

AFTER ALMOST A DECADE OF DROUGHT, HEAVY RAINS PRODUCED UNPRECEDENTED SPRING AND SUMMER FLOODING IN NORTH EAST VICTORIA IN 2010/2011. AS THE AGENCY RESPONSIBLE FOR FLOODPLAIN MANAGEMENT AND RIVER HEALTH IN THE REGION, WE FOCUSED A LARGE PART OF OUR OPERATIONS ON FLOOD RESPONSE AND RECOVERY.



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

Annual Report 2010/2011



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01 Anthony Griffiths (CMA Board), Victorian Minister for Environment and Climate Change, Hon Ryan Smith, and Paul Carrick (CMA Board) joined an interagency flood inspection tour of the catchment in November.

02 More than 700 landholders requested assistance from the CMA through the Flood Recovery program.

03 CMA staff and contractors undertook critical emergency river health works to protect public assets, particularly in response to serious threats along the Ovens, Buffalo, King and Kiewa Rivers and Nariel Creek.

04 Victorian Premier, Ted Baillieu, visited the Wangaratta Incident Control Centre in December for a flood briefing for a flood briefing from SES and CMA representatives. (Photo courtesy of Border Mail.)

05-06 With an eye to future planning processes, the CMA commissioned aerial photography and pegged waterways to mark out flood peaks.

COVER PHOTO STORY

After almost a decade of drought, heavy rains fell in North East Victoria in September, October and December 2010, and again in mid January and early February 2011.

These floodwaters caused damage in many parts of the catchment. However, these natural events also replenished wetlands and helped to recharge depleted groundwater and surface water supplies.

The North East CMA received Victorian Government funding to deliver a large scale Flood Response program across the catchment. We responded to more than 700 requests for assistance from landholders, and protected and repaired public assets and infrastructure on more than 130 sites.

(Cover photo by Natalie Ord, North East CMA)

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07 In June 2011 farmers from across the region, researchers and agency staff attended 'bugs in the system', a forum about soil biology and sustainability organised by the North East and Murray CMAs.

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MESSAGE FROM THE CHAIR



2010/2011 presented an incredible range of challenges and opportunities for the North East CMA.

Multiple flood events directly impacted on key natural assets in our region, especially rivers, wetlands and soils. In places, floodwaters caused widespread damage to public and private infrastructure.

In response to these challenges, the North East CMA assisted in emergency operations and conducted regular briefings and field tours for MPs and Victorian Government representatives to explain the environmental and economic impacts of flooding in our region. Simultaneously, we started to roll out a large-scale flood recovery works program that saw us interacting with landholders, local government and partner agencies in all parts our catchment.

As a Board, we contributed to wider Statewide and National processes. During the year, we made submissions to the Murray Darling Basin Authority as part of the Basin planning process, and contributed to the flood review undertaken by Neil Comrie.

At a regional level, we prioritised community consultation as part of a wider willows study initiated through Flood Recovery program.

Community engagement lies at the heart of North East CMA operations and is consistent with strategic areas endorsed by our Board.

Following the election of the new Victorian Government, and subsequent news that a proposed amalgamation of CMAs would not proceed, our Board came together for a planning workshop in March. We agreed that the key areas of strategic opportunities over the next five years will be:

- engagement and partnering,
- focussing on core business activities and
- building a proactive and collaborative culture.

I would like to thank the outgoing Chair, Paul Carrick, for his contribution over the last two years.

I would also like to thank our outgoing CEO for his long standing contribution to the North East CMA. John joined the CMA at its inception in 1997. Over time, he has grown the organisation into an agency that is recognised for its innovation, connections to community and strong commitment to protecting the natural assets of the North East.

The Board is working to identify and appoint a successor to John who will continue to lead and innovate in our region.

Lyn Coulston
Chairperson - North East CMA

MESSAGE FROM THE CEO

Many people living in North East Victoria will remember 2010/2011 as a time of high rainfall and flooding.

After almost a decade of drought, heavy rains fell in our region in September, October and December 2010, and again in mid January and early February 2011.

These floodwaters caused damage in many parts of our catchment. However these natural events also replenished our wetlands and helped to recharge depleted groundwater and surface water supplies in our region.

As the agency responsible for floodplain management and river health in our region, the North East CMA focussed a large part of its operations on flood response and recovery during the year.

During and in the immediate aftermath of successive floods, we helped SES staff to interpret flooding data and deployed field staff to hotspot areas to carry out surveillance and rapid appraisal flood damage assessments. With an eye to future planning processes, we also commissioned aerial photography and pegged waterways to mark out flood peaks.

From a works perspective, the Victorian Government allocated \$5.7 million in funding for a Flood Recovery program to assist eligible north east landholders affected by floods. Through this program the North East CMA received funding to:

- restore river erosion where it threatened public assets or could cause a river breakaway,
- protect public assets and previous CMA works damaged by flooding, and
- remove debris that posed a threat of damage should flooding occur in future.

Through this program, we responded to and assessed more than 700 assistance requests from landholders impacted by floods. Although multiple flood events restricted access to sites, we completed works on 133 of the 437 eligible sites for which we received requests for assistance. Flood recovery will continue as a priority program through until June 2012.

In the wake of the floods, willow management emerged as a key area of community interest. We commissioned independent research to assess how willows influenced channel change in streams during flooding in our region and invited people to share their views on this topic. This ongoing research and community consultation will inform future CMA policy and help us to determine the implications for future willow management undertaken throughout the river health program.

Although flooding was a dominant influence this year, we also continued to foster and support sustainable agriculture and protect biodiversity in our region.

We completed soil testing for 500 landholders and more than 350 people attended field days, agronomic sessions and forums run through our 'Caring for our Country' Sustainable Farming Practices: Soil Carbon project.

The multi-region \$3 million 'Caring for our Country' Threatened Grassy Woodlands project also continued to achieve results. Seven local councils undertook targeted weed control along roadside areas. A biodiversity 'super sleuth', Dr Damian Michael from ANU, visited farms and roadside reserves across the North East and Goulburn Broken catchments to monitor birds, reptiles, vegetation and arboreal marsupials. Eleven workshops for sharing & building indigenous community skills & knowledge were held in priority woodland areas.



In closing, I would like to thank all those who have supported the work of the CMA this year and previously.

After more than 13 years at the helm, I recently tendered my resignation as Chief Executive Officer. I have thoroughly enjoyed my work with the CMA, particularly my networking with staff and board members, the regional community, and our major delivery partners. I have particularly enjoyed the challenges of translating policy into works on the ground and being accountable to the local community.

In accordance with the Financial Management Act (1994) I am pleased to present the Report of Operations for the North East Catchment Management Authority for the year ending 30 June 2011.

John Riddiford
Chief Executive Officer

10 Farmers across the catchment joined the Threatened Grassy Woodlands project.

11 Doug Paton (Upper Murray farmer), Professor Lynette Abbott (University of WA) and Chris Reid (Land Stewardship Manager, North East CMA).



OUR VISION

TO BE A RESPECTED AND VALUED LEADER IN NATURAL RESOURCE MANAGEMENT IN THE REGION BY WORKING WITH OTHERS TO ACHIEVE IMPROVED CATCHMENT OUTCOMES.

OUR MISSION

We are a practical, community-focused, regional government authority working in collaboration with the community and partners to build diverse and healthy landscapes across North East Victoria. Our work is guided by science and implemented through effective partnerships. In line with the above,

- the North East CMA's key services (or core activities) are advice, grants, works, education and regulation
- its clients are the community, government/s, ministers, partner agencies, local government and other stakeholders
- its channels are the development of the Regional Catchment Strategy (RCS), setting NRM priorities, and the coordination of the delivery of NRM programs. In so doing the CMA, via the RCS, sets out how the catchments in the region are to be managed.

OUR HIGHER PURPOSE

To foster community capacity and awareness around natural resource management issues to benefit current and future generations.

OUR CATCHMENT

RAINFALL AND STORAGE DATA

The CMA's rain gauge adjacent to our Wodonga office measured 1021 millimetres for the 2010 calendar year, compared with 496 millimetres in 2009.

Flooding rains and one of the wettest spring seasons on record in Victoria culminated in the State recording its 5th wettest year. Almost two-thirds of the State received rainfall totals very much above the long-term average in 2010.

Although Victoria observed several wet months early in 2010, most of the rain was recorded in the second half of the year.

The wettest locations in the State were in the Alpine area, with Falls Creek (Rocky Valley) taking the honours for the wettest spot, recording in excess of 3,000 mm for the year.

Significant rainfall events during September and December resulted in two major flood events across Victoria. The rainfall associated with the September event (4th-6th) was widespread, but concentrated to the north of the Divide, resulting in major and moderate flooding spanning the north from the east to the west of the State.

TABLE 1
GENERAL REGIONAL STATISTICS

Population	100,000
Area	1,957,000 ha
Public Land	55%
Length of Streams	10,602 km
Water Supply	Region provides 38% of the total water to the Murray-Darling Basin

TABLE 2 RAINFALL DATA BY CALENDAR YEAR

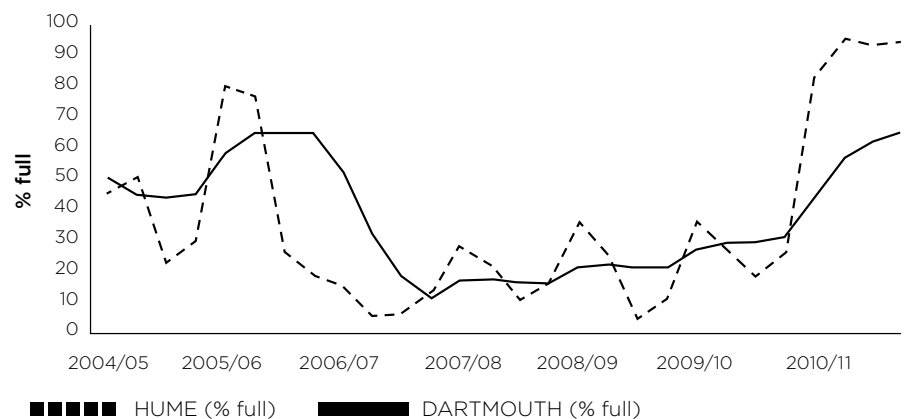
TOWN	ANNUAL RAINFALL CALENDAR YEAR (MM)								LONG TERM AVERAGE RAINFALL (MM)	LOWEST YEAR PRIOR TO 2003 (MM)
	2010	2009	2008	2007	2006	2005	2004	2003		
Wodonga	905	476	495	528	287	728	498	715	714	348 (2002)
Wangaratta	895	421	489	442	283	846	492	658	636	385 (1998)
Corryong	1174	664	480	679	339	846	609	955	775	344 (1967)
Bright	1613	868	841	955	606	1,197	893	1326	1,136	578 (1982)
Omeo	872	414	476	663	365	698	518	585	673	430 (1938)

Rainfall data courtesy of Australian Bureau of Meteorology.

TABLE 3 MAJOR WATER STORAGES (AT CAPACITY)

Storage	Capacity (ML)
Dartmouth Dam	3,906,400
Lake Buffalo	24,000
Lake William Hovell	13,500
Hume Weir	3,038,000
Rocky Valley Dam	29,110

GRAPH 1 STORAGE LEVEL - HUME WEIR & DARTMOUTH DAM



EXECUTIVE SUMMARY: MANAGEMENT AND CATCHMENT OVERVIEW

This section of our Annual Report reflects the management and condition of the North East region from a natural resource management perspective.

It is set out according to these headline themes*:

1. Biodiversity
2. Inland Aquatic Ecosystems
3. Land Health
4. Environmental Stewardship
5. Community Capacity

The **Management Summary** describes what main activities were undertaken by key NRM agencies in the North East CMA region during 2010/2011 to address priority issues, improve the condition of assets and engage with our community. This summary includes activities undertaken by the Department of Sustainability & Environment (DSE), the Department of Primary Industries (DPI), North East CMA, and Trust for Nature.

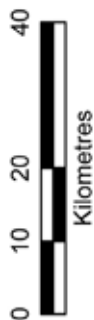
The **Catchment Condition** report offers an assessment of condition across the North East catchment according to the key themes and highlights achievements made at a project level. The map on page 7 provides a visual overview of these projects.

*Marine ecosystems not applicable in the North East.

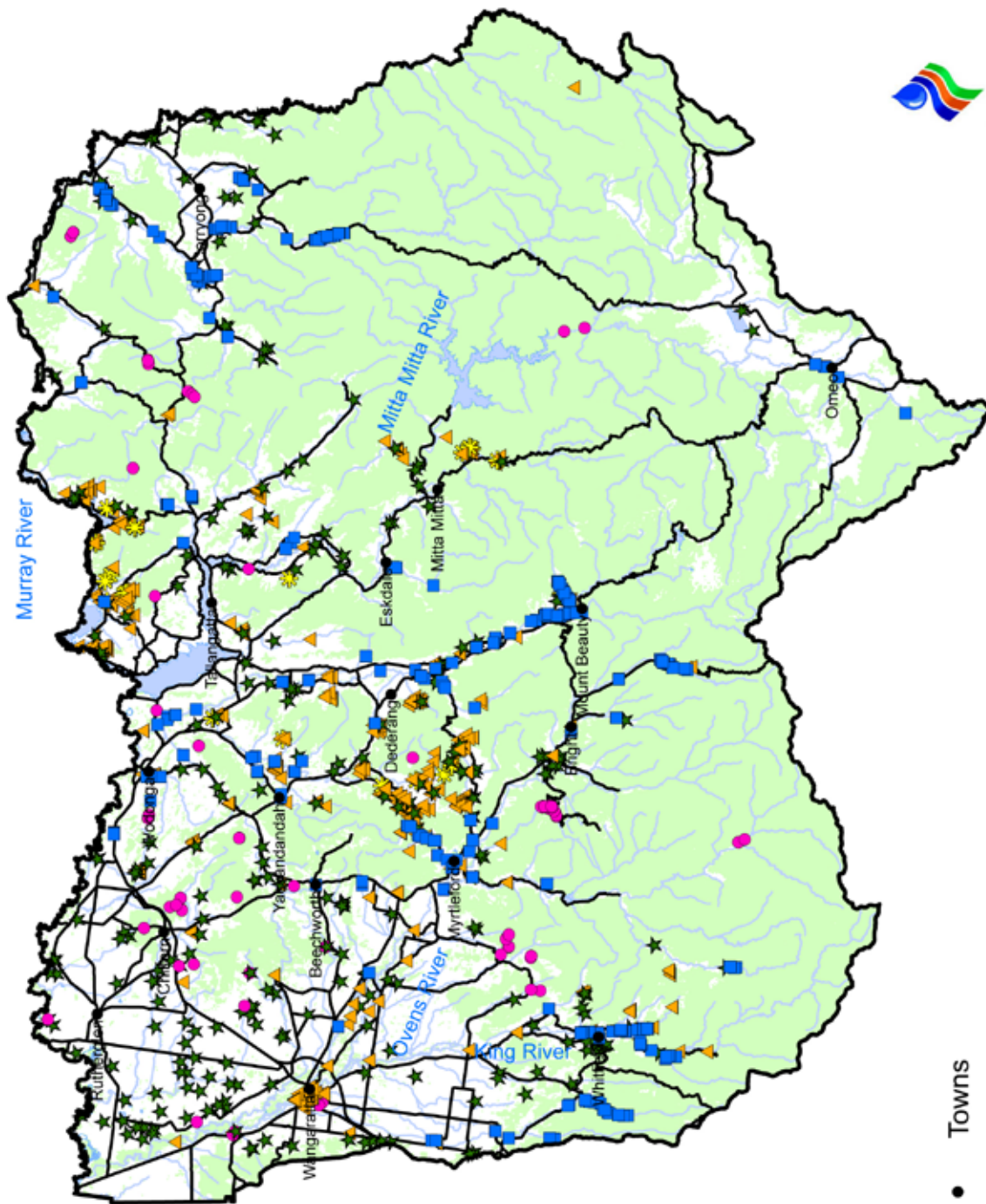


Headline Theme Activities

- Inland Aquatic Ecosystems
- Biodiversity
- ★ Land Health
- ▲ Community Capacity
- ✱ Environmental Stewardship



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 This publication may be of assistance to you but the State of Victoria, its employees and the employees of the North East CMA do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.



- Towns
- Major roads
- Tree cover

BIODIVERSITY

MANAGEMENT SUMMARY

Management to improve the quality and extent of native vegetation and the state of threatened fauna and flora species.

The key biodiversity delivery partners in the region continued to secure conservation agreements with land managers to protect, enhance and restore priority vegetation communities and remnant native vegetation in priority locations.

Through the **North East Threatened Species** program, DSE implemented action statements and recovery plans in high priority locations for these threatened species:

- two fish species (Trout Cod, Macquarie Perch);
- four frog species (Spotted Tree Frog, Booroolong Tree Frog, Growling Grass Frog and Alpine Tree Frog);
- two Alpine Herpetofauna (Alpine She-oak Skink and Guthega Skink);
- Mountain Pygmy Possum;
- Golden Sun Moth and Striated Sun Moth;
- Regent Honeyeater and Swift Parrot;
- Carpet Python;
- seven nationally threatened Orchid species;
- six State threatened Orchid species;
- four nationally threatened flora species; and
- six State threatened woodland flora species.

Trust for Nature continued to successfully broker permanent protection on private land in the North East. The Trust has registered and signed deeds (pending titles office registration) for 55 covenants that will protect 2,918 hectares, including the 897 hectare "Landscape Covenant" on the Lower Ovens River.

KEY ACHIEVEMENTS

- DSE rediscovered Open Summer Grass, *Digitaria diffusa*, a grass species previously recorded as extinct in Victoria.
- Targets were exceeded in both permanent protection of remnant vegetation delivered through Trust for Nature and 10 year remnant vegetation conservation agreements delivered through DSE.
- Trust for Nature secured eight contracts for new covenants, covering an area of 159.5 hectares.
- Dramatic improvement in environmental condition of wetlands with increased rainfall and in response to rehabilitation works.
- High average quality of sites under conservation covenants.
- The \$3 million multi-regional **Threatened Grassy Woodlands** project secured approximately 1085 hectares of threatened woodlands under management agreement in 2010/2011, including 34 hectares under covenant in the North East, Goulburn Broken and Murray CMA regions.

KEY CHALLENGES

- Numerous high rainfall and flood events forced a refocus to emergency flood recovery and soil conservation works, leading to work delays or variances. These conditions created challenges for all project delivery, with
 - o flooding and saturated soils preventing access to sites for assessment and works completion;
 - o increased soil moisture contributing to high weed infestations, particularly in threatened grassy and woodland flora sites;
 - o restricted access to some sites (flat and hill country) due to saturated soils created delays in delivery.
- Programs being delivered outside the regional model, such as Bush Tender, have increased the challenge in brokering participation.
- The implementation of rare and threatened species Action Statements and Recovery Plans had only enough funding for high priority actions in high priority locations from the ABC database.

12 Australian National University conducted baseline biodiversity monitoring as part of the Threatened Grassy Woodlands project. Pictured Dr. Damian Michael (ANU) and Mary Munro (North East CMA).

13 The North East region has a high number of rare or threatened species.

CATCHMENT CONDITION

BIODIVERSITY THEME	SUMMARY
INCLUDES THE QUALITY AND EXTENT OF NATIVE VEGETATION AND THE STATE OF THREATENED FAUNA AND FLORA SPECIES.	OVERALL CONDITION STATUS: Moderate
	TREND: Declining



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Since 1750 the extent and quality of native vegetation in North East Victoria has significantly declined in certain areas.

It is estimated that the region has approximately 62% of native vegetation remaining, with a net loss of 298 habitat hectares per year. This decline is most extensive on private land, with only 17% of native vegetation originally on private land remaining. Of the eight bioregions represented in the region, half have 31% or less of native vegetation cover.

The region has a high number of rare or threatened species, including:

- 227 rare or threatened flora species, of which 60 are nationally threatened; and
- 102 rare or threatened fauna species, of which five are nationally threatened.

