



THE RELEASE OF THE NORTH EAST REGIONAL CATCHMENT STRATEGY IN 2013 SIGNALLED A NEW ERA FOR MANAGEMENT OF NATURAL RESOURCES IN NORTH EAST VICTORIA AND HIGHLIGHTED THE EVOLVING ROLE OF THE NORTH EAST CATCHMENT MANAGEMENT AUTHORITY.



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

Annual Report 2012/2013

HIGHLIGHTS 2012/2013

Our organisation is focussed on community led practice change. We are committed to providing active leadership and working with the community so that we can consistently encourage new ideas, collaboration and innovation to improve and protect the natural and productive landscapes of our region for current and future generations.



JULY 2012

As part of the North East Regional Catchment Strategy renewal, NECMA hosted a 'bringing new ideas to life' master class for innovators, and convened a panel of experts who discussed key economic, social and environmental trends in North East Victoria and suggested new ideas for managing the region's natural resources.



AUGUST 2012

Draft version of the Regional Catchment Strategy released for public comment. NECMA Board and staff visited 17 locations for 'catchment conversations'. More than 700 ideas and suggestions received in response to circulation of the draft Strategy, including contributions to www.yoursaynecma.com.au.

SEPTEMBER 2012

Twenty-five North East Landcare projects received a combined funding boost of \$420,000 from the Victorian Government.



OCTOBER 2012

The NSW Central West CMA invited NECMA and our partner, Earth Systems, to demonstrate the mobile pyrolysis plant to potential users in its region. NECMA attended field days and demonstrated the biochar plant in Bathurst, Dubbo and Nyngan.

More than 200 grade five students attended the final of four regional School Environment Day (SEED) workshops. SEED is a uniquely North East Victorian initiative, run in partnership by North East Water, NECMA and NevRwaste.

NOVEMBER 2012

Wise Water Ways workshop about stream management principles and practices held in Wangaratta.



JANUARY 2013

NECMA Board strategic planning day - the search for 'game changers'.



FEBRUARY 2013

A region-wide program of 420 plus flood recovery sites expanded thanks to a funding injection from the Victorian Government. NECMA received additional funding of \$1,082,649 to restore and protect another 35 sites, particularly in the Upper Murray.



A collaborative Wises Creek Talgarno Landcare Group and NECMA field day on 'native pastures for production and conservation' attracted farmers of all ages. Participants visited two woodland sites and speakers provided insights into the different values pertaining to production and conservation management of native grasses within grassy woodland environments.

CONTENTS

05 The renewal of the Regional Catchment Strategy was an important direction setting process for the multiple 'communities' of North East Victoria

MESSAGE FROM THE CHAIR AND CEO_____	2	FINANCIAL SUMMARY_____	31
OUR VISION_____	4	OUR STAFF_____	32
OUR MISSION_____	4	Our Workforce Profile	32
OUR CATCHMENT_____	5	Our Employment Framework	33
Rainfall and storage data	5	Staff Consultation	33
EXECUTIVE SUMMARY: MANAGEMENT AND CATCHMENT OVERVIEW_____	6	Training and Development	33
CATCHMENT THEMES_____	8	Cultural Diversity and Women	33
Biodiversity	8	Young Victorians	33
Inland Aquatic Ecosystems	10	Health and Safety	33
Land Health	12	FINANCIAL REPORT 2012/2013_____	35
Community Capacity	14	APPENDICES_____	64
Environmental Stewardship	16	Detailed Results against the 2012/2013 Corporate Plan	64
Monitoring Implementation of the Regional Catchment Strategy	18	Disclosure index	68
GOVERNANCE_____	20	GLOSSARY OF TERMS_____	69
Overview	20	REPORT PROFILE_____	70
Organisational Structure	21	PHOTO CREDITS_____	71
Our Board	22		
Board meetings	24		
Audit Committee	24		
Remuneration Committee	25		
Regional Catchment Strategy Renewal Committee	25		
Engagement and Partnering Committee	25		
POLICIES_____	26		
Risk management	26		
Insurance	27		
COMPLIANCE_____	29		
Freedom of Information	29		



MESSAGE FROM THE CHAIR & CEO



A motivated community, sound science and increased knowledge are essential components for improving the future health, productivity and resilience of natural resources in North East Victoria.

Throughout 2012/2013 the North East Catchment Management Authority (NECMA) consistently strived to incorporate each of these three components into its strategic planning and everyday operations. Our role in renewal of the North East Regional Catchment Strategy particularly illustrated the value of this multi-faceted approach.

The renewal of the Regional Catchment Strategy was an important direction setting process for the multiple 'communities' of North East Victoria.

NECMA led this process on behalf of the catchment community as the Catchment and Land Protection Act 1994 (CaLP Act) specifies that each Victorian CMA must prepare a regional catchment strategy for its region and coordinate and monitor its implementation.

During the renewal of the Strategy, NECMA sought to gather local knowledge about landscapes within the region and how the community values and interacts with these. We integrated this knowledge with technical and formal knowledge to develop a more in depth understanding of the values and dynamics of the various landscapes in North East Victoria.

The release of the updated Strategy by the Victorian Minister for Environment and Climate Change, Hon Ryan Smith MP, at Corryong in 2013 signalled a new era for management of natural resources in North East Victoria and highlighted the evolving role of NECMA.

FOCUSSING ON COMMUNITY LED PRACTICE CHANGE

At the heart of the North East Regional Catchment Strategy is the need to foster widespread community ownership and participation in natural resource management

Following the series of successful 'catchment conversations' undertaken as part of the Regional Catchment Strategy (RCS) renewal process in August and September, NECMA made a commitment to continue the conversation with communities across the catchment.

More than 140 community members participated in 'catchment conversations' events held across Ovens, King, Upper Murray and Kiewa basins to encourage community involvement in a review of the Regional Waterway Strategy. Many of the region's Landcare groups and individual members took part in 'kitchen conversations' organised by NECMA to encourage insights and ideas for inclusion in a new Landcare Support Plan.

Importantly, NECMA captured and shared the comments and trends identified at 'catchment conversations' via its online resource: www.yoursaynecma.com.au We regularly briefed local Members of Parliament in our region, the Hon Ryan Smith MP, Minister for Environment and Climate Change and the Hon Peter Walsh MLA, Minister for Water about key concerns and new ideas raised at these forums to ensure a voice for the many community interests in our region.

THE POWER OF PARTNERSHIPS

We worked with key partners and members of our community to maintain and protect our region's natural resource assets. Key examples included:

Showcasing biochar conversion – NECMA continued its involvement in development of a mobile device to convert woody weeds into biochar. During the year the NSW Central West CMA invited NECMA and our partner, Earth Systems, to demonstrate the mobile pyrolysis plant to potential users in its region. As a result, NECMA attended field days and demonstrated the biochar plant in Bathurst, Dubbo and Nyngan. Bathurst Regional Council, Dubbo City Council, Carbon Farming Conference, Earth Systems, NECMA and Skillset, in partnership with the Central West CMA, supported the field days and tour.

Supporting sustainable agriculture – we continued to lead a cross border, inter-agency soil carbon program that is encouraging farmers to explore new ways to manage carbon for productivity and profit. Our work in this area was recognised at a

national level by Soils for Life. In April the national soils advocate, Major General, The Honourable Michael Jeffrey, presented at the 'doing more with less' forum on soil health and sustainable farming presented by NECMA and the NSW Murray Catchment Management Authority

Restoring the Ovens River - in May one of Australia's leading fly fishing experts, Mr Phillip Weigall, demonstrated his masterful techniques in the Ovens River at Bright as part of a community event hosted by NECMA to celebrate a project that has improved fish habitat and created a 2.6 kilometre fishing trail along the Ovens River. Since 2010 NECMA has undertaken works to improve fishing opportunities along a stretch of the Ovens River and installed signage at various points along the river to help people make the most of their fishing experience. The Ovens Landcare Network played a key role in this 'river reno' by controlling weeds, carrying out revegetation work and contributing historical information for the new signage. The Ovens River project works were funded by the Recreational Fishing Licence Grants scheme, which utilises revenue from fishing licences to provide enhanced fishing opportunities for recreational anglers across Victoria.

FUTURE DIRECTIONS

In its Environmental Partnerships statement, the Victorian Government highlighted these key directions and challenges for NECMA:

- maintain healthy biodiversity and productive landscapes from catchment to coast
- manage risks to our communities and landscapes from floods
- support practical local action, and
- ensure accountable and efficient environment agencies.

Based on these directions, the NECMA Board has formulated a strategic direction that will

deliver and achieve Government expectations. Our five priorities from 2013-2018 are:

- driving our strategy
- engagement and partnering
- focusing on service delivery excellence
- creating a proactive and collaborative culture, and
- business development

Our Board is committed to providing active leadership to further develop NECMA and working with the community of the North East region to protect our precious natural resources by consistently encouraging new ideas, collaboration and innovation.

Through the North East Regional Catchment Strategy we have a framework of action that any individual, group or organisation can use to guide future natural resource management decisions in the Upper Murray, Kiewa and Ovens River valleys. The Strategy sets a vision for the North East region and describes the links between various landscapes (environment) in our region and the people that live and work in them (society and economy). Importantly, it describes the challenges and opportunities that need to be addressed and offers an overarching framework or blueprint, to guide future natural resource management actions.



07

Lyn Coulston
Chairperson

Neil McCarthy
Chief Executive Officer

08 Sharing traditional knowledge - fire workshop at Lake Moodemere, July 2013.

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



08



09

OUR VISION

TO BE A RECOGNISED LEADER IN PROTECTING AND ENHANCING THE REGION'S DIVERSE, PRODUCTIVE AND NATURAL LANDSCAPES FOR CURRENT AND FUTURE GENERATIONS.

OUR MISSION

North East Catchment Management Authority facilitates and co-ordinates integrated catchment management by working with our partners to achieve community led practice change.

OUR CATCHMENT

RAINFALL AND STORAGE DATA

Rainfall for January and February 2012 was above average in the North East region. At the end of February and start of March, severe thunderstorms and heavy rainfall caused isolated flooding in the Upper Murray and broke many highest daily rainfall records in the state's northeast including at Yarrawonga, Osborne's Flat, Tallangatta, Towong Upper and Dinner Plain.

By the beginning of autumn, the La Niña was nearing its end but its presence was still being felt with Victoria recording its third-wettest March with more than double the normal total. While rainfall for April and May was generally average to below average, autumn totals were above average in the east.

Rainfall for winter was below average in parts of the North East region, and in spring were below average to very much below average across most of the State (spring 2012 ranks as the 10th driest on record).

Rainfall totals for 2012 across Victoria were mixed; the wettest station overall, Mount Baw Baw, recorded 2225.6 mm whilst the driest, Walpeup Research, recorded only 159.6 mm. Parts of the east recorded above-average rainfall while parts of the west were drier than normal.

TABLE 1 GENERAL REGIONAL STATISTICS

Population	102,000
Area	1,957,000 ha
Public Land	55%
Length of Streams	10,602 km
Water Supply	The North East region provides 38% of the total water to the Murray-Darling Basin

TABLE 2 CAPACITY OF MAJOR WATER STORAGES

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

GRAPH 1 STORAGE LEVEL - HUME WEIR & DARTMOUTH DAM

Note that data for Dartmouth Dam is unavailable from 7 Dec 2012 to 14 Apr 2013 inclusive

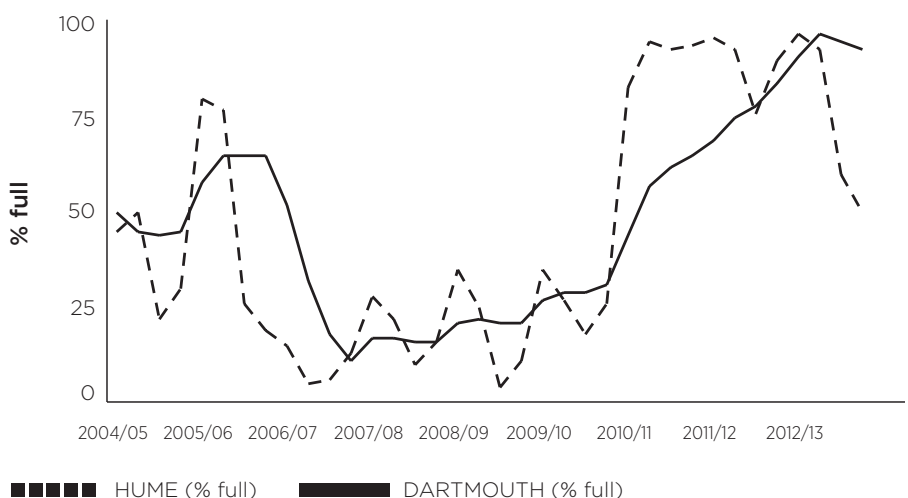


TABLE 3 RAINFALL DATA BY CALENDAR YEAR

TOWN	ANNUAL RAINFALL CALENDAR YEAR (MM)										LONG TERM AVERAGE RAINFALL (MM)	LOWEST YEAR PRIOR TO 2003 (MM)
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003		
Wodonga	774	877	905	476	495	528	287	728	498	715	716	348 (2002)
Wangaratta	605	699	895	421	489	442	283	846	492	658	629	385 (1998)
Corryong	1036	1000	1174	664	480	679	339	846	609	955	775	344 (1967)
Bright	675	1174	1613	868	841	955	606	1,197	893	1326	1141	578 (1982)
Omeo	962	702	872	414	476	663	365	698	518	585	673	430 (1938)

Rainfall data courtesy of Australian Bureau of Meteorology.

EXECUTIVE SUMMARY: MANAGEMENT AND CATCHMENT OVERVIEW

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

It is set out according to these headline themes*:

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

The **Management Summary** describes what main activities were undertaken by key natural resource management agencies in the North East Catchment Management Authority region during 2012/2013 to address priority issues, improve the condition of assets and engage with our community. This summary includes activities undertaken by the Department of Primary Industries & Environment (DEPI), the North East Catchment Management Authority (NECMA), Parks Victoria (PV) and Trust for Nature (TFN).

The **Catchment Condition** report offers an assessment of condition across the North East catchment according to the headline themes and highlights achievements made at a project level. Where supporting data is available, this section of the report also identifies reasons for condition status and trends.

*Marine ecosystems not applicable in the North East.

RESPONDING TO CHANGING TRENDS AND INFLUENCES

Emerging trends that are likely to influence the extent to which NECMA and other agencies can influence the future management of natural resources in North East Victoria include:

- increasing population, especially in urban and surrounding landscapes
- land manager changes in agriculture landscapes
- sustained challenges from invasive plant and animal species, including wild dogs, deer and willows
- increasing living costs and continued decline in agricultural terms of trade (that is, the ratio of prices received to prices paid)
- climate variability and capacity to accommodate more frequent extreme events and respond to slow moving variables such as increasing temperatures, and
- competing and conflicting land use in agriculture, lifestyle and forest landscapes.

