



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

Annual Report 2003/2004



Diverse, healthy landscapes; vibrant communities



**NORTH EAST
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MANAGEMENT
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Front cover: Stream alignment and revegetation works on Black Range Creek undertaken following major flood damage.

The Region

Vision

Diverse, healthy landscapes; vibrant communities

CMA Mission

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

North East CMA Map



Population of Catchment	95,000
Area	1,957,000 ha
Public Land	55%
Water Supply	Region supplies 38% of the total water to the Murray Darling Basin
Length of Streams	10,602 km
Native Vegetation	1,200,000 ha

North East CMA – Region Description

The North East Region of Victoria is an area rich in natural assets from snow - topped mountains to river valleys and open plains. The region covers approximately 1.9 million hectares of North East Victoria, including three major catchments: Upper Murray, Kiewa and the Ovens. 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 by the Warby Ranges in the west. It includes the Municipalities of Wodonga, Wangaratta, Towong, Indigo, Alpine and parts of Moira and East Gippsland.

Indicative of the region's importance is an estimated \$3.24 billion it contributes to State and National economic wealth per year. Industries include agriculture (dairy, beef, lamb, wool, cropping and horticulture); forest industries, tourism and value added processing industries (in the regional cities of Wangaratta and Wodonga).

More than 55 per cent of the North East consists of public land encompassing over 200 reserves including National Parks, Wilderness Parks and Historic Reserves.

Natural assets of the region are a major drawcard attracting visitors to the region's 'playgrounds' throughout the year.

The North East region plays a vital role in providing water resources for South Eastern Australia. Despite the region's size (only 2 per cent of the geographic area of the Murray Darling Basin), the three primary river basins: Ovens; Kiewa; and Upper Murray Basins, contribute 38 per cent of total water to the Murray Darling Basin system (Department of Water Resources 1989).

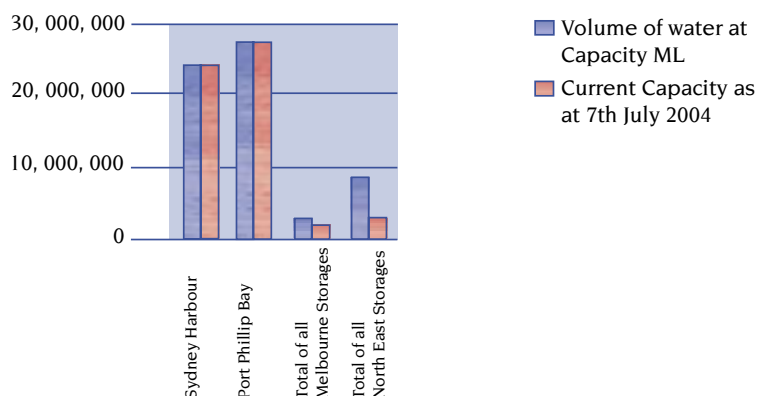
CMA Business

The Authority has two types of business:

- | | |
|--|--|
| <p>1. Direct:</p> <ul style="list-style-type: none"> • Waterway Management • Floodplain Management • Water Quality Co-ordination • Landcare Support • Grants Administration • Funding Facilitation | <p>2. Co-ordination</p> <p>Implementation of the Regional Catchment Strategy through the North East CMA's partnership with Government Agencies, Water Authorities, Local Government, Industry and the broader community.</p> |
|--|--|

Storages

Comparison to other Storages in Australia



Highlights

Regional Catchment Strategy

The major highlight of the year was the launch of the renewed North East Regional Catchment Strategy. The Regional Catchment Strategy is the overarching strategic document to guide investment in natural resource management over the next 5 years. The renewed Strategy builds on work done by the former North East Catchment and Land Protection Board in the first strategy launched in 1997.

The Strategy was developed with extensive consultation throughout the North East region. The community assisted in identifying the values provided by the region's natural assets and the threatening processes that put those values at risk.

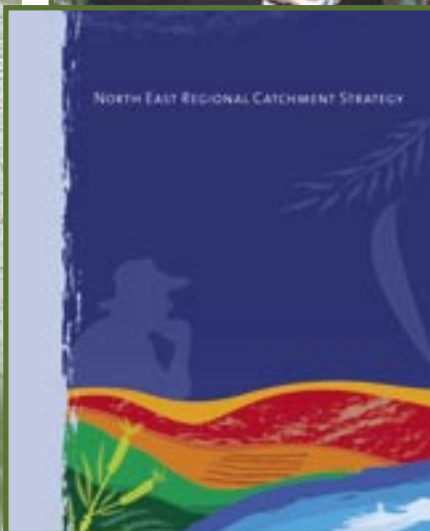
The Strategy was launched on Friday 11th June 2004 at Apex Park in Wangaratta. Over 150 community and agency people attended the day.

The Strategy was jointly funded by both the Commonwealth and Victorian Governments. It was launched by the Victorian Acting Premier, Minister for Water and Minister for the Environment the Hon. John Thwaites, and the Federal Member for Indi, Sophie Panopoulos representing the Federal Ministers.



Above: Acting Premier John Thwaites, CMA Chairperson Sarah Nicholas and Member for Indi, Sophie Panopoulos.

Left: North East Catchment Strategy 2004 -2009



Other Highlights

- An array of river health works covering 252 sites, 42.1 km of stream works and 66 landholders.
- Implementation of the bushfire recovery program
- The integrated vegetation program achieved over 9000 ha of targeted works and over 7000 ha via land management incentives.
- Index of Stream Condition assessments were carried out at 274 sites across the region.
- Development of Biodiversity Action Plans for five priority Catchment Management Units.
- Development of the first nationally accredited training package in conjunction with the Wodonga Institute of TAFE for seed collection.
- Bundaberg Rum Landcare Australia Community Tree Planting day at Omeo: The outcome of the day was to achieve water quality improvements to the burnt area of the Livingstone Creek Park. The event increased community awareness of water quality and education of rehabilitation techniques, and had a very positive impact on community spirit.



Bundaberg Rum, Landcare Australia Community Tree Planting Day at Omeo.

- Introduction of the Rural City of Wangaratta, Rural Land Protection Incentive Scheme – the first rate rebate scheme of this type to be implemented in the North East Region.
- 130 people attended the Rural Land Stewardship Conference at Lake Hume.
- The CMA was successful in gaining federal funding for one of fifteen pilot programs to trial Environmental Management Systems across Australia.

Chairperson's Report

Natural conditions have been kinder this year than last but drought is still seriously affecting farmers in the Upper Murray area and I hope for bountiful winter and spring rains. Unsparing thanks to all partners and community members who have continued to contribute to the crucial task of keeping our resource base functional.

Regional Catchment Strategy

A highlight of the year has been completion of the renewal of the Regional Catchment Strategy (RCS). The 2004 RCS was launched in June by the Acting Premier and Minister for Water, Minister for the Environment, Mr John Thwaites together with Sophie Panopoulos, Member for Indi, representing the responsible Commonwealth Ministers.

The RCS is a pivotal document for the North East. It provides a shared vision for the region - to achieve diverse, healthy landscapes and vibrant communities for now and generations to come - and a framework for integrated land, water and biodiversity management.

The strategy identifies an environmental philosophy that stresses the need to balance environmental, social and economic values when making decisions associated with protection and improvement of natural assets. Encapsulated also is a pathway for a cooperative and considered approach to meeting environmental challenges through continuing to appreciate partnerships with communities and agencies. Adaptive management is built into the strategy to ensure continual learning and improvement. CMA is devising an effective monitoring program to allow such evaluation.

Community Engagement

Engaging community members and other partners in implementation of the RCS is paramount to delivery of the onground works that will make the strategy a reality. The RCS will be a focus for program development for the next five years and the Authority is in position to deliver outcomes with a new committee structure and a newly defined approach to engaging with communities.



Chairperson - Sarah Nicholas

Advisory committees will take over from implementation committees and the new committees will be aligned with the RCS under Land and Water portfolios. The contribution of all implementation committee members is greatly appreciated and I hope to continue to work with many of the past implementation committee members.

In order to reach a greater cross section of local residents and stakeholders annual community forums will be part of the way CMA does business. The forums will include input from local government, state government and water authorities. In addition the CMA board has developed a set of principles for community engagement, to reinforce the importance of individual and community values and understanding. It is particularly challenging and important to engage with communities under stress e.g. from drought, to facilitate decision taking and provide a level of empowerment.

Board Performance

The board has undergone a comprehensive self assessment process, facilitated by an external agent, and has gained a deeper understanding of the ability to add value to the CMA process and natural resource management in the region as a consequence. A policy based governance system with elements of a 360 degree assessment built in is one result of the assessment, and this is under development. The board has also put a new protocol into place, including Board member responsibilities, values and communication procedures.

Chairperson's Report

Water Reform

The water reforms underway in Victoria have kept the CMA busy with a response to the Green Paper from the CMA itself but also a response from the community was facilitated by the CMA Board and officers. We are now looking forward to implementation of the White Paper, working with government and communities including the Victorian Farmers Federation and the Alpine Valleys Agribusiness Forum to provide greater certainty for water users, both environment and consumptive, as well as ensure that irrigation development is still possible in the north east and improve inter-generational equity.

In addition the CMA is involved in the Northern Water Forum, a collective of CMAs and water authorities along the Victorian Murray, working towards developing a sustainable Water plan for Northern Victoria. This is a vital step for management of environmental flows and the involvement of CMAs in the process will strengthen their ability to take on the role of regional manager of environmental water as the White Paper is implemented.

New CMA Strategies

The North East Region River Health Strategy has been part of this years work and it will be completed and launched next year. There will be a major focus on the Ovens River as river health programs are implemented because of the relatively unaltered hydrology and good riparian condition in the lower reaches. The large section of the lower Ovens is identified as Heritage River by legislation.

After much interchange with community the board approved a revised willow policy. The policy presents a risk management framework covering different species and different site pressures. It is designed to support willow control where they pose the greatest threat, and management of willows that are less invasive.

There have been some changes to the renewed board. It is with great regret and respect that I note the passing of a board member, Ed Baynes. Ed's contribution was anticipated as he had experience, amongst a range of

interests, in farming as well as with the implementation committees of the CMA. Caroline Cameron and John Watson also had to leave the board and are missed.

Our new Regional Catchment Strategy aspires to preserve and improve North East Victoria as a great place to live, work and visit. On behalf of the CMA I invite all partners to continue to work towards our regional vision.



Sarah Nicholas
Chairperson

The CMA has benefited from strengthened support by the State Government in its White Paper – “Securing our Water Future- Together”, by the Federal Government with 3 year funding from the Natural Heritage Trust and from the community in the development of the Regional Catchment Strategy.

Highlights for the year include the bushfire recovery program, roll out of the rural land stewardship program, implementing the river health initiative and continuing our integrated vegetation program.

The CMA has also initiated an improved business process and evaluation and reporting framework for the implementation of the Regional Catchment Strategy.

Business Processes and Financial Performance

The CMA will be developing a new financial management and project reporting system to provide statewide consistency and improved business reporting.

The Auditor General and Department of Sustainability and Environment have carried out business management and reporting system audits during the year. Whilst the North East CMA continues to demonstrate a sound business reporting framework a number of statewide improvements have been identified, including the roll out of a common financial reporting system (see above), more resource funding for CMAs as identified in the State and Federal Government initiatives and improving skill sets in the CMA (currently being implemented). The North East CMA exceeded all its obligations in project delivery (see performance measures) and is in a sound financial position.

Monitoring, Evaluation and Reporting

The CMA trialled a new third party audit approach for its natural resource management programs with the help of the Environment Protection Authority. This together with a monitoring and evaluation framework being developed with the assistance of the Bureau of Rural Sciences will bring together more streamlined reporting processes and improved accountability of the CMA.



CEO - John Riddiford

Community Benchmarking

Community support of the North East CMA has increased 5% to 72% over the past two years. In the CMA's waterways operational activities there was an 83% satisfaction rate for works under landholder agreements. In the development of the Regional Catchment Strategy there was wide community involvement.

Staff

An operations review was undertaken to better structure the CMAs delivery arm to more effectively implement the prioritised river health works program.

A more rigorous systems approach to our natural resource management program will see improved performance and improved accountability over the ensuing year.

A handwritten signature in black ink, appearing to read 'John Riddiford'. The signature is stylized and written in a cursive-like font.

John Riddiford
Chief Executive Officer

Board Members



Back Row (Let to right): Mac Paton, Terry Hillman.
Middle Row: Johanna Barker, Brian Thompson, Peter Roper, Anthony Griffiths.
Front Row: Lindsay Jarvis, Sarah Crooke, Lyn Coulston, Sarah Nicholas. **Inset:** Kevin Ritchie.

Sarah Nicholas:

B. Ag Science, Undertaking Masters in Environmental Law, Mgt and Bus. Appointed 2000. Sarah's interests include integration of solutions including being engaged with communities of interest to achieve on ground natural resource management outcomes.

Johanna Barker:

M Comm; B. Bus; FCPA, FAICD. Appointed 2003. Johanna's interests include commitment to sustainable environment, desire to promote the improvement in land and water management, promote the union of science and community involvement to achieve positive environmental outcomes.

Lyn Coulston:

Primary Producer, Nursery Operator. Mayor of Towong Shire. Appointed 2000. Lyn's interests include the promotion of Australian plants for gardens and landscaping, and a commitment to the engagement, education and support of all land managers, health and wellbeing of local communities, Landcare and Forest issues.

Lindsay Jarvis OAM:

Post Graduate Diploma UWS 1999. Appointed 1997 (original member of the CMA CALP Board). Deputy Chairman Murray Goulburn Co-operative Co Ltd. Lindsay was an early pioneer in integrated catchment management, and is currently involved in many natural resource management programs.

Terry Hillman:

Diploma of Agriculture, B Sc (Hons I), Ph D. Appointed 1997. Terry's interests are learning about natural resource management particularly at a regional scale, freshwater ecology, multidisciplinary solutions to managing change and adaptive management.

Anthony Griffiths:

Appointed 2000. Primary Producer from the Greta District. Anthony's interest include Landcare, weed management and community engagement.

Sarah Crooke

Dip. Med. Tech. FAICD Appointed 2002. Sarah's interests include strategic planning, community engagement, change management, water and integration of profitable farming practices and good natural resource management.

Mac Paton:

Dip. Agriculture (NZ), Dip Val and Farm Mgt (NZ). Appointed 1997. Mac's interests include commercial farming, and regional development in balance with sustainable environmental practices.

Kevin Ritchie:

B For. Sc. (Melb), Dip. For. (Cres). Appointed 1999. Kevin has a long history of Involvement in the management of forestry, biodiversity, catchment management and water issues in the north east and across Victoria. He has a strong enthusiasm for better management of our natural resources and the ability of people to understand and enjoy the values provided by our resources.

Peter Roper:

Ass. Dip. Farm Mgt. Appointed 2003. Peter's interests include Alpine Grazing, irrigation closer to the source; integrated resource management, regional development and positively improving isolated valley communities.

Brian Thompson:

B For. Sc. Appointed 2004. Brian's interests include strengthening our partnerships and developing better processes for community engagement.



Program Reports



Water Programs

River Health

Strategy / Action Plans

The North East CMA undertook significant works in partnership with the local community to improve river health. The major focus was negotiating Landholder Partnership Agreements before works begin.

Eleven Waterway Action Plans were implemented in 2003-04, with more than 66 landholders participating in the program. Fire rehabilitation works, maintenance and emergency works were also carried out.

Works

Bushfire Recovery

The three main activities the CMA has undertaken in relation to Bushfire Recovery include:

- Implementation of emergency works following the fire (includes relocation of debris, removal of sand blockages, etc in waterways)
- On-going assessment of damage to CMA assets and waterways from bushfire, suppression activities and from rainfall events
- On-going response to rainfall events; including removal of debris, blockages and sand blockages in waterways, repair of fencing, revegetation of fenced areas, and repair of waterway damage and rebuilding of CMA assets.

