



ANNUAL REPORT 2005/2006

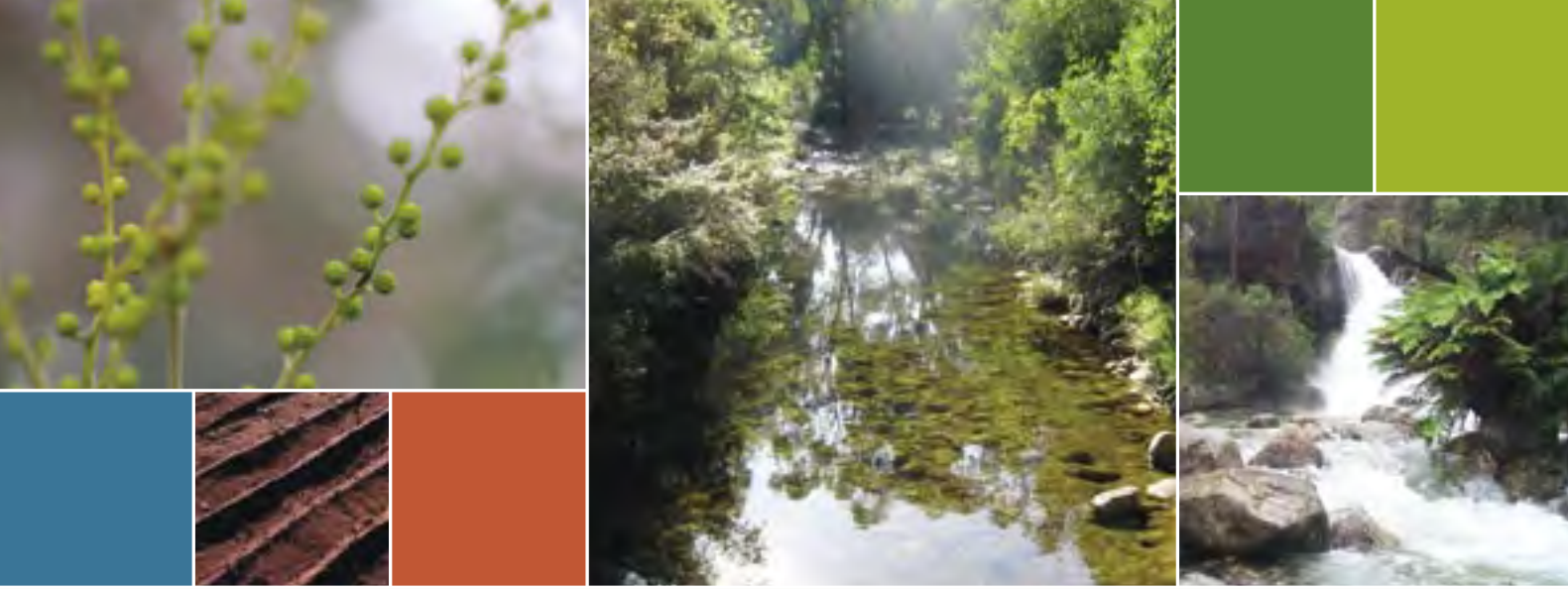
REPORT ON CORPORATE PLAN



Diverse, Healthy Landscapes; Vibrant Communities



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY



Our Vision

Diverse, healthy landscapes; vibrant communities

Our Mission

Our mission is to work in partnership with the community and government agencies to maintain and enhance diverse, healthy landscapes and thus support vibrant communities in North East Victoria.

We will achieve our mission by demonstrating leadership in providing a strategic overview of the environmental resources and needs of the region, and in attracting and directing resources that will help generate the knowledge and actions needed to progress towards our vision.

We operate by engaging with the community and working in partnerships to initiate, co-ordinate and integrate catchment management programs, while representing the interests of the region's natural resources – locally, state-wide and nationally.

We work on behalf of the current and future generations of our region, as well as downstream communities reliant on our resources.

Our Purpose

The North East Catchment Management Authority aims to assist the North East community protect and enhance the unique biodiversity of our region and achieve balanced use of the natural resources; consequently protecting the most valuable water resource in the Murray-Darling Basin for current and future generations.

Cover picture: (Before and After works photo)
Barmidgee Creek, Mudgegonga.



**NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY**

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ALL ABOUT

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY



Who we are

The North East Catchment Management Authority (CMA) is a statutory authority reporting to the Minister for Environment and Minister for Water. The Victorian Government established 10 CMAs across Victoria in July 1997 under the *Catchment and Land Protection Act (CaLP) 1994*, but they have responsibilities under both the CaLP Act and the *Water Act 1989*.

CMAs work with the community, government and funding organisations to protect and enhance land, water and biodiversity resources.

The North East CMA receives funding from the Victorian and Australian Governments to co-ordinate and manage on-ground work that aims to improve the region's social wellbeing, environmental quality and long-term productivity and sustainability.

What we do

The CMA is responsible for co-ordinating integrated catchment management and sustainable land and water use in Victoria's North East region. This is primarily achieved through the CMA's role in developing and facilitating the North East Regional Catchment Strategy (RCS) – a five-year strategy document that guides investment in natural resource management (NRM) in our region.

Developed through extensive community and stakeholder consultation, the RCS outlines a shared regional vision and approach to integrated catchment management in the North East. The strategy identifies our natural resource assets, their contributions, threats to these assets, how to manage these threats and the priorities for investment.



To achieve the Regional Catchment Strategy outcomes, the CMA's role is to:

- capitalise on the opportunities to protect and set the standards for improvement of land, vegetation and water resources in the North East catchment;
- provide a vehicle for 'community-wide' involvement in catchment management, particularly through the Advisory Committees;
- encourage ownership of and accountability for land and water management;
- provide leadership in catchment management;
- integrate management of land, vegetation and water programs;
- achieve equitable (and sustainable) outcomes in land use and management;
- set up and maintain a structural framework to deliver optimum outcomes; and
- adopt best practice methods to achieve both efficiency and effectiveness.

The CMA welcomes and encourages input from the community and stakeholders and actively works in partnership to deliver its operations and outcomes.

The North East CMA reports on the progress towards the RCS targets through the accompanying Catchment Condition Report.

The CMA is also directly responsible for:

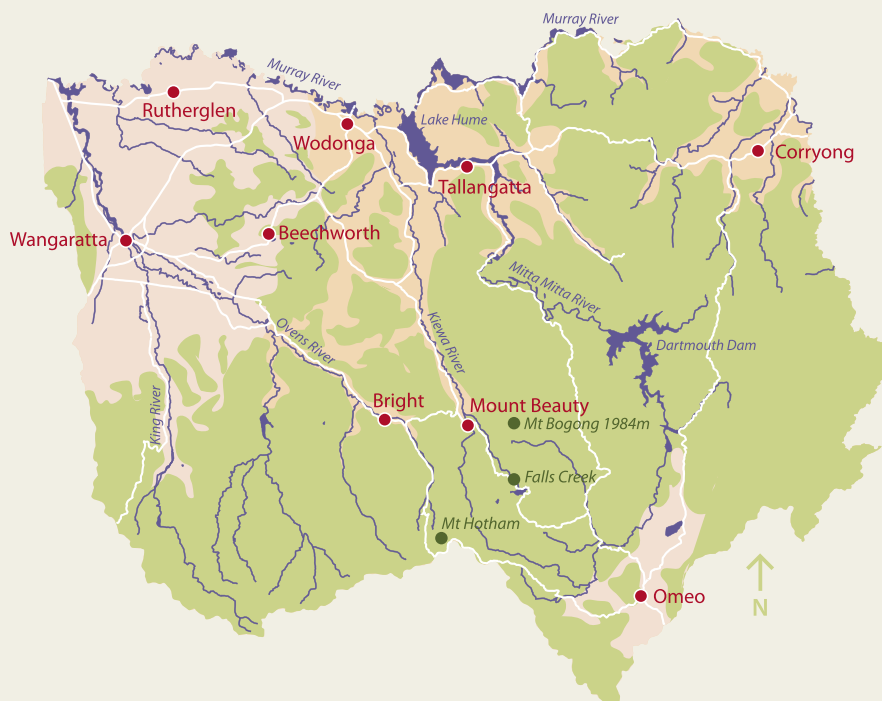
- managing river health;
- managing floodplains;
- co-ordinating water quality;
- supporting Landcare groups;
- administering grants; and
- facilitating funding.

The CMA's funded activities are divided into three business units:

- **Water**
- **Strategy and Partnerships (including Land and Biodiversity)**
- **Corporate**

ALL ABOUT

NORTH EAST CATCHMENT
MANAGEMENT AUTHORITY



Legend

- Towns
- Rivers, Lakes, Dams
- Ski Resorts
- Roads
- Private Land
- Public Land

Our Region

Victoria's North East region is rich in natural assets – snow-topped mountains, river valleys, open plains and natural forests. The region covers nearly 2 million ha and includes the Upper Murray, Kiewa and Ovens river basins.

The North East is bounded by the Murray River in the north, the Victorian Alps in the south, the NSW border in the east and the Warby Ranges in the west. It takes in the local government municipalities of Wodonga, Indigo, Wangaratta, Alpine and Towong, and also parts of the Moira and East Gippsland shires.

The North East region plays a vital role in providing water resources for south-eastern Australia. Although only 2% of the geographic area of the Murray-Darling Basin, the region's river basins contribute 38% of the total water in the Murray-Darling Basin system.

Around 95,000 people live in the North East, contributing about \$3.24 billion every year to Victoria's economic wealth. The main industries are agriculture (dairy, beef, lamb, wool, cropping and horticulture), forest products, tourism, and value-added food processing and manufacturing.

More than half the North East is public land – national, state and wilderness parks and state forests, as well as historic reserves.

Thousands of visitors come to the North East every year to enjoy pursuits including skiing and bushwalking in the parks, recreational fishing in the streams and rivers, and boating on lakes.

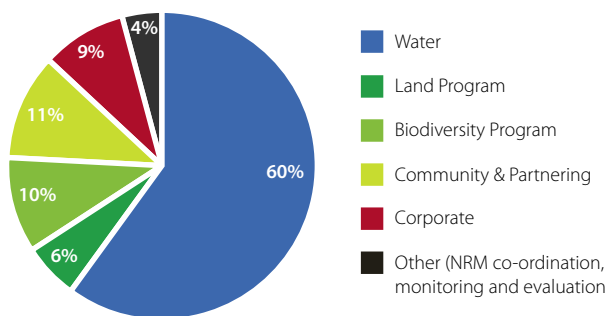
Parts of the Ovens and Upper Murray Basins have been nominated under the *Heritage Rivers Act 1992* in recognition of the many significant features of these areas. There are also eight nationally important wetlands in the region.



Works program for 2005/06

Services and programs for 2005/06	\$
Water	8,871,598
Strategy and Partnerships	
• Land Program	993,613
• Biodiversity Program	1,482,033
• Community and Partnering	1,576,527
Statutory (Corporate)	1,352,716
Other (NRM co-ordination, monitoring and evaluation)	554,591
Total	14,831,078

Services and programs for 2005/06



Who carries out natural resource management work in our region

Natural resource management work in the region is carried out by the North East CMA, government agencies (the Department of Primary Industries and the Department of Sustainability and Environment), other environmental agencies and partners, local government authorities, industry groups, Landcare groups, land managers and the community.

The work done is according to the priorities identified in the Regional Catchment Strategy and the Regional Catchment Investment Plan.

Who pays for natural resource management work

The Victorian and Australian Governments fund natural resource management work via grants and initiatives programs.

Landholders also contribute to the costs of work as part of landholder partnerships and agreements.

It is estimated that the average matching contribution from landholders and groups is around 5:1 of cash and in-kind to funding received.

2005/06 HIGHLIGHTS



Water

Repairing an icon river

The innovative River Tender program extended protection and repair of the Ovens – one of Victoria's heritage-listed rivers.

Twenty-three landholders successfully applied for funding under Round Two. As a direct result, 307 hectares will be managed for river health outcomes over the next five years, including more than 40 kilometres of river frontage and 24 kilometres of fencing to manage stock access to the River.

Snags to benefit native fish

The Murray-Darling Basin Commission (MDBC) announced \$1.2 million for Australia's largest resnagging project on the Murray River between Lake Hume and Yarrawonga.

Over three years, trees will be placed in parts of the river to act as habitat for fish to spawn, feed and avoid predators.

The project is a partnership between the North East CMA, NSW Department of Natural Resources, NSW Department of Primary Industries (Fisheries), Victorian Department of Sustainability and Environment, and the Murray-Darling Basin Commission.

Strategy & Partnerships

New 'health check' on natural resources

A new Catchment Condition Report released by the CMA rated the condition of land and water resources in North East Victoria against targets outlined in the North East Regional Catchment Strategy and recommended future actions for resource management.

The 2004/2005 Report showed that the North East CMA and its partners had achieved:

- above-target progress in reducing salinity discharge in priority areas;
- progress in improving surface soil acidity;
- progress in reducing gully erosion; and
- progress in addressing pests, including rabbits, wild dogs and foxes.

Attendances up at community forums

Community members welcomed a new format for the annual Catchment Community Forums with attendance up by 50% on the previous year.

The CMA held seven forums across the Catchment. Feedback indicated that community members found the forums helpful and that they valued the opportunity to speak directly with CMA and other agency staff at the one location.

Boost for sustainable agriculture

Sustainable agriculture forged ahead in the North East with additional funding and the creation of a dedicated position to support landholders and industry. Twelve projects from the region attracted a total of almost \$1 million from the Australian Government's 2005/06 National Landcare Community Support Programme.



Addressing Climate Change

Following a community-inspired climate change forum in November 2005, the CMA started work on a project with the Department of Primary Industries (DPI) to investigate climate changes at a regional scale.

The CMA also joined the North East Greenhouse Alliance – a proactive group committed to finding practical ways to reduce greenhouse emissions and attracting new enterprises suited to a changing climate.

More resources for Soil Health

In response to community feedback, the CMA funded a full-time Soil Health Officer this year. Working within the Department of Primary Industries, Nathan Heath helped deliver a comprehensive Soil Health program in the North East.

Environmental Management System Pilot completed

The CMA completed a three-year EMS pilot program this year. Important results from the pilot included:

- the linking of on-farm EMS to the targets within the Regional Catchment Strategy;
- 41 landholders with 12 different enterprises all used the same generic EMS template;
- development of the Australian EMS manual and workbook; and
- 73% of the landholders involved will continue on with the EMS.

University expertise adds value

A partnership between La Trobe University and the CMA saw two social work students based in the CMA's Strategy and Partnerships unit for 14 weeks. The students developed and evaluated the Catchment Community Forums based on community development and engagement principles.

Corporate

CMA rates well in State-wide survey

The CMA attracted positive feedback in a State-wide Stakeholder Client Survey. Results showed that:

- respondents were largely positive about the North East CMA, its work, processes and people;
- the CMA's relationship management is regarded as a strength by all stakeholders; and
- the CMA's staff received very positive feedback from all stakeholders.

Information Technology upgrade

Through a partnership approach with the North East Region Water Authority, the CMA implemented the first stage of an IT Support Strategy 2005–2010, resulting in:

- an overhaul of the base systems, structures and technology; and
- creation of a higher level of collaboration and communication within the organisation.

CHAIRPERSON'S REPORT



This has been a year of consolidation and innovation. The Regional Catchment Strategy (RCS) is being implemented and the knowledge and capacity of our regional communities are growing stronger. There is a clearer focus on what can be achieved and we are better able to demonstrate our achievements.

Monitoring, Evaluation, Reporting and Improvement Framework

The new Monitoring, Evaluation, Reporting and Improvement Framework that is being developed will deliver information about progress towards achieving the RCS targets. This will enable trend analysis and, more importantly, will challenge the assumptions used to develop and evaluate targets. It will lead to adaptive management, through which we continually learn and improve our management of projects. Performance against RCS targets will reflect evidence-based outcomes rather than just outputs. For example, does it really matter how many trees are planted or how many kilometres of creek frontages are fenced if we can't demonstrate what these actions achieve?

National Landcare Programme

Communities working with a natural resource management facilitator developed a number of significant projects that attracted National Landcare Programme funding. This funding enables practical and pragmatic projects that can really influence how farmers do business on their farms to support sustainable agriculture. Project development requires collective action by communities – congratulations to all involved. Landcare facilitators have been employed to help strengthen communities across the region and assist project development.

Climate Change Forum

The North East CMA hosted a well-attended forum that helped many people recognise the need to understand the likely local effects of climate change. The unpredictability of climate change and the anticipated greater variability will make decisions increasingly difficult. The North East CMA is supporting targeted research by the Department of Primary Industries to investigate how the variations may affect delivery of the Regional Catchment Strategy.

The forum discussed mitigation options and the North East CMA subsequently joined the fledgling North East Greenhouse Alliance. This involvement will help us keep our own emissions in check and focus on the adaptations needed to fashion the future.

In 2007, the North East CMA will instigate community-based 'scenario planning' to provide background for the next RCS. Community involvement is crucial to foster informed debate of all issues and encourage a two-way learning process.



Catchment Community Forums

A second round of Catchment Community Forums was held across the North East in late 2005. Feedback collected with the help of La Trobe University indicated that community members valued attending these forums. Some forums attracted greater community participation than others and future forums will be designed to stimulate and encourage more two-way communication.

River Health Strategy

The North East River Health Strategy was completed this year and implementation is well under way. Improved river health is anticipated across the region over time, especially in the Ovens River basin. The unique, almost natural hydrology of the Ovens supports an ecology that is important to the region, as well as to the Murray River.

The Future

In the coming years, the CMA will look towards:

- developing valuable corporate social responsibility relationships;
- adapting to the greenhouse challenge, investigating ways to reduce the greenhouse impact and ensuring we communicate these to the community; and
- continuing to foster a culture that empowers communities and staff to be change makers, not change takers.

The current term of the CMA Board has come to an end and I wish to thank all outgoing Board Members for their valuable contributions over the past three years and welcome new Members with anticipation of a strong and strategic board. The Board intends the North East CMA to be a 'can do' organisation that listens and is creative and responsive to community needs.

Sarah Nicholas
Chairperson

CEO'S REPORT



The North East CMA has had an excellent year in terms of delivering projects, linking organisational structures to operational and business systems and to evaluation and reporting processes.

Natural Resource Management Programs

The CMA has continued to support the State Government's water reform plan – *Our Water, Our Future*. The CMA has accelerated its river health program with a major emphasis on on-ground works. There has been an increase in activity in all three major river basins – the Ovens, Kiewa and Upper Murray, with a particular focus on protecting the heritage values of the Ovens River.

There has been broad investment in prioritised land, water and vegetation programs across the catchments with support from our catchment partners – Landcare, Department of Sustainability and Environment, Department of Primary Industries, Goulburn-Murray Water, North East Region Water Authority and local government. There has also been a focus on linking natural resource management with sustainable agriculture through the National Landcare Programme funded by the Australian Government and the implementation of the soil health program.

Business Systems Improvement

The CMA has been restructured into three business units: Water Programs, Strategy and Partnerships, and Corporate Services. The new business units have a clear framework for the CMA's operational role (through the Water Programs area), its strategic role in involving the community in the implementation of the Regional Catchment Strategy (through the Strategy and Partnerships business unit), and providing business systems, IT and HR support (through Corporate Services).

The organisational structure is closely aligned with the Minister's Draft Statement of Obligations (which stipulates the CMA's roles and responsibilities), the Corporate Plan, the business unit workplans and individual workplans. This has resulted in improved project delivery performance and improved accountabilities among program managers and project officers. Last year, the North East CMA performed strongly in terms of project completion and reduction of carryover projects. Also, according to the CMA's Stakeholder Client Survey Report (2006), "Stakeholders were clearly impressed with the North East CMA's relationship management with their (partner) organisations and their operational role overall. They were also satisfied with the CMA's overall implementation of the RCS."

With the advent of the Catchment Condition Report (now in its second year), the CMA is well positioned to effectively report against the RCS and evaluate the success of project implementation. All 10 CMAs are working towards a consistent reporting framework.

There were no significant changes in the financial position during the year or major changes or factors that affected our performance.

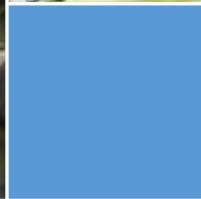
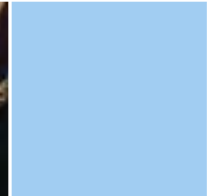
Summary

With the support of the community and the Victorian and Australian Governments, the region is well positioned to deliver on the community's aspirations – *diverse healthy landscapes; vibrant communities*.

John Riddiford
Chief Executive Officer



WATER



The North East CMA's Water Program has five sub units of River Health (strategic and on-ground works), Water Quality, Floodplain Management, Water Resources and Waterwatch.

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RIVER HEALTH



Introduction

The North East region of Victoria supplies 38% of the total surface water for the Murray-Darling Basin, despite forming only 2% of the total land area. This water resource is critical for agribusiness, industry, town water supply and environmental flows in the Murray River.

It is vital that the rivers and streams of the North East are managed well and their health preserved – and improved wherever possible. The CMA, partner organisations and landholders in the region are working together to protect and enhance this resource for all in the region and along the Murray River.

2005/06 Achievements

Regional River Health Strategy

The North East Regional River Health Strategy (NERRHS) was completed this year. It provides broad-level strategic direction for the future management of waterways in the North East CMA region. The five-year strategy will be used to guide government investment. Locally, the strategy will direct the development of an annual works program. The NERRHS sits jointly under the North East Regional Catchment Strategy (RCS) and the Victorian River Health Strategy (VRHS). It provides the necessary link between the State-wide objectives and the objectives of our community and is an integral part of the Victorian legislative framework to protect the State's waterways.

The NERRHS is the first attempt to combine all elements of river management in one umbrella strategy. The strategy integrates river health programs into a multi-disciplinary framework and considers water quality and quantity, flow, wetlands, in-stream and riparian flora and fauna, fisheries and recreation.

Living Murray Resnagging and Riparian Restoration – Hume Dam to Yarrawonga

The Living Murray's Resnagging and Riparian Restoration – Hume Dam to Yarrawonga Project aims to rehabilitate native fish habitat (in-stream woody habitat or snags) in key sections of the Murray River channel.

Desnagging – the removal of snags – was previously used as a river management technique to improve flow delivery and waterway navigation. Between 1976 and 1987 more than 24,000 in-stream woody habitats were removed from the Murray between Hume Dam and Yarrawonga.

It is now apparent that desnagging has contributed to the decline of native fish populations in the Hume Dam to Yarrawonga reach. Native fish use woody habitats to shelter from currents, for refuge from predation, as feeding and spawning sites, and as a nursery for juvenile fish. Woody habitats are particularly important in the lifecycle of Murray cod and the endangered trout cod.

The Murray-Darling Basin Commission (MDBC) has confirmed a budget of \$1.2 million for the implementation of the Murray River resnagging project on the Hume to Yarrawonga reach. Works will commence next financial year.

Three priority areas have been identified and existing snags assessed, a prioritisation and implementation plan developed, and risk and flood assessments completed. Research staff from the Department of Sustainability and Environment's Arthur Rylah Institute completed the third year of monitoring the extent and diversity of fish passage in this reach. This project is a partnership between the Victorian North East Catchment Management Authority, NSW Department of Natural Resources, NSW Department of Primary Industries (Fisheries), Victorian Department of Sustainability and Environment, and the Murray-Darling Basin Commission, and is funded through The Living Murray program.

CASE STUDY

Working together to protect the Mitta Mitta Heritage River

Issue

The heritage-listed Mitta Mitta River flows out of the Victorian Alps and through rocky gorges and steep hills near Omeo.

Invasive, woody weeds are causing environmental and safety problems along this special river. Willow, English broom and sycamore maple grew back prolifically along the Mitta Mitta after the January 2003 alpine bushfires.

These weeds are choking out native vegetation and causing added erosion along the banks. For kayakers and whitewater rafters, willows present added danger, as their branches can form a trap.

In 2005/06, Parks Victoria co-ordinated a large-scale weed control project in the upper Mitta Mitta Heritage River.

Approach

The agency adopted a variety of control techniques to access areas that were difficult for traditional vehicle-mounted quickspray units to reach.

G & K Beyer Plantation Management of Mirboo North provided an 8-wheel-drive, amphibious Argo craft with a mounted spray unit to cross the upper Mitta and access the east bank.

A trial was also carried out with a new pontoon-mounted spray unit developed by All Terrain Weed Control of Euroa. This unit used a 'Dosatron' unit to mix herbicide with water pumped directly from the river. This versatile craft can be walked down low-volume rivers or mounted in boats or rafts for use on higher-flow rivers or lakes.

In a related project further downstream, experienced rafters, Add-Venture Rafting, transported weed control equipment for contractors, Practical Ecology, through the Mitta Mitta gorge. The equipment was used to remove willows that were posing risks to rafters and kayakers. In all riparian weed control work, waterway-friendly glyphosate was the only herbicide used.

Result

Parks Victoria treated more than 15 km of river frontage along the Mitta and Middle Creek to remove willows, English broom and sycamore maple.

Weed control was followed up with revegetation undertaken by community groups such as the Omeo Angling Club and Mittagundi Outdoor Education Centre. Research is also under way to assess the environmental outcomes of removing English broom with various best-practice herbicides.

Parks Victoria plans to continue this important work in the catchment headwaters, and will seek further funds to expand efforts in the relatively pristine Mitta Mitta gorge.

Key partners

Parks Victoria co-ordinated these works, with support from contractors and community groups. The North East CMA provided funding through the Regional Catchment Investment Plan.



WATER



RIVER HEALTH CONTINUED



River Health Works

The CMA directly carries out strategic management actions to protect waterways in the North East and to mitigate threatening processes. The focus is on protecting rivers and streams that are of the highest community value from any decline in condition and on maintaining the condition of ecologically healthy rivers within catchments.

The works program is aligned to the North East Regional River Health Strategy (NERRHS).

This year, the following works were completed:

- stabilisation of in-stream erosion to improve biodiversity values within streams;
- control of exotic vegetation to improve riparian flora and fauna diversity and protect significant riparian flora and fauna species;
- revegetation and fencing to improve vegetation structure and composition, leading to the natural long-term return of large woody debris to the stream channel; and
- stabilisation of erosion near streams to reduce sediment mobilisation from the bank profile and reduce nutrient inputs to streams from the banks, as well as enhance biodiversity values within streams.



