahead.



Neville Goodwin

Chair, Port Phillip & Westernport CMA



The Board

Chair – Neville Goodwin

Neville is a primary producer at Woodleigh and a former Councillor and Mayor of the Bass Coast Shire Council. He is President of Wonthaggi Rotary Club and is serving his fifth term as a Community Representative on the Bass Coast Shire Council Major Events and Road Safety Committee. He is also on the Board of Bass Coast Regional Health and is Chair of the Grantville Community Market and Grantville Recreation Reserve Committee. During 2013/14, Neville was Chair of the PPWCMA's Business & Remuneration Committee.

Deputy Chair – Jacquelyn Ross

Jacquelyn is a landscape architect and also holds qualifications in science (BSc) and management (MBA). She has broad public and private sector experience in strategic planning, landscape planning, urban design and natural resource management and a strong background in the delivery of large scale public infrastructure. During 2013/14, Jacquelyn served as Deputy Chair of the Board and as a member of the PPWCMA's Business & Remuneration Committee and Audit Committee.

Peter Akers

Peter holds qualifications in civil engineering and local government, with a broad range of experience and skills in strategic thinking, leadership, collaboration and project management. He previously held a range of senior executive roles in emergency services and local government. Peter is currently Chair of the Victoria State Emergency Service Authority (VicSES). During 2013/14, Peter served as a member of the PPWCMA's Audit Committee, Business & Remuneration Committee and Living Links Coordination Committee.

Kay Spierings

Kay is a Certified Practising Accountant (CPA) and a Graduate of the Australian Institute of Company Directors. She is a primary producer with a keen interest in sustainable agriculture and has extensive business experience in strategic planning, organisational governance, policy formulation and business and financial management and administration. She is Chair of the Victorian Certified Seed Potato Authority (ViCSPA). During 2013/14, Kay served as a member of the PPWCMA's Audit Committee and Business & Remuneration Committee.

Top left to right: Greg Aplin, Peter Akers, Jane Jobe, Aaron Wood, Laura Mumaw, Kay Spierings.

Bottom left to right: Sarah Ewing, Neville Goodwin, Jacquelyn Ross.

Arron Wood

Arron is the Director of Firestarter Pty Ltd, an environmental communication and education consultancy business. He is a former Young Australian of the Year (National environment category) and has received numerous other awards for his services to the environment. Arron has extensive experience in major environmental and public awareness campaigns. Arron is a current Councillor with the Melbourne City Council. Through 2013/14, Arron served as Chair of the PPWCMA's Regional Catchment Strategy Steering Committee.

Jane Jobe

Jane holds qualifications in Applied Science (Environmental Science) and a Bachelor of Business (Communication). She is co-founder of Southern Sustainable Developments, which creates residential estates with a focus on liveability and the environment, and has served as a Board member of the Western Port Biosphere and as a committee member of Phillip Island Landcare. During 2013/14, Jane served as a member of the PPWCMA's Audit Committee, Business & Remuneration Committee and the Regional Catchment Strategy Steering Committee.

Laura Mumaw

Laura holds qualifications in Biology (BSc) and Fisheries (MSc). She has held senior executive and Board roles in Australia and abroad for prominent organisations providing conservation, recreation, tourism and community education services. These include positions as CEO of Zoos Victoria and Board member of Landcare Research (NZ). During 2013/14, Laura served as a member of the PPWCMA's Audit

Committee (Chair from March 2014), Regional Catchment Strategy Steering Committee and Yarra4Life Coordination Committee.

Greg Aplin

Greg is a qualified civil engineer and town planner with extensive experience in general management and in the planning and development of greenfields sites. During his 30 years in local government, Greg was responsible for commencing sustainable development initiatives with particular emphasis on water, pest plant and animal issues. Today, Greg is Director of Applied Urban Solutions and sits on a number of public and private boards. During 2013/14, Greg served as a member of the PPWCMA's Regional Catchment Strategy Steering Committee and the Grow West Implementation Committee.

Sarah Ewing

Sarah is a geographer with extensive experience relevant to catchment management, in both research and education. Her particular interests are in knowledge management and the policy and practice of Landcare. She has previously been a long-term member of the Victorian Catchment Management Council. During 2013/14, Sarah served as a member of the PPWCMA's Regional Assessment Panel and as a member of the Yarra4Life Coordination Committee.

Lance Jennison (member til October 2013)

Lance was a Board member until October 2013 and had extensive experience across public safety, emergency management and community conservation work. Lance was Deputy Chair of the PPWCMA's Grow West Implementation Committee and was a member of the PPWCMA's Audit Committee.



CEO's message

There have been numerous challenges for the PPWCMA's Board and staff to address in 2013/14 and much to be proud of from overcoming them and achieving significant benefits for the environment of the Port Phillip and Westernport region.

The long journey to a new style of Regional Catchment Strategy

2013/14 saw the final stage of the new Regional Catchment Strategy when we submitted it to our Ministers for approval. In very close collaboration with Government departments and Councils, we had been developing this modern style of strategy for some years including online features that enable exploration of the environmental assets of this region and the targets for the future. Generating support and strong ownership for this new type of strategy amongst our many stakeholders was a significant and time-consuming challenge but the outcome is better coordination, integration, efficiency and outcomes for natural resource management than ever before.

Keeping major projects delivering great outcomes

We are also very proud of our work to bring strategic planning to life through on-ground projects. In 2013/14, the PPWCMA coordinated numerous projects involving various organisations, each improving the environment and landscapes in particular areas. The Grow West, Yarra4Life and Living Links projects, the Ramsar Protection Program and the Greening the Maribyrnong project together undertook millions of dollars' worth of on-ground works and created efficiencies by helping many agencies and Councils work together. These also involved numerous community planting days and engagement events that took important messages to the wider public.

An ongoing challenge for these long-term projects is that they are vulnerable to short-term funding commitments and sometimes need to ramp up or down from year to year. With this in mind, we are delighted to have secured multi-year funding for some of the projects from the Australian Government.

We are also pleased to have secured funding from the Victorian Government to continue our support for Landcare and to maintain the annual PPWCMA Community Grants which provides

hundreds of thousands of dollars to Landcare and community groups and networks for local, on-ground priorities.

Transitioning to new programs and projects

Through 2013/14, we have been transitioning to the Australian Government's funding arrangements under the new National Landcare Programme and engaging in discussions on the directions and operation of the Green Army and 20 Million Trees initiatives. The transition has occurred smoothly and we hope to be active contributors to the delivery of the initiatives.

We also began some significant new projects in 2013/14 including work on supporting Indigenous communities in natural resource management and ramping up our involvement with the agricultural sector by promoting and assisting the adoption of sustainable agriculture practices. These projects will be continuing for another 4 years. As part of our Indigenous engagement work, one of the highlights of the year for our staff was an Indigenous cultural workshop with Wurundjeri people which provided us a wonderful window into Indigenous values and strengthened our organisational relationships.

Enhancing our efficiency

At the PPWCMA, we continually strive to be an efficient organisation and have taken a number of significant steps in 2013/14 to meet this challenge. Negotiation for a new Enterprise Agreement for staff was significantly advanced, the leased car fleet was reduced and our IT services were outsourced for the first time.

Whilst making these changes, we have remained 100% compliant with the Victorian Government's Financial Management Compliance Framework and have continued to achieve excellent governance and business management standards. Our staff morale and satisfaction is high as measured by the annual 'People Matter' survey, though saying farewell to long-standing, valued staff members was tough for everyone in the PPWCMA.

Preparing for the future

Looking ahead, I expect 2014/15 to contain more challenges. Bringing the approved Regional Catchment Strategy to life in ways that make it valuable to our stakeholders will be a focus. Securing significant funding to enable the

wonderful work of Grow West and Living Links to advance will also be a priority. The PPWCMA will continue to operate within our means and maintain the high standards that we have set in the past for all aspects of our work.

Whilst there will be challenges, I am completely confident in the ability of our PPWCMA Board and staff to address and overcome them. We pride ourselves on being vibrant, positive, focused, articulate and reliable and we revel in the opportunity we have to apply our passion for the environment in our daily work. This is a very sound basis for our continued success in the years ahead.

David Buntine

Chief Executive Officer



PPWCMA Staff

At the end of 2013/14, the PPWCMA employed a total of 19 staff led by Chief Executive Officer, Mr David Buntine.

The PPWCMA staff structure comprised the following four teams:

Business Team

The Business Team coordinated the governance and business systems and processes of the PPWCMA to ensure transparent, efficient and compliant management of all administrative, finance, human resource, communication and governance obligations.

Environmental Projects Team

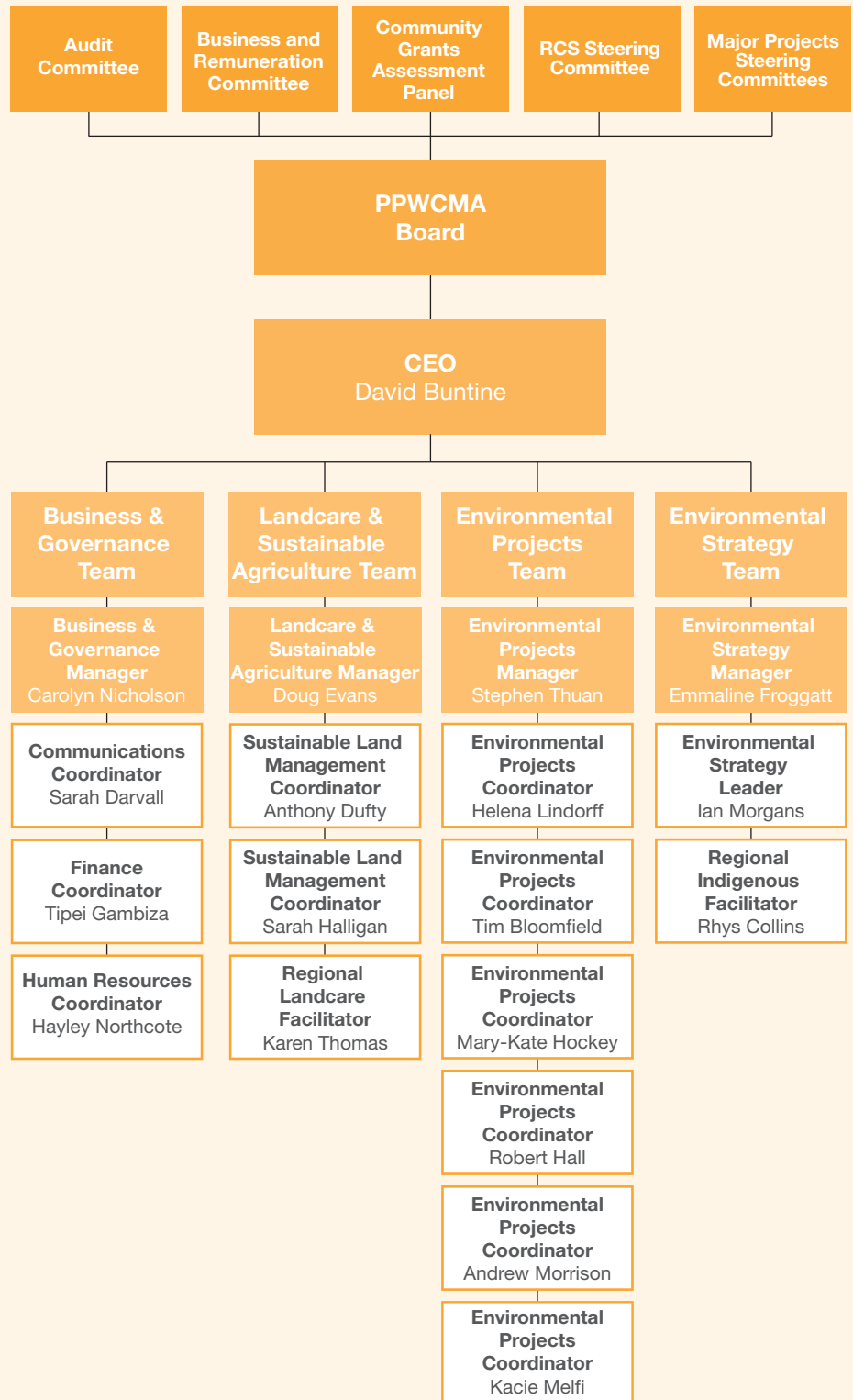
The Environmental Projects Team managed the development and delivery of major environmental projects including Grow West, Living Links, Yarra4Life, Greening the Maribyrnong, Valuing our Volcanic Plains and the Ramsar Protection. This team focused on securing and distributing investment for environmental projects from Australian and Victorian Government, Councils, corporate and philanthropic sources as well as generating collaboration between various organisations to deliver on-ground outcomes.

Environmental Strategy Team

The Environmental Strategy Team managed the development of the Regional Catchment Strategy (RCS), responded to draft environmental Strategies and Plans of other organisations and actively engaged with the Indigenous organisations of the region.

Landcare and Sustainable Agricultural Team

The Landcare and Sustainable Agricultural Team was established during the year. The team focussed on identifying their target Landcare groups and farming enterprises, and developed tools to measure the impact of their projects, before commencing engagement activities.



Summary of performance

Legend

✓	Achieved	✓	Partially achieved	×	Not achieved
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Coordinating implementation of the Regional Catchment Strategy

Key Performance Indicators	Achieved	Comments and performance
Submit the developed or revised Regional Catchment Strategy by the due date as required in any guidelines, standards and related information issued.	✓	Formally submitted in March 2014.
Formal approval of the Regional Catchment Strategy by the Minister for Environment and Climate Change and the Minister for Water.	✓	Formally submitted in March 2014. Awaits Government approval.
The establishment of a "Regional Catchment Strategy Alliance"; a voluntary alliance of the organisations with leadership roles in attaining the Regional Catchment Strategy's targets, with at least 15 member organisations by the end of 2013/14.	×	Deferred until after approval of the Regional Catchment Strategy.
All Regional Catchment Strategy annual actions implemented.	×	Not relevant until after approval of the Regional Catchment Strategy.

Directing funding to priority projects

Key Performance Indicators	Achieved	Comments and performance
At least \$1 million of Victorian Government funds and at least \$4 million of Australian Government funds secured for priority projects in this region.	✓	\$1.3 million secured from the Victorian Government and \$5.1 million secured from the Australian Government.
10% or less of project funds is spent on PPWCMA administration.	✓	6.3% of grant funds was spent on administration in 2013/14.

Managing environmental projects

Key Performance Indicators	Achieved	Comments and performance
Receipt of positive feedback from stakeholder organisations about the performance and role of the PPWCMA in leading and coordinating major environmental projects involving multiple stakeholders.	✓	A survey conducted in June 2014 gathered positive feedback from 50 people from organisations including Melbourne Water, Parks Victoria, Department of Environment and Primary Industries, Councils and Community Groups.
Delivery of on-ground works that fulfil commitments associated with the Grow West project, including contributing to 296 hectares of revegetation and 348 hectares of remnant vegetation protection.	✓	A total of 502 hectares of revegetation and 690 hectares of pest control and fencing to protect remnant vegetation were delivered.
Securing of significant funding (in the order of \$1 million or more) for implementation of the Living Links Master Plan.	×	Project proposals were prepared and submitted in 2013/14, but we were not successful in securing significant funding.
Delivery of on-ground works that fulfill commitments associated with the Yarra4Life project, including protecting and enhancing remnant native vegetation.	✓	Commitments were fulfilled with 27 hectares of vegetation put under permanent protection covenants, 158 hectares treated for foxes and 53 hectares treated for weeds.
Delivery of on-ground works that fulfill commitments associated with projects in the Maribyrnong Valley, including contributing to 291 hectares of revegetation and 319 hectares of pest plant and animal treatment.	✓	Work with 29 landholders saw 547 hectares treated for pest plants and animals and 232 hectares revegetated.
Delivery of PPWCMA-managed projects effectively and efficiently; meeting all requirements of the investors within agreed timelines	✓	Feedback was received from investors that all requirements were met on time.