Specific works plans have been developed for the Buckland catchment and the Omeo area. These plans detail the works to be undertaken at individual sites in the catchments.



The Mitta Mitta River, 9 months after the January 2003 Bushfires.

Fire Rehabilitation - Buckland District:

In-stream rehabilitation works in the Buckland catchment have been designed and implementation of these works has commenced.

Index of Stream Condition Assessment

The Index of Stream Condition has been developed as a tool to aid waterway managers, by measuring a stream's change from natural or ideal conditions. Index of Stream Condition assessments were carried out at 274 sites across the region by the CMA.



Index of Stream Condition training being conducted prior to assessments being undertaken.

Bundaberg Rum, Landcare Australia Community Tree Planting Day

Bundaberg Rum Landcare Australia Community Tree Planting day at Omeo: The outcome of the day was to achieve water quality improvement to the burnt area of the Livingstone Creek Park. The event increased community awareness of water quality and education of rehabilitation techniques, and had a very positive impact on community spirit.



The community of Omeo, tree planting at Livingstone Creek

Water Programs

EPA Trial Audit

North East CMA invited EPA to plan a trial audit of the CMA's 2002/2003 annual environmental reporting. The audit objectives were:

- To verify accuracy of selected environmental components of the CMA Annual report and its alignment with the CMA corporate plan;
- To determine alignment between catchment planning documents and annual report target setting;
- Development of recommendations to improve environmental reporting; and
- To contribute to the development of Natural Resource Management auditing methodology.

The auditor made six recommendations in relation to the CMA's reporting and two in relation to the development of natural resource management auditing.

Ovens - King – Blackdog

Ovens Willow Management Plan

The objective of the major works program was to eradicate black willow from the middle section of the Ovens River. Five landholders participated in the program, with most of the selective willow management occurring on crown land. Works included willow poisoning and lopping, fencing and revegetation.

Boggy Creek

The objectives of the action plan were to link remnant stands of riparian vegetation, re-establish native understorey, prevent the spread of pussy willow, prevent the upstream migration of stream bed deepening, and to reduce bank erosion. One landholder participated in the works program, undertaking supplementary planting.

Upper 15 Mile Creek

The objective of this action plan was to develop and implement a comprehensive stream alignment and sediment control program. Five landholders participated in the program with willow management, fencing and revegetation.

King River Anabranh

A survey of the King River Anabranh near Oxley was undertaken. A report on recommended management was also completed. One landholder participated in the program with willow management, fencing and revegetation.

Reedy Creek Study

A geomorphologic investigation was undertaken on the Reedy Creek. A report detailing management actions was completed.

Happy Valley Creek Myrtleford

Five landholders along a section of the Happy Valley Creek have been approached to do works to improve channel capacity. Three landholders have signed an agreement to undertake works.



Before and after photo of works conducted at Black Range Creek.

Wodonga – Kiewa - Indigo

Wodonga Kiewa Indigo

Yackandandah and Kinchington Creek

The focus of this plan was to manage sediment transport, willow growth and replant riparian corridors with native species. Works were undertaken on three new sites and eight old sites. Works included willow management and supplementary revegetation.

Wodonga Waterways

Three new urban areas had willow control and revegetation works. General willow works were undertaken on Felltimber and House Creeks.

Water Programs

Upper Murray Mitta

Omeo District Waterways

Four landholders participated in bank stabilisation, fencing and revegetation activities. Two of these sites are large and are important for rehabilitating eroding soils that will reduce water quality degradation as well as providing vegetation corridors. This is important for long-term stability and critical as links for fauna from the top of catchments to permanently flowing water courses in the valleys.

Mitta Mitta River– Action Plan and Channel Capacity

Goulburn Murray Water (on behalf of Murray Darling Basin Commission) jointly funded this works program. Twelve landholders (14 sites) participated in willow management, bank stabilisation, and fencing and revegetation activities. A further 11 landholders (20 sites) received bank stabilisation works under the channel capacity works program.

Corryong Creek

Four landholders participated in willow management, bank stabilisation, fencing and revegetation activities.

Cudgewa Creek

The objective of this program was to protect reaches with good riparian vegetation, reduce the dominance of willows in the riparian zone and control erosion. Willow management, and bank stabilisation was undertaken with one landholder.

Sandy Creek Black Willow

Willow poisoning and lopping works were undertaken along 16 km of Sandy Creek, on seven landholders properties to eradicate seeding black willow.

Whole of Catchment

Landholder Partnership Program

Landholders contact the CMA for assistance with River Health issues. These requests for assistance are prioritised and the landholders that are in high priority areas become partners in our works program. Works including willow management, fencing, bank stabilisation and revegetation were undertaken at 39 properties across the region.

Maintenance and Emergency Works

Maintenance of the CMA assets was carried out. Emergency funds were used to protect public assets under threat predominantly clearance of blockages, willow management on rock chutes and gravel removal.

Statutory

Works on Waterway Applications

The CMA processed 99 applications for Works on Waterways.

Two works on waterways information sessions were held with consultants, planners, engineers, landholders and contractors to promote education and awareness of the By-law. The sessions covered the Works on Waterways Bylaw, the permit process, exemptions, requirements, illegal works and applications.



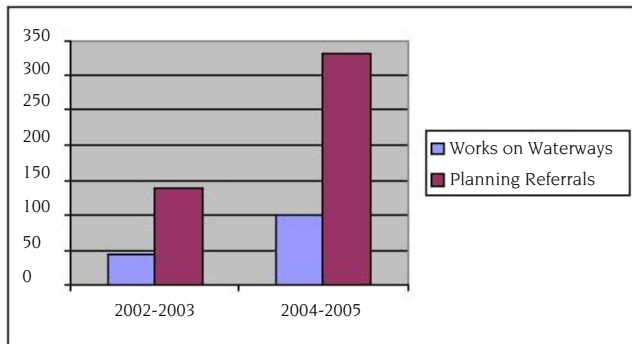
Before and after photo of works undertaken on the Buckland River.

Water Programs

Planning Referrals

The CMA processed 331 applications.

Increase in Referrals from Local Government Authorities



Community Education at the "In My Back Yard" Festival at Gateway Island in March 2004.

Water Resources

Key activities undertaken in 03/04 year included:

- Development and Management of a Water for Growth funded project which is examining the physical and economic feasibility of on-farm options in off-setting the impact of streamflow management plan implementation on irrigation diversions
- Co-ordination and management of the regional Water for Growth budget and payments to service providers.
- Participation in the development of the Upper Ovens River Streamflow Management Plan.

Water Quality

Strategy / Action Plans

Ongoing implementation of the Ovens Basin and Upper North East Water Quality Strategies continued in 2003-04 through works, community education and local government water quality programs.

Community engagement underpinned progress towards improving stream health and water quality in the Little Snowy Creek at Eskdale. A project officer was appointed to liaise with stakeholders and the community.

Implementation of high priority actions from local government stormwater management plans also began. Actions include the installation of gross pollutant traps and the development of wetland systems for the treatment of urban run-off.

Works

Thirty-one grants were allocated to landholders for fencing, revegetation and off-stream watering activities through farm nutrient management programs. This involved nearly 13 km of fencing along waterways and the planting of 12,000 trees and shrubs within fenced riparian zones. Willow management and bank stabilisation works were also undertaken. The gully management program stabilised 11 ha of eroding gullies using rock and fencing. This in turn protected another 119 ha to help reduce sediment entering North East streams.

Water For Growth

The Water for Growth initiative supported three key areas of work in 2003-04:

- Farm water use efficiency;
- Water infrastructure; (refer to table on page 13)
- Streamflow management plans.

A project officer employed by the Department of Primary Industries co-ordinates the initiative. The CMA holds the funds for all projects and is responsible for payments to service providers.

Highlights of the Farm Water use efficiency program in the past year included:

- Irrigation workshops were held at Tallangatta, Ovens and Wangaratta involving 30 landholders.
- 13 soil moisture monitoring equipment grants awarded, total \$10,327.
- 18 irrigation, drainage and environmental (farm) plan grants awarded, total \$14,634.
- 19 system change grants awarded, total \$267,918.

These activities have delivered significant improvements in the quality and quantity of produce, and on-farm water-use efficiency.

Water Programs



Irrigation workshop at Tallangatta.

Table: List of Water For Growth Infrastructure Projects.

Project	Proponent	Allocation (excl. GST)
Supply of recycled water to Dominance Industries, Wangaratta	North East Water	\$28,000
Dookie irrigation development pipeline feasibility	Department of Primary Industries	\$60,000
Developing feasible on-farm options for Streamflow Management Plan implementation	North East Catchment Management Authority	\$80,000
North Barnawatha reclaimed water for irrigation	North East Water	\$70,000
Recycled water to Wodonga urban and industrial areas	North East Water	\$60,000
Recycled water for irrigation development, Wangaratta	North East Water	\$65,000
Water for reuse for Tallangatta recreation facilities	North East Water	\$18,000
Recycled water to Corryong recreation areas	North East Water	\$15,000
Water saving and conservation for Chiltern township	North East Water	\$30,000
Aerobic and anaerobic digestion of winery waste, Rutherglen	Pfeiffer Wines	\$39,000

Water Programs

Floodplain Management

Four minor and moderate flood events occurred in late July, mid and late August and late September 2003. While the events were closely monitored, no flood response action was required from the CMA.



Minor flooding on the Kiewa River.

A significant increase in flood-related planning issues was experienced in 2003-04. There were no determinations referred to the Victorian Civil and Administrative Tribunal for review. All responses were forwarded within the statutory 28 days period unless additional data was requested, and replies were dealt with on average within 10 days.

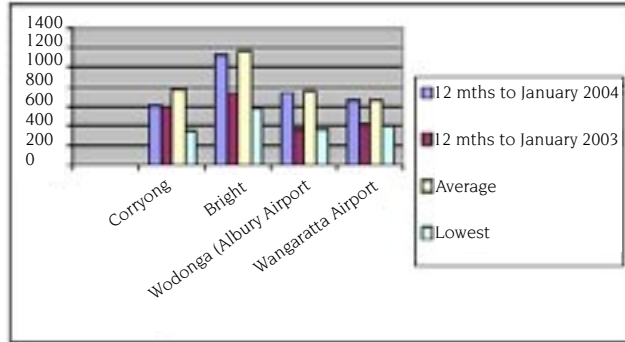
CMA also advised VicRoads on bridge and waterway aspects of the Wodonga internal freeway Murray River crossing.

As part of the implementation of the Regional Floodplain Management Strategy the following program outcomes were achieved:

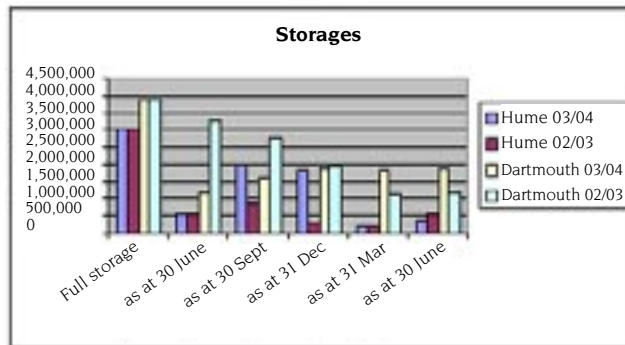
- Myrtleford Flood Mitigation Scheme: The community committee appointed under the provisions of the Water Act has forwarded a recommendation for approval by the Minister.
- Ovens Rural Flood Study (Whorouly – Wangaratta): This study and the development of a floodplain management plan has been completed, and improved flood planning maps have been introduced in the Rural City of Wangaratta’s planning scheme.
- King River Flood Study: This study and the development of a local floodplain management plan are now in the final stages and public comments are being sought.

Rainfall and Storage data

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



The CMA rain gauge adjacent to our Wodonga Office measured 701 mm for the year. After the dry 2002 year rainfalls were slightly below average.



Releases from Lake Hume are used for irrigation (and environmental) purposes while Lake Dartmouth is operated as a backup facility.

The CMA has formally responded to the following statutory floodplain management referrals and enquiries from Councils:

Council	2003/04	2003/02	2001/02	2000/01
Wangaratta	76	57	64	41
Wodonga	29	16	17	19
Indigo	44	14	17	11
Towong	1	3	4	2
Alpine	44	45	30	23
Moir / East Gippsland	2	4	3	
Total	196	139	135	96

Water Programs

Waterwatch

The Waterwatch program continues to deliver water quality monitoring sessions and classroom presentations to 75 schools in the North East region.

This year an adult volunteer program was developed, enabling urban and rural volunteers to monitor local waterways of interest to gain an understanding of local river health.



Wangaratta Adult Volunteers Waterwatch group.

Water quality data is collected from the catchments of the Upper Murray, Mitta Mitta, Kiewa, Indigo, Ovens and King Rivers and Fifteen Mile, Reedy and Boggy Creeks and stored on a regional database.

A consultancy is currently taking place to evaluate the program and develop a three-year strategic plan.

A draft data confidence plan is almost complete, which will ensure that the water quality data collected by Waterwatch groups is of a known quality and reliability. CMA, water authorities, individuals and groups will then be able to use the data as an adaptive management tool; to flag areas of concern and areas requiring more detailed investigation.



Regional Waterwatch Co-ordinator Toni Costello collecting samples from Felltimber Creek.

Murray Corridor Floodplain Re-habilitation Program

Strategy / Actions Plans

Funded primarily from the Victorian Rural Water Reform Program, but also from The Living Murray Implementation Program and from proceeds arising from the temporary sale of the Victorian Environmental Water Allocation, this project is implementing improved water management works and strategies between Hume Weir and Tocumwal. The principal objective is to impart a more natural flow regime to floodplain wetlands.

Works

An extensive on-ground works program has been completed between Yarrowonga and Tocumwal, focusing primarily on modifying 'commence-to-flow' thresholds to wetlands and removing potential fish passage barriers. The works have been highly successful in achieving an improved wetland flooding regime (more reflective of the natural pattern), with many wetlands having received floodwater from a 2003 winter peak in the River Murray. Some of these wetlands would have otherwise remained dry had it not been for the completed earthworks.

Feasibility planning for the construction of regulators at three sites between Wodonga and Yarrowonga is progressing. Potential revegetation sites have also been scoped.

Links to three other key projects have been forged, with common wetland rehabilitation sites now yielding synergistic benefits towards implementing the Murray River Action Plan and The Living Murray Program.



St Leonard's Lagoon, Murray River - one of the sites of the Murray Corridor Floodplain Re-habilitation Program.

Rural Land Stewardship

Strategy / Action Plans

The Rural Land Stewardship program continued to engage landholders by promoting the principles of land stewardship and sustainable agriculture.

- Making the best use of land capability
- Stimulating rural communities
- Encouraging landholders to 'steward' the land for environmental outcomes, and
- Providing incentives to sustain agriculture, the environment and local communities.

A successful Outlook conference was held at Lake Hume Resort, attended by 130 people.

Funds were sourced through the National Landcare Program to develop and deliver stewardship incentives to North East landholders.

The CMA was successful in gaining federal funding for a one of fifteen pilot program to trial Environmental Management Systems (EMS) across Australia. The EMS strategy aims to achieve positive business and environmental outcomes using a measurable evidence-based approach. More than 50 farmers attended workshops at Corryong, Tallangatta and Springhurst to launch the pilot.

Works

A major project to improve stream health and water quality along Little Snowy Creek at Eskdale was advanced. This involved a co-operative approach between agencies and the local community to identify issues and options.