Our Water, Our Future projects

Due to its high ecological values, the Ovens River is the highest priority waterway in the North East. High-priority actions were identified within the North East Regional River Health Strategy and works will collectively enhance the values of the Ovens River and ensure that it continues to act as the ecological foundation of the River Murray.

The main focus is high-priority works in the Reedy Creek, King River, Croppers Creek Anabran, Happy Valley Creek, 15 Mile Creek, Deep Creek and lower Ovens. Based on a standard risk assessment process, activities aim to reduce the level of high- and medium-level threats.

A particular achievement this year was waterway action planning for the Reedy and 15 Mile Creeks, which highlighted that there are reaches with excess mobile sediment that is moving downstream. Sediment extraction is a necessary component of stream protection and stabilisation strategies, so it will be a high priority for both creeks and the downstream Ovens River in 2006/07.

CASE STUDY

River Tender

Issue

One-third of Victoria's rivers are in poor or very poor condition. In the North East, the Ovens has been nominated as one of Victoria's Heritage Rivers. It runs 227 km from the Victorian Alps to the Murray River.

In 2005, private land in the area had less than 10% of native vegetation, with most surviving along river banks and streams.

The North East CMA is using an innovative approach to involve landholders and crown land managers in the ongoing protection of the Ovens River catchment.

Approach

River Tender is one of a number of market-based incentive programs being used across the State. It uses an auction-style process whereby landholders submit individual or group 'bids' to undertake environmental restoration works on the land they manage. Funding is allocated to works that offer the best value for money – not simply the lowest bid.

River Tender is helping landholders with river frontage to manage their land for the river's benefit and provides financial support to tackle erosion, control weeds and improve native vegetation along riverbanks and floodplains. River Tender also pays for fencing and off-stream watering for stock.

Land managers who make a successful bid receive an initial payment, followed by annual payments over five years on completion of works set out in a management agreement.

The North East CMA co-ordinated Round One of River Tender in 2004/05. Round Two commenced in November 2005 and includes frontages along the Ovens River as well as the Reedy Creek, Buckland River, Morses Creek and Devil's Creek.

Result

Auction-style incentive programs have proven to be excellent value for money in terms of long-term environmental benefits. Successful landholders get the funding they need to undertake important environmental work and River Tender is responsive to the characteristics of each site. It can reward landholders who are already 'doing the right thing' for the environment.

After Round One, landholders signed up to management agreements to protect the health of almost 800 ha of floodplain property and 60 km of river frontage along the Ovens.

Round Two of River Tender further extended the protection and repair of the iconic Ovens. North East CMA staff visited 70 properties and assessed more than 100 individual sites for vegetation quality and condition. As a result:

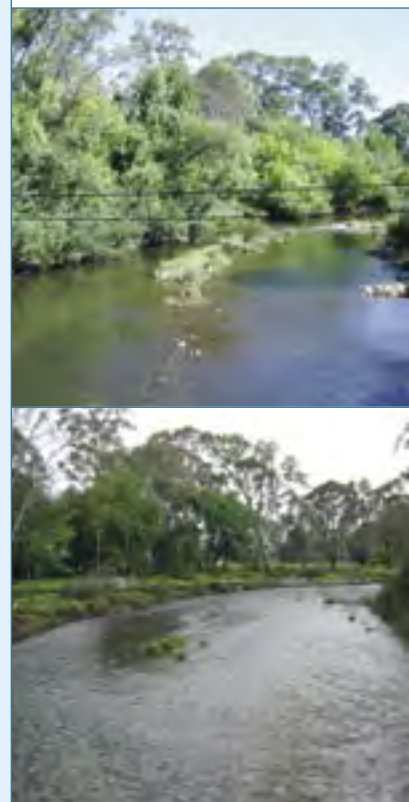
- land managers have developed more than 90 management plans covering 545 ha and 80 km of river frontage;
- 23 landholders successfully applied for funding; and
- some 307 ha will be managed for river health outcomes over the next five years, including more than 40 km of river frontage and 24 km of fencing to manage stock access to the River.

Key Partners

Victorian Water Trust – Healthy Rivers Initiative

Natural Heritage Trust – Strategic Reserve

River Tender is funded through the Victorian Water Trust's Healthy Rivers Initiative and is managed by the North East CMA.





WATER QUALITY



Introduction

The diversity of land uses in the North East region means that waterways are increasingly in danger of becoming contaminated, particularly with nutrients and sediments, which play a major role in the growth and survival of blue-green algal blooms.

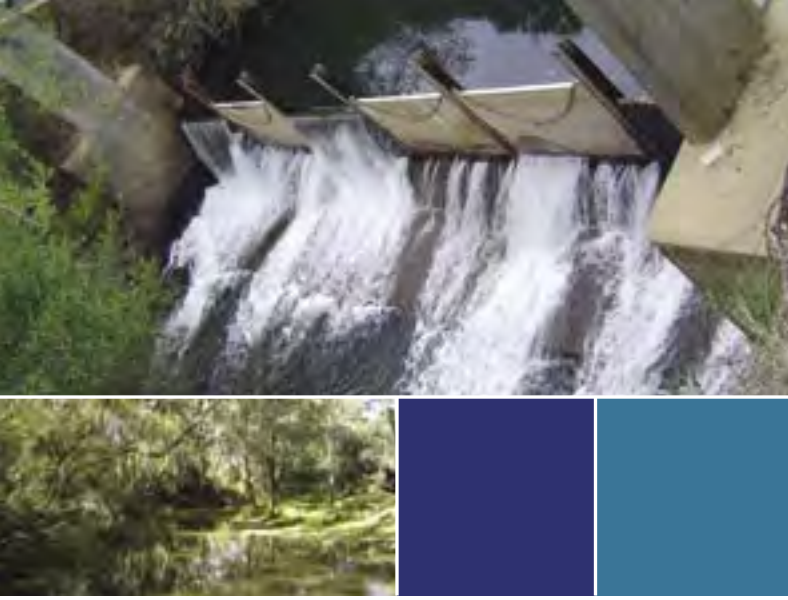
A major role of the North East CMA is to promote practices to protect and improve water quality in the region. Water Quality Strategies have been developed through community consultation for the major river basins within the region and are being implemented with the assistance of our stakeholders and landholders.

2005/06 Achievements

Regional Water Quality Strategies

Two regional strategies, the Upper North East Water Quality Strategy and the Ovens Basin Water Quality Strategy, guide priorities and actions for improving water quality. The CMA works with local government, landholders and the general public to bring about changes in attitude and influence human behaviour where it impacts on water quality.

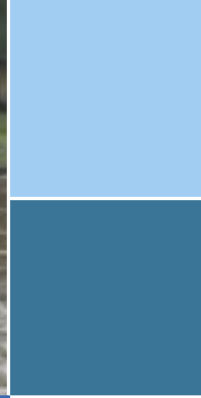
This year, the CMA provided funding support to local government to assist with the implementation of their local stormwater management projects. Pollutant traps were constructed, and wetlands and sediment control structures were installed. It contributed to the employment of a Stormwater Education Officer to raise community awareness about the impact of stormwater on local creek health. It also provided additional input to the domestic wastewater management plans of the Wangaratta and Indigo Councils. These plans aim to identify and manage domestic wastewater systems and improve their maintenance and ability to conform to acceptable standards.



The CMA, together with the Towong Shire Council, commenced the unsealed roads project this year. This project aims to identify and rank unsealed roads that contribute sediment to waterways, and undertake works at high-priority sites to achieve improved water quality. Three priority sites around Talgarno and the Upper Murray were completed and work at a fourth site is under way. Work included revegetation and the improvement of roadside drainage to reduce sediment entering waterways.

Lake Hume Blue-Green Algae Project

The CMA is a major partner in the Lake Hume Blue Green Algae Project and worked with the Albury City Council and North East Region Water Authority this year in finalising the project's scoping report. The report examines the factors that might be present that reduce the capacity for controlling blue-green algal blooms in the Lake, with an intent to develop a conceptual model that links the incidence of blue-green algal blooms to lake or catchment condition.



FLOODPLAIN MANAGEMENT

Introduction

The State Emergency Services (SES) leads emergency response in Victoria, supported by local government and Victoria Police. The Bureau of Meteorology issues flood warnings. The CMA contributes by implementing and enhancing the flood warning systems and emergency response plans. During a flood period, the CMA provides assistance to the SES and councils, and establishes priorities. The CMA is also involved in the process of augmenting the data collection networks for flood warning systems.

As part of the implementation of the Regional Floodplain Management Strategy, the CMA prepares flood studies and floodplain management plans to better manage land prone to flooding.

2005/06 Achievements

Local flood studies and floodplain management plans

Fifteen Mile Creek Floodplain Management Plan

The Fifteen Mile Creek Floodplain study and the floodplain management plan for this region were completed and the flood maps will be amended in the Rural City of Wangaratta's Planning Scheme.

Victorian Caravan Parks Flood Risk Survey

A large number of caravan parks in Victoria are on flood-prone land. The North East CMA, with financial support from the other CMAs and Melbourne Water, commissioned a study to analyse the extent of the flood risk and make policy recommendations to improve caravan park managers' and occupants' awareness of floods. A draft report was completed and public comments were invited before submission of the report to the State Government for endorsement.



Statutory Land Use Planning

Referrals and inquiries

The CMA is a statutory referral authority for planning permit applications on land within the Floodway and Land Subject to Inundation Overlay in Councils' Planning Schemes.

All replies were forwarded within the statutory 28-day period, unless additional data was requested, and replies were given, on average, within 10 days. The CMA continued to advise VicRoads on bridge and waterway aspects of the Wodonga internal freeway Murray crossing and railway bypass.

Flood Warning

In August and September 2005 a number of minor and moderate flood warnings for the North East were issued by the Bureau of Meteorology. In the Upper Mitta at Hinnomunje the major flood height was surpassed twice. There was flood damage to infrastructure and streams along Spring Creek in Towong Shire. In November, the Chiltern township was extensively flooded.

The CMA has a joint study with the Shire of Indigo to more accurately determine flood levels for Chiltern and Barnawartha.

Rainfall and Storage data

Rainfall and storage monitoring is critical to the CMA's role in conducting our flood monitoring obligations and in planning and completing our seasonal on-ground works programs.

Rainfall in mm	Corryong	Bright	Wodonga (Albury Airport)	Wangaratta Airport
Total 2005	846	1197	728	846
Average	778	1169	758	670
Lowest Year	344 (1967)	578 (1982)	348 (2002)	385 (1998)

Data courtesy of the Bureau of Meteorology and Goulburn-Murray Water

The CMA's rain gauge, adjacent to our Wodonga office, measured 889 mm for the year. Unusually high rainfall across the region in February 2005 resulted in a 7% above-average annual rainfall total.

Storages	Hume	Dartmouth
Full Storage	3,038,000 ML	3,906,400 ML
30 June 2005 ('04)	30% (11%)	45% (48%)
30 September 2005 ('04)	80% (45%)	58% (50%)
31 December 2005 ('04)	77% (50%)	65% (45%)
31 March 2006 ('05)	26% (22%)	65% (45%)
30 June 2006 ('05)	19% (30%)	65% (45%)

Data courtesy of the Bureau of Meteorology and Goulburn-Murray Water

Water releases from Lake Hume are used for irrigation and environmental purposes, while Lake Dartmouth is operated mainly as a backup facility.

WATER



WATER RESOURCES



Introduction

The Water Resources Program aims to improve the management of water resources by:

- better understanding the use of water, the regional water cycle and the aquatic-dependent assets;
- improving the management of the rivers and aquifers in North East Victoria; and
- working with the community.

With the creation of the Environmental Water Reserve (EWR) in December 2005 and amendment of the *Water Act 1989*, the CMA is responsible for managing the EWR to ensure the health of the region's water resources continues to be a priority. This role will require the two EWR officers and the EWR co-ordinator to have an ongoing working relationship with the region's water resource managers – North East Region Water Authority and Goulburn-Murray Water – along with local government and the community.

The Water Resources Program aims to integrate river health management activities with the water allocation framework in Victoria through the following activities:

- liaising with storage managers to negotiate the most effective release pattern for the EWR;
- providing input to urban and rural water plans and strategies;
- co-ordinating and providing input to projects that aim to reduce water resource demand in both urban and rural situations;
- providing input to bulk entitlements, groundwater management plans and streamflow management plans and processes from a river health perspective; and
- engaging with community on environmental flow issues.

2005/06 Achievements

This year, the Water Resources Program:

- instigated and managed the development of a regional wetland strategy;
- co-ordinated an inventory of the region's wetlands, which assessed the condition of wetlands, enabling a benchmark for wetlands in the region to be developed;
- assisted in the development of regional irrigation development guidelines and a sustainable irrigation action plan;
- developed a hydrological model to better understand stream flows in the upper Ovens River;
- instigated and project managed the determination of the environmental flow requirements for the upper Ovens River;
- liaised with Goulburn-Murray Water on the operation and management of the consumptive use of water;
- produced an information bulletin, *Upper Ovens River Fact Sheet*, in conjunction with the Department of Sustainability and Environment, and Goulburn-Murray Water;
- investigated the water trading rules and options for the Murray River upstream of Hume Dam;
- contributed to the development of the Index of Wetland Condition rapid assessment method; and
- co-ordinated the finalisation of the regional Water for Growth program – highlights included wastewater reuse feasibility studies for Wodonga/Barnawartha, Corryong and Tallangatta, and a feasibility assessment looking into the implementation of environmental flows in unregulated catchments.

CASE STUDY

Environmental Water Reserve – assessing the needs of the Ovens

Issue

The Ovens River is one of two rivers listed in the Victorian River Health Strategy that requires special management because of its environmental values. The river contributes 14% of the total flow in the Murray-Darling Basin. It is critical for environmental flows in the Murray River and sustains a vibrant forest and wetlands systems in the lower reach.

In 2005/06, the North East CMA began a study to help determine the environmental water requirements for the upper Ovens River and its associated tributaries above its junction with the Buffalo River.

Approach

The North East CMA recognised that local knowledge was critical to help river scientists understand the upper Ovens River, so it sought to actively involve locals in the environmental flow investigation.

The CMA publicly advertised and invited people who knew the upper Ovens Catchment well to participate in the study. Seventeen individuals nominated and, along with a steering committee, provided an excellent cross-section of stakeholders.

The CMA then established a group of community contacts. This group provided additional information about the river and had opportunities to learn how environmental flows are identified and how flows protect rivers.

Finally, the CMA convened a streamside information session by the banks of the Ovens River at Myrtleford. The session attracted farmers, irrigators, local residents and business people and members of recreational user

groups, Landcare and field naturalist groups. People spoke to the scientists about flows over periods of up to 50 years – a further invaluable source of information.

After collecting information from locals, a team of surveyors visited environmental flow sites along the Ovens to collect cross-sectional profiles of the river. The upper Ovens River above Myrtleford was divided into eight sections for the study – three on the Ovens River main stem, Morses Creek, Buckland River, Happy Valley Creek, Barwidgee Creek and Buffalo Creek.

Result

Using field notes and survey data, the scientists sought to determine environmental flow requirements for the various environmental assets within each section of the river. For example, the scientists highlighted the importance of river flows in supporting the mountain *Galaxias* and other important fish populations in the creeks and streams in the upper Ovens catchment.

The Environmental Flow recommendations for the upper Ovens River are scheduled for completion in September 2007. When completed, this determination will feed into the development of an upper Ovens Streamflow Management Plan.

The revised Water Management Plan is intended to create a balanced and sustainable sharing of available water between all stakeholders in the upper Ovens catchment, including the environment, licensed diverters, and non-consumptive water users (recreation and aesthetics).

The CMA is working closely with river scientists, the local community, rural water users, Goulburn-Murray Water, the North East Region Water Authority and the Alpine Shire on this project.



WATER



WATERWATCH

Introduction

Across the North East region, Waterwatch co-ordinators work with schools and the broader community to raise the level of understanding about catchment and river health, as a way of encouraging responsible behaviour.

Waterwatch groups play an important role in collecting water quality data that becomes part of a larger database of information about the health and condition of streams in the region. Group members are trained to measure parameters and to understand what the results mean.

The North East Waterwatch program is funded through the Australian Government Natural Heritage Trust and the CMA.

2005/06 Achievements

The Adult Volunteer program continued to grow, involving more individuals and community groups, as well as Green Corps and local Landcare groups. Adult volunteers help staff collect important baseline data which is used as part of the education program and database collation system.

The State Government recently developed the *Water Learn It Live It* resource, which aims to provide interactive and fresh ideas to encourage learning about water-related issues. It was launched regionally in early 2006.

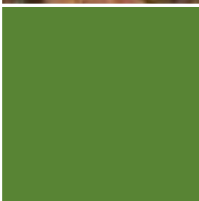
The North East Waterwatch hosted the 2005 State Waterwatch Conference at the Mt Buffalo Resort in December. More than 30 Waterwatch co-ordinators from across the State attended the event.

Youth

In 2005/06 Waterwatch staff visited about 70 primary schools in the region, on average 3-4 times throughout the year. Many of the secondary schools in the North East were also visited during the year. Each of the schools has one or more sites along a river, creek or wetland where students collect water quality data, allowing them to monitor changes in stream health on a seasonal basis. In addition to the site visits, the CMA also delivered lessons covering various other water-related topics, such as water conservation, treatment plant tours and catchment education sessions.



STRATEGY AND PARTNERSHIPS



While the North East CMA is responsible for developing the Regional Catchment Strategy, its implementation is largely achieved in partnership with a diverse range of regional partners, including private and public land managers, water authorities, local government, Landcare and other government and semi-government authorities.

The North East CMA facilitates the partnership approach through the following programs: Community and Partnering; Land; and Biodiversity.

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COMMUNITY AND PARTNERING



Introduction

While the North East CMA is responsible for developing the Regional Catchment Strategy, its implementation is largely achieved in partnership with a diverse range of regional partners, including private and public land managers, water authorities, local government, Landcare and other government and semi-government authorities.

The North East CMA facilitates the partnership approach through:

- Regional Landcare Support;
- CMA Advisory Committees;
- a Regional NRM Co-ordinator position;
- a Sustainable Agribusiness Project Manager position; and
- an Indigenous Liaison Officer position.

2005/06 Achievements

Strategic Planning

CMA is responsible for the annual investment planning process and facilitating the review and development of the Regional Catchment Strategy, action plans and sub-strategies. The CMA is also responsible for co-ordinating catchment condition reporting, and monitoring and evaluating outcomes achieved through the investment plan.

The CMA assisted a number of Landcare and other community groups to submit Envirofund and Community Water Grant applications during the year.

Work began on developing processes and tools to improve the CMA's ability to report on the condition of the North East catchment. This work is ongoing, with a view to having a robust process in place prior to the renewal of the Regional Catchment Strategy due by June 2009.

Regional Catchment Investment Plan (RCIP)

Community involvement in reviewing the regional investment planning processes led to the development of a new approach to the way the North East CMA supports community groups and organisations to carry out natural resource management (NRM) projects.

The new approach is based on a general call for expressions of interest to implement priority actions in the North East Regional Catchment Strategy. This is designed to provide the CMA with an insight to the level of support required by the community to access NRM funding programs.

The process provides a clear picture of 'who wants to do what and where' and has been used to identify project development opportunities and help facilitate access to a range of State and Australian Government investment programs, with assistance from Landcare co-ordinators, agency project staff and extension officers.



A key aspect to the revised process recognised that:

- there are numerous NRM funding programs that community groups can access to address both local priorities and Regional Catchment Strategy priorities;
- there are additional resources to help Landcare and community groups develop projects, with six new Landcare co-ordinators in the region to assist with accessing RCIP and other government NRM funding programs;
- a 'one-size-fits-all' process of developing and assessing project applications is not a level playing field when community groups are in a competitive bidding environment with government agencies for project funding; and
- community group priorities do not always align with criteria used to assess priorities in a regional funding model.

The Regional Catchment Investment Plan (RCIP) for 2006/07 was submitted to the State Government with 34 projects totalling \$9,261,000.

Community Grants Management

A Regional Incentives Review conducted by the North East CMA in 2005 identified a lack of collated information about the grants and incentives delivered under the RCS in the North East. Two calendars were developed to improve awareness and understanding of the options.

The first is the grants/incentives calendar to assist landholders involved with land, water and biodiversity protection activities. It includes grants/incentives delivered by the North East CMA and partner organisations such as the DSE, DPI, Trust for Nature and local government under the Regional Catchment Strategy.

The second is the NRM funding opportunities calendar which attempts to bring together a list of the numerous NRM funding programs from the Australian Government, Landcare Australia and other organisations.

There is a huge range of grants available from many sources and the calendars are by no means comprehensive, however, both documents include reference sources where other grant information can be found.

Both calendars are updated regularly and are available on the North East CMA website www.necma.vic.gov.au and can be emailed or posted out by request.

Monitoring, Evaluation, Reporting and Improvement Framework

Implementation of the North East RCS Monitoring, Evaluation, Reporting and Improvement Framework (MERIF) commenced with the appointment of a co-ordinator. The Board approved an implementation plan, which includes the governance arrangements to guide stakeholder involvement in developing the tools and processes and the monitoring and evaluation activities for the remainder of the RCS implementation period.

To achieve meaningful adaptive management, co-ordinated organisation around key RCS implementation activities, particularly investment planning, will be important. A key measure of success for implementation will be the ability to use meaningful information relating to targets and resource condition in decision-making processes.



Advisory Committees

The North East CMA Advisory Committees are principally advisory in nature. They advise the Board and program managers on NRM objectives, targets, activities, priorities and budgets. They also act as a communication link between the community and relevant stakeholders and assist the CMA to access and communicate with the community regarding resource management issues.

The Advisory Committees held six ordinary meetings in 2005/06 and one field trip combined with the CMA Board.

This year, the Committees signed off on the Advisory Committee Charter. According to the Charter, Advisory Committees provide advice to the Board and it is the Board's decision what to do with this advice.

Subcommittees of the Advisory Committees have also met several times on issues such as:

- the Regional Priorities Document and Investment Planning;
- the Advisory Committee Communication Action Plan; and
- Catchment Community Forum planning.

The Advisory Committees have provided significant input to the investment planning process for 2007/08. They recommended that the process combined an Expression of Interest and Commissioning to produce RCIP projects next year.

The Committees were also involved in planning and running seven Catchment Community Forums in October 2005. These forums provided an opportunity for the CMA and partner agencies to engage with the broader community and promote awareness of the RCS and Catchment Condition Report, and receive feedback from the community on their issues and concerns.

During May 2006, the Advisory Committees underwent a review which identified general satisfaction with the personal contribution and progress of the Advisory Committees since their inception. A number of recommendations were developed that will be implemented over the next year to increase their effectiveness and the satisfaction of their members.

Attendance

Land Advisory Committee	Meetings attended (of a possible 6)
Roy Baird	6
Peter Curtis	6
Anthony Jarvis	6
Karen Jones	5
Ian Lobban	6
Michael Makin (resigned Sept 2005)	2
Marilyn Webster (new member started May 2006 replacing community member resignation of Sept 2005)	1
Thomas Moritz	6
Rhonda Serpell	6
Melinda Short	6
Neville Wright	2
Wayne Donehue (Chair)	6
Sue Berwick and proxy (DSE)	5
Jim Blackney (Trust for Nature)	6
Tim Clune and proxy (DPI – PIRVic)	6
Rick Felton (DPI)	6
Charlie Pascoe and proxy (Parks Vic)	2
Anthony Griffiths (Board Representative)	4

Water Advisory Committee	Meetings attended (of a possible 6)
Donald Chambers	4
Deborah Gadd	6
Frank Griffiths	6
Ray Henderson	4
Rick Malaschenko	4
Paul McGowan	6
Pamela McKimmie	6
Alison Mitchell	6
Gordon Nicholas	6
Robyn Scales	6
Peter Serpell (Chair)	6
Anne Graesser (Goulburn-Murray Water)	6
Don Jackson and proxy (North East Water)	4
Tony Long and proxy (DSE)	3
Neville Fowler (and proxy – Joy Sloan)	4
Lindsay Jarvis (Board Representative)	4



Catchment Community Forums

The CMA and partner agencies held seven Catchment Community Forums across the region's six local government areas in early October 2005.

The forums – held in Wodonga, Rutherglen, Whorouly, Dederang, Eskdale, Shelley and Omeo – aimed to:

- provide the regional community with information about the activities of the North East CMA and other agencies associated with NRM issues;
- promote awareness of the Regional Catchment Strategy (RCS);
- promote awareness of the annual Catchment Condition Report;
- promote the Regional Catchment Investment Plan (RCIP) and how the community can be involved in the RCIP and other funding processes; and
- receive feedback from the community, as well as identify their issues, concerns and questions.

These forums provided an opportunity for community members to gain an insight to NRM in their local and regional area. In addition, it allowed the community to speak directly with a number of organisations and to raise concerns important to them on matters such as water management, weeds, pest animals, native vegetation management, threatened species, salinity, soil health and Landcare.

Nearly 140 community members attended the forums – a significant increase from the number in 2004/05. Feedback showed that those who attended found the forums helpful. A majority agreed that the opportunity to speak one-on-one with a range of agencies in the same location at the same time was very useful.

Common issues raised by the community across the catchment included:

- pest plants and animals (wild dogs, rabbits, foxes, feral cats, deer, fruit fly, carp, willows, blackberry, Chilean needle grass, English broom, privet, Paterson's curse, Jerusalem cherry, plantation weeds);
- water allocation and licensing;
- river health issues, including erosion control and the fencing of streams;
- queries about works on waterways;
- soil health issues; and
- incentives.

Queries from the community were subsequently followed up and will also be used to inform the CMA as part of its review of the RCS in 2009.

The CMA thanks the Wodonga, Indigo, Wangaratta, Towong, East Gippsland and Alpine Shires, as well as the Department of Sustainability and Environment, the Department of Primary Industries, Parks Victoria, Goulburn-Murray Water, the North East Region Water Authority and Trust for Nature for their valuable contributions.

STRATEGY AND PARTNERSHIPS

COMMUNITY AND PARTNERING CONTINUED



Community Engagement

The North East CMA developed a Community Engagement Plan to improve the CMA's efficiency and effectiveness by mobilising the community to contribute to implementing and achieving the Regional Catchment Strategy objectives.