This high number of threatened species can be attributed to the impact of native vegetation loss on private land. The high percentage (55%) of the region as public land, which includes numerous National Parks, protects rare and threatened species.

After almost a decade of drought, climatic conditions in the region improved in 2010/2011 with numerous rainfall/flood events. This resulted in improved environmental condition for ecosystems, particularly wetlands. Warm, wet conditions encouraged strong growth of summer-growing native grasses, boosted riverine forests and aided natural regeneration of shrubs and eucalypts in threatened grassy woodland ecosystems. However, the increase in soil moisture also delivered ongoing management challenges, such as increased weed growth and decreased access to sites.

The rediscovery of the native grass species Open Summer-grass (*Digitaria diffusa*) in the Upper Murray area was confirmed by the National Herbarium of Victoria. Ongoing work will be undertaken to reassess the Victorian conservation status as the species can no longer be considered extinct. This rediscovery is an example of the importance of ongoing biological surveys of our catchment and highlights that some species are rare in 'time' rather than rare in 'space'.



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INLAND AQUATIC ECOSYSTEMS

14 River health is a top priority in the North East - the region supplies 38% of water for the Murray Darling Basin system.



MANAGEMENT SUMMARY

Management to improve rivers, wetlands, estuaries and groundwater, including their physical form, hydrology, flora, fauna and water quality.

The North East Regional River Health Strategy provides strategic direction in the key areas of:

- river health, including delivery of on-ground works to achieve river health outcomes;
- management of the region's Environmental Water Reserve (EWR);
- floodplain management, including referral advice and ensuring that development does not compromise the future storage function of floodplains; and
- research.

Many programs prioritised through this Strategy for 2010/2011 were delayed or adjusted because partner agencies needed to respond to flooding. Heavy rains fell in the North East region in September, October and December 2010, and again in mid January and early February 2011. These successive summer floods were unprecedented and significantly influenced management activities.

In response to this flooding, the North East CMA and many agencies were involved in the emergency response. This work involved assistance at emergency management incident centres, aerial damage assessments and data gathering through flood pegging and aerial photography. During the recovery phases, the North East CMA completed critical emergency river health works to protect public assets, particularly in response to serious threats along the Ovens, Buffalo, King and Kiewa Rivers, and Nariel, Fifteen Mile and Cudgewa Creeks.

Resnagging, enhancement of riparian revegetation, stock exclusion and invasive species management continued on the mid Ovens River as part of a Murray Darling Basin Authority demonstration reach project. DSE restocked the Ovens and King Rivers with Macquarie perch as part of the Victorian Action Statement and a study to assist with development of management recommendations for Macquarie perch in Lake Dartmouth commenced. A trial removal of *Gambusia* from wetlands in the Lower Ovens floodplain aimed to measure the impact of this species on native fishes. Trout cod surveys undertaken in the Ovens assessed if the species continues to breed naturally within a re-established range.

KEY ACHIEVEMENTS

- Using Victorian Government **Flood Recovery** funding, the North East CMA undertook emergency works on 133 of the 437 eligible sites for which it received requests for assistance. 64 kilometres of waterways across the catchment were stabilised.
- Despite delays caused by floods, the collaborative 'Caring for our Country' **Lower Ovens Critical Aquatic Habitat** project continued in the region. Through this project:
 - o more than two tonnes of carp were removed from the river system;
 - o a successful carp muster was held on the Ovens River in conjunction with Ovens River Fishing Classic event. Delivered by DSE via the Arthur Rylah Institute team in conjunction with the North East CMA, this event was an effective community engagement activity;
 - o 21 landholders living adjacent to National Park in the Lower Ovens system took part in a fox baiting program that ran across 4,000 hectares;
 - o 460 ha from a target area of 3,000 hectares of high value aquatic ecosystem was treated for pest plants.
- In the Upper Ovens River, the State's first integrated ground and surface water management plan went through public consultation and is now ready for Ministerial consideration.
- In the Lower Ovens, landholders participating in the **Lower Ovens River and Floodplain Wetlands** project signed agreements for seven wetlands totalling an area of 186 hectares. This project also secured three new wetland covenants, covering an area of 44 hectares and 9.1 kms of remnant riparian vegetation fencing, covering an area of 162 hectares. Six landholders agreed to undertake fencing, revegetation, off-stream watering, weed control and wetland management via five year wetland agreements.

KEY CHALLENGES

1. Implementation of most programmed works was delayed when summer flooding made sites inaccessible.
2. Flood recovery works took precedence over other programmed works. There were significant administrative challenges in responding to the more than 750 requests for assistance from people impacted by floods and multiple flood events in most areas restricted site access.
3. In some parts of the catchment, flooding exacerbated the economic and environmental impacts of the 2009 bushfires.
4. Internal resourcing of the flood response and recovery impacted upon continued delivery at the catchment scale. The North East CMA sought resources from other CMAs but most were experiencing the same issues.
5. Floods hampered the delivery of projects, including a scheduled upgrade of Wangaratta town weir fishway funded through the Victorian River Trust 'HERO' program, and full implementation of the **Critical Aquatic Habitat** and **Addressing Invasive Species in the Lower Ovens** projects funded through 'Caring for Our Country'.

CATCHMENT CONDITION

INLAND AQUATIC ECOSYSTEMS THEME	SUMMARY
THE CONDITION OF RIVERS, WETLANDS, ESTUARIES AND GROUNDWATER: INCLUDING PHYSICAL FORM, HYDROLOGY, VEGETATION, INVERTEBRATES, VERTEBRATES, WATER QUALITY AND PROVISION FOR ENVIRONMENTAL FLOWS.	OVERALL CONDITION STATUS: Poor-moderate
	TREND Improving

After almost a decade of drought and bushfires in 2003, 2006 & 2009, extensive flooding occurred during 2010/2011. This natural disturbance instigated condition changes in aquatic ecosystems across the North East catchment.

Flooding induced natural channel development and changed the overall appearance of waterways and floodplains. Banks were scoured and exposed, floodplains were engaged and sediments were moved and deposited. Instream and floodplain vegetation was also disturbed as waterways and floodplains experienced significant forces. The floodwaters mobilised and deposited significant volumes of sediment.

After long periods of drought, wetlands received water and floodplains reconnected with waterways, billabongs and other low-lying areas. Significant amounts of woody debris were reintroduced into streams and contributed to fish habitat.

Sustainable rivers audit (SRA) fish surveys were undertaken in the Mitta, Kiewa and Ovens Valleys. Fish indicator scores in the Mitta and Ovens were stable from previous surveys, but lower than previous surveys in the Kiewa. A full SRA report is due in December 2011. Trout cod surveys found presence of young of year (YOY) trout cod, indicating successful natural recruitment in the Ovens river.

Water quality monitoring conducted during successive summer flooding events revealed variations between key aquatic ecosystems in the catchment:

- Three sites located on Barwidgee Creek triggered the SEPP (WoV) turbidity 25th percentile range of <5 NTU, reporting between 25-31 NTU. Dissolved oxygen remained at a steady 91% saturation above the required SEPP (WoV) objective of 90% saturation. In 2009 Barwidgee Creek significantly triggered the electrical conductivity ($\mu\text{s}/\text{cm}$) SEPP (WoV) objectives at all three sites. Remarkably, there was a positive decrease in levels in 2010/2011. This may have been due to recent high flows.
- Kiewa River experienced peaks in turbidity during high flow, however rapidly dropped back to zero NTU once subsided. In accordance with the SEPP (WoV) objectives, the Kiewa River at Tawonga did not report above an annual 75th percentile of zero NTU.
- Lower parts of the King River (Kaluna Park) triggered the SEPP (WoV) dissolved oxygen 25th percentile of >85%, reporting 68.45% saturation. Turbidity exceeded the SEPP (WoV) objective with an annual 75th percentile of 36 NTU. After flood levels subsided, monthly data slowly returned to previous baseline levels.
- Biological monitoring at seven sites in the Upper King (Stoney & Corr Creeks) showed that macroinvertebrate communities were returning to those associated with high quality water. According to the Waterwatch agreed level taxonomy (ALT) method and the SIGNAL 2 (a scoring system for macroinvertebrates in Australian rivers) system, all sites ranged between 5.25 and 6.6 indicating clean water.

LAND HEALTH

MANAGEMENT SUMMARY

Management to improve land health threats such as salinity, erosion, vegetation removal, and pest plants and animals.

Agencies delivered a suite of integrated extension activities across the region with the central goal of improving the understanding and knowledge of landholders about the threats to land health and opportunities for addressing these threats.

Key land health activities included individual farm planning and technical advice, group accredited farm planning training, field days and community awareness via media. Awareness activities were complimented by the delivery of incentives that sought to facilitate a change in land management practices by private landholders.

Some agencies completed on-ground works to manage soil erosion, and revegetated and protected remnant vegetation with a view to reducing salt and sediment loads in the Murray River and its tributaries and improving priority biodiversity assets in the catchment. The North East CMA developed site management agreements with landholders. These complimented works by setting out appropriate land management practices for addressing soil erosion and protecting biodiversity over the long term.

KEY ACHIEVEMENTS

- Farm planning courses continued to be popular, particularly amongst new landholders. These courses aimed to help landholders improve their knowledge of land management issues and obligations, and highlight opportunities for improvement. The **Sustainable Farming Practices: Landscape Scale Conservation** project will by June 2013 seek to assist 280 landholders to adopt biodiversity protection practices and incorporate environmental outcomes into their farming operations.
- Many landholders were engaged in sustainable agriculture and capacity building activities delivered through the **Sustainable Farming Practices: Soil Carbon** project. In June, more than 130 farmers from north east Victoria and southern NSW, and researchers from the University of WA, CSIRO, La Trobe University and DPI Victoria attended a forum about soil biology and its role in boosting productivity and sustainability. Jointly developed by the North East and Murray CMAs, the 'bugs in the system' forum and associated field days were funded by the Australian Government's 'Caring for our Country' program and the Grains Research & Development Corporation's 'Harnessing the biological potential of cropping soils' project.

KEY CHALLENGES

- Significant flooding events in the region impacted on project delivery in many ways, including preventing site access for completion of on-ground works, to creating other priorities for landholders (such as treating flystrike in their sheep flocks) thereby preventing landholders from engaging in project activities. Some programs were adapted to assist with the immediate needs of landholders, however a significant amount of soil erosion works are still required across the region.
- Some bio-security issues arose during the year. For example, North East CMA teams were unable to undertake soil sampling with chestnut growers until they were declared clean in relation to a blight that is afflicting the trees, and sampling at vineyards required a complete wash-down of equipment before leaving each property because of the Phylloxera threat.

15 The North East CMA leased a mechanical soil sampler and completed 500 tests on farms across the region.

16 The Murray and North East CMAs jointly delivered a 'bugs in the system' soil carbon and sustainability forum at La Trobe University, Wodonga.

CATCHMENT CONDITION

LAND HEALTH THEME	SUMMARY
THE CONDITION OF HIGHLY MODIFIED LANDSCAPES WITH REGARD TO THE JOINT REQUIREMENTS OF PROTECTING NATURAL RESOURCE VALUES AND MANAGING PRIMARY PRODUCTION. IMPORTANT NRM ISSUES INCLUDE SALINITY, EROSION, VEGETATION, PEST PLANTS AND ANIMALS AND THREATENING LAND MANAGEMENT PRACTICES.	OVERALL CONDITION STATUS: Moderate
	TREND Declining/stable

Soil erosion, soil structure decline, organic matter loss and salinity are all significant soil health issues in the region. The north east also has some of the most acidic soils in the State.

Whilst there has been a demonstrable improvement in the adoption of more sustainable agricultural practices, major flooding this year after a prolonged drought created significant erosion and sedimentation in key areas of the region.

The threat of salinity was lower than the previous decade with continued low groundwater tables due to prolonged dry conditions.

Water table trends in the region generally indicate that 2010/2011 resulted in a rise in groundwater levels. Indicator bores into the deep lead in the Lower Ovens and shallow aquifers in the upper Ovens and Kiewa Valleys indicate a groundwater rise or recovery. However, the shallow groundwater indicator bore in Lower Ovens is still showing a continued decline in level.

Compared with extended periods of no stream flows for many consecutive months during the drought, stream flows at 59 monitored sites showed more seasonal flow patterns with a range of predictable salinity levels being measured.



15



16

ENVIRONMENTAL STEWARDSHIP

MANAGEMENT SUMMARY

Activities undertaken to improve environmental stewardship in the region.

The partner agencies in the region delivered an integrated environmental stewardship program that encouraged and assisted landholders and community groups to develop sustainable and profitable management systems.

This program brought together current knowledge and understanding of broad catchment issues and ecological processes, groundwater processes, soil health, techniques for salinity control and whole farm business planning.

Key activities conducted in North East Victoria during 2010/2011 included:

- provision of grants to protect threatened vegetation and waterways;
- provision of spatial mapping training;
- offering technical services, including soil sampling to establish base line data in relation to soil condition, and training, including eFarmer, to help farmers access and interpret data to inform farm practices;
- educating land holders about the benefits of soil carbon.

KEY ACHIEVEMENTS

- Protection of threatened ecosystems, especially box grassy woodlands, under landholder agreements and permanent covenants. During the year, Trust for Nature secured eight contracts for new covenants, representing 159.5 hectares.
- Demand for information – 500 landholders expressed interest in and received soil testing offered by the North East CMA through the **Sustainable Farming Practices: Soil Carbon** project.
- Adoption of eFarmer as a mapping and planning tool. More than 80 landholders used eFarmer to develop property management plans for biodiversity and riparian woodland protection.
- Through the **Sustainable Farming Practices: Landscape Scale Conservation** project, landholders submitted more than 250 site action plans to the North East CMA for potential incentive allocation. Through this same project, 28 landholders signed conservation agreements for 37 sites, comprising 116 hectares of riparian and waterway sites and 113 hectares of Box Gum Grassy Woodland sites.
- Protection of wetlands – landholders who participated in the **Lower Ovens River and Floodplain Wetlands (Mega Murray Flagship project)** signed agreements for seven wetlands totalling an area of some 202 hectares.
- Monitoring - **Waterwatch** volunteers and CMA staff completed pre and post monitoring of 89 targeted CMA restoration work sites throughout the Kiewa River, Yackandandah Creek, Stoney Creek, Corr Creek and One Mile Creek.
- A **biochar** prototype to convert willows heaps into energy and a soil ameliorant moved from a feasibility state to pre-testing.

KEY CHALLENGES

- In some cases, there was excess demand from landholders for projects related to environmental stewardship. For most large-scale projects, one of the major challenges is engaging with sufficient landholders to achieve the project targets. The last twelve months saw a surge in numbers of landholders becoming involved in environmental stewardship programs to the point where most project managers had to manage too many applicants rather than not enough.
- Managing the expectations of participants was an issue. All projects had very specific aims, milestones and timelines. However, these did not always align with the expectations and timelines of those engaged at ground level.
- The wet spring and summer impacted on the delivery of some of the projects. This was especially difficult in cropping areas as landholders struggled to harvest their crops months after they normally would have completed them. Sampling conducted through the **Sustainable Farming Practices: Soil Carbon** project was severely interrupted by the unseasonal wet weather, however all groups involved in the project proceeded with their agronomic sessions.

17 Vanessa Thompson, from the Waterwatch team explained stormwater events to school children at a SEED event.

CATCHMENT CONDITION

ENVIRONMENTAL STEWARDSHIP THEME	SUMMARY
LEVEL OF ACTIVE ENVIRONMENTAL STEWARDSHIP ON BOTH PUBLIC AND PRIVATE LAND.	OVERALL STATUS IN REGION: No standard measure available
	TREND Stable

Approximately 45% of the North East region is privately owned land. Livestock grazing is the main primary industry, with more than half the region's agricultural land under pasture.

In recent years, there have been considerable increases in the development of horticultural enterprises such as hops, grapes, apples, olives, nuts, berries and other fruit. Softwood plantation forestry is also a significant contributor to the gross value of the region's production.

It is difficult to accurately assess the level of environmental stewardship in the North East as there are no current agreed reporting standards.

Anecdotally, there appear to be examples of positive practice change in the region. For example, during the past decade of dry seasonal conditions and drought, very few fenced-out areas (riparian zones, tree guards etc) were grazed as heavily as other parts of private land. However it appears that practice change predominantly occurs during "good times".



COMMUNITY CAPACITY

18 Members of the Board toured the property of Mr. John Paul upon which there was a River Tender investment and creation of a conservation covenant.



MANAGEMENT SUMMARY

Activities undertaken to improve community capacity in the region.

Partner agencies in the North East sought to build community capacity by delivering and supporting a range of activities in 2010/2011.

Landcare remained strong and active in the region and continued to be a cornerstone of community engagement, volunteer recruitment and environmental protection. The **North East Landcare Support** program aimed to support the capacity and resilience of Landcare and other community groups, particularly via strategic planning.

Partner agencies assisted Landcare Networks to undertake Network planning, project planning and delivery; encouraged and helped groups to access Second Generation Landcare, Recycling for Recovery and Volunteer Action Project Grants; provided training and support to community employed Landcare Facilitators and Project Managers; and supported Indigenous community involvement in NRM by encouraging participation in Indigenous skills workshops.

Sustainable agriculture was another key focus.

With support available through the **Sustainable Farming Practices: Landscape Scale Conservation and Threatened Grassy Woodlands** projects, Landcare Groups delivered Native Grass Identification Field days to approximately 50 people. 70 landholders worked with DPI through the **Sustainable Irrigation** project to improve irrigation practices. The **Sustainable Farming Practices: Soil Carbon** project sought to inform and educate landholders about the productive benefits of soil carbon in an economically and environmentally sustainable agricultural landscape. Through this project, the North East CMA supported field days run by a range of partners, including vigneron groups, summer fruit growers, Boorhaman cropping group and Burgoigee Creek Landcare pastures project.

After extensive flooding in the region, biodiversity & river health emerged as key areas of community interest. More than 700 landholders requested assistance through the **Flood Recovery** program and sought advice from the North East CMA about managing flood damage

Waterwatch trained community volunteers, so building water quality monitoring capacity across the region. Extension visits to participant landholders for Trust for Nature & Woodlands projects helped to build/maintain management skills.

KEY ACHIEVEMENTS

- Sustainable farming practices - more than 350 landholders attended approx 100 training events (field days, agronomic sessions, forum) run by the North East CMA through its soil carbon project. 130 landholders attended the 'bugs in the system' sustainability forum while another 67 attended related field days. The CMA completed soil testing for 500 landholders.
- Indigenous Community partnerships - two new Indigenous Landcare groups formed in the region - the Ghunda Mulla (River Women) and Bidja Billa (Men of the River). 11 workshops for sharing & building indigenous community skills & knowledge were held in priority woodland areas. The 'Great men of rock' exhibition of films, artefacts and photography showcased the traditional ecological knowledge of Indigenous elders who participated in the "Caring for Our Country" traditional knowledge program.
- **Landcare** - four Landcare Networks undertook action planning.
- Two new facts sheets were developed through the **Lower Ovens Wetlands** project to assist community identification and management of wetlands.
- **Waterwatch** continued to be an effective and efficient model for providing educational support to schools, students and teachers across the catchment. North East Water, NevrWaste, the North East CMA, DSE, DPI and various local councils delivered SEED to hundreds of students across the catchment. This program featured web based tools and educational days where students took part in practical activities. The North East CMA and North East Water jointly developed a National Water Week Awards event at La Trobe University, Wodonga. The event promoted healthy waterways in the North East and celebrated the contribution of Waterwatch volunteers.

KEY CHALLENGES

- In some locations, extensive flooding and the subsequent recovery process restricted the capacity of landholders to be involved in NRM activities
- Fire Recovery – the 2009 fires had ongoing environmental & social impacts in the region. In some areas, flooding exacerbated NRM issues like soil erosion
- Targeted Landcare funding – some sectors of the community are taking time to adjust to a more targeted funding model. For example, some communities find themselves in low priority areas. Communities have also been dealing with the shift to a fully competitive funding model.