Willow growth in Little Snowy Creek often causes the diversion of flows and subsequently bank erosion. It is desirable to limit the presence of willow debris instream where they have the potential to form major blockages.

Salinity

Works

The North East Salinity Strategy project continued to deliver an integrated program of community education, extension and incentives for on-ground works. Works included revegetation, lucerne establishment and remnant vegetation protection in salinity priority areas.

The main works priority in 2003-04 was the Heartlands project in the Springhurst-Byawatha Hills area. Planning commenced for a similar integrated approach in the Indigo Valley. Close co-operation between the salinity project and the Box ironbark Firewood project resulted in commitments to establish 120 ha of firewood plantations. This will provide multiple community benefits, including salinity management.

Additional incentives were provided to landholders for the revegetation of 10.5 ha of high recharge land elsewhere in the North East.

Four editions of the Implementation Newsletter were published and circulated. Approximately 3500 copies were delivered to roadside mailboxes in the catchment each quarter.

Research into groundwater processes in the North East was advanced, with the development of recharge potential mapping, projected depth to watertable mapping, and conceptual groundwater modelling in the Ovens catchment.



NESI

North East Salinity Strategy Implementation Newsletter

Welcome to the Winter 2004 Edition of NESI.
Salinity staff and landholders across the catchment are busy undertaking tree planting projects. Approximately 100 ha of trees will be planted in salinity priority areas this year as part of the salinity program and fire wood program. Now is also a good time to start planning next year's plantings so contact the salinity teams if you would like some assistance.

Staff have also been busy undertaking maintenance on the ground water monitoring bores. This year approximately half of the 330 monitoring bores were cleaned out and the water tested for salinity levels. Cleaning out the bores removes sediment build up and improves the accuracy of the monitoring.

The development of the 2nd Generation North East Salinity Plan is well underway. The community steering committee and technical group meet in July to revise targets and refine their understanding of ground water flow systems. The plan is being redeveloped around groundwater flow systems concepts.

The document 'Tree Decline: A North East Perspective' has been published and is now available from DPI. The document summarises research into vegetation change from 1972 to 2001 in the Springhurst area. For more information on this document contact Megan Graham.

20th Edition—Winter 2004

GO! A NEED 4 SEED?

The North East Community Seedbank has been in operation for two years, coordinating seed collection across the North East Catchment Region to meet the local native plant seed needs of nurseries, landholders and revegetation projects. Locally native seed is preferred for revegetation as it produces plants that –

- **Are ideal for wildlife habitat** – local plants provide for the needs of local critters!
- **Can thrive and reproduce in the local environment** – local plants have adapted to local climate and soil conditions over generations and are better suited to natural regeneration than non-local plants.
- **Preserve the genetic heritage of local vegetation** – revegetation plants will interbreed with surrounding remnants. Using local seed is critical to ensuring local plants continue to adapt to local area conditions.
- **Preserve the distinctive local landscape character** – species aren't species! There are many subtle and 'un-subtle' variations within a species depending on its location in the landscape. **AND**
- **Require less maintenance than non-local plants!**

The Seedbank now stocks approximately 80 species ranging from grasses and groundcovers to trees from across the catchment and we can arrange collections to meet your requirements. We are also keen to improve our knowledge of good collection sites around the catchment, which of course helps us to help you!

If you know of good collection sites which –

- Host a **natural**, healthy population of at least 20 parent plants of the same species for trees, shrubs and ground layer species (planted populations that have not been specifically established for seed collection are not used due to difficulty in sourcing original population information).
- Have good stands of native grass (relatively weed and obstacle free accessible to four-wheel drives, at least 1/2 ha or greater, the bigger the better!)

OR

PLEASE contact the Seedbank.

And of course, if you have any questions, speedy needs or would just like to find out more about seed collection we would love to hear from you.

Contact: Julie Kurpershoek, North East Community Seedbank, PO Box 616, Wodonga VIC 3689
Ph: 02 6643 7600 Fax: 02 6643 7601 Mob: 0417 338 425

Editor—Kylie Roberts

Future firewood in the North East

One of the new and exciting programs occurring in North East Victoria is the firewood program. The program has been established by the State Government to address the requirement for firewood now and in the future. One part of the program is to establish 300 Hectares of firewood plantations on private and Crown land in the North East. This year over 130 hectares of firewood plantations are being established. Most of the landholders in this years program intend to use the firewood for themselves and their families, however the firewood can be sold by the landholders if they choose, because the trees and the firewood are the property of the landholder. The minimum size of the plantations in 2005 is two hectares.

The firewood plantations uses mostly native indigenous tree species. Typically the tree species include River and Hill Red Gum, Grey, Yellow, Red and White Box, Red Stringy Bark and Sugar Gum. So not only are these trees beneficial for firewood they have the additional benefits for salinity management, as well as benefits for nature.

Expressions of Interest for the 2005 plantation are available by contacting Megan Graham or Philippa Noble on 03 57 23 88 00.



North East Salinity Strategy Implementation Newsletter.

Land/Biodiversity Programs

Soil Conservation

Works

Ongoing implementation of the North East Soil Conservation program continued in 2003-04 through targeted extension works and incentives to landholders.

The major focus was to reduce sediment and nutrient loads exported to the Murray River. Support was provided for bushfire recovery projects dealing with the environmental impact of the 2003 Alpine fires.

Incentives with a total value of \$77,699 were paid to landholders for completed works. An additional \$19,730 remains committed to approved projects. These incentives resulted in 9.9 km of fencing, 5 ha of revegetation and the stabilisation of 33 ha of gully erosion.

The soil conservation project also provides land management input to statutory planning and public land planning processes.

The Ovens Landcare Network worked in partnership with 2 facilitators to run a variety of soil health programs across the North East region with a focus on the Ovens catchment. 122 landholder management teams were involved in the workshop.



Soil from Lower Ovens.

Biodiversity

Strategy / Action Plans

Biodiversity is the variety of all life forms: the different plants, animals and micro-organisms, their genes and the ecosystems of which they are a part.¹

Australia is one of the most biologically diverse countries in the world, with a large portion of its species found nowhere else in the world. We depend on biodiversity for our survival and quality of life. The most significant impediment to the conservation and management of biodiversity is our lack of knowledge about it and the effects of human population and activities on it.¹

The Chiltern – Pilot National Park (in the CMA region) is the most diverse fauna assemblage of remnant Box –Ironbark Forest, in Victoria. The most significant threat to biodiversity in the North East Region is loss of habitat in native vegetation, wetlands and rivers.



Native grassland.



Brush Tailed Phascogale

Significant achievements in a number of planning and on-ground projects were the result of an integrated and strategic approach to habitat protection, enhancement and restoration, improved awareness and understanding supported by technical assistance and financial incentives to land managers.

¹ Australian Government, Department of Environment and Heritage Website (2004)

Biodiversity Programs

A key element of achieving outcomes has been effective communication and the strong working relationships and commitment to a partnership approach by project staff in the different government departments and non-government organisations across the region.

An increased emphasis on cross-regional collaboration through the development and implementation of multi-regional projects has also been an important aspect in attracting additional investment and achieving greater efficiencies and outcomes for projects.



Workshop identifying options and projections for re-establishing native vegetation in the North East.

More than 70 landholders participated in targeted partnership projects implementing on-ground works and management agreement activities to protect, enhance and re-establish native vegetation for biodiversity conservation.

River health, salinity, private forestry and Landcare programs have implemented native vegetation management activities including remnant projection, enhancement and re-establishment for firewood, greenhouse, salinity, erosion, biodiversity, water quality and farm productivity benefits.

Twenty-five field days, forums and training activities were conducted focusing on native vegetation management involving more than 250 people.

Highlights:

- Development of Biodiversity Action Plans for five priority Catchment Management Units.
- Development of nationally accredited training package and delivery of two courses in native seed collection;



Adrian Marron, Director of Wodonga TAFE, Julie DeHenin, Director of Agricultural/Horticultural Department and John Riddiford, CMA CEO launching the nationally accredited training course.

- Increased awareness and use of direct seeding as a method for re-establishing native vegetation;



Direct seeding near a waterway.

- Development of Draft Firewood Strategy to help ensure the sustainable supply of firewood to the North East Community;
- Rural City of Wangaratta Rural Land Protection Incentive Scheme – the first rate rebate scheme of this type to be implemented in the North East Region.
- Development of a strategic plan for the North East Community Seedbank Facility addressing seed collection and supply issues for future revegetation programs targeting Regional Catchment Strategy priorities.

Biodiversity Programs

Works

- Implementation of management strategies for 10 threatened species, signage and interpretation at 10 sites;
- 48 ha at five sites treated with ecological burns;
- 1200 ha habitat management including pussy willow, blackberry and Himalayan Honeysuckle control including 15 km Buffalo Creek frontage and re-introduction of 30,000 fingerlings and 15,000 yearlings for Trout Cod;
- More than 770 ha of priority native vegetation protected and enhanced through targeted on-ground works including 400 ha under permanent protection conservation covenants with the Trust for Nature;
- 93 ha of priority native vegetation re-established including 38 ha of direct seeding and 6 ha of seed production areas.
- Additional on-ground native vegetation outcomes have been achieved through river health, salinity and greenhouse revegetation programs.
- Collection of more than 56 kg of native seed including 61 species from 48 provenances in 209 seed-lots;



Collecting native seed.

Table XXX: Vegetation Management Outputs

Output	Land Management Incentives	Targeted Works	Total
Remnant Protection (ha)	645	130	775
Remnant Enhanced / weed management (ha)	0	9000	9000
Revegetation (ha)	0	82	82
Gully Stabilized (ha)	33	0	33
Stream Protected (km)	29	0	29
Salinity discharge control (ha)	11	0	11
Firewood Plantations	0	120	120
Total	718	9332	10050

Biodiversity Programs

Pest Plants

Strategy / Action Plans

The Pest Plants project, is the biggest project of the Pest Plants and Animals Program (PPA) in the North East Catchment. With the implementation of the project, PPA has three core objectives; -

- to eradicate known infestations on State Prohibited weeds;
- to control and where possible eradicate significant new and emerging weeds and
- to implement actions of the North East Region Weed Action Plan and in particular to conduct pest plant extension and compliance programs for regional priority weeds identified in the Plan such as blackberry and Paterson's curse.

In 2003, Department of Primary Industries Catchment Management Officer's had significant roles in the extended summer bushfire campaign. In the aftermath of the bushfires, the Victorian Government recognised the extensive impacts and need for affected communities and landscapes to be assisted in the recovery process. This work has been identified as a priority for government and the Department. Because of their local knowledge and recognised capacity to work with their local communities, Catchment Management Officer's have continued since the fires to be major contributors to implementation of the Bushfire Recovery Program.

Works

Extension and compliance projects were focused on the priority species Paterson's curse and Blackberry, English broom and St John's wort. Seventeen project areas were targeted during the period with excellent cooperation from most landholders. Five Land Management Notices (LMN) to "prevent the growth and spread of a regionally controlled weed" were issued. One formal warning letter was subsequently issued by the Offence Management Unit for failure to comply with an LMN. The property will be targeted in 2004-2005.



Broom in the Upper Murray.

Rabbits

Strategy /Action Plans

The North East Catchment Rabbit Project is implemented under the Victorian Pest Management Framework, the Victorian Rabbit Management Strategy and the Rabbit Management Action Plan North East Catchment 2000-2005.

Works

Department of Primary Industries, Catchment Management Officer's have provided extension advice and co-ordination to Landcare groups and landholders to assist in rabbit control planning; rabbit bait preparation and supply; conducted assessment for "Rabbit Free" accreditation.

Well supported community rabbit baiting and ripping programs delivered across 29,000 hectares in high priority rabbit areas have enabled the rabbit project to meet its objective target to protect native and agricultural vegetation.

During the year, 25 properties in the Burgoigee, Hodgson and Horseshoe Creeks and Springhurst Byawatha Hills Landcare Group areas were assessed and accredited as "Rabbit Free" in recognition of landholder efforts to eradicate rabbits from their properties in these historically rabbit prone areas.



Sue and Sandy Campbell have won the Regional and Victorian Landcare Primary Producer Award for their work which included work in rabbit control. Pictured here with Governor Landy.

Other Pest Animals

Works

The "Other Pest Animals" program implements strategies for the management of wild dogs and foxes across the North East Catchment. The "Other Pest Animals" Project has coordinated and received applications for approximately 30 kms of approved wild dog electric fencing for the Good Neighbour Project.

Biodiversity Programs

The program works with the North East Wild Dog Management Group to develop and implement strategies and works programs that reduce the impact of wild dogs on agriculture and the environment.

The Fox Management Program - Phase Two follows the Fox Tail Bounty trial and works to encourage more widespread, coordinated participation of landholders in integrated fox control campaigns with an emphasis on the use of poisoned fox baits as the most cost effective long-term control method.

The North East Wild Dog Management Group has received \$150,000 under the new fire recovery allocation. The main projects include permanent bait stations; pulse baiting areas; relief trapping; extension of wild dog exclusion fencing; increasing participation in Farm Chemical Users Course's for landholders.

Following the 2003 fires and leading into winter 2003, the Catchment experienced a high level of wild dog activity. This increased activity was brought back to a more acceptable level of control towards the end of the year.



Dogman Ian Campbell setting a snare.



New style of wild dog fence that sections of the community have built in the Owens Catchment.

505 dogs were destroyed. 212 dog incident reports or requests for assistance received from the community.

Control of wild dogs on public land continues to use a significant amount of the pest management budget. Livestock in the Upper Murray area continue to be most effected by wild dog attacks. Additional funding received during the year enabled the employment of two dogger positions at Tallangatta and Corryong.

Good Neighbour Program

Strategy / Action Plans

The Department of Primary Industries Good Neighbour Project is responsible for co-ordination of the North East Regional Good Neighbour Program for the Department of Sustainability and Environment, Forests Management, Land Victoria; Parks Victoria and for the implementation of Catchment and Agriculture Service projects. The program is funded through the Regional Catchment Invest Plan.

The objectives of the project are to protect, enhance and restore priority vegetation and native fauna via the implementation of integrated control programs targeting the public land private land interface in order to complement the control works on the adjoining private land.

The Pest Plants and Animals Good Neighbour Project is delivered under the Victorian Pest Management Framework and supporting Strategies. The project actions are aligned with North East Region Weed Action Plan, the (draft) North East Wild Dog Action Plan.

Works

Works this year have concentrated predominantly on Blackberry in the upper catchments, Paterson's curse and St John's wort control on targeted roadsides to support the extension and compliance work of the Pest Plants Project.

Control programs were continued for roadside satellite infestations of Weeds of National Significance Chilean needle grass.

Private Forestry

Strategy / Action Plans

Private Forestry plays a major role in promoting revegetation in the agricultural landscape with a commercial focus. The North East is an excellent tree growing area for pines and eucalypts, producing mainly quality, sawn timber and poles. Firewood plantations are also beginning to play an increasingly important role in revegetation in the lower rainfall areas. They will be particularly important in providing a sustainable supply of energy where the availability of firewood from native forests is diminishing.

Works

The North East Private Forestry Program is involved in managing the firewood project and facilitating plantation industry development in the region. Extension, marketing and promotion of the industry are ongoing in this program.



Performance Measures



Performance Measures

Introduction:

The performance measure table reports on the outputs achieved over the year in relation to the Regional Catchment Investment Plan. These activities include those implemented by the Catchment Management Authority, Department of Primary Industries, Department of Sustainability and Environment, Local Government and other partner agencies.

Activities only undertaken by the Catchment Management Authority as per its Corporate Plan are included in this table. In the future, Corporate Plan outputs will be reported separately.

Performance Measures as per Regional Catchment Investment Plan.