Source: 2013 North East Regional Catchment Strategy

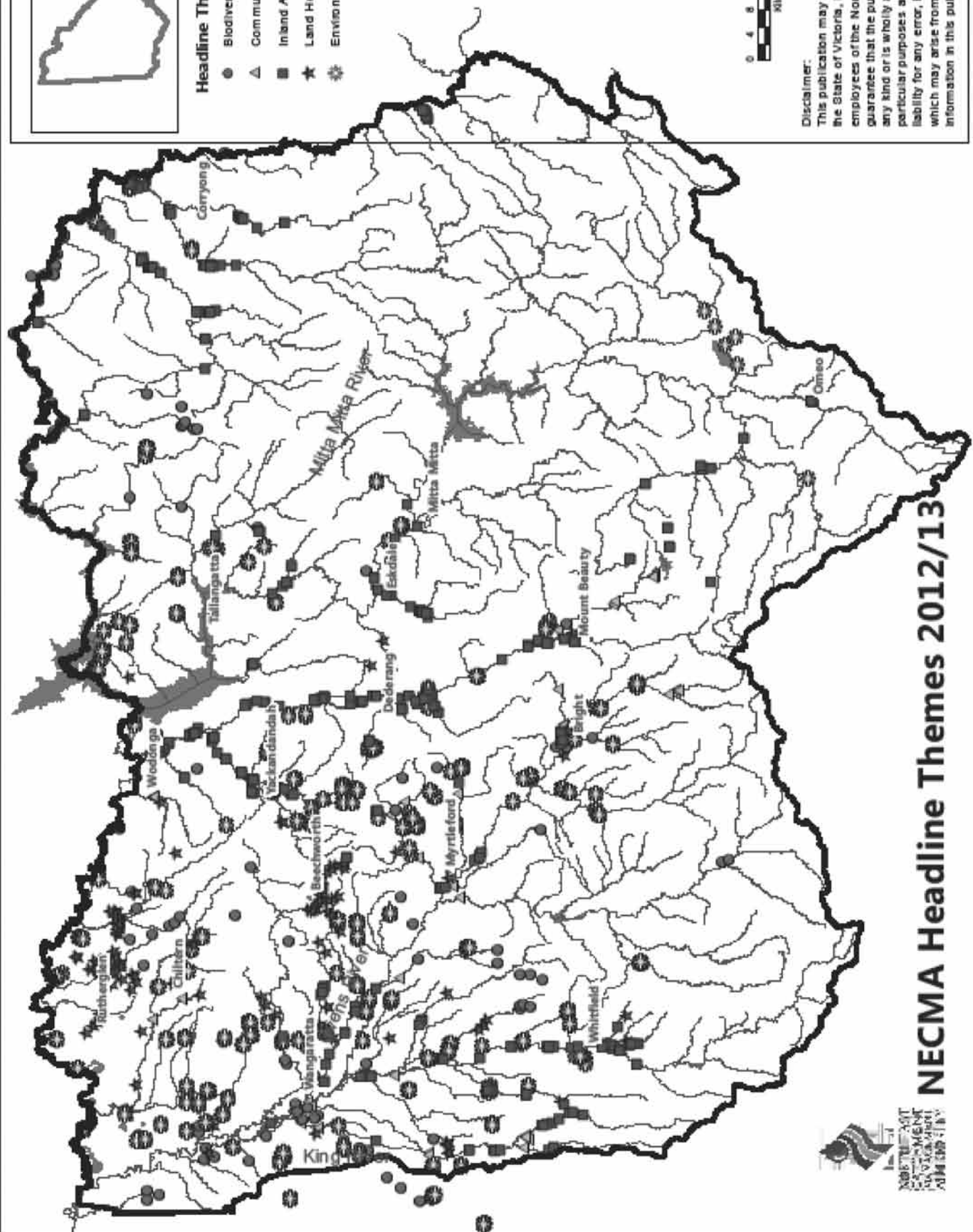


Headline Theme Activities

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



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



NECMA Headline Themes 2012/13



10 A collaborative project led to the production and launch of a new Freshwater Fish, Crayfish and Turtles of North East Victoria brochure.



MANAGEMENT SUMMARY

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

During 2012/2013 the key biodiversity delivery partners in the North East region

- collaboratively sought to protect and enhance biolinks by implementing targeted works and improving the adoption of ecologically sustainable management practices by land managers
- continued to secure conservation agreements with land managers to project, enhance and restore priority vegetation communities and remnant vegetation in priority locations
- used an asset based approach and developed a landscape spatial analysis and site prioritization system to identify high priority biodiversity sites, particularly Alpine Bog
- undertook a range of activities to protect and preserve threatened fish, frogs, invertebrates, alpine fauna, woodland fauna, orchid flora, and non orchid flora, and
- engaged with private landholders and community groups to increase knowledge and elicit participation in projects.

KEY ACHIEVEMENTS

Protecting and rehabilitating alpine peatlands – trapping and removal of feral horses from the Bogong High Plains and headwaters of the Cobungra, Bundara and Victoria river catchments continued. Two community groups helped to remove 21 feral horses as part of an ongoing drive to protect and restore habitat and ecological processes within alpine peatlands on the Bogong High Plains. This figure equated to some 30-40% of the population in that area. Parks Victoria (PV) staff undertook replanting, weed control, soil stabilisation, and installed vegetated flow controls in three alpine peatlands. Future monitoring and maintenance by PV will seek to improve the condition and resilience of these peatlands to drought, fire and climate change.

Re-establishing native species – 38 captive bred Regent Honeyeaters were released into the Chiltern-Mt Pilot National Park in April 2013. Led by DEPI, the release was developed in partnership with Birdlife Australia, Taronga Zoo, Parks Victoria and The Friends of Chiltern-Mt Pilot National Park. This project was dependent on successful pre-planning and included completion, approval and issue of detailed Translocation Plan Animal Ethics and Parks & Wildlife Research Permits. Approximately 100 volunteers contributed more than 3,500 hours as part of a community monitoring program focussed on the Regent Honeyeaters.

Cooperative management agreements – the North East Threatened Species and Communities project led to development of agreements with key public land stakeholder agencies who manage threatened species and community assets. DEPI developed a Memorandum of Understanding (MoU) with Hancock's Plantation Pty Ltd to protect and enhance habitat for the Striated Sun-moth at Shelley in the Upper Murray. The MoU details mutually agreed commitments to maintain and improve essential management including biomass competition removal by annual slashing, ecological burn regime trails, signposting to increase awareness and protect against unintentional damage, community engagement and monitoring.

Development of a quality resource with high public appeal – a collaborative project that involved the DEPI Hume Region, Arthur Rylah Institute and Murray Darling Basin Authority led to the production and launch of a new Freshwater Fish, Crayfish and Turtles of North East Victoria brochure that features 37 native and 10 exotic species.

Encouraging practice change on farms – more than 260 landholders involved in the *Sustainable Farming Practices – Landscape Scale Conservation* project developed biodiversity protection plans using the GIS system, E-farmer. Monitoring showed that incentives allowed highest priority sites to be protected directly. However, agencies also found that providing appropriate planning and technical support on grazing management enabled landholders to manage and reduce threats to significant areas of native woodlands and derived grasslands with no additional funding inputs required.

Protecting urban areas – the City of Wodonga investigated covenant suitability for an extensive number of Council owned properties on the Wodonga hinterland. As a result, Council approached Trust for Nature seeking permanent protection as part of its offset requirements. A feasibility study undertaken by TFN identified that the sites have extensive areas of EPBC listed Box Gum Grassy Woodland.

KEY CHALLENGES

Managing wild horses – wild horses have been present in the Victorian Alps for more than 150 years, since being introduced by early European settlers. While valued by some in the community for their cultural association with the alps, populations have grown rapidly following widespread bushfires in 2003 and the latest estimates suggest that there are now 8,200 – 10,900 wild horses in the Victorian Alps. Wild horses pose a significant threat to the important environmental values of the Victorian Alps, including to a number of threatened species and ecological communities. The “degradation and loss of habitat caused by feral horses” is listed as a potentially threatening process

under Victoria's Flora and Fauna Guarantee Act (1988). In partnership with the Department of Environment and Primary Industries (DEPI), Parks Victoria is developing a Victorian Alps Wild Horse Management Plan to guide the management of wild horses and their impacts on public land in the Victorian Alps. Community input and expert advice is essential to ensure the plan considers the range of views on wild horses and that management controls are effective and practical.

Peatland rehabilitation – good pre-planning and flexibility in the timing of works are needed to account for the complexity of peatland rehabilitation, particularly in remote areas, and the unpredictability of suitable seasonal conditions for works. For example, a long, dry spell during spring 2012 and the Harrierville alpine fire to the west of the Bogong High Plains in early 2013 delayed revegetation works.

Scale of challenge - less than 5% of Threatened Grassy Woodlands in Australia remain in good condition, with much occurring in small isolated patches. There is a critical need to reverse the decline of these Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) listed species and ecological communities. A four year Threatened Grassy Woodlands Project funded by the Australian Government's Caring for our Country program and delivered by NECMA and valued partners is aiming to conserve remnants and increase community understanding of this threatened ecosystem.

CATCHMENT CONDITION

BIODIVERSITY THEME	SUMMARY
INCLUDES THE QUALITY AND EXTENT OF NATIVE VEGETATION AND THE STATE OF THREATENED FAUNA AND FLORA SPECIES. ALSO INCLUDE INFORMATION ON KEY EVENTS, FACTORS OR ISSUES THAT ARE OR WILL IMPACT ON CONDITION.	OVERALL CONDITION STATUS: Moderate
	TREND: Declining

The species populations, communities and terrestrial habitat assets of the North East region are remarkably diverse. The region has a high number of rare or threatened species, including:

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

Threatened species and communities are spread across the region in all landscapes. Their intrinsic value and contribution to landscape processes (e.g. connectivity, refuge areas, buffering) are interlinked with the region's identity. However, there are risks to the biodiversity assets in the region.

Since 1750 the extent and quality of native vegetation in North East Victoria has significantly declined in certain areas. It is estimated that the region has approximately 62% of native vegetation remaining, with a net loss of 298 habitat hectares per year. Biodiversity decline is most extensive on private land, with an

estimated 17% of native vegetation originally on private land remaining. Conversely, the high percentage (55%) of the region as public land, including numerous National Parks, helps protect rare and threatened species. Of the eight bioregions represented in the region, half have 31% or less of native vegetation cover.

Overall, the quality and extent of the region's species populations and communities and terrestrial habitat are in moderate condition, with a declining trend in cleared areas (primarily on private land).

There is a relatively steady, long term incremental decline in areas affected by land clearing, inappropriate livestock grazing, inappropriate land uses, invasive pest species and predicted increases in climate variability including fire regime. Symptoms include species threatened with extinction, the spread of invasive pests and weeds, and declining condition of some waterways.

INSIGHT - BIODIVERSITY

Significant work is required to improve and maintain the health and condition of landscapes in the North East region. It is important to recognise that the region's landscapes have been changed to provide goods and services, such as food and fibre. The resources needed to undertake this work are often beyond the reach of individual landholders, organisations, or Government, and will need a concerted and collaborative effort. We need to identify the level of biodiversity that can coexist with each of the changed landscapes. Recognising the values of each landscape and how this relates to biodiversity will help target effort and stem decline.

Source: 2013 North East Regional Catchment Strategy

INLAND AQUATIC ECOSYSTEMS

MANAGEMENT SUMMARY

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

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

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

Interventions undertaken by landholders in the heritage listed Lower Ovens helped to protect floodplain wetlands. DEPI achieved landscape scale improvements by securing a single 200 hectare property management plan, and Trust for Nature secured four management agreements covering some 47 hectares. Grazing impacts on two wetland sites totally 35 hectares were reduced through the erection of fencing. Other successful sites works included installation of off-stream water points, weed control and pest animal control and revegetation with native vegetation.

Land and water statutory planning continued to contribute to the sustainable development and protection of waterway, wetland and floodplain health in the region. NECMA worked in partnership with Goulburn-Murray Water, North East Water and DEPI to implement recommendations identified in the Upper Ovens Water Management Plan, including the Upper Ovens Ecological Program, dry flow contingency planning, development of an off-stream storage project at Bright and the Wangaratta Water Security project.

Relationships with regional councils, both planning and engineering staff, are strong.

Flood and fire events during 2012/2013 created more planning work and increased interest, over and above normal levels.

KEY ACHIEVEMENTS

Widespread community involvement in waterway planning

- more than 140 community members participated in 'catchment conversations' hosted by NECMA. These events were held across Ovens, King, Upper Murray and Kiewa basins to encourage community involvement in a review of the Regional Waterway Strategy.

Building community awareness -

NECMA invited Turtles Australia to visit Wangaratta for "Talk n Turtles" events designed to raise awareness of wetlands protection and habitat management. Jointly presented by the Wangaratta Sustainability Network, The Centre and the NECMA, these community events were attended by almost 100 people and attracted significant social and mainstream media interest.

Land and water statutory functions

- NECMA processed all referrals, works on waterways permits and flood enquiries within statutory time frames. The Authority was part of a technical reference group for an Environment Effects Statement (EES) process for the Stockman mine at Benambra and is likely to be involved in a similar process for the proposed Unicorn Mine at Corryong.

Embracing technology -

a benchmarking project for irrigation farmers met resistance because farmers perceived additional data entry as an excessive request and many felt they were not able to access information easily. DEPI addressed these concerns by developing an irrigation scheduling smart phone App that allows irrigators to access real time data and to input their data as they irrigate or in their own time. The App will be trialed to test its useability and uptake before being released to a wider irrigation audience.

Protecting the Mitta Mitta Heritage River

- Parks Victoria removed highly invasive woody weeds from substantial areas and lengths of the heritage section of Mitta Mitta River. This work contributed to an increase in river health and will likely lead to an improved Index of Stream Condition score when next assessed. Rehabilitation of the Mitta Mitta was an identified target in the North East Regional River Health Strategy.

Reconnecting with past work

- through the *on-ground works reconnecting with the community* project, NECMA re-engaged with approximately 100 landholders from previous work sites to focus on state wide river health priorities and monitor progress of river restoration works. Landholders greatly appreciated the follow up contact, for sharing the successes of the sites, the issues, and the follow up maintenance activity was also welcomed.

11 NECMA invited Turtles Australia to visit Wangaratta for "Talk n Turtles" events designed to raise awareness of wetlands protection and habitat management.

KEY CHALLENGES

Insufficient data – incomplete knowledge about the extent and densities of weed infestations along parts of the Mitta Mitta River made it difficult to accurately collate data and report on areas treated and managed for the different categories of weeds.