The CMA sees community engagement as an integral part of the way the CMA operates and it aims to achieve higher levels of community participation than previously.

The vision for community engagement is:

North East CMA helping all members of the community to create and/or maintain diverse, healthy landscapes and vibrant communities by understanding and respecting their interests and by facilitating their contributions to natural resource management and wellbeing.

By implementing the Community Engagement Plan, the North East CMA expects to achieve:

- an inclusive culture;
- confident understanding;
- wider contributions; and
- change-ready and supportive communities.

The formation and work of the Advisory Committees meets an objective of the CMA's Community Engagement Plan.

Landcare

Landcare is a pivotal community resource in the North East region. Landcare groups are a principal mechanism for community capacity building and on-ground works, but require support to assist and strengthen these roles. The North East CMA is implementing the Landcare Support Strategy (LSS) to help Landcare communities achieve their aims.

This was the second year of the LSS and the major priorities were to employ new CMA Landcare Co-ordinators across the region and to continue the new Second Generation Landcare Grants process.

This year, two new groups were formalised in the region, the Buffalo Merriang Landcare Group near Myrtleford, and the North East Ecological Farmers Landcare group. There are now 54 groups, including Landcare and Friends groups, with four Networks also operating. There are more than 1,750 Landcare Group memberships in the region, equating to around 2,000–3,000 members.

The extent of community involvement in Landcare and the voluntary support provided by community members is highlighted by the annual Active Service Awards nominations, which have been running since 2003. This year saw a further 170 years of service to Landcare recognised, which brings the total in the region to 885 years. In addition, the Whitfield Primary School won the 2005 Victorian Landcare Education Award.



Implementing the new Regional Landcare Support Strategy (LSS)

A key LSS priority was to implement the new Landcare Co-ordination support in the region. This has entailed:

- the CMA employing five full-time equivalent co-ordinators across the region;
- commitment by the CMA to fund these positions for a further two years; and
- establishment of Steering Committees made up of Landcare representatives to participate in setting the co-ordinator's work plan priorities.

The Landcare support has assisted groups and networks to undertake a broad range of community activities this year, with particular emphasis on sustainable agriculture projects and community education. The Ovens Landcare Network hosted a major Soil Health Forum in 2005 which attracted more than 150 landholders from across and outside the region. A series of field days as part of the Ovens Soil Health project attracted more than 200 participants.

National Landcare Programme

The CMA assisted Landcare and other agricultural industry groups to gain \$945,377 from the National Landcare Programme this year. This substantial funding will continue and expand the already high level of interest and activity in soil health and other sustainable agriculture projects.

Landcare Co-ordinators have also assisted groups to secure more than \$880,000 from Envirofund, Community Water Grants and other funding programs. These projects will help groups undertake a range of on-ground works.

Landcare community education and information sharing activities continued to be a major activity of Landcare groups across the region. About 1,800 participants attended a wide range of events, including field days, workshops, information sessions and community planting events.

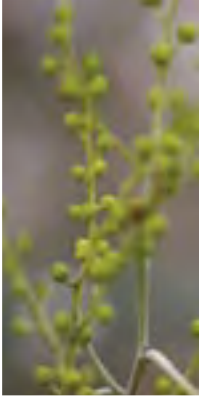
This year, the results of the 2004 North East Landholder Survey were re-analysed to compare management practices between Landcare members and non-Landcare member farmers. This analysis found some significant management differences between Landcare member farmers and non-members between 2000 and 2004.

Landcare farmers:

- were more likely to have fenced their land according to land class;
- were more likely to have established or renovated perennial pastures;
- used less water per hectare on average, if they irrigated;
- were twice as likely to have irrigation reuse schemes, if they irrigated;
- were more likely to have undertaken stream stabilisation works; and
- planted more than five times as many trees than non-Landcare farmers.

Landcare members were also more than twice as likely to also be a member of an industry group.

STRATEGY AND PARTNERSHIPS



COMMUNITY AND PARTNERING CONTINUED



Indigenous Involvement

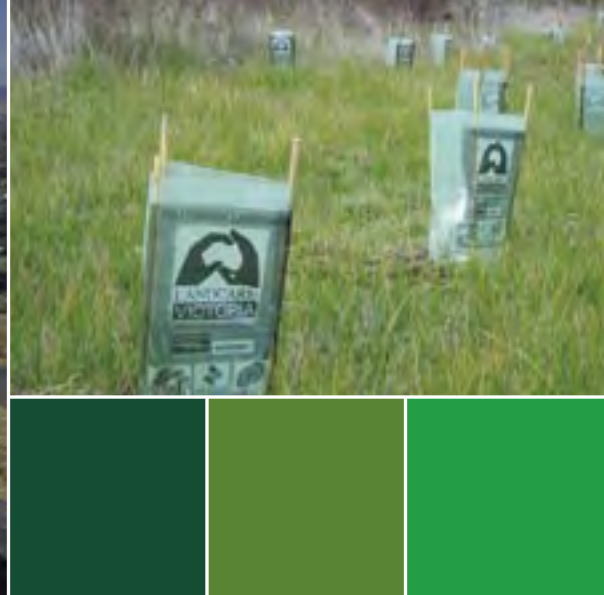
The Indigenous Liaison Officer commenced in February 2006. The position is funded through the Natural Heritage Trust and is responsible for encouraging cultural awareness and issues, maintaining and building networks with Indigenous communities and colleagues, co-ordinating heritage assessments and investigations, and co-ordinating cultural awareness training for the North East CMA, Landcare extension staff and regional communities.

Within just six months, 18 staff members, two Advisory Committee and two Board members participated in Cultural Heritage Awareness training run by Graham Moore (Yuin Nation) of Gurrungutti Enterprises. This training was run in partnership with the Murray CMA in NSW.

An extra bonus for the participants was that local Indigenous people came to the training sessions to share their knowledge and experiences with the CMA participants. Traditional Indigenous Knowledge (TIK) is far from lost and Indigenous peoples' connections to the physical and metaphysical environments, although damaged, have not been severed.

The Yackandandah, Indigo and Kiewa Landcare Groups were the first to spend an 'evening under the stars' at Allans Flat waterhole with Sam Japarulla Wickman, a ceremony man from the central deserts of Australia. Warmed by a roaring fire, local landholders learnt of Sam's two lives, one of traditional responsibilities and the other as a university lecturer, archaeologist and international artist.

Community engagement will entail expelling fears of misunderstood legislation, the embracing of cultures and the sharing of knowledge. The North East CMA will move forward through constructive heritage planning by building sincere and meaningful relationships with the Indigenous communities, and by enhancing and appreciating a greater understanding of Indigenous peoples.



Sponsorship

The North East CMA has a sponsorship policy to guide identification and determination of appropriate sponsorship opportunities. These opportunities are assessed on their ability to:

- raise awareness about the importance of sustainable natural resource management;
- add value to other programs and promotions;
- engage members of the general public in a positive way; and
- promote excellence in environmental management and sustainable natural resource management.

In 2005/06 the CMA provided total sponsorship of \$24,577.

Community leadership programs

As part of the CMA's sponsorship program, community and staff members are supported to attend community leadership programs.

- Community member Roy Baird and CMA Board member Anthony Griffiths completed the Alpine Valley Community Leadership Program.

Support for regional Landcare

The CMA supported:

- 10 community Landcare people to attend the National Landcare Forum;
- the Kiewa Landcare Group Community Trailer for tree plantings; and
- the Ovens Landcare Network Soil Health Forum and community planting days.

Tertiary institute awards

The CMA supported the following tertiary institute awards for excellence in environmental management studies:

- La Trobe University – Most Outstanding Third Year Student from the Bachelor of Science in Environmental Management and Ecology; and
- Charles Sturt University – Award for Academic Excellence in Environmental Management.

Sponsorship support for conferences

The CMA supported the following conferences that have a direct application to its core business:

- Wise Waterways Conference;
- Limnology Conference;
- Asia Pacific Extension Network Conference;
- Victorian Agribusiness Conference; and
- Veg Futures Conference.

Other Regional Sponsorship

- the cross-border Albury-Wodonga Phosphorus Campaign, in conjunction with other water and government authorities;
- Serrated Tussock Working Group;
- Alpine invaders - weeds of the High Country booklet; and
- the State Emergency Service.



Protecting Alpine moss from the post-fire invader

Issue

Many mature grey sallow willows (*Salix cinerea*) growing in deep gullies survived the 2003 alpine bushfires.

After the fires, survey work by Parks Victoria found that seed from these willows was blowing onto the Bogong High Plains and germinating in Alpine mossbeds, damaging this important native wetland ecosystem.

Alpine mossbeds, located at the very top of the catchments and headwaters of north-eastern Victoria's major rivers, retain and slowly release water, reducing erosion and improving downstream water quality through natural filtration. This is particularly important in spring, when snow melt increases the amount of water flowing in the upper catchment.

Alpine mossbeds are also the preferred habitat of three rare species of fauna – the alpine water skink, the alpine bog skink and the alpine tree frog – 36 rare species of flora and seven species of flora listed as vulnerable.

Approach

In response to this environmental threat, Parks Victoria extended a previous, small-scale willow control program and adopted a two-fold approach involving contractors and volunteers.

Contractors treated and removed mature grey sallow willows in the upper reaches of the Kiewa River, Rocky Valley Creek, Pretty Valley Creek, Spion Kopje Creek, Bogong Creek, West Kiewa River, the Big River and Middle Creek, using predominantly a 'frill and fill' method. This work aimed to kill mature trees and therefore remove the seed source from the Bogong High Plains and the catchments directly adjacent in the Alpine National Park.

Volunteers supported the project by hand-pulling seedlings from the mossbeds. They contributed about 15,000 hours during 2005/06. Their efforts resulted in the removal of about 40,000 willow seedlings. Contractors treated mature willows along about 130 km of streamside and river.

Result

Restoration of the Alpine mossbeds requires a long-term approach, however, noticeable improvements in vegetation health are expected in the next 4–5 years.

Key Partners

The project was funded by Parks Victoria and the Natural Heritage Trust, through the North East CMA's Regional Catchment Investment Plan. Community groups who assisted included: the Landrover Owners Club, the Pajero Owners Club, the Victorian National Parks Association, the Federation of Victorian Bushwalkers (Vicwalk), Melbourne University Mountaineers Club, and students from La Trobe University and Charles Sturt University.



LAND

Introduction

About 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. 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.

The CMA's Land Program is a critical component of implementing the North East Regional Catchment Strategy. It is an integrated program that encourages and assists landholders and community groups to develop sustainable and profitable management systems.

It brings 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.

2005/06 Achievements

Little Snowy Creek

The Little Snowy Creek/Eskdale project was completed this year. The project involved an interesting mix of rural and urban issues and proved that when a community and agencies are all pulling in the same direction some really good results can be achieved. The highlights of the project were:

- the development of a Neighbourhood Environment Improvement Plan (only the third in Victoria) that is endorsed by the EPA;
- securing funds from the State Government to carry out feasibility studies into both the water supply for Eskdale and wastewater disposal within the town;
- opening up Little Snowy Creek so it is more accessible to the community and the public;
- the co-operation of the rural landholders in the adoption of the waterway action plan (willow removal, fencing and revegetation); and
- community commitment to water quality monitoring.

The development of the Neighbourhood Environment Improvement Plan has been the catalyst for government funding, as well as providing a vision to the urban and rural community that will drive them to achieve lasting improvements to water quality and stream health.

This project was funded in part by the Victorian Catchment Management Council.



Environmental Management Systems

The Victorian Catchment Management Authorities' Environmental Management Systems (EMS) project was a highly successful partnership between three CMAs (North East, North Central and Glenelg Hopkins), the Department of Primary Industries and the Victorian Farmers Federation. The North East CMA delivered a stage three EMS, based on ISO 14001, to 41 landholders in the region. Important results from the pilot include:

- the linking of on-farm EMS to the targets within the Regional Catchment Strategy;
- 41 landholders with 12 different enterprises all used the same generic EMS template;
- development of the Australian EMS manual and workbook; and
- 73% of the landholders will continue on with EMS.

The landholders who have decided to continue with EMS have all been audited at the Eucalyptus level of the Australian Landcare Management Systems' staged accreditation process.

The need for monitoring tools has led to the development of e-FARMER, a web-based spatial recording system that is due for trial in four CMA regions within Victoria, including the North East.

North East Land Stewardship Incentive Project

The Land Stewardship Incentive Project pays an annual stewardship fee to landholders for land taken out of mainstream agricultural production while they adopt practices and/or carry out works that will improve their agricultural productivity. As a direct result of the stewardship payments, the 30 landholders involved in the project have embarked on improvements that include:

- pasture improvement with deep-rooted perennials;
- liming and fertiliser application;
- off-stream watering; and
- fencing to reduce paddock size.

The project proved popular among landholders, as shown by the initial over-subscription and it has now begun to deliver real on-ground benefits.



North East Salinity Strategy

Isolated outbreaks of soil salinity have been noticed in the North East CMA region since at least the 1940s, however significant areas of salinity did not appear until the late 1970s. Rising groundwater trends through the 1990s led to further sites being identified, which increased community and agency concerns about salinity in the region.

In 1994, the North East Salinity Working Group (NESWG) was formed. A draft North East Salinity Strategy (NESS), which has a targeted approach to salinity management in the region, was developed in 1997. The underlying feature of this strategy was to identify and protect the assets threatened by soil and water salinity.

The CMA has continued to oversee the implementation of the NESS and the Department of Primary Industries has taken the lead role in implementing it.

This year, the CMA:

- finalised the new North East Salinity Action Plan, which is centred on the asset-based approach, in line with the Regional Catchment Strategy; and
- helped establish a community reference group to provide direction in the development of the new action plan. The reference group includes staff from DPI, DSE, Goulburn-Murray Water and the CMA.

The salinity extension team continues to work with the community to improve perennial pastures and to reduce the unwanted recharge of groundwater systems.

North East Soil Conservation Program

The North East Soil Conservation Program is a high priority in the region to address water quality issues identified in the Upper North East and Ovens Basin Water Quality Strategies.

Grants are provided to landholders to stabilise and revegetate active gullies, with the Department of Primary Industries taking the lead role in delivering the Program.

North East Soil Health Action Plan

Managing soil health in the North East region is critical for a number of reasons. Declining soil health leads to increased levels of sediment, nutrient and salt loads in the region's waterways. Erosion and the loss of top soil lead to a loss of production, decreased land values and damage to public infrastructure. Acidic soil also causes production and income losses and irreversible damage to the soil structure. It is a barrier to successful implementation of salinity control measures.

The North East was the first CMA region in Victoria to put in place a strategy to address soil health issues. The North East Soil Health Action Plan is a framework that identifies where work needs to be focused in order to improve soil management in the region.

This year, the CMA funded the employment of a full-time Soil Health Officer within the Department of Primary Industries to deliver the Soil Health Program in the North East. This was in response to overwhelming support from the community for the North East to 'gear up' in addressing soil health issues.

Much of the Soil Health Officer's work has focused on education and raising awareness and working with the DPI on a range of tools and instructions for farmers to measure the health and capability of the soil on their land.

LAND CONTINUED



Spreading the 'good oil' on soil

Issue

Soil health is a key indicator of sustainable land use. Without it, agricultural land can rapidly lose its productivity. Soil erosion, soil structure decline, loss of organic matter and salinity are all significant issues affecting soil health in North East Victoria. The region also has some of the most acidic soils in Victoria.

Approach

The region was the first in Victoria to put in place a strategy to address soil health issues. The North East Soil Health Action Plan is a framework that identifies where work needs to be focused in order to address soil health issues.

Soil health is now integral to a wide variety of projects across the region, including 11 Landcare group and industry projects funded by the National Landcare Programme.

Landholder mentors, demonstration sites, field days and education events are key components of the region's soil health program.

One such example is 'Promoting Sustainable Land Use Systems in Tallangatta Valley', which is being carried out by the Tallangatta Valley Landcare group. This project includes a series of workshops where landholders learn how to look at soils in the field. Through practical experience, participants learn how to prepare a paddock-scale soil management plan for their properties, based on the strengths and weaknesses of their soil resources. The Landcare group is producing a soil health scorecard – a tool that can be used by the wider community to monitor the health of soils over time.

Soil degradation can occur within days but takes centuries to repair. One of the key aims of the Soil Health program in the North East is to prevent degradation occurring in the first place.

Result

During 2005/06, the Department of Primary Industries (DPI), the North East CMA and Landcare groups sought to raise awareness of practices that degrade soils and highlight ways to protect or improve soil health.

Achievements included:

- Building knowledge – the CMA's soil health project officer delivered more than 50 soil health presentations, workshops, staff training days or community engagement events in the North East
- Bringing expertise to the region – more than 150 landholders attended a soil health forum organised by the Ovens Landcare network. Held at Whorouly in March 2006, the event featured practical sessions and guest lecturers from CSIRO, Department of Primary Industries (DPI) and the University of Western Sydney
- Developing support mechanisms – the North East CMA and DPI will soon release a new soil health kit that includes a range of tools and instructions on how to measure soil health and capability.

Key partners

Landcare groups, the North East CMA and the Department of Primary Industries.



BIODIVERSITY

Introduction

Native vegetation and associated flora and fauna in the North East region are inherently diverse and exist within complex ecosystems. Native vegetation provides habitat for plants and animals, assists with improved water quality, reduces erosion and salinity, provides a renewable resource for timber industries and enhances the aesthetics of the environment. Despite recent management efforts, populations of many endangered flora and fauna species have continued to decline.

The North East Native Vegetation Plan is a regionally endorsed plan that outlines the framework for native vegetation management in the region and is a component strategy of the Regional Catchment Strategy. It describes the strategic direction and regional priorities for native vegetation and includes the regional approach to the Victorian Government's 'net gain' policy.

The CMA's Biodiversity Program is based on an integrated partnership approach to project implementation. The intent is to deliver multiple environmental, social and economic benefits, reflected in resource condition outcomes across all asset classes. The integrated delivery of projects encourages and assists with the protection and enhancement of priority remnant native vegetation and provides a way to re-establish native vegetation in priority areas for biodiversity, water quality and agricultural productivity benefits across the North East region.

2005/06 Achievements

Biodiversity Action Planning

Biodiversity Action Plans use a structured approach to identify priorities and map significant areas for native biodiversity. The North East CMA started the preparation of four Biodiversity Action Plans in 2005/06 covering the Upper Murray, Lower Mitta Mitta, Omeo and Upper Ovens and King Catchment Management Units.

Department of Sustainability and Environment – Biodiversity Program

The Department of Sustainability and Environment (DSE) is a key partner in implementing projects to achieve biodiversity objectives. During 2005/06 activities included:

- More than 150 ha of native remnant vegetation have been protected under the Care of Remnants Incentive Scheme; this includes private properties under the Trust For Nature project.
- The Long-footed Potoroo Adaptive Experimental Management Program is in its second year. NHT funding allowed for monitoring. Initial results show two records of this extremely rare and endangered mammal in sites burnt during the 2003 alpine fires and another recording was at an unburnt site. With funding from the Victorian Government, the predator control program was run from spring 2005 through to autumn 2006.
- The Leneva –'Veg on the Edge' field trip was organised as part of the very successful national Veg Futures Conference held in Albury in March 2006. This was a popular trip that looked at the Wodonga Retained Environmental Network. This innovative approach to landscape planning has been developed by Albury Wodonga Corporation, DSE, the City of Wodonga, Parklands Albury Wodonga and the CMA.



Local Government Protection and Enhancement of Biodiversity

The North East CMA supported local government in 2005/06 to protect priority biodiversity values in their Shires through the Regional Catchment Investment Plan.

Rural City of Wangaratta

- treatment of Chilean needle grass and bridal creeper infestations on high conservation roadsides;
- other weeds treatment projects in partnership with Landcare and DPI;
- raising awareness in the community about weed infestation through Enviromark roadside markers on 200 km of roadside, with information mailouts to adjoining landholders;
- environmental training for staff, including roadside environmental training, vehicle hygiene and Chilean needle grass roadside training;
- Chilean needle grass training for landholders, in partnership with Landcare; and
- installation of Significant Roadside Vegetation signs for known grey-crowned babbler habitat to raise awareness in the community and among council staff.

Indigo Shire

- the protection of remnants of the endangered Plains Grassy Woodland EVC in the Lower Kiewa and Lower Ovens catchments, through the targeted control of more than 46 ha of road reserves from four weeds of national significance (Chilean needle grass, St Johns wort, blackberry and bridal creeper); and
- environmental training of field staff and contractors who undertake work within these sensitive areas.

Alpine Shire

- targeted treatment of bridal creeper, Chilean needle grass, St Johns wort and blackberry on high conservation roadsides;
- Broom and blackberry treatment along priority roadsides and other public land within Harrierville; and
- environmental management training for 15 staff and contractors.

Firewood Strategy

Households in North East Victoria consume about 40,000 tonnes of firewood each year. Research indicates that this level of demand is likely to continue in the future.

Traditionally, people in the North East collected their firewood from public reserves, roadside areas and local farms. The creation of new National Parks and restrictions on firewood collection from public land has affected these practices, particularly in the Wangaratta, Beechworth and Chiltern areas.

A dedicated group of government agency staff and community members worked with the North East CMA and consultants to develop the North East Firewood Strategy.

Its vision is for the North East to have an accessible, sustainable and affordable supply of firewood to meet community needs, without compromising the natural environment. The strategy takes a practical approach to this resource issue and is driven by local agencies.

In April 2006, the Rural City of Wangaratta held a Community Firewood Day at the Eldorado Community Firewood Depot. Twenty-three people collected a load of firewood on the day, more than half of whom held concession cards. Volunteers from the local community and Bush Users Group helped load and deliver loads to people who were unable to collect their firewood. The timber was supplied following storm damage.

Indigo Shire Council held a similar event in June 2006. The Chiltern Community Firewood Day aimed to ensure people had firewood available for winter and sought to build awareness about the issue from an environmental perspective. About 20 people collected wood after buying a firewood permit from the Chiltern newsagency. Volunteers also delivered three loads of wood to concession cardholders who were unable to collect it.

The depots aim to supply timber to shortfall areas, targeting people with concession cards or those who are unable to collect their own firewood and rely on firewood as a source of heat or energy.

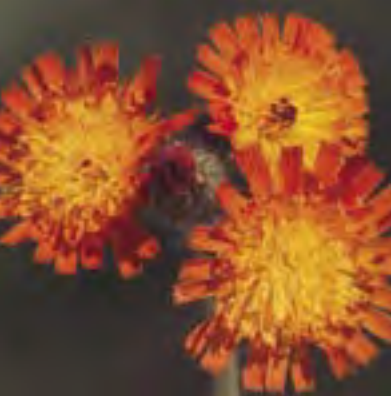


photo courtesy Glen Johnson, DSE

As a direct result of the Firewood Strategy:

- the Department of Primary Industries will establish 560 ha of firewood plantations by December 2006;
- Community Firewood Depots are operating at Eldorado, Chiltern, Beechworth and Yackandandah. These depots supply local communities in areas where there is a shortfall with firewood from Council clean up or safety operations and storm damage. Indigo Shire, the Rural City of Wangaratta and the DSE are working co-operatively to establish and operate these depots; and
- a list of companies who have timber off-cuts that are suitable for firewood is published on the Indigo Shire and Rural City of Wangaratta websites.

Future Landscapes – North East Trust for Nature

Trust for Nature worked in partnership with the North East CMA to permanently protect priority remnant vegetation through the Regional Catchment Investment Plan. The Trust for Nature Project – Future Landscape North East – has established 29 Conservation Covenants protecting 1,643 ha of bushland. For 2005/06 this includes:

- 7 covenants either registered or deeds signed to protect 257 ha of bushland;
- more than 60 ha of covenanted bushland enhanced and restored;
- 79.8 ha protected with fencing; and
- 5 stewardship visits and management plans developed.

North East Threatened Species Program

The North East CMA is responsible for facilitating and implementing the National and State Recovery Plans for species and communities listed under the national *Environment Protection and Biodiversity Conservation Act* and the *Victorian Flora and Fauna Guarantee Act (FFG)*.

The aim is to improve or maintain the conservation status of the highest-priority threatened species and ecological communities in the North East region.

The CMA develops and implements survey and monitoring protocols to confirm the extent and distribution of these species and communities. The task then is to identify and address, through on-ground works, factors threatening the species. The CMA works to improve community and other stakeholder awareness and to encourage participation in conservation programs. The CMA is also responsible for reporting on findings of monitoring and surveys.

A number of programs address the highest-priority National and State threatened flora and fauna species and communities. They are grouped as follows:

- Alpine Herpetofauna (reptiles and frogs) Program (six species including alpine she-oke skink);
- other Alpine, Montane Fauna Programs (four species including spotted tree frog, long-footed potoroo);
- Box ironbark Avifauna Program (two species, including regent honeyeater);
- Terrestrial Orchid Program (three species);
- Northern Plains Grassland Program (three species);
- Alpine Threatened Flora Program (four species);
- other Threatened Flora Programs (two species, including *Swainsona recta*); and
- Threatened Remnant Vegetation Community Program (white box community).

Combined, these programs extend across the whole North East region and include programs in each of the key bioregions.

The outcomes of the CMA's work will be an improvement in the knowledge of, and the conservation status of, the species and communities listed as threatened under the FFG Act, as well as increased community and stakeholder awareness and participation in threatened species programs. The CMA is also expected to identify threats and implement management practices to reduce risk to populations and species.



photo courtesy Glen Johnson, DSE

**Threatened Species and Communities –
Mountain Pygmy-possum Conservation**

The mountain pygmy-possum (*Burrhamys parvus*) is the only truly Alpine endemic Australian mammal. It is classified as endangered at the national and Victorian levels. Its preferred Boulderfield heathland habitat is very restricted – just a few, small, high-elevation mountaintops. The survival of the mountain pygmy-possum is also threatened due to historical and ongoing habitat loss and fragmentation resulting from the development of alpine ski fields and increasing greenhouse effects from climate change. Additionally, their habitat areas were subjected to intense fire during the 2003 alpine bushfires.

Immediate post-fire research demonstrated that while the mountain pygmy-possum mainly avoided the direct impact of the bushfires, surviving animals are now concentrated in small, unburnt rocky refuges. Recent monitoring has established that over-crowding and competition for limited resources has resulted in a previously unobserved high level of spontaneous abortions. There appears to be significantly reduced numbers in key populations, including at Mt McKay on the Bogong High Plains and at Mt Loch in the Alpine National Park.