Biodiversity				
1.1 Native Vegetation Protection and Enhancement				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Permanent protection of priority vegetation via revolving fund land purchase (TfN)	1,000 Ha 50 Habha	403 Ha 205 Habha (19 HabHa gain)	5 permanent protection conservation covenants registered on title covering 400 ha and a further 7 commenced negotiations; No revolving fund purchase opportunities. (assumed gain of 19 Habha over 10 years).
2	Provide incentives to landholders to protect and enhance priority vegetation	150 HA 3 Habha	242 HA 123 Habha (12 Habha gain)	24 landholder partnership management agreements covering 242 ha (includes 14 agreements, 117 Ha funded by NHT 02/03 project) (assumed gain of 12 Habha over 10 years)
3	Implementation of Indigo, Wangaratta and Wodonga Roadside Management Plans to enhance priority vegetation on high conservation significance roadsides	50 Ha 1 Habha	Roadside management plan implementation; contractor training and community education programs; Rural Land Protection Incentive Scheme rate rebate program	Outputs and activities funded via 02/03 NHT projects

Performance Measures

Biodiversity 1.2 Threatened Species and Communities Recovery Plan Implementation				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Survey and Monitoring	Long Footed Potoroo (LFP) Spotted Tree Frog (STF) Trout Cod (TC) Threatened Orchids (TO) Regent Honeyeater (RH)	x5 Threatened Fauna species x41 Populations Assessed (STFx12, MPPx15, RHx5, TCx5 (x43 Sites: x8 OvensR, x4 RoseR, x15 BuffaloR, x2 Buffalo Ck, x6 MittaR, x2 Dartmouth; x6 Upper Murray; LFPx6). x5 Threatened Orchid Species and 1 Swaines.recta popn x16 Populations Assessed and VrotPop database forms completed	Achieved – TC, MPP, STF, RH, LFP and TOchids x5 species. Srecta sole Victorian Population monitored
2	Radio Tracking – Intensive Survey	Regent Honeyeater 10 birds	Seasonal absence of birds precluded achievement	Deferred – formal variance submitted to carry funding over to 04/05 year due to Honeyeaters not being recorded in CMA in variable no.'s.
3	Threat Abatement Weed Control	Spotted Tree Frog, Threatened Orchid 8 km Creek, 5ha	STF – 15km Buffalo Creek frontage (both sides) and broader Nine Mile Catchment (1200 ha treated)	Exceptional outcome: Key NP status population impacted by fire. Blackberry (post fire regeneration and source clumps) and Pussy Willow source trees and seedlings eliminated. Himalayan Honeysuckle treated higher in catchment
4	Threat Abatement Predator Control	Long Footed Potoroo 55,000ha	Pending implementation spring '04	Reconnaissance, plan and bait station establishment completed – implementation due before end Dec '04
5	Restoration / remnants protection	Spotted Tree Frog, Trout Cod, Regent Honeyeater	X1200ha treated	Protection of STF catchments (Buffalo and Wongungarra) – Post burn weed control successfully implemented. Ongoing protection of Regent Honeyeater and Trout Cod habitat
6	Revegetation	Spotted Tree Frog, Trout Cod, Regent Honeyeater	X3 Threatened Orchid species: x13 Seed bait transect trials established	Achieved + Srecta propagation in RBG and NE nursery
7	Re-introduction	Trout Cod 20,000 fingerlings	30,000 fingerlings stocked + 15,000 yearlings (on-growing – Snob's Ck)	Exceeded (x150%) original stocking intentions. Advanced Yearlings (more expensive) but deemed greater establishment potential (paid for) to be stocked in Sept 2004
8	Ecological Burning	Threatened Orchids 5ha	x5 Ecol. Burns completed x48ha area treated	Achieved inc. Additional locations of State Threatened <i>Diuris punctata</i> and <i>D.dendrobiodes</i> and Nationally threatened <i>Prasophyllum sp. aff Petilum</i> and <i>P. sp aff. Pyriforme</i> x2 species.

Biodiversity 1.3 Integrated Landscape Restoration				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Strategic, integrated approach to the regional RCS biodiversity and native vegetation program.	Coordination	1 FTE	RCS development, Coordination 02/03 NHT investment, 03/04 RCIP development and project implementation coordination, 04/05 RCIP development
2	Coordinated implementation of Biodiversity Action Plans (BAPs in Victorian Riverina and Northern Inland Slopes bioregions	5 Biodiversity Action Plans	5 Biodiversity Action Plans	5 Landscape Zone Biodiversity Action Plans and 2 bioregion overview documents completed
3	Native vegetation and threatened species statutory planning and implementation of Victoria's native Vegetation Management Framework	Net gain	Regional Vegetation Plan	Regional Vegetation Plan endorsed by Board; Ongoing input into Statewide Native Vegetation Management Framework

Performance Measures

Inland Waters

2.1 River Health Strategy Coordination and Implementation

Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Gravel relocation	1000 m ³	9,900 m ³	
2	Willows managed	171 sites	155 sites	
3	Instream habitat management	10 sites	37 sites	
4	Maintaining fencing	2 km	4.7 km	
5	Fencing riparian areas	35.9 km	29.3 km	
6	Revegetating riparian areas	40.7 ha	40.5 Ha	
7	Supplementary revegetation	5 Ha	8.6 Ha	
8	Rock Chute maintenance	10 sites	52 sites	
9	Stream erosion management	2,550 m	8,115 m	
10	Urban maintenance	10 sites	8 sites	
11	Offstream watering	2 sites	0 sites	
12	Extension	5.5 EFT's	5.5 EFT's	
13	Planning referrals	Response to 430	331 Planning referrals and 99 works on Waterways	
14	Waterwatch			Refer 4.1.4
15	ISC site assessments completed	105 sites	274 sites	

Inland Waters

2.2 Floodplain Management Strategy

Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Reply to planning requests from Council's within legal timeframe	100% statutory responses	100%	
2	Advise and assist councils with planning scheme amendments	100% statutory responses	100%	
3	Advise councils state Gov and general public	100% enquiries on demand	100%	
4	Develop and implement local floodplain management plans	3 plans	3	2 completed and 1 near completion

Inland Waters

2.3 Water Quality Strategy Coordination

Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Coordination of Strategy Implementation	2 water quality strategies implement as per plans	Ongoing strategy implementation and associated works achieved	Actions from both strategies to be implemented
2	Stormwater Management Plan Implementation	7 stormwater plans	3 projects complete	A further 3 projects are nearing completion – did not commence
3	Public Awareness / Community Education	Ongoing community liaison	Ongoing community liaison	Ongoing community liaison has occurred, public awareness activities, promotions

Inland Waters

2.4 Water Quality Agricultural Industries

Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Fencing	13km	5.55km	Signed agreements have planned 13 km of fencing – due date for work is Sep 04
2	Indigenous revegetation	8500 plants established	350	Signed agreements have planned 12800 plants to be planted – due date for work is Sept 04
3	Off stream watering	6 sites	2	2 sites have been completed, another due to be completed by end of July. This objective depends on how many property owners would like to install off stream watering

Performance Measures

Inland Waters				
2.9 Bushfire Recovery				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Implementation of emergency works	100% critical works as required	100%	Completion of Nariel Creek, Mitta Mitta River and Livingstone Creek critical emergency response works
2	Assessment of damage to CMA's assets and waterways	1 report and map	1 report and map	Mapping completed for fire intensity, slope and geology. Methodology report completed by Earth Tech. Unable to recruit fire rehab office, Earth Tech now contracted to assist implementation. Revegetation ordered for Nariel and Corryong sites, contract for whole revegetation program signed but not invoiced. 3 sites Omeo planted, 10 others planned. CMA staff have been actively involved in aerial reconnaissance, DSE fire line control rehab programs and other recovery programs.
3	Ongoing response to rainfall events	20% of ongoing response	High priority works as identified in in 2.	Implementation of water quality and water response programs in accordance with the assessment and analysis program. These initial works have been largely focussed in the Omeo Benambra area and Buckland Valley . Earth Tech engaged and commenced priority response works. Workshops held for partner agencies on proposed work in the Buckland Valley, and the Omro Benambra area (May and June). Sediment entrapment works commenced for the Buckland Valley.

Inland Waters				
2.10 Realising river health through a landholder approach to managing riparian restoration				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Project management and administration	Project brief developed Project officer appointed Steering committee appointed	Project brief prepared Project officer appointed Steering committee selected	Project commenced mid year, delays in project officer appointment and subsequent project implementation
2	Information systems and data collection	Information systems	Needs analysis commenced	Project plan and work breakdown structure developed
3	Monitoring and evaluation	Communication strategy Monitoring and Evaluation strategy	Needs analysis commenced	Project plan and work breakdown structure developed

Land				
3.1 Good Neighbour Program (GNP)				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Protect, enhance and restore priority vegetation and native fauna via the implementation of integrated control programs	150,000 Ha	The actions and outputs need to be redefined to improve alignment and accountability with the project objectives.	This target related to the overall achievement for GNP through the coordinator role. Outputs for 2003/04 include input to state GNP Co-ordinators planning, co-ordination of regional GNP agency partnership projects development to ensure they protect agricultural productivity and support works on private land; development and assessment of CAS projects; compilation and submission of multi agency project proposals for endorsement by CMA. 11 applications processed for total 30km wild dog electric fencing.
2	Protect, enhance and restore priority vegetation via the implementation of integrated control programs	15,000 Ha	6500	Blackberry works along public land private land interface. Behind schedule due to Bushfire Recovery works taking precedence with staff and landholders
3	Protect, enhance and restore priority vegetation via the implementation of integrated control programs	5,000 Ha	2500	Regionally Prohibited serrated tussock, prairie ground cherry and targeted roadside Paterson's curse control program implemented. Behind schedule – CMO Bushfire Recovery, extension and compliance programs taking precedence over local GNP coordination.

Performance Measures

Land 3.2 Rabbit Management				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Protect, enhance and restore priority vegetation (native and agriculture species) via the implementation of integrated control programs	255,000 Ha	20,000	

Land 3.3 Other Pest Management				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Targeted high priority areas identified in Action Plan covered by covered programs	4 Local Action Plans	0	Community recovery after fires delayed the process. Community focus groups established in Corryong, Walwa Granya, Burrowye
2	Implement bushfire recovery wild dog fencing project	60 kms	40	95% of clearing works completed, 50% of works completed. 3 outstanding issues with fence alignment with forest management. Still to be resolved.
3	Implement bushfire recovery fence line debris removal project	60 kms	80	Project completed
4	Implement bushfire recovery control line rehabilitation project	30 kms	40	Project completed
5	Implement bushfire recovery wild dog management project – wild dog control	500 man days	500	Achieved project outcomes. Positive community response

Land 3.4 Pest Plant Management				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Eradicate known occurrences of State Prohibited Weeds	As required ha	12	26 infestations of Orange Hawkweed and 2 King hawkweed infestations at Falls Ck identified and mapped. Parks Vic engaged survey with report prepared. All infestations treatment and monitored. maintain surveillance of single sites for water hyacinth and salvinia, both non-recurring.
2	Implement control/eradication program on new and emerging weeds	As required ha	22	During the year works implemented to contain/eradicate satellite infestations of Chilean needlegrass and prairie ground cherry.
3	Implementation of Weed Action Plan in project areas	17 project areas	17	Extension and compliance projects managed with WPA's completed. 5 LMN's issued and 1 Warning Letter issued as result. The Regional Priority Weed Component of this project has seen reduced expenditure and outputs in 3 rd quarter as a result of staff and resources being focussed on the Bushfire Recovery Projects (10333 and 10349)

Performance Measures

Land 3.5 North East Salinity Strategy				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Strategy Coordination – manage the NESS Coordination program; develop Draft Second Generation NE Salinity Strategy	1 strategy	1	Ongoing coordination of NE Salinity Strategy Implementation. New plan progressing with appointment of consultant (Phil Dyson Associates). Research (groundwater conceptual modelling) completed and reported to Technical support group. Involvement in development of RCIP processes. Two meetings with steering committee held.
2	Targeted Extension – management of NESS implementation works program (revegetation/pastures); salinity extension services across the 12 Salinity Priority Areas. Supports implementation of the NE Soil Health Strategy by providing advice and information to landholders on land management practices.	4 Newsletters	4	Community education is a major component of NE Salinity Strategy Implementation. Autumn Edition (19 th) of NESSI Newsletter completed and circulated (4000 copies mailed, plus electronic mailout to all DPI/DSE staff in NE region and 100 additional recipients). Also placed on DPI/DSE website.
3	Implementation – revegetation works on high recharge zones within the 12 Salinity Priority Areas (with emphasis in 03 /04 in four areas). Integrated with revegetation activity under the NE Biodiversity program.	40 Ha	10.5	Conditions over 4 th quarter have been favourable for revegetation through devolved grants program. Extension program over 03 /04 year has resulted in commitments to 120 ha of revegetation (total commitments \$86k - \$43k to be funded through 02/03 NHT finding and \$43k to be funded through Box Ironbark Firewood Project). Requesting carry-over \$49k of 02/03 NHT works funds and \$39k of 03 / 04 works funds to assist 04/05 works program.
4	Groundwater monitoring	330 bores	330	Bores levels are recorded monthly with data sent to PIRVic (Bendigo). DPI then has program of reporting to community. Information underpins the NHT groundwater study currently underway and the completion of the 2 nd Gen Salinity Strategy.
5	Stream salinity monitoring (additional to current WWQMN sites)	4 streams	4	Continuous recording of sites. Provides data necessary for development of 2 nd Gen Salinity Strategy and meeting MDBC End of Valley Targets. The current DSE Review of Stream Monitoring will affect future arrangements for ongoing monitoring (potential savings).
6	Program monitoring	4 reports	4	First, Second, Third and Fourth Quarter Reports completed.

Land 3.6 Soil Conservation-extension and Implementation				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Implementation of soil conservation and gully stabilisation works. Fencing, revegetation and structural works required to stabilise priority sites.	7.5 km 15 Ha	9.9 km fencing 33.0 ha stabilised 5.0 ha revegetated	Commitments will result in additional 7.0 km fencing 2 ha stabilisation 7.0 ha revegetation 4.0 ha remnant vegetation protection
2	Soil conservation extension/education	Extension to achieve outputs above	As above	Extension, technical advice, coordination of implementation, and administration to achieve on-ground outputs.
3	Input to statutory and public land planning processes. Regional process is managed by Land Victoria through a Cross Functional Statutory Planning Working Group – program staff provide responses to referrals relevant to their program. Dependant on applications received. Strong links with Flora/Fauna programs, particularly with Alpine Resort Issues.	Appropriate and timely responses to 100% of planning referrals	100%	Ongoing responses to statutory planning referrals. Comments on Wood Utilisation Plans and Burning Plans for Upper Murray and Mid Murray Forest Management Areas.