Matching community expectations and environmental goals – NECMA sought to facilitate the transfer of 20 crown frontage licenses to riparian licenses in order to effect a change in management agreements. However, none of the 100 landholders approached wished to make the change. Most regarded the grazing licence as a cheaper option and saw no incentive to change to a riparian licence. In addition, most landholders believed that the grazing licence would allow them to retain the option of putting stock into sites

Extreme weather events - summer heat and drought conditions from spring 2012 to autumn 2013 caused some delays for project delivery in the region. For example, NECMA postponed low flow monitoring of the Upper Ovens that was scheduled as part of environmental water reserves until conditions are more favourable.

'Crowding out' - the extension delivery environment within some target areas is crowded. There are lots of activities happening in this space and the risk is that land holders become saturated with information. To manage this risk, agencies are seeking to collaborate across projects wherever possible to reduce competition and gain efficiencies in information delivery.

Environmental reserves – measuring the influence of environmental water resources on natural resource management and water resource sharing arrangements is difficult.



CATCHMENT CONDITION

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

River and wetland assets, and the aquatic and terrestrial ecosystems that they support, are the most notable characteristics of the North East region. The major river valleys of the Ovens and King, Kiewa, Mitta Mitta and Upper Murray River are unique and integral to the environmental, economic and social values of the region. The rivers and wetlands often have crown land associated with them.

Overall, river and wetland assets are in a relatively moderate condition, providing stable, clean water yield and quality and a diverse range of habitats for aquatic dependant

species (Index of Stream and Wetland Condition and Sustainable Rivers Audit). For example, of the 42 assessed wetlands in the North East CMA region, 24% were in excellent condition and 33% in good condition.

However, there are significant river and wetland health issues in the region as the quality of rivers and wetlands can be affected over different time scales by bushfires, extent of ground cover, inappropriate land use, high intensity rainfall events, cold water releases from storages, de-silting weirs, water extraction and regulation and predicted increases in climate variability.

LAND HEALTH



MANAGEMENT SUMMARY

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

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

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

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

Many local Councils sought to address emerging weed problems, including control of Gorse and Chilean Needle Grass.

Evaluations collected from 1,500 landholders involved in the *Sustainable Farming Practices - Soil Carbon* project identified opportunities for future focus. Overwhelmingly, acid soils and phosphorus availability were identified as important issues. Agencies in the region plan to work together to fill these knowledge gaps. NECMA communicated evaluation findings from this project to all participants and received high levels of interest for future work in this area, including support from Landcare Networks and regional educational facilities (DEPI Victoria, La Trobe & Charles Sturt Universities).

KEY ACHIEVEMENTS

Reduced salt and sediment loads - a combination of direct actions and on ground works by landholders helped to reduce salt and sediment loads in the Mega Murray system. Highlights included; implementation of 20 conservation agreements, treatment of 18 hectares for erosion control and grazing regime change over some 286 hectares.

Improved soil management practices - the *Sustainable Farming Practices - Soil Carbon* programme focussed on improving soil organic carbon through changed farm management practices. NECMA used soil testing as the first method of engagement. This approach proved very successful with over 500 landholders becoming involved. Following initial agronomic sessions, NECMA offered participants a choice of independent agronomists, allowing flexibility and choice for landholders. Topics of interest identified during the initial agronomic sessions included soil biology, aeration, strategic grazing, natural sequence farming, SoilCare, summer fruit growing, cropping and pasture management. NECMA subsequently used these areas of interest as the basis for field days and forums. *Sustainable Farming Practices - Soil Carbon* exceeded all targets and information gathered through surveys conducted prior to the retesting of soils demonstrated that large scale practice change

12 An annual soils forum hosted by NECMA in partnership with the adjoining Murray CMA attracted more than 160 participants. 'Doing More with Less' guest speakers included; Major General Michael Jeffery (National Soil for Life advocate), John Crawford, Daniel Murphy, Elizabeth Stockdale and local landholders

has occurred in the region and will continue into the future. The majority of landholders sampled (land area totalling 116,287 hectares) and participants at field days and forums reported practice change. Opening up agronomic sessions to all interested people enabled NECMA to make contact with people who had never been previously involved with NRM programmes.

Reducing the impact of gorse - NECMA used a range of approaches and partnerships to control gorse in the region. These included site visits on farms and with spraying contractors, mapping of infestations, discussions with the Hodgson-Horsehoe Landcare group, presentations to landholders at a field day at Rutherglen and contact with the local government authorities of Wangaratta, Indigo, Towong and Wodonga. In February 2013 biological control agents were released in the Indigo Shire - an area that contains the majority of Gorse in the North East. The release complemented spraying by contractors. As a result of this multi-faceted process, key agencies and landholders in the region have an improved understanding of the extent of the Gorse problem and best practice methods for treatments.

Demonstration site showcases flood recovery efforts - the Myrtleford township experienced major floods in 2010, 2011 and 2012. A Regional Development Victoria Flood Support project led by NECMA sought to restore the Ovens River landscape around the Myrtleford township to pre-European settlement condition by removing woody weeds like willow, blackberry and privet. NECMA also carried out works on the Myrtleford Breakaway to address bank erosion, a symptom of river bed deepening. Pile fields were used to maintain the river depth and stabilise the bank. After extensive consultation with landholders about willows and erosion control, NECMA removed the woody weeds and replanted local species. Concrete slabs were removed and the river bank cleaned up.

Showcasing biochar conversion – NECMA continued its involvement in development of a mobile device to convert woody debris into biochar. During the year the NSW Central West CMA invited NECMA and partner, Earth Systems, to demonstrate the mobile pyrolysis plant to potential users in its region. As a result, NECMA attended field days and demonstrated the biochar plant in Bathurst, Dubbo and Nyngan. Bathurst Regional Council, Dubbo City Council, Carbon Farming Conference, Earth Systems, NECMA and Skillset in partnership with the Central West CMA supported the field days and tour.

KEY CHALLENGES

Climatic extremes - at an operational level, high rainfall and fire events during the year required a continued focus on emergency recovery and soil conservation works. Recurrent wet conditions created challenges for project delivery and caused delays to scheduled works. Flooding and saturated soils restricted site access, and increased soil moisture contributed to high weed infestations.

Engagement - in some parts of the region, it was difficult to engage with new landholders. Lower numbers of landholders took part in extension activities than initially expected.

CATCHMENT CONDITION

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

The soils of the North East region:

- contribute to regional economic viability;
- perform a range of environmental ecosystem services including provision of clean water, carbon, cycling/storage, support for biodiversity, resistance to erosion;
- influence the quality of natural resources such as air, water and biodiversity; and
- provide a variety of services for a diverse range of stakeholders - from supporting remnant vegetation in forested areas through to intensive horticulture.

Overall, the region's soil and land asset is in moderate condition, with a declining trend in cleared areas (primarily private land), whereas public managed land is generally in moderate to good condition. Soils vary greatly across the region,

ranging from sand through to clays, with a range of physical and chemical properties.

Soil erosion, soil structure decline, and organic matter loss are all significant soil health issues in the region. The North East also has some of the most acidic soils in the State. Key risks to soil and land assets include erosion, soil structure decline, organic matter loss, soil pathogens, acidity, salinity (dryland) and predicted increases in climate variability. Soil health problems are exacerbated in areas affected by land clearing, inappropriate land uses and management practices, and bushfires.

INSIGHT - LAND HEALTH

The soils in the North East region provide a variety of services for a diverse range of stakeholders - from supporting remnant vegetation in forested areas through to intensive horticulture. Maintaining healthy soils and associated vegetation cover in areas of high rainfall and steep topography supports natural resource functions such as the production of clean water for the broader Murray Darling Basin.

Soil carbon levels and acidity are common indicators used to assess the health of soils. The extent to which the soil resource is utilised, maintained or enhanced is related to the land manager's understanding of the capacity, chemistry, structure and physical attributes of their soil. Accordingly, building on land managers' knowledge of soil management and on farm techniques will be fundamental in preventing further decline in soil health and its productive capacity.

Source: 2013 North East Regional Catchment Strategy

COMMUNITY CAPACITY



MANAGEMENT SUMMARY

Activities undertaken to improve community capacity in the region.

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

Landcare remained strong and active in the region and continued to be a cornerstone of community engagement, volunteer recruitment and environmental protection.

Through its North East Landcare Support program, NECMA aimed to support the capacity and resilience of Landcare and other community groups, particularly via strategic planning. Partner agencies assisted Landcare Networks to undertake Network planning, project planning and delivery; encouraged and helped groups to access Second Generation Landcare; provided training and support to community employed Landcare Facilitators and Project Managers; and supported Indigenous community involvement in NRM by encouraging participation in Indigenous skills workshops.

Sustainable agriculture was a key focus. *The Sustainable Farming Practices: Soil Carbon* project sought to inform and educate landholders about the productive benefits of soil carbon in an economically and environmentally sustainable agricultural landscape.

Waterwatch continued to train and support community volunteers, so building water quality monitoring capacity across the region.

Extension visits to participant landholders for Trust for Nature & Woodlands projects helped to build and maintain management skills.

KEY ACHIEVEMENTS

Catchment conversations - these events gave local people and/or partner organisations a new vehicle for providing NECMA with their perspective on the catchment. Following a series of successful “catchment conversations” undertaken as part of the Regional Catchment Strategy (RCS) renewal process during 2012, NECMA made a commitment to continue the conversation with communities across the Catchment. This approach assists NECMA to understand natural resource, social and economic trends.

Finding a focus after floods - major flooding affected the Ovens River from 2010-2012. As the water receded, NECMA found itself inundated with community interest in the region’s Waterwatch program. 28 community members volunteered to monitor water quality in the Ovens catchment during 2012/2013. With training and support from NECMA Waterwatch, these volunteers conducted regular health checks of their local waterways. This involved using water testing kits to collect data on chemical and biological indicators contributed to a state-wide database. Keeping an eye on such indicators is also important for avoiding critical incidents such as mass fish deaths or disruptions to town water supplies. Waterwatch proved to be a great way for people to make connections, share discoveries and build a picture of waterway health across the region. For those who endured hardship and stress during floods, Waterwatch provided an important forum to connect with others and to direct energies post-flood; a great way to strengthen community resilience.

13 Community feedback and research undertaken during the renewal of the North East Regional Catchment Strategy highlighted that people want to feel in control and receive support targeted to their needs.

Many organisations and agencies contributed to the success of this flood support program, including North East Water, Alpine/Indigo/Wangaratta Councils; Ovens, Mudgegonga, Wangaratta Urban Landcare groups; and Wangaratta Sustainability Group.

Promoting water quality -

Waterwatch continued to provide educational support to schools, students and teachers across the catchment. Through ongoing partnerships North East Water, NevrWaste, NECMA, DEPI and various local councils delivered the Schools Environment Education Directory (SEED) to hundreds of students across the catchment. The main focus of SEED were Student Environment Days which involved WRM agencies from the region and great support from local councils.

Sharing traditional knowledge - in parts of the catchment, landholders were keen to engage with and adopt techniques traditionally used by Indigenous groups. Traditional elders from Far North Queensland conducted two fire workshops in the Upper Murray. Their workshops allowed landholders to trial ecological burns on their property to test the difference in native grass health, observe fire as a pest weed control and discuss the potential of further research within threatened grassy woodland ecosystems for carbon retention. An ethno botanist, Dr Beth Gott, led field walks in a grassy woodland area and visited the Albury Wodonga Aboriginal Health Service to present to members of the Aboriginal community about the importance of fire in the landscape for health regeneration of valued bush foods.

Engaging with community - NECMA played a key role in establishing a Statewide Community Engagement and Partnership Framework which was adopted by the NECMA Board. Throughout the year NECMA focussed efforts on reconnecting with communities, especially mountain and remote communities in the Omeo, Benambra and Upper Murray areas.

KEY CHALLENGES

Connecting people with the right support - community feedback and research undertaken during the renewal of the North East Regional Catchment Strategy highlighted that people want to feel in control and receive support targeted to their needs. At the same time, due to the vast array of support providers and specialisation, it is becoming harder for people to determine who they should contact for assistance.

Changing and divergent demographics - demographic change is reconfiguring land use patterns in the North East region, influencing land management motivations, land values, and social structures. There are higher rates of absentee ownership of rural properties; lifestyle and urban areas are becoming more socially diverse; the population is ageing and there is an increasing trend in turnover of land managers. Engaging young people in land management is a significant challenge - many are interested in environmental issues but generally have little prospect of owning or managing land in their youth.

Declining volunteer base - more people are seeking one off (episodic) volunteering opportunities that they can fit into their busy lives, rather than committing to ongoing roles that they may find difficult to fulfil. New approaches are required to encourage voluntary participation in natural resource management. Innovative technology and communication tools can be used to harness new ideas and to connect people to the volunteering opportunities and maintain enthusiasm.

Decline in Aboriginal participation - health and family issues prevented some members of the Aboriginal community from attending traditional ecological knowledge sharing activities and other scheduled events.

CATCHMENT CONDITION

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

There is strong community commitment to improving the condition of natural resources across the region. This is evident with the uptake in partnership projects, active participation and the emergence of urban Landcare groups. Other programs conducted by natural resource management organisations also attracted volunteers who played a significant role in data collection, on-groundworks and feedback. While the primary objective of these community networks was to improve natural resource management, they also provide an opportunity for sharing ideas and a community support role.

The capacity of Landcare Networks in the region remained stable, particularly for Groups who secured Victorian Government funding for Local Landcare Facilitators. These included; Kiewa Catchment Landcare, Mid Ovens collective, Mitta Valley Landcare Group, Ovens

Landcare Network, Upper Murray Landcare Network and Friends of Willow Park. The latter group promoted the formation of the Wodonga Urban Landcare Network. A number of Networks and groups continued to deliver large scale projects funded through a range of Victorian and Commonwealth Grants programs.

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

The ongoing and expanding activities of Blackberry Action Groups in the Upper Murray and Mitta to Murray Network areas have helped to build the collaborative management of blackberry on private and public land in these areas.

INSIGHT - COMMUNITY CAPACITY

Community feedback and research undertaken during the development of the North East Regional Catchment Strategy indicated that:

- even with droughts, floods and social and economic changes, the North East region and its communities are generally resilient; the community and its environment have the ability to adapt, accommodate and manage shocks or stressors and disturbances. It also has a framework in place for the response and recovery phases
- a sustained management effort is needed to accommodate ever changing circumstances. Without this effort the region's natural resources may decline along with the associated social, economic and environmental values
- some trends are beyond control or influence
- community driven solutions are needed to accommodate the likelihood of climate extremes
- a framework for supporting the community will need to deal with Federal, State, regional and local challenges and address conflicting values surrounding use and management of natural resources.