With funding through the Natural Heritage Fund, researchers have carried out genetic analysis of hair samples from trapped animals which has provided an important understanding of the genetic viability of all the populations monitored. Positively, the majority of populations have a level of high heterogeneity, but there is concern for the populations at Mt Little Higginbotham, Basalt Hill and Mt McKay.

In recognition of the increased exposure to native and introduced predators, Parks Victoria, with funding from the State Government, has established a predator (red fox) control program. In 2006, the program was expanded from Hotham Loch to include poison baiting on the Bogong High Plains. Monitoring numbers of mountain pygmy-possum and determining female-to-male ratios will help measure the effectiveness of the predator control program.

Trout Cod Conservation

In 2006, there was a significant milestone in the nationally endangered trout cod recovery program. It saw the completion of the 10-year NHT-funded stocking program in the Ovens River, near Wangaratta.

Preliminary results are extremely promising. Recent monitoring, which forms another key part of the current funding program, has demonstrated the establishment of an adult breeding population. This is a key performance measure for a future long-term self-sustaining population, without the need for ongoing stocking.

This is the result of an integrated works program co-ordinated between the North East CMA, DSE and DPI. In addition to stocking, critical works have included securing environmental water flow entitlements, reducing barriers to movement through fishways, increased protection and enhancement of riparian habitats through the River Tender program on the Ovens River, and willow removal, grazing management and revegetation programs to improve water quality and streamside vegetation.

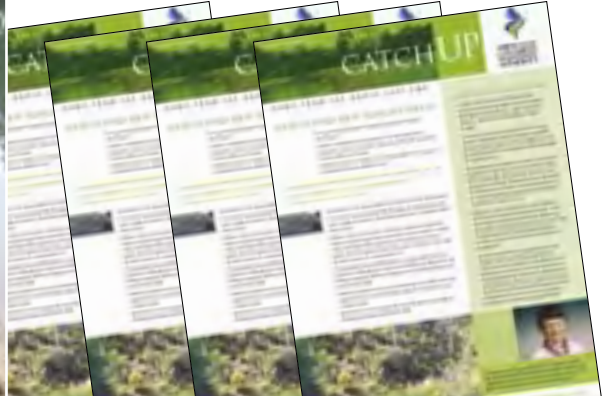
Trout cod are known for their fighting qualities and, while there is a long way to go, there are signs that they are starting to come back from the threat of extinction.



photo courtesy Glen Johnson, DSE



photo courtesy Glen Johnson, DSE



Public Comment Opportunities and Presentations

Presentations, Workshops/Information Sessions/Public Meetings

- Jul 2005 La Trobe University – Prize Ceremony
- Aug 2005 Launch of Resource Guide
- Oct 2005 Catchment Community Forums, Presentation to River Health Graduates – Certificate in River Health (run by the University of Melbourne for the Waterway Managers Forum)
- Nov 2005 Climate Change Forum – Beechworth
- Dec 2005 Presentation for Waterwatch Team – Myrtleford
- Feb 2006 Melbourne University: 'Strategic Assessment of Future Knowledge Needs', MER – State-wide Workshops, National Landcare Program Launch – by Peter McGauran, Minister for Agriculture
- Mar 2006 Living Murray Resnagging Information Night – Corowa
- Apr 2006 Meat and Livestock Australia / Australian Wool Innovation – Workshop, Charles Sturt University – presentation of North East CMA Award for Excellence in Environmental Excellence
- May 2006 Alpvaleys Agribusiness Forum – Beechworth; Partnering Workshop, Ovens River Information Session

Tours/Displays

- Jul 2005 Land Advisory Committee and Board Tour

Public Comments

- 15 Mile Creek Flood Study

Publications Released

- Regional Catchment Investment Plan
- Annual Report 2004/05
- Corporate Plan
- Four *CatchUp* Newsletters

- Reedy Creek Sediment Extraction Plan
- 15 Mile Creek Sediment Extraction Plan
- Evaluation of North East CMA's River Tender Pilot
- North East Regional River Health Strategy and Summary
- SKM (2005), Streamflow management plan implementation in the Kiewa, King Parrot, upper Ovens and Yea catchments – Assessing the feasibility of options to offset the impact of plan implementation draft final – A report for the North East CMA, Nov 2005
- Earth Tech (2005), Wodonga Water Recycling Strategy – Volume 1–3
- Landholder A Resource Guide 'Managing your Rural Property'
- Upper Ovens River Fact Sheet
- DSE/North East CMA/TFN Biodiversity – Revegetation Resources Directory for the North East Catchment Management Area
- Grants/Incentives Activities Calendar to assist landholders
- Natural Resource Management Funding Opportunities Calendar

Communication and Media

The North East CMA is committed to encouraging landholder and community involvement and participation. It actively seeks to communicate and promote its activities.

Through its Communication Strategy, the CMA undertook a range of activities and introduced new communication tools during 2005/06, including:

- *CatchUp* – a new, bimonthly email bulletin that is sent to landholders, community groups and agencies. It covers CMA activities and programs, provides summary information about CMA work teams and programs, and signals upcoming events;
- Media releases – developed and distributed by the CMA to build awareness of funding opportunities for landholders, identify and report on significant environmental issues in the catchment, and provide an update on CMA programs; and
- an information display – in support of Veg Futures, a national vegetation conference held in Albury Wodonga.

PERFORMANCE MEASURES

1.4.1 Condition Target Development					
Activity	RCS Reference	Timeframe	Key Performance Measures	Performance Report	
1	Develop a Soil Carbon Content target for the North East.	Management Action Target (MAT) 1.2.2	January 2005 – December 2006	1.1 Methodology for establishing soil carbon content target and monitoring requirements developed by December 2005.	Not funded.
				1.2 Baseline data collected and target established for soil carbon content by December 2006.	
2	Develop target for land area threatened by shallow and rising saline water tables.	MAT 1.3.5	July 2004 – June 2005	2.1 Area of land threatened by rising water tables identified and mapped by June 2005.	Completed.
				2.2 Target for land area threatened by shallow and rising saline water tables developed by June 2005.	
3	Develop target for Soil Erosion – Wind.	MAT 2.2.1	July 2005 – December 2005	3.1 Target developed for Soil Erosion – Wind by December 2005.	Target will not be required.
4	Develop target for reduction of impact of priority and ecologically significant pest plant and animal species	MATs 2.3.1 and 2.4.1	July 2004 – December 2008	4.1 North East Regional Weed Action Plan (2001) reviewed and endorsed plan in place by December 2006.	Review has been delayed until the results from two pilot reviews being conducted as part of a State-wide process are completed. It is anticipated that the review of North East Plans will commence after December 2006.
				4.2 Process for evaluating impact of priority and ecologically significant pest plant and animal species developed by December 2006.	
				4.3 Evaluation and benchmarking of impact of priority and ecologically significant pest plant and animal species completed by December 2006.	
				4.4 Targets developed for impact of priority and ecologically significant pest plant and animal species by December 2008.	
5	Review the region's two Water Quality strategies and confirm Water Quality targets	MATs 4.1.2 and 4.2.2	July 2004 – June 2005	5.1 Renewed Water Quality Action Plan for the North East with Resource Condition Targets.	Review commenced. Completion has been delayed through late receipt of funding. Expected completion date is 31 December 2006.
6	Develop target for vegetation condition	MAT 7.1.2	July 2004 – December 2005	6.1 Native vegetation condition in priority EVCs benchmarked by June 2005.	Benchmarking and validation of condition assessments completed. Target setting again delayed. The review and renewal of the Regional Native Vegetation Plan was not funded.
				6.2 Target developed for Native Vegetation Condition by December 2005.	
7	Develop target for Wetland condition	MAT 5.7.1	July 2004 – November 2005	7.1 Regionally significant wetlands mapped and target for condition established by November 2005.	Project commenced. Completion date delayed till 30 June 2007.

1.4.2 Community Engagement					
Activity	RCS Reference	Timeframe	Key Performance Measures	Performance Report	
1	Implementation of Community Engagement Plan	Section 9.5	July 2004 – June 2009	1.1 Achievement of annual performance measures as identified in the Community Engagement Plan.	Structure using Community Reference Groups for projects in place. Learnings from the two pilot Community Engagement projects evaluated. North East Natural Resource Management Forum in place to facilitate use of co-management processes.
2	Implementation of the North East Regional Landcare Support Strategy	Management Action Target 12.1.2 and	July 2004 – June 2009	2.1 Achievement of annual performance measures as identified in the North East Regional Landcare Support Strategy.	Landcare co-ordination increased to 5.2 FTE, with Steering Committees in place to ensure community participation in setting work priorities. 3 new Landcare groups formed. 5% increase in membership in the region. 3 Landcare groups running RCIP projects. 45 Landcare and Industry groups participating in NLP-funded projects. 16 new Envirofund projects and 5 new Community Water grants within the region. 30% increase in media coverage of Landcare issues. New Landholder Resource Guide developed. 98 Landcare learning events held with more than 2,000 participants.

1.4.3 Biodiversity Programs					
Activity	RCS Reference	Timeframe	Key Performance Measures	Performance Report	
1	Extension and incentives to protect, enhance and restore priority native vegetation	Management Action Target (MAT) 7.1.3	July 2004 – June 2009	1.1 An increase of 2,500 ha of priority native vegetation managed for biodiversity values through property management agreements or permanent protection conservation covenants by June 2009.	2,404 ha achieved to June 2006 (432 ha permanent protection covenants, 1,972 ha voluntary management agreements).
2	Implement threatened species Recovery Plans and Action Plans for priority species	MAT 9.1.2	July 2004 – June 2009	2.1 Targets as set out in Recovery Plans and Action Statements achieved for priority species according to annual workplans.	Threatened Species Annual Workplan implemented and objectives achieved.
3	Facilitation of a strategic approach for implementing biodiversity priorities into Regional Catchment Strategy programs	Resource Condition Targets (RCT) 7.1, 8.1 and 8.1a	July 2004 – June 2009	3.1 All Regional Catchment Strategy implementation projects achieving a measurable contribution to biodiversity protection, enhancement or restoration by June 2009.	28 of the 37 projects funded through the RCIP address biodiversity targets in the RCS. 6 projects though not directly addressing biodiversity targets, facilitate biodiversity action through planning and resource assessment. 3 projects indirectly address biodiversity outcomes through education and capacity building.

PERFORMANCE MEASURES

CONTINUED

1.4.4 Water Programs					
Activity	RCS Reference	Timeframe	Key Performance Measures	Performance Report	
1	Extension services and incentives to improve water quality	Management Action Targets (MAT) 4.1.1, 4.2.1 and 4.2.3	July 2004 – June 2009	1.1 Ovens Basin Water Quality Strategy (OBWQWG 2000) implemented via the attainment of targets developed for the management actions contained in the 12 strategy programs by 2030.	11 of 12 programs have been completed or are on track. Research investigation has progressed particularly in areas of nutrient management for Lake Hume, sediment modelling in the Ovens Basin and willow research.
				1.2 Upper North East Water Quality Strategy (UNEWQWG 2001) implemented via the attainment of targets developed for the management actions contained in the 13 strategy programs by 2008.	12 of 13 programs have been completed or are on track. The CMA received 178 planning referrals from all Shires. Domestic Wastewater Management Plans are in varying stages of development in Wangaratta, Indigo and Wodonga.
				1.3 20 km of waterways fenced to control stock access for improved water quality by June 2008.	5 km achieved (25% of target).
2	River Management works	MAT 5.1.2	July 2004 – June 2009	2.1 Maintain the 1999 Index of Stream Condition (ISC) rating of good and excellent condition for the 830 km of stream reaches at least until June 2009.	Achieved to 30 June 2006: 808 ha area under voluntary landholder agreements.
				2.2 Maintain the 1999 ISC rating of moderate condition for the 1,100 km of stream reaches at least until June 2013.	24 km remnant overstorey protected. 65 km, river vegetated with tree overstorey.
				2.3 By June 2009, improve 10% of the 1,100 km of stream reaches classified as good and moderate ISC condition by at least one ISC category.	92 km riparian zone weeds managed. 22 km stream bed and bank stabilised.
				2.4 By June 2009, improve 5% of the 302 km of stream reaches classified as poor and very poor ISC condition by at least one ISC category.	33 km instream habitat established/enhanced.

1.4.5 Land Programs					
Activity	RCS Reference	Timeframe	Key Performance Measures	Performance Report	
1	Extension services and incentives to increase the area of perennial systems in high recharge areas on agricultural		July 2004 – June 2009	1.1 2,600 ha of priority high recharge areas on agricultural land converted to perennial systems by June 2009.	730 ha achieved (28% of target).
2	Extension services and incentives to improve surface soil acidity levels of agricultural land.		July 2004 – June 2009	2.1 Regional soil pH monitoring and evaluation program established by December 2005.	Soil health program established. 34 field/training events held with participation by 345 landholders.
				2.2 20% of landholders applying lime according to best practice to 20% of their farm by June 2009.	
3	Extension services and incentives to reduce the number of active gullies in the North East		July 2004 – June 2009	3.1 Base-line data collected on the number of active gullies in the North East by December 2005.	Work to be completed by December 2006 (funding delay).
				3.2 Annual workplan achieved, with management agreements in place and each landholder receiving incentives.	7 gullies treated. Management agreements obtained for 15 sites, with work to be completed by December 2006.



CORPORATE



This unit manages the financial, health and safety, vehicles, human resources, information technology and communication functions of the organisation.

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OUR BOARD



Sarah Nicholas

BAGSci, Masters in Environmental Law, Management and Business

Sarah, who lives in Wandiligong, has been Chair of the North East CMA since 2000. She has worked as a private consultant in natural resource management and been the ski patrol director at Mount Hotham.

She is a member of the Murray-Darling Basin Ministerial Council Community Advisory Committee.

Meetings attended:

Board: 11 of 11 held
 Audit committee: 3 of 3 held
 Remuneration committee: 2 of 2 held



Anthony Griffiths

Anthony is a primary producer from the Greta District, where his family has been farming for generations. He is a member of the Greta Valley Landcare Group and has been a CMA Board member since 2000. He is a member of the Victorian Farmers Federation and a trustee of the Greta Cemetery Trust.

Meetings attended:

Board: 9 of 11 held



Lyn Coulston

Horticultural qualifications

Lyn owns and operates a nursery in Shelley (Upper Murray) and is a primary producer. She has been a CMA Board member since 2000 and is also a Councillor of the Towong Shire. She is Secretary of the Upper Murray Landcare Network and President of the Koetong Landcare Group.

Meetings attended:

Board: 9 of 11 held



Lindsay Jarvis OAM

Grad Dip Systems Agriculture (UWS)

Lindsay is a director of the Murray Goulburn Dairy Co-operative and a dairy farmer from Kergunyah. In 2004 he received an OAM for services to natural resource management and the dairy industry. He is an original CMA Board member, chairs Goulburn-Murray Water's Water Services Committee (Murray system) and is a committee member of the Kergunyah Landcare Group.

Meetings attended:

Board: 10 of 11 held
 Audit committee: 3 of 3 held
 Remuneration committee: 2 of 2 held

Dr Terry Hillman

Dip Agriculture, BSc (Hons I), PhD

Terry is an Adjunct Professor at La Trobe University. He has been a CMA Board member since its establishment in 1997. He chairs La Trobe University's Regional Advisory Board and is on the Board of Albury Water and the Murray-Darling Association.

Meetings attended:

Board: 9 of 11 held

Johanna Barker

Masters of Commerce, BBus (Accounting), Grad Dip Company Secretary, Fellow of CPA Australia and the Australian Institute of Company Directors

Johanna is a senior manager in the banking sector and became a CMA Board member in 2003.

Meetings attended:

Board: 10 of 11 held

Audit committee: 3 of 3 held

Remuneration committee:

2 of 2 held

Peter Roper

Assoc Dip Farm Man

Peter is a primary producer in Tawonga and previously worked for Gippsland Water, managing regional water supply catchments and wastewater facilities. He has considerable experience automating sprinkler irrigation systems.

Meetings attended:

Board: 9 of 11 held



Kevin Ritchie

BForsSc (Melb), DipFor (Cres)

Kevin is Regional Director for the Department of Sustainability and Environment (DSE) in the North East. He brings to the CMA Board more than 35 years' experience in land, water and other natural resource management from working in State Government departments across Victoria, particularly in the North East region. He became the DSE representative on the CMA Board in 1999.

Meetings attended:

Board: 9 of 11 held

Sarah Crooke

Dip Med Tech, Fellow of the Australian Institute of Company Directors

Sarah is a dairy farmer from Gundowring, where she and her husband milk 430 cows. She became a CMA Board member in 2002 and is a former Dairy Australia Board member.

Meetings attended:

Board: 11 of 11 held

Mac Paton

Dip Agriculture (NZ) Dip Val Farm Mgt (NZ)

Mac is a dairy farmer and lives at Tallangatta. He has been on the CMA Board since its inception in 1997. He is on the Water Services Committee of Goulburn-Murray Water and is a member of the Alpine Valleys Agribusiness Forum and the Victorian Farmers Federation.

Meetings attended:

Board: 8 of 11 held

Brian Thompson

BSc (Forestry), Australian Rural Leadership Program

Brian and his family live near Wangaratta. He is a Community Relationships Manager with the Department of Primary Industries and a graduate of the Australian Rural Leadership program. He is a director of the Goulburn Broken CMA and is involved with the Australian Alpine Valleys Agribusiness Forum and Landcare.

Meetings attended:

Board: 10 of 11 held



New Members of the Board of Management from 1 July 2006

After a comprehensive application and selection process, the Victorian Minister for Environment, in conjunction with the Minister for Agriculture, appointed a new Board of Management from 1 July 2006.

Members serve in different capacities because a mix of personal qualities is required for a CMA Board. To operate effectively, each Board member should possess core competencies and knowledge, experience and skills in at least one of the following areas:

- business acumen;
- organisational governance;
- industry knowledge;
- general management;
- leadership;
- natural resource management;
- strategic development and change management;
- accounting and finance; and
- community engagement and social capital building.

There are also a number of statutory criteria for membership of the CMA Board:

- more than 50% have to be people whose principal occupation is primary production;
- the overall composition of the CMA Board must reflect the major land and water uses in the region, including rural, urban, private and public uses;
- the overall knowledge and skills base of the CMA Board must include experience and knowledge of land protection, water resource management, primary industry, environmental conservation and local government; and
- must include representatives of the Department of Sustainability and Environment, and the Department of Primary Industries.

New Board

The members the new Board that commenced on 1 July 2006 are:

- Sarah Nicholas, Chair
- Anthony Griffiths
- Brian Thompson
- Kevin Ritchie
- Lyn Coulston
- Terry Hillman
- Peter Roper
- Ray Park
- Rhonda Serpell
- Tony Jarvis
- Greg Hayes

Stakeholder Client Survey

A client survey by a market research consultant in March 2006 provided feedback to the CMA on how it is viewed by a range of stakeholders, such as representatives from Victorian Government agencies, local government, water authorities, Landcare groups, landholders, our operational partners and investors. These stakeholders were asked to rank and provide in-depth feedback about the CMA across a range of areas including:

- their understanding of our roles and responsibilities;
- their views about how we manage relationships;
- their views about the ways we implement the RCS; and
- comments about our operational role.

The survey results showed that:

- respondents were largely positive about the North East CMA, its work, processes and people;
- the CMA's relationship management is regarded as a strength by all stakeholders; and
- the CMA's staff received very positive feedback from all stakeholders.

The final report on this client survey was completed in May 2006.

CASE STUDY

Climate Change

Issue

Climate is listed as one of the key natural assets in the North East Regional Catchment Strategy (RCS). Climate change could significantly alter future weather conditions, which would affect all other natural assets. There are no Resource Condition Targets or management options listed for this asset, and consequently there is a need to develop these facets in the RCS.

Approach

The community has also put forward a strong desire for the CMA to consider policy issues surrounding climate change. This came about from the Catchment Community Forums of 2004.

The CMA Board identified the need to hold a Climate Change Forum to explore these issues.

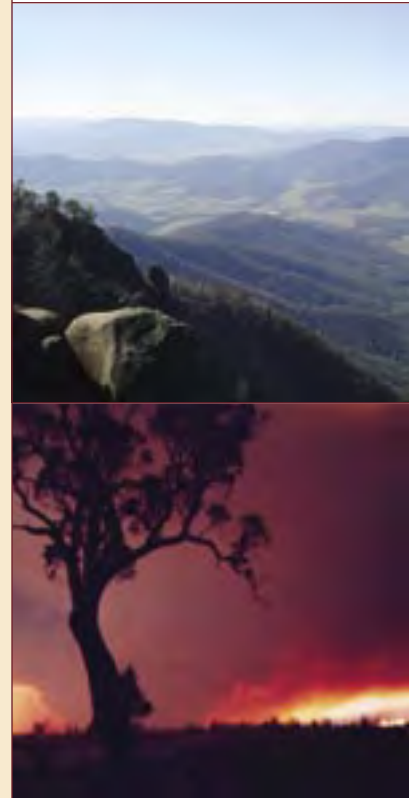
Result

The Forum was in Beechworth in November 2005 and outcomes included decisions that the CMA will:

- develop outcome targets and management options for climate change in the context of the RCS;
- promote educational and informational material on climate change;
- seek every opportunity to interpret best information on climate change in terms of regional natural resource management and community wellbeing;
- support local research bodies (Rutherglen DPI, Latrobe University and Charles Sturt University) to undertake knowledge gap research on the regional consequences of climate change;
- liaise with local government in relation to appropriate land use planning;
- support the Greenhouse Alliance in adaptation measures;
- support Greenhouse accounting methodologies, particularly as they apply to revegetation and carbon trading;
- adopt best practice in reducing its greenhouse gases and energy requirements; and
- support and be a member of the Greenhouse Alliance in its endeavours to reduce greenhouse gases.

Partners

The CMA Board and community members, DPI, Latrobe University and Charles Sturt University.





OUR PEOPLE

Senior Management Team

Our organisation is divided into three business units: Water; Strategy and Partnerships; and Corporate Services.

John Riddiford – *Chief Executive Officer*

Jeff Taylor – *Manager Strategy and Partnerships*

Veronica Lanigan – *Manager Water Programs*

Matthew Fagence – *Manager Corporate Services*

Water

This unit manages the river health, water quality, water resources, floodplain and Waterwatch functions of the organisation. It broadly covers the CMA's operational role.

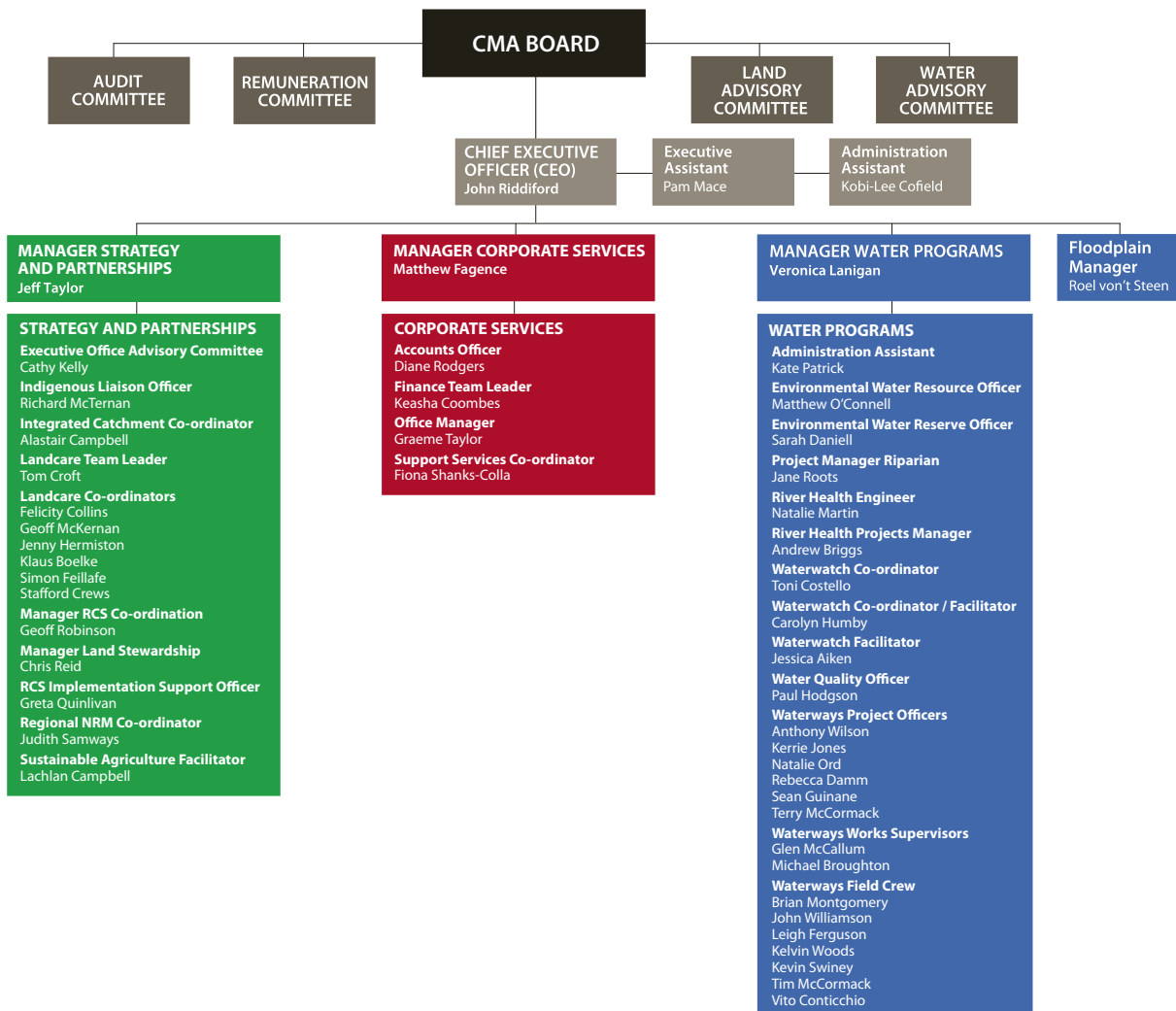
Strategy and Partnerships

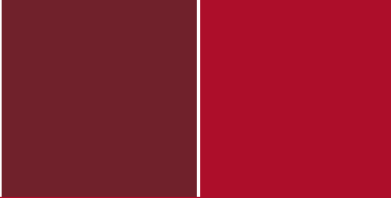
This unit manages the strategic planning, investment planning, community relationships, Landcare and Advisory Committee functions.