Performance Measures

Land 3.7 Integrating Private Forestry into Ag Land				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Extension and facilitation. Marketing and promotion of the industry. Research trials	10 meetings 3 field days 5 trials	17 meetings 7 field days 7 trials 8 tours	Meetings with State Industry Development Teams (2), CMA's SALM team, Regional Landcare, Plantation investment Strategy team, Field days and tours with AFG conference and Ag Div Directorate. Trials – Measurement of coppice control trial at Lurg and inspection of Biodiversity and species trial sites.
2	Oversee development of North East Firewood Strategy	1 strategy	1 strategy	Strategy under development by consultants. 2 steering committee meetings held. Discussion paper released for other stakeholder input.
3	Technical advice to assist private forest plantation establishment	300 Ha	305 Ha	Plantation management advice to landholders

Land 3.8 Catchment Management Coordination and Support				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	SALM Program Coordination and Leadership Management of program development, budgets, staffing, resources, and reporting to ensure Program achieves agreed outputs and outcomes. Leadership in program integration. Support the three Implementation Committees (ICs) and CMA Board and staff.	Submission of 4 Quarterly reports Presentation of reports to ICs and Land Portfolio	4	Ongoing management of program, budgets and staff. Submission of 02/03 Final/ Annual Report. Submission of 03/04 Quarterly Progress reports and update reports. Submission of monthly Partnership Reports and presentations to Land Portfolio/ICs
2	Input to RCIP/RMP process	Completed RCIP/RMP schedules for projects 3.5/3.6/3.7/3.8 and input to projects 1.1/1.4/4.2/4.3 2003/04 RMP 2004/05 RCIP	2	Input to finalisation of 03/04 RMP. Input to development of 04/05 RCIP
3	Input to RCS review process	Comments on Draft RCS provided	1	Input to RCS Steering Group review of comments on Preliminary Draft Comments on Final Draft provided

People, Capacity and Knowledge 4.1 Integrated Extension and Community Education				
Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Strategic Regional Landcare Support and capacity building.	1 Landcare Strategy	1	Strategy approved by Board
2	Strategic Landcare Support and capacity building program delivery through Network coordination	3.2 EFT	3.2	Catchment Coordinators working with all Landcare groups and networks in region
3	Implementation of Rural Land Stewardship Program	Ongoing	ongoing	
4	Ensuring Waterwatch in regional schools curriculum	75 schools	75 schools assisted	
5	Finalise and Implement Indigenous Protocols	1 protocol document	Draft protocol signed with Mungabareena Corporation	

Performance Measures

People, Capacity and Knowledge

4.2 Matching Land Use to Land Capability

Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	Development and expansion of Landcare Action Plans	5 completed 5 expanded	3 completed 10 in progress	
2	Coordinated onground Landcare activities helping people manage land	26 groups 2,000 onground outputs provided per milestone reports People	26 Groups in 23 projects Detailed outputs in CAMS	
3	2 nd Generation Landcare Administration	Administration of process and loading of projects and outputs onto CAMS		

People, Capacity and Knowledge

4.3 Effective Institutional and Organisational Frameworks

Action No.	Action Description (as per RCIP)	Outputs (as per RCIP Annual Target)	Outputs Achieved	Comments
1	GIS Mapping support for planning and facilitation projects		Support provided	
2	Monitoring and evaluation of programs inc. Regional DataNet and CAMS		Monitoring undertaken, evaluation deferred until Plan completed	
3	Authority Governance			





Community



The relationship between the CMA, the community and key stakeholders is crucial to successfully managing the region's natural resources and implementing the Regional Catchment Strategy.

The CMA welcomes and encourages input from the community and stakeholders and actively seeks to establish partnerships to help deliver outcomes.

Implementation Committees

The three catchment based Implementation Committees (IC's) of the North East CMA are the vehicles by which the Authority develops and undertakes focused work programs.

The specific roles of the Committees are;

- The development of detailed work programs and project budgets
- Provide oversight of program delivery
- Development of specific policies that relate to their work programs
- Provide advice to the Board on resource management objectives, targets, activities, priorities and budgets for inclusion in the Authority's Regional Management Plan
- Act as a communication link with the community and relevant stakeholders
- Evaluate project performance
- Report to Board on project implementation and the achievement of objectives and targets

The dedication and commitment of the IC members has been enormous, however it became evident that the resources were being spread too thinly to manage catchment based committees and that desired outcomes were not being achieved. With the current term of IC members ending in June 2004, a review involving existing IC members and other stakeholders was undertaken during the year.

Implementation Committee members 2003/04

Members of the Implementation Committees as of 30th June 2004 were:

Ovens King Black Dog Implementation Committee

Donehue, Wayne
Fowler, Neville
Griffiths, Frank
Griffiths, Judy – Chairperson
Hotson, Bill
Kunze, Eberhard
Moritz, Thomas
Neary, James
Noble, Phillipa
Randell, Cr Andrew
Williamson, Geoffrey

Upper Murray Mitta Implementation Committee

Baird, Roy
Felton, Rick (DPI)
Harris, Leanne
Houston, Hillis
Jarvis, Tony (Chairperson)
Martin, Bob
Mouat, Miranda
Nicholas, Gordon
Perry, Edwin
Scales, Cr Robyn

Wodonga Kiewa Indigo Implementation Committee

Bailey, Cr Graeme
Boyes, Les
Connors, Doug
Coyle, Cr Ross
Crosthwaite, Don
Dobson, Alan (DPI)
Feillafe, Simon
Murtagh, Betty
McGowan, Paul
Matthews, Don

Implementation Committee Celebrations

The farewell Implementation Committee dinner was held on Friday 18th June 2004 at Beechworth. Approximately 60 people attended the function. Certificates recognising the years of service by individual Implementation Committee Members were handed out, their combined total of years of contribution amounted to 120 years of service.

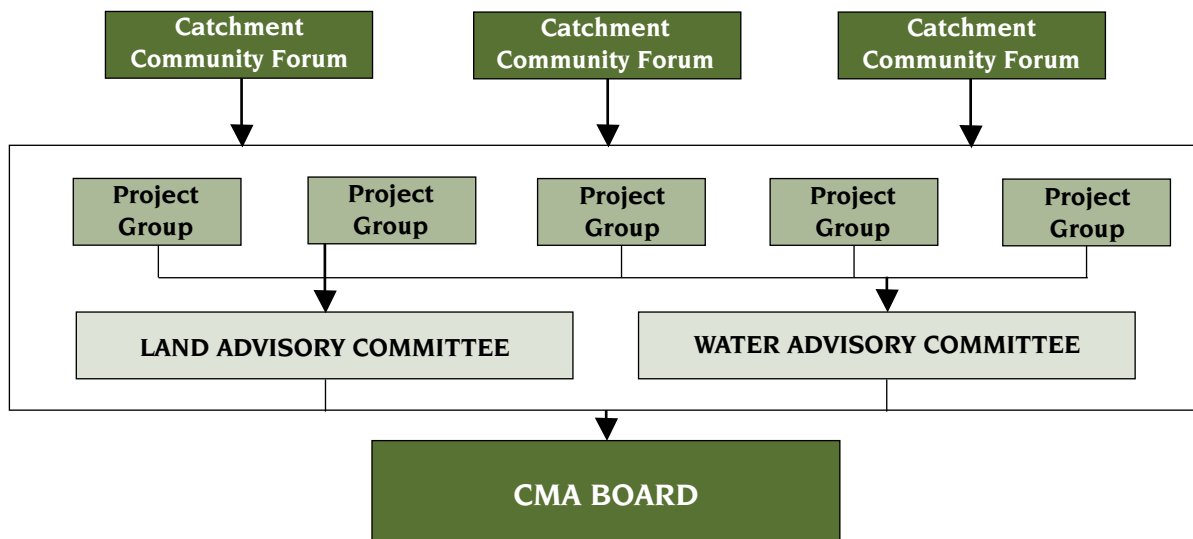


Wodonga, Kiewa Indigo Implementation Committee member, Doug Connors (centre) at the Farewell Dinner, with wife Maria (Left) and CMA Manager Water Programs, Veronica Lanigan (Right).

Advisory Committees – New Structure

After much consideration and consultation the Board has determined to change the geographic Implementation Committee structure to an asset based advisory committee structure supported by project orientated action groups and catchment community forums.

This new structure will assist the CMA in better achieving the roles defined and the targets outlined in the Regional Catchment Strategy. The structure also provides for community members to participate in implementing the Regional Catchment Strategy in ways that suit their particular interests, skills and availability.



The new Advisory Committee Structure

Regional Catchment Strategy

The draft RCS was released for public comment during October 2003, with advertising and news in local media. Seven community forums were held across the catchment with over 110 people in attendance. A “feedback” process was established to ensure that all who made submissions were kept informed, on how their submission was considered.

Public Comment Opportunities

In addition to the RCS, a number of public meetings were held across the region. This enabled the public to learn about the CMA programs and strategies and have an opportunity to provide feedback.

- Draft Firewood Strategy
- Draft Landcare Support Strategy
- Draft Wild Dog Action Plan
- Ovens Floodplain (Whorouly to Wangaratta) Flood Study
- Kind River Flood Study
- Rural Land Stewardship Outlook Forum
- Soil health forums

Presentations

Members of the CMA Board and Management made a number of presentations throughout the region during the year. Presentations were made to Local Councils, Landcare Groups, Rural and Urban Water Authorities, community groups, professional organisations and at conferences.

Community Engagement Plan

A priority action of the Board during the year was to develop a Community Engagement Plan (CEP) to help implement the Regional Catchment Strategy efficiently and effectively. The aim of the plan is:

- To continue to develop and improve the inclusive culture in the CMA
- To further enable the CMA to have confidence that it understands and appreciates the community's values.
- To improve overall efficiency of the CMA
- To help create change ready communities.
- To further develop a supportive community.

This plan will be guided by the following principles of - active listening, communication skills, credibility, making knowledge accessible, honesty, openness, constant feedback, no assumptions/ review, and using an appropriate level of sophistication.

Cultural Diversity

No specific needs were identified during the year that required response measures.

The Authority will however identify potential needs in the Government Valuing Cultural Diversity document and develop agreed response strategies where necessary.

Indigenous People

Two Cultural Awareness Training sessions were undertaken by members of Board, CMA Staff and Landcare Co-ordinators during the year. This is the first year that this has been conducted, with plans to run the program in future years.

The final draft of an Indigenous Protocol between the CMA and Mungabareena Aboriginal Corporation has been signed by the Mungabareena Board.

The Chair and a CMA staff member attended the statewide "Enhancing Indigenous involvement in natural resource management" workshop in Echuca. From this discussions have continued at a local level with key representatives of the Indigenous Community to improve working relations.

The CMA has provided funds through the Natural Heritage Trust to the Mungabareena Aboriginal Corporation for a part time facilitator to assist in improving Indigenous liaison in the North East Region.

Young People

The Authority contributed and participated in a number of joint Youth Forums in the North East region:

- Biodiversity Buzz Day 2004, enabled young people from the border region to come together and look at the issues of biodiversity, water conservation and water quality in their local region. The Authority was involved in conducting water quality activities and other supporting activities.
- The Authority also participated in the Oz Green-MYRiver 2004 Program. The Authority conducted water quality monitoring activities with young people in the Wodonga area to gain a snapshot view into the health of the local waterways.

Creative juices were flowing when the Authority supported The Enchanted River Project. The Project was a combination of arts and environmental science and saw many young people from the border region learning about river habitat, water quality and ecosystems. Participants created artwork for, or were involved in, the spectacular outdoor theatre event that culminated what they had learnt about river health and portrayed it into a story that was presented to the regional community.

The Authority is continuing to support young people within Green Corp teams by offering training in water quality monitoring and follow-up support. A number of Green Corp groups have undertaken training and are currently monitoring waterway sites in the North East.



A painting given to the CMA by Greencorp participant Casey Ferrier. It depicts the Greencorp Team in tree planting activities.

Publications released (03/04)

- Regional Catchment Strategy
- Willow Management Strategy
- Annual Report for the year ended 30th June 2003
- Corporate Plan 2004/2009
- Collecting, processing and storing locally collected seed in the North East
- Draft Lower Kiewa Biodiversity Action Plan
- Draft Mid Kiewa Biodiversity Action Plan
- Draft Lower Ovens Biodiversity Action Plan
- Draft Mid Ovens Biodiversity Action Plan
- Draft Mid King Biodiversity Action Plan

A copy of these publications can be obtained from the North East Catchment Management Authority office.

Landcare

Implementation of the Victorian Action Plan for Second Generation Landcare – Healthy Landscapes, Sustainable Communities continued in 2003-04. This included broad consultation and development of the North East Regional Landcare Support Strategy to plan strategic Landcare support in the region.

The regional Landcare support program has provided catchment based Landcare Coordinators, an Indigenous Facilitator and the new Regional Natural Resource Management Facilitator in the region.

These coordinators have been working with Landcare Groups and the community to assist in the development of Envirofund grant and regional investment plan applications, workshops and field days. The Indigenous Facilitator enabled the development of protocols and agreements between the communities and the CMA, to enable future partnership programs to be developed.

The works programs undertaken by Landcare groups were significantly affected either by drought or impacts from the 2003 fires. These two major events resulted in delayed or reduced activities. Many groups have refocused on sustainable production, drought recovery and soil health programs.

The first Regional Landcare Awards ceremony was held to recognise the outstanding and long-term activities of Landcare groups, members, landholders, schools and local government. Winners of regional awards were nominated for the Victorian Landcare Awards, with four representatives winning state awards.

The Beechworth community came together to form the Beechworth Landcare Group in 2003. This is the newest Landcare Group in the region, and the group is undertaking a wide range of activities already.

The catchment based coordinators have been working with the Landcare groups and community to assist their involvement in regional planning and program development, training and works projects. The new Regional Natural Resource Management Coordinator, Luke Bayley, has also been working with the community groups to assist their participation in regional and commonwealth programs such as the Envirofund and National Landcare Program.

The development of the Regional Landcare Support Strategy involved a large number of agency and Landcare representatives in community workshops, submissions and review of the draft documents. The contribution of



10 years of service recognition awards were given out at the Regional Landcare Awards.

the community representatives was significant in the development of and feedback to the strategy.

As part of the process, Landcare coordinators from the region assisted in the development of a draft Monitoring, Evaluation and Learning Plan for the Landcare Support Strategy. This plan will be linked to the Support Strategy.

A field day to view the properties and areas of the Victorian Landcare Awards winners in the region saw a large contingent of local and West Gippsland Land carers join a tour to inspect these examples of productive, sustainable and environmental property management.

Twelve North East community Landcare and agency representatives attended the Victorian Landcare Forum in Bendigo in June. This forum was the first of its type, and saw over 300 community people from around Victoria meet to share stories of success and learning in Landcare, and develop recommendations for the final forum in July.

A number of soil health training programs organised by the Ovens Landcare Network resulted in more than 100 landholders participating in workshops across the region. Other Landcare groups have run a range of information sessions, workshops and field days to consider issues including biodiversity, salinity management and revegetation.