Supporting Landcare

Key Performance Indicators	Achieved	Comments and performance
Provision of community grants for projects that deliver on-ground improvements and contribute to achieving Regional Catchment Strategy targets.	✓	The PPWCMA Community Grants program was successfully implemented.
Grant applications are determined within one month of being received.	✓	The average time to determine grant applications in 2013/14 was less than one month.
Evaluate and revise the Regional Landcare Support Strategy every five years.	✓	A new Regional Landcare Support Strategy was published in 2012/13.

Engaging stakeholder organisations and enhancing community awareness

Key Performance Indicators	Achieved	Comments and performance
Conduct at least 40 engagement activities with key stakeholder organisations (Government agencies and Councils).	✓	48 Regional Catchment Strategy meetings were conducted with 33 organisations.
Conduct at least 2 community outreach events with collective attendance in the order of 200 people.	✓	2 Community Planting Days were conducted in 2013/14 with a collective attendance of over 250.
PPWCMA obligations regarding stakeholder and community engagement performed to the required level.	✓	The PPWCMA's obligations were performed to the required level.

Advising on natural resource management issues and opportunities

Key Performance Indicators	Achieved	Comments and performance
Development of advice by the PPWCMA and delivery to stakeholders	✓	Significant advice was submitted to Government regarding planning zones reform and native vegetation regulations. Advice was also provided to various stakeholder organisations including written submissions to various planning and policy processes.
Receipt of feedback from Ministers and/or other stakeholders that advice has been timely, insightful, innovative and/or practical.	✓	The advice submitted by the PPWCMA was welcomed and considered.

Maintaining a healthy organisational culture and high standards of business management and governance

Key Performance Indicators	Achieved	Comments and performance
100% compliance with all applicable Directions of the Financial Management Compliance Framework.	✓	100% compliance was confirmed through the PPWCMA internal audit process.
Total actual expenditure is less than or equal to approved forecast expenditure.	×	The actual expenditure was \$7.06 million and the approved forecast expenditure was \$6.9 million.
For each project, total actual expenditure is within +/- 10% of the approved forecast expenditure.	✓	The total actual expenditure was within 10% of the approved forecast expenditure for all programs.
100% completion of all statutory reporting	✓	100% of statutory requirements were met on time in 2013/14.
Regular review of the PPWCMA Risk Register.	✓	The risk register was regularly reviewed by the Board.
Submission of an annual Board performance assessment on time and according to any Ministerial guidelines.	✓	The annual Board performance assessment report was submitted on time.
All programs have a risk management plan in place.	✓	All PPWCMA programs operated under a risk management plan.
Nil non-compliance with risk management plan.	✓	There was zero non-compliance with the risk management plan.
Board charter reviewed annually.	✓	The Board charter was reviewed by the Board in 2013/14.
All governance policies and procedures reviewed at least every five years.	✓	All PPWCMA policies and procedures were reviewed within the last 3 years.
Participation by all Board members in professional development activities relevant to the PPWCMA.	✓	100% of Board Members participated in relevant development activities.
High levels of staff commitment and morale in comparison to public sector organisations, measured via the annual 'People Matter' survey.	✓	The results of the survey demonstrated high levels of morale and commitment.

Coordinating implementation of the RCS

2013/14 at a glance

- Draft RCS submitted to Government for approval
- Support from 19 Environmental Leaders
- RCS endorsed by Traditional Owner groups in the region

Intensive collaborative consultation and research to build the new Port Phillip & Western Port Regional Catchment Strategy (RCS) culminated in March 2014 when the Strategy was submitted for approval to the Minister for Water and the Minister for Environment & Climate Change.

The new RCS aims to help more people work together more often towards big environmental goals. It translates the local and specialised plans of our region's environment managers into a set of important assets and measurable targets. The new RCS's interactive mapping page then allows each manager to see where their local and specialised work can contribute to bigger, regional goals.

The new RCS shows the commitments made by some of the region's environment managers to provide leadership to achieve the targets. Nineteen of the region's major environment managers have contributed targets and/or signed commitments to the RCS. Others are determining targets and have indicated their intention to join.

The new RCS is proposed to be a website (www.ppwrcc.vic.gov.au). This helps solve three problems in environmental strategy. Its interactive mapping shows how and where local action can contribute to bigger targets for whole landscapes and regions. Web-based publishing helps make the strategy adaptable, responsive and renewable as learning, knowledge and circumstances change. Thirdly, web-based strategy is open for business - anywhere, 24 hours a day for users and interests across the region, the nation and the world.

Building a new RCS that is adaptable poses challenges. Strategy revisions are important but must maintain confidence in its validity and its links to government policy and community values. The PPWCMA consulted with Ministers and their departments to develop protocols that make sure revisions follow responsible, well-defined procedures.

The new Port Phillip & Western Port RCS is a model that can assist natural resource managers across Australia. It breaks new ground for region-scale planning, especially where there is a need to engage multiple managers to pursue common and connected goals.

A Strategy for Environmental Leaders

The first 19 organisations that demonstrated their leadership through support for the RCS in 2013/14 were:

- Boon Wurrung Aboriginal Corporation
- Brimbank City Council
- City of Casey
- City of Greater Geelong
- City of Hume
- City of Whittlesea
- Crib Point Stony Point Crown Land Reserve Committee of Management
- Department of Environment and Primary Industries
- Environment Protection Authority
- Hobsons Bay City Council
- Manningham City Council
- Melbourne Water
- Mitchell Shire Council
- Moorabool Shire Council
- Mornington Peninsula Shire Council
- Nillumbik Shire Council
- Parks Victoria
- Phillip Island Nature Parks
- Wurundjeri Aboriginal Corporation

Improved engagement with Traditional Owners

The addition of a Regional Indigenous Facilitator to the PPWCMA's workforce in 2013/14 significantly improved our capacity to engage with the region's Indigenous people. The PPWCMA is proud to have 'Welcome to Country' statements in the RCS. The 'Welcome to Country' statements describe Traditional Owner connection to the region and their support of the RCS. They show the intention of Traditional Owners to build ongoing cooperation and collaboration in land, water and nature conservation in our region. Contributed by Elders from the Boon Wurrung and the Wurundjeri people, the statements are an early outcome of PPWCMA's strengthened links with Indigenous people.

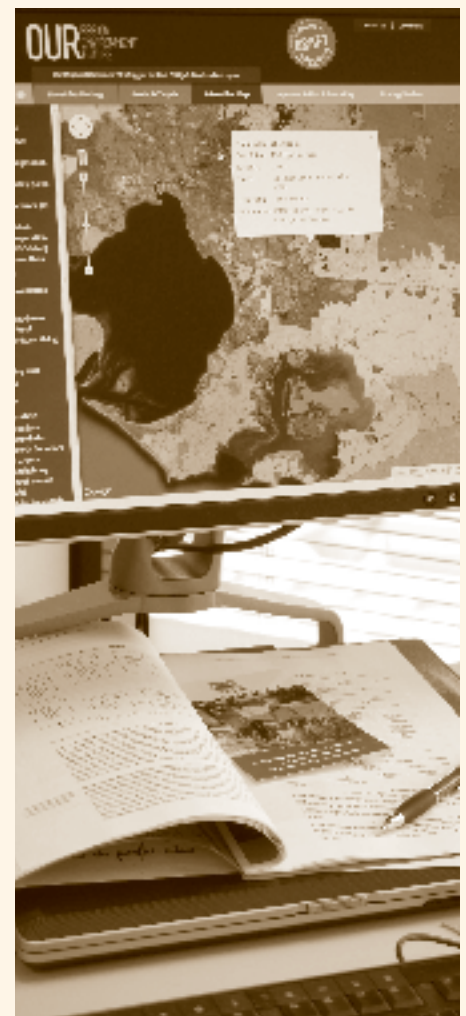
Outlook

Approval of the RCS by the Ministers is envisaged in 2014-15. This will mark the start of the strategy's implementation phase.

The PPWCMA has resolved 3 priorities for its continuing environmental strategy work:

- To maintain and build the RCS as a source of complete and up-to-date information and strategy;
- To maintain and expand partner commitments to the targets in the RCS;
- To monitor and report on the implementation of the RCS and progress towards its targets by developing a new regional environment report.

Progress against the KPI's during 2013/14 is outlined in the Performance Summary table on page 10.



The modern Regional Catchment Strategy is available online.

Directing funding to priority projects

The PPWCMA provides robust administrative, governance and reporting mechanisms to ensure Australian and Victorian government funds are directed to important projects delivering on-ground works and continuing the collaborative partnership to support work improving the health of the environment in the region.

Funds for priority projects

In 2013/14, the PPWCMA secured a total of \$6.9 million for priority projects from

the Victorian and Australian Governments comprised of:

- \$1.3 million from the Victorian Government; and
- \$5.1 million from the Australian Government.

In addition to the government funds, a further \$547,560 was secured from private sector sponsors, local councils, philanthropic organisations and other sources.

Effective funding administration

The PPWCMA administered and managed the funds from the Victorian and Australian Governments in 2013/14 in a cost-effective manner. Of the \$6.403 million of Victorian and Australian Government funds secured by the PPWCMA, 6.3% (\$404,544) was specifically allocated to the PPWCMA to administer funding processes.

Progress against the KPI's during 2013/14 is outlined in the Performance Summary table on page 10.



The PPWCMA has begun priority projects to engage with and assist Indigenous Communities.

Projects funded by the Victorian Government

Title of project	Project leader	Funding
PPWCMA Community Grants	PPWCMA administered grants to 55 community groups	\$214,000
Regional Landcare Coordinator	PPWCMA	\$137,000
Bushfire suppression funding	Upper Maribyrnong Catchment Group	\$46,500
Corporate Governance	PPWCMA	\$905,482
Total		\$1,302,982

Projects funded by the Australian Government

Title of project	Project leader	Funding
Regional Indigenous Facilitator	PPWCMA	\$222,000
Regional Landcare Facilitator	PPWCMA	\$167,000
Demonstrating Sustainable Farm Practices in Western Port, Port Phillip & Yarra Catchments	Westernport Catchment Landcare Network	\$422,000
Building the capacity of farmers to adopt sustainable agricultural and land management practices in the Port Phillip and Western Port region	PPWCMA	\$266,544
Building the capacity of Landcare groups and networks to facilitate the adoption of sustainable practices	PPWCMA	\$167,000
Protecting the ecological values of the Western Port Ramsar site	PPWCMA in partnership with Casey and Mornington Peninsula councils, Parks Victoria, Phillip Island Nature Parks, Bass Coast Landcare Network, French Island Landcare, Western Port Biosphere, Department of Environment and Primary Industries Arthur Rylah Institute, Trust for Nature and Boon Wurrung Foundation	\$777,000
Protecting the ecological values of the Port Phillip Bay - Western Shoreline Ramsar site	PPWCMA in partnership with Hobsons Bay City Council, Parks Victoria and Greening Australia Victoria	\$222,000
Permanent protection of habitat to support EPBC species & communities	Trust for Nature	\$167,000
Protecting and connecting EPBC communities and species on the Victorian Volcanic Plains	PPWCMA in partnership with Hume, Melton and Geelong councils	\$222,000
Protecting and connecting EPBC species in the Yarra Ranges	PPWCMA in partnership with Department of Environment and Primary Industries, Melbourne Water, 7 Friends of groups, Yarra Ranges Landcare Network, Trust for Nature, Parks Victoria, Yarra Ranges Council, Zoos Victoria, Melbourne and Australian National Universities, Country Fire Authority and Arthur Rylah Institute	\$257,000
Brisbane Ranges National Park to Werribee Gorge State Park Biolink	PPWCMA in partnership with 15 land managers	\$975,450
A Verdant Maribyrnong Valley	PPWCMA in partnership with Melbourne Water, Brimbank, Moonee Valley and Hume councils, Parks Victoria, Melbourne Airport, Wurundjeri Tribe and Land Council, City West Water, Department of Environment and Primary Industries and local landholders.	\$957,490
NRM Planning for Climate Change	PPWCMA in partnership with the 9 other Victorian CMA's, Eastern Alliance for Greenhouse Action, South East Councils Climate Change Alliance, Association of Bayside Municipalities, Western Alliance for Greenhouse Action, Northern Alliance for Greenhouse Action, Southern Slopes Climate Change Adaptation Research Partnership and Deakin University	\$277,944
Total		\$5,100,428

PPWCMA Project Map



- 1 Grow West
- 2 Yarra4Life
- 3 Living Links
- 4 Greening the Maribyrnong
- 5 Protecting the ecological values of the Western Port Ramsar site
- 6 Protecting the ecological values of the Port Phillip Bay - Western Shoreline Ramsar site
- 7 Protecting and connecting EPBC communities and species on the Victorian Volcanic Plains
- 8 Protecting and connecting EPBC species in the Yarra Ranges

Region Wide Projects

- 9 Regional Indigenous Facilitator
- 10 Regional Landcare Facilitator
- 11 Building the capacity of farmers to adopt sustainable agricultural and land management practices in the Port Phillip and Western Port region
- 12 Building the capacity of Landcare groups and networks to facilitate the adoption of sustainable practices
- 13 NRM Planning for Climate Change
- 14 PPWCMA Community Grants
- 15 Regional Landcare Coordinator
- 16 Permanent protection of habitat to support EPBC species & Communities

Managing environmental projects

2013/14 at a glance

- \$3.721 million secured
- 631,500 trees planted
- 15,355 hectares treated for pest animals & weeds
- 41 km fenced for environmental benefit
- 70 partnerships with organisations

Six major environmental projects

The PPWCMA coordinated six major environmental projects in 2013/14, namely:

- Living Links
- Yarra4Life
- Grow West
- Ramsar Protection Program
- Greening the Maribyrnong
- Valuing our Volcanic Plains

For each of these projects, the PPWCMA took a lead role in managing the project on behalf of a group of stakeholder organisations, often including Government departments, councils and local community groups.

Securing funds

A total of \$3.721 million was secured in 2013/14 for these projects from various Government and non-Government sources.

- The Living Links, Yarra4Life and Grow West projects collectively received \$1.48 million in 2013/14. This included:
 - \$257,000 from the Australian Government, the first instalment of a 5 year program in the Yarra Ranges for the protection of threatened species including the Helmeted Honeyeater and Leadbeaters Possum;
 - \$975,450 from the Australian Government for the final instalments of the Brisbane Ranges to Werribee Gorge Biolink project; and
 - \$232,862 from local councils, private sector sponsors, agencies, philanthropic organisations and other sources.
- The Ramsar Protection Program received \$999,000, the first instalment of two five-year projects from the Australian Government; Protecting the ecological

values of the Western Port Ramsar site; and Protecting the ecological values of the Port Phillip Bay - Western Shoreline Ramsar site.