Corporate Services

This unit manages the financial, health and safety, vehicles, human resources, information technology and communication functions of the organisation.

Organisational structure Corporate Structure as at 30 June 2006





SUPPORTING OUR PEOPLE

Introduction

The North East CMA believes in the importance of providing a safe working environment, and investing in its people and the systems they use. To recognise this, the position of Support Services Co-ordinator has been created with responsibility for managing the Human Resource and Information Technology elements of the organisation. The Support Services Co-ordinator is reviewing and developing strategies, frameworks and policies and procedures, and is providing support to staff and management as required.

Human Resources

A number of policies have been reviewed this year, including Whistleblowers, Privacy, Equal Opportunity Employment, Harassment and Bullying, Recruitment, Selection and Induction. This has incorporated legislative amendments and organisational changes.

The CEO, Manager Water Programs and the Support Services Co-ordinator attended a Contact Officer training course covering discrimination, harassment and bullying. This was to ensure that there were sufficiently skilled staff members to carry out these important roles within the organisation.

The CMA has implemented a new performance management system called My Work Plan. My Work Plan is a forward-looking (prospective) system of performance management that creates an environment in which all North East CMA employees can be actively involved in the planning and development of their own goals and performance, and can expect to receive ongoing and consistent feedback and support. The system applies to all CMA employees, which strengthens and fosters open communication between employees and their managers.

Training and Development

The North East CMA is committed to providing training and development for all employees, with particular emphasis on the development of employee skills and their capability to meet the CMA's objectives and promote continuous improvement.

Skill gaps are identified through an employee's workplan. All our employees undertook professional development training this year.

Organisation-wide training programs undertaken this year included Code of Conduct for the Victorian Public Sector, People Matter Survey, Conflict Resolution and First Aid.

Staff Consultative Committee

The finalisation of the Enterprise Agreement in July 2005 has allowed for the Staff Consultative Committee to begin the year by examining the Enterprise Bargaining Agreement process and ensuring that the approved Enterprise Agreement was distributed to staff.

The committee met three times during the reporting period. Membership of the committee as at 30 June 2006 was: Matthew Fagence, Fiona Shanks-Colla, Jeff Taylor, Natalie Ord, Mike Broughton and Chris Reid.

Enterprise Agreement

The CMA Enterprise Agreement was certified in Industrial Relations Victoria on 26 October 2005. The final agreement negotiated between management and staff, confirmed a 10% wage increase over the next three years. To offset the cost of the wage increases, productivity and efficiency targets were developed.

Industrial Relations

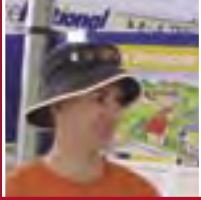
No time was lost during the year through industrial disputes.

Code of Conduct

The CMA adopts and promotes the Code of Conduct for the Victorian Public Sector, which outlines how the staff conduct our business and how we should treat the public, our clients and our colleagues. The values and principles are incorporated into CMA policies and procedures, and communicated to staff on a regular basis.

Cultural Diversity

No specific needs were identified during the year.



SUPPORTING
OUR PEOPLE
CONTINUED



Equal Opportunity Employer

The North East CMA is committed to the principles of Equal Employment Opportunity that are outlined in the *Public Administration Act 2004*. The CMA's policies on Equal Opportunity, and Recruitment and Selection reflect our commitment to providing a workplace free of discrimination, where each person has the opportunity to progress to the extent of their ability.

Women

The CMA aims to ensure that women on boards and committees are supported in their role.

The CMA is committed to a family-friendly workplace, through workplace conditions such as paid maternity leave and flexible working arrangements.

As at 30 June 2006, women represented 45% of the workforce.

Workforce Data

The CMA is committed to applying the Victorian Public Sector's merit and equity principles when appointing staff. The CMA's selection policy ensures that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

Staffing Trends

	As at 30 June 2006	As at 30 June 2005
Total number of staff (full-time equivalent)	49	39

Staff profile by position						
Position	Male		Female		Total	
	2006	2005	2006	2005	2006	2005
Executive officers	1	1	0	0	1	1
Management	6	6	1	1	7	7
Water Programs	17	13	11	10	28	23
Strategy and Partnerships	5	3.5	4	1.5	9	5
Corporate	0	0	4	3	4	3

Information Technology

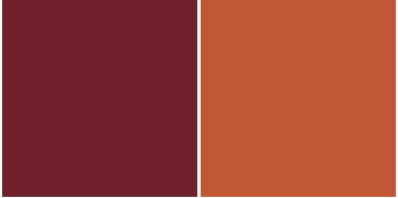
Through a partnership approach with North East Water, the CMA has implemented the first stage of the IT Support Strategy 2005-2010. This led to an overhaul of the base systems, structures and technology.

Upgrades were made to our email network. The CMA now uses a Microsoft Exchange Server with Outlook 2003 as the standard email package for all staff. This has created a higher level of collaboration and communication within the organisation. Our servers, server capacity and security systems were all upgraded, in order to manage the ever-increasing threat from viruses. Internet services across three CMA office locations have been upgraded to BDSL. This has allowed for increased speed and improved interconnectivity between office locations. A new online Help Desk software system was installed to allow staff to more accurately record their IT issues. This will also allow support services to track response times to issues and provide performance reporting for management. The CMA GIS systems and software have been reviewed by a working group. The new structure provides a more co-ordinated approach to the delivery of GIS capability for the organisation.

Throughout these changes, there has been the continual support of the staff. Staff members received ongoing support and training to adjust to the new systems. The North East CMA is now embracing new technologies and, with a solid foundation, is well positioned to handle the challenges and opportunities of the coming year.

OHS Report 2005/06

The CMA is committed to providing its employees, visitors and contractors with a working environment that is safe and without risks to health and welfare. To enable an open and clear consultation process, designated work groups have been created to best fit the CMA's structure. Group members then elect their group representatives to sit on the Health and Safety Advisory Committee.



Health and Safety Advisory Committee

The Health and Safety Advisory Committee aims to:

- facilitate co-operation between management and employees of the North East CMA in instigating, developing and implementing measures designed to ensure the health and safety of all workers; and
- formulate, review and disseminate to all employees, the standard rules and procedures relating to health and safety that are to be complied with or carried out in the workplace.

The focus of the committee in the past year has been on implementing the changes to the *Occupational Health and Safety Act 2004*. Each designated work group representative has undertaken the required five-day training course, which has led to a better understanding of the committee's responsibilities, improved identification and elimination of occupational hazards, and better reporting and risk assessment capability and procedures.

A new 'near miss' program has been introduced that encourages and supports employees to identify and report hazards. A number of procedures and work instructions were also reviewed this year, including solar protection, and working alone or in remote areas.

The committee met four times during the reporting period. Its members as at 30 June 2006 were: Andrew Briggs, Michael Broughton, Alastair Campbell, Matthew Fagence, Natalie Ord, Glen McCallum, Terry McCormack, Christopher Reid, Fiona Shanks-Colla and Graeme Taylor.

Integrated Management System

The CMA is implementing an Integrated Management System that defines the processes the organisation uses to ensure its administrative and project work is carried out effectively, safely, efficiently, and within legislative and regulatory requirements. As part of the Integrated Management System, an operating procedure for safety management was developed to ensure that our business and project sites are run in a safe manner, protecting employees and the public.

OHS Audit

The CMA engaged a consultant to undertake an audit of the Health and Safety Management System. The audit included reviews of:

- hazard identification, risk assessment and risk control documentation;
- the functions of the Health and Safety Advisory Committee; and
- compliance with relevant Acts, Regulations and Codes of Practice.

Quarries Audit

The CMA undertook an Airborne Respirable Crystalline Silica Survey at the Everton Quarry to assess employees' personal exposure to silica dust during quarry operations. The report identified a risk area of dust exposure and the CMA is now working with employees and contractors to reduce this hazard.

Health Tests

Testing is undertaken for hearing, sight, lung function and skin cancer by those employees considered to have the potential of being involved in a hazardous situation.

Incidents and Dangerous Occurrences

There were two notifiable incidents reported to the Victorian Workcover Authority during the reporting period. No injuries occurred as a result of the incidents.

Register of Injuries

Seven injuries were registered during 2005/06, with four resulting in claims to the Victorian Workcover Authority.



CORPORATE GOVERNANCE



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 to:

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

Membership 2005/06

The members of the Audit committee during the year were:

Lindsay Jarvis, *Chairperson (independent member)*

Sarah Nicholas, *Board Member (independent member)*

Johanna Barker, *Board Member (independent member)*

The committee met three times during the financial year.

Major tasks 2005/06

During the year, the committee:

- reviewed and recommended to the Board the 2004/05 Annual Financial Statements;
- prioritised the Internal Audit Plan;
- reviewed the outcomes of the Internal Audit;
- reviewed the Risk Management Strategy; and
- reviewed the Audit report on the new Microsoft AXAPTA project management system.

Remuneration Committee

Role

The Remuneration Committee provides advice to the Board on the remuneration of the Chief Executive Officer.

Membership

The members of the Audit Committee are:

Lindsay Jarvis, *Chairperson (independent member)*

Sarah Nicholas, *Board Member (independent member)*

Johanna Barker, *Board Member (independent member)*

The committee met twice during the year.

Pecuniary Interests

All Board members and senior officers of the CMA completed their pecuniary interests returns and declared their pecuniary interest at meetings as required.

Power of Authority

Water Act 1989 – S123 (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.

Functions

Water Act 1989, S189 (a) to (d), S199 (1) (a) to (d), and S202 (a) to (f); *Catchment and Land Protection Act 1994* S13 (a) to (h); *Water Act 1989*

S189

An Authority that has a waterway management district has the following functions in relation to designated waterways and designated land or works within that district.

- to identify and plan for State and local community needs relating to the use and to the economic, social and environmental values of land and waterways;
- to develop and to implement effectively schemes for the use, protection and enhancement of land and waterways;
- to investigate, promote and research any matter related to its functions, powers and duties in relation to waterway management;
- to educate the public about any aspect of waterway management.

S199

(1) An Authority has the following functions –

- to provide, operate and protect drainage systems, including the drainage of water into all designated waterways and all designated land or works within its district and, with the consent of the Minister, the drainage of water from that district into any waterway outside the district;
- to develop and implement programs for the protection and enhancement of instream uses;
- to investigate, promote and conduct research into any manner related to its functions, powers and duties in relation to drainage.



S202

An Authority has the following functions or such of those functions as are specified in the Order under section 201 (1) (b) (ii), as the case requires

- (a) to find out how far floodwaters are likely to extend and how high they are likely to rise;
- (b) to declare flood levels and flood fringe areas;
- (c) to declare building lines;
- (d) to control developments that have occurred or that may be proposed for land adjoining waterways;
- (e) to develop and implement plans and to take any action necessary to minimise flooding and flood damage;
- (f) to provide advice about flooding and controls on development to local councils, the Secretary to the Department of Infrastructure and the community.

Catchment and Land Protection Act 1994

S13

An Authority has the following functions

- (a) to prepare a regional catchment strategy for the region and to co-ordinate and monitor its implementation;
- (b) to prepare social area plans for areas in the region and to co-ordinate and monitor their implementation;
- (c) to promote the co-operation of person's and bodies involved in the management of land and water resources in the region in preparing and implementing the strategy and special area plans;
- (d) to advise the Minister, and, if requested by any other Minister, that other Minister –
 - (i) on regional priorities for activities by and resource allocation to bodies involved in the management of land and water resources in the region; and
 - (ii) on guidelines for integrated management of land and water resources in the region; and
 - (iii) on matters relating to catchment management and land protection; and
 - (iv) on the condition of the land and water resources in the region;
- (e) to promote community awareness and understanding of the importance of land and water resources, their sustainable use, conservation and rehabilitation;

- (f) to make recommendations to the Minister and the Secretary about actions to be taken on crown land managed by the Secretary to prevent land degradation;
- (g) to advise the Minister and provide information to the Minister on any matter referred to it by the Minister;
- (h) to carry out any other functions conferred on Authority by, or under this Act, or any other Act.

Whistleblowers Protection Act 2001

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.

The North East CMA reviewed its *Whistleblowers Protection Act 2001* policy of procedures, which establishes the system for reporting disclosures of improper conduct or detrimental action. (See Appendix 1 for the full policy)

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 emails 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 Support Services Co-ordinator, 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.vic.gov.au
Email ombudvic@ombudsman.vic.gov.au
Phone 03 9613 6222
Toll Free 1800 806 314



Whistleblowers Protection Act 2001 continued

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	–

Consultancies

Consultancies greater than \$100,000				
Consultant	Project	Total Fee Approved	Expenditure 2005/06	Future Expenditure
Hyder Consulting	Enhancing CMA Monitoring & Evaluation Capacity	\$226,000	\$175,011	\$50,989
WBM Engineering and Environmental Consultants	Development of a Wetland Strategy for the North East of Victoria	\$150,540	\$20,070	\$130,470
Consultancies less than \$100,000				
38	Various	\$620,085	\$504,345	\$111,885

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 \$21.50 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:

Fiona Shanks-Colla

Freedom of Information Officer

PO Box 616

Wodonga, Victoria 3689

Phone (02) 6043 7600

Email necma@necma.vic.gov.au

No requests under the Freedom of Information Act were received during 2005/06.

Building Act Compliance

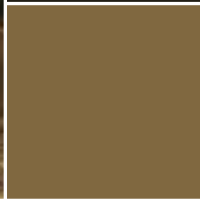
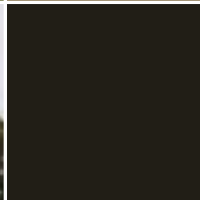
The North East CMA ensures that all works requiring building approval have certified plans, inspections of works in progress and Occupancy Permits issued by independent Building Surveyors engaged on a job-by-job basis. The CMA also ensures that plans for these works are lodged with the relevant local government council. A register of building surveyors and the jobs they certified is maintained. The CMA requires all building practitioners engaged on its works to show evidence of current registration when they are engaged. A condition of their contracts with the CMA is that they maintain their registered status for the course of the contract. No building works were undertaken during the reporting period.

National Competition Policy

The CMA continues to comply with the National Competition Policy. Where appropriate, competitively neutral process adjustments to outputs were made.



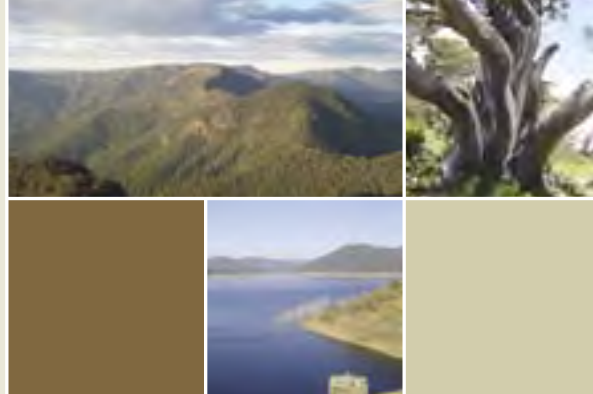
FINANCIAL OPERATIONS



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REPORT ON FINANCIAL OPERATIONS



New Financial and Project Management System

On 1 December 2005, the North East CMA implemented the new Financial and Project Management System, Microsoft AXAPTA. The system has enhanced the ability of the CMA in running its day-to-day business more efficiently by integrating project and financial management operations. There were some early issues as with all new systems, but they have been either resolved or listed for future enhancements. User Groups of essential staff have been formed to discuss and review the system and procedures, and they meet regularly to ensure the enhancements and developments are progressing.

As at 30 June 2006, seven CMAs had implemented the system, with its overall management being reviewed by a State-wide Steering Committee with representatives from all CMAs. An audit of the system and its implementation was undertaken by RSM Bird Cameron Chartered Accountants. The report found that all the system objectives and requirements had been achieved. The Steering Committee has addressed the points raised in the report.

Adoption of International Financial Reporting Standards

This financial year saw the adoption in Australia of the International Financial Reporting Standards (referred to in Australia as the A-IFRS). This had minimal effect on the operations of the financial systems and processes at the North East CMA. All compliance work and required adjustments to the Financial Statements have been completed.

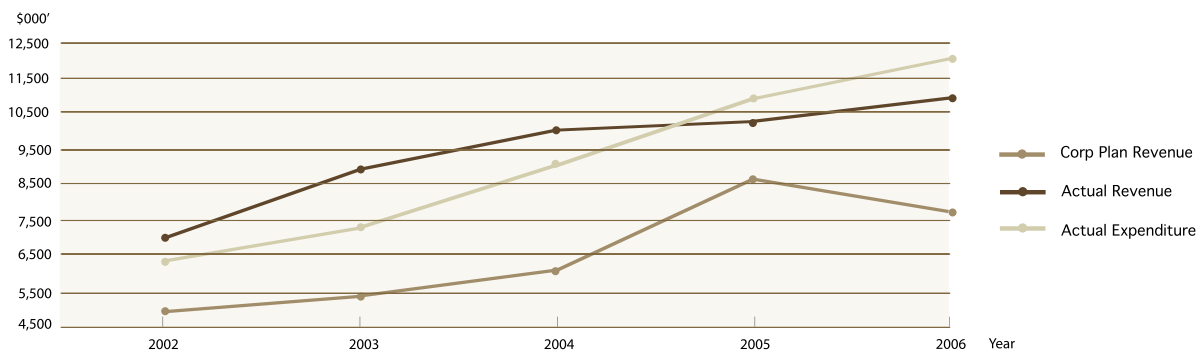
Financial Performance

The past 12 months has seen a tremendous works program, which has encompassed many of the prior years' committed projects being fulfilled and outputs reached. This has resulted in a heightened level of expenditure in this financial year. Prior year reserves have been utilised to cover these costs, with the CMA remaining in a healthy solvent cash position as reflected in the Cash Flow Statement.

Summary of Financial Results

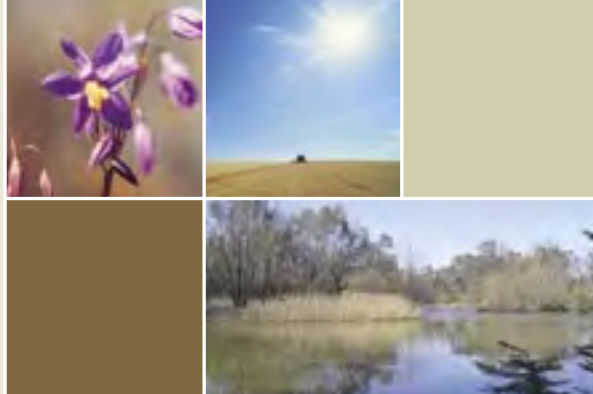
	Year ended 30/06/06	Year ended 30/06/05	Year ended 30/06/04	Year ended 30/06/03	Year ended 30/06/02
Operating Revenue	10,886,603	9,769,125	9,410,440	8,458,832	6,458,755
Operating Expenses	(12,027,761)	(10,231,860)	(8,654,989)	(6,853,304)	(5,944,003)
Abnormal Items	-	-	-	-	-
Surplus (Deficit)	(1,141,158)	(462,735)	755,451	1,605,528	514,752

Revenue Expenditure Analysis



Information Retained and Available

In accordance with the requirements of the *Financial Management Act 1994*, all relevant information listed in FRD22A is retained and will be made available on request, subject to the provisions under the Freedom of Information Act and the Privacy Act.



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

North East Catchment Management Authority

To the Members of the Parliament of Victoria and Members of the Board of the Authority

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2006 of North East Catchment Management Authority consists of operating statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the Accountable Officer's declaration.

Members' Responsibility

The Members of the Board of North East Catchment Management Authority are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

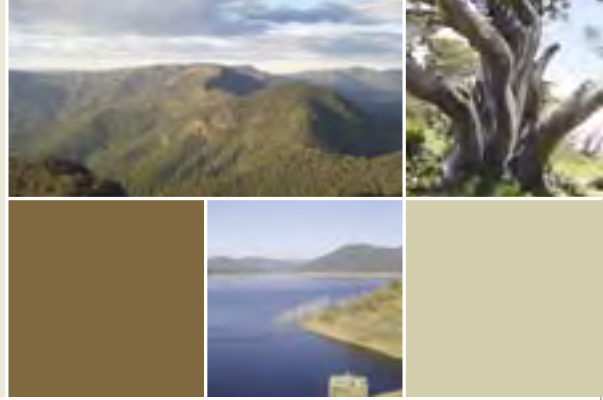
These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Authority's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

AUDITOR-GENERAL'S CERTIFICATION



AUDITOR GENERAL VICTORIA

Independent Audit Report (continued)

Independence

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of North East Catchment Management Authority as at 30 June 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE
11 September 2006



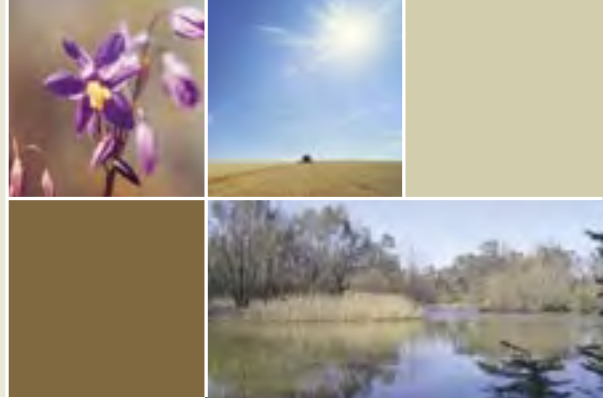
JW CAMERON
Auditor-General

Victorian Auditor-General's Office Level 34, 140 William Street/Melbourne Victoria 3000
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Auditing in the Public Interest

ACCOUNTABLE OFFICER'S DECLARATION

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



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 Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the 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 2006 and financial position of the Authority as at 30 June 2006.

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

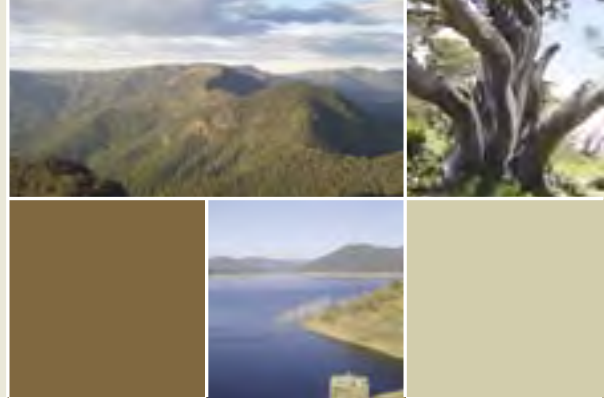
Signed in Wodonga in accordance with a resolution of the board:

S. Nicholas
Chairperson
5 September 2006

J. Riddiford
Accountable Officer
5 September 2006

OPERATING STATEMENT

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006

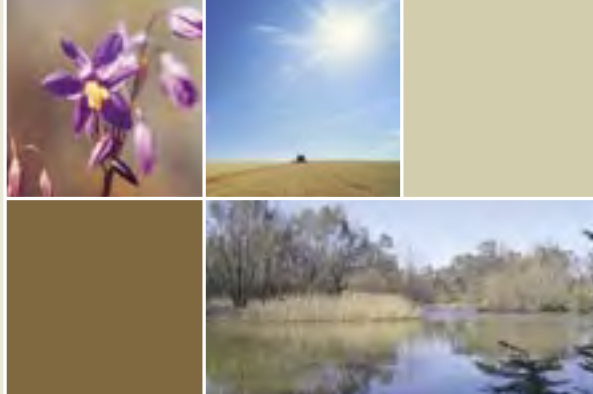


	Note	2006 \$	2005 \$
Revenue from operating activities			
Government contributions	3	9,424,931	8,404,680
		9,424,931	8,404,680
Revenue from non-operating activities			
Interest	3	405,520	332,803
Net proceeds from sale of assets	10(d)	9,892	3,269
Other income	3	1,046,260	1,028,373
Total revenue		10,886,603	9,769,125
Expenses from ordinary activities			
Depreciation	10(c)	383,194	353,099
Amortisation	11	10,466	0
Employee costs		3,057,267	2,688,860
Derecognition of assets	1(c),10(b)	195,514	0
Materials, contracts and consultancies		7,401,540	6,434,449
Other		979,780	755,452
Total expenses		12,027,761	10,231,860
Finance costs		0	0
Net result for the period	14	(1,141,158)	(462,735)

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

BALANCE SHEET

AS AT 30 JUNE 2006

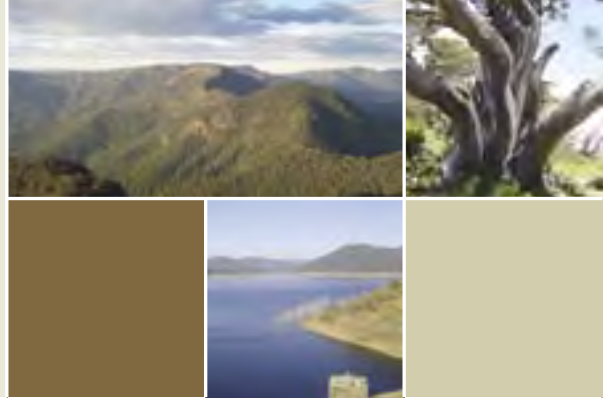


	Note	2006 \$	2005 \$
Assets			
Current assets			
Cash and cash equivalents	7	5,693,088	6,606,305
Receivables	8	881,212	624,743
Prepayments		5,871	0
Inventories	9	205,559	154,049
Total current assets		6,785,729	7,385,097
Non-current assets			
Property, plant and equipment	10	1,969,311	1,999,890
Intangible assets	11	78,043	77,178
Total non-current assets		2,047,354	2,077,068
Total assets		8,833,083	9,462,165
Liabilities			
Current liabilities			
Payables	12	1,368,024	1,110,516
Employee benefits	13	449,351	330,852
Total current liabilities		1,817,375	1,441,368
Non-current liabilities			
Long-term provisions	1(o)	104,860	90,250
Employee benefits	13	109,911	83,928
Total non-current liabilities		214,771	174,178
Total liabilities		2,032,146	1,615,546
Net assets		6,800,937	7,846,619
Equity			
Contributed capital	14	5,103,823	5,103,823
Reserves	14	1,697,114	2,742,588
Accumulated funds	14	0	208
Total equity		6,800,937	7,846,619