CATCHMENT CONDITION

COMMUNITY CAPACITY THEME	SUMMARY
THE CAPACITY OF COMMUNITIES TO SUPPORT NRM OUTCOMES THROUGH SPECIFIC SKILLS, KNOWLEDGE, ON-GROUND ACTIVITIES AS WELL AS LEVELS OF ORGANISATION THROUGH GROUPS AND NETWORKS.	OVERALL STATUS IN REGION: Moderate
	TREND: Stable

Climatic and economic factors both restricted and boosted the capacity of the North East community to support NRM outcomes, particularly the rural community.

2010/2011 was characterised by above average rainfall across the region, leading to extensive flooding. At the same time, commodity prices improved significantly. After a significant period of drought, good seasonal conditions provided a respite for graziers but difficulties for cropping enterprises.

The negative impact of flooding and the opportunity to take advantage of improved conditions meant that many in the community did not participate in NRM projects.

Conversely, the improved conditions accelerated the level of NRM works undertaken by many involved in Landcare projects who wanted to finish works delayed by drought conditions.

In a number of locations, the community showed resilience in dealing with environmental disasters, with fire and flood providing a catalyst for strong community response to addressing NRM impacts. An example of this was a multi-group project in an area affected by the 2009 fires (Upper Kiewa, Mudgegonga, Burgoigee areas) where four Landcare groups delivered fire and flood recovery works.

The capacity of Landcare Networks in the region increased, particularly due to the strengthening of the new Mitta to Murray Network, and all networks having undertaken action planning this year. A collective of Networks successfully secured funding to deliver the 'Caring for Our Country' Regional Landcare Facilitator projects. In some areas, Landcare Networks increased their activity to cover gaps left through the loss of capacity by groups in their area.

It is assumed that the continued participation of large numbers of landholders in training available through the **Sustainable Farming Practices: Soil Carbon** and Landcare managed trials, education and pastures projects helped to increase the capacity of farmers to manage their soils.

GOVERNANCE



19 Left to right:
2010/2011 North East
CMA Board members
- Alison Mitchell,
Anthony Jarvis, Ray
Park, Bernard Young,
Lyn Coulston, Paul
Carrick, Anthony
Griffiths, Greg Hayes.
(absent Susan
Benedyka).

20 Susan Benedyka.

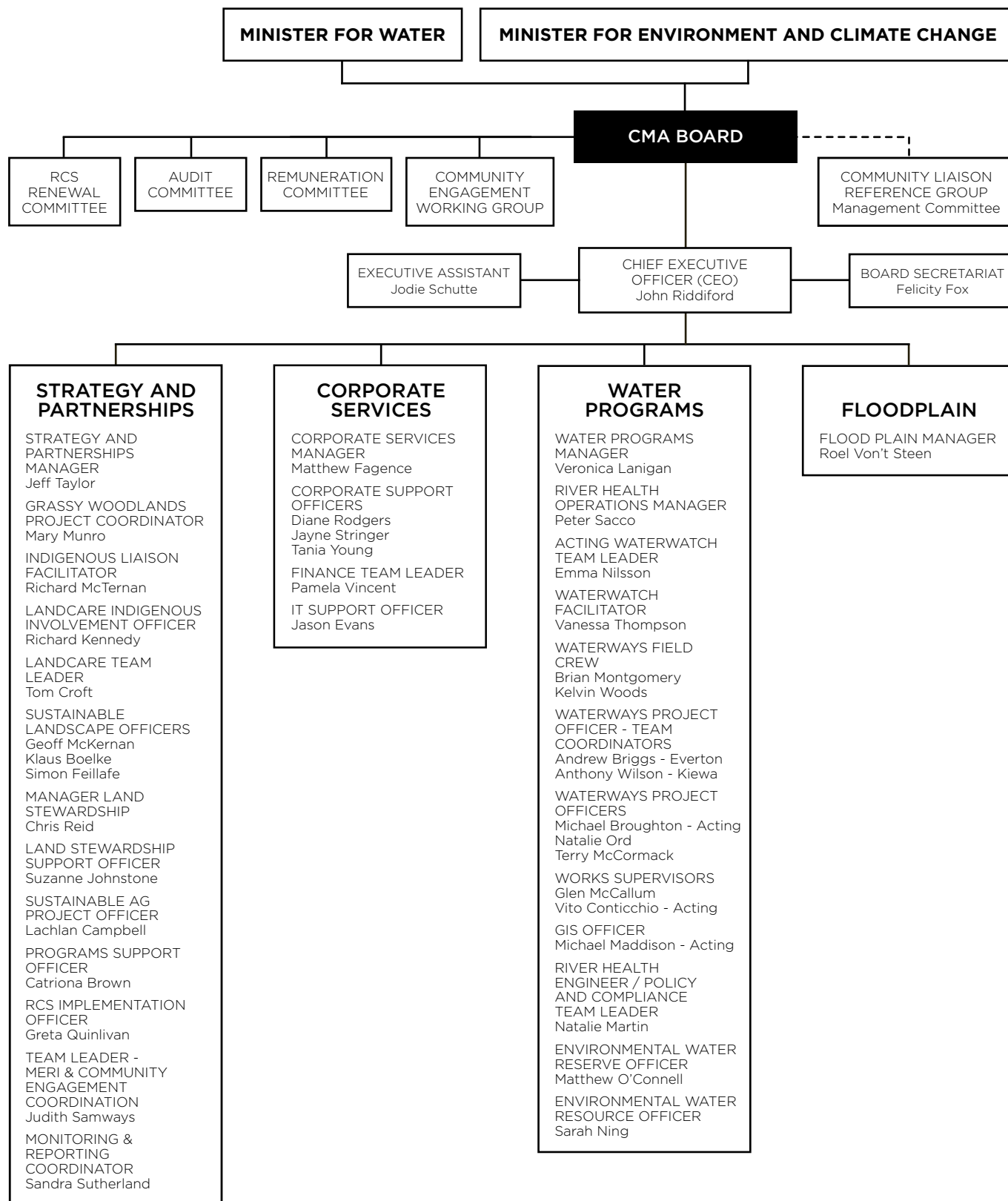
OVERVIEW

The North East CMA values and upholds good governance practices by:

- enabling open interaction between its senior management team, Board and key stakeholders
- setting strategic direction
- managing risks
- developing, monitoring and maintaining policies and procedures
- managing the CMA's finances in accordance with the Financial Management Act 1994
- annual declaration of pecuniary interests by Board members.

ORGANISATIONAL STRUCTURE

FIGURE 1 ORGANISATIONAL STRUCTURE



OUR BOARD

LYN COULSTON (CHAIR)

Lyn owns and operates a plant nursery in the upper Murray and is a primary producer. She has been a North East CMA Board member since 2000 and is a former Councillor and Mayor of the Towong Shire. She is Secretary of the Upper Murray Landcare Network, Chairperson of the Victorian Blackberry Taskforce, and a Board member of the Alpine Valleys Community Leadership Program and the Albury Wodonga Area Consultative Committee. Lyn was a finalist in the 2008 National Landcare Awards.

ANTHONY GRIFFITHS (DEPUTY CHAIR)

Anthony is actively involved in his family's primary production business in the Greta district, where his family has been farming for generations. Anthony is Deputy Chair of the CMA and has been a Board Member since 2000. He served as a Councillor with the Rural City of Wangaratta for 6 years and is currently serving a term as Mayor. He is Secretary/Treasurer of the Greta Valley Landcare Group, having previously served as President and Vice President. He is also President of the local primary school council and a trustee of the Greta Cemetery Trust. Anthony is a graduate of the Alpine Valleys Community Leadership Program, based in North East Victoria.

PAUL CARRICK (BOARD MEMBER)

Paul holds a Bachelor of Arts degree and has a wide range of experience in land and water resource management issues. He has been the owner/operator of a beef farm for more than 10 years. Mr Carrick has previously held senior executive roles and was Chair of the CMA from July 2009 to June 2011.

GREG HAYES (BOARD MEMBER)

BAGSc, MSc

Greg, from Talgarno, is a beef producer and a planning consultant working in agriculture, natural resource management, agribusiness and regional development in Australia and overseas. He has been a member of the North East CMA Board since 2006. Greg is a member of the Wise's Creek Talgarno Landcare Group, the Albury-Wodonga Grasslands Society, Beef Improvement Association, Talgarno Fire Brigade and a Board member of Australian Alpine Valleys Agribusiness Forum. Greg has qualifications in agricultural science and a post graduate degree in science.

SUSAN BENEDYKA (BOARD MEMBER)

Appointed to the Board in 2009, Susan holds qualifications in business and financial management, and has completed the Australian Rural Leadership Program and the Australian Institute of Company Directors course. She has extensive experience in community engagement, regional and strategic planning and is Managing Director of The Regional Development Company.

ANTHONY JARVIS (BOARD MEMBER)

Anthony is a fifth generation farmer at Cudgewa, whose main enterprise is beef cattle. He has been a member of the North East CMA Board since 2006. Anthony is president of the Upper Murray Landcare Network and the Victorian Farmers Federation Wodonga Livestock District Council, Treasurer of the Cudgewa Landcare Group, and a Member of the Upper Murray Agribusiness Group. Anthony has qualifications in agriculture.

BERNARD YOUNG (BOARD MEMBER)

Bernard holds qualifications in forestry and forestry science and is a graduate of the Australian Institute of Company Directors. He has extensive experience in local government and forestry management and is Executive Officer of Plantations North East Inc, based in Wangaratta.

ALISON MITCHELL (BOARD MEMBER TO AUGUST 2010)

Alison holds qualifications in environmental science, natural resources management policy and planning and is engaged in further geographic information systems studies. She has extensive experience as an aquatic ecologist and is a teacher at the NSW TAFE National Environment Centre at Thurgoona.

RAYMOND PARK (BOARD MEMBER TO AUGUST 2010)

BBus(LG), Grad Dip Mant, MB, FCPA

Ray lives in Markwood where he grows lucerne and beef cattle. He has been a member of the North East CMA Board since 2006. Ray has worked for 26 years in senior positions in local government in north east Victoria, including Director of Business Services at the Rural City of Wangaratta. Ray holds degrees in Accounting and Local Government, a Master of Business and is a qualified accountant.

BOARD MEETINGS

The Board conducted 11 ordinary meetings during the year. The key project undertaken by the Board during the year was a review of the organisation's Strategic Directions.

As part of good governance the Board also undertakes an annual review of its performance. The 2010/11 performance review was undertaken and submitted to the Minister in August 2011.

PECUNIARY INTERESTS

All Board Members and Senior Officers completed an annual pecuniary interest return and declare their interests at meetings as required.

TABLE 4 BOARD MEETING ATTENDANCE 2010/2011

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Paul Carrick (Chair)	9	11
Anthony Griffiths	9	11
Lyn Coulston	9	11
Greg Hayes	10	11
Susan Benedyka	9	11
Anthony Jarvis	11	11
Alison Mitchell	0	2
Ray Park	2	2
Bernard Young	8	11

AUDIT COMMITTEE

ROLE

The role of the Audit Committee is to oversee and advise the North East CMA on matters of accountability in internal control affecting the operations of the Authority. To help fulfil this role the Audit committee has a charter which defines its responsibilities as:

- to provide effective management of financial risks
- to ensure reliable management and financial reporting
- to ensure compliance with the laws and regulations
- to ensure maintenance of an effective and efficient audit.

MEMBERSHIP 2010/2011

The members of the Audit committee during the year were:

Ray Park	Chair & Board Member from 1st July 2010 to 30th August 2010
Ray Park	Independent Chair from 28th October 2010
Bernard Young	Board Member
Anthony Jarvis	Board Member

The two Board Members that are on the audit committee are non-executive Board Members and are independent in accordance with the Standing Directions of the Minister for Finance under the Financial Management Act 1994.

The committee met four times during the financial year.

MAJOR TASKS 2010/2011

Tasks undertaken by the committee during the year were:

- review and recommended to Board the 2009/2010 Annual Financial Statements
- review the Quarterly Risk Management Reports
- reviewed Internal Audit Plan
- commenced the process for a new Internal Audit Service Provider Contract
- review & Develop the Risk Management Strategy & Framework consistent with AS/NZS 4360:2004
- reviewed the Risk Management Attestation 2010/2011 Compliance for the Board
- undertook the Annual Self Assessment Review
- reviewed the External Audit Scope 2010/2011.

TABLE 5 AUDIT COMMITTEE MEETING ATTENDANCE 2010/2011

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Ray Park (Chair)	4	4
Bernard Young	4	4
Anthony Jarvis	4	4

REMUNERATION COMMITTEE

ROLE

The role of the Remuneration Committee is to make recommendations to the Board on the remuneration and performance of the Chief Executive Officer.

MEMBERSHIP 2010/11

The members of the Audit committee during the year were:

Paul Carrick	Chair
Susan Benedyka	Member
Anthony Griffiths	Member

The committee met twice during the year to discuss the Chief Executive Officer's performance and remuneration and to set performance indicators for the coming year.

ATTENDANCE

TABLE 6 REMUNERATION COMMITTEE MEETING ATTENDANCE 2010/2011

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Paul Carrick	2	2
Susan Benedyka	2	2
Anthony Griffiths	2	2

COMMUNITY ENGAGEMENT WORKING GROUP (COMMITTEE)

The Board, at the April 2011 meeting, resolved to establish a Community Engagement Working Group to review the CMA's Community Engagement Policy.

MEMBERSHIP 2010/11

The Working Group members are:

- Lyn Coulston (Chair)
- Susan Benedyka (Member)
- John Riddiford (CMA Officer)
- Jeff Taylor (CMA Officer)
- Judith Samways (CMA Officer)
- Michelle Cowan (Community Liaison Reference Group (CLRG))
- Debi Gadd (CLRG)
- Lindsay Jarvis (CLRG)
- Pamela McKimmie (CLRG)
- Thomas Moritz (CLRG)
- Mac Paton (CLRG)
- Jane Roots (CLRG)

POLICIES

RISK MANAGEMENT

From 1 July 2007 the CMA was required to apply the Victorian Government Risk Management Framework Guidelines (issued in July 2007) to its Risk Management Framework. This required implementation of and maintaining of risk management governance, systems and reporting consistent with the Australian/New Zealand Standard 4360:2004 or equivalent.

The Victorian Government Risk Management Framework was developed to support best practice in public sector risk management. It provides a collective resource that links a variety of risk management information sources and adds clarity to roles and responsibilities, both for administering risk management policies and implementing risk management processes. The framework provides for a minimum common standard across Public Sector Agencies.

The Minister for Finance also issued a standing direction requiring that the CMA take appropriate steps to introduce an appropriate approach to risk management. It further required that a sufficient level of attention be given to the risks associated with its management.

In complying with the new framework and standing direction, the CMA is required to make an attestation in the Annual Report that the framework is or is not consistent with the Australian/New Zealand Standard 4360:2004 or equivalent

The Attestation was passed by formal motion at the Board Meeting on 23rd June 2011.

RISK MANAGEMENT ATTESTATION

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY RISK MANAGEMENT ATTESTATION 2010/2011

I, Paul Carrick, Chair of the Board, certify that the North East Catchment Management Authority has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Board further verifies this assurance and that the risk profile of the North East Catchment Management Authority has been critically reviewed within the last 12 months.

Signed: 

Date: 23rd June 2011

Name: Paul Carrick

Position: Chair

MERIT, EQUITY AND CODE OF CONDUCT

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

The North East CMA adopts and promotes the Victorian Public Sector Code of Conduct which outlines how staff conduct our business and how we should treat the public, our clients and our colleagues.

The North East CMA is committed to the principles of equal employment opportunity (EEO). Employment decisions are based on merit where employees are treated fairly and reasonably and have appropriate avenues for redress against any unfair and unreasonable treatment. The North East CMA recruits, promotes and trains employees on the basis of merit and open competition without prejudice or discrimination.

WHISTLEBLOWERS PROTECTION ACT

The objective of the Whistleblowers Protection Act 2001 is to encourage and facilitate the making of disclosures of improper conduct or detrimental action by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying actions to be taken.

During the financial year, the North East CMA reviewed its Whistleblowers Protection Act 2001 policy and procedures, which establishes the system for reporting disclosures of improper conduct or detrimental action.

Disclosures of improper conduct or detrimental action by the North East CMA or its employees may be made to the Protected Disclosure Co-ordinator (PDC), Matthew Fagence, phone (02) 6043 7600.

All correspondence, phone calls and e-mails from internal or external whistleblowers will be referred to the PDC. Where a person is contemplating making a disclosure and is concerned about approaching the PDC or a Protected Disclosure Officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

A disclosure about improper conduct or detrimental action by the North East CMA or its employees may also be made in the first instance to the Manager Corporate Services, the Chairperson of the CMA Audit Committee, or directly to The Ombudsman:

The Ombudsman Victoria
Level 22, 459 Collins Street
Melbourne Victoria 3000
(DX 210174)

Internet
www.ombudsman.vig.gov.au

E-mail
ombudvic@ombudsman.vic.gov.au

Phone 03 9613 6222
Toll Free 1800 806 314

NORTH EAST CMA - APPLICATION OF THE WHISTLEBLOWERS ACT 2001	NUMBER	TYPE
The number and types of disclosures made to public bodies during the year	NIL	-
The number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures	NIL	-
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	NIL	-
The number and types of disclosures referred by the public body to the Ombudsman for investigation	NIL	-
The number and types of investigations taken over from the public body by the Ombudsman	NIL	-
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	NIL	-
The number and types of disclosed matters that the public body has declined to investigate	NIL	-
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	NIL	-
Any recommendations made by the Ombudsman that relate to the public body	NIL	-

COMPLIANCE

FREEDOM OF INFORMATION

Access to information under the Freedom of Information Act 1982 is obtained through a written request, as detailed in Section 17 of that Act. Applications must be as detailed and as specific as possible so that the CMA's Freedom of Information Officer can identify and locate relevant documents. All applications must include the statutory \$24.40 lodgement fee. Further charges may be payable. Freedom of Information fees and charges are not subjected to GST.

Requests to the CMA should be sent to:

Jodie Schutte
Executive Assistant (FOI Officer)
PO Box 616 Wodonga,
Victoria 3689
Phone (02) 6043 7600

E-mail: necma@necma.vic.gov.au

In the reporting period the CMA received and responded to one request under the Freedom of Information Act.

INFORMATION RETAINED AND AVAILABLE

Information relevant to Financial Reporting Direction 22B of the Financial Management Act 1994 is held at the Authority's office and is available on request, subject to the Freedom of Information Act 1982.

The Information Privacy Act 2000 establishes a regime for the responsible collection and handling of personal information in the Victorian public sector. The Authority complies with the 10 Information Privacy Principles. Further information is available at the Privacy Victoria website www.privacy.vic.gov.au

POWERS AND DUTIES

The North East CMA is granted power of authority under section 123 of the Water Act 1989, whereby it is stated that:

1. an Authority has power to do all things that are necessary or convenient to be done for, or in connection with, or as incidental to, the performance of its functions, including any function delegated to it.
2. no other provision of this Act that confers a power on an Authority limits sub-section (1)

The CMA's functions are established under section 12 of the Catchment and Land Protection Act 1994, and sections 189,199 & 202 of the Water Act 1989.

STATEMENT OF OBLIGATIONS

The CMA has two Statements of Obligations issued under the Water Act 1989 and the Catchment and Land Protection Act 1994 that outline key expectations and requirements of the Minister for Water and the Minister for Environment and Climate Change.

BUILDING ACT COMPLIANCE

The CMA complies with the building and maintenance provisions under the Building Act 1993.

CONSULTANCIES

We entered into a total of 38 minor consultancies (less than \$100,000) resulting in expenditure of \$620,947 during the reporting period. One major consultancy (greater than \$100,000) was entered into during the year, details as follows:

TABLE 7 CONSULTANCIES GREATER THAN \$100,000 2010/2011

CONSULTANT	PROJECT	TOTAL FEE APPROVED	EXPENDITURE 2009/10	FUTURE EXPENDITURE
Earth Systems Consulting Pty Ltd	Bio-Char Device Proof of Concept	\$ 1,410,000	\$ 910,000	\$500,000

NATIONAL COMPETITION POLICY

We continue to comply with the National Competition Policy. Competitive neutrality seeks to enable fair competition between local government and private sector businesses. Any advantage or disadvantages that government businesses may experience, simple as a result of government ownership, should be neutralised. The North East CMA continues to implement and apply this principle in its business undertakings.