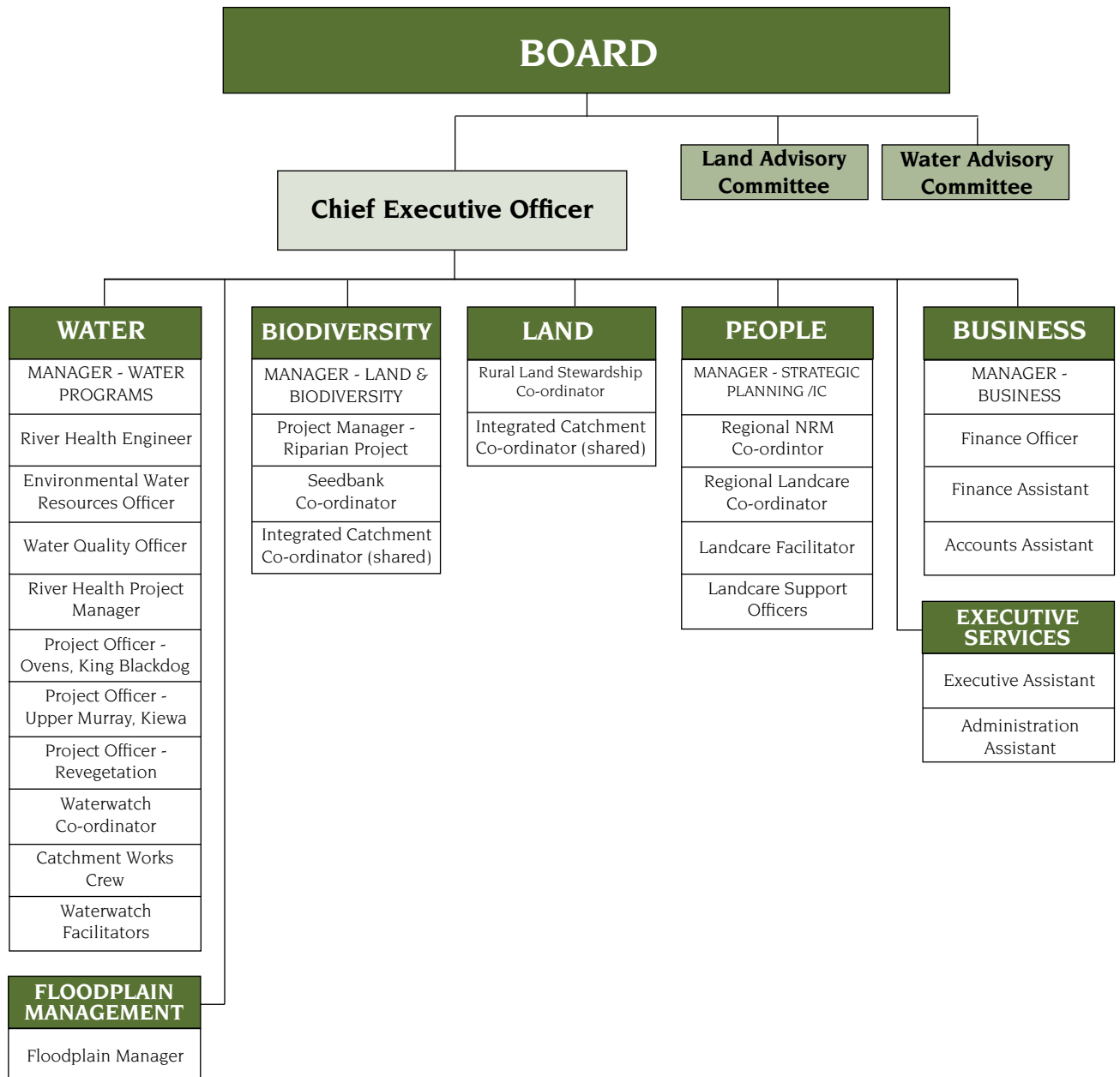
Human Resource Management



Human Resource Management

The CMA operates under the Code of Conduct for the Victorian Public Sector, which outlines how the staff should conduct our business and how we should treat the public, our clients and our colleagues. All staff employed are issued with their own individual code of conduct booklet. This code of conduct booklet can be downloaded from the Office of Public Employment website at www.opc.vic.gov.au

Organisational Structure



Human Resource Management

Senior Management Team

John Riddiford –Chief Executive Officer

B. For. Sc., FAICD, FAIM. John Riddiford has over twenty years experience in natural resource management in both the public and private sectors. He has a Bachelor of Forest Science from the University of Melbourne, and has worked in New South Wales, Tasmania and Victoria including over 10 years with Melbourne Water.

John sets the executive direction of the Authority ensuring effective implementation of the CMA's Strategic, operational and financial functions whilst maintaining effective external and internal relationships.



Jeff Taylor- Manager Strategic Planning

Jeff Taylor has over twenty years of senior management experience in finance and business management in the private sector before joining the Authority in 1997.

Jeff's role is to manage the strategic planning processes, investment planning and the development functions of the CMA.



Veronica Lanigan – Manager Water Programs

B. and Grad. Dip. in Env. Mgt (MBA in progress). Veronica 's background has been with the Environment Protection Authority and the Department of Natural Resources and Environment in the water quality area. Veronica runs Murray Greys on a small property in the Ovens Valley.

Veronica manages the water programs including water quality, water resource management and river health.



Graeme Taylor – Manager Business

Graeme Taylor came to the Authority with a long history in Local Government and Waterway Management Administration.

Graeme manages the accounting, payroll, human resources and business functions of the Authority.



Geoff Robinson – Manager Land and Vegetation Programs

B. App. Sc., Cert IV WT and A. Geoff brings to the Authority several years experience working in both the public and private sectors. Geoff is also on the Committee of Management for North East Training and Employment Inc, which provide training programs and employment support services to people with disabilities in the Hume region.

Geoff is responsible for facilitating and developing a strategic integrated approach to implementing natural resource management programs with a focus on native vegetation management and biodiversity outcomes.



Human Resource Management

CMA Staff Members

Staff as at the 30th June 2004 were:

Bayley, Luke	Regional Natural Resource Management Co-ordinator
Birrell, Bruce	Waterwatch Facilitator
Broughton, Michael	Catchment Program Employee
Campbell, Alastair	Integrated Catchment Management Co-ordinator
Coombes, Keasha	Finance Assistant
Costello, Toni	Waterwatch Co-ordinator
Croft, Tom	Regional Landcare Co-ordinator
Diano, Julie	Finance Officer
Ferguson, Leigh	Catchment Program Employee
Finster, Jessica	Administration Assistant
Guinane, Sean	Project Officer
James, Rick	Project Officer – Riparian and Restoration Management Pilot
Keogh, Eleisha	Environmental Water Resource Officer
Kurpershoek, Jodie	Seedbank Co-ordinator
McCallum, Glen	Catchment Program Employee
McCormack, Terry	Project Officer / Quarry Manager
McKernan, Geoff	Landcare Support Officer
Martin, Natalie	River Health Engineer
Mongan, Emma	Water Quality Officer
Mulcahy, Steve	Catchment Program Employee
Reid, Chris	Rural Land Stewardship Co-ordinator
Rodgers, Diane	Accounts Assistant
Schaefer, Kathryn	Project Officer
Schultz, Ken	Catchment Program Employee
Shanks-Colla, Fiona	Executive Assistant
Simpson, Shay	Waterwatch Facilitator
Shields, Martin	Catchment Program Employee
Von't Steen, Roel	Floodplain Manager
Wainwright, Georgena	Revegetation Coordinator
Williamson, John	Catchment Program Employee
Woods, Kelvin	Catchment Program Employee

Human Resource Management

Training and Development/ Staff Consultative Committee

The CMA promotes investment in personal and professional development of its people to achieve ongoing improvements in customer service delivery and performance whilst enhancing career paths. The CMA actively promotes safe work practices, career development, balanced lifestyles and a non-discriminatory working environment.

During the 2003/04 period 100 % of the staff undertook training and development. Some of the training programs undertaken were First Aid, CPR, Welding, Chainsaw Accreditation, Traineeship in Business Administration Certificate II, Project Management and Financial Management. Assistance has also been provided to staff members undertaking undergraduate and postgraduate studies.

Staff Consultative Committee

The Staff Consultative Committee is made up of representatives from all departments in the organisation. Its principle role is to manage and approve the training and development programs for the CMA. This committee met three times throughout the year. Members of staff on the committee are: Graeme Taylor, Terry McCormack, Sean Guinane, Glen McCallum, Steve Mulcahy, Julie Diano and Veronica Lanigan



Staff attending a workshop in May 2004, on "Improving business practices".

Occupational Health and Safety

All CMA employees have a right to work in an environment, which enables them to work safely and without injury. Awareness and training is conducted regularly by the CMA to ensure staff, and contractors engaged by the CMA recognise and understand hazards

in the Catchment Management industry and to ensure the CMA provides and maintains a safe and healthy work environment for all employees.

Improvements made this year include:

- Updating of First Aid qualifications and first aid kits in all vehicles and work locations
- Upgrades of Mobile Phones to improve coverage area
- Improvements in protective clothing to high visibility clothing

A workshop was also held on the Integrated Management System and how it will further improve the overall safety and service within the workplace.

Occupational Health and Safety Manual

The OH and S manual was updated as necessary to comply with changes to laws and regulations.

Incidents and Dangerous Occurrences

No notifiable incidents or dangerous occurrences were reported to the Victorian Work Cover Authority during the year.

Register of Injuries

Only 1 minor injury was registered during the year. These injuries did not result in any lost time in the workplace.

Occupational Health and Safety Committee

The Occupational Health and Safety committee met three times during the year. The principle role of the committee is to oversee the implementation of the CMAs Occupational Health and Safety Policy. Members of staff on the committee are: Graeme Taylor, Terry McCormack, Sean Guinane, Glen McCallum, Steve Mulcahy, Julie Diano and Veronica Lanigan

Industrial Relations

No time was lost during the year through either industrial disputes or accidents.

Human Resource Management

Equal Employment Opportunity

The North East CMA is committed to the principles of Equal Employment Opportunity. The CMA has an Equal Opportunity, Harassment and Bullying Policy, which is updated as necessary to comply with changes to laws and regulations.

Women

The North East Catchment Management Authority is an Equal Employment Opportunity Employer and, as the 30th June 2004, women represented 42 % of the workforce.

Workforce Data

Staffing Trends

	as at 30 June 2004	as at 30 June 2003	as at 30 June 2002
Total Number of staff	36	31	27

No of Full time and part time employees by gender

As at 30/6/2004		As at 1/07/2003	
Full time		Full time	
Male	20	Male	19
Female	12	Female	6
Part time		Part time	
Male	1	Male	3
Female	3	Female	7



Corporate Governance



Corporate Directory

Principal Office

1B Footmark Court
Wodonga VIC 3690

Telephone: (02) 6043 7600
Facsimile: (02) 6043 7601
Email: necma@necma.vic.gov.au
Website: www.necma.vic.gov.au

Other Offices

Victorian Business Centre
36 Ford Street
Wangaratta VIC 3677

Telephone: (03) 5721 8672
Facsimile: (03) 0 5721 7527

Depots

Everton: 25 Wards Lane, Everton
Kiewa: 37 Kiewa East Road, Kiewa
Moyhu: 4 Boggy Creek Road, Moyhu

Auditors

Auditor General – Victoria

Agents:
Haines Norton Chartered Accountants
8/607 Bourke Street
Melbourne VIC 3000

Internal Auditors:
KPMG
491 Smollett Street
Albury NSW 2640

Insurers

Victorian Managed Insurance Agency
30 / 35 Collins Street
Melbourne VIC 3000

Jardine Lloyd Thompson
468 St Kilda Road
Melbourne VIC 3004

Bankers

National Australia Bank
High Street
Wodonga VIC 3690

Waterway Management Consultants

Earth Tech
68 Ovens Street
Wangaratta VIC 3677

Financial Management Consultants

KPMG
491 Smollett Street
Albury NSW 2640

Legal Representatives

Harris Lieberman Boyd
Thomas Mitchell Drive
Wodonga VIC 3690

Manner of Establishment

The North East Catchment Management Authority is established under the *Catchment and Land Protection Act* 1994 and the *Water Act* 1989.

Relevant Minister

The Authority reports to:

The Hon John Thwaites
Deputy Premier
Minister for Water
Minister for the Environment

Roles

To achieve the Regional Catchment Strategy outcomes, the Board has defined its purpose as follows:

- implementing the Regional Catchment Strategy;
- capitalising on the opportunities to protect and set the standards for improvement of land, vegetation and water resources in the North East Catchment;
- provision of a vehicle for “community wide” involvement in catchment management, particularly through the Implementation Committees;
- encouragement of ownership and accountability for land and water management;
- provision of leadership in catchment management;
- integration of management of land, vegetation and water programs;
- achieving equitable (and sustainable) outcomes in land use and management;
- setting up and maintaining a structural framework to deliver optimum outcomes, and
- adopting best practice methods to achieve both efficiency and effectiveness.

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.

- (a) 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;
- (b) to develop and to implement effectively schemes for the use, protection and enhancement of land and waterways;
- (c) to investigate, promote and research any matter related to its functions, powers and duties in relation to waterway management;
- (d) to educate the public about any aspect of waterway management.

S199

(1) An Authority has the following functions -

- (a) 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 water way outside the district;
- (b) to develop and implement programs for the protection and enhancement of instream uses;
- (c) 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.

Cultural Diversity

No specific needs were identified during the year that required response measures.

The Authority will, however, identify potential needs in the Government Valuing Cultural Diversity document and develop agreed response strategies where necessary.

Whistleblowers Protection Act

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

The North East Catchment Management Authority has adopted a *Whistleblowers' Protection Act 2001* policy of procedures that establish a system for reporting disclosures of improper conduct or detrimental action by the North East Catchment Management Authority.

A copy of the North East Catchment Management Authority's Whistleblowers' Protection Act 2001 Policy is available from the CMA.

Disclosures of improper conduct or detrimental action by the North East Catchment Management Authority or its employees may be made to the following officer:

The Protected Disclosure Coordinator is Graeme Taylor 02 6043 7613.

- All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the Protected Disclosure Coordinator.
- Where a person is contemplating making a disclosure and is concerned about approaching the Protected Disclosure Coordinator 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.

Alternative contact persons

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

Mr. Lindsay Jarvis

*Chairperson
CMA Audit Committee*

The Ombudsman Victoria

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

Internet: www.ombudsman.vig.gov.au

Email: ombudvic@ombudsman.vic.gov.au

Tel: 03 9613 6222

Toll Free: 1800 806 314

No disclosures were reported during the year.

Committees

Audit Committee

Main Functions:

The Audit Committee is a committee of the Board, which reviews and oversees the internal control procedures, the operational risk management and financial risk management policies along with responding to recommendations from the external and internal auditors.

Members:

Lindsay Jarvis (Chairperson) Johanna Barker, Sarah Nicholas, Graeme Taylor (Manager – Business) and Julie Diano (Finance Officer) attend Audit Committee meetings as requested by the Audit Committee.

Key Achievements:

- Revised Terms of Reference for the Audit Committee developed and approved by the Board.
- Development of an Annual Audit Plan which has been approved by Board
- Monitoring of the Internal Audit
- Assisting the External Audit process
- Development of the Financial Risk Management Policy which has been approved by the Board

The Audit Committee met 4 times during the year.

Remuneration Committee

Main Function:

The Remuneration Committee is a committee of the Board that provides advice to the Board on the remuneration of the Chief Executive Officer.

Members:

Lindsay Jarvis (Chairperson) Johanna Barker,
Sarah Nicholas,

The Remuneration Committee met once during the year.

Board attendance

Member	No of Meetings	Meetings Attended
Sarah Nicholas	11	11
Terry Hillman	11	9
Lindsay Jarvis	11	10
Mac Paton	11	10
Anthony Griffiths	11	11
Lyn Coulston	11	9
Sarah Crooke	11	10
Kevin Ritchie	11	9
Brian Thompson*	5	5
John Watson**	7	4
Peter Roper	11	8
Johanna Barker	11	8
Ed Baynes#	0	0
Carolyn Cameron*	6	5

* Brian Thompson replaced Carolyn Cameron as the Department of Primary Industries representative.

** John Watson resigned mid-term

Ed Baynes passed away before being able to attend a Board meeting.

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.





Financial Performance



Financial Performance

Manager – Business Report

The Business Unit of the CMA encompasses the following functions:

Finance	Human Resources	Internal
Management	Human Resource	Information Technology
Reporting and Analysis	Payroll Function	Risk Management
Statutory Compliance	Staff Consultative Committee	Occupational Health and Safety.

Statement of Financial Position as at 30 June 2004

Catchment Management Authorities receive funding from State and Federal Government as well as other sources, prior to the commencement of onground works. This results in the CMA holding large reserves of cash at the end of the year, for continuing work commitments. This year the CMA has changed the format of the Financial Statements to cover this anomaly.

Review and Audit

An Internal Audit of our Financial Systems and Procedures was conducted by KPMG in October 2003. Identified issues have been addressed. Overall, the CMA complied with Best Practice Accounting Standards.

Financial Management Compliance Framework (FMCF)

The Financial Management Compliance Framework has been developed by the Department of Treasury and Finance to ensure that Public Sector agencies meet their obligations and effectively monitor and review their overall performance in financial management. The CMA is partially and fully compliant in most areas of the framework.