- The Greening the Maribyrnong received the final instalment of \$957,490 from the Australian Government and \$62,855 from other sources for the 2 year project, A Verdant Maribyrnong Valley project.
- The Valuing our Volcanic Plains received \$222,000 for the first instalment of a 5 year project from the Australian Government; Protecting and connecting EPBC communities and species on the Victorian Volcanic Plains.

Project management and delivery

Each project focused on the development of biolinks and/or improving the quality and resilience of important environmental assets such as native vegetation, wetlands and native animal species.

On-ground works included the control of pest plants and animals, revegetating degraded land to prevent erosion, and protecting remnant native vegetation from damage by stock or other threatening processes.

A summary of the activities undertaken within each project follows and demonstrates that each project was managed effectively and met the requirements of the funding bodies.

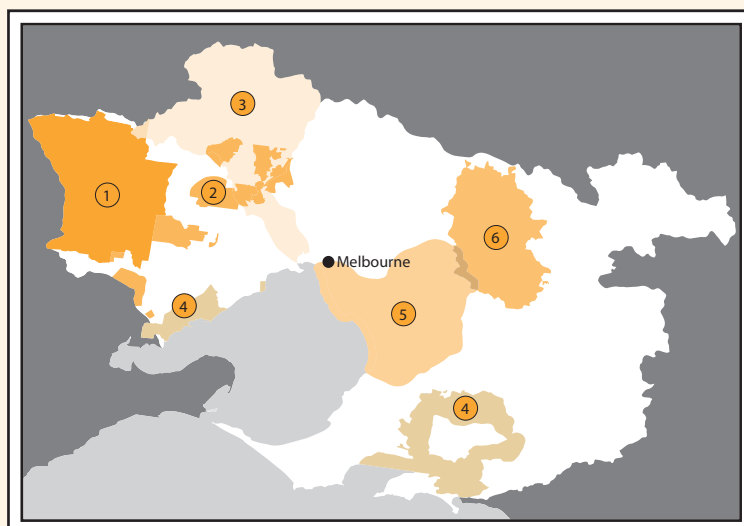
In June, the PPWCMA undertook a stakeholder survey of partners in the six environmental projects. Overall 50 participants completed the survey and provided consistently high feedback that the role played by the PPWCMA in initiating and managing the projects, and in fostering collaboration and partnerships amongst the stakeholders, was highly valued and effectively implemented.

"In my experience with other State Government organisations that provide funding opportunities, the PPWCMA would be the most engaging, and more importantly, connected to the actual on ground delivery" – stakeholder comment from stakeholder survey June 2014.

Outlook for 2014/15

In 2014/15 and beyond, the PPWCMA aims to continue to deliver important on-ground activities through these projects to create meaningful environmental outcomes. Several projects have secured funding for the next 4 years from the Australian Government. Other projects are actively pursuing new funding opportunities to continue the important work to protect and improve the environment of the Port Phillip & Western Port region.

Progress against the KPI's during 2013/14 is captured in the Performance Summary table on page 10.



- | | | |
|--------------------------------|------------------------------|-----------------|
| 1. Grow West | 3. Greening the Maribyrnong | 5. Living Links |
| 2. Valuing our Volcanic Plains | 4. Ramsar Protection Program | 6. Yarra4Life |



Living Links is a major environmental project working to protect and connect parks, open areas, coastal environments, road reserves, wetlands and restored rivers and creeks across Melbourne's south-eastern suburbs and to make this area a world-class, urban ecosystem.

This year Living Links has:

- launched its 'Master Plan' as an interactive website www.livinglinks.com.au;
- held 4 community workshops and 1 planting day for Rivergum Creek; and
- identified over 70 projects that are ready for implementation to achieve the Living Links vision.

Funding

During 2013/14, the PPWCMA secured \$91,500 from partner organisations to coordinate and undertake projects in Living Links.

Achievements in 2013/14

A live 'Master Plan'

For the past two years a major focus of Living Links has been the development of a live 'Master Plan' describing the priorities for links across the landscape for environmental and social benefit. The Plan was launched as an interactive website in April 2014. Committee members, partners and dignitaries enjoyed a bushwalk, followed by the launch by Brad Battin, Parliamentary Secretary for Environment.

River Gum Creek

Work on the River Gum Creek Reserve in Hampton Park was undertaken with many partners including the Environment Protection Authority, City of Casey, Melbourne Water, Birdlife Australia, Hampton Park Progress Association, Friends of River Gum Creek, the local Lions Club and residents. In 2013/14 the work included bird watching events, interpretive signage and a community planting day. A further \$50,000 from the Victorian Government's Community Renewal Flexible Funding was secured for further works to be carried out in the coming year.

Outlook for 2014/15

Living Links continues to work collaboratively with the project partners and is actively seeking major funding to support implementation of the Master Plan. A Living Links prospectus has been developed and will be used to promote and advance the implementation of Living Links.

Below (left to right): Brad Battin (Parliamentary Secretary for Environment), Peter Akers (PPWCMA Board), Stephen Thuan (PPWCMA), Mary-Kate Hockey (PPWCMA), Carolyn Briggs (Boon Wurrung Foundation), David Buntine (PPWCMA CEO), Cr Samantha Marks (City of Maroondah) at the Living Links launch.

Coordination Committee

The PPWCMA hosted Living Links on behalf of its stakeholder organisations and supported a committee to oversee and manage the program. Members of the Living Links Coordination Committee in 2013/14 were:

Stephen Thuan (Chair) – PPWCMA
(replaced David Buntine during the year)

Peter Akers – PPWCMA Board

Tony Walker – Bushwalking Victoria

Simon Finlay – City of Bayside

Brian Davey – City of Casey

Darren Wilson – City of Greater Dandenong

Lee James – City of Kingston

Marshall Kelaher – City of Knox

Cormac McCarthy – City of Maroondah

Ella Wright – City of Monash

Steve McGrath – City of Whitehorse

Michael Coleman – Conservation Volunteers Australia

Vivien Holyoake – First Friends of Dandenong Creek

Libby Anthony – Frankston City Council

Amy Gillet – Landcare Australia Limited

Heather Graham – Melbourne Water

Jon Theobald – South East Water

David Harper – Yarra Ranges Council

Peter Kemp – Parks Victoria

Carolyn Briggs – Boon Wurrung Foundation



yarra4life

Yarra4Life is a major environmental project in the Yarra Valley that aims to protect, improve, increase and connect habitat for native animals including the Helmeted Honeyeater and Leadbeaters Possum.

This year Yarra4Life has:

- Completed the delivery of the Habitat Protection and Conservation project which achieved over 158 hectares of environmental protection works;
- Awarded \$320,000 through the Judith Eardley Yarra Wildlife Grant; and
- Implemented 2 workshops to develop and complete an Ecological Character Description across the Yarra4Life area.

Funding

During 2013/14, the PPWCMA secured \$352,000 to coordinate and undertake projects in the Yarra4Life area including:

- \$257,000 from the Australian Government for protecting habitat for threatened species in the Yarra Ranges;
- \$70,000 from the Judith Eardley Save the Wildlife Association; and
- \$25,000 contribution from partner organisations.

Achievements in 2013/14

Habitat Protection and Conservation project

Yarra4Life completed the delivery of the Habitat Protection and Conservation project which delivered 27 hectares under permanent protection covenants, and treated 158 hectares for foxes and 53 hectares for weeds.

Judith Eardley Yarra Wildlife Grant

Yarra4Life launched the Judith Eardley Yarra Wildlife Grant with the support of the Judith Eardley Save Wildlife Association. The three successful applicants were Greening Australia Victoria, Friends of the Helmeted Honeyeater and Warburton Primary School, who shared in \$320K to deliver on-ground environmental works to improve the habitat for native wildlife in the Yarra Ranges.

Outlook for 2014/15

Yarra4Life has commenced a new 5 year project funded by the Australian Government to assist threatened species.

Beyond this work, Yarra4Life is looking to enhance community connections with nature and is pursuing the concept of a Great Yarra Trail and the development of an annual community Yarra4Life event.

Coordination Committee

The PPWCMA hosted Yarra4Life and supported a committee to manage the program. Members of the Yarra4Life Coordination Committee in 2013/14 were:

Stephen Thuan (Chair) – PPWCMA

(replaced David Buntine during the year)

Sarah Ewing – PPWCMA Board (replaced Laura Mumaw during the year)

Joanna Cain – Melbourne Water (replaced Greg Bain during the year)

David Harper – Yarra Ranges Council

Irene Pearey – Yarra Ranges Landcare Network

James Frazer – Friends of the Helmeted Honeyeater (replaced Alan Clayton during the year)

Ben Cullen – Trust for Nature

Russell Costello – Victorian National Parks Association

Sue Bendal – Friends of Leadbeater's Possum

Bruce Quin - Department of Environment and Primary Industries

Anne Fitzpatrick – Landcare Network Facilitator

Alex Parmington - Wurundjeri Tribe Land & Compensation Cultural Heritage Council Inc.

Jeff Latter – Community representative

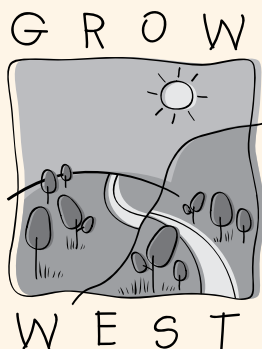
Anne Williamson - Community representative

Michael Coleman - Conservation Volunteers Australia (replaced Trevor Hume during the year)

Peter Kemp - Parks Vic (replaced Danny Hudson during the year)



Left to right: Peter Hannaford (Judith Eardley Save Wildlife Association), Elisa Rawlings (Greening Australia Victoria), James Fraser (Friends of the Helmeted Honeyeater) and Danny Reddan (Greening Australia Victoria) at the Judith Eardley Yarra Wildlife Grant presentation in April 2013.



Grow West is an ambitious, long-term program of landscape restoration in the west of Melbourne. Its vision is to rejuvenate 10,000 hectares of the Upper Werribee Catchment by connecting the Brisbane Ranges National Park, Werribee Gorge State Park and Lerderderg State Park through a mosaic of revegetation and restoration works on private property.

This year, Grow West has:

- planted over 170,000 seedlings and 15kg of seed to revegetate 502 hectares;
- enhanced and protected 196 hectares and 8.5km of waterways;
- installed 32km of fencing;
- engaged 20 landholders over 3 projects;
- attracted over 200 people to plant 6,000 trees at the annual Grow West Planting Day; and
- treated 690 hectares for weeds and rabbits and destroyed 14,100 rabbit warren entrances.

Funding

During 2013/14, the PPWCMA secured \$1,036,812 to coordinate and undertake projects in the Grow West area, including:

- \$975,450 from the Australian Government contributing to a biolink between the Brisbane Ranges National Park and Werribee Gorge State Park;
- \$50,000 from partner organisations including the Moorabool Shire Council, Melbourne Water and Southern Rural Water; and
- \$11,362 from landholders.

Achievements in 2013/14

1. Whitehorse Creek Biolink: This multi-stakeholder project is brought together by the Department of Environment and Primary Industries, Rowsley Landcare Group, PPWCMA and Melbourne Water. 58 hectares of revegetation, 70 hectares of protection and enhancement of remnant vegetation, and 6km of waterway fencing and revegetation has successfully created a biolink along the Whitehorse Creek.

2. Werribee Gorge to Brisbane Ranges Biolink: Funding was secured from the Australian Government in 2012 for two years of work. The project had to establish a 12km biolink between the Werribee Gorge State Park and the Brisbane Ranges National Park. The project has exceeded its targets and has achieved 374 hectares of revegetation, 118 hectares of remnant vegetation protection and enhancement, 492 hectares of pest plant and animal control and 26km of fencing.

3. Ingliston: This site has been recognised as a nationally important site for rabbit management and has been included in the validation trial for the Rapid Rabbit Assessment Guide. It is also the primary Victorian research site testing the relationship of dung counts to spotlight and warren monitoring data in the assessment of rabbit populations. Part of the project involved direct seeding across the 70 hectare site.

Celebrating 10 years of Grow West

This year Grow West celebrated the major milestone of operating for 10 years. A dinner was held in November to recognise everyone that has played a role in achieving more than 1,000 hectares and 1 million trees of landscape rejuvenation, including landholders, Landcare groups, community service groups, Government departments and authorities.

Outlook for 2014/15

Grow West has achieved a great deal over 10 years but has much more still to do. In 2014/15, Grow West will again hold a major Community Planting Day and will also undertake a variety of community activities to build landholder capacity to tackle local environmental issues.

Implementation Committee

The PPWCMA hosted Grow West on behalf of its stakeholder organisations and supported a committee to oversee and manage the project. Members of the Grow West Implementation Committee in 2013/14 were:

John Cutler (Chair) - Community member

David Buntine - PPWCMA, CEO

Stephen Thuan - PPWCMA

Helena Lindorff - PPWCMA

Greg Aplin - PPWCMA Board

Russell Hendry - Community member

Alan Morton - Community member

Graham Simpson - Community member

Lance Jennison - Community member

Justin Horne - Moorabool Shire Council

Gavin Alford - Moorabool Shire Council

John Spain - Moorabool Shire Council, Councillor

Stefanie Wabnik - Melbourne Water

Edward Smith - Southern Rural Water

Peter Box - Parks Victoria

Anthony Dufty - Moorabool Landcare Network

Elsbeth Swan - Department of Environmental and Primary Industries



The Grow West Community Planting Day in July 2013 brought together over 200 volunteers to plant 6,000 trees.

Ramsar Protection Program

The Ramsar Protection Program is a multi-partner project aiming to protect the ecological values of internationally-significant wetlands across Western Port and the western shoreline of Port Phillip Bay.

This is achieved through coordinated pest plant and animal control work to reduce their impact on wetland values. Community engagement activities are also undertaken to raise awareness of the natural values, as well as engagement with local Indigenous groups to achieve their active participation in the program.

This year the Ramsar Protection Program:

- removed foxes, feral cats, pigs, goats, black rats and rabbits from 14,807 hectares of wetlands;
- treated 901 hectares of weeds;
- fenced 310 hectares of priority wetlands from domestic stock, pest animals and public access; and
- recorded increases in the range of key species, particularly migratory water birds.

Funding

During 2013/14, the PPWCMA secured \$999,000 on the first instalment of a 5 year program from the Australian Government to coordinate and undertake projects in the Port Phillip Bay (Western Shoreline) and Western Port Ramsar sites.

Achievements in 2013/14

In 2013/14, there was a focus on developing stronger community relationships and awareness of Ramsar values across both sites. A number of mechanisms for raising awareness and increasing engagement in activities to reduce the threats to these values were undertaken including workshops and forums that collectively attracted over 100 community members.

Partnerships

The Ramsar Protection Program worked collaboratively with the following partner organisations:

- Parks Victoria
- Hobsons Bay City Council
- Mornington Peninsula Shire
- French Island Landcare Group
- Department of Environment and Primary Industries
- Phillip Island Nature Parks
- Western Port Biosphere
- City of Casey
- Bass Coast Landcare Network
- Boon Wurrung
- Wathurung
- Melbourne Water

Outlook for 2014/15

\$2.325M in funding is secured for the next four years from the Australian Government. This will see the project continue to work collaboratively with project partners and the community to undertake more on-ground works to improve the condition of the Ramsar wetlands.