ENVIRONMENTAL STEWARDSHIP

MANAGEMENT SUMMARY

Activities undertaken to improve environmental stewardship in the region.

Management actions to encourage environmental stewardship in the region included:

- fencing to manage livestock and pest animal grazing pressure;
- retaining fallen timber to increase cover and foraging area for fauna;
- undertaking targeted weed control;
- increasing landholder awareness and understanding of effective management practices, particularly on how agricultural production and biodiversity conservation can be integrated.

By way of example, the Threatened Grassy Woodlands project sought to improve natural resource management practice and increase landholder understanding of the benefits of grazing management interventions for biodiversity conservation and productivity. The project established a solid foundation, including very positive relationships between participating landholders and project extension officers.

The public land estate in the North East region is managed under a range of active stewardship frameworks such as the National Reserve System management plan system overseen by DEPI and implemented by Parks Victoria. This framework oversees a range of environmental stewardship activities and outcomes in the extensive crown land estate of the North East region.

KEY ACHIEVEMENTS

Supporting sustainable agriculture

- agencies continued to foster sustainable agriculture by delivering a range of capacity building activities. The 'Sustainable Farming Practices: Soil carbon' project led by NECMA involved neighbouring regional bodies and groups, including the NSW Murray CMA, DEPI and multiple Landcare groups. Through partnering, agencies were able to share resources and sponsor

speakers and special events, making them more affordable and allowing delivery in locations inside and beyond the North East CMA region. In June, 140 farmers from north east Victoria and southern NSW attended a forum and associated field day events that explored ways of adapting technology to ensure that farmers can be productive, profitable and equipped to manage carbon.

Joining forces to protect biodiversity - the two year, multi-regional project, "Improving Threatened Grassy Woodlands of Northern Victoria", achieved integrated landscape scale management of threatened grassy woodlands in Victoria's north-east and north-central NRM regions. The project leveraged new and existing partnerships across the North East and North Central CMAs, DEPI, Trust for Nature and the Australian National University to reduce the decline of its target EPBC Act listed and nationally significant ecological communities. Specifically, the project

- contributed to biodiversity and natural icons by improving over 620ha of native habitat (Box-Gum Grassy Woodlands and Grey Box Grassy Woodlands and Derived Native Grasslands);
- contributed to sustainable farm practices, with 45 land managers adopting management agreements and undertaking activities that contributed to conservation and protection of biodiversity; and more than 180 land managers attending information workshops to improve their knowledge and skills in NRM and sustainable grassy woodland practices;
- brought together Indigenous and non-Indigenous community members - more than 600 people attended activities designed to build capacity and youth involvement. Traditional ecological knowledge was recorded in ways not previously achieved.

Working together to protect waterways - The collaborative, stewardship based North East Biolinks and Mega Murray project successfully contributed to the protection, enhancement and restoration of ecosystem resilience and connectivity for priority aquatic and terrestrial asset. Project partners included, North East DEPI, North

East Trust for Nature and the Upper Murray Landcare Network. Parks Victoria successfully delivered the third year of project activities in North East Victoria, helping to protect the national significant Murray River and heritage-listed Ovens River. A comprehensive project evaluation completed in 2012/2013 highlighted that short-term funded landholder stewardship works are achieving desired results and works are being maintained by landholders over the medium to long-term beyond the life of contractual agreements.

Increasing native habitat - a project focussed on the critically endangered White Box-Yellow Box ecological community achieved some outstanding results. An initial 445 hectare target was exceeded when 16 landholders signed agreements for improved management of 618 hectares of Box-Gum Grassy Woodlands. Stewardship protection and enhancement works included fencing for grazing management, revegetation, pest plant and animal control and retaining woody debris. A collaborative Wisers Creek Talgarno Landcare Group and NECMA field day on 'native pastures for production and conservation' attracted 53 people and farmers of all ages. Participants visited two woodland sites and two speakers provided insights into the different values pertaining to production and conservation management of native grasses within grassy woodland environments. NECMA received ongoing community inquiries for involvement in Traditional knowledge projects, increased involvement in youth participation, and an increase in Traditional Owner consultation and participation in both NRM planning and project review workshops. For the first time in many generations, a Traditional Owner was invited and involved in traditional burning practices in partnership with the Department of Environment & Primary Industries. The project's Indigenous engagement activities built on the foundation of traditional land stewardship by holding events centred on youth involvement, conducting women specific projects, filming events on traditional weaving/importance of grasses to grassy box gum woodland sites and school education.

KEY CHALLENGES

New covenant adoption – this is highly dependent on incentive funds in North East Victoria. Unlike other parts of the State, the North East has very low levels of “reactive” covenants. This means that the extension approach has to be very strong, multi-faceted and linked with incentives. The success of Trust for Nature is influenced by how effectively the organisation works with project partners and individuals. In the North East, TFN is directly aided in its work by NECMA, DEPI, other agencies and individuals.

New revegetation standards – changes have increased the cost of revegetation and require a higher

level of project input by staff to achieve outcomes. While this is manageable at current output levels, this requirement will require careful monitoring. Many landowners are not capable of reaching the standards without a relatively high and ongoing input of time from extension staff.

Client expectations – many people expect higher levels of funding. This is a factor that project staff need to consider when developing incentive programs.

Weed control - high summer rainfall increased the density and extent of weed species such as Fleabane, St John’s Wort, Patterson’s Curse, Thistles and grassy weeds.

CATCHMENT CONDITION

ENVIRONMENTAL STEWARDSHIP THEME	SUMMARY
DESCRIBE THE LEVEL OF ACTIVE ENVIRONMENTAL STEWARDSHIP ON BOTH PUBLIC AND PRIVATE LAND. EXAMPLES INCLUDE THE APPLICATION OF MANAGEMENT PLANS AND AGREEMENTS FOR LAND PROTECTION.	OVERALL STATUS IN REGION: No standard measure available
	TREND Stable

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

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

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

At a regional level, environmental stewardship outcomes are being achieved by a range of programs through the development of management, funding and incentives agreements where environmental works are being undertaken. There is a significant area of private land under agreement via a range of programs where landowners are achieving environmental stewardship and natural resource management outcomes. These agreements are ongoing in the medium timeframe with terms of between five and 10 years. Research into a subset of programs has shown a high level of ongoing stewardship of sites both during the term of the agreement and beyond.

14 A collaborative Wises Creek Talgarno Landcare Group and NECMA field day on ‘native pastures for production and conservation’ attracted 53 people and farmers of all ages.

15 The Threatened Grassy Woodlands project featured activities that were designed to build capacity and encourage youth involvement.



14



15

MONITORING IMPLEMENTATION OF THE REGIONAL CATCHMENT STRATEGY



Monitoring, evaluation and reporting (MER) are integral to management of natural resources. However, monitoring of natural resource condition is difficult.

Future natural resource condition assessments in the North East region will need to:

- be place based
- related to values and context
- recognise key social, economic and environmental values that can be achieved.

The North East Catchment Management Authority is developing a Monitoring, Evaluation and Reporting (MER) Plan to support the Regional Catchment Strategy. This Plan will align with a 20 year high level objective of the North East Regional Catchment Strategy:

Agencies and the community will work together to monitor and evaluate the condition of natural resources and effectiveness of protection measures to improve natural resource management.

NECMA will collaborate with partner agencies to collect and collate the data required to help achieve this objective. As part of this process, NECMA will lead development of a natural resource management portal for the North East region. This portal will become a capture and reporting mechanism for agencies, community groups and researchers.

TIMEFRAMES AND APPROACH

NECMA will develop a Regional Catchment Strategy MER Plan in consultation with DEPI and key stakeholders by July 2014.

As the Regional Catchment Strategy is building on previous natural resource management efforts and frameworks, the MER Plan will need to define what success looks like.

To do this, the Plan will need to identify how the current state for each landscape relates to both the practical ideal state and undesirable state. As these states will vary greatly across the region, monitoring will need to occur at a high level.

As a starting point, key indicators that relate to, or influence, the practical ideal state for each of the five landscapes will be used to measure progress towards attainment of the 20-year landscape objectives within the RCS. Over time, these indicators will be applied to the region's natural assets and identified community participation objectives.

CHALLENGES

The measurement of condition change and landholder practice change is relatively resource intensive (an example being the Index of Stream Condition assessments conducted approximately every six years) and specific funding will need to be allocated for this purpose.

The MER Plan will recognise that:

- monitoring will be undertaken at a high-level, integrated manner to reflect the nature of the region's program delivery
- natural resource condition change can occur over a long time frame and is also subject to other factors beyond the control of natural resource management organisations (such as drought and fires)

16 The release of the North East Regional Catchment Strategy in 2013 signalled a new era for management of natural resources in North East Victoria and highlighted the evolving role of the North East Catchment Management Authority.

- communities and ecological systems co-evolve and there will be a need to create flexibility to cope with change
- there is a need to collate, analyse and interpret data collected through monitoring, so providing valuable data about regional trends and patterns. This data can be used to inform and support adaptive management.

HOW NECMA WILL EVALUATE AND REPORT IN FUTURE






To fulfil requirements under section 19B of the Catchment and Land Protection Act 1994, NECMA is required to annually report on the condition and management of land and water resources in the region. NECMA commits to:

- providing an annual progress report to the RCS partners. This will include a summary of activities delivered by the North East region's NRM partners throughout the year
- undertaking a mid-term evaluation of the RCS by July 2016. This review will allow redirection of management measures if new supporting information has become available
- undertaking a major review of the RCS by July 2019. The ability to adapt is critical to resilience. Appropriate evaluation will inform this process.

While government funding requirements for evaluation often change and differ between and within agencies, NECMA believes evaluation processes should remain constant. Monitoring against benchmarks will provide the data needed to understand long-term progress.

MAKING SENSE OF NORTH EAST VICTORIA - LANDSCAPES AS A CONNECTION POINT

During the renewal of the North East Regional Catchment Strategy, people identified five landscapes systems that were meaningful to them - Urban, Lifestyle, Agriculture, Forestry and Alpine. Each of these landscape systems has their own characteristics, functions and dynamics. The Regional Catchment Strategy lists a recommended priority action for each of these landscapes. These actions were drawn from the identified management measures for that landscape.

<p>URBAN LANDSCAPE</p> 	<p>PRIORITY ACTION: Present waterways, parks and reserves as a centre piece within an urban landscape to improve liveability and community connection with the environment</p>
<p>LIFESTYLE LANDSCAPE</p> 	<p>PRIORITY ACTION: Encourage networking programs that provide for collaborative community participation in natural resource management use and management</p>
<p>AGRICULTURE LANDSCAPE</p> 	<p>PRIORITY ACTION: Support development of community-based solutions to challenges such as the ageing demographics of the farming community</p>
<p>FOREST LANDSCAPE</p> 	<p>PRIORITY ACTION: Build on existing community and government partnerships to develop a sustainable firewood industry to divert collection away from sensitive areas</p>
<p>ALPINE LANDSCAPE</p> 	<p>PRIORITY ACTION: Promote the diversity and uniqueness of the Alpine landscape to improve the connection of the broader community with this landscape and encourage investment in the protection of its natural resource assets</p>

GOVERNANCE

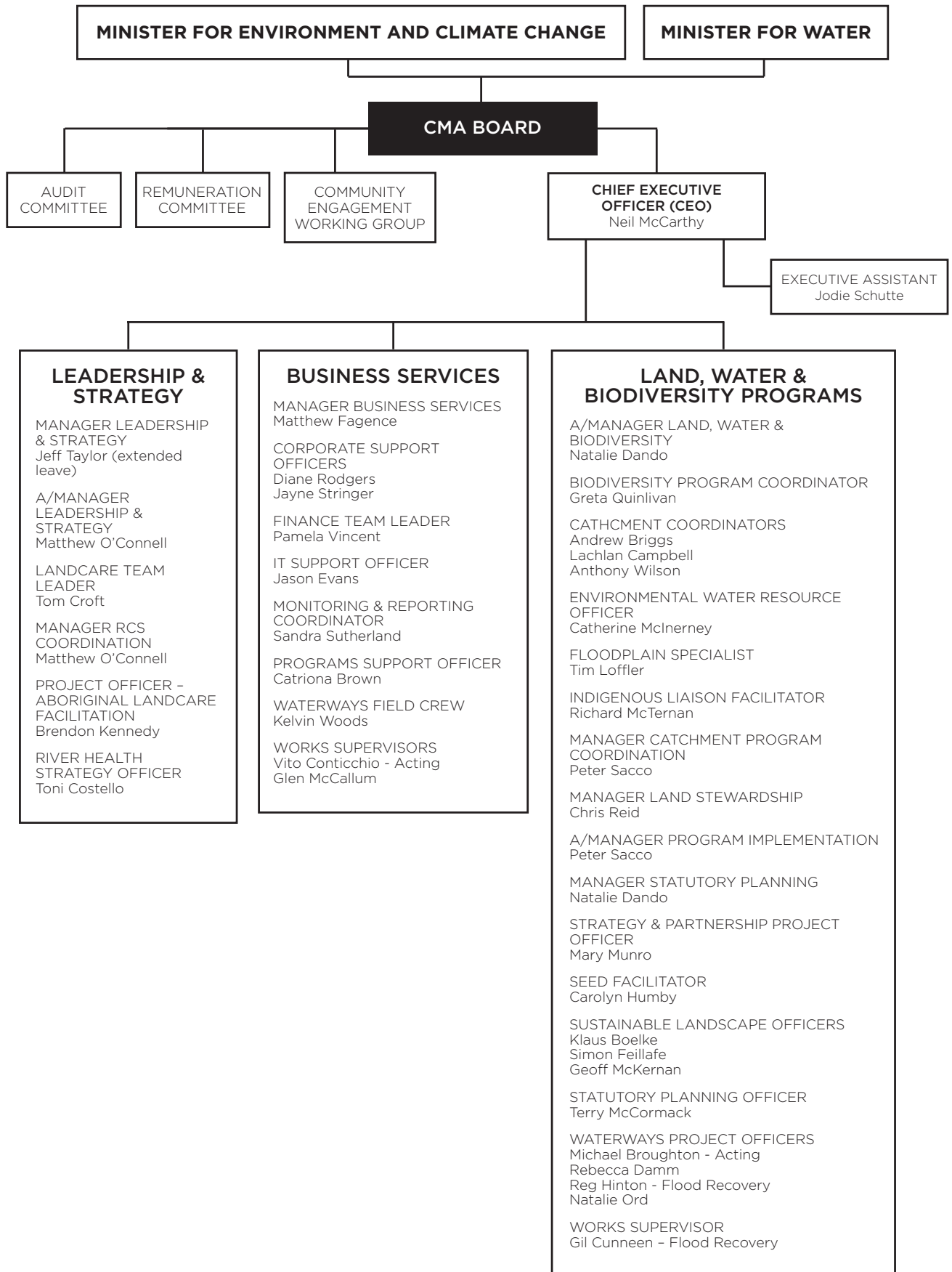
OVERVIEW

THE NORTH EAST CATCHMENT MANAGEMENT AUTHORITY VALUES AND UPHOLDS GOOD GOVERNANCE PRACTICES BY:

- Enabling open interaction between its senior management team, Board and key stakeholders
- Setting strategic direction
- Managing risks
- Developing, monitoring and maintaining policies and procedures
- Managing the CMA's finances in accordance with the Financial Management Act 1994
- Board Members annual declaration of pecuniary interests

ORGANISATIONAL STRUCTURE

FIGURE 1 ORGANISATIONAL STRUCTURE



OUR BOARD



17 LYN COULSTON (CHAIRPERSON)

Lyn owns and operates a plant propagation and landscape design business in the Upper Murray. She has been a North East CMA Board member since 2000 and is a former Councillor and Mayor of the Towong shire. Lyn is also Chair of the Victorian Blackberry Taskforce and Trees Victoria, and Secretary of the Upper Murray Landcare Network. A graduate of the Alpine Valleys Community Leadership Program, Lyn was a finalist in the 2008 National Landcare Awards.