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

STATEMENT OF CHANGES IN EQUITY

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006

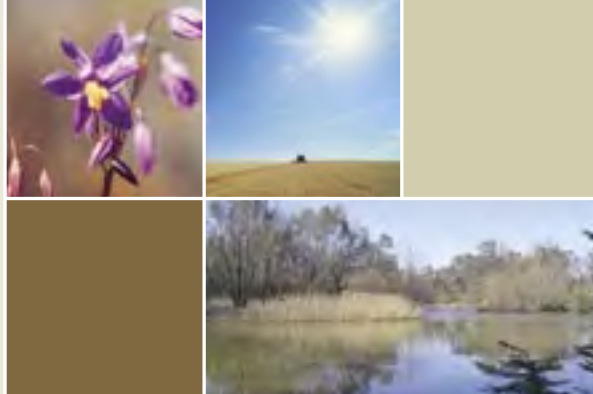


	<i>Note</i>	2006 \$	2005 \$
Gain/(loss) on land and building revaluations	<i>10 (b)</i>	78,359	0
Gain/(loss) on infrastructure assets revaluation	<i>10 (b)</i>	17,114	0
Net income recognised directly in equity		95,473	0
Net result for the period	<i>14</i>	<u>(1,141,158)</u>	<u>(538,583)</u>
Total recognised income and expense for the period		<u>(1,045,685)</u>	<u>(538,583)</u>
Effects of changes in accounting policy		0	0
Effects of correction of errors	<i>20 (2)</i>	<u>0</u>	<u>75,848</u>
		<u>(1,045,685)</u>	<u>(462,735)</u>

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

CASH FLOW STATEMENT

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006

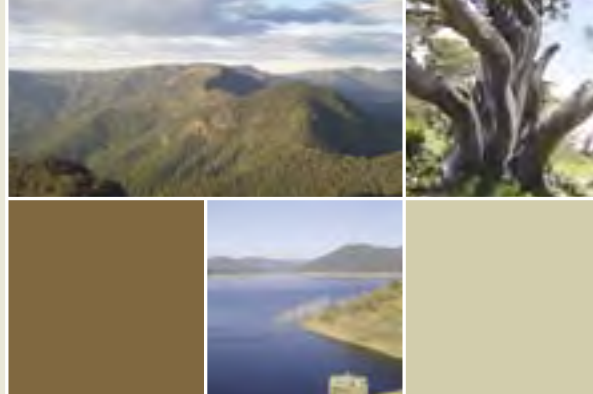


	Note	2006 \$	2005 \$
Cash Flows from Operating Activities			
Receipts			
Interest received		413,676	334,918
Other income		477,105	955,765
Receipts from Government		10,288,708	9,027,425
		<u>11,179,489</u>	<u>10,318,108</u>
Payments			
Payments to suppliers and employees		11,484,539	12,003,725
Interest and other costs of finance paid		0	18,561
GST paid to the ATO		154,073	11,154
		<u>11,638,612</u>	<u>12,033,440</u>
Net cash provided by / (used in) operating activities	19	<u>(459,123)</u>	<u>(1,715,332)</u>
Cash flows from investing activities			
(Payments for property, plant & equipment)		(746,071)	(1,054,811)
Proceeds from sale of non-current assets		303,308	521,192
(Payment for intangible assets)		(11,330)	(77,178)
Net cash provided by / (used in) investing activities		<u>(454,094)</u>	<u>(610,797)</u>
Net increase / (decrease) in cash held			
Cash and cash equivalents at the beginning of the financial year		6,606,305	8,932,434
Effects of exchange rate changes on the balance of cash held in foreign currencies		0	0
Cash and cash equivalents at the end of the financial year	7	<u>5,693,088</u>	<u>6,606,305</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



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 an 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 equivalents to International Financial Reporting Standards (A-IFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions.

This financial report has been prepared on an accrual basis.

The financial report has also been prepared under the historical cost convention, except where specifically stated in note 1(c).

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 those 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 is classified as current if:

- (i) expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle; or
- (ii) held primarily for the purpose of being traded; or
- (iii) expected to be realised within 12 months after the reporting date; or
- (iv) cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The liability is classified as current if:

- (i) expected to be settled in the entity's normal operating cycle; or
- (ii) held primarily for the purpose of being traded; or
- (iii) due to be settled within 12 months after the reporting date; or
- (iv) the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Application of AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards

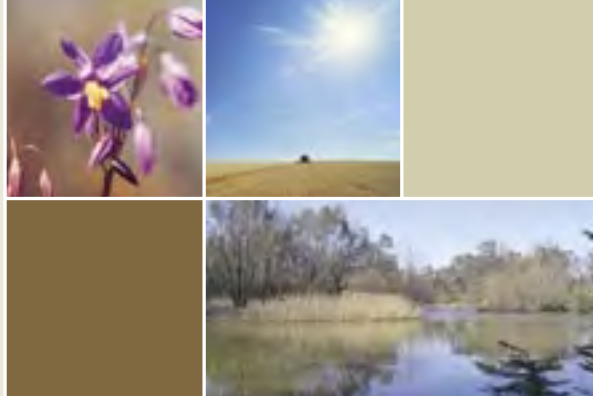
These financial statements are the first North East Catchment Management Authority financial statements to be prepared in accordance with AIFRS's. AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of the North East Catchment Management Authority until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing 30 June 2006 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 30 June 2005 were restated to reflect these adjustments. The Authority has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 January 2005.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS's on the entity's equity and its net income are in note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



1 Summary of significant accounting policies (continued)

(a) Basis of Accounting (continued)

Early adoption of standard

The North East Catchment Management Authority has elected to apply AASB 119 Employee Benefits (issued in December 2004) to the reporting period beginning 1 July 2005. This includes applying AASB 119 to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

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 AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

(b) Revenue Recognition

Fees and Charges

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

Government contributions

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the 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 Ministerial Direction has 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.

Non-current assets (or disposal groups) held for sale

A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



1 Summary of significant accounting policies (continued)

(b) Revenue Recognition (continued)

Goods and services received free of charge

The value of all goods and services received free of charge is recognised as revenue when the Authority gains control of them or the right to receive them. The benefits derived from these goods and services are recorded at their fair value in the financial report.

Interest

Interest is recognised as revenue when earned.

(c) Recognition and Measurement of Assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. 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 and any associated borrowing cost.

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

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.

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 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 eight year period.

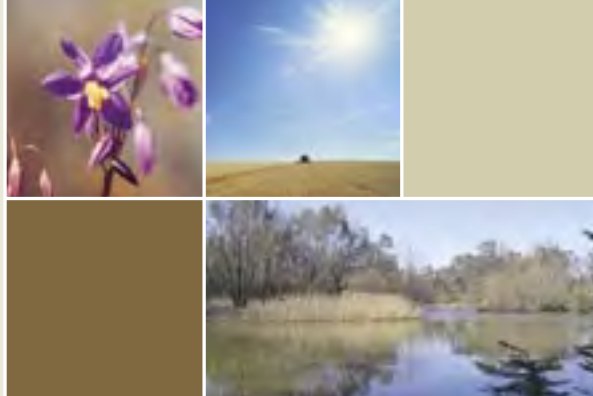
Non-current physical assets

Land and buildings are measured at the amounts for which assets could be exchanged between knowledgeable, willing parties, in an arm's length transaction. Plant, equipment and vehicles are measured at cost.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



1 Summary of significant accounting policies (continued)

(c) Recognition and Measurement of Assets (continued)

Non-current physical assets continued...

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. During the financial year, the carrying value of certain improvements to the land that had previously been recognised as assets were derecognised, \$195,514 (2005 \$Nil).

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 three to four years. 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.

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

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;
- assets arising from construction contracts; 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 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 profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



1 Summary of significant accounting policies (continued)

(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:

	2006 %	2005 %
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	10 to 20	10 to 20

(e) Cash and Cash Equivalent Assets

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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 doubtful debts. Trade and other receivables are due for settlement no more than 30 days from the date of recognition.

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

(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. Costs are assigned to inventory quantities on hand at balance date on a first-in, first-out basis (FIFO).

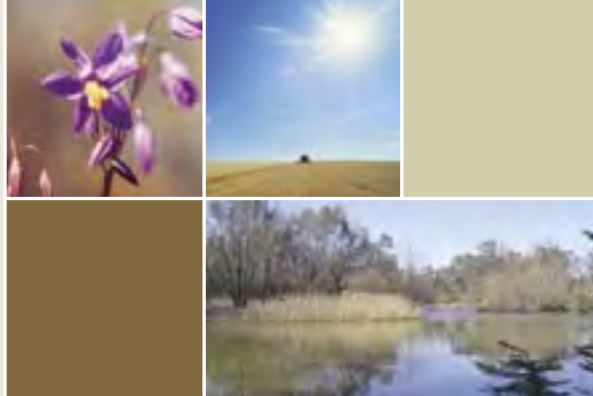
Cost for inventory is measured on the basis of weighted average cost.

(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. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



1 Summary of significant accounting policies (continued)

(i) Employee Benefits

(i) Provisions for employee benefits & leave entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values, using the remuneration rate expected to apply at the time of settlement and included as a current liability.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the Authority, in respect of services provided by employees up to the reporting date.

(ii) Superannuation, in accordance with FRD 112A

The Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary of the Fund 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.

(iii) Employee benefit on-costs

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

(iv) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



1 Summary of significant accounting policies (continued)

(m) Financial Instruments / Investments

Investments are brought to account at cost with interest revenue recognised in the balance sheet 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.

A summary of the policies applied to the Authority's intangible assets is as follows:

	Licences	Development Costs
Useful lives	Indefinite	Finite
Method used	Not depreciated or revalued	10 years – straight line
Internally generated / acquired	Acquired	Internally generated
Impairment test / Recoverable amount testing	Annually and where an indicator of impairment exists	Amortisation method reviewed at each financial year-end; Reviewed annually for indicators of impairment

(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.

Long term provisions are recognised for the end of life quarry rehabilitation costs.

(p) Web Site Costs

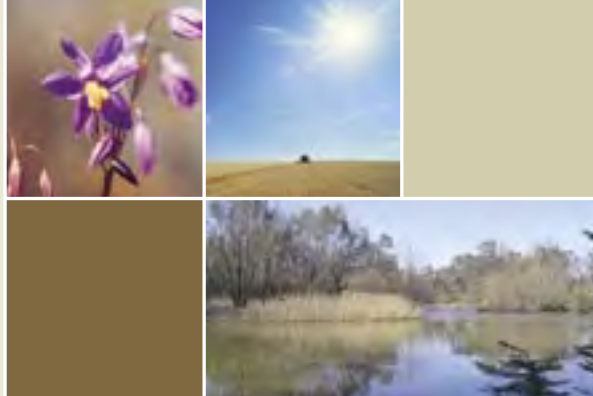
Costs in relation to web sites controlled by the Authority are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefits. Generally, costs in relation to feasibility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

(q) Objective and Funding

The Authority is responsible for the coordinated control of 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



2 Financial risk management

The Authority's activities expose it to a variety of financial risks, and they are as follows:

(a) Market and Interest Rate Risk

The Authority has no material exposure to market or interest rate risks as all investments are set to mature every 30 days. Deposits at Call comprise money invested with National Australia Bank Treasury.

The investments are due to mature in July 2006 and have a weighted average interest rate of 5.64% (2005: 5.44%).

All trade creditors and accruals are non-interest bearing.

(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.

(c) Liquidity Risk

The Authority has no material exposure to liquidity risks as all investments are set to mature every 30 days, as well as investments are held on call.

(d) Fair Value

Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2005: net fair value). The carrying amount of creditors and accruals at 30 June 2006 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

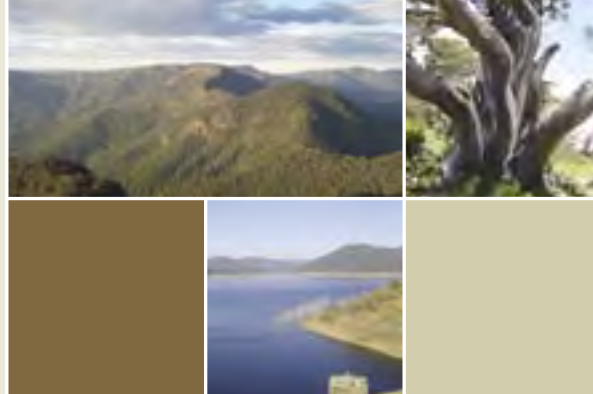
Transaction costs are included in the determination of net fair value.

(e) Significant Terms and Conditions

The Authority's terms, conditions and accounting policies of financial instruments are those adopted by business in Australia generally.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



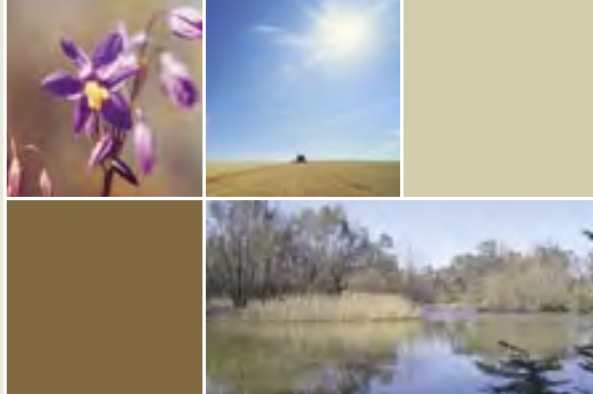
3 Revenue	Note	2006 \$	2005 \$
Rendering of services revenue from operating activities:			
Government contributions		9,424,931	8,404,680
		<u>9,424,931</u>	<u>8,404,680</u>
Other revenues:			
From non-operating activities:			
Interest		405,520	332,803
Other:			
- <i>Water Authorities</i>		457,900	663,500
- <i>Miscellaneous</i>		588,360	364,873
Net proceeds from sale of non current assets		9,892	3,269
		<u>1,461,672</u>	<u>1,364,445</u>
Total other revenues		1,461,672	1,364,445
Total revenue from ordinary activities		10,886,603	9,769,125
 Government contributions			
Contributions to operations:			
State Government			
- <i>Catchment planning</i>		1,000,000	235,000
- <i>Second generation landcare</i>		518,294	90,000
- <i>White paper funding</i>		1,717,500	1,352,000
- <i>River health & water quality</i>		2,035,000	2,790,000
- <i>Other grants</i>		163,860	151,726
- <i>Miscellaneous</i>		57,871	0
Commonwealth Government			
- <i>National Heritage Trust & National Landcare Program</i>		3,894,909	3,785,954
- <i>Miscellaneous</i>		37,497	0
Total Government contributions shown as operating revenue		<u>9,424,931</u>	<u>8,404,680</u>
Capital contributions:			
Total Government contributions included in income for capital purposes		0	0
Total Government contributions		9,424,931	8,404,680

(a) 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 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



4 Result from ordinary activities

The net result from ordinary activities as at 30 June 2006 includes the derecognition of certain infrastructure/works assets carrying value \$195,514. There are no other individually significant items.

5 Expenditure by function

Service delivery

Employees		2,879,178	2,558,240
Depreciation and Amortisation		393,660	353,099
Derecognition of Assets		195,514	0
Direct costs*		8,272,734	7,086,606
		<u>11,741,086</u>	<u>9,997,945</u>

Non-service delivery

Governance cost			
Board		113,805	158,040
Advisory committees		167,270	70,574
Audit	6	5,600	5,300
		<u>286,675</u>	<u>233,914</u>

Total expenditure

12,027,761 **10,231,860**

* Direct costs are recognised as those costs directly attributable to the project outcomes of the Authority.

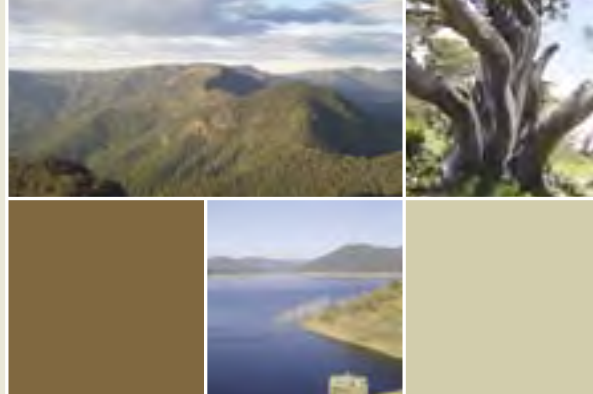
6 Remuneration of auditors

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

Paid as at 30 June 2006		0	5,300
Payable as at 30 June 2006		5,600	0
		<u>5,600</u>	<u>5,300</u>

NOTES TO THE FINANCIAL STATEMENTS

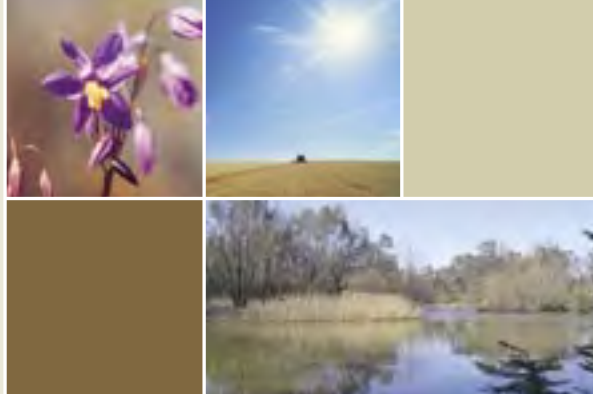
FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



7 Cash and cash equivalent assets	<i>Note</i>	2006 \$	2005 \$
Cash and cash equivalent assets			
Cash on hand		400	400
Cash at bank		570,862	162,251
Deposits at call		5,121,826	6,443,654
		5,693,088	6,606,305
(a) Reconciliation to Cash at the End of Year			
The above figures are reconciled to cash at the end of the financial year as shown in the Cash Flow Statement, as follows:			
Balances as above		5,693,088	6,606,305
Bank overdrafts		0	0
		5,693,088	6,606,305
Balances as per cash flow statement			
(b) Cash at Bank and On Hand			
These are non-interest bearing		571,262	162,651
(c) Deposits at Call			
		5,121,826	6,443,654
8 Receivables			
Current			
Trade debtors		745,841	452,094
Less: provision for doubtful debts		0	(1,356)
		745,841	450,738
Other debtors		135,371	174,005
		881,212	624,743
These amounts generally arise from transactions outside the usual operating activities of the Authority. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.			
9 Inventories			
Current			
Supplies and consumables – at cost		205,559	154,049
		205,559	154,049

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



10 Property plant & equipment	<i>Note</i>	2006 \$	2005 \$
(a) Classes of Property, Plant and Equipment			
Leasehold improvements			
At cost		103,084	103,084
Accumulated depreciation		(46,113)	(33,308)
		<u>56,971</u>	<u>69,776</u>
Land			
At valuation – 2003		0	114,000
At valuation – 2006		185,000	0
		<u>185,000</u>	<u>114,000</u>
Buildings			
At valuation – 2003		0	271,020
At valuation – 2006		269,505	0
At cost		0	15,330
Accumulated depreciation		0	(15,667)
		<u>269,505</u>	<u>270,683</u>
Infrastructure / works			
At valuation – 2003		0	537,376
At valuation – 2006		204,853	0
Accumulated depreciation		(103,039)	(245,156)
		<u>101,814</u>	<u>292,220</u>
Plant and equipment			
At cost		1,568,761	1,318,847
Accumulated depreciation		(789,767)	(642,576)
		<u>778,994</u>	<u>676,271</u>
Furniture and office equipment			
At cost		290,015	232,945
Accumulated depreciation		(149,883)	(120,343)
		<u>140,132</u>	<u>112,602</u>
Motor vehicles			
At cost		538,547	654,064
Accumulated depreciation		(101,652)	(189,726)
		<u>436,895</u>	<u>464,338</u>
Total property, plant and equipment		<u>1,969,311</u>	<u>1,999,890</u>

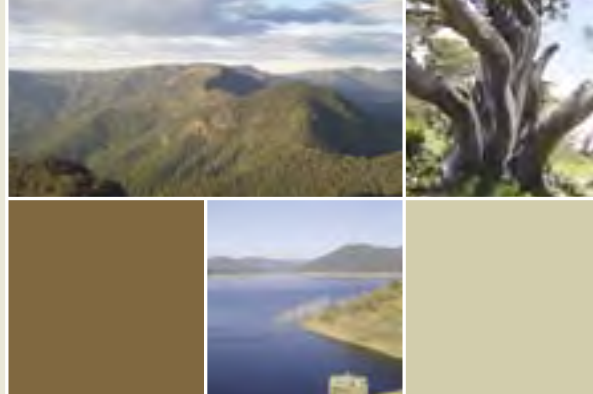
Basis of valuation

Land and buildings were independently valued as at 30 June 2006 at market value (land) and fair value (buildings) by Fisher Murphy Valuers, Certified Practising Valuer, AAPI, to a total of \$185,000 and \$269,505 respectively.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



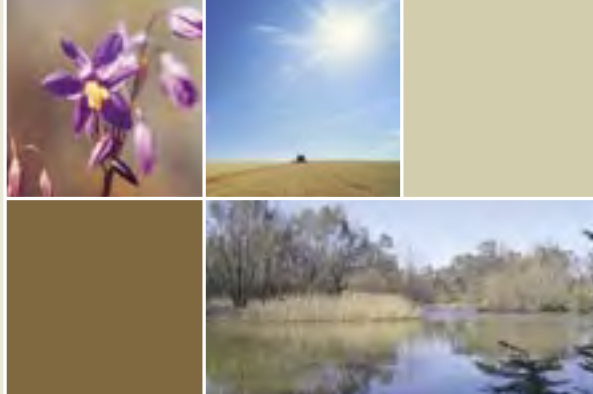
10 Property plant & equipment (continued)

(b) Movements During the Reporting Periods

Carrying Amount	Leasehold Improvements	Land	Buildings	Infrastructure and Works	Plant and Equipment	Furniture and Office Equipment	Motor Vehicles	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2004	79,356	129,000	280,813	304,226	537,119	95,003	390,582	1,816,099
Additions	3,213	0	14,992	0	462,620	55,742	518,244	1,054,811
Disposals	0	(15,000)	(17,478)	0	(146,488)	0	(338,955)	(517,921)
Depreciation	(12,793)	0	(7,644)	(12,006)	(176,980)	(38,143)	(105,533)	(353,099)
Balance as at 1 July 2005	69,776	114,000	270,683	292,220	676,271	112,602	464,338	1,999,890
Additions	0	0	0	0	390,507	74,362	281,202	746,071
Disposals	0	0	0	0	(99,944)	(75)	(191,930)	(291,949)
Revaluations	0	71,000	7,359	17,114	0	0	0	95,473
Write-offs	0	0	(925)	0	0	(541)	0	(1,466)
Derecognition	0	0	0	(195,514)	0	0	0	(195,514)
Depreciation	(12,805)	0	(7,612)	(12,006)	(187,840)	(46,216)	(116,715)	(383,194)
Balance as at 30 June 2006	56,971	185,000	269,505	101,814	778,994	140,132	436,895	1,969,311

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



	<i>Note</i>	2006 \$	2005 \$
10 Property plant & equipment (continued)			
(c) Depreciation Charge for the Year			
Leasehold improvements		12,805	12,793
Infrastructure/works		12,006	12,006
Plant & equipment		187,840	176,980
Furniture & office equipment		46,216	38,143
Motor vehicles		116,715	105,533
Buildings		7,612	7,644
		383,194	353,099
(d) Profit and/or Loss on Sale of Non-Current Assets			
Proceeds from sale of fixed assets		303,308	521,190
Less written down value		(293,415)	(517,921)
Net profit/(loss) on disposal		9,892	3,269
11 Intangibles			
Intangibles			
At cost		88,508	77,178
Accumulated amortisation		(10,466)	0
		78,043	77,178
12 Current and non-current liabilities – payables			
Current payables			
Trade payables		441,096	427,346
Accrued expenses		712,051	533,575
Other		214,877	149,595
Total current payables		1,368,024	1,110,516
Total non-current payables		0	0
Total payables		1,368,024	1,110,516

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006

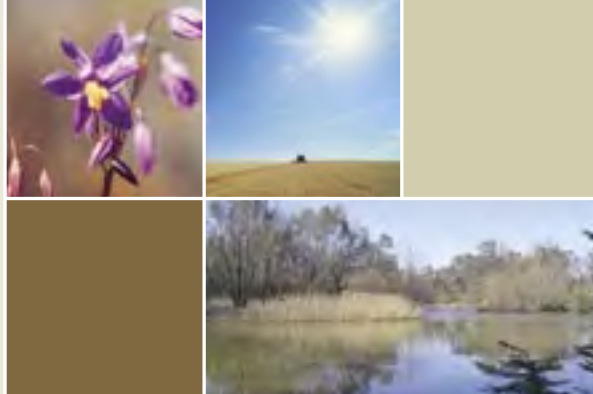


	<i>Note</i>	2006 \$	2005 \$
13 Current and non-current employee benefit provisions			
Current			
Annual leave		238,876	180,325
Long service leave		178,638	150,527
Other		31,838	0
Total current		449,351	330,852
Non-current			
Long service leave		109,911	83,928
Total non-current		109,911	83,928
Aggregate carrying amount			
Current		449,351	330,852
Non-current		109,911	83,928
Total employee benefits		559,262	414,780
Full time equivalent employee numbers at end of financial year:		49	39

a) Current Leave Provisions represent the unconditional portion of the employee benefits that are payable in the next 12 months.
The Authority expects to pay \$201,093 (2005: \$143,038) of the current provisions in the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



14 Equity - reserves & accumulated funds	<i>Note</i>	2006 \$	2005 \$
Asset revaluation reserve			
Balance at beginning of year		329,800	329,800
Revaluation increment on non-current assets	10(b)	95,473	0
Net transfers (to)/from accumulated funds		0	0
Balance at end of year		425,274	329,800
Committed funds reserve			
Balance at beginning of year		2,412,788	2,951,371
Net transfers from accumulated funds		(1,140,950)	(538,583)
Balance at end of year		1,271,840	2,412,788
Contributed capital			
Balance at beginning of year		5,103,823	5,103,823
Balance at end of year		5,103,823	5,103,823
Accumulated funds			
Balance at beginning of year	20	208	(75,640)
Net result for the period		(1,141,158)	(462,735)
Transfer to reserves		(1,140,950)	538,583
Balance at end of year		0	208

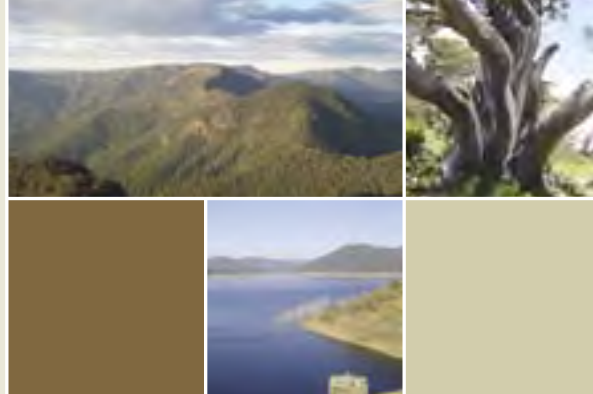
Committed Funds Reserve

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 the 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 15.