Left to right: Scott Coutts (Parks Victoria), Cecilia Witton (Western Port Biosphere) and Anthony Duffy (PPWCMA) at a steering committee meeting in June 2013.

Greening the Maribyrnong

Greening the Maribyrnong is an ambitious project to revitalise some of the heavily degraded slopes of the Maribyrnong Valley in the urban and peri-urban area of Melbourne's west.

This year, Greening the Maribyrnong:

- recruited an additional 15 landholders to a project total of 29;
- treated a further 190 hectares for woody weeds and rabbit infestation to a project total of 547 hectares;
- commenced the 2014 winter planting program which revegetated a total of 232 hectares using 55,900 seedlings and 80kg of seed in direct seeding.

Funding

During 2013/14, the PPWCMA received \$960,351 to coordinate and undertake projects in the Maribyrnong Valley including:

- \$1,020,351 from the Australian Government;
- \$60,000 from Melbourne Water; and
- \$2,855 from landholders.

Achievements in 2013/14

During 2013/14, Greening the Maribyrnong worked collaboratively with various organisations and extended its works with a focus on remnant protection and enhancement. In Keilor, 14 private landholders with adjoining properties were engaged, many with only one or two hectares to be planted. This is significant effort for a small gain in treatment area, but is very important for the bigger vision. The work continues into 2014/15 and the project has undertaken substantial pest plant and animal works priming the landscape for its winter planting season.

Partnerships

Greening the Maribyrnong is working collaboratively with:

- Department of Environment and Primary Industries
- Melbourne Water
- Parks Victoria
- Moonee Valley City Council
- Brimbank City Council
- Hume City Council
- Melbourne Airport
- Friends of the Maribyrnong Valley
- Friends of the Organ Pipes National Park
- Wurundjeri Tribe Land Cultural Heritage Council

Outlook for 2014/15

Greening the Maribyrnong plans to link up landholdings where works have already taken place as well as extend the reach of works to enhance the degraded peri-urban landscape. In 2014/15, works will focus on the Maribyrnong River, Jacksons Creek and depending on partners, extend activity to Emu Creek, a tributary into Deep Creek. Key to all these efforts will be the promotion of a vision for landscape rejuvenation to private landholders and the collaborative efforts of a range of public authorities and corporations.

Before



Sydenham Park before being treated for pest, plant and animal infestations.

After



Sydenham Park after pest, plant and animal management and prepared for the Community Planting Day in 2014/15.

Valuing our Volcanic Plains

Valuing our Volcanic Plains aims to combat invasive plants and animals and inappropriate land management practices on the Victorian Volcanic Plains west of Melbourne, to aid a number of threatened native species.

In 2013/14, the Valuing our Volcanic Plains project:

- Established partnerships with 3 local Governments;
- Developed the framework and documentation for a competitive incentives program;
- Opened Round One of the competitive incentives program, receiving 29 Expressions of Interest;
- Provided one-on-one advice and conservation management plans to 28 landholders; and
- Delivered 2 Community events providing land management advice to 91 landholders.

Funding

During 2013/14, the PPWCMA received \$222,000 from the Australian Government to coordinate and undertake projects on the Volcanic Plains in this region.

Achievements in 2013/14

In 2013/14, the PPWCMA started this multi-stakeholder project, with the aim of increasing the management and quality of Environmental Protection and Biodiversity Conservation Act listed communities and species. Work included the employment of a dedicated project coordinator, initiating contracts with project partners, identifying priority areas for on ground works, and establishing the competitive incentives program for delivery of works on private land.

Partnerships

Valuing our Volcanic Plains is working collaboratively with:

- Hume City Council
- City of Greater Geelong
- Melton City Council
- Glenelg Hopkins CMA
- Department of Environment and Primary Industries
- Corangamite CMA

Outlook for 2014/15

A number of community events will be delivered by project partners over the coming years, with the aim of increasing knowledge and understanding of threatened communities and species in the Victorian Volcanic Plains. Delivery of the first and second round incentives programs will be key milestones for 2014/15. The project has a stable future with Australian Government funding secured for the next 4 years totalling \$1.776 million.



Fencing erected to protect high value grassy woodlands in Hume City Council.

Engaging stakeholder organisations & enhancing community awareness

2013/14 at a glance

- **RCS Alliance builds through 48 engagement meetings**
- **Environmental projects engage stakeholders through 36 events**
- **New staff employed to engage farming sector and Indigenous organisations**

Collaborating to develop and deliver the new Regional Catchment Strategy

Collaborating to create the new Strategy has been the focus of 48 meetings with 33 organisations in 2013/14. As a result of this collaborative approach, there are now 19 organisations taking lead roles in the Strategy including 11 local Governments, 4 Government departments, 2 Traditional Owner organisations and 2 Committees of Management.

Engagement through events

A suite of 36 events were conducted by the PPWCMA in 2013/14. The events were diverse in scale, audience and location and attracted 862 participants from across the region. The events included:

- 3 boat tours;
- 2 community planting days;
- 4 workshops for collaboration;
- 23 coordinating meetings for major projects; and
- 5 other events

Targeting the farming sector

New, five year positions with a focus on engaging the farming sector were created in 2013/14. These roles commenced in October 2013 and immediately boosted the PPWCMA's engagement with the agricultural sector.

As a first step, a desktop study was completed to identify which agricultural industries should be focussed on and the associated desirable land management practices to be encouraged for adoption.

One of the positions, the Regional Landcare Facilitator, focussed on cropping and horticultural industry groups on the western plains, in the Dandenongs, on the Mornington Peninsula and around Western Port, to encourage the adoption of practices that improve productivity and reduce the impact of nutrients and sediments in waterways.

Two new Sustainable Land Management Coordinator positions (0.5FTE each) worked in the north and west of the region, and east and south of the region respectively, with a focus on grazing farmers where there is a risk to native vegetation of regional importance. They will begin working with farmer discussion groups to facilitate adoption of practices that reduce the impact of stock on remnant vegetation while maintaining or improving pasture productivity.

Building relationships with Indigenous organisations

A new Regional Indigenous Facilitator position began at the PPWCMA in 2013/14 to enhance the engagement of Indigenous organisations of the region. This occurred quickly and partnerships have begun with:

- Wurundjeri Tribe Land and Compensation Cultural Heritage Council;
- Wathaurung Aboriginal Corporation (Wadawurrung);
- Wathaurung Aboriginal Cooperative; and
- Boon Wurrung Foundation.

Outlook for 2014/15

The new positions for engaging stakeholders are secure and relationships with key partner organisations are expected to strengthen.

The PPWCMA's major environmental projects and implementation of the Regional Catchment Strategy will continue to be important mechanisms for engaging and strengthening existing relationships with stakeholder organisations.

The target audiences identified in the Indigenous and agriculture-related projects will be the focus of various activities for another four years.

Progress against the KPI's during 2013/14 is outlined in the Performance Summary Table on page 10.

Case study

All aboard for Indigenous engagement

A key initiative of the new Regional Indigenous Facilitator was a series of boat trips aboard the SV Pelican that brought together representatives from the key Indigenous organisations with those from a wide range of natural resource management agencies and other organisations such as Aboriginal Affairs Victoria. The purpose of the boat trips was to build connections, relationships and share information.

- 9 representatives of the Wurundjeri were joined by representatives from 8 other organisations on a tour of the northern part of Port Phillip Bay and the lower reaches of the Yarra and Maribyrnong Rivers
- 3 representatives of the Boon Wurrung were joined by representatives from 2 other Indigenous organisations, 7 local governments, and 3 agencies on a tour of Western Port including Hastings and French Island
- 4 representatives of the Wadawurrung were joined by representatives from 8 other organisations on a tour of the north western part of Port Phillip Bay and the lower reaches of the Maribyrnong River



Wurundjeri and agency representatives connecting on board the SV Pelican.

Supporting Landcare

2013/14 at a glance

- **New, 5 year project to support Landcare groups**
- **55 PPWCMA Community Grants awarded totalling \$214,000**

During 2013-14, the PPWCMA continued to provide strategic support and leadership for the region's Landcare movement in line with the PPWCMA Landcare Support Plan published in 2012/13. A key challenge for the PPWCMA is to secure funding to complete all of the priority actions.

Different projects, similar focus

Several new positions were established under new, 5 year Regional Delivery projects funded by the Australian Government. One of these projects will directly support targeted Landcare groups.

The project focuses on Landcare groups with the highest potential to contribute to national, state and regional biodiversity priorities, and will support them to design and deliver high quality biodiversity conservation projects. It has identified 30 Landcare groups to target through

a desktop spatial analysis of environmental assets, and will help them to use the Open Standards for the Practice of Conservation to guide their project design and management.

Delivery of the project is through two new Sustainable Land Management Coordinator positions. Following the identification of the target Landcare groups, the early focus has been on introductions and building an understanding of the aspirations and capacity of several of these groups.

Landcare in the Port Phillip and Western Port region is also well-served by 14 Landcare facilitators employed by Groups and networks, with ten of these positions funded by the Victorian Government Local Landcare Facilitator Initiative. The PPWCMA brought these facilitators together on two occasions during the year for cross-cultural training and to identify opportunities to work together.

The new projects will see the continuation of Catchment Action Round Tables (CARTs) with one held in June 2014. CARTs bring together Landcare Group representatives and local agency representatives at a catchment scale to develop relationships and collaboration for natural resource management. This recent

CART helped Landcare groups in the Werribee catchment identify important relationships for them to strengthen.

Community Grants

The PPWCMA delivered over \$214,000 to community groups in 2013/14 through the annual Port Phillip and Western Port Community Grants. Forty one groups received support grants of \$500 - \$1,000 and 14 larger projects were funded to undertake on-ground works and capacity building activities.

Outlook for 2014/15

The PPWCMA anticipates continuing to implement the Landcare Support Plan through our Landcare support staff, by providing grants and helping local Landcare facilitators. Funding from both the Victorian and Australian Governments has been secured for 2014/15 for these activities.

The PPWCMA will continue to create and support collaboration across Landcare groups and networks through further CARTs and forums for local Landcare facilitators.

Progress against the KPI's during 2013/14 is outlined in the Performance Summary Table on page 10.



Cross-cultural training for local Landcare Facilitators.

Community Grant Projects

Group	Project Title	Funding
Balcombe and Moorooduc Landcare Group	Support Grant	\$500
Brisbane Ranges Landcare Group	Support Grant	\$500
Bullengarook Landcare Group	Support Grant	\$500
Bunyip Landcare Group	Support Grant	\$500
Cardinia Catchment Landcare	Support Grant	\$500
Chum Creek Landcare Group	Support Grant	\$500
Deep Creek Landcare Group	Support Grant	\$500
Devilbend Landcare Group	Support Grant	\$500
Dixons Creek Landcare Group	Support Grant	\$500
Dunns Creek Landcare Group	Support Grant	\$500
French Island Landcare	Support Grant	\$500
Greendale Wombat Landcare Group	Support Grant	\$500
Jindivick Landcare Group	Support Grant	\$500
Jumping Creek Landcare Group	Support Grant	\$500
Labertouche Sustainable Farming and Landcare Group	Support Grant	\$500
Lardner & District Landcare Group	Support Grant	\$500
Main Creek catchment Landcare Group	Support Grant	\$500
Manton & Stony Creeks Landcare Group	Support Grant	\$500
Merricks Coolart Creek Catchment Landcare Group	Support Grant	\$500
Mornington Peninsula Equine Landcare Group	Support Grant	\$500
Mornington Peninsula Landcare Network	Network Start-up Support Grant	\$1,000
Mt Lyall Landcare Group	Support Grant	\$500
Mt Rothwell Landcare Volunteers	Support Grant	\$500
Mt Toolebewong & District Landcare Group	Support Grant	\$500
Neerim & District Landcare Group	Support Grant	\$500
Newham & District Landcare Group	Support Grant	\$500
Nillumbik Landcare Network	Network Start-up Support Grant	\$1,000
Pentland Hills Landcare Group	Support Grant	\$500
Red Hill South Landcare Group	Support Grant	\$500
Riddells Creek Landcare Group	Support Grant	\$500
Sheepwash Creek Catchment Landcare Group	Support Grant	\$500
Southern Ranges Environmental Alliance	Support Grant	\$500
Southwest Mornington Peninsula Landcare Group	Support Grant	\$500
Strathewen Landcare Group	Support Grant	\$500
Sunbury Landcare Association	Support Grant	\$500
Toomuc Landcare Group	Support Grant	\$500
Triholm Landcare Group	Support Grant	\$500
Upper Deep Creek Landcare Network	Support Grant	\$500
Upper Maribymong Catchment Group	Support Grant	\$500
Westernport Feral Alliance	Support Grant	\$500
Westernport Swamp Landcare Group	Support Grant	\$500
Balnarring Foreshore & Parks Reserve	Balnarring Foreshore Habitat Enhancement Project	\$18,000
Christmas Hills Landcare Group	Finding and protecting rare orchids in Christmas Hills	\$9,335
Friends of Altona Coastal Park	Altona Skipper Butterfly - Corridor Extension	\$11,700
Friends of Braeside Park	West Gippsland Plains Redgum Grassy Woodlands Restoration Project - Braeside Park	\$9,000
Friends of the Merri Creek	Kalkallo South	\$20,000
Friends of Truganina Park	Coastal Woodland Enhancement	\$12,050
Merri Creek Management Committee	Getting Edgy: Addressing Edge Effects at Ngarri-djarrang Grassland Reservoir	\$16,671
Moorabool Landcare Network	Lower Parwan Creek Biolink (Stage 1)	\$19,400
Nillumbik Landcare Network	Empowering Nillumbik Landowners for Environmental Stewardship and On-ground change	\$2,400
Pinkerton Landcare & Environment Group	Ecological Restoration of the Werribee River Volcanic Gorge Stage 2	\$19,799
The Whitecliffs to Camerons Bight Foreshore	Coastal Moonah Woodland and Leafy Greenhood Retention and Rehabilitation Project	\$9,100
Victorian National Parks Association	Marine community engagement in Port Phillip and Westernport	\$9,190
Western Port Catchment Landcare Network	Continuing Naturelinks in Tarago, Lower Bunyip and Dalmore Outfall regions	\$20,000
Wurundjeri Tribe Land & Compensation Cultural Heritage Council	Yarra Valley Conservation Environmental Partnership in Eltham-Warrandyte	\$16,100
Total		\$214,245

Note: Table shows \$184,000 State Government investment and \$30,245 other funding.

Advising on natural resource management issues and opportunities

Formal advice

In 2013/14, the PPWCMA provided input or advice into numerous planning processes relevant to natural resource management in this region including:

- A submission to the Central Coastal Board and the Department of Environment and Primary Industries regarding the development of a Central Region Coastal Plan;
- A submission to the Department of Transport, Planning & Local Infrastructure regarding the draft Melbourne metropolitan planning strategy Plan Melbourne;
- A submission to the Australian Government regarding the Agricultural Competitiveness White Paper;
- A submission to the Australian Government on ways the PPWCMA can participate in the implementation of the Government's environmental agenda;
- A submission to the Australian Government regarding the statement of requirements for the new Green Army program;
- Advice to the Minister for Environment & Climate Change on potential large-scale environmental project opportunities in this region;
- Feedback to Government regarding the draft Central Highlands and Gippsland Regional Growth Plans;
- Written advice to the Nillumbik Shire Council, Mitchell Shire Council, Frankston City Council and others regarding development of their municipal environment strategies, water management strategies and similar; and
- Written advice to Southern Rural Water and a number of Councils regarding specific planning permit referrals.