18 BERNARD YOUNG (DEPUTY CHAIRPERSON)

Bernard holds qualifications in forestry and forestry science and is a graduate of the Australian Institute of Company Directors. He has extensive experience in government, business development and forestry research and management. Bernard is the Executive Officer for Trees Victoria.



19 PAUL CARRICK (BOARD MEMBER)

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

20 SUSAN BENEDYKA (BOARD MEMBER)

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

**21 ANTHONY JARVIS
(BOARD MEMBER)**

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

**22 TAMMY ATKINS
(BOARD MEMBER)**

Tammy has a career interest in regional policy and economic development and experience working with all three tiers of government. Community-minded, she is active with a number of local groups, is a Councillor for the Rural City of Wangaratta and a graduate of the Alpine Valleys Community Leadership Program. She lives on a dairy farm in Milawa.

**23 BEN CLIFTON
(BOARD MEMBER)**

Ben is a primary producer, wine and cider maker and property manager in Beechworth also with experience in prime lamb farming and a strong interest in sustainable agriculture. Ben is a graduate of the DAFF Rural Young Leaders course and Entrepreneurs skills enhancement studies from Victoria University. Before joining his family's farm and business Ben was in the Australian Army for 7 years and is a returned serviceman. He is heavily involved in the CFA as well.

**24 MAUREEN ROGERS
(BOARD MEMBER)**

Maureen is an environmental economist working as a contract researcher with various universities. Recent projects include rural landholder responses to climate change, implications of water tariffs on the elderly in rural communities, issues facing ageing farmers, and the use of mind mapping techniques to explore different understandings of fire management in national parks. Maureen also has significant experience in the 'art of community engagement' using local artists to engage people in community sustainability. She has qualifications in Economics, Natural Resource Management and Environmental Economics, and is interested in rural community development and land use in a changing world.

**25 RHONDA SERPELL
(BOARD MEMBER)**

Rhonda is a self employed primary producer of 29 years, and is currently an executive committee member for the Kiewa Catchment Landcare Groups. Rhonda has qualifications in Horticulture and Company Directorship and is currently studying in the area of criminology & criminal justice. Rhonda's other interests are improving our agricultural landscape and using native plants to increase the sustainability and profitability of agriculture.



BOARD MEETINGS

The Board conducted 11 ordinary meetings during the year.

As part of good governance the Board also undertakes an annual review of its performance. The 2011/12 performance review was undertaken and submitted to the Minister in August 2012.

PECUNIARY INTERESTS

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

ATTENDANCE

TABLE 4 BOARD MEETING ATTENDANCE 2012/2013

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Lyn Coulston (Chairperson)	11	11
Bernard Young (Deputy Chairperson)	9	11
Paul Carrick	4	11
Susan Benedyka	8	11
Anthony Jarvis	11	11
Tammy Atkins	9	11
Benjamin Clifton	10	11
Maureen Rogers	11	11
Rhonda Serpell	11	11

AUDIT COMMITTEE

ROLE

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

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

MEMBERSHIP 2012/2013

The members of the Audit committee during the year were:

Anthony Jarvis Chair
 Maureen Rogers Board Member
 Rhonda Serpell Board Member
 Ray Park (External Appointment)

All committee members are non-executive Board Members or External members and are independent in accordance with the Standing Directions of the Minister for Finance under the Financial Management Act 1994.

The committee met four times during the financial year.

MAJOR TASKS 2012/2013

Tasks undertaken by the committee under their areas of responsibility during the year were:

- Effective Management of Risks
 - o Reviewed and Ratified the Board Chair's Business Expenses
 - o Monitored the implementation of the OHS Audit recommendations
 - o Reviewed the Risk Management Reports
 - o Reviewed the Statewide CMA Business Systems MOU
 - o Reviewed the Board & Committee Allowances Policy

- o Reviewed the Risk Management Policy & Framework to check consistency with AS/NZS ISO 31000:2009
- o Reviewed the Gifts, Benefits & Hospitality Policy & Gifts Register
- Reliable management and financial reporting
 - o Review and recommendation to Board of the 2011/12 Annual Financial Statements
 - o Internal Audit - Financial Management Compliance Framework
 - o VMIA Report - Risk Framework Quality Review
 - o Reviewed and assessed the Delegated Levels of Authority Policy
 - o Reviewed the Risk Management Attestation 2012/13
- Compliance with laws and regulations
 - o Reviewed the Common Seal Policy
 - o Reviewed Instrument of Delegation (Water Act) Policy
- Maintenance of an effective and efficient audit
 - o Reviewed all management responses and actions to Internal Audits
 - o Reviewed the prioritisation of the Internal Audit Plan 2013/14
- Other
 - o Quarterly Advice to the Board on all reviews undertaken
 - o Reviewed the Committees Terms of Reference

ATTENDANCE

TABLE 5 AUDIT COMMITTEE MEETING ATTENDANCE 2012/2013

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Anthony Jarvis	4	4
Maureen Rodgers	3	4
Rhonda Serpell	4	4
Ray Park	3	4

REMUNERATION COMMITTEE

ROLE

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

MEMBERSHIP 2012/2013

The members of the Remuneration Committee during the year were:

Lyn Coulston Chair
Susan Benedyka Member
Ben Clifton Member

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

ATTENDANCE

TABLE 6 REMUNERATION COMMITTEE MEETING ATTENDANCE 2012/2013

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Lyn Coulston	3	3
Susan Benedyka	2	3
Ben Clifton	3	3

REGIONAL CATCHMENT STRATEGY RENEWAL COMMITTEE

ROLE

The role of the Regional Catchment Strategy (RCS) Renewal Committee was to work with management on the RCS Renewal project, reporting back to Board for key decisions.

MEMBERSHIP 2012/2013

The members of the RCS Renewal Committee during the year were:

Lyn Coulston Chair
Tammy Atkins Member
Maureen Rogers Member

The Committee met five times between July and October.

At the Board meeting on 23 October 2012, the Board resolved to dissolve the Regional Catchment Strategy Renewal Committee.

ATTENDANCE

TABLE 7 REGIONAL CATCHMENT STRATEGY RENEWAL COMMITTEE MEETING ATTENDANCE 2012/2013

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Lyn Coulston	2	5
Tammy Atkins	5	5
Maureen Rogers	4	5

ENGAGEMENT AND PARTNERING COMMITTEE

At their meeting on 12 October 2012, the Board resolved to form the Engagement and Partnering Committee.

ROLE

The role of the Engagement and Partnering Committee is to assist the organisation in implementing its strategic direction for engagement and partnering.

MEMBERSHIP 2012/2013

The members of the Engagement and Partnering Committee during the year were:

Lyn Coulston Chair
Susan Benedyka Member
Ben Clifton Member
Tony Jarvis Member

The committee met five times during the year. The committee developed the Community Engagement and Partnering Strategy.

ATTENDANCE

TABLE 8 ENGAGEMENT AND PARTNERING COMMITTEE MEETING ATTENDANCE 2012/2013

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Lyn Coulston	5	5
Susan Benedyka	4	5
Ben Clifton	5	5
Tony Jarvis	5	5

POLICIES

RISK MANAGEMENT

The Victorian Government Risk Management Framework (March 2011) (the “framework”) was developed to support best practice in public sector risk management. It provides a collective resource that links a variety of risk management information sources and adds clarity to roles and responsibilities, both for administering risk management policies and implementing risk management processes. The framework provides for a minimum common standard across Public Sector Agencies.

The Minister for Finance issued standing direction 4.5.5 requiring the CMA to implement and maintain risk management governance, systems and reporting requirements as contained in the framework.

In complying with the framework and standing direction 4.5.5, the CMA Board is further required to make an attestation in the Annual Report that the framework is or is not consistent with the AS/NZS ISO 31000:2009 or equivalent.

The Attestation was passed by formal motion at the Board Meeting on 25 June 2013.

RISK MANAGEMENT ATTESTATION

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
RISK MANAGEMENT ATTESTATION 2012/13

I, **Lyn Coulston, Chair of the Board**, certify that the **North East Catchment Management Authority** has risk management processes in place not fully consistent with the Australian/New Zealand Risk Management Standard but there is an internal control system in place that enables the executive to understand, manage and satisfactorily control risk exposures.

An independent review in 2012/13 has identified that the CMA risk management process is integrated, but requires further work to be fully consistent with the Risk Management Standard, therefore an action plan is in place to improve the systems during 2013/14.

The Board further verifies this assurance and that the risk profile of the North East Catchment Management Authority has been critically reviewed within the last 12 months.

Signed: 

Date: 25th June 2013

Name: Lyn Coulston

Position: Chair

INSURANCE

In 2012/13, the Minister for Finance issued Standing Direction 4.5.5.1 - Insurance. This standing direction requires that the CMA take appropriate steps to manage risks and requires that a sufficient level of attention be given to the insurance arrangements associated with its risk profile and claims history.

In complying with this direction, the CMA must refer to the requirements of the Insurance Management policy and Guidelines for General Government Sector issued by the Department of Treasury and Finance.

The Standing Direction 4.5.5.1 requires that an attestation be included in the CMA's annual report.

The Attestation was passed by formal motion at the Board Meeting on 25 June 2013.

INSURANCE ATTESTATION

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
INSURANCE ATTESTATION 2012/13

I, **Lyn Coulston, Chair of the Board**, certify that the **North East Catchment Management Authority** has complied with Ministerial Direction 4.5.5.1 - Insurance. This has been done by:

- a. determining the CMA's appropriate level of insurance in consultation with the Victorian Managed Insurance Authority;
- b. maintaining a current register of insurance and indemnities and made this available to the Victorian Managed Insurance Authority;
- c. but due to the low level of the value of any deductibles, in consultation with VMIA, recording the valuation and basis for valuation of any self insured retained losses was deemed not required.

Signed:



Date: 25th June 2013

Name: Lyn Coulston

Position: Chair

MERIT, EQUITY AND CODE OF CONDUCT

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

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

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

PROTECTED DISCLOSURE ACT 2012 (10TH FEBRUARY 2013 - 30TH JUNE 2013)

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

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

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

The CMA has developed a Protected Disclosure Policy and Procedure and it is available on our website www.necma.vic.gov.au

Under section 57 of the Act the CMA must comply with the IBAC guidelines. These guidelines do not permit the CMA to receive disclosures.

WHISTLEBLOWERS PROTECTION ACT 2001 & PROTECTED DISCLOSURES ACT 2012

The *Whistleblowers Protection Act 2001* was repealed on 10th February 2013 and replaced with the Protected Disclosures Act 2012. The CMA is required to report on both Act's during the 2012/13 reporting period.

Whistleblowers Act 2001 (1st July 2012 to 10th February 2013)

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

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

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

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

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

Internet
www.ombudsman.vig.gov.au

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

Phone 03 9613 6222
Toll Free 1800 806 314

NORTH EAST CMA - APPLICATION OF THE WHISTLEBLOWERS ACT 2001 FOR THE PERIOD 1 JULY 2012 TO 10 FEBRUARY 2013	Number	Type
The number and types of disclosures made to public bodies during the year	NIL	-
The number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures	NIL	-
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	NIL	-
The number and types of disclosures referred by the public body to the Ombudsman for investigation	NIL	-
The number and types of investigations taken over from the public body by the Ombudsman	NIL	-
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	NIL	-
The number and types of disclosed matters that the public body has declined to investigate	NIL	-
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	NIL	-
Any recommendations made by the Ombudsman that relate to the public body	NIL	-

COMPLIANCE

FREEDOM OF INFORMATION

Access to information under the *Freedom of Information Act 1982* is obtained through a written request, as detailed in Section 17 of that Act. Applications must be as detailed and as specific as possible so that the CMA's Freedom of Information Officer can identify and locate relevant documents. All applications must include the statutory \$25.70 lodgement fee. Further charges may be payable. Freedom of Information fees and charges are not subjected to GST.

Requests to the CMA should be sent to:

Jodie Schutte
Executive Assistant (FOI Officer)
PO Box 616
Wodonga, Victoria 3689
Phone (02) 6043 7600
Email necma@necma.vic.gov.au

In the reporting period no requests were received under the *Freedom of Information Act*.

INFORMATION RETAINED AND AVAILABLE

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

The Information Privacy Act 2000 establishes a regime for the responsible collection and handling of personal information in the Victorian public sector. The Authority complies with the 10 Information Privacy Principles.

Further information is available at the Privacy Victoria website www.privacy.vic.gov.au

POWERS AND DUTIES

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

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

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

STATEMENT OF OBLIGATIONS

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

BUILDING ACT COMPLIANCE

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

NATIONAL COMPETITION POLICY

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

PUBLICATIONS

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

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

VICTORIAN INDUSTRY PARTICIPATION POLICY

No major contracts were entered into during the reporting period.

CONSULTANCIES

We entered into a total of 15 minor consultancies (less than \$10,000) resulting in expenditure of \$107,142 during the reporting period.