PUBLICATIONS

Information relevant to Financial Reporting Direction 22B of the Financial Management Act 1994 is held at the Authority's office and is available on request, subject to the Freedom of Information Act 1982.

The Information Privacy Act 2000 establishes a regime for the responsible collection and handling of personal information in the Victorian public sector. We comply with the 10 Information Privacy Principles. Further information is available at the Privacy Victoria website www.privacy.vic.gov.au

VICTORIAN INDUSTRY PARTICIPATION POLICY

No major contracts were entered into during the reporting period.

FINANCIAL SUMMARY

The North East CMA continues to remain in a healthy solvent cash position as reflected in the Cash Flow Statements. There are adequate provisions in place to fulfil the obligations to staff and for the replacement of plant and equipment as required.

The committed funds to ongoing projects for 2011/2012 and future years is \$11,734,996.

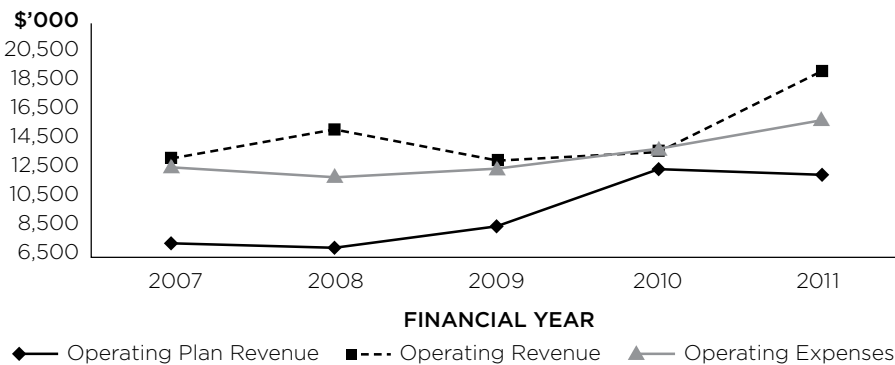
The CMA received \$5,312,500 for delivery of the Flood Recovery program. Of this amount \$1.4M remains unspent at the end of the financial year.

In the month of June the CMA received funding in advance for various 2011/2012 projects in the amount of \$730,615. Other funding received in late June 2011 that was not possible to commence project works was to the value of \$275,000. There were no other matters which changed our financial position during the reporting period.

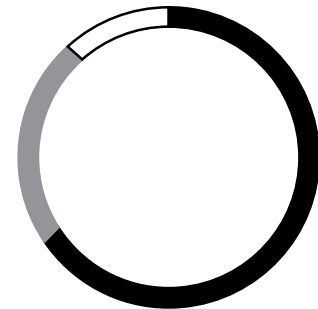
TABLE 8 SUMMARY OF FINANCIAL RESULTS

	YEAR ENDED 30/06/11	YEAR ENDED 30/06/10	YEAR ENDED 30/06/09	YEAR ENDED 30/06/08	YEAR ENDED 30/06/07
Operating Revenue	18,876,643	13,443,094	12,996,898	15,029,688	13,012,027
Operating Expenses	15,612,646	13,759,229	12,468,618	11,919,430	12,606,306
Surplus (Deficit)	3,263,997	(316,135)	528,280	3,110,258	405,721
Cash Held	13,783,624	10,938,991	10,415,581	9,452,762	6,227,071
Cash Held as a percentage of revenue	73%	81%	80%	63%	48%

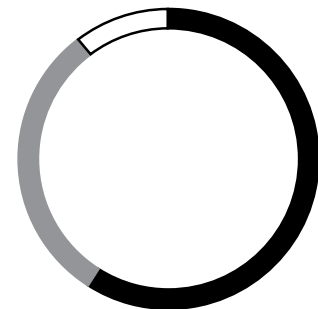
TABLE 9 REVENUE AND EXPENDITURE ANALYSIS



GRAPH 2 REVENUE



GRAPH 3 EXPENDITURE



- WATER PROGRAMS
- STRATEGY & PARTNERSHIPS
- CORPORATE SERVICES

A breakdown of the revenue and expenditure by program is provided in the following table.

TABLE 10 REVENUE AND EXPENDITURE BY PROGRAM

	REVENUE	EXPENDITURE
Water Programs	11,520,396	8,779,053
Strategy & Partnerships	5,031,289	5,168,173
Corporate Services	2,324,958	1,665,420
Total	18,876,643	15,612,646

OUR STAFF

OUR WORKFORCE PROFILE

The Authority employed 45 people in 2010/2011 (39.4FTE), a slight increase compared to the previous figure of 43 people (38.42 FTE) from the 2009/2010 year. The breakdown in staff for the Authority is as follows:

TABLE 11 EMPLOYMENT AS FTE

2011	2010	2009	2008	2007
39.4	38.42	37.75	44.02	46.4

TABLE 12 COMPARISON OF EMPLOYEE NUMBERS

	EMPLOYEES			
	EMPLOYEES (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE
June 2011	45	33	12	39.4
June 2010	43	33	10	38.42

TABLE 13 COMPARISON OF EMPLOYEES BY GENDER

GENDER	2011		2010	
	EMPLOYEES (HEADCOUNT)	FTE	EMPLOYEES (HEADCOUNT)	FTE
Male	23	22.3	25	24.3
Female	22	17.10	18	14.12
Total	45	39.4	43	38.42

TABLE 14 COMPARISON OF EMPLOYEES BY AGE RANGE

AGE COHORT	2011		2010	
	EMPLOYEES (HEADCOUNT)	FTE	EMPLOYEES (HEADCOUNT)	FTE
Under 25	0	0	0	0
25-34	11	9.9	15	13
35-44	18	14.4	13	11.32
45-54	7	7	7	6.6
55-64	8	7.6	7	7
65 & Over	1	0.5	1	0.5
Total	45	39.4	43	38.42

TABLE 15 STAFF PROFILE BY POSITION (FTE)

POSITION	MALE		FEMALE		TOTAL	
	2011	2010	2011	2010	2011	2010
Executive officers	1	1	0	0	1	1
Management	2	3	0.8	0	2.8	3
Water Programs	11	11	7.2	7.4	18.2	18.4
Strategy and Partnerships	7.3	8.3	5.1	4.72	12.4	13.02
Corporate	1	1	4	2	5	3
					39.4	38.42

TABLE 16 ANNUAL TURNOVER (CUMULATIVE AT YEAR END)

2011	2010	2009
4.4%	9%	15%

OUR EMPLOYMENT FRAMEWORK

The CMA has a Workplace Agreement 2008-2011 that came into effect on the 7th May 2009. The agreement offers flexible working conditions, provides a framework to ensure all employees have access to learning and development opportunities and rewards employees on the basis of skills and satisfactory work performance.

The CMA works extremely hard at resolving issues fairly. As a result of this, the CMA lost no days due to a workplace dispute.

STAFF CONSULTATION

The CMA has a Staff Consultative Committee. Its roles are to:

- monitor the implementation of the Workplace Agreement
- address issues relating to the Workplace Agreement raised by unions and staff
- provide advice on staff related policies
- consider and provide advice to management on employee survey outcomes
- make recommendations to the Senior Management Team.

The Committee is made up of six elected employee representatives and one management representative.

TRAINING AND DEVELOPMENT

The CMA is committed to providing training support and development for all employees, with particular emphasis on the development of employee capability that aligns with business objectives.

Organisational-wide training in 2010/2011 included Equal Employment Opportunity, Harassment & Discrimination Training.

CULTURAL DIVERSITY AND WOMEN

The North East CMA aims to ensure that women in our workplace, on our boards and our committees are supported in their role. The CMA is committed to a family friendly workplace, through workplace conditions such as paid pre natal leave, paid maternity leave, carer's leave and flexible working arrangements. As at the 30 June 2011, women represented 48.8% of the workforce (Headcount) and 43.4% of the workforce (Full time equivalent).

The Authority has noted government direction delivering culturally appropriate services and believes that its services, including community communications, adhere to this direction.

The CMA employs an Indigenous Liaison Officer and a Landcare Indigenous Involvement Officer who work with local indigenous communities to coordinate natural resource management projects.

YOUNG VICTORIANS

The CMA works with young Victorians through its Waterwatch schools program.

HEALTH AND SAFETY

Occupational Health and Safety is an integral part of CMA business. Strong systems, culture and performance in this area is essential for ensuring the safety of our employees, contractors and visitors.

To enable an open and clear consultation process the CMA has four designated work groups. Group members elect their representative who sits on the Occupational Health and Safety Committee. The three year term of these committee positions ended in February 2011. Elections were held by the designated work groups and the new committee was installed for the next three year period.

The purpose of the Occupational Health and Safety (OHS) Committee is to provide a consultative forum that can effectively support management to address the health and safety matters arising at the North East CMA. Its functions include:

- assisting North East CMA management in developing, updating and implementing measures to protect health and safety;
- facilitating co-operation and dissemination of information between management and employees in relation to OHS;
- investigating matters that may be a risk to health and safety;
- maintaining information on OHS standards generally recommended or prevailing in workplaces of a comparable nature;
- considering matters that have been referred to the committee from management, employees or OHS representatives with the view to making recommendations to management; and
- participating in training and considering measures for training and educating employees at work about health and safety matters.

The Committee has an Annual Work Plan. The work plan defines outcomes and targets for the reporting period based around four themes, ensuring commitment, improving consultation, ensuring a working OHS system and improving the culture. The emphasis is on positive performance indicators aimed at engendering a positive and proactive OHS culture. The work plan and progress against it are displayed in Table 17.

TABLE 17 NORTH EAST CMA - OCCUPATIONAL HEALTH AND SAFETY COMMITTEE WORKPLAN 2010/2011

OUTCOME	NO.	INDICATOR	TARGET 2010/2011	2010/2011 OUTCOME	MEASURE
COMMITMENT	1	Submissions to SMT from Committee are considered within a reasonable time	100% of submissions addressed within next two subsequent meetings	Nil submissions in 2010/2011	✓
	2	SMT Quarterly reports are formally received	Four reports received	Four reports received	✓
	3	Each SMT Member attend one OHS Committee meeting during the year	1 attendance per non-appointed SMT member	One out of three attendances	X
CONSULTATION	4	OHS Committee meets regularly during the year	Three meetings held	Three out of three held to date	✓
	5	Attendance rate of all OHS committee members at meetings	75% attendance rate overall	Attendance Rate = 92%	✓
	6	OHS discussed within designated work groups.	OHS on each team meeting agenda	100%	✓
	7	OHS minutes communicated to all employees after each meeting	Minutes distributed and placed on noticeboards	100%	✓
WORKING SYSTEM	8	Safety walks conducted on time and as per the agreed IMS schedule	100% of safety walks held	Currently 85% of Safety Walks have been completed	X
	9	Incident reports investigated	100% of incident reports investigated	8 out of 8 completed	✓
	10	IMS Safety procedures reviewed	IMS OHS Procedure #3 reviewed	Completed	✓
	11	OHS Committee members complete training	ALL Members undertake annual refresher training	1 out of 4 new members completed, continuing members deferred until new legislation 2012	HOLD
CULTURE	12	OHS Committee Membership Renewal	New OHS Committee elections held and membership elected	Completed	✓
	13	Improved awareness of OHS among staff	Maintain or improved OHS results in People Matter Survey 2011	PMS 2011 due in August 2011	HOLD

PROJECT MEASURES

HOLD

Task on hold

ON TRACK

Task on track

REQUIRES

ATTENTION

Task requires attention

X

Target not achieved

✓

Task completed

FINANCIAL REPORT 2010/2011

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INDEPENDENT AUDITOR'S REPORT**To the Board Members, North East Catchment Management Authority***The Financial Report*

The accompanying financial report for the year ended 30 June 2011 of the North East 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 declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the North East Catchment Management Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, 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 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, 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.

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.

Independent Auditor's Report (continued)*Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the North East Catchment Management Authority as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, 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 North East Catchment Management Authority for the year ended 30 June 2011 included both in the North East Catchment Management Authority's annual report and on the website. The Board Members of the North East Catchment Management Authority are responsible for the integrity of the North East Catchment Management Authority's website. I have not been engaged to report on the integrity of the North East 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
15 August 2011

for **T. D. H.**
D D R Pearson
Auditor-General

**STATUTORY DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011**

We certify that the attached financial statements for North East Catchment Management Authority have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Australian Accounting Standards, 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 and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2011 and financial position of the Authority as at 30 June 2011.

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

Signed in Wodonga in accordance with a resolution of the board:



L. Coulston

Chairperson

12th August 2011



J. Riddiford

Accountable Officer

12th August 2011

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
 COMPREHENSIVE OPERATING STATEMENT
 FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Income from Operating Activities			
Government contributions	3(a)	17,858,571	12,337,615
Income from Non-Operating Activities			
Interest	3(b)	547,747	493,426
Other income	3(b)	403,055	598,583
Net profit/(loss) from sale of assets	3(b), 10(d)	67,270	13,470
Total Income		18,876,643	13,443,094
Expenses from Operating Activities			
Employee Costs	4	3,584,460	3,333,014
Depreciation	10(c)	299,614	347,868
Amortisation	11	32,925	25,371
Materials, Maintenance, Contracts and Consultancies	5	10,373,564	8,675,291
Leases (Properties & Motor Vehicles)		312,506	339,605
Other		1,009,577	1,038,080
Total Expenses from Operating Activities		15,612,646	13,759,229
Net Result from Operating Activities		3,263,997	(316,135)
Other Comprehensive Income	10(b)	217,854	0
Total Comprehensive Result for the year		3,481,851	(316,135)

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
BALANCE SHEET AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	13,783,624	10,938,991
Receivables	8	231,055	273,474
Prepayments		31,359	17,185
Inventories	9	12,051	36,364
Total current assets		14,058,089	11,266,014
Non-current assets			
Property, plant and equipment	10	1,692,689	1,323,222
Intangible assets	11	90,524	23,189
Total non-current assets		1,783,213	1,346,411
TOTAL ASSETS		15,841,302	12,612,425
LIABILITIES			
Current liabilities			
Payables	12	875,441	1,212,988
Provisions	14	14,660	36,485
Employee benefits	13	680,860	666,821
Total current liabilities		1,570,961	1,916,294
Non-current liabilities			
Provisions	14	80,690	36,506
Employee benefits	13	178,739	130,564
Total non-current liabilities		259,429	167,070
TOTAL LIABILITIES		1,830,390	2,083,364
NET ASSETS		14,010,912	10,529,061
EQUITY			
Contributed capital	15(a)	5,103,823	5,103,823
Reserves	15(b)	8,907,089	5,425,238
Accumulated funds	15(c)	0	0
TOTAL EQUITY		14,010,912	10,529,061

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
 STATEMENT OF CHANGES IN EQUITY
 FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

	Notes	ACCUMULATED FUNDS \$	CONTRIBUTED CAPITAL \$	RESERVES \$	TOTAL \$
Balance at 1 July 2009		0	5,103,823	5,741,373	10,845,196
Net result for the period		(316,135)			(316,135)
Transfers to/(from) reserves	15	316,135		(316,135)	0
Balance at 30 June 2010		0	5,103,823	5,425,238	10,529,061
Net result for the period		3,263,997			3,263,997
Other Comprehensive Income					
Transfer of Increments/ Decrements on Revaluation of Land & Buildings	10(b)			217,854	217,854
Transfers to/(from) reserves	15	(3,263,997)		3,263,997	0
Balance at 30 June 2011		0	5,103,823	8,907,089	14,010,912

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Cash Flows from Operating Activities			
Receipts			
Interest received		536,276	742,565
Net GST received from the ATO		266,211	63,202
Other income		468,694	882,773
Receipts from Government		18,073,503	12,434,005
		<u>19,344,684</u>	<u>14,122,545</u>
Payments			
Payments to suppliers and employees		16,015,835	13,406,988
		<u>16,015,835</u>	<u>13,406,988</u>
Net cash (outflow) / inflow from operating activities	20	<u>3,328,850</u>	<u>715,557</u>
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(495,928)	(256,612)
Proceeds from sale of non-current assets		111,971	73,862
Payment for intangible assets		(100,260)	(9,398)
Net cash (outflow) / inflow from investing activities		<u>(484,217)</u>	<u>(192,148)</u>
Net increase / (decrease) in cash held		<u>2,844,633</u>	<u>523,409</u>
Cash and cash equivalents at the beginning of the financial year		10,938,991	10,415,582
Cash and cash equivalents at the end of the financial year	7	<u>13,783,624</u>	<u>10,938,991</u>

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

**NOTE 1
SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

(a) Basis of Accounting

GENERAL

This financial report of the North East Catchment Management 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 complies with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions.

This financial report has been prepared on an accrual basis.

ACCOUNTING POLICIES

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes to comparatives.

**CLASSIFICATION BETWEEN
CURRENT AND NON-CURRENT**

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

HISTORICAL COST CONVENTION

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

CRITICAL ACCOUNTING ESTIMATES

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

**FUNCTIONAL AND PRESENTATION
CURRENCY**

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

**FINANCIAL STATEMENT
PRESENTATION**

The Authority has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The Authority has chosen to present Income and Expenses in the new Comprehensive Operating Statement, which classifies Income and Expenditure according to whether they arise from transactions or other economic flows. This classification is consistent with the whole of government reporting format. All other Statements are consistent with the revised AASB 101.

(b) Revenue Recognition

FEES AND CHARGES

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

GOVERNMENT CONTRIBUTIONS

Government grants and Government grants and contributions are recognised as income from transactions on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the comprehensive operating statement

as government contributions.

However, grants and contributions received from the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Water have indicated are in the nature of owners' contributions, are accounted for as Equity - Contributed Capital.

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

INTEREST

Interest is recognised as revenue when earned.

**(c) Recognition and Measurement of
Assets**

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

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

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

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

REPAIRS AND MAINTENANCE

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

OPERATING LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the comprehensive operating statement on a straight-line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

LEASEHOLD IMPROVEMENTS

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over an 8 year period.

NON-CURRENT PHYSICAL ASSETS

Land, buildings and infrastructure 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)103D.

Plant, equipment and motor vehicles are measured at fair value. For the plant, equipment and vehicles asset class, where the Authority is able to demonstrate that there is no evidence that a reliable market-based fair value (or other fair value indicators) exist for these assets, depreciated replacement cost could represent a reasonable approximation of fair value.

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

All assets must be tested for impairment on an annual basis. Such assets are tested to ascertain whether the carrying amounts exceed their recoverable amounts

Infrastructure/Works assets are comprised of physical structures located in the Catchment.

REVALUATIONS

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every five years and was undertaken by the Valuer-General Victoria's appointed agent in 2010/11. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

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

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

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

IMPAIRMENT OF ASSETS

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

All other assets are assessed annually for indicators of impairment, except for :

- inventories; and
- non-current assets held for sale.

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

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic

benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

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

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

(d) Depreciation and amortisation of non-current assets

Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

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

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

	2011 %	2010%
Leasehold improvements	12.5	12.5
Buildings	2.5 to 16.66	2.5 to 16.66
Infrastructure assets	1 to 10	1 to 10
Plant and equipment	2 to 33.33	2 to 33.33
Furniture & office equipment	7.5 to 33	7.5 to 33
Motor vehicles	12 to 33.33	10 to 33.33

(e) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

(f) Receivables

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impaired receivables. Trade and other receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impaired receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

(g) Inventories

Inventories comprise stores and materials used in the delivery of project outcomes. All inventories are valued at the lower of cost and net realisable value.

Cost for inventory is measured on the basis of weighted average cost.