Important work behind the scenes

PPWCMA personnel were also involved in various committees, working groups and forums that provided advice to Ministers, Departments and other stakeholders including:

- Membership of the PPWCMA CEO on the Waterways Advisory Committee of Melbourne Water, which reviewed and provided advice on the directions and operations of the Waterways Division of Melbourne Water;
- Membership of the Yarra & Bay Action Plan Task Force and Yarra & Bay Working Group, formed by the Department of Environment and Primary Industries;
- Membership of the Communities for Nature Regional Technical Assessment Panel formed by the Department of Environment and Primary Industries which provided the assessment, ranking and recommended funding for the program;
- Membership of the ReefWatch Steering Committee which advised on priorities and opportunities for ReefWatch in Victoria;
- Membership of the Yarra Ranges Environmental Advisory Committee which advised on environmental sustainability issues and initiatives relevant to the management and stewardship of the natural environment within Yarra Ranges;
- Membership of the Southern Brown Bandicoot Regional Recovery Group advising on the integrated implementation approach for delivering key actions as part of the recovery plan;

- Membership of the Bunyip Main Drain Technical Reference Group that provided advice to Melbourne Water and the Australian Government's Department of Sustainability, Environment, Water, Population and the Community about Southern Brown Bandicoot conservation issues and a Fox Control Strategy; and
- Membership of a Technical Reference Group for the Eastern Greenhouse Action Alliance.

Case study

The PPWCMA's submission in April 2014 regarding the future development of a Central Region Coastal Plan stressed the need for alignment between the coastal plan and the Regional Catchment Strategy to ensure consistent messages, targets and commitments from our respective Government organisations. In the submission, specific advice was provided on the benefits of developing measurable targets, work already undertaken to identify local coastal zones and in considering parameters for use in coastal target setting and new information being generated regarding climate change impacts. The Central Coastal Board and the Department of Environment and Primary Industries welcomed the advice and committed to ongoing discussion regarding the plan's development.

Outlook for 2014/15

In 2014/15, the PPWCMA will continue to provide thoughtful and practical submissions to important planning processes relevant to natural resource management and will continue to actively participate in various stakeholder forums and committees.

Progress against the KPI's during 2013/14 is outlined in the Performance Summary table on page 10.

Catchment condition

The condition and management of land and water resources in the Port Phillip and Western Port region

Introduction

This report provides a snapshot of the overall environmental condition of the Port Phillip and Western Port region – the state of its biodiversity, marine and coastal areas, rivers and land health.

The report fulfills the Port Phillip and Westernport Catchment Management Authority's (PPWCMA) responsibility under the *Catchment and Land Protection Act 1994* to submit to the Hon. Ryan Smith MP, Minister for Environment & Climate Change, the Hon. Peter Walsh MLA, Minister for Water, and the Victorian Catchment Management Council:

'A report on the condition and management of land and water resources in its region and the carrying out of its functions'.

The target-based format of this region's new Regional Catchment Strategy (RCS) will enable more cohesive and consistent catchment condition reporting in future years.

Key challenges for management

The perennial challenge in this region is the large number of land managers and planning authorities which each have a stake in the management of natural resources.

To respond to this, the PPWCMA has focused on setting targets and identifying accountable leadership in the new RCS, which will enhance collaborative environmental planning, monitoring and reporting in this region.

Other challenges for management of land and water resources in the region have been:

- Continuing rapid population growth and associated large scale land use change on the metropolitan fringe which invariably requires compromises in social and economic values of the community and the environmental values; and
- Climate change impacts which continue to present new threats and uncertainties for natural resource management and planning.

The condition of native vegetation in this region

The extent and quality of native vegetation and habitat is an important component of biodiversity. Approximately 40% of the region's original vegetation remains and, of that, one third is found in parks and conservation reserves.

41% of the region's vegetation is classified as 'endangered', 'vulnerable', 'depleted', or 'rare'. As most of this vegetation is found on private land, landholders who are willing and able to protect biodiversity are vital in helping to achieve regional goals for biodiversity.

The condition of native animals in this region

'Condition ratings' for native animals in this region were determined in 2008 through an analysis of likely native animal species persistence using sighting records. This research was commissioned by PPWCMA and undertaken by the Australian Research Centre for Urban Ecology.

The analysis indicated that most amphibian and birds species were persisting, whereas reptile and mammal species have a less secure outlook.

The condition of marine and coastal areas in this region

Water quality monitoring is undertaken routinely in Port Phillip Bay and Western Port. Results over recent years suggest that water quality for both bays is likely to be in a relatively good and stable condition.

Seagrass monitoring in Port Phillip Bay found a slight increase in overall cover between 2008 and 2011.

In Western Port, current seagrass cover is similar to that observed in 1959, 1961, 1971 and 1973. A 2011 report produced by Melbourne Water, 'Understanding the Western Port Environment', reviewed available literature and data on seagrass cover in Western Port and supported an assessment of poor but stable.

Water quality in the waterways in this region

Water quality monitoring for waterways is the most complete environmental monitoring conducted in the region. Data is obtained from the Waterways Water Quality Monitoring Network maintained by Melbourne Water.

Results over recent years indicate a stable or improving trend for water quality in rivers and streams across the region.

The condition of land in this region

Approximately 80% of the Port Phillip and Western Port region is rural land. It includes premium-value agricultural areas and high quality natural bushland, broadacre farming areas and rural-residential areas.

There are various projects underway by Government agencies, Councils, Landcare, Agricultural bodies and others to protect and enhance land health.

An important influence on the land health in this region comes from the continuing urbanisation of the landscape. New housing and associated infrastructure increase the proportion of the region containing impervious surfaces and can reduce the land's overall capacity to support natural systems.



Our business and culture

2013/14 at a glance

- Fifth year of 100% compliance with the Financial Management Compliance Framework
- Met all compliance obligations
- Increased employee job satisfaction rating
- Created multiple opportunities for collaboration with key partners and stakeholders

Maintaining a healthy organisational culture and high standards of business management and governance

The PPWCMA strives for best practice business management; to maintain high standards of financial management, corporate governance, risk management, business processes, organisational culture and reporting. This encompasses the efficient management of the business and operations while also ensuring that the PPWCMA is a rewarding, challenging and enjoyable place to work.

The majority of Key Performance Indicators in this area have been achieved in 2013/14; however the PPWCMA strives for continuing improvement.

Major Changes or Factors Affecting Performance

Changes in funding priorities of the Australian Government affected some of the PPWCMA's activities near the start of 2013/14; and resulted in a shift in staffing and focus as the "Landcare and Community Outreach" program transitioned to a new "Landcare and Sustainable Agriculture" program.

In the second half of 2013/14, the financial outlook for the PPWCMA was assessed and, with reduced revenue anticipated, a series of efficiency gains and cost reduction measures were introduced including a 16% reduction in staffing.

Whilst these changes were significant, the PPWCMA maintained its compliance with all statutory obligations, met the majority of its performance targets and kept all environmental projects on track.

Governance

The PPWCMA Board is a skills based Board comprised of a Chair and 8 other Board members reporting to the Hon. Ryan Smith MP, Minister for Environment and Climate Change, and the Hon. Peter Walsh MLA, Minister for Water. The membership and qualifications of the Board can be found on page 7.

PPWCMA Board Meetings

Six formal Board meetings were held during 2013/14 and attendance at these meetings is detailed in the table below.

Board member	No. of Board meetings attended
Neville Goodwin (Chair)	6 of 6
Jacquelyn Ross (Deputy Chair)	6 of 6
Peter Akers	4 of 6
Kay Spierings	6 of 6
Arron Wood	6 of 6
Jane Jobe	6 of 6
Laura Mumaw	6 of 6
Lance Jennison (member till Oct 2013)	1 of 1
Greg Aplin (appointed Oct 2013)	5 of 5
Sarah Ewing (appointed Oct 2013)	5 of 5

The Board undertakes an annual performance assessment and as part of this process, identifies professional development opportunities for Board members to enhance the overall performance of the Board in its leadership and governance role.

Board Training and Development

Through 2013/14, all PPWCMA Board members participated in professional development activities such as conferences, training courses, strategic discussions with partners and field tours.

The specific activities included:

- In July and August 2013, the Board undertook an externally-facilitated performance assessment process;
- Five of the PPWCMA Board meetings through the year were held at partner organisations in order to meet with their leaders, namely at Melbourne City Council, the Victorian Farmers Federation and Melbourne Water plus two meetings at Parliament House with relevant Government Ministers.
- Board meetings or other events through the year featured discussion with various other partner and community organisations on natural resource management matters of importance for this region;
- In February 2014, a special

workshop was held with the West Gippsland Catchment Management Authority Board to share information and experience on our respective programs, supplemented with a field tour in the South Gippsland and Corner Inlet areas;

- In February 2014, a PPWCMA Board strategic planning workshop was held to review the directions of the organisation and progress the development of the next Corporate Plan;
- In March 2014, five Board members participated in the National NRM Knowledge Conference in Launceston at which they engaged with personnel from similar organisations across Australia to share experiences and knowledge;
- In May 2014, six Board members participated in a Board Member Induction Program organised by the Department of Environment & Primary Industries; and
- In June 2014, a training session on financial management and governance was participated in by all nine Board members.

The outcome of the Board's training and professional development activities was an improvement in the skills, expertise and knowledge of the Board in various aspects that are important for this organisation. It also built on the excellent understanding by the Board of the strengths of the PPWCMA and opportunities for continual improvement in the years ahead.



Above: Neville Goodwin (PPWCMA Chair) and Angus Hume (WGCMA Chair) at the Corner Inlet connections project site, February 2014.

PPWCMA Board Committees

A number of committees established by the Board made important contributions to the governance and compliance of the PPWCMA in 2013/14. These committees each have a Charter approved by the Board, and report to the Board. The membership and Charter of each committee is reviewed on a regular basis.

The **Business and Remuneration Committee** met on 3 occasions in 2013/14. The key items addressed by the Committee included development of the Chief Executive Officer (CEO) Work Program, assessment of CEO performance, development of advice to the Board regarding CEO remuneration and oversight of PPWCMA compliance with government policy.

The members of the Business and Remuneration Committee in 2013/14 were:

- Neville Goodwin (Chair);
- Jane Jobe;
- Kay Spierings;
- Jacquelyn Ross (to 27th February 2014); and
- Peter Akers (from 27th February 2014).

The **Audit Committee** met on 5 occasions in 2013/14. The key items addressed included planning and oversight of internal audit projects and oversight of risk management and financial reporting processes including preparation of the PPWCMA's Annual Financial Statements and review of the PPWCMA's compliance with the Financial Management Compliance Framework and Tax Compliance Framework.

The non-executive members of the **Audit Committee** in 2013/14 were PPWCMA Board members and one external member, namely:

- Peter Akers (Chair until 27th February 2014);
- Laura Mumaw (member for whole year, Chair from 27th February 2014);
- Lance Jennison (to 14th October 2013);
- Jane Jobe (from 27th February 2014);
- Jacquelyn Ross (from 27th February 2014); and
- Barry Hughes.

These members are independent.

The external member, Barry Hughes, is a Chartered Accountant, Registered Company Auditor in public practice and a partner in a firm in Wonthaggi. He has extensive experience in the computer, printing and personnel recruiting and labour hire industries in New Zealand, the United Kingdom and Australia. Barry has had responsibilities in financial and management accounting, marketing, sales and general management, and was the financial director of a significant private company. He previously served a 3-year term as Chair of the Audit Committee for the Bass Coast Shire Council.

The **Regional Catchment Strategy Steering Committee** met once in 2013/14 to oversee the finalisation and submission of the RCS. The Committee membership comprised three Board members; Arron Wood (Chair), Greg Aplin and Laura Mumaw.

The **Community Grants Assessment Panel** met once in 2013/14 to assess the applications submitted for the PPWCMA Community Grants program and develop a recommendation to the PPWCMA Board. The membership of the panel included one Board member in 2013/14, Sarah Ewing.

Internal Audit

Since its formation, the PPWCMA has engaged external professionals to undertake the role of internal audit. Reviews undertaken in recent years addressed risk profiling, risk management, compliance with the Statement of Obligations, business operations, financial management, fraud minimisation, project management, statutory compliance, community engagement and strategic planning. All reviews reported that the PPWCMA achieved a high standard of governance and risk minimisation. Recommendations from all reviews were recorded in a register and their implementation was monitored by the Audit Committee.

Risk management

Processes are in place for the identification, reporting and monitoring of risks at the PPWCMA. Risk identification and management is a standing agenda item on many PPWCMA meeting agendas including Board, committees and staff meetings. The PPWCMA Audit Committee undertakes an internal review of the risk management framework on a bi-annual basis.

The PPWCMA's risk profile was low through 2013/14 with the highest rankings associated with the development of the Regional Catchment Strategy website using an innovative model for the sector. The Board plays an active role in managing these particular risks and has an established sub-committee which is directly involved in the day-to-day management.

The following 'Risk Management Attestations' are made on behalf of the PPWCMA:

PPWCMA Risk Management Compliance Attestation

I, Neville Goodwin, certify that the Port Phillip and Westernport Catchment Management Authority has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000-2009 (or its successor) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Audit Committee verifies this assurance and that the risk profile of the Port Phillip and Westernport Catchment Management Authority has been critically reviewed within the last 12 months.



Neville Goodwin (Chair)
18th August 2014

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

I, David Buntine, certify that the Port Phillip and Westernport Catchment Management Authority has complied with Ministerial Direction 4.5.5.1 – Insurance.



David Buntine
Chief Executive Officer
Port Phillip and Westernport CMA
18th August 2014

Compliance

Corporate Plan and Annual Report

The PPWCMA Corporate Plan articulates key result areas and targets against which performance can be measured each year. The PPWCMA Corporate Plan for 2014/15 was submitted to the Hon. Ryan Smith MP, Minister for Environment and Climate Change, in April 2014. A copy can be found on the PPWCMA website: www.ppwcm.vic.gov.au

The PPWCMA Annual Report for 2012/13 was tabled in Parliament by the Minister for Water and the Minister for Environment and Climate Change on 15 October 2013. A copy can be found on the PPWCMA website: www.ppwcm.vic.gov.au

Financial Management Compliance Framework

An initial review found that the PPWCMA was compliant with all applicable Financial Management Compliance Framework Directions through 2013/14. The PPWCMA has been compliant for the past five years.

Statement of Obligations

A Statement of Obligations for the PPWCMA, issued by the Minister for Environment and Climate Change, was in place for the 2013/14 year. No instances of non-compliance were identified during the year.

Compliance with the Catchment and Land Protection Act 1994

The PPWCMA fully complied with all of the relevant requirements of the *Catchment and Land Protection Act 1994*.

Workplace Health and Safety

The PPWCMA is committed to a Workplace Health and Safety (WH&S) framework that reduces workplace injuries and improves the health and well-being of employees. The WH&S framework includes:

- A comprehensive WH&S Policy, Committee Charter, Procedures Manual and Strategy;
- A WH&S Committee that meets at least quarterly, and that conducts regular workplace inspections;
- A comprehensive WH&S induction for all new employees;
- Communication of changes to WH&S requirements to staff;
- Ensuring managers and employees receive refresher training at least once every three years

- Proactive management of the wellbeing of employees through a Health and Wellbeing Program; and
- Provision of a working environment where employees are actively encouraged to report all hazards, incidents and injuries.