The difference of \$3,471,272 between the outstanding works program and the committed funds reserve represents the amount that the Authority is committed to via various works programs (Note 15) not covered by the committed funds reserve. This amount represents a balance within contributed capital previously transferred in from Accumulated Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD ENDED 30 JUNE 2006



15 Commitments

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

Later than one year but not later than five years

Later than five years

<i>Note</i>	2006 \$	2005 \$
	152,350	132,105
	585,385	364,083
	44,672	27,814
	782,407	524,002

Capital commitments

As at 30 June 2006 the Authority had no outstanding capital commitments (2005: nil) except for those amounts contained within the Outstanding Works Programs.

Non-capital commitments

As at 30 June 2006 the Authority had \$1,431,808 (2005: \$279,294) in non-capital expenditure commitments.

Outstanding Works Programs

As at 30 June 2006, the Authority had outstanding works programs totalling \$4,742,876 (2005: \$5,884,031) to complete during the 2005/2006 financial year. This consists of grants received by the Authority but not expended as at 30 June 2006.

These programs are funded from Government grants received in the 2005/06 financial year as well as from accumulated funds brought forward. Specific works programs are dependent on Government funding being made available. Consequently, there is a time lag between the date of receiving government funding and commencement of the relevant works program.

Compliance Statement as at 30 June 2006

Program	Revenue Recognised			Outgoings			Unexpected Program Contributions	Outstanding Program Commitments
	Prior Years	Current Year	Total	Prior Years	Current Year	Total		
Waterway Management	10,880,126	5,005,214	15,885,340	8,332,007	5,537,129	13,869,136	2,016,205	2,016,205
Water quality	1,188,938	190,029	1,378,967	788,320	425,048	1,213,368	165,599	165,599
Other water	3,124,560	781,111	3,905,671	2,118,998	912,299	3,031,297	874,374	874,374
Biodiversity	2,827,038	923,474	3,750,512	2,249,005	1,114,183	3,363,188	387,324	387,324
Land	1,581,372	353,000	1,934,372	1,196,758	689,007	1,885,765	48,607	48,607
People, capacity & knowledge	2,890,755	1,229,896	4,120,651	2,344,038	1,239,202	3,583,240	537,411	537,411
Other programs	1,164,189	1,460,514	2,624,703	815,211	1,096,136	1,911,347	713,357	713,357
Corporate	2,136,487	1,236,780	3,373,267	2,065,095	1,308,172	3,373,267	0	0
Total	25,793,465	11,180,018	36,973,483	19,909,432	12,321,175	32,230,607	4,742,876	4,742,876

Refer to Operating Statement & related notes

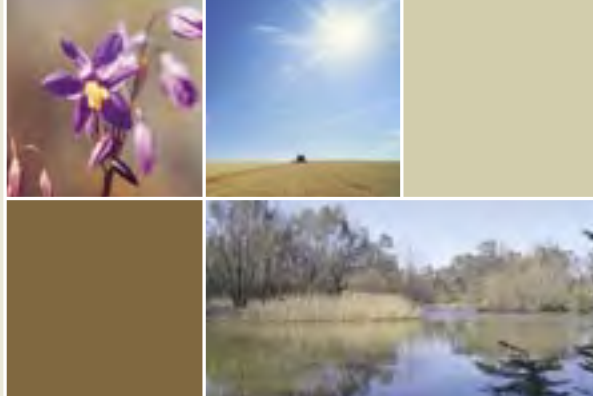
16 Contingent liabilities

As at 30 June 2006, the Authority has issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$79,500 (2005: \$79,500)

The Authority is not aware of any other contingent liabilities existing at 30 June 2006 (2005: nil) which may have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



17 Superannuation

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

Fund	Type of Scheme	Rate %	2006 \$	2005 \$
Vision Super	Defined benefits	9.25–10.75%	33,891	46,523
Vic Super New Scheme	Accumulation	9%	39,796	25,855
GSO	Accumulation	9–10%	8,045	11,797
Vision Super	Accumulation	9%	50,898	66,769
All Other funds	Accumulation	9%	94,932	70,067
Total contributions to all funds			227,562	221,011

As at balance date there was \$18,464 (2005: \$13,750) 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 Authority makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required 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.

The Authority makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. The Authority makes the following contributions:

- 9.25% of members' salaries
- the difference between resignation and retrenchment benefits paid to any retrenched employees

The Fund's liability for accrued benefits was determined in the 31 December 2005 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

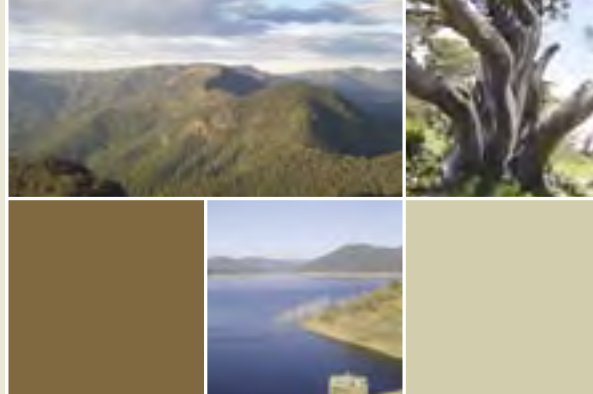
	31-Dec-05 \$
Net Market Value of Assets	3,255,842
Accrued Benefits (per accounting standards)	3,118,911
Difference between Assets and Accrued Benefits	136,931
Vested Benefits	2,865,633

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

Net Investment Return	8.0% p.a.
Salary Inflation	5.5% p.a.
Price Inflation	3.0% p.a.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



18 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 held positions of Ministers and Accountable Officers in the Authority are as follows:

Honourable J. Thwaites (Minister)
 S. Nicholas (Chairperson)
 J. Riddiford (CEO)
 J. Barker (Board Member)
 L. Coulston (Board Member)
 S. Crooke (Board Member)
 A. Griffiths (Board Member)
 T. Hillman (Board Member)
 L. Jarvis (Board Member)
 J. Paton (Board Member)
 K. Ritchie (Board Member)
 P. Roper (Board Member)
 B. Thompson (Board Member)

Remuneration of Responsible Persons

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

Band	2006	2005
\$0–\$9,999	8	8
\$10,000–\$19,999	1	1

Remuneration of Executive Officers

There was one executive officer (as defined by the Government Executive Remuneration Policy Branch) employed by the Authority during the year whose remuneration exceeded \$116,600.

Band	Total Remuneration		Base Remuneration	
	2006	2005	2006	2005
\$140,000–\$149,999	0	1	0	1
\$150,000–\$159,999	1	0	1	0

Other Transactions

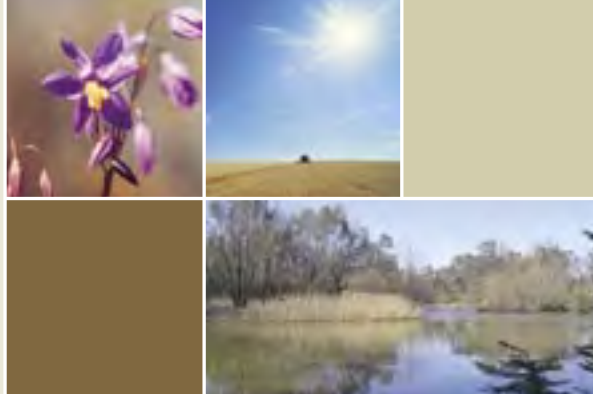
There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2006 (2005: nil).

Responsible persons remuneration outstanding at 30 June 2006 amounted to \$3,772 (2005: \$16,457).

There were no other balances owing to or from responsible persons or their related parties at 30 June 2006.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



19 Reconciliation of profit/(loss) for the period after related income tax to net cash flows from operating activities

Profit/(loss) for the period after income tax

Add/(less) non-cash flows in net profit/(loss)

(Profit)/loss on disposal of non-current assets

Depreciation and amortisation

Allowance for doubtful debts

Derecognition of assets

Changes in assets and liabilities

Decrease/(increase) in trade receivables

Decrease/(increase) in inventories

(Decrease)/increase in provisions

Decrease/(increase) in other current assets

(Decrease)/increase in payables

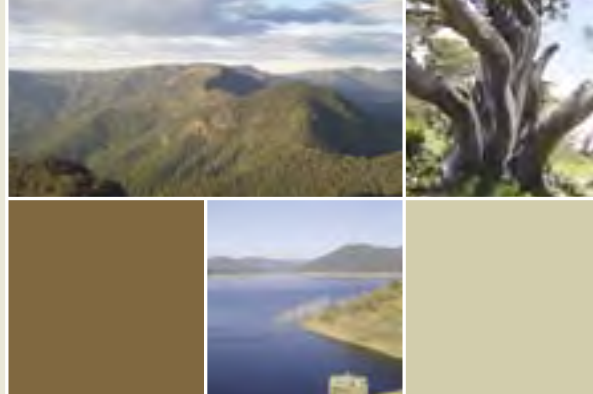
(Decrease)/increase in current liabilities

Net cash flows from operating activities

<i>Note</i>	2006 \$	2005 \$
	(1,141,158)	(462,735)
	(9,892)	(3,271)
	393,660	353,099
	0	(18,644)
	195,514	0
	<u>(561,876)</u>	<u>(131,551)</u>
	(256,469)	(166,239)
	(51,510)	47,600
	159,092	41,856
	(5,870)	0
	257,509	(1,426,322)
	0	(80,676)
	<u>(459,123)</u>	<u>(1,715,332)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



20 Explanation of transition to Australian equivalents to IFRS's

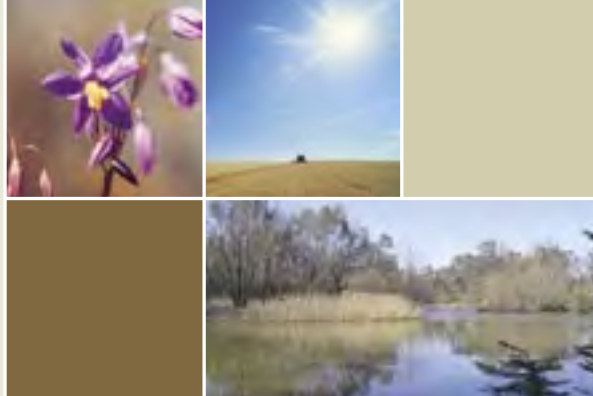
(1) Reconciliation of Equity Reported Under Previous Australian Generally Accepted Accounting Principles (AGAAP) to Equity Under Australian equivalents to IFRS's (AIFRS)

(a) At the date of transition to AIFRS: 1 July 2004

	Previous AGAAP	Prior Year Corrections	Effect of transition to AIFRS	AIFRS
Assets				
Current assets				
Cash and cash equivalents	8,932,434	0	0	8,932,434
Receivables	439,860	0	0	439,860
Inventories	201,649	0	0	201,649
Total current assets	9,573,943	0	0	9,573,943
Non-current assets				
Property, plant & equipment	1,816,099	0	0	1,816,099
Other intangible assets	0	0	0	0
Total non-current assets	1,816,099	0	0	1,816,099
Total assets	11,390,042	0	0	11,390,042
Liabilities				
Current liabilities				
Payables	2,536,838	0	0	2,536,838
Interest-bearing liabilities	8,964	0	0	8,964
Employee benefits	179,132	0	0	179,132
Short term provisions	0	0	144,299	144,299
Total current liabilities	2,724,934	0	144,299	2,869,233
Non-current liabilities				
Interest-bearing liabilities	71,712	0	0	71,712
Employee benefits	208,402	0	(144,299)	64,103
Long term provisions	0	75,640	0	75,640
Total non-current liabilities	280,114	75,640	(144,299)	211,455
Total liabilities	3,005,048	75,640	0	3,080,688
Net assets	8,384,994	(75,640)	0	8,309,354
Equity				
Contributed capital	5,103,823	0	0	5,103,823
Reserves	3,281,171	0	0	3,281,171
Accumulated funds	0	(75,640)	0	(75,640)
Total equity	8,384,994	(75,640)	0	8,309,354

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



20 Explanation of transition to Australian equivalents to IFRS's (continued)

(1) (continued)

(b) At the end of the last reporting period under previous AGAAP: 30 June 2005

	Previous AGAAP	Prior Year Corrections	Effect of transition to AIFRS	AIFRS
Assets				
Current assets				
Cash and cash equivalents	6,606,305	0	0	6,606,305
Receivables	624,743	0	0	624,743
Inventories	154,049	0	0	154,049
Total current assets	7,385,097	0	0	7,385,097
Non-current assets				
Property, plant & equipment	1,986,610	90,458	(77,178)	1,999,890
Other intangible assets	0	0	77,178	77,178
Total non-current assets	1,986,610	90,458	0	2,077,068
Total assets	9,371,707	90,458	0	9,462,165
Liabilities				
Current liabilities				
Payables	1,110,516	0	0	1,110,516
Employee benefits	200,325	0	130,527	330,852
Total current liabilities	1,310,841	0	130,527	1,441,368
Non-current liabilities				
Employee benefits	214,455	0	(130,527)	83,928
Long term provisions	0	90,250	0	90,250
Total non-current liabilities	214,455	90,250	(130,527)	174,178
Total liabilities	1,525,296	90,250	0	1,615,546
Net assets	7,846,411	208	0	7,846,619
Equity				
Contributed capital	5,103,823	0	0	5,103,823
Reserves	2,742,588	0	0	2,742,588
Accumulated funds	0	208	0	208
Total equity	7,846,411	208	0	7,846,619
(2) Reconciliation of Profit for the Year Ended 30 June 2005				
Revenue	10,287,048	0	(517,921)	9,769,127
Expenditure	10,825,631	(75,848)	(517,921)	10,231,862
Net result for the period	(538,583)	75,848	0	(462,735)

STATEMENT OF FINANCIAL POSITION

FOR THE REPORTING PERIOD
ENDED 30 JUNE 2006



20 Explanation of transition to Australian equivalents to IFRS s (continued)

(3) Reconciliation of Cash Flow Statement for the Year Ended 30 June 2005

There are no material differences between the cash flow statement presented under Australian equivalents to IFRSs and the cash flow statement presented under previous AGAAP.

(4) Notes to the Reconciliation

Current Long Service Leave Provision

A-IFRS adjustments to Current Leave Provisions represent the unconditional portion of the employee benefits that are or become payable in the next 12 months and are reflected in Note 20 - Part 1(a) and 1(b)

Long Term Provisions

Provisions were required for the End of Life Quarry Rehabilitation Costs and were identified in the current year.

The corrections were required against prior periods and are reflected in Note 20 - Part 1(a) and 1(b)

Property, Plant & Equipment and Intangible Assets

Prior Year corrections for the period 04/05 were required to reclassify the new finance system development and licence costs as an asset.

Prior Year A-IFRS adjustment was required to re-classify the assets to intangibles. The asset would not come into use until 1st December 2005.

Expenditure

A-IFRS adjustment to reclassify the Written Down Value of Assets to Net Proceeds on Sale of Assets in the Operating Statement.

21 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.

APPENDIX 1

NORTH EAST CMA WHISTLEBLOWERS POLICY

Rationale

The North East CMA (the Authority) is committed to the aims and objectives of the *Whistleblowers Protection Act 2001* (the Act). The main objective of the Act 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 action to be taken.

Definitions

Three key concepts in the reporting system are improper conduct, corrupt conduct and detrimental action. Definitions of these terms are set out below.

Improper conduct

A disclosure may be made about improper conduct by a public body or public official.

Public bodies include: All Government departments and administrative offices; statutory authorities; municipal councils; Government-appointed boards and committees; Government-owned companies; universities; TAFE colleges; public hospitals; State-funded residential care services; health services contractors; and correctional services contractors.

Public officers include: Members of Parliament; councillors; council employees; public servants; university employees; police officers; protective services officers; administrative staff of the Chief Commissioner of Police; teachers and office holders appointed by the Governor in Council or a Minister.

Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

Corrupt conduct

Corrupt conduct means:

- conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions;
- the performance of a public officer's functions is dishonest or with inappropriate partiality;
- conduct of a public officer, former public officer or a public body that amounts to a breach of public trust;
- conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions; or
- a conspiracy or attempt to engage in the above conduct.

Detrimental action

The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure.

Detrimental action includes:

- action causing injury, loss or damage;
- intimidation or harassment; and
- discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.

Policy

The North East CMA recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Authority will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also take all necessary measures to afford natural justice to the person who is the subject of the disclosure.

Delegations

The Chief Executive Officer is the accountable officer for the Authority.

The Manager Corporate Services is responsible for ensuring the policy and procedures are carried out.

Procedures

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by the North East CMA or its employees. The system enables such disclosures to be made to the Protected Disclosure Co-ordinator (PDC) or to one of the nominated Protected Disclosure Officers (PDOs). Disclosures may be made by employees or by members of the public.

These procedures are designed to complement normal communication channels between supervisors and employees. Employees are encouraged to continue to raise appropriate matters at any time with their supervisors. As an alternative, employees may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

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NORTH EAST CMA WHISTLEBLOWERS POLICY

Contract persons within the North East CMA

Disclosures of improper conduct or detrimental action by the North East CMA or its employees may be made to the following officers:

The Protected Disclosure Co-ordinator: Manager Corporate Services (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 PDO in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

Alternative contact persons: A disclosure about improper conduct or detrimental action by the North East CMA or its employees may also be made directly to:

- Protected Disclosure Officers
- Support Services Co-ordinator
- Or the Ombudsman: The Ombudsman Victoria, Level 22, 459 Collins Street, Melbourne Victoria 3000. (DX 210174). Internet www.ombudsman.vic.gov.au; Email ombudvic@ombudsman.vic.gov.au; Phone 03 9613 6222; toll Free 1800 806 314.

The following table sets out where disclosures about persons other than employees of North East CMA should be made.

Person who is the subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a Public Body	That Public Body or the Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Chief Commissioner of Police	The Ombudsman or Deputy Ombudsman
Member of the police force	The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

Roles and responsibilities

Employees:

Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures.

All employees of the North East CMA have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure.

Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

Roles and responsibilities (continued)

Protected Disclosure Co-ordinator:

The PDC has a process management role in the internal reporting system. He or she will:

- receive all disclosures forwarded from the protected disclosure officers;
- receive all phone calls, e-mails and letters from members of the public or employees seeking to make a disclosure;
- impartially assess each disclosure to determine whether it is a public interest disclosure;
- refer all public interest disclosures to the Ombudsman;
- be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the public body by the Ombudsman;
- be responsible for overseeing and co-ordinating an investigation where an investigator has been appointed;
- appoint a Welfare Manager to support the whistleblower and to protect him or her from any reprisals;
- advise the whistleblower of the progress of an investigation into the disclosed matter;
- establish and manage a confidential filing system;
- collate and publish statistics on disclosures made;
- take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- liaise with the Chief Executive Officer of the public body.

Protected Disclosure Officers will:

- be a contact point for general advice about the operation of this policy for any person wishing to make a disclosure about improper conduct or detrimental action;
- make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace;
- receive any disclosure made orally or in writing (from internal and external whistleblowers);
- commit to writing any disclosure made orally;
- impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (i.e. a protected disclosure);
- take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- forward all disclosures and supporting evidence to the PDC.

Investigator:

The Investigator will be responsible for carrying out an internal investigation into a disclosure where the

APPENDIX 1

NORTH EAST CMA WHISTLEBLOWERS POLICY

Ombudsman has referred a matter to the public body. An investigator may be a person from within an organisation or a consultant engaged for that purpose.

The Welfare Manager:

The Welfare Manager is responsible for looking after the general welfare of the whistleblower. The Welfare Manager is an independent person engaged by the Authority. He or she will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment;
- advise the whistleblower of the legislative and administrative protections available to him or her;
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making a disclosure; and
- ensure the expectations of the whistleblower are realistic.

Confidentiality

The North East CMA will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information is in breach of Section 22 of the Act.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- where exercising the functions of the public body under the Act;
- when making a report or recommendation under the Act;
- when publishing statistics in the annual report of a public body; and
- in criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that is likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

The Authority will ensure all files, whether paper or electronic, are kept in a secure room and can only be accessed by the PDC, PDO, the Investigator or Welfare Manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblowers Protection Act matter and warn of the criminal penalties that apply for any unauthorised divulging of information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on disc. All materials

relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

The North East CMA will not e-mail documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.

Collating and Publishing Statistics

The PDC will establish a secure register to record the information required to be published in the annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

The register will contain the following information:

- the number and types of disclosures made to public bodies during the year;
- the number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures;
- the number and types of disclosed matters referred to the public body by the Ombudsman for investigation;
- the number and types of disclosures referred by the public body to the Ombudsman for investigation;
- the number and types of investigations taken over from the public body by the Ombudsman;
- the number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body;
- the number and types of disclosed matters that the public body has declined to investigate;
- the number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation; and
- any recommendations made by the Ombudsman that relate to the public body.

Receiving and Assessing Disclosures

Has the disclosure been made in accordance with Part 2 of the Act?

Where a disclosure has been received by the PDO or PDC, he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

Has the disclosure been made to the appropriate person?

For the disclosure to be responded to by the North East CMA, it must concern an employee, member or officer of the North East CMA. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. If the disclosure has been made anonymously, it should be referred to the Ombudsman.

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NORTH EAST CMA WHISTLEBLOWERS POLICY

Does the disclosure contain the essential elements of a protected disclosure?

To be a protected disclosure, a disclosure must satisfy the following criteria:

- Did a natural person (i.e. an individual person rather than a corporation) make the disclosure?
- Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- Does the person making a disclosure have reasonable grounds for believing the alleged conduct has occurred?

Where a disclosure is assessed to be a protected disclosure, it is referred to the PDC. He or she will determine whether the disclosure is a public interest disclosure.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The PDO will decide how the matter should be responded to in consultation with the PDC.

Is the disclosure a public interest disclosure?

Where the PDO or PDC has received a disclosure that has been assessed to be a protected disclosure, the PDC will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure.

In reaching a conclusion as to whether a protected disclosure is a public interest disclosure, the PDC will consider whether the disclosure shows or tends to show that the public officer to whom the disclosure relates:

- has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer; or
- has taken, is taking or proposes to take detrimental action in reprisal for the making of the protected disclosure.

Where the PDC concludes that the disclosure amounts to a public interest disclosure, he or she will:

1. Notify the person who made the disclosure of that conclusion; and
2. Refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

Where the PDC concludes that the disclosure is not a public interest disclosure, he or she will:

1. Notify the person who made the disclosure of that conclusion; and
2. Advise that person that he or she may request the public body to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the PDC will make the notification and the referral within 14 days of the conclusion being reached by the public body. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

Investigations

Where the Ombudsman refers a protected disclosure to the North East CMA for investigation, the PDC will appoint an investigator to carry out the investigation.

The objectives of an investigation will be to:

- collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- consider the information collected and draw conclusions objectively and impartially;
- maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

Terms of reference

Before commencing an investigation, the PDC will draw up terms of reference and obtain authorisation for those terms from the Chief Executive Officer. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The PDC may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the PDC who, in turn, is to keep the Ombudsman informed of general progress.

Investigation plan

The investigator will prepare an investigation plan for approval by the PDC. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

At the commencement of the investigation, the whistleblower should be:

- notified by the investigator that he or she has been appointed to conduct the investigation;
- asked to clarify any matters; and
- provide any additional material he or she might have.

The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

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NORTH EAST CMA WHISTLEBLOWERS POLICY

Natural justice

The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

The North East CMA will have regard to the following issues in ensuring procedural fairness:

- The person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond. (This does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced.)
- If the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person's defence should be fairly set out in the report.
- All relevant parties to a matter should be heard and all submissions should be considered.
- A decision should not be made until all reasonable inquiries have been made.
- The investigator or any decision maker should not have a personal or direct interest in the matter being investigated.
- All proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process.
- The investigator must be impartial in assessing the credibility of the whistleblowers and any witnesses. Where appropriate, conclusions as to credibility should be included in the investigation report.

Conduct of the investigation

The investigator will make contemporaneous notes of all discussions and phone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower.

Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his or her Welfare Manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

Referral of an investigation to the Ombudsman

The PDC will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- the investigation is being obstructed by, for example, the non-co-operation of key witnesses; or
- the investigation has revealed conduct that may constitute a criminal offence.

Reporting requirements

The PDC will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation. He or she will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

Action taken after an investigation

Investigator's final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the PDC. The report will contain:

- the allegation/s;
- an account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed;
- the conclusions reached and the basis for them; and
- any recommendations arising from the conclusions.

Where the investigator has found that the conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:

- the steps that need to be taken by the North East CMA to prevent the conduct from continuing or occurring in the future; and
- any action that should be taken by the Authority to remedy any harm or loss arising from the conduct – this action may include bringing disciplinary proceedings against the person responsible for the conduct and referring the matter to an appropriate authority for further consideration.

The report will be accompanied by:

- the transcript or other record of any oral evidence taken, including tape recordings; and
- all documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

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Where the investigator's report is to include an adverse comment against any person, that person will be given the opportunity to respond and his or her defence will be fairly included in the report.