The major consultancies (greater than \$10,000) during the year are detailed as follows:

TABLE 9 CONSULTANCIES GREATER THAN \$10,000 2012/2013

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED FEE	EXPENDITURE 2012-13	FUTURE EXPENDITURE
Alluvium Consulting	Reedy Ck / Ovens River floodplain Geomorph study	59,090	43,925	15,165
Alluvium Consulting	Omeo Flood Recovery Program - Livingstone Creek - Structure Designs	26,169	20,237	5,932
Kellog Brown & Root Pty Ltd	Environmental Works & Measures Feasibility Program	71,300	71,300	0
Sinclair Knight Merz	Upper Ovens Ecological Monitoring	57,180	57,180	0
Sinclair Knight Merz	Deep Creek Rock Chute Survey	14,924	14,924	0
Water Technology	Whorouly reach Ovens River - Gravel bars Designs	32,851	9,442	0
Water Technology	Ovens River Floodplain Connectivity & Barrier Study	36,020	13,320	0
Water Technology	Rural Levees Assessment	89,798	71,718	18,080
		387,332	302,046	39,177

FINANCIAL SUMMARY

Main stream funding had a significant reduction of approximately \$2.6M in 2012/2013, which is disguised by the CMA still receiving NDRAA flood and fire funding of \$3.1M.

The Board also requested a determined focus on the implementation of the prior year works programs and the completion of the NDRAA flood recovery

projects. This heightened delivery focus resulted in the significant deficit position at 30 June 2013.

The increased receivables balance as at 30 June 2013 relates to outstanding invoices raised to the Department of Environment and Primary Industries and the Department of Treasury & Finance for NDRAA Flood recovery works.

The requirements of the contractual arrangements for flood projects are to undertake works in advance of receiving the funds.

The Carry forward project funds to 2013/2014 and future years is \$7,191,266.

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

TABLE 10 SUMMARY OF FINANCIAL RESULTS

	YEAR ENDED 30/06/13	YEAR ENDED 30/06/12	YEAR ENDED 30/06/11	YEAR ENDED 30/06/10	YEAR ENDED 30/06/09
Operating Revenue	11,444,630	12,128,942	18,876,643	13,443,094	12,996,898
Operating Expenses	13,242,700	14,874,602	15,612,646	13,759,229	12,468,618
Surplus (Deficit)	(1,798,070)	(2,745,660)	3,263,997	(316,135)	528,280
Cash Held	7,372,227	10,908,452	13,783,624	10,938,991	10,415,581
Cash Held as a percentage of revenue	64%	90%	73%	81%	80%

GRAPH 2 REVENUE AND EXPENDITURE ANALYSIS

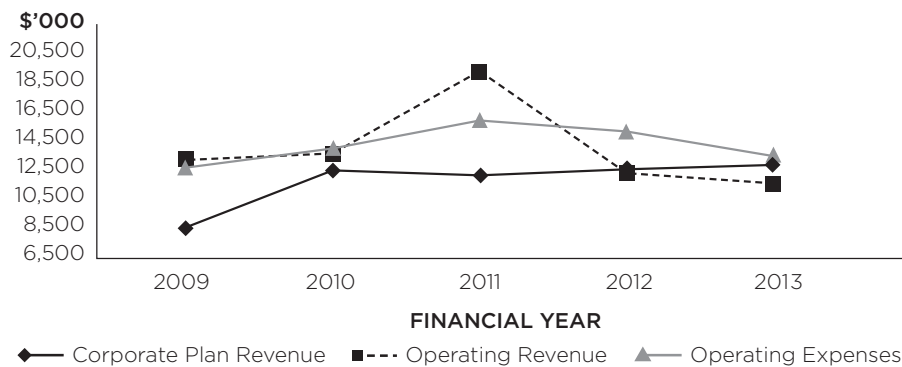


FIGURE 2 REVENUE

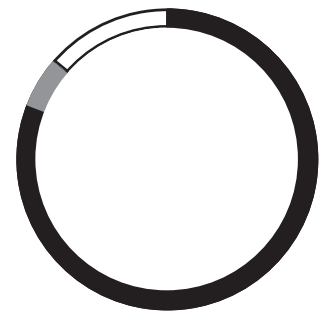
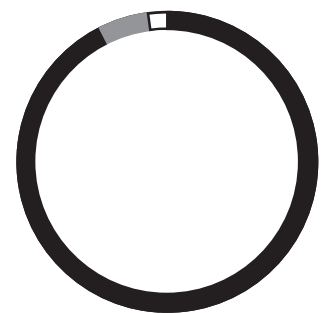


FIGURE 3 EXPENDITURE



- LAND WATER & BIODIVERSITY
- LEADERSHIP & STRATEGY
- BUSINESS SERVICES

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

TABLE 11 REVENUE AND EXPENDITURE BY BUSINESS UNIT

	REVENUE	EXPENDITURE
Land, Water & Biodiversity Programs	9,091,000	12,165,525
Leadership & Strategy	605,844	726,402
Business Services	1,747,786	350,773
Total	11,444,630	13,242,700

OUR STAFF

OUR WORKFORCE PROFILE

The Authority employed 40 people in 2012/13 (35.7FTE), this is a decrease compared to the previous figure of 48 people (42FTE) in 2011/12. The decrease in employment levels between July 2012 and June 2013 is due to 3 resignations, 1 retirement, 2 redundancies, and 2 end of contracts. These positions were not replaced. Only 1 resignation was replaced through normal recruitment processes. There was also 1 staff member on Leave without Pay. The breakdown in staff for the Authority is as follows:

TABLE 12 COMPARISON OF EMPLOYEE NUMBERS

	EMPLOYEES				FIXED TERM & CASUAL
	EMPLOYEES (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE	FTE
June 2013	40	29	11	35.7	4
June 2012	48	34	14	42	6

TABLE 13 COMPARISON OF EMPLOYEES BY GENDER

GENDER	2013			2012		
	ONGOING	FIXED TERM & CASUAL		ONGOING	FIXED TERM & CASUAL	
	EMPLOYEES (HEADCOUNT)	FTE	FTE	EMPLOYEES (HEADCOUNT)	FTE	FTE
Male	24	22.9	3	26	25	3
Female	16	12.8	1	22	17	4

TABLE 14 COMPARISON OF EMPLOYEES BY AGE RANGE

AGE	2013			2012		
	ONGOING	FIXED TERM & CASUAL		ONGOING	FIXED TERM & CASUAL	
	EMPLOYEES (HEADCOUNT)	FTE	FTE	EMPLOYEES (HEADCOUNT)	FTE	FTE
Under 25	0	0	0	0	0	0
25-34	4	4	1	7	7	2
35-44	17	14	2	22	17	3
45-54	10	9.6	0	9	9	1
55-64	8	7.6	1	8	8	1
65 & Over	1	0.5	0	2	2	0

TABLE 15 COMPARISON OF EMPLOYEES BY CLASSIFICATION

CLASSIFICATION	2013			2012		
	ONGOING	FIXED TERM & CASUAL		ONGOING	FIXED TERM & CASUAL	
	EMPLOYEES (HEADCOUNT)	FTE	FTE	EMPLOYEES (HEADCOUNT)	FTE	FTE
Executive officers	1	1	0	1	1	0
Management	3	2.8	0	3	3	0
Land, Water Biodiversity	25	21.9	3	-	-	-
Leadership & Strategy	3	2.4	1	-	-	-
Business Services	9	7.6	0	-	-	-
Water Programs	-	-	-	23	21	4
Strategy & Partnerships	-	-	-	14	12	2
Corporate Services	-	-	-	7	5	1

OUR EMPLOYMENT FRAMEWORK

The CMA has a Workplace Agreement 2011- 2012 in place. The Agreement came into effect on the 13th July 2012. The agreement offers flexible working conditions, provides a framework to ensure all employees have access to learning and development opportunities and rewards employees on the basis of skills and satisfactory work performance.

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

STAFF CONSULTATION

The CMA has a Staff Consultative Committee. The committee's roles are:

- Monitor the implementation of the Workplace Agreement
- Address issues relating to the Workplace Agreement raised by unions and staff,
- Provide advice on staff related policies
- Consider and provide advice to management on employee survey outcomes
- Make recommendations to the Senior Management Team

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

TRAINING AND DEVELOPMENT

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

CULTURAL DIVERSITY AND WOMEN

The North East CMA aims to ensure that women in our workplace, on our boards and our committees are supported in their role. The CMA is committed to a family friendly workplace, through workplace conditions such as paid pre natal leave, paid parental leave, carer's leave and flexible working arrangements. As at the 30 June 2013, women represented 40% of the workforce (Headcount) and 35.9% of the workforce (Full time equivalent).

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

The CMA employs a Project Officer - Aboriginal Landcare Facilitation and Indigenous Liaison Officer who work with local indigenous communities to coordinate natural resource management projects.

YOUNG VICTORIANS

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

HEALTH AND SAFETY

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

To enable an open and clear consultation process we have three designated work groups across the CMA. Group members elect their representative who sits on the

Occupational Health and Safety Committee. The Committee positions 3 year terms end in March 2014.

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

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

The Committee's Annual Work Plan in 2012/13 was to monitor the implementation of the Recommendations out of the April 2012 audit. There were 32 areas of focus with 105 issues to be addressed. The table below shows the priority of tasks and level of completion.

TABLE 16 NORTH EAST CMA - WHS COMMITTEE WORKPLAN 2012-13

PRIORITY LEVEL	# OF ISSUES	COMPLETED	IN PROGRESS	NOT COMMENCED
URGENT	17	17	0	0
HIGH	75	37	31	7
MEDIUM	13	5	1	7

THE NORTH EAST CATCHMENT MANAGEMENT AUTHORITY (NECMA) IS RESPONSIBLE FOR FACILITATING AND COORDINATING THE MANAGEMENT OF LAND, BIODIVERSITY AND WATER RESOURCES IN AN INTEGRATED AND SUSTAINABLE MANNER. WITHIN THIS ROLE, NECMA:

- takes a sustainable approach by balancing social, economic and environmental outcomes
- promotes and adopts an adaptive approach to integrated catchment management, including continuous review, innovation and improvement, and
- plans and makes decisions within an integrated catchment management context.



FINANCIAL REPORT 2012/2013

AUDITOR GENERAL'S AUDIT REPORT _____	36
ACCOUNTABLE OFFICER'S STATUTORY DECLARATION _____	38
COMPREHENSIVE OPERATING STATEMENT _____	39
BALANCE SHEET _____	40
STATEMENT OF CHANGES IN EQUITY _____	41
CASH FLOW STATEMENT _____	42
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS _____	43



Victorian Auditor-General's Office

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

INDEPENDENT AUDITOR'S REPORT

To the Board Members, North East Catchment Management Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of the North East Catchment Management Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the North East Catchment Management Authority as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the North East Catchment Management Authority for the year ended 30 June 2013 included both in the North East Catchment Management Authority's annual report and on the website. The Board Members of the North East Catchment Management Authority are responsible for the integrity of the North East Catchment Management Authority's website. I have not been engaged to report on the integrity of the North East Catchment Management Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
16 August 2013

for 
for John Doyle
Auditor-General

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY ACCOUNTABLE OFFICER'S DECLARATION

The attached financial report for the North East Catchment Management Authority have been prepared in accordance with Standing Directions 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2013 and financial position of the Authority as at 30 June 2013.

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

We authorise the attached financial statements for issue on 9 August 2013.



L. Coulston

Chairperson

9th August 2013



N. McCarthy

CEO and Accountable Officer

9th August 2013



M. Fagence

Manager Business Services

9th August 2013

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
 COMPREHENSIVE OPERATING STATEMENT
 FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Income from Operating Activities			
Government contributions	3(a)	10,425,248	11,056,636
Income from Non-Operating Activities			
Interest	3(b)	348,487	574,689
Other income	3(b)	640,263	443,014
Net profit/(loss) from sale of assets	3(b), 10(d)	30,631	54,604
Total Income		11,444,630	12,128,943
Expenses from Operating Activities			
Employee Costs	4	3,593,188	4,068,453
Depreciation	10(c)	343,757	368,065
Amortisation	11	37,836	39,447
Materials, Maintenance, Grants, Contracts and Consultancies	5	8,189,428	8,905,519
Leases (Properties & Motor Vehicles)		127,678	232,985
Other		950,812	1,260,133
Total Expenses from Operating Activities		13,242,700	14,874,602
Net Result from Operating Activities		(1,798,070)	(2,745,659)
Other Comprehensive Income			
<i>Items that will not be classified to net result</i>			
Gain on revaluation of Property, Plant and Equipment	10(b)	0	102,544
Total Comprehensive Result for the year		(1,798,070)	(2,643,115)

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
BALANCE SHEET AS AT 30 JUNE 2013

	Notes	2013\$	2012\$
ASSETS			
Current assets			
Cash and cash equivalents	7	7,372,227	10,908,452
Receivables	8	2,567,063	596,803
Prepayments		25,875	10,013
Inventories	9	48,750	62,150
Total current assets		10,013,915	11,577,418
Non-current assets			
Property, plant and equipment	10	1,784,878	1,997,678
Intangible assets	11	40,325	57,738
Total non-current assets		1,825,203	2,055,416
TOTAL ASSETS		11,839,118	13,632,834
LIABILITIES			
Current liabilities			
Payables	12	1,255,822	813,536
Provisions	14	12,690	8,670
Employee benefits	13	838,293	797,809
Total current liabilities		2,106,805	1,620,015
Non-current liabilities			
Payables	12	0	385,000
Provisions	14	96,765	93,225
Employee benefits	13	65,821	166,797
Total non-current liabilities		162,586	645,022
TOTAL LIABILITIES		2,269,391	2,265,037
NET ASSETS		9,569,727	11,367,797
EQUITY			
Contributed capital	15(a)	5,103,823	5,103,823
Reserves	15(b)	4,465,904	6,263,974
Accumulated funds	15(c)	0	0
TOTAL EQUITY		9,569,727	11,367,797

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
 STATEMENT OF CHANGES IN EQUITY
 FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Notes	ACCUMULATED FUNDS \$	CONTRIBUTED CAPITAL \$	RESERVES \$	TOTAL \$
Balance at 1 July 2011		0	5,103,823	8,907,089	14,010,912
Net result for the period		(2,745,659)	0	0	(2,745,659)
Other Comprehensive Income					
Transfer of Increments/ Decrements on Revaluation of Land & Buildings	10(b)	0	0	102,544	102,544
Write Off Asset Revaluations to Retained Earnings	15	95,263	0	(95,263)	0
Transfers to/(from) reserves	15	2,650,396	0	(2,650,396)	0
Balance at 30 June 2012		0	5,103,823	6,263,974	11,367,797
Net result for the period		(1,798,070)	0	0	(1,798,070)
Transfers to/(from) reserves	15	1,798,070	0	(1,798,070)	0
Balance at 30 June 2013		0	5,103,823	4,465,904	9,569,727

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
 CASH FLOW STATEMENT
 FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Cash Flows from Operating Activities			
Receipts			
Interest received		351,553	582,716
Other income		258,157	510,794
Receipts from Government		8,890,172	10,893,759
		<u>9,499,882</u>	<u>11,987,269</u>
Payments			
Payments to suppliers and employees		12,837,688	14,529,426
GST paid to the Australian Taxation Office		77,671	(189,553)
		<u>12,915,359</u>	<u>14,339,873</u>
Net cash (outflow) / inflow from operating activities	21	(3,415,477)	(2,352,604)
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(201,915)	(724,349)
Proceeds from sale of non-current assets		101,590	208,442
Payment for intangible assets		(20,423)	(6,661)
		<u>(120,748)</u>	<u>(522,568)</u>
Net cash (outflow) / inflow from investing activities		(120,748)	(522,568)
Net increase / (decrease) in cash held		(3,536,225)	(2,875,172)
Cash and cash equivalents at the beginning of the financial year		10,908,452	13,783,624
Cash and cash equivalents at the end of the financial year	7	7,372,227	10,908,452

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

**NOTE 1
SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

(a) Basis of Accounting

(i) GENERAL

This financial report of the North East Catchment Management Authority (Authority) is a general purpose financial report that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements. The general purpose financial report complies with Australian Accounting Standards (AAS), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions.