Audit Plan

The Audit Committee developed an Audit Plan for 2004/2005 and identified the following specific tasks, for analysis of compliance:

- Financial Management Compliance Framework
- Information Privacy Act
- Purchasing Card Policy
- Tender/Contract Procedures.



Graeme Taylor
Manager – Business

Summary of Financial Results

	Year Ended 30/06/04	Year Ended 30/06/03	Year Ended 30/06/02	Year Ended 30/06/01	Year Ended 30/06/00
Operating Revenue	9,914,896	8,859,234	6,892,228	6,810,357	6,712,107
Operating Expenses	(9,083,805)	(7,253,706)	(6,377,476)	(5,892,054)	(5,840,103)
Abnormal Items	-	-	-	-	141,453
Surplus (Deficit)	831,091	1,605,528	514,752	918,303	1,013,357

Subsequent Events

There were no subsequent events, which would have a significant effect on the operations of the Authority in subsequent years.

Financial Performance

Freedom of Information

Access to information under the *Freedom of Information Act 1982*, is obtainable through a written request, as detailed in Section 17 of that Act. Applications must be as detailed and specific as possible so that the CMAs Freedom of Information officer can identify and locate relevant documents. All applications must include the statutory \$20 lodgement fee. Further charges may be payable. Freedom of Information fees and charges are not subjected to GST.

Requests to the authority should be sent to:

Graeme Taylor
Freedom of Information Officer
PO Box 616, Wodonga VIC 3689
Phone: 02 6043 7600
Email: necma@necma.vic.gov.au

In the 2003 /2004 no requests were received, under the Freedom of Information Act.

Building Act Compliance

The North East Catchment Management Authority ensures that all works requiring building approval have plans certified, works in progress inspected and Occupancy Permits issued by independent Building Surveyors engaged on a job by job basis. It also ensures that plans for these works are lodged with the relevant Local Council. A register of building surveyors and the jobs they certified is maintained. The CMA requires all building practitioners engaged on tis works to show evidence of current registration upon their engagement. 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

Where appropriate, competitively neutral process adjustments to outputs were made.

Information Retained and Available

In accordance with the requirements of the Financial Management Act 1994, all relevant information listed in FRD 22 is retained and will be made available on request.

Consultancies

Consultancies > \$100,000

Consultant	Project	Total approved project fee	Expenditure 2003-2004	Future Expenditure
Arthur Rylah Institute	Hume to Yarrawonga re-snagging project – Monitoring Plan	\$107,600	\$32,280	\$75,320
URS Australia	Renewal of the North East Regional Catchment Strategy	\$171,675	\$61,675	NIL

Consultancies < \$100,000

Consultant	Project	Total approved project fee	Expenditure 2003-2004	Future Expenditure
22 consultancies	Various	\$616,127	\$444,882	\$79,191

Auditors Generals Certification



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, the responsible Ministers and the Members of the Board of the North East Catchment Management Authority

Audit Scope

The accompanying financial report of the North East Catchment Management Authority for the financial year ended 30 June 2004, comprising statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Board are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Board as required by the *Audit Act 1994*.

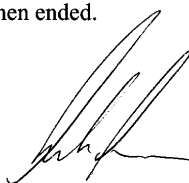
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented 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.

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 the North East Catchment Management Authority as at 30 June 2004 and its financial performance and cash flows for the year then ended.

MELBOURNE
4 October 2004



J.W. CAMERON
Auditor-General

Certification to the Financial Statements

Accountable officer's and chief finance and accounting officer's declaration

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 statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2004 and financial position of the Authority as at 30 June 2004.

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 directors:



S. Nicholas
Chairperson

28 September 2004



J. Riddiford
Accountable Officer

28 September 2004

Financial Performance

Statement of Financial Performance

for the year ended 30 June 2004

	Note	2004 \$	2003 \$
Revenue from ordinary activities			
Revenue from rendering of services	2	8,268,773	7,963,418
Other revenue and revenue from other parties	2	1,646,123	895,816
		9,914,896	8,859,234
Expenses from ordinary activities			
Service delivery expenditure	5	8,365,370	6,654,616
Non-service delivery expenditure	6	718,435	599,090
		9,083,805	7,253,706
Net result for the reporting period			
		831,091	1,605,528
Net increase in asset revaluation reserve		-	196,219
Total revenues, expenses and revaluation adjustments recognised directly in equity		-	196,219
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown			
	15	831,091	1,801,747

The statement of financial performance is to be read in conjunction with the notes to the financial statements

Financial Performance

Statement of Financial Position

as at 30 June 2004

	Note	2004 \$	2003 \$
Current assets			
Cash assets	18	2,124,535	2,217,172
Receivables	8	439,860	553,683
Inventories	10	201,649	133,595
Other financial assets	9	6,807,899	4,149,802
Total current assets		9,573,943	7,054,252
Non-current assets			
Property, plant and equipment	11	1,816,099	1,853,196
Total non-current assets		1,816,099	1,853,196
Total assets		11,390,042	8,907,448
Current liabilities			
Payables	12	2,536,838	941,171
Interest-bearing liabilities	13	8,964	8,964
Provisions	14	179,132	154,114
Total current liabilities		2,724,934	1,104,249
Non-current liabilities			
Interest-bearing liabilities	13	71,712	80,676
Provisions	14	208,402	168,621
Total non-current liabilities		280,114	249,297
Total liabilities		3,005,048	1,353,546
Net assets		8,384,994	7,553,902
Equity			
Contributed capital	15	5,103,823	5,103,823
Accumulated surplus	15	-	2,120,280
Reserves	15	3,281,171	329,799
Total equity		8,384,994	7,553,902

The statement of financial position is to be read in conjunction with the notes to the financial statements

Financial Performance

Statement of Cash Flows For the year ended 30 June 2004

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Receipts (inclusive of GST)			
Fees and charges		602,151	700,950
Government contributions		8,665,111	8,306,298
Interest received		376,729	235,780
Other revenues		838,039	123,836
		10,482,030	9,366,864
Payments (inclusive in GST)			
Employee entitlements		(1,821,211)	(1,602,567)
Interest and other financing costs paid		-	-
Other payments		(5,821,574)	(5,522,051)
Net cash (used in)/provided by operating activities	18	2,839,245	2,242,197
Cash flows from investing activities			
Payments for property, plant and equipment		(774,066)	(693,244)
Proceeds from sale of non-current assets		500,280	339,054
Net cash (used in)/provided by investing activities		(273,786)	(354,190)
Net (decrease)/increase in cash held		2,565,460	1,888,007
Cash at the beginning of the financial year		6,366,974	4,478,967
Cash at the end of the financial year	18	8,932,434	6,366,974

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2004

1 Summary of significant accounting policies

(a) Basis of preparation

This general-purpose financial report has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

It is prepared in accordance with the historical cost convention, except for certain assets, which, as noted, are at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian accounting standard or Urgent Issues Group Consensus View, or an alternative accounting policy permitted by an Australian accounting standard is adopted to improve the relevance and reliability of the financial report. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year. All amounts shown in the financial statements are expressed to the nearest dollar.

(b) Investments

Investments are brought to account at cost with interest revenue recognised in the statement of financial performance 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.

(c) 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.

(d) Revenue recognition

Amounts disclosed as revenue are, where

applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Authority's major activities as follows:

Fees and charges

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

Grants and contributions

Grants and contributions from the State and Commonwealth Governments are recognised and brought to account as operating revenue when they are received or when the Authority controls the right to receive them.

Grants and contributions received, which are declared by Ministerial Direction to be in the nature of owners' contributions, are taken up as contributed equity.

Goods and services received free of charge

The value of all goods and services received free of charge are 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.

Sale of non-current assets

Proceeds from the sale or other disposal of non-current assets are recorded gross, as revenue and the carrying amount of those assets charged as an operating expense. Details of the calculation of the gains and losses on disposal of non-current assets are shown separately in Note 11.

(e) Bad and doubtful debts

A provision is made for any doubtful debts, based on a review of all outstanding receivables at balance date. Bad debts are written off in the period in which they are identified.

(f) Employee entitlements

The calculation of employee entitlements includes all relevant on-costs.

Wages, Salaries and Annual Leave Liabilities for wages and salaries and annual leave represent present obligations resulting

Notes to the Financial Statements

For the year ended 30 June 2004

1 Summary of significant accounting policies (continued)

(f) Employee entitlements (continued)

from employees' services provided up to the reporting date, calculated at undiscounted amounts based on wage and salary rates expected to be applicable at the time leave is taken.

Non-vesting sick leave is not expected to exceed current and future sick leave entitlements and, accordingly, no liability is recognised in these financial statements.

Long Service Leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates based on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows. The nominal amount of long service leave expected to be paid in the next financial year is included as a current liability.

Superannuation

The purpose of a superannuation scheme is to accumulate assets to meet members' benefits as they accrue. The Authority contributes in respect of its employees to a number of superannuation schemes administered by the Victorian Superannuation Board and the Local Authorities Superannuation Board. The amounts of the contributions to defined benefit schemes are determined by each scheme's actuary in accordance with statutory requirements.

The Authority's statutory contributions to these schemes are recorded as a superannuation expense (see Note 16).

Any unfunded liabilities in respect of those employees who are members of the above schemes are recognised in the financial statements of the Authority's statement of financial position. Unfunded liabilities are defined as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuation plan's assets at that date.

(g) Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged against revenue in the periods in which they are incurred.

(h) Non-current assets

Non-current assets include land, buildings, infrastructure, plant and equipment, furniture and office equipment, and motor vehicles. Items with a cost or value in excess of \$1,000 and a useful life to the Authority of more than one year are capitalised. All other assets acquired are expensed. Non-current assets are brought to account at acquisition cost. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. In the case of assets acquired at no cost, at a fair value determined by the Authority in conjunction with the grantor, at the date they are acquired.

The cost of non-current assets constructed by the Authority includes all direct labour and materials used in the construction together with an appropriate proportion of applicable overheads.

(i) Revaluations of non-current assets

Subsequent to initial recognition of assets, land, buildings and infrastructure are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms' length transaction. At balance date, the Authority reviews the carrying values of the individual classes of assets within land, buildings and infrastructure to ensure that the carrying value of each asset class

Notes to the Financial Statements

For the year ended 30 June 2004

(j) Revaluations of non-current assets (con't)

approximates its fair value. Where the carrying value materially differs from the fair value the carrying value of that class of assets is written down to its fair value.

Non-current assets are revalued on a 3-yearly cycle.

Revaluation increments are credited to a revaluation reserve. To the extent that a revaluation decrement reverses a revaluation increment previously credited to and still included in the balance of the asset revaluation reserve, the decrement is debited directly to that reserve up to the value of that prior increment. All other decrements are recognised as an expense in the statement of financial performance.

(k) Depreciation and amortisation of Non-current assets

Depreciation is calculated on a straight line basis to write off the cost or revalued amount of each non-current asset item (excluding land) over its expected useful life to the Authority. Additions to non-current assets in the financial year are depreciated from their respective dates of acquisition. Works in progress are not depreciated until taken up as a non-current asset.

Estimates of remaining useful lives of all non-current asset items are made on a regular basis with an annual review of all major non-current assets. Revaluation of the Building class of assets resulted in an accelerated depreciation rate over their expected remaining life.

Depreciation rates currently applied to each class of asset are as follows:

	2004	2003
Buildings	2.5% to 16.66%	2.5% to 5%
Infrastructure Assets	1% to 10%	1% to 10%
Plant and Equipment	2% to 33.33%	2% to 33.33%
Furniture and Office Equipment	7.5% to 33%	7.5% to 33%
Motor Vehicles	10% to 20%	10% to 20%
Leaseholder Improvements	12.5 %	12.5%

(l) Statement of cash flows

For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at bank and "highly liquid investments" net of any bank overdraft. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position (see Note 18).

(m) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Authority. Trade accounts payable are normally settled within 30 days.

(n) Interest bearing liabilities

Interest Bearing Liabilities are carried on the statement of financial position at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in "Other creditors and accruals".

(o) Accounts receivable

All receivables are non-interest bearing. The carrying value of receivables at 30 June 2004 approximates market value.

(p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS28 *Statement of Cash Flows*.

(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.

Financial Performance

Notes to the Financial Statements

For the year ended 30 June 2004

2. Revenue

		2004 \$	2003 \$
Rendering of services revenue from operating activities:			
Government contributions	3	7,796,208	7,326,191
Local contributions		42,155	50,865
Fees and charges for services		430,410	586,362
		<u>8,268,773</u>	<u>7,963,418</u>
Other revenues:			
From operating activities			
Interest:			
Other parties		383,989	237,975
Miscellaneous		761,854	284,744
From outside operating activities			
Gross proceeds from sale of non-current assets		500,280	373,097
Total other revenues		<u>1,646,123</u>	<u>895,816</u>
Total revenue from ordinary activities		<u>9,914,896</u>	<u>8,859,234</u>

Notes to the Financial Statements

For the year ended 30 June 2004

3. Government contributions

	2004 \$	2003 \$
Contributions to operations:		
State Government		
Catchment planning	230,000	254,999
Second generation landcare	510,000	565,350
Sustainable irrigation	-	1,298,000
River health and water quality	2,589,000	2,786,000
Pest animals	-	17,000
Native vegetation management	-	22,000
Regional development	-	260,000
Other grants	765,750	669,600
Commonwealth Government	3,701,458	1,453,242
Total Government contributions shown as operating revenue	<u>7,796,208</u>	<u>7,326,191</u>
Capital contributions:		
Total Government contributions included in income for capital purposes	-	-
Total Government contributions	<u>7,796,208</u>	<u>7,326,191</u>

(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 17.

Financial Performance

Notes to the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
4. Result from ordinary activities		
There are no individually significant items included in the profit from ordinary activities as at 30 June 2004	-	-
5. Service delivery expenditure		
Employees	1,844,756	1,721,429
Direct costs*	6,085,688	4,595,914
Leases	3,850	204
Depreciation	306,709	286,464
Other	124,367	50,605
	<u>8,365,370</u>	<u>6,654,616</u>
<i>*Direct costs are recognised as those costs directly attributable to the project outcomes of the Authority, inclusive of Bad and Doubtful debts. (2004 - \$20,000) (2003- \$0)</i>		
6. Non-service delivery expenditure		
Governance cost		
Board	135,358	153,429
Implementation Committee	62,357	41,549
Audit*	16,264	4,700
Written down value of assets sold	504,456	400,402
Other expenses	-	10
	<u>718,435</u>	<u>599,090</u>
<i>*Fees for Audit services included KPMG \$11,364 plus Victorian Auditor General \$4,900</i>		
7. 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 2004	4,900	4,700
Payable as at 30 June 2004	0	0
	<u>4,900</u>	<u>4,700</u>
<i>All Audit fees for both internal and external audit have been approved for payment by the Board of the Authority</i>		

Financial Performance

Notes to the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
8. Receivables		
Current		
Trade Debtors	459,860	553,683
Less: provision for doubtful debts	(20,000)	-
	<u>439,860</u>	<u>553,683</u>
Other debtors	-	-
Total receivables	<u>439,860</u>	<u>553,683</u>

Other debtors

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. Investments

Current

Other Financial Assets	6,807,899	4,149,802
	<u>6,807,899</u>	<u>4,149,802</u>

Investments comprise money invested with National Australia Bank Treasury. The investments are due to mature in July 2004 and have a weighted average interest rate of 5.23% (2003: 4.67%).