(h) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year, which are unpaid at financial year end. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

(i) Employee Benefits

(i) WAGES AND SALARIES AND ANNUAL LEAVE

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, at their nominal values. Employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity, in respect of services rendered by employees up to the reporting date. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(ii) LONG SERVICE LEAVE

The liability for long service leave is recognised in the provision for employee benefits and measured at nominal values for the component expected to settle within the next 12 months and at the present value for the component not expected to settle within the next 12 months. In calculating the Present Value, consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave are classified as a current liability, where the employee has a present entitlement to the benefit. The non-current liability represents long service leave entitlements accrued for employees with less than 7 years of continuous service.

(iii) SUPERANNUATION

The amount charged to the comprehensive operating statement in respect of superannuation represents the contributions made by the Authority to the superannuation plan in respect to the current services of Authority staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

(iv) EMPLOYEE BENEFIT ON-COSTS

Employee benefit on-costs, including payroll tax and worker's compensation are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) PERFORMANCE PAYMENTS

Performance payments for the Authority's Chief Executive Officer are based on a percentage of the annual salary package provided under the contract of employment. A liability is recognised and is measured as the aggregate of the amounts accrued under the terms of the contract to balance date.

(j) Changes In Accounting Policy

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

(k) Goods And Services Tax

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

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet. Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis - i.e., inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(l) Taxation

The Authority is not liable for Income Tax.

(m) Financial Instruments/ Investments

Investments are brought to account at cost with interest revenue recognised in the comprehensive operating statement when it is earned. All investments expected to be disposed of within 12 months of balance date are classified as current assets and all others are classified as non-current assets.

(n) Intangibles

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

Intangible assets consist of software and licences. These assets are amortised over 3 years.

(o) Provisions

Provisions are recognised when: the Authority has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are recognised for end of life quarry rehabilitation costs (refer note 14).

(p) Objective And Funding

The Authority is responsible for the coordinated control of natural resource management within the broader catchments of North East Victoria. The role of the Authority is to ensure effective implementation of the Regional Catchment Strategy. Associated with this role the Authority carries out strategic planning and advises Government.

(q) Comparative Amounts

Where necessary, figures for the previous year have been reclassified to facilitate comparison.

(r) Funds Held In Trust

Where funds are received and held on behalf of a third party and the Authority has no control over the disbursement of such funds, these funds are treated as a liability called funds held in trust (refer note 12).

(s) New Accounting Standards And Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. As at 30 June 2011, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2011. The Authority has not, and does not intend to, adopt these standards early.

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	IMPACT ON FINANCIAL STATEMENTS
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The group has not yet decided when to adopt AASB 9.	1 January 2013	These amendments are not expected to have any significant impact on the Authority's disclosures.
Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards	In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.	1 January 2011	These amendments are not expected to have any significant impact on the Authority's disclosures.
AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement	In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements.	1 January 2011	The Authority does not make any such prepayments. The amendment is therefore not expected to have any impact on the entity's financial statements.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements.	1 January 2013	The impact of this standard will depend on instructions provided by DTF on its applicability to the Authority. The Authority will assess its impact once DTF has provided guidance on this standard.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project.	1 January 2011	These amendments are not expected to have any significant impact on the Authority's disclosures.

NOTE 2 FINANCIAL RISK MANAGEMENT

The Authority's activities expose it primarily to the financial risks of liquidity, credit risk and interest rate risk. The Board and Senior Management are responsible for monitoring and managing the financial risks of the Authority. They monitor these risks through monthly board meetings where monthly management reports are presented and analysed. The Authority does not enter into derivative financial instruments and does not speculate in any type of financial instrument.

(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 foreign exchange risk, interest rate risk and other price risk. The Authority's exposure to market risk is primarily through interest rate risk with significant surplus funds held in term deposits and deposits at a call. The Authority has no exposure to foreign exchange risk or other price risk.

At balance date term deposits totalled \$12,700,000, with a weighted average interest rate of 4.97% (2010: term deposits totalled \$10,000,000, with a weighted average interest rate of 4.78%).

At balance date \$373,777 held in deposits at call with a weighted average interest rate of 4.75% (2010: \$511,740).

All trade creditors and accruals are non-interest bearing.

INTEREST RATE SENSITIVITY ANALYSIS

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

	INTEREST RATE RISK		INTEREST RATE RISK	
	+1% Profit	+ 1% Equity	-1% Profit	- 1% Equity
Cash and Cash Equivalents	\$	\$	\$	\$
2011	137,836	137,836	(137,836)	(137,836)
2010	109,390	109,390	(109,390)	(109,390)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Authority. The Authority has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Authority measures credit risk on a fair value basis.

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

The Federal Government created in 2008/09 the Guarantee scheme which guarantee's the security of the first \$1M held in requisite banking institutions. In March 2009, the CMA Board approved the opening of a new account with the Treasury Corporation of Victoria to ensure security of investments without the requirement of the Government Guarantee Fee. All investments are held with the Treasury Corporation of Victoria, while Day to Day Operating Accounts are managed to ensure the balances are within the \$1M Guarantee limits.

(c) Liquidity risk

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

(d) Fair Value

Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The carrying amount of creditors and accruals at 30 June 2011 approximates market value.

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Transaction costs are included in the determination of net fair value.

(e) Interest rate exposures and maturities

		FLOATING INTEREST \$	FIXED INTEREST MATURING LESS THAN 1 YEAR \$	NON INTEREST BEARING \$	TOTAL \$
2011					
Financial asset					
Cash and cash equivalents	4.97%	1,083,224	12,700,000	400	13,783,624
Receivables	N/A	0		231,055	231,055
Financial Liabilities					
Payables	N/A	0	0	875,441	875,441
Net financial assets/liabilities		1,083,224	12,700,000	(643,986)	13,139,238
2010					
Financial asset					
Cash and cash equivalents	4.78%	938,591	10,000,000	400	10,938,991
Receivables	N/A	0	0	273,474	273,474
Financial Liabilities					
Payables	N/A	0	0	1,212,988	1,212,988
Net financial assets/liabilities		938,591	10,000,000	(939,114)	9,999,477

	2011 \$	2010 \$
NOTE 3		
REVENUE		
(a) Government Contributions		
Contributions to operations:		
State Government		
River Health/Healthy Waterways	2,861,897	3,305,390
Natural Resource Investment Program	2,315,000	2,197,000
Catchment Planning/Corporate Governance 10/11	1,010,609	993,480
Catchment planning/Corporate Governance 11/12	520,615	0
Regional Catchment Strategy 11/12	150,000	0
2010/11 Flood Recovery Program	5,250,000	0
Flood Employment Program	70,000	0
Second Generation Landcare	510,450	712,000
Biochar Project	987,000	0
Bush Fire Recovery	57,000	543,000
Other grants	113,000	232,670
Commonwealth Government		
Caring for Our Country	1,843,000	2,854,075
Caring for Our Country - Natural Disaster Recovery	75,000	0
Caring for Our Country - Competitive Grants	2,095,000	1,500,000
Total Government contributions shown as operating revenue	<u>17,858,571</u>	<u>12,337,615</u>
Total Government contributions	<u>17,858,571</u>	<u>12,337,615</u>
Conditional grants		
The Authority has recognised as revenue several grants received from the Government where the full project has not yet been completed.		
An analysis of these grant monies is displayed at Note 16 (d).		
(b) Other revenues		
Interest	547,747	493,426
Other:		
Water Authorities	140,068	314,581
Miscellaneous	159,907	180,002
Murray Darling Basin Authority	103,080	104,000
	<u>403,055</u>	<u>598,582</u>
Total other revenues	<u>950,802</u>	<u>1,092,009</u>
Net profit/(loss) from sale of non current assets	<u>67,270</u>	<u>13,470</u>
Total revenue	<u>18,876,643</u>	<u>13,443,094</u>
NOTE 4		
EMPLOYEE COSTS		
Salaries & Wages	2,556,472	2,483,631
Annual Leave	236,758	109,491
Long Service Leave	85,069	98,404
Other Leave	175,948	194,126
Salary On Costs	530,213	447,362
	<u>3,584,460</u>	<u>3,333,014</u>

	2011 \$	2010 \$
NOTE 5		
EXPENSES - MATERIALS, MAINTENANCE, CONTRACTS AND CONSULTANCIES		
Materials	967,677	353,366
Repairs and Maintenance		
Motor vehicles & Plant	47,319	38,822
General	11,503	9,341
Consultants	1,530,947	475,244
Contractors	6,150,990	6,034,985
Grants Paid	1,665,128	1,763,533
	<u>10,373,564</u>	<u>8,675,291</u>

NOTE 6
REMUNERATION OF AUDITORS

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

Payable as at 30 June 2010	0	9,200
Payable as at 30 June 2011	9,350	0
(amounts are exclusive of GST)	<u>9,350</u>	<u>9,200</u>

NOTE 7
CASH AND CASH EQUIVALENT ASSETS

Cash and cash equivalent assets

Cash on hand	400	400
Cash at bank	709,447	426,851
Deposits at call	373,777	511,740
Investments		
Term Deposits - Treasury Corporation of Victoria	12,700,000	10,000,000
	<u>13,783,624</u>	<u>10,938,991</u>

As at 30 June 2011 \$11,734,996 (2010: \$8,470,999) of the Total Cash & Equivalents held at balance date are committed to specific projects for which funding has been provided to the Authority. Refer Note 16 for details of programs with funds committed at balance date.

NOTE 8
RECEIVABLES

Current		
Trade debtors	132,586	56,197
Less: provision for impaired receivables	0	0
	<u>132,586</u>	<u>56,197</u>
Other debtors		
GST Paid	84,381	214,661
Accrued Interest on Term Deposits	14,088	2,616
Total receivables	<u>231,055</u>	<u>273,474</u>

These amounts generally arise from the usual operating activities of the Authority. The ageing of the Trade Debtors were raised within the previous 3 months and are expected to be paid in full. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

	2011 \$	2010 \$
NOTE 9		
INVENTORIES		
Current		
Nursery Stock	0	2,935
Rock Stockpile	12,051	33,429
Total inventories	12,051	36,364
Movements during the reporting period		
Opening Balance Nursery Stock	2,935	8,456
Less Write downs	(2,935)	(5,521)
Less Sales	0	0
Closing Balance Nursery Stock	0	2,935
Opening Balance Rock Stockpile	33,429	187,405
Rock used	(21,378)	(153,976)
Closing Balance Rock Stockpile	12,051	33,429

	2011 \$	2010 \$
NOTE 10		
PROPERTY PLANT & EQUIPMENT		
(a) Classes of property, plant and equipment		
Leasehold improvements		
At cost	115,957	115,957
Accumulated depreciation	(106,024)	(102,961)
	<u>9,933</u>	<u>12,996</u>
Land		
At valuation	147,000	185,000
	<u>147,000</u>	<u>185,000</u>
Buildings		
At valuation	530,999	299,504
At cost	0	21,753
Accumulated depreciation	0	(34,702)
	<u>530,999</u>	<u>286,555</u>
Infrastructure / works		
At valuation	178,853	178,853
Accumulated depreciation	(134,521)	(124,153)
	<u>44,332</u>	<u>54,700</u>
Plant and equipment		
At Fair Value	842,512	842,512
Accumulated depreciation	(532,295)	(433,110)
	<u>310,217</u>	<u>409,402</u>
Furniture and office equipment		
At Fair Value	348,197	291,411
Accumulated depreciation	(240,057)	(203,833)
	<u>108,140</u>	<u>87,578</u>
Motor vehicles		
At Fair Value	849,861	569,647
Accumulated depreciation	(307,793)	(282,656)
	<u>542,068</u>	<u>286,991</u>
Total property, plant and equipment	<u>1,692,689</u>	<u>1,323,222</u>

Basis of valuation

Land and buildings were independently valued as at 30 June 2011 by the Valuer-General Victoria. Land was valued at market value. Buildings were valued based on depreciated replacement cost.

Infrastructure assets were valued by independent valuers Earth Tech Engineering, Environmental Engineers, BE, on the replacement value as at 30 June 2006 less the depreciation associated with the expired portion of its estimated total useful life.

(b) Movements during the reporting periods

	Leasehold Improvements \$	Land \$	Buildings \$	Infrastructure and Works \$	Plant and Equipment \$	Furniture and Office Equipment \$	Motor Vehicles \$	Total \$
Carrying Amount								
Balance as at 1 July 2009	30,072	185,000	296,615	84,220	471,938	111,695	295,329	1,474,869
Additions	0	0	0	0	39,554	27,897	189,162	256,613
Disposals	0	0	0	0	0	(3,861)	(36,259)	(40,120)
Revaluations	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Write-Offs	0	0	0	(20,272)	0	0	0	(20,272)
Derecognition	0	0	0	0	0	0	0	0
Depreciation	(17,076)	0	(10,060)	(9,248)	(102,090)	(48,153)	(161,241)	(347,868)
Balance as at 1 July 2010	12,996	185,000	286,555	54,700	409,402	87,578	286,991	1,323,222
Additions	0	0	0	0	1,409	75,779	418,740	495,928
Disposals	0	0	0	0	0	0	(41,358)	(41,358)
Revaluations	0	(38,000)	255,854	0	0	0	0	217,854
Transfers	0	0	0	0	0	0	0	0
Write-Offs	0	0	(1,375)	0	0	(1,968)	0	(3,343)
Derecognition	0	0	0	0	0	0	0	0
Depreciation	(3,063)	0	(10,035)	(10,369)	(100,593)	(53,249)	(122,305)	(299,614)
Balance as at 30 Jun 2011	9,933	147,000	530,999	44,332	310,217	108,140	542,068	1,692,689

	2011 \$	2010 \$
(c) Depreciation charge for the year		
Leasehold improvements	3,063	17,076
Infrastructure / works	10,369	9,248
Plant & equipment	100,593	102,090
Furniture & office equipment	53,249	48,153
Motor vehicles	122,305	161,241
Buildings	10,035	10,060
	299,614	347,868
(d) Profit and/or loss on sale of non-current assets		
Proceeds from sale of fixed assets	111,971	73,862
Less written down value	(44,701)	(60,392)
Net profit/(loss) on disposal	67,270	13,470

	2011 \$	2010 \$
NOTE 11		
INTANGIBLES		
Intangibles - Software and Licences		
At cost	222,215	121,956
Accumulated amortisation	(131,691)	(98,767)
	<u>90,524</u>	<u>23,189</u>
Movements during the reporting period		
Opening Balance	23,189	39,162
Additions	100,260	9,398
Amortisation	(32,925)	(25,371)
Closing Balance	<u>90,524</u>	<u>23,189</u>
NOTE 12		
PAYABLES		
Current Payables		
Trade payables	50,434	4,178
Funds Held in Trust	0	350,000
Accrued expenses	745,951	778,792
Other	79,056	80,018
Total Payables	<u>875,441</u>	<u>1,212,988</u>
NOTE 13		
EMPLOYEE BENEFITS		
Current		
Annual leave	292,015	295,865
Long service leave	349,140	334,438
Other - Time in Lieu	39,705	36,518
Total Current	<u>680,860</u>	<u>666,821</u>
Non-Current		
Long service leave	178,739	130,564
Total Non-Current	<u>178,739</u>	<u>130,564</u>
Aggregate carrying amount		
Current	680,860	666,821
Non-Current	178,739	130,564
Total Employee Benefits	<u>859,599</u>	<u>797,385</u>
Full Time Equivalent Employee numbers at end of financial year:	39.40	38.42
Current Leave Provisions represent the unconditional portion of employee benefits. The Authority expects to pay \$413,694 (2010: \$243,795) of the current provisions in the next 12 months.		
The following assumptions were adopted in measuring the present value of long service leave entitlements:		
Weighted average increase in employee costs	4.60%	4.00%
Weighted average discount rates	5.28%	5.16%
Weighted average settlement period	7 years	7 years

	2011 \$	2010 \$
NOTE 14		
PROVISIONS		
Quarry Rehabilitations		
Current Provisions		
Everton	2,740	15,140
Walwa	8,290	9,915
Moyhu	3,630	11,430
Total Current Provisions	14,660	36,485
Non Current Provisions		
Fairyknowe	19,259	11,548
Sandy Creek	61,431	24,958
Total Non Current Provisions	80,690	36,506
Total Quarry Rehabilitations	95,350	72,991

Quarry rehabilitation provision represents the future estimated costs to rehabilitate each quarry operated and leased by the Authority at the expiration of each lease. The estimated costs are recognised on a progressive basis over the term of each lease.

Everton, Moyhu and Walwa Quarries have been closed. The rehabilitation provisions for these three quarries represent an estimate of final works to be undertaken to meet the final rehabilitation requirements of the respective Work Authorities. The Fairyknowe and Sandy Creek Quarry leases have been renewed to June 2025 & June 2026 respectively.

	2011 \$	2010 \$
NOTE 15		
CONTRIBUTED CAPITAL, RESERVES AND ACCUMULATED FUNDS		
(a) Contributed capital		
Balance at beginning of year	5,103,823	5,103,823
Balance at end of year	5,103,823	5,103,823
(b) Reserves		
Asset revaluation reserve		
Balance at beginning of year	418,611	420,675
Transfer of increments/Decrements on Disposal of non-current assets	217,854	0
Net transfers (to)/from accumulated funds	0	(2,064)
Asset revaluation reserve	636,465	418,611
Committed funds reserve		
Balance at beginning of year	5,006,627	5,320,698
Net transfers from accumulated funds	3,263,997	(314,071)
Committed funds reserve	8,270,624	5,006,627
Total Reserves	8,907,089	5,425,238
(c) Accumulated funds		
Balance at beginning of year	0	0
Net result for the period	3,263,997	(316,135)
Transfer from Asset Revaluation Reserve	0	2,064
Transfer to Committed Fund Reserve	(3,263,997)	314,071
Balance at end of year	0	0

Committed funds reserve

The reserve has been established to recognise that the Authority receives funding for programs in advance of the program works taking place. The Authority is committed to expending these funds in accordance with its Regional Management Plan in succeeding years. At the end of the financial year any Accumulated Funds which represents unexpended program funding, has been transferred to the reserve. For details of the extent of the Authority's commitments for works programs refer to Note 16 (d).

The difference of \$3,471,034 between the Outstanding works program and the committed funds reserve represents the amount that the Authority is committed to via various works programs (Note 16 (d)) not covered by the committed funds reserve. This amount represents a balance within contributed capital previously transferred in from accumulated funds.

	2011 \$	2010 \$
NOTE 16 COMMITMENTS		
(a) Operating leases		
Non-cancellable operating lease commitments inc. GST		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	261,544	163,672
Later than one year but not later than five years	307,352	376,562
Later than five years	0	0
	568,896	540,234

(b) Capital commitments

As at 30 June 2011 the Authority had \$128,625 in capital expenditure commitments (2010: nil). All Outstanding Commitments are to be expensed in the 2011/12 Financial Year.

(c) Non-Capital commitments

As at 30 June 2011 the Authority had \$2,555,182 (2010: \$2,273,719) in non-capital expenditure commitments. All Outstanding Commitments are to be expensed in the 2011/12 Financial Year.

(d) Outstanding works programs

As at 30 June 2011, the Authority had outstanding works programs totalling \$11,734,996 (2010: \$8,470,999) to complete during the 2011/12 and following financial years. This consists of grants received by the Authority but not expended as at 30 June 2011.

The Authority receives funding for specific projects. Such funding is allocated to and must be expended on those projects. The following table displays monies held and committed at the end of the year in respect to projects currently in progress.