The annual financial report was authorised for issue by the Authority's Board on 9th August 2013.

This financial report has been prepared on an accrual basis.

(ii) ACCOUNTING POLICIES

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

(iii) FUNCTIONAL AND PRESENTATION CURRENCY

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

(iv) CLASSIFICATION BETWEEN CURRENT AND NON-CURRENT

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as

current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle - see 1(k) for a variation in relation to employee benefits.

(v) ROUNDING

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

(vi) HISTORICAL COST CONVENTION

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

(vii) ACCOUNTING ESTIMATES

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

(viii) FINANCIAL STATEMENT PRESENTATION

The entity has applied the revised AASB 101 Presentation of Financial Statements which became effective for reporting periods beginning on or after 1 July 2011, and AASB 1054 Australian Additional Disclosures which became effective for reporting periods beginning on or after 1 July 2011.

(b) Revenue Recognition

(i) FEES AND CHARGES

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

(ii) GOVERNMENT CONTRIBUTIONS

Government grants and contributions are recognised as income from transactions on receipt or when an entitlement is

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

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

(iii) INTEREST

Interest is recognised as revenue when earned.

(c) Recognition and Measurement of Assets

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

(i) ACQUISITION

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

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

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

(ii) REPAIRS AND MAINTENANCE

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the

repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

(iii) OPERATING LEASES

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

(iv) LEASEHOLD IMPROVEMENTS

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

(v) NON-CURRENT PHYSICAL ASSETS

Land, buildings and infrastructure assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of Financial Reporting Direction (FRD)103D. The Infrastructure assets revalued in 2011/12 were valued at depreciated replacement cost.

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

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

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

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

(vi) REVALUATIONS

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every five years. (The next valuation is due in 2015/16). Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

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

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

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

(vii) IMPAIRMENT OF ASSETS

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

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

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

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

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

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

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

(d) Depreciation and amortisation of non-current assets

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

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

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

	2013 %	2012 %
Leasehold improvements	3 to 14.5	12.5
Buildings	2.5 to 16.66	2.5 to 16.66
Infrastructure assets	1 to 10	1 to 10
Plant and equipment	2 to 33.33	2 to 33.33
Furniture & office equipment	7.5 to 33	7.5 to 33
Motor vehicles	10 to 33.33	10 to 33.33

(e) Intangibles

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

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

(f) Cash and Cash Equivalents

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

(g) Receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impaired receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amounts credited to the allowance are recognised as an expense in the comprehensive operating statement.

(h) Prepayments

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(i) Inventories

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

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

(j) Trade and Other Payables

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

(k) Employee Benefits

(i) WAGES AND SALARIES AND ANNUAL LEAVE

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

(ii) LONG SERVICE LEAVE

The liability for long service leave is recognised in the provision for employee benefits and measured at nominal values for the component expected to settle within the next 12 months and at the present value for the component not expected to settle within the next 12 months. In calculating the Present Value, consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to

maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave are classified as a current liability, where the employee has a present entitlement to the benefit. The non-current liability represents long service leave entitlements accrued for employees with less than 7 years of continuous service.

(iii) SUPERANNUATION

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

(iv) EMPLOYEE BENEFIT ON-COSTS

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

(v) PERFORMANCE PAYMENTS

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

(vi) TERMINATION BENEFITS

Liabilities for termination benefits are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in accrued expenses unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

Liabilities for termination benefits expected to be settled within 12 months are measured at the amounts expected to be paid when they are settled. Amounts expected to be settled more than 12 months from the reporting date are measured as the estimated cash outflows, discounted using market yields at the reporting date on national government bonds with terms to maturity that match as closely as possible, the estimated future cash outflows.

(l) Provisions

Provisions are recognised when the Authority as a result of a past event, has a legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

(m) Contributions by owners

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

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

(n) Financial Instruments / Investments

(i) RECOGNITION

Financial instruments are initially measured at fair value, plus in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured as set out below:

(ii) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are financial assets held for trading or designated at fair value through profit and loss on initial

recognition when doing so results in more relevant information. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets. Gains and losses arising from changes in fair value are recognised in the Comprehensive Operating Statement.

(iii) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables and other receivables in the balance sheet. Loans and receivables are recorded at amortised cost less impairment.

(iv) HELD-TO-MATURITY INVESTMENTS

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Authority's management has the positive intention and ability to hold to maturity. If the Authority were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets. Any held-to maturity investments held by the Authority are stated at amortised cost.

(o) Goods and Services Tax

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

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet. Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a

gross basis - i.e., inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(p) Taxation

The Authority is not liable for Income Tax.

(q) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to NOTE 16 and NOTE 17) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(r) Contingent liabilities

Contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to NOTE 18) and, if quantifiable, are measured at nominal value. Contingent liabilities are presented exclusive of GST payable.

(s) Objective and funding

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

(t) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. As at 30 June 2013, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2013. The Authority has not, and does not intend to, adopt these standards early.

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	IMPACT ON FINANCIAL STATEMENTS
<p>AASB 1053 Application of Tiers of Australian Accounting Standards, AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements, AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</p>	<p>On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Tier 1 are the Australian Accounting Standards as currently applied and Tier 2 is the reduced disclosure regime which retains the recognition and measurement requirements of Australian Accounting Standards but with reduced disclosure requirements. AASB 2011-6 extends the relief for intermediate parent entities from consolidation, equity accounting and proportionate consolidation to parent entities that report under tier 2, where the parent higher up the group is reporting either under tier 1 or tier 2.</p>	<p>1 July 2013</p>	<p>The impact of this standard will depend on instructions provided by DTF on its applicability to the Authority. The Authority will assess its impact once DTF has provided guidance on this standard.</p>
<p>AASB 2011-4 Amendments to Australian Accounting Standards to remove Individual Key Management Personnel Disclosure Requirements</p>	<p>Removes the individual key management personnel disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporation Act 2001. The amendments cannot be adopted early.</p>	<p>1 July 2013</p>	<p>This amendment is expected to have a limited impact.</p>
<p>AASB 13 Fair Value Measurement , AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13</p>	<p>The standard explains how to measure fair value and aims to enhance fair value disclosures.</p>	<p>1 January 2013</p>	<p>The Authority has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Authority will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 June 2014.</p>
<p>AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</p>	<p>This Standard adds to or amends the Australian Accounting Standards – Reduced Disclosure Requirements for AASB 7 Financial Instruments: Disclosures, AASB 12 Disclosure of Interests in Other Entities, AASB 101 Presentation of Financial Statements and AASB 127 Separate Financial Statements. AASB 1053 Application of Tiers of Australian Accounting Standards provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.</p>	<p>1 July 2013</p>	<p>The impact of this standard will depend on instructions provided by DTF on its applicability to the Authority. The Authority will assess its impact once DTF has provided guidance on this standard.</p>

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	IMPACT ON FINANCIAL STATEMENTS
AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This Standard applies to annual reporting periods beginning on or after 1 July 2013. Earlier application is permitted for annual reporting periods beginning on or after 1 July 2009 but before 1 July 2013, provided that the following are also adopted for the same period: (a) AASB 1053 Application of Tiers of Australian Accounting Standards; (b) AASB 13 Fair Value Measurement; and (c) AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.	1 July 2013	The Authority does not plan to adopt these standards until their effective date. As such, this amendment will not be adopted until the year ended 1 July 2013
AASB 2012-5 Amendments to Australian Accounting Standard arising from Annual Improvements-2009-2011 Cycle	These amendments are a consequence of the annual improvements process, which provides a vehicle for making non-urgent but necessary amendments to Standards.	1 January 2013	The impact of this standard will depend on instructions provided by DTF on its applicability to the Authority. The Authority will assess its impact once DTF has provided guidance on this standard.
AASB 1055 Budgetary Reporting	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budgets to the parliament.	1 January 2014	This Standard is not applicable as no budget disclosure is required.

**NOTE 2
FINANCIAL RISK
MANAGEMENT**

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

a) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Authority's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Authority's exposure to market risk is primarily through interest rate risk with significant surplus funds held in term deposits and deposits at a call. The Authority has no exposure to foreign exchange risk or other price risk.

At balance date term deposits totalled \$6,400,000, with a weighted average interest rate of 2.79% (2012: term deposits totalled \$10,150,000, with a weighted average interest rate of 3.59%).

At balance date \$6,785 held in deposits at call with a weighted average interest rate of Nil% as the balance was below the \$10,000 threshold. (2012: \$234,986).

All trade creditors and accruals are non-interest bearing.

	INTEREST RATE RISK		INTEREST RATE RISK	
	+1% Profit	+ 1% Equity	-1% Profit	- 1% Equity
Cash and Cash Equivalents	\$	\$	\$	\$
2013	73,722	73,722	(73,722)	(73,722)
2012	109,085	109,085	(109,085)	(109,085)

INTEREST RATE SENSITIVITY ANALYSIS

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

(b) Credit risk

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

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

The Federal Government created in 2008/09 the Guarantee scheme which guarantee's the security of funds held. As at February 2012, the guarantee is for the first \$250,000 held in requisite banking institutions.

All investments are held with the Treasury Corporation of Victoria.

(c) Liquidity risk

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

(d) Fair Value

Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The carrying amount of creditors and accruals at 30 June 2013 approximates market value.

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

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

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

(e) Interest rate exposures and maturities

	WEIGHTED AVERAGE INTEREST RATE	FLOATING INTEREST \$	FIXED INTEREST MATURING LESS THAN 1 YEAR \$	NON INTEREST BEARING \$	TOTAL \$
2013					
Financial asset					
Cash and cash equivalents	2.79%	971,827	6,400,000	400	7,372,227
Receivables (*)	N/A	0	0	2,446,805	2,446,805
Financial Liabilities					
Payables	N/A	0	0	1,255,822	1,255,822
Net financial assets/liabilities		971,827	6,400,000	1,191,383	8,563,210
2012					
Financial asset					
Cash and cash equivalents	3.59%	758,052	10,150,000	400	10,908,452
Receivables (*)	N/A	0	0	533,472	533,472
Financial Liabilities					
Payables	N/A	0	0	1,198,536	1,198,536
Net financial assets/liabilities		758,052	10,150,000	(664,664)	10,243,388

(*) Adjusted for NET GST Receivable

	2013 \$	2012 \$
NOTE 3		
REVENUE		
(a) Government Contributions		
Contributions to operations:		
State Government		
River Health/Healthy Waterways	2,301,350	2,567,000
Natural Resource Investment Program	1,180,000	2,474,000
Natural Resource Investment Program - Competitive Grant	0	587,645
Catchment Planning/Corporate Governance 11/12	0	520,615
Catchment Planning/Corporate Governance 12/13	941,567	0
2010/11 Flood Recovery Program	2,989,761	1,014,526
Flood Employment Program	10,000	60,000
Second Generation Landcare	586,000	925,000
Market Validation Program - Biochar Project	0	423,000
Bush Fire Recovery	160,000	0
CMA Board Skills and Capacity	20,000	0
Recreational Fishing Grants	22,500	0
Commonwealth Government		
Caring for Our Country	1,843,000	1,843,000
Caring for Our Country - Natural Disaster Recovery	0	25,000
Caring for Our Country - Competitive Grants	237,645	350,000
Biodiversity Fund	77,175	154,350
Carbon Farming Initiative (Biochar)	56,250	112,500
Total Government contributions shown as operating revenue	<u>10,425,248</u>	<u>11,056,636</u>
Total Government contributions	<u>10,425,248</u>	<u>11,056,636</u>
Conditional grants		
The Authority has recognised as revenue several grants received from the Government where the full project has not yet been completed.		
An analysis of these grant monies that are under a Contractual or Service Level Agreement is displayed at NOTE 17.		
(b) Other revenues		
Interest	348,487	574,689
Other:		
Water Authorities	199,749	182,514
Murray Darling Basin Authority	55,000	70,700
Rural City of Wangaratta	33,972	0
East Gippsland Shire Council	34,589	0
Goulburn Broken CMA	49,937	0
Contribution to Asset (BioChar)	150,000	0
Miscellaneous	117,016	189,799
	<u>640,263</u>	<u>443,014</u>
Total other revenues	<u>988,751</u>	<u>1,017,702</u>
Net profit/(loss) from sale of non current assets	<u>30,631</u>	<u>54,604</u>
Total revenue	<u>11,444,630</u>	<u>12,128,942</u>

	2013 \$	2012 \$
NOTE 4		
EMPLOYEE COSTS		
Salaries & Wages	2,568,655	2,703,305
Annual Leave	208,180	247,743
Long Service Leave	79,758	87,555
Other Leave	242,876	179,360
Salary On Costs	493,718	465,490
Salary On Costs (Vision Super LASF Defined Benefits Plan Unfunded Liability)	0	385,000
	<u>3,593,188</u>	<u>4,068,453</u>

NOTE 5
**EXPENSES - MATERIALS, MAINTENANCE, GRANTS,
CONTRACTS AND CONSULTANCIES**

Materials	506,713	321,737
Repairs and Maintenance		
Motor vehicles & Plant	53,954	64,506
General	11,505	12,432
Consultants	705,180	939,050
Contractors	5,494,237	5,695,783
Grants Paid	1,417,839	1,872,011
	<u>8,189,428</u>	<u>8,905,519</u>

NOTE 6
REMUNERATION OF AUDITORS

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

Payable as at 30 June 2012	0	9,750
Payable as at 30 June 2013	10,000	0
	<u>10,000</u>	<u>9,750</u>

(amounts are exclusive of GST)

NOTE 7
CASH AND CASH EQUIVALENT ASSETS

Cash and cash equivalent assets

Cash on hand	400	400
Cash at bank	965,042	523,066
Deposits at call	6,785	234,986
Investments		
Term Deposits - Treasury Corporation of Victoria	6,400,000	10,150,000
	<u>7,372,227</u>	<u>10,908,452</u>

The cash and investments total above includes funds held for restricted purposes. As demonstrated in NOTE 17 the closing balance of \$5,042,473 is subject to Contractual or Service Level Agreements and will be spent in future accounting periods.