Key results against the WH&S Indicators are summarised in the following table:

	2010/11	2011/12	2012/13	2013/14
Meetings of WH&S Committee	2	5	5	5
Site inspections by WH&S Committee	2	4	5	5
Hazards identified	0	0	2	1
Incidents reported	3	4	3	10*
Claims made	0	1	1	0

* The PPWCMA have proactively encouraged the reporting of all incidents, including incidents that involve motor vehicle damage.

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* (the Act) enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

Under the Act, the independent Broad-based Anti-corruption Commission of Victoria (the IBAC) has a key role in receiving, assessing and investigating disclosures about improper conduct and detrimental action taken in reprisal for a disclosure by public bodies or public officers.

Disclosures to the IBAC can be made in person, by phone, in writing or via email. More information is available on IBAC's website: www.ibac.vic.gov.au

The PPWCMA has developed a Protected Disclosure Procedure which can be found on the PPWCMA website: www.ppwcm.vic.gov.au

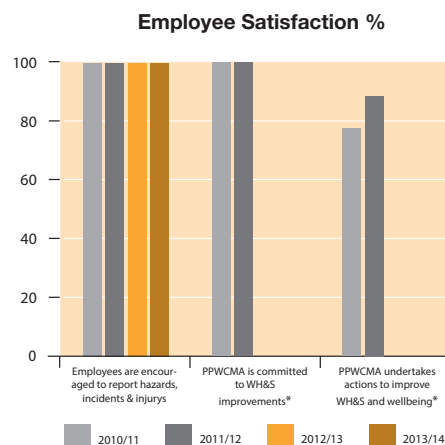
The PPWCMA has not been notified of any protected disclosures during 2013/14.

Freedom of Information

The public has the right to apply for access to documents held by the PPWCMA and covered by the *Freedom of Information Act 1982*. This applies to documents created by the PPWCMA as well as those supplied to the PPWCMA. The public may apply for the original or for a copy. The fee from 1 July 2014 is \$26.50. The fee is reviewed annually. Further charges may be payable depending on the requirements to fulfil the request. These fees and charges are not subject to GST.

Documents which are maintained in the possession of the PPWCMA include:

- Internal working papers;
- Correspondence from Ministers and Members of Parliament, Government Departments and agencies, members of the public and the private sector;



- Reports prepared by consultants commissioned by the PPWCMA;
- Accounts records;
- Personnel and salary records; and
- Organisation and accommodation records.

Freedom of Information (FOI) requests must be made in writing and should be as specific as possible to enable the FOI Authorised Officer to identify relevant documents as quickly and efficiently as possible. Once a letter requesting access is received, the PPWCMA must respond as soon as possible, but not later than 45 days, outlining its decision on the request. If the PPWCMA refuses access to the documents sought, the applicant can appeal to the Authorised Officer for an internal review, but must do so within 28 days of the letter being sent to the applicant. The PPWCMA must then reconsider the request and respond to the applicant within 14 days. If the applicant wishes to appeal further to the Victorian Civil and Administrative Tribunal, they must do so within 60 days of the date they were notified of the outcome of the internal review.

The PPWCMA has determined that the Authorised Officer for receiving FOI requests is:

FOI Officer, PPWCMA
Level 1, 454 – 472 Nepean Hwy
Frankston VIC 3199
Email: enquiries@ppwcma.vic.gov.au
Telephone: 03 8781 7900

Consultancies

In 2013/14, the PPWCMA engaged four consultancies totalling \$85,514. Of these, one was less than \$10,000, with a total expenditure of \$7,434 (excl. GST). The three consultancies valued at over \$10,000 are detailed in the following table.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2013-14 (excluding GST)	Future expenditure (excluding GST)
Corangamite Catchment Management Authority	Assessing the vulnerability of the region's environment to potential future climate change	01/09/13	28/02/14	\$30,000	\$30,000	-
Deakin University	Researching the region's marine and coastal environments to identify opportunities for carbon sequestration	01/03/13	27/06/14	\$12,000	\$12,000	
RM Consulting Group	To identify and map the distribution of Agricultural industries, industry groups and environmental programs in Port Phillip & Western Port region	07/11/13	30/06/14	\$36,080	\$36,080	

In 2013-14, the Authority engaged one consultancy where the total fees payable to the consultant was less than \$10,000, with a total expenditure of \$7,434 (excl. GST).

Compliance with the *Building Act 1993*

The PPWCMA leases all its office spaces and does not manage any buildings. Therefore, it is not relevant for the PPWCMA to report on compliance with the building and maintenance provisions of the *Building Act 1993*.

Information Privacy

The PPWCMA values and protects the privacy of all groups and individuals it deals with. The PPWCMA has a privacy policy in place that complies with the *Victorian Information Privacy Act 2000*. All personal information collected by the PPWCMA is held securely and any disclosures are handled in accordance with the ten Information Privacy Principles.

Victorian Industry Participation Policy Act 2003

This policy is applied when tenders are let of greater than \$1 million in regional Victoria. The PPWCMA did not let any tenders of this scale in 2013/14.

National Competition Policy Compliance

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

Industrial Relations

No time was lost in 2013/14 due to industrial accidents or disputes.

International Travel

There was no international travel undertaken by PPWCMA Board members or staff acting on behalf of the PPWCMA during 2013/14.

Community Inclusiveness and Diversity

The PPWCMA is committed to improving the quality of service delivery to culturally and linguistically diverse communities and values community inclusiveness. The PPWCMA's approach is consistent with a Victorian Government Community Inclusiveness Circular of 2009 relating to culturally and linguistically diverse backgrounds, women, youth and indigenous affairs.

Significant changes in financial position

There were no significant matters which changed our financial position during the reporting period.

Significant changes or factors affecting performance

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

Disclosure of Major Contracts

The PPWCMA did not award any major contracts (valued at \$10 million or more) in 2013/14.

PPWCMA Workforce

Turnover within staff positions was higher in 2013/14 than past years as a result of changes to investor priorities and reduction to the overall staff workforce. The PPWCMA staffing reduced from 19.7 full time equivalent at the start of 2013/14 to 16.2 at the end.

	Staff at 30 June 2014	Full time equivalent
Full time	11	11
Part time	8	5.2
Total	19	16.2

Staff category	Staff at 30 June 2014	Full time equivalent
Executives	1	1
Managers	4	4
Leaders/ Project Staff	11	14
Administration Staff	3	4
Total	19	16.2

Employment and Conduct

The PPWCMA is an equal opportunity employer and applies the Victorian Government's merit and equity principles as described in the Public Administration Act 2004, to all employment selection procedures. Selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the position's Key Selection Criteria and other accountabilities without discrimination. PPWCMA Staff operate under a Code of Conduct. The Code is reflected in the PPWCMA's Corporate Plan and within staff work performance plans.

The gender balance in the PPWCMA Board and staff as at 30 June 2014 is shown in the following table.

Staff Category	2013/14	2012/13
Male Board members	4	5
Female Board members	5	4
Total	9	9

Staff Category	2013/14	2012/13
Male staff members (Managers)	10 (3*)	13 (3*)
Female staff members (Managers)	9 (2*)	10 (2*)
Total	19	23

*Includes executive staff

Availability of Other Information

Further information about the operations of the PPWCMA and information relevant to Financial Reporting Direction 22B of the *Financial Management Act 1994* is held at the PPWCMA office and is available upon request subject to the provisions of relevant legislation and policies including the *Privacy Act 2000* and the *Freedom of Information Act 1982*.

Information includes:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers of PPWCMA;
- details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary;
- details of any major external reviews carried out in respect of the operation of the PPWCMA;
- details of assessments and measures undertaken to improve the occupational health and safety of employees that are not otherwise detailed in the report of operations;
- details of the PPWCMA's WHS Policy and Employee Manual;
- details of the PPWCMA's internal environmental performance; and
- a statement of the extent to which the PPWCMA Committee's purposes have been achieved.

The information is available on request from:
Carolyn Nicholson
 Business and Governance Manager
 Telephone: 03 8781 7900
 Email: enquiries@ppwcma.vic.gov.au

Workplace Culture

Each year, the PPWCMA participates in the People Matter Survey conducted by the Victorian Public Sector Commission. This survey enables employees to provide confidential feedback on how they find the PPWCMA as a place to work and is an important measure the PPWCMA uses to understand employee engagement and satisfaction.

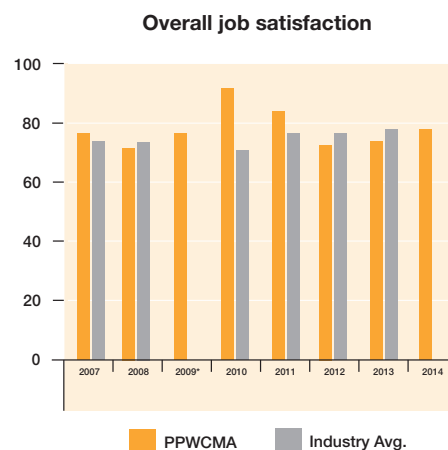
In 2014, the PPWCMA achieved a very high participation rate of 95%. The 2014 results indicate that PPWCMA employees continue to be highly engaged and satisfied. Employees rated the areas of leadership, workplace wellbeing and Equal Employment Opportunity highly.

Engagement Index

An employee engagement index is used to measure advocacy, willingness to contribute to the goals of the organisation, commitment and job satisfaction. In 2012/13 the PPWCMA had an employee engagement index of 69% which was higher than the industry average of 64%. In 2013/14, the PPWCMA engagement index increased to 78% and is again higher than the average of 69%.

Job Satisfaction

The level of satisfaction component has remained relatively high over the past eight years.



* 2009 industry average figure was not collected.

Outlook for 2014-15

Looking ahead, the PPWCMA anticipates a continued tight economic operating environment in 2014/15. Tight economic times and associated lower staffing will provide challenges but the organisation has planned well and is confident that it will achieve its high standards of collaboration, environmental work and governance.

Financial Statements

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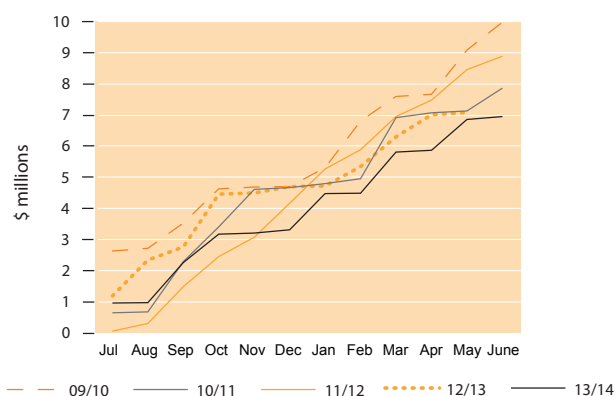
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What are financial statements?

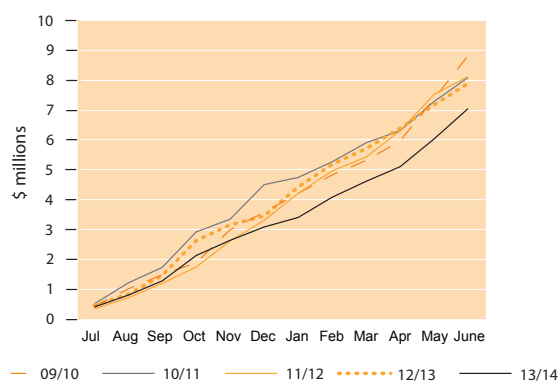
Financial statements are designed to provide readers with an overview of the financial performance of the PPWCMA. The statements consist of four main reports: (1) Comprehensive Operating Statement (known previously as a Profit and Loss Statement); (2) Balance Sheet;

(3) Statement of Changes in Equity; and (4) Cash Flow Statement. These statements are supported by a series of notes which provide a more detailed explanation of the four main reports and other information relevant to our financial performance.

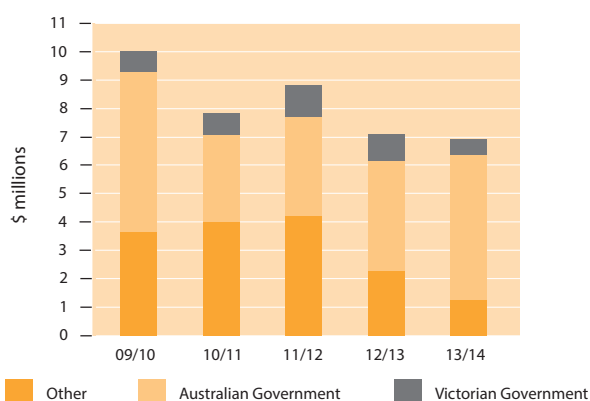
Pattern of PPWCMA cumulative revenue over five years



Pattern of PPWCMA cumulative expenditure over five years



Sources of PPWCMA revenue over five years



Summary of performance

The PPWCMA manages its finances in line with the *Financial Management Act 1994* and the associated Directions of the Victorian Government Minister for Finance. The Financial Statements included in this report have been audited and certified by the Victorian Auditor General's Office.

Through 2013/14, the PPWCMA focused on fulfilment of its statutory responsibilities and contractual obligations and achievement of its Key Performance Indicators whilst maintaining low operating costs across the business.

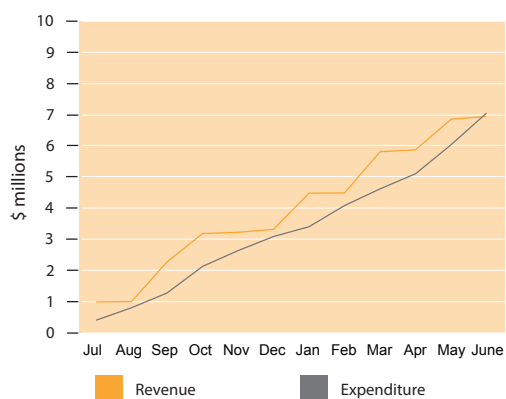
The 2013/14 Financial Statements show that the PPWCMA received total revenue of almost \$6.9 million with a deficit of just over \$106,000

at year end. The deficit reflects the PPWCMA's expenditure of 2012/13 committed funds plus expenditure of a high proportion of 2013/14 revenue.