Compliance Statement As at 30 June 2011

Program	Opening Balance	2010/2011 Amount Received	2010/2011 Amount Expensed	Closing Balance	Committed Funds	Uncommitted Funds
Water Programs	5,886,836	11,520,396	8,779,053	8,628,179	8,628,179	0
Strategy & Partnerships	1,696,039	5,031,289	5,168,173	1,559,156	1,559,156	0
Corporate Services	888,124	2,324,958	1,665,420	1,547,661	1,547,661	0
	8,470,999	18,876,643	15,612,646	11,734,996	11,734,996	0

Compliance Statement As at 30 June 2010

Program	Opening Balance	2009/2010 Amount Received	2009/2010 Amount Expensed	Closing Balance	Committed Funds	Uncommitted Funds
Water Programs	6,550,332	6,555,573	7,219,069	5,886,836	5,886,836	0
Strategy & Partnerships	1,472,129	5,482,812	5,258,902	1,696,039	1,696,039	0
Corporate Services	764,673	1,404,711	1,281,260	888,124	888,124	0
	8,787,134	13,443,096	13,759,231	8,470,999	8,470,999	0

	2010/2011	2009/2010
Project management		
External service providers	1,709,360	1,580,486
Internal resources	10,025,636	6,890,513
Total Committed Funds	11,734,996	8,470,999

Funds committed as at 30 June 2011 for external programs are anticipated to be expended as follows:

Period	2010/2011	2009/2010
Within one year	1,500,756	1,095,745
Later than one year but within five years	208,604	484,741
Later than five years	-	-
Total Committed Funds	1,709,360	1,580,486

Refer Operating Statement & related Notes

NOTE 17 CONTINGENT LIABILITIES

As at 30 June 2011, the Authority has issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$85,800 (2010: \$85,800)

NOTE 18 SUPERANNUATION

The Authority contributes in respect of its employees to the following superannuation schemes:

Fund	Type of Scheme	Rate %	2011 \$	2010 \$
Vision Super	Defined benefits	9.25%	16,443	15,449
Vic Super New Scheme	Accumulation	9%	29,383	37,486
Vision Super Saver	Accumulation	9%	71,306	65,314
All Other funds	Accumulation	9%	137,280	124,189
Total contributions to all funds			254,412	242,438

As at balance date there was \$17,209 (2010: \$25,261) in contributions payable to the above funds. No balances were repayable in respect of loans made to the Authority from any fund.

Defined Benefits

The Vision Super is a Defined Benefit Fund. Any unfunded liability in respect to this fund would normally be recognised in the financial statements of the Authority. However, the Vision Super Defined Benefit Fund is a multi Employer sponsored plan. As the Funds' assets and liabilities are pooled and are not allocated by employer, the actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119, the Authority does not use defined benefit accounting for these contributions.

On the basis of the recent Economic Climate (ie Global Financial Crisis), Vision Super undertook an interim Actuarial review as at 31st December 2008. The Trustee determined that there was a funding shortfall of \$71M for the expected defined benefit plan liabilities. During 2009 the Global Financial Crisis worsened. Over the period 31 December 2008 to 30 June 2010 the Vested Benefit Index reduced to 93% and the actuarial shortfall would have increased. At the same time, as calculating the Vested Benefit Index at 30 June 2010, the actuary recommended that the fund employers be requested to pay the full \$71M shortfall calculated as at 31 December 2008, plus interest.

The Authority's portion of the funding call inclusive of interest and taxes to 30 June 2011 was \$66,031.14. The Vision Super Fund was paid on 28th June 2011.

The next Actuarial review is scheduled for 31st December 2011, with any actuarial shortfall to be called and payable from 1st July 2013.

All other funds are accumulation funds. Employer contributions are normally based on a percentage of employee earnings (currently 9% under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.

**NOTE 19
RESPONSIBLE PERSONS
RELATED DISCLOSURES**

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

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

Honourable Gavin Jennings, MLC	Minister for Environment & Climate Change (1 July 2010 to 1 December 2010)
Honourable Ryan Smith, MP	Minister for Environment & Climate Change (2 December 2010 to 30 June 2011)
Honourable Peter Walsh, MP	Minister for Water (2 December 2010 to 30 June 2011)
P Carrick	(Chairperson)
A. Griffiths	(Deputy Chairperson)
J. Riddiford	(CEO)
S Bedyka	(Board Member)
L Coulston	(Board Member)
G Hayes	(Board Member)
A Jarvis	(Board Member)
B Young	(Board Member)
A Mitchell	(Board Member 1 July 2010 to 31 August 2010)
R Park	(Board Member 1 July 2010 to 30 August 2010)
J Taylor	(Acting CEO - 24 September 2010 to 1 October 2010, 21 December 2010 to 7 January 2011, 20 January 2011 to 27 January 2011)

Remuneration of responsible persons

Remuneration paid to Ministers is reported in the Annual Report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests which each member of the Parliament completes. Remuneration received or receivable from the Authority in connection with the management of the Authority during the reporting period was:

Band	2011	2010
\$0-\$9,999	4	6
\$10,000-\$19,999	4	3
\$180,000-\$189,999	0	0
\$190,000-\$199,999	0	1
\$200,000-\$209,999	1	0
Total Remuneration \$	284,956	277,461

Remuneration of executive officers

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

Band	Total Remuneration		Base Remuneration	
	2011	2010	2011	2010
\$100,000-\$109,999	0	1	0	1
\$110,000-\$119,999	0	1	0	1
\$120,000-\$129,999	0	1	0	1
\$130,000-\$139,999	3	1	3	1
Total Remuneration \$	427,942	500,610	407,838	481,272

Due to Maternity Relief arrangements, one additional position has been included in the executive officers for 2009/2010.

Other transactions

Responsible Persons

Lyn Coulston (Board Member) is a director of Mountain Creek Native Plant Nursery. During the year the Authority purchased \$7,030 (2010: \$19,123) of seedlings from Mountain Creek Native Plant Nursery. These purchases were based on normal commercial terms and conditions.

Susan Bedyka (Board Member) is a director of The Regional Development Company Pty Ltd. During the year the Authority paid \$2,512.40 (2010: \$nil) for consultancy services in regards to a Flood Response Debriefing Workshop. These purchases were on normal commercial terms and conditions.

Responsible Persons - related parties

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2011 (2010: nil).

	2011 \$	2010 \$
NOTE 20		
RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net result for the period	3,263,997	(316,135)
Add/(less) Non-Cash Flows in Net Result		
(Profit) / loss on disposal of non-current assets	(67,270)	(13,470)
Depreciation and amortisation	332,538	373,239
	3,529,265	43,634
Changes in Assets and Liabilities		
Decrease/(increase) in trade receivables	42,420	370,829
Decrease/(increase) in inventories	24,313	159,497
(Decrease)/increase in provisions	22,359	(94,489)
Decrease/(increase) in prepayments	(14,174)	(14,974)
(Decrease)/Increase in payables	(337,547)	179,352
(Decrease)/increase in employee benefits	62,214	71,708
	3,328,850	715,557
Net Cash flows from Operating Activities	3,328,850	715,557

NOTE21
SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the authority, the results of those operations, or the state of affairs of the authority in future financial years.

NOTE 22
NATURAL RESOURCE MANAGEMENT SECTOR REFORM

In the 2009/2010 Annual Report it was noted there was to be a commitment to restructure Victoria's natural resource management bodies and the associated legislation. Following a change in government, due to the November 2010 State Election, the proposed reforms will not be adopted and the alignment of Natural Resource & Catchment Authorities will not take place.

APPENDICES

DETAILED RESULTS AGAINST THE 2010/2011 CORPORATE PLAN

GOVERNANCE

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
MINISTERIAL REQUESTS				
4.1.1	The CMA shall respond to requests from the Minister, or to requests from any other Minister, for information on matters related to CMA functions and business in a timely manner. (WA 8.1 / CaLP 8.1)			No requests received
CMA OPERATIONS				
4.1.2	The CMA shall operate within the requirements of the Governance Guidelines for the Department's statutory authorities. (WA 9.1 / CaLP 9.1)	Demonstrate corporate social responsibility by: <ul style="list-style-type: none"> reducing greenhouse gas emissions, and supporting community people in the Alpine Valleys Community Leadership program. 	Reduction in greenhouse gas emissions by 5% compared with benchmark year. At least one community member supported in the Alpine Valleys Community Leadership program.	Reduction of 37% compared with benchmark year (approx 158t CO2-e) One community member supported in Alpine Valleys Community Leadership program.
4.1.3	The CMA shall review its performance periodically and report as directed by the Minister, or the Secretary or Department on behalf of the Minister. (WA 9.2 / CaLP 9.2)	The Board will conduct a self assessment of its performance.		Self assessment submitted by the due date.
CORPORATE PLANS				
4.1.4	The CMA shall develop and implement a Corporate Plan in accordance with relevant legislation and subordinate instruments and any guidelines issued by the Minister. (WA 10.1 / CaLP 10.1)		Approved Corporate Plan submitted to Minister by 30 April 2011.	Approved Corporate Plan submitted to Minister by 30 April 2011.
ANNUAL REPORTS				
4.1.5	The CMA shall develop an Annual Report detailing the CMA's activities and financial position (and report on the condition and management of land and water resources in its region and the carrying out of its functions) in accordance with relevant legislative and subordinate instruments and any Government guidelines. (WA 11.1 / (CaLP 11.1))	Prepare the Annual Report.	Annual Report submitted to the Minister by 9 October. Favourable overall audit assessment by the Auditor-General.	Annual Report submitted to the Minister by October 2010. Unqualified Audit Report from VAGO for 2009/2010.
PERFORMANCE MONITORING				
4.1.6	The CMA shall ensure that appropriate & effective processes & systems are in place to monitor its financial, social & environmental performance. (WA 12.1 / CaLP 12.1)	Implement project development and budgeting process.	Successfully prepare all budgets (financial & non-financial) on time for Board Approval.	Budgets completed on time.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
MANAGEMENT OF CMA FUNDS				
4.1.7	The CMA shall manage the relevant investment of Government funds in the region's natural resource management program in the manner outlined in its Service Level Agreement (and any contract or agreement between the Department and the CMA), the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 13.1 / (CaLP 13.1))			Compliant.
4.1.8	The CMA shall manage its business operations in compliance with the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 13.2 / CaLP 13.2)			Compliant.
4.1.9	The CMA shall administer community grants on behalf of the Minister to assist in the implementation of the Regional Catchment Strategy and relevant sub-strategies and plans in accordance with relevant legislation and subordinate instruments and any guidelines issued to the CMA. (WA 13.3 / (CaLP 13.3))	Management of community grants.	100% of approved grant applications processed and grants paid within one month of their receipt by the CMA.	100% of grants processed within 30 days of receipt by the CMA.
MANAGING RISKS				
4.1.10	The CMA shall develop a risk management system and processes to effectively manage strategic, operational and financial risks in accordance with the Financial Management Compliance Framework, all relevant legislative and sub-ordinate instruments and industry standards. (WA 14.1 / CaLP 14.1)	Implement the 2010-2011 Risk Management Plan. Monitor Current and Emerging Risks.	Actions as listed in the Plan are met on time and formally reported to the Board.	Actions completed and reports provided to the Board.
4.1.11	The Authority shall develop and maintain a comprehensive register of all relevant assets in accordance with the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 15.1 / CaLP 15.1)	Maintain Asset Register as required.		Compliant.
4.1.12	The Authority shall develop and implement systems to manage and maintain its assets and supply its services in a sustainable manner. (WA 15.2 / CaLP 15.2)	Annual Stocktake. Maintain an asset replacement schedule for all Major Assets.	Annual Stocktake of Assets completed. Annual Review of Asset replacement schedule completed.	Stocktake completed. Review completed.

COMMUNITY ENGAGEMENT

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
GENERAL				
4.2.1	The CMA shall develop, maintain and enhance strategic partnerships with regional service deliverers for the implementation of the Regional Catchment Strategy, its sub-strategies, and any plans, including investment plans and special area plans. (CaLP 16.3)	Support strategic partnership forums. Facilitate engagement with the region's, local government authorities.	Meaningful participation in local government forums at officer and Councillor/ Board level.	Participation throughout 2010-11 in North East Greenhouse Alliance meetings and events.
4.2.2	The CMA shall establish and maintain community engagement structures and / or processes on an ongoing basis to: a) provide advice to the CMA on the development and implementation of Regional River Health Strategies (its sub-strategies, and any plans, including investment plans and special area plans), floodplain and drainage programs; and b) act as a communication link with relevant stakeholder groups and the community. (WA 16.2 / (CaLP 16.2))	Community Liaison Reference Group providing advice to the CMA. Facilitate engagement with the region's, agribusinesses. Facilitate engagement with the region's indigenous community. Coordinate community engagement meetings. Implement community engagement monitoring, evaluation and reporting program.	Quarterly compliance reporting against the CMA's Community Engagement (CE) Policy.	CE Policy compliance reports submitted to Board quarterly. The following agribusiness groups have been engaged through the Carbon Soils project: Boorhaman Cropping Group, Upper Murray Agricultural Group, Summer Fruit Growers, King Valley Vignerons, Alpine Vignerons. The CMA has facilitated the establishment of two Indigenous Landcare Groups in the region.
4.2.3	The CMA shall make available to the public: a) information about the catchment and waterway management services and b) relevant educational material (CaLP 16.4 / WA 16.3)	Place all relevant information on the website. Produce Catch Up newsletter.	 Three Catch Up editions produced.	Information about the catchment and waterway management services was placed and maintained on the website. This was augmented by print material. No editions of the Catch Up newsletter were produced.
COMMUNICATION ADVICE TO MINISTERS				
4.2.4	The CMA shall advise the Minister of appropriate opportunities to communicate issues and outcomes relating to catchment management, river health and the environmental water reserve. (WA 17.1 / CaLP 17.1)			The Minister was advised of matters relating to the flood recovery program and other relevant matters.

INTEGRATED REGIONAL PLANNING AND COORDINATION

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
REGIONAL CATCHMENT STRATEGY (RCS)				
4.3.1	The CMA shall co-ordinate the development, review, and gain approval for the RCS in accordance with any guidelines issued by the Minister. (CaLP 18.1)	Commence RCS renewal based on VCMC Guidelines.	RCS renewal commenced by 30 June 2011.	RCS renewal commenced with Board governance arrangements in place and project scoping started.
4.3.2	The CMA shall coordinate the implementation of the RCS. (CaLP 18.2)	Manage Service Level Agreements with key regional stakeholders. Facilitate Monitoring, Evaluation, Reporting and Improvement processes for implementation Programs.	Satisfactory Annual Performance Report.	2009-10 Annual Performance Report submitted and accepted by DSE.
4.3.3	The CMA shall coordinate the development, review and implementation of regional sub-strategies or plans which manage priority issues in the RCS and / or are specified by relevant State policies in accordance with any guidelines issued to the CMA. (CaLP 18.3)			Final draft of the Invasive Plants & Animals Strategy forwarded to DPI, DSE and Parks Victoria for comment prior to submission to Board to approve the draft document for public consultation.
4.3.4	The CMA shall monitor, evaluate and report to the Department on resource condition and management action targets in accordance with any guidelines issued to the CMA. (CaLP 18.4)	Prepare Catchment Condition report for inclusion in the 2009-2010 Annual Report.	Annual Catchment Condition reporting completed and meeting statutory reporting requirements.	2009-2010 Annual Catchment Condition report submitted and accepted by the Minister.
		Coordinate Regional Investment Plan reporting processes for the region.	Regional Investment Plan reporting completed and meeting investor requirements.	Regional Investment Plan reporting to investors submitted on time and accepted.
4.3.5	The CMA shall provide input on action plan priorities and programs to the development of the RCS. (WA 18.1)	Develop the Regional Investment Plan	Regional Investment Plan submitted to DSE in accordance with guidelines.	2011-12 Regional Investment Plan submitted to DSE.
REGIONAL CATCHMENT INVESTMENT PROCESS				
4.3.6	The CMA shall include the planning works programs for action plans in the submission of the annual Regional Catchment Investment Process and other relevant funding processes to the Department (WA 19.1)	Develop the Regional Investment Plan.	Regional Investment Plan submitted by required date.	2011-2012 Regional Investment Plan submitted to DSE.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
SPECIAL AREA PLANS				
4.3.7	The CMA shall submit to the Minister for approval any special area plans prepared for special areas declared in its region. (CaLP 19.1)			N/A
4.3.8	The CMA shall coordinate and monitor the implementation of any approved special area plans prepared in accordance with the CaLP Act or any guidelines issued by the Minister. (CaLP 19.2)			N/A
REGIONAL CATCHMENT INVESTMENT PLAN (RIP)				
4.3.9	The CMA shall coordinate the development of the RIP and the associated documentation, and the implementation and management of the RIP, in accordance with any guidelines issued by the Department. (CaLP 20.1)	Develop the Regional Investment Plan. NE0708.2.235	Regional Investment Plan submitted by required date.	2011-2012 Regional Investment Plan submitted to DSE by the required date.
4.3.10	The CMA shall provide advice through the RIP process to the Department on regional priorities and programs for the implementation of the accredited RCS and sub-strategies and relevant plans in accordance with any guidelines issued by the Department. (CaLP 20.2)	Develop the Regional Investment Plan.	Regional Investment Plan submitted by required date.	2011-2012 Regional Investment Plan submitted to DSE by the required date.
LAND STEWARDSHIP - LANDCARE				
4.3.11	The CMA shall develop and coordinate the implementation of a regional action plan for Landcare to support Landcare activities across its region in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.1)	Implement the Regional Landcare Support Strategy.	Annual workplan completed.	Annual workplan completed.
4.3.12	The CMA shall monitor, evaluate and report on progress against priorities and targets defined by the regional action plan for Landcare in accordance with any guidelines issued to the CMA or any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.2)	Report through the Regional Investment Plan reporting process.	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	Regional Investment Plan reporting to investors submitted on time and accepted.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
LAND STEWARDSHIP - BIODIVERSITY				
4.3.13	The CMA shall develop and coordinate the implementation of regional plans for biodiversity, such as a Native Vegetation Plan (NVP) in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 22.1)	Develop the Regional Investment Plan. Manage SLA with DSE Statewide Services for implementation of the RNVP.	Investor approval of Regional Investment Plan. Implementation of RIP NV projects conforms to SLA.	2010-11 Regional Investment Plan approved by the Minister. Native Vegetation projects delivered according to SLA's.
4.3.14	The CMA shall monitor and report on the progress of implementation against priorities and targets as set out in regional plans for biodiversity in accordance with any guidelines issued to the CMA. (CaLP 22.2)	Report through the Regional Investment Plan reporting process.	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	All Regional Investment Plan reporting to Investors submitted on time and accepted.
4.3.15	The CMA shall implement revegetation standards for all on-ground works delivered by its own and contracted staff in accordance with any guidelines issued to the CMA. The CMA shall encourage other regional revegetation works, delivered by community groups, to adopt the same standards. (CaLP 22.3)	Promotion of the NE Revegetation Guide as the standard for all revegetation in the NE.	The NE Revegetation Guide recognised and used as the standard for revegetation in the NE.	The NE Revegetation Guide standards used for CMA and Service Provider projects. Landcare groups encouraged to adopt standards through the grants eligibility process.
LAND STEWARDSHIP - PEST MANAGEMENT				
4.3.16	The CMA shall develop and coordinate the implementation of regional pest plans in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 23.1)			Final draft of the Invasive Plants & Animals Strategy forwarded to DPI, DSE and Parks Victoria for comment prior to submission to Board to approve the draft document for public consultation.
4.3.17	The CMA shall advise the Minister, or another Minister (if requested), on regional priorities for the management of pest species. (CaLP 23.2)	Board advice to Minister under the current Noxious Weeds Review.	Advice provided to Minister when requested by DPI.	No requests received from DPI.
4.3.18	The CMA shall develop, monitor and report on the progress of implementation against priorities and targets as set out in regional pest plans in accordance with any guidelines issued to the CMA. (CaLP 23.3)			Final draft of the Invasive Plants & Animals Strategy forwarded to DPI, DSE and Parks Victoria for comment prior to submission to Board to approve the draft document for public consultation.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
4.3.19	The CMA shall advise the Minister on the declaration or revocation of a declaration for any relevant pest species. (CaLP 23.4)	Board advice to Minister under the current Noxious Weeds Review.	Advice provided to Minister when requested by DPI.	No requests received from DPI.
LAND STEWARDSHIP – SALINITY MANAGEMENT				
4.3.20	The CMA shall develop and coordinate the implementation of Regional Salinity Management Plans or their equivalent in accordance with the RCS and any relevant State policy, framework, Strategy, plan or guideline. (CaLP 24.1)	Develop the Regional Investment Plan.	Investor approval of Regional Investment Plan. Implementation of RIP salinity projects conforms to SLA.	2010-11 Regional Investment Plan approved by the Minister. Salinity projects delivered according to SLA's.
4.3.21	The CMA shall monitor and report on the progress of the implementation of Regional Salinity Management Plans or their equivalent in accordance with any guidelines issued to the CMA. (CaLP 24.2)	Report through the Regional Investment Plan reporting process.	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	Regional Investment Plan reporting to Investors submitted on time and accepted.
4.3.22	The CMA shall advise the Department on the development of regional salinity targets and corresponding works programs in accordance with the Murray Darling Basin Agreement, or subsequent such agreement. (CaLP 24.3)	Prepare Catchment Condition report for inclusion in the 2009-10 Annual Report.		Catchment Condition Report completed.
REFERRALS AND NOTICES				
4.3.23	The CMA shall prepare a response to referrals from the Environment Protection Authority in accordance with relevant legislation. (CaLP 25.1)	As required.	Responses to planning referrals made within statutory timeframes.	N/A
4.3.24	Where the CMA is listed in a Local Government Planning Scheme as a referral body, the CMA shall provide advice on planning referrals which relate to dryland salinity, irrigation management, soil erosion and any other land management issues identified in the local Municipal Strategic Statement. (CaLP 25.2)	As required.	Responses to planning referrals made within statutory timeframes.	Responses were provided within statutory time frames to all Local Government planning referrals with conditions, recommendations and comments, as appropriate to the referral.
4.3.25	The CMA shall consider any land management notices and make a decision on whether to consent to the notice. (CaLP 25.3)	As required.	Responses to planning referrals made within statutory timeframes.	No land management notices were received.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
LOCAL GOVERNMENT PLANNING				
4.3.26	<p>The CMA shall participate in the periodic review, continuous improvement and implementation of those municipal planning schemes and in particular:</p> <p>a) any Local Planning Policy Framework;</p> <p>b) any Municipal Strategic Statement; and</p> <p>c) (any zones and overlays) which may affect, or be affected by, the CMA's (region, functions, powers and duties) area, responsibilities or activities.</p> <p>A principal objective of the CMA's participation will be to promote consistency of any strategy or scheme with its planning and programs for the implementation of (the RCS, its sub-strategies and plans) regional river health, floodplain and regional drainage programs. (WA 20.1 / (CaLP 26.1))</p>	Provide comments on planning referrals for planning scheme amendments as appropriate.	All Local Government reviews of planning policies have input from the CMA Responses provided within statutory timeframes.	<p>Input was provided into Local Government reviews of planning policies, planning scheme amendments and studies as appropriate.</p> <p>This included:</p> <ul style="list-style-type: none"> • Planning Scheme Amendments C71, C73, C80, C81, C82, C86 for Wodonga • Alpine Shire 2011 Recreational Reserve Master Plan Review • Indigo Shire 2010 Wahgunyah Master Plan • Indigo Shire 2010 Roadside Management Plan • Indigo 2011 Recreational Reserve Master Plans • Towong Shire 2010 Rural Land Use Study • Wangaratta Shire 2011 Roadside Management Plan • Wangaratta Shire 2011 Rural Land Use Study