The report will not disclose particulars likely to lead to the identification of the whistleblower.

Action to be taken

If the PDC is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the Chief Executive Officer the action that must be taken to prevent the conduct from continuing or occurring in the future. The PDC may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The PDC will provide a written report to the Minister for Environment and Conservation, the Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken.

Where the investigation concludes that the disclosed conduct did not occur, the PDC will report these findings to the Ombudsman and to the whistleblower.

Managing the welfare of the whistleblower

Commitment to protecting whistleblowers

The North East CMA is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures.

The PDC is responsible for ensuring that whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The PDC will appoint a Welfare Manager to all whistleblowers who have made a protected disclosure. The Welfare Manager will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment;
- advise the whistleblower of the legislative and administrative protections available to him or her;
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making a disclosure;
- keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action; and
- ensure the expectations of the whistleblower are realistic.

All employees will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The taking of detrimental action in breach of this provision can also

be grounds for making a disclosure under the Act and can result in an investigation.

Detrimental action includes:

- causing injury, loss or damage;
- intimidation or harassment; and
- discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business (including the taking of disciplinary action).

Keeping the whistleblower informed

The PDC will ensure the whistleblower is kept informed of action taken in relation to his or her disclosure and the time frames that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation and the steps taken by the North East CMA to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by the North East CMA in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

Occurrence of detrimental action

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- record details of the incident;
- advise the whistleblower of his or her rights under the Act; and
- advise the PDC or Chief Executive Officer of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the PDC will assess the report as a new disclosure under the Act. Where the PDC is satisfied that the disclosure is a public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

Whistleblowers implicated in improper conduct

Where a person who makes a disclosure is implicated in misconduct, the North East CMA will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures. The Authority acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct.

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Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

The Chief Executive Officer will make the final decision on the advice of the PDC as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

In all cases where disciplinary or other action is being contemplated, the Chief Executive Officer must be satisfied that it has been clearly demonstrated that:

- the intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information);
- there are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances; and
- there are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The PDC will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken and the reasons why the action is not in retribution for the making of the disclosure. The PDC will clearly advise the whistleblower of the proposed action to be taken and of any mitigating factors that have been taken into account.

Management of the person against whom a disclosure has been made

The North East CMA recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures.

The Authority will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation and the identity of the person who is the subject of the disclosure will remain confidential.

The PDC will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body:

- is informed as to the substance of the allegations;
- is given the opportunity to answer the allegations before a final decision is made;

- is informed as to the substance of any adverse comment that may be included in any report arising from the investigation; and
- has had his or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the PDC will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

The North East CMA will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the Chief Executive Officer of the Authority will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

Criminal Offences

The North East CMA will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

- It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment or both.
- It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6,000) or six months imprisonment or both.
- It is an offence for a person to obstruct the Ombudsman in performing his/her responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.
- It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

Review

These procedures will be reviewed on a regular basis to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

References

- *Whistleblowers Protection Act 2001*

DISCLOSURE INDEX

The 2005/06 Annual Report of the North East CMA is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

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ANNUAL REPORT 2005/2006

REPORT ON CORPORATE PLAN

Diverse, Healthy Landscapes; Vibrant Communities



**NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY**

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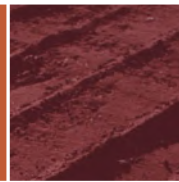
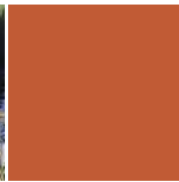
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CATCHMENT CONDITION REPORT 2005/2006



Diverse, Healthy Landscapes; Vibrant Communities



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

FROM THE NORTH EAST CMA CHAIRPERSON



The North East Regional Catchment Strategy is an important planning tool for land managers in Victoria's beautiful and asset-rich North East.

This Catchment Condition Report reports on the goals and targets outlined in the North East Regional Catchment Strategy (RCS).

The RCS is a five-year overarching strategic document for integrated planning and management of land, water and biodiversity for the North East.

The North East Catchment Management Authority (CMA) is required to develop the RCS in partnership with North East natural resource managers and the community in accordance with the *Catchment and Land Protection Act 1994*. The North East CMA is responsible for co-ordinating the implementation of the RCS and for monitoring and evaluating its progress.

The vision of the RCS is to achieve diverse, healthy landscapes and vibrant communities, not only for those involved now but also for future generations.

The RCS identifies an environmental philosophy that stresses the need to balance environmental, social and economic issues when making decisions associated with protection and improvement of natural assets.

The RCS takes an asset-based approach to managing the natural resources of the North East region. This Catchment Condition Report, now in its second year, reports on progress toward resource condition targets and identifies future improved management activities.

Sarah Nicholas
Chairperson

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INTRODUCTION



The Catchment Condition Report is a reporting framework for the implementation of the North East Regional Catchment Strategy (RCS). It also provides for a stand-alone report on the condition and management of land and water resources in North East Victoria.

The RCS sets resource condition targets and management action targets to provide a measurable framework for the protection of our natural resource assets. This is the second report against this framework.

This is a particularly challenging and complex task, as it is very difficult to measure resource condition trends over a short time period (annually). There are a number of State Government initiatives to provide support for catchment reporting at an appropriate timescale. These include the index of stream condition, the soil health index, a consistent reporting template for natural resource management and numerous studies in condition targets, evaluation and reporting.

The procedure for determining resource condition trends includes multiplying the activity by Assumption compared with the Resource Condition Target (RCT). This provides a framework to determine the resource condition trend, a focus on testing assumptions for verification and continuous improvement.

As new information becomes available, the North East Catchment Management Authority will be better equipped to report on catchment condition trends at an appropriate spatial and temporal scale.

However, this report provides a solid foundation to highlight progress of the implementation of the RCS and provides valuable information for resourcing priority programs and evaluating the effectiveness of program delivery.

How to use this report

The Regional Catchment Strategy presents Resource Condition Targets (RCTs) across a number of asset classes including land, inland waters, biodiversity, people, built infrastructure and climate (atmosphere).

Where there is a measurable RCT, it has been included in this report. Where the target is not measurable or not yet developed, it has not been included in this report.

Under the RCT box there are three columns: the first describes the activity; the second describes the resource condition trend (which is based on the activity multiplied by the assumption and compared to the RCT); and the third provides an assessment of trend versus target. To better understand resource condition trends, reference will need to be made to the Regional Catchment Strategy, www.necma.vic.gov.au/resources/rcs/

The trend analysis can be used to test assumptions, provide advice for future investment and for continuous improvement.



Monitoring and Evaluation of the Regional Catchment Strategy

Implementation of the North East Regional Catchment Strategy Monitoring, Evaluation, Reporting and Improvement Framework (MERIF) will allow the CMA and its partners to gain a picture of progress towards achieving targets.

The collected information will feed directly into decision-making processes to continually improve investment planning and program implementation. The CMA is developing tools to manage data captured through individual project and program evaluations. This will allow information on natural resources and their management to be presented in a form that increases the confidence that effective processes are in place to achieve the best outcomes for natural resources in the region.

Specifically, implementation of the effective monitoring and evaluation processes will help the CMA:

- monitor the state of the natural environment in the North East region;
- co-ordinate data collection from all projects under the North East Regional Catchment Strategy;
- demonstrate the contribution towards improvement in resource condition made by the projects prioritised under the Regional Catchment Strategy;
- provide performance information to inform the annual planning cycle for the Regional Catchment Investment Process and to improve and refine the Regional Catchment Strategy through adaptive management;
- be accountable to investors and community stakeholders; and
- effectively manage reporting processes.

At a state-wide level, the 10 Victorian CMAs, including the North East CMA, are developing a consistent reporting template to report against resource condition targets. This will help the monitoring and evaluation process, define better targets for the next generation Regional Catchment Strategy and aggregate reports from a regional to a state level.

Catchment Condition Financial Expenditure

The table below depicts regional investment by the Australian Government and the Victorian State Government for the implementation of the North East Regional Catchment Strategy. It does not include all investment in the Regional Catchment Strategy. For example, it does not cover investment from industry groups, landholders, local government and other government agency investment in natural resource management.

Asset	Expenditure 2005/06 \$
Inland Waters	
River Health	5,949,586
Water Quality	425,048
Other Water	2,295,547
Sub Total	8,670,181
Biodiversity	1,114,183
Envirofund*	383,243
Sub Total	1,497,426
Land	689,007
NLP *	506,422
Sub Total	1,195,429
Other	
Statutory Operations	1,029,837
Monitoring & Evaluation	311,545
Sub Total	1,341,382
TOTAL	12,704,418

* These Australian Government programs are not delivered through the CMA and are not included in the Regional Catchment Investment Plan.


LAND



The Regional Catchment Strategy identifies programs to protect land assets that include implementing the salinity program, grants to sustain productive agricultural practice and community capacity building activities. It also incorporates support for environmental management systems (EMS).

Outcome: Resilient Agriculture Production and Maximising Productivity

- Well-planned future development of resilient agricultural production.
- Maximise productivity from the region’s high value agricultural land, while using water strategically and without loss of biodiversity.


Resource Condition Target (RCT)			
1	Improve surface soil (0-10 cm) acidity levels of all agricultural land to better than pH 4.5 (measured in CaCl ₂ extract) by 2023 (see Assumption L1 in RCS Section 7.3) ¹		
	Annual Activity	Resource Condition Trend	Rating
	34 field days with a total of 345 participants	8.9% of target achieved. Second year of Soil Health Program implementation. Year two target of 9% achieved. Assumption: That 10% of participants in training events will reach the RCT for soil pH of 4.5.	



Evidence of target being achieved or exceeded




Evidence of progress

 Evidence of no progress



Evidence of regress



 Insufficient evidence to assess

¹Refer to Section 7, North East Regional Catchment Strategy



Outcome: Sustainable Land Management

- Sustainable land management practices achieved.

Resource Condition Target (RCT)		
2.1	Reduce the number of active gullies as at December 2005 in priority areas defined in the North East Soil Health Action Plan (NESHAP 2001) by a minimum of 30% by 2023	
	Annual Activity	Resource Condition Trend
	7 gullies treated in 2005/06	7% of target achieved to 30 June 2006. 20% required at this stage to achieve target. <i>Assumption:</i> At the date the target was set there were 4,690 active gullies in the North East.
		
Resource Condition Target (RCT)		
2.4	Reduce the annual impact of priority and ecologically significant pest animal (rabbits, wild dogs, foxes) infestations in high priority areas on all private land by 2013 (see Assumptions L5 and L6 in RCS Section 7.3) ¹	
	Annual Activity	Resource Condition Trend
	360,000 ha covered in baiting programs (wild dogs, rabbits, foxes) 20,770 baits laid	
		



Evidence of target being achieved or exceeded



Evidence of progress

 Evidence of no progress



Evidence of regress



Insufficient evidence to assess

¹Refer to Section 7, North East Regional Catchment Strategy


INLAND WATERS



The Regional Catchment Strategy identifies programs to protect inland waters that include implementing the river health strategy, water quality projects, education through the Waterwatch program, regulatory processes via works on waterways permits and statutory planning.

Outcome: Water Salinity

- Water salinity levels do not have an impact on key regional and downstream assets.

Resource Condition Target (RCT)			
3.1	Zero change in contribution to salinity at Morgan from the Ovens River as measured at Peechelba East by 2015 (MDBC 2001). Based on 2000 conditions, utilising 1975-2000 climatic benchmark		
3.1a	Zero change in contribution to salinity at Morgan from the Kiewa River as measured at Bandiana by 2015 (MDBC 2001). Based on 2000 conditions, utilising 1975-2000 climatic benchmark		
	Annual Activity	Resource Condition Trend	Rating
	158 ha of revegetation with native species	474 tonne reduction in salt loads (1,897 ha revegetation in recharge areas) from North East streams since 1997. Target of 337 tonnes exceeded. Assumption: 0.25 tonne per ha of perennial system revegetation (1997 Salinity Plan).	
	126 ha of non-indigenous perennial pastures established		



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess



Outcome: Algal Blooms

- Significant reduction in the number of blue-green algal blooms within the region and the Murray River to the South Australian border.

Resource Condition Target (RCT)		
4.1	Mean annual Total Nitrogen load from the Ovens Catchment into the Murray River reduced from 1,578 to 728 tonnes (46%) before 2033, as per Ovens Basin Water Quality Strategy (OBWQWG 2000) (see Assumption W3 in RCS Section 7.3) ¹	
4.1a	Mean annual Total Phosphorus load from Ovens Catchment into the Murray River reduced from 179 to 71 tonnes (40%) before 2033 (OBWQWG 2000) (see Assumption W3 in RCS Section 7.3) ¹	
4.2	Target for reduction in mean annual Total Nitrogen load from the Upper North East Catchment into the Murray River to be determined	
4.2a	Mean annual Total Phosphorus load from the Upper North East Catchment to be reduced by 75 tonnes from 235 tonnes to 160 tonnes (32%) before 2033 (from Kiewa River by 38 tonnes; from Lake Hume by 37 tonnes) – UNEWQWG 2001 (see Assumptions W3 and W9 in RCS Section 7.3) ¹	
Annual Activity	Resource Condition Trend	Rating
48 km of riparian fencing 7 gullies treated 1,578 ha of land using improved irrigation practices 18 km of streambank stabilised	Ovens Catchment: Annual Total Nitrogen reduction of 814 tonnes to 30 June 2006. Annual Total Phosphorus reduction of 151 tonnes to 30 June 2006. Assumption: Investment required per tonne of Total Phosphorus reduction (UNEWQS). Upper North East Catchment: Annual Total Phosphorus reduction was 50 tonnes to 30 June 2006.	



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

¹Refer to Section 7, North East Regional Catchment Strategy



Outcome: River Health (Natural Systems)

- River Health (Natural Systems) understood, appreciated and protected.

Resource Condition Target (RCT)*		
5.i	All Heritage River values maintained	
5.ii	6 Ecologically Healthy River reaches and 6 Near Ecologically Healthy River reaches maintained in Good or Excellent condition	
5.iii	1 Ecologically Healthy River reach raised from Marginal to Good condition	
5.iv	1 Near Ecologically Healthy reach raised from Marginal to Good condition	
5.v	1 Representative River reach maintained in Excellent condition	
5.vi	1 Representative River reach maintained in Good condition	
5.vii	1 Representative River reach maintained in Marginal condition	
5.viii	27.5 km river maintained in Excellent condition (2 reaches)	
5.ix	42.5 km river raised from Good to Excellent condition (1 reach)	
5.x	502.5 km river maintained in Good condition (26 reaches)	
5.xi	232.5 km river raised from Marginal to Good condition (108 reaches)	
5.xii	107.5 km river raised from Poor to Marginal condition (5 reaches)	
5.xiii	No ISC data for 4 High Value Waterways	
5.xiv	Aquatic life protected in 56 reaches as measured by the ISC	
Annual Activity	Resource Condition Trend	Rating
24.7 ha under voluntary landholder agreements 23 km remnant overstory protected (length) 29.4 km river vegetated with tree overstory 34.2 km riparian zone weeds managed 10.8 km stream bed and bank stabilised 0.8 km instream habitat established/enhanced (refer to table on page 10)	2004 ISC results show no decline in river health. Next ISC rating in 2009.	

*These RCTs were updated in 2005/2006



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess



Outcome: River Health (Natural Systems) (continued)

The table below lists the Management Action Targets (MATs), which are five-year targets specifying aggregated outputs that will lead to a positive trend in the Resource Condition Targets listed on page 9.

Management Action Targets	Target by 2011	Total achieved to 30 June 2006	% of target
Ovens and Kiewa Rivers with suitable environmental flow regime implemented through the management of the environmental water reserve	10 reaches	0	0%
Barriers with fish passage restored	12	0	0%
Investigation of opportunities to provide fish passage through Dartmouth Dam completed	NA	–	–
Introduced fauna control implemented in 10 Management Units	10 km	0	0%
River subjected to seeding willow control	698 km	92 km	13%
River subjected to riparian weed and willow control	1,498 km		
River vegetated with tree overstorey after willow control	27 km	–	6%
Riparian land under management agreements for stock control and riparian management	1,544 ha	808 ha	52%
Ecological Risk Assessment (ERA) for water quality decline conducted in 3 Management Units	Target to be developed	0	0%
River subjected to bed and bank erosion control	382 km	22 km	6%
Vegetated with tree overstorey	99 km	65 km	66%
Remnant overstorey protected throughout 1 Management Unit.	1 Management Unit	24 km	

*Seeding willow control is included in 'Riparian zone weeds managed'



BIODIVERSITY

The Regional Catchment Strategy identifies programs to protect biodiversity assets that include whole farm planning, market-based investment systems (such as River Tender), grants through Trust for Nature, protection of threatened species delivered through the Department of Sustainability and Environment and statutory planning processes.

Outcome: Ecological Vegetation Classes

- Maintain the quality of Ecological Vegetation Classes (EVCs).

Resource Condition Target (RCT)			
7.1	Improve the quality of priority EVCs (as determined by the North East Native Vegetation Strategy) by 10% of 2005 levels measured by habitat hectares (NECMA 2000) by 2023 (see Assumptions B1, B4, B5 and B6 in RCS Section 7.3)		
	Annual Activity	Resource Condition Trend	Rating
	282 ha protected by legal conservation covenants 1,775 ha protected by voluntary landholder agreements 346 ha of indigenous vegetation protected by fencing 347 ha of indigenous vegetation enhanced	Have achieved 393 habitat/ha improvement less incremental loss of 1,490 habitat/ha over five years, resulting in a net loss of 1,097 habita/ha. Target was for 648 habitat/ha gain. Assumption: Estimated losses of 228 habitat ha/year priority EVCs on private land and 70 habitat ha/year priority EVCs on public land. 1 ha of remnant protection and enhancement = 0.05 habitat/ha gain over three years. 1 ha of revegetation = 0.035 habitat/ha gain over three years.	

Evidence of target being achieved or exceeded
 Evidence of progress
 Evidence of no progress
 Evidence of regress
 Insufficient evidence to assess

The graph below demonstrates progress towards the native vegetation condition target with “intervention scenario” and “do nothing scenario”.

North East Native Vegetation Condition

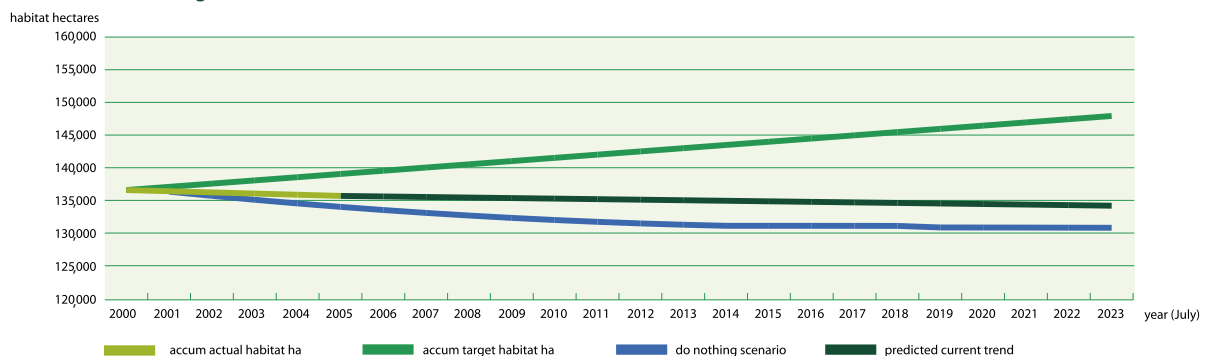




Photo courtesy Glen Johnson, DSE

Outcome: Net Gain

- Achieve net gain in biodiversity across the region.

Resource Condition Target (RCT)			
8.1	Achieve on-going 'net-gain' for all EVCs, ensuring a positive gain in extent, distribution and quality at any time as measured against the previous year (NECMA 2000) until at least 2023 (see Assumptions B2, B4, B5, B6 and B7 in RCS Section 7.3) ¹		
8.1a	Increase, where possible, the extent of native vegetation for endangered EVCs to 15% and the extent of native vegetation for vulnerable EVCs to 30% relative to 1750 extent levels, by 2023 (see Assumptions B3, B4, B5 and B6 in RCS Section 7.3) ¹		
	Annual Activity	Resource Condition Trend	Rating
	282 ha protected by legal conservation covenants 1,775 ha protected by voluntary landholder agreements 346 ha of indigenous vegetation protected by fencing 347 ha of indigenous vegetation enhanced	1,813 ha revegetated, target of 13,600 ha. Assumption: Plantings based on EVC benchmark and established according to minimum standards; revegetation/regeneration in priority areas.	○



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

Outcome: Threatened flora and fauna

- Decrease in number the most highly threatened flora/fauna species and communities to levels that support self-sustaining ecosystems.

Resource Condition Target (RCT)			
9.1	Maintain or improve (by at least one VROTS status level) the 2003 conservation status of 80% of threatened flora and 60% of threatened fauna species by 2023 (see Assumptions B3, B4, B5 and B6 in RCS Section 7.3) ¹		
	Annual Activity	Resource Condition Trend	Rating
	65,329 ha of habitat managed for threatened flora and fauna Threatened Species Recovery Plans and Action Statements being implemented for 12 fauna species and 14 flora species, which is 27% and 11% of number of species	Assumption: Achievement of specified annual works program will achieve target.	○



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

¹Refer to Section 7, North East Regional Catchment Strategy



Outcome: Pest Plants

- Eradicate regionally prohibited weeds, and prevent growth and spread of regionally controlled weeds.
- A net decline in impact of pest plants on private and public land.

Resource Condition Target (RCT)			
10.1	Reduce the impact of ecologically significant weeds on private land by 20% from 2003 to 2023 (see Assumption L6 in RCS Section 7.3)		
10.1a	Reduce the impact of ecologically significant weeds on public land by 20% from 2003 to 2023 (see Assumption L6 in RCS Section 7.3)		
	Activity	Resource Condition Trend	Rating
	13 ha of private land protected from the impact of ecologically significant weeds	Trend analysis to be developed.	○
	8,946 ha of private land controlled to reduce the impact of ecologically significant weeds		
	400 ha of private land protected from the impact of ecologically significant weeds		
	283 ha of private land controlled to reduce the impact of ecologically significant weeds		



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

Outcome: Pest Animals

- A net decline in the impact of pest animals on private and public land.

Resource Condition Target (RCT)			
11.1	Reduce the impact of pest animals on private land by 20% from 2003 to 2023 (see Assumption L6 in RCS Section 7.3)		
11.1a	Net decline in effect of pest animals on biodiversity assets from 2003 to 2013 (see Assumption L6 in RCS Section 7.3)		
	Activity	Resource Condition Trend	Rating
	360,000 ha covered in baiting programs (wild dogs, rabbits, foxes)	Ongoing contribution to target. Contributions added to longer-term impact.	○
	20,770 baits laid		



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

CLIMATE AND ATMOSPHERE



Outcome: Greenhouse

- Reduction of greenhouse gas emissions and increased carbon storage in the region.

Resource Condition Target (RCT)			
14.1	Targets to be developed by 2009 for reduction in greenhouse emissions and carbon storage in the region.		
	Annual Activity	Resource Condition Trend	Rating
	North East Greenhouse Alliance formed to establish greenhouse gas abatement and climate change adaptation programs	Not assessed	○



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

OUTLOOK

Regional Catchment Strategy

There is a total of \$9.3 million planned for the implementation of the land, water and vegetation programs via the Regional Catchment Investment Plan process in 2006/07. Additional resources from landholders and external funding (e.g. Envirofund and National Water Initiative) will also support the implementation of the Regional Catchment Strategy.

Acronyms

ANZECC	Australian New Zealand Environment Conservation Council
DPI	Department of Primary Industries
EMS	Environmental Management System
EPA	Environment Protection Authority
EVC	Ecological Vegetation Class
ISC	Index of Stream Condition
LACPs	Local Area Catchment Plans
MERIF	Monitoring, Evaluation, Reporting Improvement Framework
MDBC	Murray-Darling Basin Commission
NECMA	North East Catchment Management Authority
NESHAP	North East Soil Health Action Plan
NLP	National Landcare Program
OBWQS	Ovens Basin Water Quality Strategy
PAIS	Pest Animal Information System
RCS	Regional Catchment Strategy
RCT	Resource Condition Target
RFA	Regional Forest Agreement
SEPP	State Environment Protection Policy
UNEWQS	Upper North East Water Quality Strategy
VROTS	Very Rare or Threatened Species

Glossary

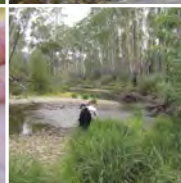
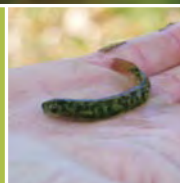
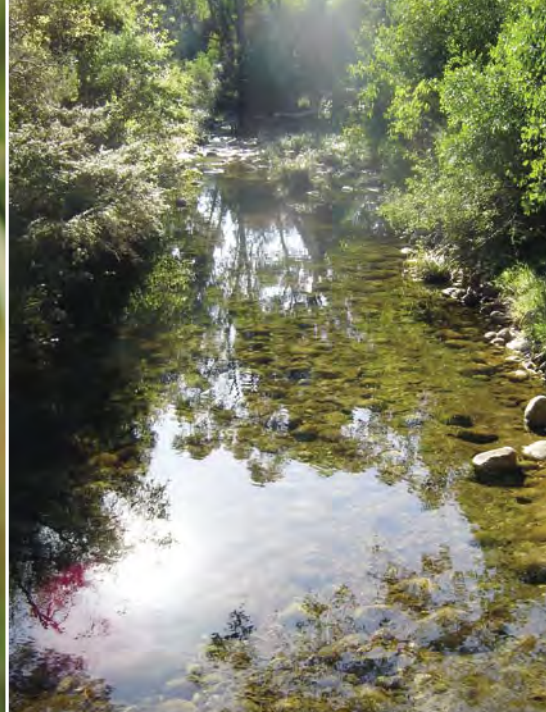
Habitat/hectare (habitat/ha) – a site-based measure of the quality and quantity of native vegetation that is assessed in the context of the relevant native vegetation type.

Net gain – Over a specified area and period of time, losses of native vegetation and habitat, as measured by a combined quality-quantity measure (habitat/ha), are reduced, minimised and more than offset by commensurate gains.



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