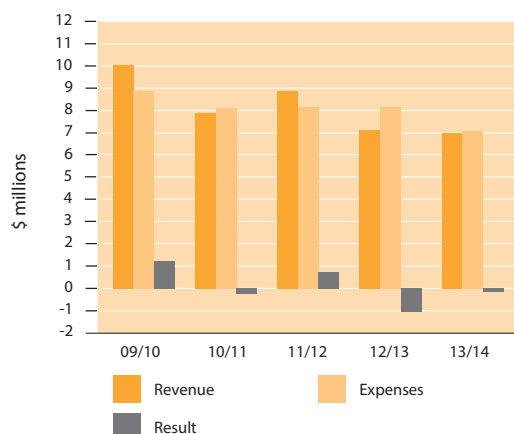
Five year summary of PPWCMA finances

	2013/14	2012/13	2011/12	2010/11	2009/10
Revenue					
Victorian Government Contributions	1,302,982	2,336,235	4,252,328	4,060,312	3,677,413
Australian Government Contributions	5,100,428	3,858,260	3,476,000	3,056,000	5,616,841
Other Revenue	547,560	926,145	1,155,108	746,900	732,286
Total Revenue	6,950,970	7,120,640	8,883,436	7,863,212	10,026,540
Expenses	7,057,375	7,929,105	8,131,948	8,101,279	8,836,577
Net Result for the Reporting Period	(106,405)	(808,465)	751,488	(238,067)	1,189,963
Net Cash Flow from Operating Activities	170,633	(604,248)	796,383	(132,676)	819,122
Total Assets	4,195,170	3,920,097	4,571,640	3,800,056	3,927,332
Total Liabilities	1,082,248	700,770	543,847	523,751	412,960

PPWCMA revenue and expenditure in 2013/14



PPWCMA five year financial summary



Financial report

Statutory Certification

We certify that the attached financial statements for the Port Phillip and Westernport Catchment Management Authority have been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to the financial report, presents fairly the financial transactions during the year ended 30 June 2014 and the financial position of the Authority as at 30 June 2014.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



Mr Neville Goodwin
Board Chair
Port Phillip and Westernport
Catchment Management Authority
(Chairman)



Mr David Buntine
Chief Executive Officer
Port Phillip and Westernport
Catchment Management Authority
(Accountable Officer)



Ms Carolyn Nicholson
Business and Governance Manager
Port Phillip and Westernport
Catchment Management Authority
(Chief Finance & Accounting Officer)

Dated August 18, 2014

Auditors report

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Port Phillip and Westernport Catchment Management Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of the Port Phillip and Westernport Catchment Management Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statutory certification has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Port Phillip and Westernport Catchment Management Authority as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Port Phillip and Westernport Catchment Management Authority for the year ended 30 June 2014 included both in the Port Phillip and Westernport Catchment Management Authority's annual report and on the website. The Board Members of the Port Phillip and Westernport Catchment Management Authority are responsible for the integrity of the Port Phillip and Westernport Catchment Management Authority's website. I have not been engaged to report on the integrity of the Port Phillip and Westernport Catchment Management Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
29 August 2014



John Doyle
Auditor-General

Auditing in the Public Interest

Comprehensive Operating Statement

For the Year Ended 30 June 2014

	Note	2013/14 \$	2012/13 \$
Revenue from Operating Activities	3		
Victorian Government Contributions		1,302,982	2,336,235
Australian Government Contributions		5,100,428	3,858,260
Other Contributions		378,218	655,967
Interest Revenue		126,155	187,333
		6,907,783	7,037,795
Income from Non-Operating Activities			
Other Income		43,187	82,845
		43,187	82,845
Total Income		6,950,970	7,120,640
Expenses			
Employee Benefits	1(c) (i)	2,338,475	2,373,272 ¹
Consultants		85,514	136,845
Grant Payments	1(c) (ii)	2,571,901	4,130,731
Supplies and Services	1(c) (iii)	2,053,231	1,279,787
Depreciation	6	8,254	8,470
Total Expenses		7,057,375	7,929,105
NET RESULT FOR THE YEAR		(106,405)	(808,465)¹
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(106,405)	(808,465)¹

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

¹ Refer note 1(s)

Balance Sheet

As at 30 June 2014

	Note	2013/14 \$	2012/13 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	3,974,114	3,805,584
Receivables	5	178,462	65,768
Prepayments		9,304	9,304
Total Current Assets		4,161,880	3,880,656
Non-Current Assets			
Plant and Equipment	6	33,290	39,441
Total Non-Current Assets		33,290	39,441
TOTAL ASSETS		4,195,170	3,920,097
LIABILITIES			
Current Liabilities			
Payables	7	671,427	199,878 ¹
Employee Benefits	8	365,081	434,725
Total Current Liabilities		1,036,508	634,603
Non-Current Liabilities			
Employee Benefits	8	45,740	66,167
Total Non-Current Liabilities		45,740	66,167
TOTAL LIABILITIES		1,082,248	700,770
NET ASSETS		3,112,922	3,219,327
EQUITY			
Accumulated Funds		1,137,017	1,244,171 ¹
Committed Funds Reserve	9	1,975,905	1,975,156
TOTAL EQUITY		3,112,922	3,219,327
Commitments	10 & 11	-	-
Contingent Liabilities and Assets	12	-	-

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

¹ Refer note 1(s)

Statement of changes in equity

For the Year Ended 30 June 2014

	Note	Committed Funds Reserve \$	Accumulated Funds \$	Total \$
Balance at 1 July 2012		2,498,352	1,529,441	4,027,792
Transfer from/to accumulated funds		(523,196)	523,196	-
Total comprehensive income for the year	1(s)	-	(808,465)	(808,465) ¹
Balance at 30 June 2013		1,975,156	1,244,171	3,219,327
Balance at 1 July 2013	9	1,975,156	1,244,171	3,219,327
Transfer from/to accumulated funds		749	(749)	-
Total comprehensive income for the year		-	(106,405)	(106,405)
Balance at 30 June 2014	9	1,975,905	1,137,017	3,112,922

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

¹ Refer note 1(s)

Cash Flow Statement

For the Year Ended 30 June 2014

Cash Flow from Operating Activities	Note	2013/14 \$	2012/13 \$
Receipts			
Government Contributions		6,403,410	6,194,495
Interest Received		116,913	181,035
Other Receipts		317,952	778,705
Total Receipts		6,838,275	7,154,235
Payments			
Employees		(2,424,043)	(2,282,298)
Grants		(2,571,901)	(4,130,732)
Suppliers and Other Payments		(1,273,949)	(894,283)
Goods & Services Tax Paid to ATO (on a net basis)		(397,749)	(451,170)
Total Payments		(6,667,642)	(7,758,483)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	13	170,633	(604,248)
Cash Flow from Investing Activities			
Receipts from Other Cash Assets		-	-
Payments for Plant and Equipment		(2,103)	(1,650)
NET CASH USED IN INVESTING ACTIVITIES		(2,103)	(1,650)
Net (Decrease)/Increase in Cash and Cash Equivalents		168,530	(605,898)
Cash and cash equivalents at the beginning of the Financial Year		3,805,584	4,411,482
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4	3,974,114	3,805,584

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

Notes to the Financial Report for the Year Ended 30 June 2014

Formation of the Authority

The Port Phillip and Westernport Catchment Management Authority ("the Authority") was established under the *Catchment and Land Protection Act 1994* on 29 October 2002. On that date the Authority acquired all the designated property, rights, liabilities, obligations, powers and functions of the Catchment and Land Protection Board, which was abolished on the constitution of the Authority.

Principal Activities

The principal activities of the Authority are the preparation of a Regional Catchment Strategy, coordinating and monitoring the implementation of the Regional Catchment Strategy, promoting community awareness of natural resource management and the provision of advice to the Victorian Government on matters relating to catchment and land management and protection.

Note 1 – Significant Accounting Policies

1(a) Basis of Accounting

(i) General

This financial report of the Authority is a general purpose financial report that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements. The general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASs), other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions. The Authority is a not-for-profit entity for the purpose of preparing the financial report.

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

This financial report has been prepared on a going concern and accrual basis, except for the Cash Flow Statement 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, unless otherwise stated.

These financial statements have been prepared under the historical cost convention, with the exception of certain classes of property, plant and equipment, detailed in note 1(f).

The annual financial report was authorised for issue by the Board on 18 August, 2014.

The principal address is:
Port Phillip and Westernport Catchment Management Authority
Level 1, Landmark Corporate Centre
454-472 Nepean Highway
Frankston, VIC 3199

(ii) Accounting policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

(iii) Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle, apart from employee benefits provision refer to note 1(j).

1(b) Revenue Recognition

(i) Government and Other Contributions

Government and other contributions for the financial year are recognised as revenue on receipt or when the Authority obtains control of the contribution and meets certain other criteria as outlined by AASB 1004, whichever is the sooner, and disclosed in the comprehensive operating statement as government and other contributions.

Contributions are both general purpose (not subject to conditions regarding their use) and specific purpose (paid for a particular purpose and/or have conditions attached regarding their use). Where such contributions are for a particular purpose they are reported and administered as committed project funds (refer to Note 9).

(ii) Interest

Interest revenue is recognised when earned.

1(c) Expense

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

(i) Employee Expenses

These expenses include all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave

entitlements, redundancy payments and WorkCover premiums.

(ii) Grant Payments

Grants payments are recognised as an expense in the reporting period in which they are paid or payable.

(iii) Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. These include the general day-to-day running costs incurred in normal operations (excluding consultants that are reported separately).

1(d) Cash and Cash Equivalent Assets

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1(e) Receivables

Receivables consist of:

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

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

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

Trade debtors are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for doubtful debts. A provision is made for doubtful debts based on a review of all outstanding receivables at balance date. Bad debts are written off in the period in which they are recognised

Notes to the Financial Report for the Year Ended 30 June 2014

Note 1 - Significant Accounting Policies - continued

1(f) Recognition and Measurement of Assets Plant & Equipment

Plant and equipment represent non-current assets comprising furniture, equipment, computers and accessories, used by the Authority in its operations. Items with a cost or value in excess of \$1,000 and a useful life of more than one year are recognised as an asset. Items with a cost or value less than \$1,000 are expensed in the current period.

(i) Measurement of Non-Current Physical Assets

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

(ii) Acquisition

The purchase method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given, liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Assets acquired at no cost or for nominal consideration by the Authority are recognised at fair value at the date of acquisition.

(iii) Impairment of Assets

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

1(g) Depreciation of Non-current Assets

The depreciable amount of all plant and equipment is depreciated on a straight line basis over the useful lives of the assets to the Authority commencing from the time the asset is held ready for use. Depreciation rates are reviewed on an annual basis and there was no change from prior year.

The depreciation rates used for each class of depreciable assets are:

Class of Plant and Equipment	Depreciation
Furniture and Equipment	10%
Computers and Accessories	20%

1(h) Payables

Payables consist of:

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

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

1(i) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries, annual leave and sick leave

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

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

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

(ii) Long Service Leave

Liability for long service leave (LSL) is recognised

in the provision for employee benefits.

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

The current LSL liability is measured at undiscounted value

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

(iii) Termination benefits

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

(iv) Superannuation

Employees of the Authority are entitled to receive superannuation benefits and the Authority contributes to both accumulation (defined contribution) and defined benefit plans. Superannuation contributions are made to the employees' funds based on the relevant rules of each plan. The defined benefit plan provides benefits based on years of service and final average salary.

The Authority does not recognise any defined benefit liability in respect of the plan because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its disclosure for administered items.

Superannuation contributions paid or payable for the reporting period are included as part of employee expenses in the comprehensive

Notes to the Financial Report for the Year Ended 30 June 2014

Note 1 - Significant Accounting Policies - continued

operating statement. For details and amounts expensed in relation to the major employee superannuation funds and contributions made refer to Note 15.

(v) On costs

Provisions for on costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

1(j) Commitments

Commitments (both capital and operating) are disclosed at their nominal value and exclusive of the goods and services tax (GST) payable.

1(k) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

1(l) Reserves

Reserves are amounts set aside for specific project funding, capital, lease and other commitments and are recognised in the balance sheet at nominal value.

1(m) Changes in Accounting Policy

The accounting policies are consistent with those of the previous year, unless stated otherwise.

1(n) Goods and Services Tax

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

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

Cash flows arising from operating activities are disclosed in the Cash Flow Statement on

a gross basis i.e. inclusive of GST. The GST component of cashflows arising from investing which is recoverable or payable to the taxation authority is classified as operating cash flows.

1(o) Comparative amounts

Where necessary the figures of the prior year have been amended to align with the presentation adopted in the current year.

1(p) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor and are charged as expenses in the periods in which they are incurred.

1(q) New Accounting Standards for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period. As at 30 June 2014, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2014. The Authority has not and does not intend to adopt these standards early. The Department of Treasury and Finance assesses the impact of all these new standards and advises the Authority of their applicability and early adoption where applicable.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
AASB 9	This standard simplifies requirements for classification and measurement of financial assets resulting from Phase 1 of IASB's project to replace IAS 39 Financial Instruments; Recognition and Measurement (AASB 139 Financial Instruments; Recognition and Measurement)	1 January 2017	<p>The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2013-14 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB Interpretation 21 Levies.

Notes to the Financial Report for the Year Ended 30 June 2014

Note 1 - Significant Accounting Policies - continued

1(r) Changes in accounting policies

Subsequent to the 2012-13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when the Authority is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Authority has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, the Authority has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Authority. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including *AASB 7 Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under *AASB 7 Financial Instruments: Disclosures*.

AASB 119 Employee benefits

In 2013-14, the Authority has applied AASB 119 Employee benefits (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to

the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the Authority.

The revised standard also changes the definition of short term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Authority as short term employee benefits no longer meet this definition and are now classified as long term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

The Authority considers the change in classification has not materially altered its measurement of the annual leave provision.

1(s) Correction of error

It was determined that a payroll accrual had not been recorded in the 2012 and 2013 years resulting in the employee benefits costs being understated by \$23,865. This error had the effect of understating payables and liabilities by \$23,865, and overstating net result and total equity by \$23,865 as at 30 June 2013.

The error as described above has been corrected by restating each of the affected financial statement line items for the prior year.

Note 2 – Financial Risk Management Objectives and Policies

The Authority's activities expose it to financial risks: market, credit and liquidity risks. This note presents information about the Authority's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

There is no foreign currency risk as the Authority does not trade outside of Australia.

The Authority's Board has the overall responsibility for the establishment and oversight of the Authority's risk management framework. The Authority's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Authority. The Authority uses different methods to measure different types of risk to which it is exposed.

The Business Management Team identifies, evaluates and manages financial risks in close co-operation with the Audit Committee. The Board provides written principles for overall risk management, as well as policies covering specific areas such as interest rate risk and investment of excess liquidity.

2(a) Market Risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Authority's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Authority's exposure to market risk is primarily through interest rate risk, and is limited to At Call funds, there is no exposure to foreign exchange risk and other price risks.

(i) Interest Rate Risk

The Authority's exposure to market interest rates relates to funds invested in the money market. The Authority does not have any borrowings.

The Authority has minimal exposure to interest rate risk through its holding of cash assets. The Authority manages its interest rate risk by maintaining a diversified portfolio.

(ii) Foreign Exchange Risk

The Authority has no exposure to changes to foreign exchange rates.

(iii) Other Price Risk

The Authority has no exposure in other price risk.

Notes to the Financial Report for the Year Ended 30 June 2014

Note 2 – Financial Risk Management Objectives and Policies – Continued

2(b) Market Risk Sensitivity Analysis

The sensitivity analysis has taken into account past performance, future expectations and economic forecasts. The Authority believes that a movement of 1% in interest rates is reasonable over the next 12 months.