CARETAKER OF RIVER HEALTH

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
REGIONAL RIVER HEALTH STRATEGY				
4.4.1	The CMA shall develop a Regional River Health Strategy (RRHS) according to guidelines issued by the Secretary. (WA 21.1)	The RRHS was completed and endorsed 2006. Participate in the planning for the development of VSHREW at the State level.	Provide input to DSE process as requested.	The CMA participated in the VSHREW waterway manager review sessions with both verbal and written feedback.
RIVER HEALTH ACTION PLANS				
4.4.2	For priority areas identified in the Regional River Health Strategy, the CMA shall, in consultation with relevant stakeholders and the community, develop and coordinate the implementation of, relevant action plans, in accordance with guidelines issued by the Secretary, which may include: a) water quality management action plans; and b) waterway management action plans. (WA 22.1)	Implement existing WAPs. Implement Lower Ovens 'Caring for our Country' project.	Undertake initial priority actions for WAPs; King River, Mitta Mitta River, Yackandandah Creek, Snowy Creek, Little Snowy Ck, Lower Kiewa/ Finns Ck, Reedy Ck, 15 Mile Ck, Wangaratta WAP, Wodonga WAP. Lower Ovens 'Caring for our Country' project completed as per contract obligations.	Works were implemented for the following Waterway Action Plans: Wangaratta Waterway Action Plan, Snowy Creek Waterway Action Plan, Little Snowy Creek Waterway Action Plan and Omeo and District Waterway Health Strategy. Lower Ovens 'Caring for our Country' project completed as per contract obligations.
RIVER HEALTH WORK PROGRAMS				
4.4.3	The CMA shall develop and implement on-ground river restoration works programs to implement the priorities of the Regional River Health Strategy and related river health action plans. (WA 23.1)	Prepare 12 annual works plans. Mitta Mitta channel capacity project. Living Murray Resnagging project. MDBC demonstration reach project/s. Prepare RIP projects. River Tender.	12 Annual Work plans developed. RIP bid endorsed.	Work plans for projects were initiated but then put on hold due to major flooding. Staff resources were reallocated to flood recovery works from Sept to July. CMA worked with MDBA and GMW to deliver works for the Mitta Mitta Channel Capacity project. The CMA implemented the MDBA Ovens River Native Fish Demonstration Reach project.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
				<p>The CMA finalised the DSE Crown Frontage Review project in partnership with DSE Crown Land Management. This project has now evolved into the Securing Priority Riparian Areas project.</p> <p>'Caring for our Country' Lower Ovens projects implemented.</p> <p>Recreational Fishing Grants project implemented on the Ovens River.</p>
4.4.4	The CMA shall include the works programs outlined above in the submission of the annual RCIP to the Department. (WA 23.2)	Prepare RIP projects.	RIP bid endorsed.	Regional Investment Plan bid was endorsed.
4.4.5	The CMA shall consult with the Department's public land managers in development of any plans, programs or schemes, which are on a Crown frontage. (WA 23.4)	<p>Crown Frontage Review project/ SPRA.</p> <p>Liaise with DSE regarding crown frontage vegetation assessments.</p>	<p>Deliver the Crown Frontage Review project/SPRA in partnership with DSE.</p> <p>Provide regional advice and technical input to DSE as required.</p>	15 new Riparian Management Licences, 21 amendments to Grazing licences in Crown Frontage Review project/SPRA in partnership with DSE.
APPROVALS, REFERRALS AND ADVICE				
4.4.6	The CMA shall authorise works on waterways and exercise enforcement powers in accordance with the CMA Waterways Protection By-law.	<p>Authorise Works on Waterways.</p> <p>Undertake enforcement as required.</p>	Assess/process all applications for Works on Waterways within 30 days (in line with statutory time frames from local government).	<p>Works on waterways permit applications and exemptions were processed on average within 30 days.</p> <p>100 applications for permits were received this year.</p> <p>Compliance issues were dealt with in accordance with the CMA's enforcement policy.</p>

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
4.4.7	The CMA shall act as a referral body for any: a) application for a licence to construct works; and b) application for a licence to take and use water; referred to it by the Minister in respect of a dam in accordance with relevant legislation. (WA 24.2)	Provide comments on all Goulburn-Murray Water referrals. Develop a process to incorporate Environmental Water Reserve into GMW licence referral process.	Process applications within statutory response time. Process developed and communicated to GMW.	The CMA have not received any referrals for construction licence applications from GMW. 4 Compliance matters dealt with in conjunction with other agencies. The CMA has not received any referrals for licences to take and use water from GMW.
4.4.8	The CMA shall provide advice on planning referrals which relate to waterway, water quality and any other river health issues when requested by local government. (WA 24.3)	Provide comments on all local government and other Authority referrals.	Provide comments on referrals within statutory timeframes.	Formal advice and comments in relation to waterway health, water quality, wetlands and other related river health issues were made within the statutory time frame.
4.4.9	The CMA shall advise the Department on conditions for licences in respect of Crown frontages. (WA 24.4)	Provide comments to the Department on all crown frontage referrals. Provide input into any review of crown frontage licences.	Provide timely comments on new licence applications and licence transfers as requested. Provide input into any review of crown frontage licences.	Responses made to 12 crown land licence referrals. Provided input into draft documents from the Riparian Technical Working Group & SPRA Steering Committee in relation to crown frontage licences.
4.4.10	The CMA shall provide advice to rural and urban water authorities, local government and State Government agencies on aspects of their business, or matters which they are handling, which impact on river health. (WA 24.5)	Provide comments when requested on WSDS, drought response plans, water plans.	Comments provided to rural and urban water authorities.	The CMA participated in AGL's annual stakeholder meeting for the storage desilting and monitoring program.
HERITAGE RIVER AREAS				
4.4.11	The CMA shall incorporate the requirements relating to Heritage River Areas into the development and implementation of Regional River Health Strategy. (WA 25.1)	Projects in heritage areas will consider Heritage plan requirements.		The 'Caring for our Country' funded Protecting Critical Aquatic Habitats from Invasive Species project was delivered in the Lower Ovens Heritage River.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
MANAGEMENT OF THE ENVIRONMENTAL WATER RESERVE (EWR)				
4.4.12	The CMA shall integrate the management of the EWR into the development of the Regional River Health Strategy, action plans and integrated river works programs. (WA 26.1)	Identify how EWR can be integrated into works program/action plans. Participate in the review of the lead strategy documents - RCS VSHREWs.	Input to the development of VSHREW on how the management of EWR can be integrated into RESHEWs.	Participated in the development of EWR chapter for VSHREW to ensure that regional EWR issues were considered.
4.4.13	In all its river health planning and works programs, the CMA shall aim to: a) achieve the most effective use of the EWR; b) achieve the greatest level of environmental benefits practicable; and c) minimise, as far as possible, any adverse impacts on water users. (WA 26.2)	Aim to integrate EWR objectives, use and hydrology concepts into works program/ action plans, whilst minimising adverse impacts on programs and water users.	Process documented. EWR use, environmental benefits and adverse impacts documented.	Commissioned technical work to review the role of willows and other vegetation in the 2010/11 floods. Management implications to feed into RSHW. Prioritised work areas through RRHS addendum to align with water resource management priorities.
4.4.14	The CMA shall liaise with: a) the storage operator to negotiate the most effective release pattern for the EWR, in regulated systems including during drought; and b) surface water and groundwater licensing authorities to negotiate the most effective surface water and groundwater extraction regime. (WA 26.3)	Liaise with GMW and NERWC regarding the operation of lake Buffalo and the Ovens System. Liaise with Goulburn-Murray Water effective surface/ ground water extractions as part of upper Ovens Water Management Plan Development. Participate as a member of the Regional Groundwater Services Committee (RGSC) and relevant Surface Water Committees.	Participation in North East Dry Inflow Contingency Planning (DICP) meeting. Implementation of North East CMAs obligations under Ovens System Operating Agreement. Demonstrated input into the upper Ovens WMP development process. Attendance at RGSC meetings and relevant Surface Water Committees.	Goulburn Murray Water and the CMA negotiated an environmentally beneficial release pattern (of scheduled maintenance releases) out of Lake Buffalo. CMA attended the North East DICP meetings and progressed extreme drought planning scenarios for the Ovens Regulated System. Attended Community Consultative Committee meetings for the upper Ovens WMP development process. Provided written submission to the draft Ovens WMP.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
4.4.15	Where the EWR includes an environmental entitlement and the CMA is appointed as the environmental manager of the environmental entitlement by the Minister, the CMA shall: a) develop a multi-year Environmental Operating Strategy for the environmental entitlement according to guidelines developed by the Secretary; (WA 26.4).	Reduced activity planned.		Agreement reached with the Australian Government for the delegated management of the Commonwealth Environmental Water Shares in the Ovens Regulated System.
4.4.16	The CMA shall advise the Department annually on the distribution and headworks costs associated with managing the EWR. (WA 26.5)	No activity planned. CMA does not currently hold an environmental entitlement.		N/A
4.4.17	The CMA shall report annually to the Secretary on the consistency of the management of the EWR with the requirements of the State Water Accounts. (WA 26.6)	Upon request provide EWR management information to the Victorian Water Accounts formation process.	Information provided.	Information provided.
4.4.18	The CMA shall receive approval from the Secretary where the CMA, whether acting in its own capacity or as a delegate of the Minister, intends to: <ul style="list-style-type: none"> • purchase a water share • transfer ownership of a water share • assign a limited-term transfer of a water share • assign a water allocation under a water share or an environmental entitlement (WA 26.7)	Process the ownership of water share as required.	Approvals sought from the Secretary as required.	No approval required.
4.4.19	Any water shares that the CMA purchases shall be included in, and managed in accordance with, the Annual Watering Plan. (WA 26.8)	No activity planned. Any CMA purchased water shares will trigger the development of an Annual Watering Plan.		N/A
4.4.20	The CMA shall liaise with the storage operator to maximise benefits to the EWR resulting from the timing, volume and location of the release of water in the consumptive entitlements. (WA 26.9)	Liaise with GMW regarding the operation of lake Buffalo and Lake William Hovell. Liaise with River Murray Water in relation to the operation of Lake Dartmouth.	Demonstrated liaison with Storage Operator.	Goulburn Murray Water and the CMA negotiated an environmentally beneficial release pattern (of scheduled maintenance releases) out of Lake Buffalo.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
WATER ALLOCATION PROCESSES				
4.4.21	<p>The CMA shall provide input into the development of Sustainable Water Strategies on:</p> <p>a) requirements and priorities for enhancing the EWR in high priority river and wetland systems and groundwater dependent ecosystems;</p> <p>b) river health and water quality issues;</p> <p>c) potential large-scale land use changes in catchments; and</p> <p>d) opportunities and implications for regional development.</p> <p>(WA 27.1)</p>	Participate in the implementation of the Northern Region Sustainable Water Strategy, and provide EWR advice.	Documented input into the implementation of Northern Region Sustainable Water Strategy.	Contributed to State Licensing Committee meeting processes and provided comments on Local Management Rules discussion papers.
4.4.22	<p>The CMA shall input into the development of stream flow management plans and groundwater management plans from a river health perspective and coordinate their implementation.</p> <p>(WA 27.2)</p>	Input into the upper Ovens Water Management Plan development through participating in Consultative Committee meetings. Assist in the implementation of the Ministerial Approved WMP. Participate in DSE lead processes on the review of WMP.	<p>Participate in upper Ovens River WMP consultative and Steering Committee meetings.</p> <p>Attend EWR network meetings.</p>	<p>Participated in upper Ovens River WMP consultative and Steering Committee meetings.</p> <p>Attend EWR officer network meetings.</p> <p>Provided comments on the review of WMP discussion paper.</p>
4.4.23	<p>The CMA shall provide input to bulk entitlements, groundwater management plans, water savings projects, irrigation reconfiguration plans and any other water allocation processes from a river health perspective.</p> <p>(WA 27.3)</p>	Provide input to water allocation and sharing processes as opportunities arise - Bright Bulk Entitlement Amendment.	Input documented.	<p>CMA was a representative on the steering committee and consultative committee for the Upper Ovens Water Management Plan.</p> <p>Participated in the pending Lake Moodemere Water Works Licence.</p> <p>Participated in the bulk entitlement planning discussions involving Bright & Omeo.</p>
4.4.24	<p>The CMA shall prepare regionally specific irrigation development guidelines which are consistent with the Statewide Irrigation Development Guidelines for approval by the Minister</p> <p>(WA 27.4)</p>	<p>Completed 2009.</p> <p>Implement Regional Guidelines implementation.</p>	Implementation process developed.	MOU and Guidelines are being implemented across the region. A Working Group has been recently formed to ensure their successful implementation.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
4.4.25	Where requested, the CMA shall advise the Minister on conditions and objectives for water use licences in accordance with relevant legislation. (WA 27.5)			No requests from the Minister.
4.4.26	The CMA shall report on the implementation of management plans for Water Supply Protection Areas, including groundwater and stream flow management plans, in the annual report. (WA 27.6)	Capture information for reporting.	Annual report contains report on the implementation of management plans for WSPAs.	Water Supply Protection Areas not required or submitted. First report expected Sep 2013. Provided written submission to the draft Ovens WMP Floodplain Management.
FLOODPLAIN MANAGEMENT				
4.4.27	The CMA shall develop and coordinate the implementation of regional plans for floodplain management. (WA 28.1)	Review the Regional Floodplain Management Strategy. Develop and coordinate regional flood plans.	Develop and coordinate regional flood plans.	Regional Floodplain Management Strategy reviewed.
4.4.28	For priority areas in the regional floodplain plan, the CMA shall: a) Undertake flood studies, develop floodplain management action plans and implement floodplain management works; and b) Report to the Department on the progress of these activities in accordance with relevant funding agreements. (WA 28.2)	Finalise the flood mapping currently underway. <ul style="list-style-type: none">• Middle Creek Flood Study (Rural City of Wodonga) Monitor construction progress on the approved Myrtleford scheme Declaration of flood levels for: <ul style="list-style-type: none">• Wangaratta urban area• Fifteen Mile Creek• Myrtleford	Incorporation of improved flood maps in relevant Council planning schemes.	The CMA assisted with the preparation for a funding bid for stage 2 of the Myrtleford Flood Mitigation Scheme. Stage 1 improvements of the Myrtleford Scheme were severely tested during the September 2010 floods and produced much needed flood level relief as intended.
4.4.29	The CMA shall provide advice about flooding and controls on planning scheme amendments, and planning and building approvals to local councils in its capacity as a referral body in accordance with relevant legislation. (WA 28.3)	Provide advice to local government on planning referrals.	98% of S55 applications processed within statutory timeframe.	All floodplain referrals were processed within the required time frame.
4.4.30	The CMA shall declare the flood level where a flood study has been carried out and an appropriate flood level determined. (WA 28.4)			No new declarations were made this financial year.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
4.4.31	The CMA shall coordinate the collection of appropriate flood data following a significant flood event and make it available to the public. (WA 28.5)	Flood data will be collected following flood events.	Flood data available to the public.	Major regional flooding occurred in September, October and December 2010, and January and February 2011. New flood level information was collected and surveyed for major creeks in Towong Shire, Yackandandah and Middle Creek, One and Three Mile Creek system (Wangaratta) Upper Murray, Ovens, Kiewa and King Rivers.
4.4.32	The CMA shall participate and provide technical assistance and support for studies, plans and works undertaken by local government and other authorities to ensure that best practice outcomes are achieved. (WA 28.6)	Where requested technical advice will be provided.	Demonstrated participation in studies, plans and works undertaken by local government and other authorities.	The CMA provided assistance for Alpine Shire in relation to the preparation of stage 2 of the Myrtleford Flood Protection Scheme and assisted Albury City Council with the Murray Floodplain Study due for completion early 2012.
4.4.33	The CMA shall assist local government in developing and maintaining their flood sub-plans under the Municipal Emergency Management Plans where appropriate. (WA 28.7)	Where requested technical advice will be provided.	Demonstrated participation in local government sub-plans under the Municipal Emergency Management Plans.	The CMA is advocating a review of all municipal flood response plans following the 2010 flood events.
MANAGEMENT OF REGIONAL DRAINAGE				
4.4.34	The CMA shall develop and coordinate the implementation of a regional plan for drainage management including establishing the roles of implementing authorities. (WA 28.9)	No action proposed.		N/A
4.4.35	The CMA shall implement, operate and protect the regional drainage schemes and works which the CMA has been appointed to assume responsibility for by an Order made under s.98 Water Act 1989, in accordance with that Order. (WA 29.2)	Black Dog Creek Waterway Management District By-law will be implemented.	Assess / process all applications within 30 days.	One application was received and the works were assessed to comply with the guidelines specified in the By-law.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
MONITORING AND REPORTING ON RIVER HEALTH				
4.4.36	The CMA shall report to the Minister for Water on the implementation of Regional River Health Strategies, related action plans and resource condition in accordance with the Service Level Agreement and any guidelines issued by the Secretary. (WA 30.1)	Regional reports developed.	Reports accepted by Government.	Reports submitted to Government.
4.4.37	The CMA shall benchmark and report to the Secretary on river condition in accordance with guidelines issued by the Secretary. (WA 30.2)	Assist DSE with the Index Of Stream Condition (ISC) - including the state LiDAR project. Assist DSE with the Index of Wetland Condition (IWC) monitoring.	Ground truth ISC results with consultants for DSE. Site assessments of wetlands in the region.	ISC monitoring assessments were not required.
4.4.38	The CMA shall participate in the Regional Water Resource Monitoring Partnership and implement their role as outlined in regional Water Monitoring Project Co-operative Arrangement. (WA 30.3)	Participate in partnership.	Attendance at each partnership meetings.	Attended regional partnership meetings and advised on the replacement and relocation of stream and rainfall gauges following the 2010 floods.
RESPONDING TO NATURAL DISASTERS, INCIDENTS AND EMERGENCIES				
4.4.39	The CMA shall develop, maintain and implement a Flood Response Action Plan and review it annually. (WA 31.1)	Review Flood Response Action Plan.	Flood Response Action Plan reviewed.	The Flood Response Action Plan was severely tested and further improvements will be made.
4.4.40	The CMA shall develop and implement river related restoration works programs following natural disasters such as bushfires or floods. (WA 31.2)	Respond to emergencies. Implement February 2009 fire recovery programs.	Successfully funded river restoration works programs. Reporting carried out as per funding agreement.	CMA developed a 2010/2011 flood recovery bid and is implementing the works as per the NDRA guidelines. Reporting was carried out as per the service level agreement.
4.4.41	The CMA shall participate in the development of regional blue-green algal (BGA) blooms contingency plans. (WA 31.3)	Participate in regional BGA meetings and planning exercises.	Attendance at regional BGA meetings and planning exercises.	The CMA attended the regional BGA meetings and planning exercise.
4.4.42	The CMA shall liaise with local government and state emergency services on flooding and emergency management issues. (WA 31.4)	Participate in community awareness programs - SES Flood smart Liaison regarding post emergency recovery programs.	Participate in community awareness raising. Attendance at recovery meetings.	CMA staff attended 4 information sessions run by the Alpine Shire about extreme event awareness in May 2011, and provided requested assistance to the SES Incident Control Centres in Wangaratta and Horsham.