10. Inventories

Current

Supplies and consumables – at cost	201,649	133,595
Total inventories	<u>201,649</u>	<u>133,595</u>

Financial Performance

Notes to the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
11. Property, plant and equipment		
Leaseholder improvements		
At cost	99,871	98,431
Accumulated depreciation	(20,515)	(8,162)
	<u>79,356</u>	<u>90,269</u>
Land		
At valuation – 2003	129,000	129,000
	<u>129,000</u>	<u>129,000</u>
Buildings		
At valuation – 2003	288,500	288,500
Accumulated depreciation	(7,687)	-
	<u>280,813</u>	<u>288,500</u>
Infrastructure / works		
At valuation – 2003	537,376	537,376
Accumulated depreciation	(233,150)	(221,146)
	<u>304,226</u>	<u>316,230</u>
Plant and equipment		
At cost	1,151,344	1,137,266
Accumulated depreciation	(614,225)	(531,762)
	<u>537,119</u>	<u>605,504</u>
Furniture and office equipment		
At cost	201,717	176,894
Accumulated depreciation	(106,714)	(81,402)
	<u>95,003</u>	<u>95,492</u>
Motor Vehicles		
At cost	556,650	466,559
Accumulated depreciation	(166,068)	(138,358)
	<u>390,582</u>	<u>328,201</u>
Total property, plant and equipment	<u>1,816,099</u>	<u>1,853,196</u>

Basis of Valuation

Land and building were independently valued as at 30 June 2003 at market value (land) and fair value (buildings) by Fisher Murphy Valuers, Certified Practising Valuer, AAPI, to a total of \$129,000 and \$288,500 respectively.

Infrastructure assets were valued by independent valuers Earth Tech Engineering, Environmental Engineers, BE, on the replacement value as at 30 June 2003 less the depreciation associated with the expired portion of its estimated total useful life.

Notes to the Financial Statements

For the year ended 30 June 2004

11. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

2004	Leaseholder improvements	Land	Buildings	Infrastructure	Plant and Equip	Furn and Office Equip	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening carrying amt	90,269	129,000	288,500	316,230	605,504	95,492	328,201	1,853,196
Additions	1,440	-	-	-	279,478	29,125	464,005	774,068
Revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(194,508)	-	(309,948)	(504,456)
Depreciation	(12,353)	-	(7,687)	(12,004)	(153,375)	(29,614)	(91,676)	(306,709)
Closing carrying amt	79,356	129,000	280,813	304,226	537,119	95,003	390,582	1,816,099

2003	Leaseholder improvements	Land	Buildings	Infrastructure	Plant and Equip	Furn and Office Equip	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening carrying amt	-	79,000	183,589	292,943	753,668	71,925	227,828	1,608,953
Additions	98,431	-	-	-	188,312	59,718	388,428	734,889
Revaluation	-	50,000	109,911	36,308	-	-	-	196,219
Disposals	-	-	-	-	(174,684)	(7,744)	(217,975)	(400,403)
Depreciation	(8,162)	-	(5,000)	(13,021)	(161,792)	(28,407)	(70,081)	(286,463)
Closing carrying amt	90,269	129,000	288,500	316,230	605,504	95,492	328,201	1,853,196

Depreciation charge for the year

	2004 \$	2003 \$
Buildings	7,687	5,000
Infrastructure / works	12,004	13,021
Plant and equipment	153,375	161,792
Furniture and office equipment	29,614	28,407
Motor vehicles	91,676	70,081
Leaseholder improvements	12,353	8,162
	<u>306,709</u>	<u>286,463</u>

Profit and/or loss on sale of non-current assets

Proceeds from sale of fixed assets	500,280	373,097
Less written down value	(504,456)	(400,402)
Net profit/(loss) on disposal	<u>(4,176)</u>	<u>(27,305)</u>

Financial Performance

Notes to the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
12. Payables		
Current		
Accounts payable	2,129,934	718,251
Accrued expenses	406,904	222,920
	<u>2,536,838</u>	<u>941,171</u>
<p>All trade creditors and accruals are non-interest bearing. The carrying amount of creditors and accruals at 30 June 2004 approximates market value.</p>		
13. Interest-bearing liabilities		
Current		
Unfunded superannuation liability	8,964	<u>8,964</u>
Non-current		
Unfunded superannuation liability	71,712	<u>80,676</u>
14. Provisions		
Current		
Employee entitlements:		
Long service leave	20,000	20,000
Annual leave	159,132	134,114
	<u>179,132</u>	<u>154,114</u>
Non-current		
Employee entitlements		
Long service leave	208,402	<u>168,621</u>
Aggregate carrying amount of provisions		
Current	179,132	154,114
Non-current	208,402	168,621
	<u>387,534</u>	<u>322,735</u>
Number of employees		
Number of equivalent full time employees at year end	34	<u>37</u>
15. Equity and reserves		
Reserves	3,281,171	<u>329,799</u>
Asset revaluation reserve	329,799	<u>329,799</u>
Balance at beginning of year	329,799	133,580
Revaluation increment on non-current assets	-	196,219
Net transfers (to)/from accumulated surplus	-	-
Balance at end of year	<u>329,799</u>	<u>329,799</u>

Notes to the Financial Statements

For the year ended 30 June 2004

15. Equity and Reserves (con't)

	2004 \$	2003 \$
Committed funds reserve	2,951,371	-
Balance at beginning of year	-	-
Revaluation increment on non-current assets	-	-
Net transfers (to)/from accumulated surplus	2,951,371	-
Balance at end of year	2,951,371	-
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 surplus		
Balance at beginning of year	2,120,280	514,752
Net result for the year	831,091	1,605,528
Transfer to reserves	(2,951,371)	-
Balance at end of year	-	2,120,280

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 Surplus, which represents unexpended program funding, has been transferred to the reserve. For details of the extent of the Authority's commitments for works programs please refer to Note 17.

The difference \$3,471,242 between the Outstanding works program and the committed funds reserve represents the amount the Authority is committed to, via various works programs (Note 17) not covered by the committed funds reserve. This amount represents a balance within contributed capital previously transferred in from accumulated surplus.

Equity

Balance at beginning of year	7,553,902	5,752,155
Total changes in Equity recognised in the Statement of Financial Performance	831,091	1,801,747
Total Equity at reporting date	8,384,994	7,553,902

Financial Performance

Notes to the Financial Statements

For the year ended 30 June 2004

16. Superannuation

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

Fund	Type of Scheme	Rate %	2004 \$	2003 \$
Jayar Superannuation Fund	Accumulation	9%	17,400	15,339
Defined Benefit Local Auth Super	Defined benefits	9.25-10.75%	49,895	38,506
Local Authorities LASPLAN Scheme	Accumulation	9%	-	23,752
AMP	Accumulation	9%	9,722	6,978
ANZ Super Advantage	Accumulation	9%	-	5,373
Australian Primary Fund	Accumulation	9%	4,609	4,659
MLC Limited	Accumulation	9%	1,485	6,477
Super Trust of Australia	Accumulation	9%	2,953	2,914
Vic Super New Scheme	Accumulation	9%	8,962	11,462
Zurich Australia	Accumulation	9%	-	8,595
Asgard Superannuation	Accumulation	9%	180	720
GSO	Accumulation	9-10%	19,449	11,220
Hesta Super Fund	Accumulation	9%	1,694	1,528
MGC Superannuation Fund	Accumulation	9%	900	720
AXA Australian Customer Service	Accumulation	9%	2,731	6,931
Perpetual Trustees Flexiplan Master	Accumulation	9%	900	900
Sandhurst Trustees	Accumulation	9%	3,736	3,421
Norwich Union Life	Accumulation	9%	-	544
Host Plus	Accumulation	9%	528	763
Australian Ethical Super	Accumulation	9%	2,999	-
Australian Retirement Fund	Accumulation	9%	2,382	-
Austsafe	Accumulation	9%	1,361	-
Barker Superannuation	Accumulation	9%	879	-
Colonial First State	Accumulation	9%	600	-
Macquarie Super Options	Accumulation	9%	120	-
Vision Super (previously LASPLAN)	Accumulation	9%	37,542	-
Gundowring Super	Accumulation	9%	900	5,814
Total contributions to all funds			171,927	156,615

As at balance date there was \$13,106 in contributions payable to the above funds (2003: \$4,811). No balances were repayable in respect of loans made to the Authority from any fund.

Unfunded superannuation liability

North East Catchment Management Authority makes employer contributions to the defined benefits category of the Vision Super at rates determined by the Fund's actuary. The rate is currently 9.25% (2003: 9.25%).

The Authority also has an obligation to share in the future experience of the Fund. Favourable and unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefit liability.

Notes to the Financial Statements

For the year ended 30 June 2004

16. Superannuation (con't)

Based on the most recent full actuarial investigation conducted by the Fund's actuary, Mr Grant Harslett, FIA FIAA of Towers Perrin as at 31 December 2002, the Fund's trustee has determined that the Authority's share of the funding shortfall in the Local Authorities Superannuation Fund Defined Benefit Plan was \$89,640. As details of the Authority's share of the net market value of the Fund's assets, the related accrued benefits or vested benefits were not available to the Authority, this information is not able to be disclosed.

The Authority has recognised its liability to the Fund as an interest bearing liability of \$80,676 as at 30th June 2004.

17. 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

84,171

88,865

Later than one year but not later than five years

420,653

309,868

Later than five years

-

92,884

504,824

491,617

Capital Commitments

As at 30 June 2004 the Authority had no outstanding capital commitments (2003: nil) except for those amounts contained within the Outstanding Works Programs per Note 17.

Outstanding works programs

As at 30 June 2004, the Authority had outstanding works programs totalling \$6,812,613 (2003: \$5.6 million) to complete during the 2004/2005 financial year. This consists of grants received by the Authority but not expended as at 30 June 2004.

These programs are funded from government grants received in the 2003/2004 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.

Financial Performance

Notes to the Financial Statements

For the year ended 30 June 2004

17. Commitments (continued)

Compliance Statement	As at the 30th June 2004						Outgoings	Unexpended Program Contributions	Outstanding Program Commitments
	Revenue Recognised			Outgoings					
	Net Prior Yrs	Current Yr	Total	Prior Yrs	Current Yr	Total			
PROGRAM									
WATERWAY MANAGEMENT	\$ 1,426,633	\$ 4,280,359	5,706,992	\$	\$ 3,471,241	\$ 3,471,241	\$ 2,235,751	\$ 2,235,751	
WATER QUALITY	\$ 394,136	\$ 449,392	843,528	\$	\$ 470,868	\$ 470,868	\$ 372,659	\$ 372,659	
OTHER WATER	\$ 2,407,418	\$ 303,601	2,711,019	\$	\$ 1,075,424	\$ 1,075,424	\$ 1,635,594	\$ 1,635,594	
BIODIVERSITY	\$ 689,631	\$ 1,128,721	1,818,352	\$	\$ 1,047,508	\$ 1,047,508	\$ 770,844	\$ 770,844	
LAND	\$ 100,872	\$ 834,500	935,372	\$	\$ 655,736	\$ 655,736	\$ 279,635	\$ 279,635	
PEOPLE, CAPACITY and KNOWLEDGE	\$ 431,627	\$ 1,422,447	1,854,074	\$	\$ 1,173,715	\$ 1,173,715	\$ 680,359	\$ 680,359	
OTHER PROGRAMS	\$ 182,302	\$ 542,994	725,296	\$	\$ 355,351	\$ 355,351	\$ 369,945	\$ 369,945	
CORPORATE	-\$ 41,097	\$ 952,881	911,784	\$	\$ 833,960	\$ 833,960	\$ 77,824	\$ 77,824	
TOTAL	\$ 5,591,522	\$ 9,914,897*	15,506,419	\$	\$ 9,083,806*	\$ 9,083,806	\$ 6,422,613	\$ 6,422,613	
Current Year Revenue of \$9,914,897	See Statement of								
Current Year Outgoings of \$9,083,806	Financial Performance								

Notes to the Financial Statements For the year ended 30 June 2004

18. Reconciliation of result from ordinary activities to net cash inflow from operating activities

	2004 \$	2003 \$
Net result for the reporting period	831,091	1,605,528
Add/(less): non-cash items		
Depreciation and amortisation	306,709	286,463
Provision for doubtful debts	20,000	
Net (profit)/loss on sale of non-current assets	4,176	27,305
Change in operating assets and liabilities net of effects from restructuring:		
(Increase)/decrease in receivables	93,823	57,756
(Increase)/decrease in inventories	(68,055)	55,730
Increase/(decrease) in creditors and accruals	1,595,664	180,190
Increase/(decrease) in other provisions	64,799	38,186
Increase/(decrease) in interest bearing liabilities	(8,961)	(8,961)
Net cash provided by/(used in) operating activities	<u>2,839,245</u>	<u>2,242,197</u>

Cash consists of cash at bank and on hand (net of bank overdraft) and short term deposits with a term to maturity of 90 days or less

Cash at year end as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Note		
Cash at bank and on hand		2,124,535	2,217,172
Short-term deposits	9	<u>6,807,899</u>	<u>4,149,802</u>
		8,932,434	6,366,974
Less bank overdraft		-	-
Total		<u>8,932,434</u>	<u>6,366,974</u>

Financial Performance

Notes to the Financial Statements For the year ended 30 June 2004

19. Responsible persons

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

Names

The persons who held positions of Ministers and Accountable Officers in the Authority are as follows:

Honourable J. Thwaites	E. Baynes	L. Jarvis
S. Nicholas	L. Coulston	A. Griffiths
J. Riddiford (CEO)	T. Hillman	M. Paton
C. Cameron	S. Crooke	P. Roper
J. Watson	J. Barker	B Thompson
K Ritchie		

Remuneration of responsible persons

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

	2004	2003
\$0 - \$9,999	6	7
\$10,000 - \$19,999	6	2
\$20,000 - \$29,999	1	-

Remuneration of executive officers

There was one executive officer employed by the Authority during the year whose remuneration exceeded \$100,000.

	2004	2003
\$120,000 - \$130,000	-	1
\$130,000 - \$140,000	1	-

Other Transactions

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2004 (2003: nil).

Responsible persons remuneration outstanding at 30 June 2004 amounted to \$12,261 (2003: \$23,907). There were no other balances owing to or from responsible persons or their related parties at 30 June 2004

Notes to the Financial Statements For the year ended 30 June 200

20. Contingent liabilities

As at 30 June 2004, the Authority has issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$69,500 (2003: \$69,500).

The Authority is not aware of any other contingent liabilities existing at 30 June 2004 (2003: nil), which may have a material effect on the financial statements.

21. Financial Instruments

Terms, conditions and accounting policies

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

Interest rate risk

The authority has no material exposure to interest rate risk on its financial instruments.

Credit risk

The Authority does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Authority.

Net fair values

The fair values of the Authority's financial assets and liabilities are not expected to be significantly different from each class of asset and liability as recognised in the statement of financial position as at 30 June 2004.

22. Impacts of adopting AASB equivalents to IASB standards

For reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (IFRSs). The Authority has taken the following steps in managing the transition to Australian equivalents to IFRSs:

- The Audit Committee is charged with the responsibility for the oversight of the transition to and implementation of the Australian equivalents to IFRSs;
- commence activities to identify key issues and the likely impacts resulting from the adoption of Australian equivalents to IFRSs; and
- an education process is planned for all stakeholders to raise awareness of the changes in reporting requirements.

The Authority has identified a number of changes to the existing accounting policies that could have a material impact on the Authority's financial position and future financial performance on the adoption of the requirements of the Australian equivalents to IFRSs. These include:

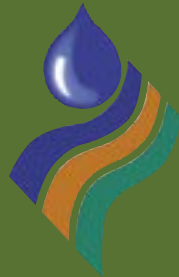
- IAS 16 *Property, Plant and Equipment*;
- IAS 32 *Financial Instrument: Disclosure and Presentation*;
- IAS 36 *Impairment of Assets*; and
- IAS 39 *Financial Instruments: Recognition and Measurement*.

Financial Performance

Compliance Index

The Annual Report of the North East Catchment Management Authority 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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NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

Annual Report 2003/2004

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