	Interest Rate Risk				
	-1%		+1%		
	Carrying Amount \$	Results \$	Equity \$	Results \$	Equity \$
2013/14					
Financial Assets					
Cash and Cash Equivalents	3,974,114	(5,736)	(5,736)	5,736	5,736
Receivables	118,742	-	-	-	-
Financial Liabilities					
Payables	611,589	-	-	-	-
Total Increase/(Decrease)		(5,736)	(5,736)	5,736	5,736

	Interest Rate Risk				
	-1%		+1%		
	Carrying Amount \$	Results \$	Equity \$	Results \$	Equity \$
2012/13					
Financial Assets					
Cash and Cash Equivalents	3,805,584	(11,051)	(11,051)	11,051	11,051
Receivables	65,768				
Financial Liabilities					
Payables	199,878 ¹				
Total Increase/(Decrease)		(11,051)	(11,051)	11,051	11,051

¹ Refer note 1(s)

2(c) Credit Risk

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

The Authority's exposure to credit risk is minimal due to the characteristics of each customer. The receivable balance consists primarily of Government entities and the risk of failure to meet their obligations is minimal. Receivable balances are monitored on an on-going basis to assess the exposure to bad debts.

2(d) Liquidity Risk

Liquidity Risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's policy is to settle financial obligations within 30 days and in the event of dispute make payments within 30 days from the date of resolution.

The Authority manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The Authority does not have any interest bearing liabilities.

2(e) Fair Value Measurements

Financial instruments comprise of Cash, Receivables and Accounts Payable. These financial instruments have a short-term maturity. Accordingly, it is considered that carrying amounts reflect fair values.

Notes to the Financial Report for the Year Ended 30 June 2014

Note 3 - Revenue From Operating Activities

	2013/14 \$	2012/13 \$
Victorian Government Contributions		
Department of Environment and Primary Industries	1,302,982	2,336,235
	1,302,982	2,336,235
Australian Government Contributions		
Caring for our Country	2,889,544	2,996,000
Department of Agriculture, Forests & Fisheries	-	166,000
Department of Sustainability, Environment, Water, Population and Communities	277,944	-
Biodiversity Fund	1,932,940	696,260
	5,100,428	3,858,260
Other Contributions		
Local Governments and Agencies	-	435,000
Corporate Sponsorship	70,000	23,636
Partner Contributions	294,000	185,000
Landholder Contributions	14,218	12,331
	378,218	655,967

Note 4 – Cash and Cash Equivalents

	2013/14 \$	2012/13 \$
Cash at Bank	9,558	39,386
Petty Cash	500	500
Cash at Call	564,056	1,065,698
Short Term Deposits	3,400,00	2,700,000
Total Cash and Cash Equivalents*	3,974,114	3,805,584

*\$1,975,905 of \$3,974,114 cash and cash equivalents held at balance date are committed to specific projects for which funding has been provided to the Authority (2012/13 \$1,975,156 of \$3,805,584)

The Short Term Deposits are bearing fixed interest rates between 3.11% and 3.18% (2012/13: 3.29% and 3.32%)

Note 5 - Receivables

	2013/14 \$	2012/13 \$
Contractual		
Trade Debtors	104,500	5,534
Security Deposit Paid	5,000	5,000
Accrued Interest	9,242	6,297
Statutory		
GST Receivable	59,720	48,937
Total Receivables	178,462	65,768

(a) **Ageing analysis of contractual receivables**

Please refer to the table in Note 17, section (b) for the ageing analysis of contractual receivables

(b) **Nature and extent of risk arising from contractual receivables**

Please refer to Note 11 for the nature and extent of risks arising from contractual receivables

Note 6 - Plant and Equipment

	2013/14 \$	2012/13 \$
Plant and Equipment	79,073	76,970
Less accumulated depreciation	(45,783)	(37,529)
Total Plant and Equipment	33,290	39,441

Notes to the Financial Report for the Year Ended 30 June 2014

Note 6 – Plant and Equipment – Continued

Reconciliation of Plant and Equipment	Computers & Accessories \$	Furniture & Equipment \$	Total \$
Opening Balance 1 July 2013	11,648	27,793	39,441
Additions	1,013	1,090	2,103
Depreciation expense	(3,845)	(4,409)	(8,254)
Closing Balance 30 June 2014	8,816	24,474	33,290

	Computers & Accessories \$	Furniture & Equipment \$	Total \$
Opening Balance 1 July 2012	14,113	32,148	46,261
Additions	1,650	-	1,650
Depreciation expense	(4,115)	(4,355)	(8,470)
Closing Balance 30 June 2013	11,648	27,793	39,441

Fair value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at 30/06/14	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Plant and equipment at fair value	33,290			33,290

Notes:

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

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2014. For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of level 3 fair value	Plant & Equipment \$
Opening Balance	39,441
Purchases (Sales)	2,103
Transfer in (out) of Level 3	-
Gains or losses recognised in net result	-
Depreciations	(8,254)
Impairment loss	-
Subtotal	(6,151)
Gains or losses in other economic flows – other comprehensive income	-
Revaluation	-
Subtotal	-
Closing balance	33,290
Unrealised gains/losses on non-financial assets	-

Notes to the Financial Report for the Year Ended 30 June 2014

Note 6 - Reconciliation of Plant and Equipment – Continued

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant observable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Plant and Equipment	Depreciated replacement cost	Cost per unit	\$3,000-\$4,000 per unit	A significant increase or decrease in cost per unit will result in a significantly higher or lower fair value
		Useful life of plant and equipment	5-10 years (7 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation

Note 7 - Payables

	2013/14 \$	2012/13 \$
Contractual	536,022	134,905
Trade Creditors	64,812	34,400 ¹
Accrued Expenses	10,755	-
Other Creditors		
Statutory		
PAYG Withheld	47,916	30,573
Payroll Tax	11,922	-
Total Payables	671,427	199,878

Note 8 - Employee Benefits

Current	2013/14 \$	2012/13 \$
Annual Leave - Unconditional and expected to be settled within next 12 months - measured at nominal value	136,543	187,221
Annual Leave - Unconditional and expected to be settled after 12 months - measured at present value	23,358	-
Long Service Leave – measured at nominal value	191,788	231,056
Time in Lieu	13,392	16,448
Total Current Employee Benefits	365,081	434,725
Non-Current		
Long Service Leave – measured at present value	45,740	66,167
Total Non-Current Employee Benefits	45,740	66,167
Total Employee Benefits at Year End	410,821	500,892

The following assumptions were adopted in measuring the present value of long service leave and annual leave entitlements:

	2013/14	2012/13
Weighted average increase in employee costs	4.4380%	4.5000%
Weighted average discount rates	3.5710%	3.7900%
Weighted average settlement period	7 years	7 years

¹ Refer note 1(s)

Notes to the Financial Report for the Year Ended 30 June 2014

Note 9 – Committed Funds Reserve

Port Phillip and Westernport Catchment Management Authority is 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 receives funding for specific projects which are guided by the Regional Catchment Strategy and delivered in line with the Authority's Corporate Plan approved by the Minister for Environment and Climate Change and the Minister for Water.

The projects funded by the Victorian and Australian 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 significant cash and cash equivalents that will be utilised to complete these projects in future financial years. Refer Note 4 - Cash and Cash Equivalent for balances on hand.

Note 10 - Lease Commitments

Operating leases relate to office facilities, vehicles, and office equipment with lease terms between one and five years, with an option to extend. All operating lease contracts contain market review clauses in the event that the Authority exercises its option to renew. The Authority does not have an option to purchase the leased assets at the expiry of the lease period.

At 30 June 2014 the Authority had the following lease commitments

	2013/14 \$	2012/13 \$
Within one year	223,469	329,093
Later than one year but not later than five years	264,783	414,807
Total Lease Commitments	488,252	743,900

Note 11 - Capital Commitments

As at 30 June 2014, the Authority had no outstanding capital commitments (30 June 2013: Nil).

Note 12 - Contingent Liabilities and Assets

As at 30 June 2014 the Authority had no contingent liabilities and contingent assets (2012/13: Nil).

Note 13 - Reconciliation of Net Result for the Reporting Period to Net Cash Flows from Operating Activities

		2013/14 \$	2012/13 \$
Net result for the Reporting Period	1(s)	(106,405)	(808,645)¹
Depreciation		8,254	8,470
Changes in Assets and Liabilities			
Decrease/ (Increase) in Receivables		(112,694)	33,596
Decrease /(Increase) in Prepayments		-	5,229
Increase /(Decrease) in Creditors and Accruals	1(s)	471,550	89,995 ¹
Increase /(Decrease) in Employee Entitlements		(90,073)	67,107
Net Cash Inflow/(Outflow) from Operating Activities		170,633	(604,248)

¹ Refer note 1(s)

Note 14 – Financing Arrangements

The Authority has no overdraft or other financing facilities (2012/13: Nil).

Notes to the Financial Report for the Year Ended 30 June 2014

Note 15 - Superannuation

The Authority's contribution details and amounts expensed in relation to the employee superannuation funds are as follows:

Scheme	Type	2013/14		2012/13	
		Rate %	\$	Rate %	\$
Vic Super	Accumulation	9.25	52,717	9	45,341
Australian Super	Accumulation	9.25	16,912	9	13,182
Emergency Services & State Super	Defined Benefits	10.3	12,829	10.3	12,516
IOOF Portfolio Service	Accumulation	9.25	9,670	9	9,445
Mercer Super Trust	Accumulation	9.25	9,450	9	9,383
Care Super	Accumulation	9.25	8,894	9	8,062
DIY Master Plan	Accumulation	9.25	7,594	9	-
HESTA Super Fund	Accumulation	9.25	7,342	9	7,091
HOST plus	Accumulation	9.25	7,115	9	6,879
BT Business Super	Accumulation	9.25	6,681	9	-
Telstra Super Pty Ltd	Accumulation	9.25	6,286	9	6,114
Vision Super	Accumulation	9.25	6,223	9	8,572
Others	Accumulation	9.25	11,978	9	36,071
TOTAL			163,691		162,656

There were no loans from the Superannuation Funds to the Authority during the year.

Outstanding superannuation contributions as at 30 June 2014 are \$12,515, (2012/13: Nil)

Note 16 – Responsible Persons and Accountable Officer Disclosure

Responsible Ministers

The Ministers responsible for the Authority during the financial year were:

- the Hon Ryan James Smith, MP, Minister for Environment and Climate Change (1 July 2013 - 30 June 2014) and
- the Hon Peter Walsh, MLA, Minister for Water (1 July 2013 - 30 June 2014)

The remuneration for the Ministers is separately disclosed in the accounts of the Authority of Premier and Cabinet.

Accountable Officer

The person who held the position of Accountable Officer in the Authority during the financial year was Mr David Buntine (Chief Executive Officer).

Remuneration of Accountable Officer

Remuneration received or receivable by the Accountable Officer in connection with the management of the Authority during the financial year was in the range:

\$180,000 - \$189,999

(2012/13: \$180,000 - \$189,999)

Notes to the Financial Report for the Year Ended 30 June 2014

Note 16 - Responsible Persons and Accountable Officer Disclosure continued

Board Members

The persons who were Board Members at any time during the financial year were:

Name	Date of Tenure
Neville Goodwin-Chair	1 July 2011 to 30 September 2017
Peter Akers	1 July 2011 to 30 September 2013, 14 October 2013 to 30 September 2015
Kay Spierings	11 July 2011 to 30 September 2015
Arron Wood	11 July 2011 to 30 September 2015
Laura Mumaw	1 October 2011 to 30 September 2015
Gregory Aplin	14 October 2013 to 30 September 2017
Sarah Ewing	14 October 2013 to 30 September 2017
Lance Jennison	1 July 2009 to 30 September 2013,
Jane Jobe	1 July 2009 to 30 September 2013, 14 October 2013 to 30 September 2017
Jacquelyn Ross	1 July 2009 to 30 September 2013, 14 October 2013 to 30 September 2017

Remuneration of Board Members

The number of Board Members whose remuneration from the Authority was within the specified bands is as follows:

\$	2013/14	2012/13
0-9,999	3	1
10,000 - 19,999	6	7
20,000 - 29,999	1	1
Total remuneration received or due and receivable Board Members from the reporting entity amounted to:	\$124,435	\$121,263

Loans

There were no loans in existence by the Authority to Responsible Persons or related parties at the date of this report.

Payments to other personnel

The Authority did not have any executive officers or other personnel with significant management responsibilities.

Note 17 – Financial Instruments

(a) The Authority's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the balance date are as follows:

	Fixed Interest Rate Risk		Floating Interest Rate Risk		Non-Interest Bearing Risk		Total	
	2013/14 \$	2012/13 \$	2013/14 \$	2012/13 \$	2013/14 \$	2012/13 \$	2013/14 \$	2012/13 \$
(i) Financial Assets								
Cash Assets	3,400,000	2,700,00	573,615	1,105,084	500	500	3,974,114	3,805,584
Receivables					118,742	16,831	118,742	16,831
(ii) Financial Liabilities								
Payables					611,589	199,878 ¹	611,589	199,878 ¹
Weighted average interest rate	3.12%	4.01%	2.26%	2.91%				

¹ Refer note 1(s)

Notes to the Financial Report for the Year Ended 30 June 2014

Note 17 - Financial Instruments continued

The Authority's exposure to interest rate risk would mainly arise from any financial assets and financial liabilities which are held to maturity and bear variable interest rates as their values will fluctuate according to changes in market rates.

(b) Ageing analysis of financial assets

	Carrying Amount \$	Not past due date & not impaired \$	Past due date but not impaired			
			Less than 1 month \$	1 – 6 months \$	Over 6 months \$	Impaired \$
2014 Receivables:						
Amounts owed by other Government agencies	104,500	88,000	-	16,500	-	-
Other receivables	14,242	14,242	-	-	-	-
Total	118,742	102,242	-	16,500	-	-
2013 Receivables:						
Amounts owed by other Government agencies	5,534	3,218	-	2,317	-	-
Other receivables	11,297	11,297	-	-	-	-
Total	16,831	14,514	-	2,317	-	-

(c) Maturity analysis of financial liabilities

	Carrying Amount \$	Nominal Amount \$	Maturity Dates		
			Less than 1 month \$	1 – 6 months \$	Over 6 months \$
2014 Payables:					
Amounts owed to other Government agencies	66,493	66,493	66,493	-	-
Other payables	545,096	545,096	545,096	-	-
Total	611,589	611,589	611,589	-	-
2013 Payables:					
Amounts owed to other Government agencies	14,555	14,555	14,555	-	-
Other payables	185,323 ¹	185,323 ¹	185,323 ¹	-	-
Total	199,878¹	199,878¹	199,878¹	-	-

¹ Refer note 1(s)

Note 18 - Remuneration of Auditors

	2013/14 \$	2012/13 \$
Amounts paid or payable to the Victorian Auditor General's Office for the audit of the Authority's financial statements.	7,300	7,100

Note 19 - Subsequent Events

The Authority is not aware of any events that have occurred since balance date, which would, in the absence of disclosure, cause the financial statements to become misleading (2012/13: Nil).

Disclosure Index

The annual report of the PPWCMA is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Acronyms

Acronym	Meaning
CARTs	Catchment Action Round Tables
CEO	Chief Executive Officer
EPBC	The listing of nationally threatened native species and ecological communities, native migratory species and marine species.
FOI	Freedom of Information
FTE	Full-time Employee
IBAC	Independent Broad-based Anti-corruption Commission of Victoria
KPI	Key performance indicator
NRM	Natural Resource Management
OH&S	Occupational Health & Safety
PPWCMA	Port Phillip and Westernport Catchment Management Authority
RCS	Regional Catchment Strategy
WH&S	Workplace Health and Safety

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**Port Phillip &
Westernport CMA**

Collaboration for the environment

**Port Phillip & Westernport
Catchment Management Authority**

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