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
COMMUNITY PARTICIPATION AND AWARENESS				
4.4.43	<p>The CMA shall undertake programs to encourage community engagement and participation in:</p> <p>a) river health programs;</p> <p>b) the management of the EWR; and</p> <p>c) the monitoring of river health.</p> <p>(WA 32.1)</p>	<p>Implement Waterway Action Plans.</p> <p>Streamflow Management Planning (Env Water).</p> <p>Waterwatch – road shows at local schools, support adult monitoring network.</p> <p>Participation in Salt Watch Week, World Water Day local events.</p> <p>Support the SEED project.</p> <p>Water quality (WQ) monitoring support for river health staff, assistance with community engagement activities.</p> <p>Foster working relationship with NERWA in WQ program delivery.</p> <p>Participate in water policy review.</p> <p>Annual communication plan.</p> <p>Media events- National Water Week.</p>	<p>Report quarterly to Board on community engagement activities.</p> <p>4 roadshows to 40 schools.</p> <p>Water week activities.</p> <p>60 active adult volunteers supported, water quality data provided to all monitors annually.</p> <p>Active participation in SEED governance arrangements.</p> <p>Annual works plan implemented with NERWA.</p>	<p>4 Waterway Action Plans implemented – Wangaratta Waterway Acton Plan, Snowy Creek Waterway Action Plan, Little Snowy Creek Waterway Action Plan and Omeo and District Waterway Health Strategy.</p> <p>Presented at ASL Congress- ‘Droughts in upland rivers. What to do when all water users are chasing the same water?’</p> <p>Undertook significant CE process around community perceptions/ experiences of the role willows played in flood impacts.</p> <p>Developed a CE plan for delivering the Waterwatch volunteer program.</p> <p>3 SEED days completed (Wodonga, Myrtleford & Tallangatta). 500 students attended.</p> <p>General Waterwatch events held – 465 participants.</p> <p>Participated in National Water Week and facilitated a regional awards night in partnership with North East Water for 100 people.</p> <p>38 Waterwatch volunteers monitoring water quality on a monthly basis. All have received quarterly refresher phys/chem training and biological training if required.</p>

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
				<p>66 Waterwatch volunteers registered.</p> <p>2 QA/QC events held (Wangaratta & Mudgegonga) for Waterwatch volunteers (40 participants).</p> <p>7 CMA monitoring sites (One Mile Creek, Stoney Creek & Corr Creek) are monitored monthly.</p> <p>323 sites monitored throughout 2010/2011.</p>
4.4.44	The CMA shall develop and implement community education programs on river health and the management of the EWR. (WA 32.2)	As above - National Water Week activities.	Report quarterly to Board on community engagement activities.	<p>Delivered the SEED (School Environmental Education Directory) across the North East.</p> <p>Reviewed and delivered the SEED units of work.</p>
4.4.45	The CMA shall promote community awareness of flood risks. (WA 32.3)	<p>Respond to flood level enquiries.</p> <p>Promote the SES "Floodsmart" program.</p>	<p>Provide written advice to the community on flood levels.</p> <p>Participate in community awareness raising.</p>	<p>Private flood enquiries were responded to within 4 weeks.</p> <p>CMA assisted the SES with its Flood Safe program in Bright, Myrtleford and Mt Beauty.</p>
4.4.46	The CMA shall develop, implement and maintain strategic partnerships with rural and urban water authorities for the implementation of the Regional River Health Strategy. (WA 32.4)	<p>Liaise with GMW / NERWA contingency planning.</p> <p>Participate in the Waterway Incident Protocol MOU with EPA, GMW and NERWA.</p> <p>Implement NERWA MOU.</p>	<p>Participate in regular partnership meetings.</p> <p>Attend regular meetings with MOU partners.</p> <p>MOU principles adhered to.</p>	<p>Attended North East DICP meetings and progressed extreme drought planning scenarios for the Ovens Regulated System.</p> <p>The CMA has participated in the GB CMA Waterway Incident Protocol MOU with the EPA, GMW (as no meetings have been held by the EPA for the NE CMA region).</p>

INNOVATION AND KNOWLEDGE MANAGEMENT

#	KRA	ACTIVITY 2010/2011	KPIS 2010/2011	RESULT 2010/2011
INNOVATION AND KNOWLEDGE SHARING				
4.5.1	<p>The CMA shall</p> <p>a) identify the CMA's research and capability needs;</p> <p>b) support investment in research and capability building, where doing so would improve the implementation of the RCS its sub-strategies and plans;</p> <p>c) participate in processes or projects aimed at generating and sharing knowledge on integrated catchment management including river health, the management of EWR, flooding and drainage; and</p> <p>d) participate in the setting of Statewide priorities.</p> <p>(WA 33.1 / CaLP 27.1)</p>	<p>Conduct an Annual assessment of knowledge needs.</p> <p>Participate in the Landscape Logic research program.</p> <p>Participate in Statewide forums for Land and Biodiversity White Paper outcomes and RCS renewal.</p> <p>Continue the CSIRO "Willow Water Use" Project</p> <p>Continue to sponsor research into the effects of willow removal on streams - MDFRC Continue Catchment Yield Monitoring Studies with Melbourne University.</p> <p>Initiate proof of concept for portable Biochar project.</p>	<p>Continue the CSIRO "Willow Water Use" Project</p> <p>Continue to sponsor research into the effects of willow removal on streams - MDFRC Continue Catchment Yield Monitoring Studies with Melbourne University.</p> <p>Water Quality Officer participating in Landscape Logic - Water (tas) project.</p> <p>Complete milestones 1 and 2 for Biochar project.</p>	<p>Completed the CSIRO "Willow Water Use" Project.</p> <p>Continued to sponsor research into the effects of willow removal on streams - MDFRC Continued Catchment Yield Monitoring Studies with Melbourne University.</p> <p>Undertook research into the flood impacts on channel change across the catchment and the role willows played in that channel change.</p> <p>Finalised support for landscape Logic project.</p> <p>Completed milestones 1 and 2 for Biochar project.</p>

KEY PERFORMANCE INDICATORS

PERFORMANCE AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
GOVERNANCE			
Board Performance Refer 4.1.3	Complete and submit an annual board performance report, according to any Ministerial guidelines issued.	By 31 August Annually.	2009/2010 report submitted May 2010.
	Participation by board members in development activities	All board members participate in development activities.	29% of Board Members participated in development Activities.
Board Charter	Develop and implement a board charter that as a minimum: <ul style="list-style-type: none"> • includes a requirement for the regular review of the board's effectiveness • establishes appropriate board committees including a risk and compliance committee • features a provision that the board will comply with Ministerial guidelines • requires the board to monitor the CMA's financial, social and environmental performance 	A board charter with these features is established by 31 August 2010.	Board charter reviewed and amendments adopted August 2010.
Risk and financial management Refer 4.1.10	Compliance to risk management strategy	Nil non-compliances with risk management strategy	The CMA has an overarching Risk Management Plan. 67% of programs have risk management plans (ie 2 out of 3 programs). Nil - non compliance.
	Review of governance policies and procedures as appropriate.	Review governance policies and procedures by 30 June annually as appropriate.	All policies and procedures either reviewed or scheduled for review by 30 June 2011.

PERFORMANCE AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
EFFICIENCY AND ORGANISATIONAL PERFORMANCE			
Expenditure versus budget Refer 4.1.7 & 4.1.8	Variation of actual to budgeted expenditure for the CMA.	Total actual expenditure is less than or equal to budgeted expenditure For each program, actual expenditure is within +/-10 per cent of the budgeted expenditure.	Total Actual Exp \$15,612,646 Total Budget Exp \$19,687,146 Nil programs actual exp >10% above budget. 3 programs actual exp <10% below budget.
Grant Management Refer 4.1.9	Administration costs of grants are minimised.	10 per cent or less of grant funds is spent on administration.	4.21% on administration. Nil grants >10% administration.
	Minimise time taken to determine grant applications.	Grant applications are determined within one month of being received.	Unable to report on grants delivered by partner agencies.
Regulatory waterway/water functions	Number of days to process works on waterways permits	Not more than 20 working days	The average number of working days to process permits was: <ul style="list-style-type: none"> • 22.5 days (inclusive of public holidays & weekends) when including the time taken for applicants to also provide further information to support their applications • 16.5 days (inclusive of public holidays & weekends) when excluding applications that required further information to support their applications. 39 applications took more than 20 days to process. There are currently 15 applications pending, further information to be provided. The most common request for more information is in relation to seeking consent from Public Land Services at DSE for the applicant to undertake works on crown land.
	Number of days to process referrals for any works on or in relation to a dam.	Not more than 20 working days.	No referrals were received for works in relation to a dam.

PERFORMANCE AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals.	Not more than 20 working days.	The average number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals was 75 days.
	Number of days to process enquiries from local government and the community on flooding.	Not more than 20 working days.	The average number of days to process enquiries from local government and the community on flooding was 23 days.
	Number of days to process referrals for Water Use Licences that don't meet the standard water-use conditions.	Not more than 20 working days.	No referrals for Water Use Licences were received.
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans and seasonal adjustments to annual use limits.	Not more than 20 working days.	No enquiries from Rural Water Corporations on irrigation and drainage plans and seasonal adjustments to annual use limits were received.
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences.	Not more than 20 working days.	No enquiries from Rural Water Corporations issuing Take and Use Licences were received.
EFFECTIVENESS AND ENVIRONMENTAL OUTCOMES			
Integrated River Health Management Refer 4.4.1	Revise Regional River Health Strategy to plan for waterways in relation to their economic, social and environmental values.	Regional River Health Strategy revised every six years.	The Regional River Health Strategy has not yet been revised - this forms part of the renewal process currently underway.
	Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the environmental water reserve in accordance with objectives.	Environmental Operating Strategies developed or revised every five years Annual Watering Plans approved for all Environmental Entitlements.	No Environmental Operating Strategies were developed or revised as there was no requirement from DSE to do so.
	Implement annual river health programs and activities to improve environmental values and health of water ecosystems.	All annual river health targets and works programs achieved.	Approximately 68% of annual river health targets and works programs have been achieved.
Regional Catchment Strategy (RCS) implementation Refer 4.3.2	Percentage of RCS annual actions implemented	All RCS annual actions implemented.	Not applicable until the current RCS is renewed and Government investment is targeted through RCS actions.

PERFORMANCE AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
Regional Native Vegetation Plan (RNVP) implementation Refer 4.3.13	Percentage of RNVP annual actions implemented.	All RNVP annual actions implemented.	No current RNVP in place.
Invasive plant and animal management Refer 4.3.16	Regional Invasive Plant and Animal Strategies incorporating related priorities in all land tenures in the region.	Invasive Plant and Animal Strategies revised by 30 June every 5 years.	IPAS in draft stage awaiting approval from DPI, DSE and Parks Victoria to present to the CMA Board for endorsement.
Regional and statutory planning Refer 4.3.26	Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body.	100 per cent of referral responses provided for each issue.	No referrals received.
Salinity Management Refer 4.3.21 & 4.3.22	Implementation and periodic review of Regional Salinity Management Plans (RSMP) and Land and Water Management Plans (LWMP).	RSMP and LWMP completed RSMP and LWMP periodically reviewed RSMP and LWMP include annual actions to be implemented.	RSMP remains in draft form.
	Progress against annual action targets.	All annual RSMP and LWMP actions and targets achieved.	Australian and State Government investment directed by priorities set at the state and national level.
	Develop regional salinity targets and corresponding work programs in accordance with the Murray Darling Basin Salinity Agreement (for Applicable CMAs only).	All annual salinity targets and works programs achieved.	Australian and State Government investment directed by priorities set at the state and national level.
	Annual report on the allocation and updated of salt disposal entitlements submitted to the responsible Minister.	By 31 July annually or as otherwise requested by the responsible Minister.	N/A
Regional Landcare groups, networks and other community groups Refer 4.3.11 & 4.3.12	Deliver the Regional Landcare Support Strategy, including coordination of Landcare at a regional scale.	Evaluate and revise the strategy every five years.	Awaiting advice and funding from the Victorian Landcare program before undertaking.

DISCLOSURE INDEX

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GLOSSARY OF TERMS

ABBREVIATION	TERM
ARI _____	Arthur Rylah Institute
CaCl _____	Calcium Chloride
CAMS _____	Catchment Activity Management System
CfoC _____	Caring for our Country
CLF _____	Community Liaison Facilitator
CLRG _____	Community Liaison Reference Group
CMA _____	North East Catchment Management Authority
DPI _____	Department of Primary Industries
DSE _____	Department of Sustainability and Environment
EEO _____	Equal Employment Opportunity
EPA _____	Environmental Protection Authority
EVC _____	Ecological Vegetation Classes
EWR _____	Environmental Water Reserve
GHG _____	Greenhouse Gases
G-MW _____	Goulburn-Murray Water
Ha _____	Hectare
HabHa _____	Habitat Hectares
HERO _____	High Environmental Return Opportunities
ISC _____	Index of Stream Condition
IT _____	Information Technology
Km _____	Kilometre
KPI _____	Key Performance Indicator
KRA _____	Key Result Area
LIDAR _____	Light Detection and Ranging
MDBA _____	Murray Darling Basin Authority
MERIF _____	Monitoring Evaluation Reporting & Improvement Framework
MoU _____	Memorandum of Understanding
MSS _____	Municipal Strategic Statement
NESHAP _____	North East Soil Health Action Plan
NERWA _____	North East Region Water Authority
NSWS _____	Northern Sustainable Water Strategy
OBWQWG _____	Ovens Basin Water Quality Working Group
OHS _____	Occupational Health and Safety
PDC _____	Protected Disclosure Coordinator
pH _____	Acidity / Alkalinity Scale
PPSR _____	Participatory Performance Story Reporting
RIP _____	Regional Investment Plan
RCS _____	North East Regional Catchment Strategy
REALM _____	Research Application Model
RGSC _____	Regional Groundwater Services Committee
SEED _____	School Environment Education Directory
SFMP _____	Stream Flow Management Plan
SLA _____	Service Level Agreement
SPRA _____	Securing Priority Riparian Areas
VAGO _____	Victorian Auditor General's Office
VCMC _____	Victorian Catchment Management Council
VMIA _____	Victorian Managed Insurance Authority
VROTS _____	Victorian Rare or Threatened Species
VSHREW _____	Victorian Strategy for Healthy Rivers, Estuaries and Wetlands
WAP _____	Waterway Action Plan
WSDS _____	Water Supply Demand Strategy

REPORT PROFILE

The North East CMA was established by the Victorian Government in July 1997 under the Catchment and Land Protection Act 1994.

The responsible Ministers during the 2010/2011 reporting period were Gavin Jennings MLC, Minister for Environment and Climate Change for the period from 1 July 2010 to 1 December 2010 and Ryan Smith MP, Minister for Environment and Climate Change and Peter Walsh MLC, Minister for Water for the period from 2 December 2010 to 30 June 2011.

This report of operations and associated financial statements has been prepared to meet statutory requirements and inform stakeholders of the CMA's activities for the 2010/2011 period.

Further information on the CMA is available from the following sources:

- Previous annual reports
- Corporate Plan 2010/11 to 2015/16
- Regional Catchment Strategy
- North East Regional River Health Strategy
- Regional Catchment Investment Plan.

Copies of these documents may be obtained from our office, 1B Footmark Court, Wodonga or from our website, www.necma.vic.gov.au.

Our website is a useful tool for accessing information on the various activities that help us meet our objectives, current funding availability and general educational material.

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19



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22



23

19 The CMA developed new facts sheets to assist community identification and management of wetlands.

20 The CMA completed soil testing for 500 landholders.

21 Farmers from across the region attended 'bugs in the system', a forum about soil biology and sustainability organised by the North East and Murray CMAs.

22 Jacqueline Schultz (filmmaker), Brendon Kennedy (community member) and Richard Kennedy (CMA) at the opening of 'Great men of rock', an exhibition created by local elders and supported by the CMA. (Photo courtesy of Border Mail.)

23 After long periods of drought, wetlands received water and floodplains reconnected with waterways, billabongs and other low-lying areas.

24 Summer Leek Orchid (*Prasouvidulum*) – a threatened flora species in the north east.

25 Waterwatch continued to provide educational support to schools, students and teachers across the catchment



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Although flooding was a dominant influence this year, the North East CMA continued to foster and support sustainable agriculture and protect biodiversity in our region.

PHOTO CREDITS

The North East CMA extends sincere thanks to all those who contributed photos for this report. Staff contributors: Natalie Martin, Sarah Ning, Natalie Ord, Greta Quinlivan, John Riddiford. External contributors: The Border Mail, Michael Bell, Simon Dallinger, Mary-Anne Scully.

HOW WE CAN HELP YOU

You can contact the North East CMA for advice and assistance in the following areas:

FUNDING AND GRANTS

We provide information about natural resource management funding programs and can link you to funding sources. Our website has regular updates about grants and incentive programs.

WORKS ON WATERWAYS

You can contact us for permits and planning advice.

SCHOOLS PROGRAMS

We can help you identify opportunities for your school to be involved in Waterwatch. You can conduct water quality tests on your local waterway, get involved in catchment activities, habitat surveys and annual water quality and macroinvertebrates snapshots along some of our rivers. Through the Schools Environment Education Directory (SEED) teachers can access units of work to be delivered within their school. Contact our Waterwatch team for information.

LANDCARE

We provide information about natural resource management funding programs and can link you to funding sources. If you are new to our region, we can put you in contact with your nearest Landcare group.

SEMINARS AND WORKSHOPS

We run seminars about current environmental issues and hold workshops to build the skills of our groups and individuals. Check our website for coming events.

INDIGENOUS SUPPORT

We facilitate Indigenous community involvement in natural resource management, and can put you in contact with indigenous groups across the region.

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CATCHMENT
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