	2013 \$	2012 \$
NOTE 8		
RECEIVABLES		
Current		
Trade debtors	2,300,368	528,448
	<u>2,300,368</u>	<u>528,448</u>
Other debtors		
GST Paid	120,258	63,331
Sundry Debtors	144,480	0
Accrued Interest on Term Deposits	1,958	5,024
Total receivables	<u>2,567,063</u>	<u>596,803</u>

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

NOTE 9
INVENTORIES

Current		
Rock Stockpile	48,750	62,150
Total inventories	<u>48,750</u>	<u>62,150</u>
Movements during the reporting period		
Opening Balance Rock Stockpile	62,150	12,051
Rock derived from blast/digging	159,100	160,000
Rock used	(172,500)	(109,901)
Closing Balance Rock Stockpile	<u>48,750</u>	<u>62,150</u>

	2013 \$	2012 \$
NOTE 10		
PROPERTY PLANT & EQUIPMENT		
(a) Classes of property, plant and equipment		
Leasehold improvements		
At cost	115,957	115,957
Accumulated depreciation	(113,937)	(111,675)
	2,020	4,282
Land		
At valuation	147,000	147,000
	147,000	147,000
Buildings		
At valuation	533,038	533,038
At cost	8,310	0
Accumulated depreciation	(32,903)	(16,176)
	508,445	516,862
Infrastructure / works		
At valuation	134,001	134,001
Accumulated depreciation	(11,762)	0
	122,239	134,001
Plant and equipment		
At Fair Value	1,000,560	842,514
Accumulated depreciation	(665,892)	(618,220)
	334,668	224,294
Furniture and office equipment		
At Fair Value	349,839	347,790
Accumulated depreciation	(287,452)	(240,897)
	62,386	106,893
Motor vehicles		
At Fair Value	1,066,984	1,179,748
Accumulated depreciation	(458,864)	(315,402)
	608,120	864,346
Total property, plant and equipment	1,784,878	1,997,678

Basis of valuation

Infrastructure and Works were independently valued as at 30 June 2012 by the Valuer-General Victoria. Infrastructure and Works valuations were based on the depreciated replacement cost (Fair Value).

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

(b) Movements during the reporting periods

	Leasehold Improvements \$	Land \$	Buildings \$	Infrastructure and Works \$	Plant and Equipment \$	Furniture and Office Equipment \$	Motor Vehicles \$	Total \$
Carrying Amount								
Balance as at 1 July 2011	9,933	147,000	530,999	44,332	310,217	108,140	542,068	1,692,689
Additions	0	0	2,039	0	3	65,795	656,513	724,350
Disposals	0	0	0	0	0	0	(150,035)	(150,035)
Revaluations	0	0	0	102,544	0	0	0	102,544
Write-Offs	0	0	0	(2,619)	0	(1,186)	0	(3,805)
Depreciation	(5,651)	0	(16,176)	(10,256)	(85,926)	(65,856)	(184,200)	(368,065)
Balance as at 1 July 2012	4,282	147,000	516,862	134,001	224,294	106,893	864,346	1,997,678
Additions	0	0	8,310	0	158,046	2,048	33,511	201,915
Disposals	0	0	0	0	0	0	(70,959)	(70,959)
Depreciation	(2,262)	0	(16,727)	(11,762)	(47,672)	(46,556)	(218,779)	(343,757)
Balance as at 30 Jun 2013	2,020	147,000	508,445	122,239	334,668	62,386	608,120	1,784,878

	2013 \$	2012 \$
(c) Depreciation charge for the year		
Leasehold improvements	2,262	5,651
Infrastructure / works	11,762	10,256
Plant & equipment	47,672	85,926
Furniture & office equipment	46,556	65,856
Motor vehicles	218,779	184,200
Buildings	16,727	16,176
	343,757	368,065
(d) Profit and/or loss on sale of non-current assets		
Proceeds from sale of fixed assets	101,590	208,443
Less written down value	(70,959)	(153,839)
Net profit/(loss) on disposal	30,631	54,604

	2013 \$	2012 \$
NOTE 11		
INTANGIBLES		
Intangibles - Software and Licences		
At cost	249,299	228,877
Accumulated amortisation	(208,975)	(171,139)
	<u>40,325</u>	<u>57,738</u>
Movements during the reporting period		
Opening Balance	57,738	90,524
Additions	20,423	6,661
Amortisation	(37,836)	(39,447)
Closing Balance	<u>40,325</u>	<u>57,738</u>

NOTE 12
PAYABLES

Current Payables

Trade payables	253,725	228
Accrued expenses	869,510	732,812
Other	132,587	80,496
Total Payables	<u>1,255,822</u>	<u>813,536</u>

Non-Current Payables

Accrued expenses (Vision Super Unfunded Contributions) - refer Note 19	0	385,000
Total Non-Current Payables	<u>0</u>	<u>385,000</u>
Total Payables	<u>1,255,822</u>	<u>1,198,536</u>

NOTE 13
EMPLOYEE BENEFITS

Current

Annual leave	299,028	354,073
Long service leave	504,816	399,018
Other - Time in Lieu	34,449	44,718
Total Current	<u>838,293</u>	<u>797,809</u>

Non-Current

Long service leave	65,821	166,797
Total Non-Current	<u>65,821</u>	<u>166,797</u>

Aggregate carrying amount

Current	838,293	797,809
Non-Current	65,821	166,797
Total Employee Benefits	<u>904,114</u>	<u>964,607</u>

Full Time Equivalent Employee numbers at end of financial year:

35.70

42.20

Current Leave Provisions represent the unconditional portion of employee benefits. The Authority expects to pay \$360,316 (2012: \$350,479) of the current provisions in the next 12 months.

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

Weighted average increase in employee costs	4.50%	4.31%
Weighted average discount rates	3.20%	2.74%
Weighted average settlement period	7 years	7 years

	2013 \$	2012 \$
NOTE 14		
PROVISIONS		
Quarry Rehabilitations		
Current Provisions		
Everton	4,470	2,970
Walwa	4,380	1,860
Moyhu	3,840	3,840
Total Current Provisions	12,690	8,670
Non Current Provisions		
Fairyknowe	24,149	25,336
Sandy Creek	72,616	67,889
Total Non Current Provisions	96,765	93,225
Total Quarry Rehabilitations	109,455	101,895

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

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

	2013 \$	2012 \$
NOTE 15		
CONTRIBUTED CAPITAL, RESERVES AND ACCUMULATED FUNDS		
(a) Contributed capital		
Balance at beginning of year	5,103,823	5,103,823
Balance at end of year	5,103,823	5,103,823
(b) Reserves		
Asset revaluation reserve		
Balance at beginning of year	643,746	636,465
Transfer of increments/Decrements on Disposal of non-current assets	0	102,544
Net transfers (to)/from accumulated funds	0	(95,263)
Asset revaluation reserve	643,746	643,746
Committed funds reserve		
Balance at beginning of year	5,620,228	8,270,624
Net transfers from accumulated funds	(1,798,070)	(2,650,396)
Committed funds reserve	3,822,158	5,620,228
Total Reserves	4,465,904	6,263,974
(c) Accumulated funds		
Balance at beginning of year	0	0
Net result for the period	(1,798,070)	(2,745,659)
Transfer from Asset Revaluation Reserve	0	95,263
Transfer (to)/from Committed Fund Reserve	1,798,070	2,650,396
Balance at end of year	0	0

Committed funds reserve

The reserve has been established to recognise that the Authority receives funding for programs in advance of the program works taking place. The Authority is committed to expending these funds in accordance with its Corporate Plan in succeeding years. At the end of the financial year any Accumulated Funds which represents unexpended program funding, has been transferred to the reserve.

There is an amount of \$3,471,034 in contributed capital previously transferred in from accumulated funds which represents various works programs not covered by the committed funds reserve.

	2013 \$	2012 \$
NOTE 16		
COMMITMENTS		
(a) Operating leases		
Non-cancellable operating lease commitments inc. GST		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	160,062	146,260
Later than one year but not later than five years	96,108	225,216
Later than five years	0	0
	256,170	371,476

(b) Capital commitments

As at 30 June 2013 the Authority had Nil in capital expenditure commitments (2012: \$Nil).

(c) Non-Capital commitments

As at 30 June 2013 the Authority had \$1,714,470 (2012: \$82,093) in non-capital expenditure commitments. All Outstanding Commitments are to be expensed in the 2013/14 Financial Year.

NOTE 17
GRANT CONTRIBUTIONS SUBJECT TO RESTRICTIONS

As at 30 June 2013, the Authority had programs subject to restrictions totalling \$5,042,473 (2012: \$7,715,693) to complete during the 2013/14 and following financial years. This consists of grants received by the Authority but not expended as at 30 June 2013.

The Authority receives funding for projects that can cover more than one financial year. The funding is subject to restrictions and must only be spent in accordance with the contractual or service level agreements. The table below displays programs that have projects currently in progress or completed during the financial year. The closing balance represents the funds to be carried forward to future financial years. These unspent funds may be returned to the funding source at the completion of the projects.

Compliance Statement As at 30 June 2013

Program	Opening Balance	Reallocation due to Organisation Restructure	2012/13 Amount Received	2012/13 Amount Expensed	Closing Balance
Strategic Natural Resource Asset Protection	0	3,223,718	3,045,329	5,409,026	860,021
Sustainable Catchments	0	4,491,975	3,189,556	3,523,950	4,157,581
Emergency Response and Recovery	0	0	196,000	171,129	24,871
Corporate Governance and Management	0	0	150,000	150,000	0
Water Programs	6,129,757	(6,129,757)	0	0	0
Strategy & Partnerships	1,585,936	(1,585,936)	0	0	0
Corporate Services	0	0	0	0	0
	7,715,693	0	6,580,885	9,254,105	5,042,473

Compliance Statement As at 30 June 2012

Program	Opening Balance	2010/11 Amount Received	2010/11 Amount Expensed	Closing Balance
Water Programs	6,592,056	4,818,497	5,280,796	6,129,757
Strategy & Partnerships	1,436,337	4,268,068	4,118,469	1,585,936
Corporate Services	0	150,000	150,000	0
	8,028,393	9,236,565	9,549,265	7,715,693

Funds held at 30 June 2013 are anticipated to be expended as follows:

Period	2012/13	2011/12
Within one year	3,313,714	6,148,364
Later than one year but within five years	1,728,759	1,567,328
Later than five years	0	0
Total Committed Funds	5,042,473	7,715,693

NOTE 18 CONTINGENT LIABILITIES

As at 30 June 2013, the Authority has issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$85,800 (2012: \$85,800)

NOTE 19 SUPERANNUATION

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

Fund	Type of Scheme	Rate %	2013 \$	2012 \$
Vision Super	Defined benefits	9.25%	33,919	22,369
Vic Super New Scheme	Accumulation	9%	33,495	30,789
Vision Super Saver	Accumulation	9%	70,485	78,035
All Other funds	Accumulation	9%	135,390	118,985
Total contributions to all funds			273,289	250,178

As at balance date there was \$77,739 (2012: \$27,525) in contributions payable to the above funds. No balances were repayable in respect of loans made to the Authority from any fund.

Defined Benefits

Accumulated super funds receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the Fund.

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

The Authority makes employer contributions to the defined benefit category of the Vision Super Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation

conducted by the Fund's Actuary as at 31 December 2011, the Authority makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year);

Vision Super undertook an Actuarial review as at 31st December 2011. The Trustee determined that there was an unfunded liability of \$406 million net of Contributions Tax. The Authority's actual contribution to the short fall inclusive of interest and taxes to 30 June 2012 was \$366,321.10. This amount was payable as at the 1st July 2013, but the Authority chose to pay this early on the 31st May 2013 to take advantage of a reduced interest payment, making the actual payment made of \$364,150.09.

All other funds are accumulation funds. Employer contributions are normally based on a percentage of employee earnings (as at 30 June 2013 it is 9% under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.

NOTE 20
RESPONSIBLE PERSONS
RELATED DISCLOSURES

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

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

Honourable Ryan Smith, MP	Minister for Environment and Climate Change
Honourable Peter Walsh, MLA	Minister for Water
L. Coulston	(Chair)
B Young	(Board Member & Deputy Chair)
N. McCarthy	(CEO)
T. Atkins	(Board Member)
S Benedyka	(Board Member)
P Carrick	(Board Member)
B. Clifton	(Board Member)
A Jarvis	(Board Member)
M. Rogers	(Board Member)
R. Serpell	(Board Member)
J Taylor	(Acting CEO - 29 Nov 12 to 14 Dec 12 & 15 Apr 13 to 3 May 13)
M Fagence	(Acting CEO - 2 Jul 12 to 6 Jul 12 & 17 Sep 12 to 21 Sep 12)

Remuneration of responsible persons

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

Band	2013	2012
\$0-\$9,999	2	6
\$10,000-\$19,999	8	4
\$20,000-\$29,999	0	2
\$30,000-\$39,999	1	0
\$50,000-\$59,999	0	1
\$70,000-\$79,999	0	1
\$170,000-\$179,999	1	0
Total Remuneration \$	323,059	259,021

Other transactions
Responsible Persons

Lyn Coulston (Board Chair) is a director of Mountain Creek Native Plant Nursery. During the 2013 year the Authority purchased \$2,800 (2012: \$20,500) of seedlings from Mountain Creek Native Plant Nursery. These purchases were based on normal commercial terms and conditions.

Susan Benedykya (Board Member) is a director of The Regional Development Company Pty Ltd. During the 2013 the Authority received \$84,054 (2012: Nil) of consulting services from the Regional Development Company Pty Ltd. These services were based on normal commercial terms and conditions.

Anthony Jarvis (Board Member) has had flood recovery works undertaken on his property. During the 2013 the Authority undertook flood recovery works to the value of \$14,318. These flood works met Department of Treasury and Finance's guidelines for flood relief works.

Responsible Persons - related parties

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2013 (2012: Nil).

Remuneration of executive officers

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

Band	Total Remuneration		Base Remuneration	
	2013	2012	2013	2012
\$100,000-\$109,999	0	0	0	1
\$110,000-\$119,999	0	2	0	1
\$120,000-\$129,999	1	0	1	0
\$140,000-\$149,999	2	1	2	1
Total number of Executive Officers	3	3	3	3
Total Annualised Employee Equivalent (*)	2.1	2.3	2.1	2.3
Total Remuneration \$	414,388	377,613	413,171	366,279

(*) Annualised Employee Equivalent is based on working 38 ordinary hours per week over the reporting period

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the first two columns in the table above in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

A couple of factors affected total remuneration payable to executives over the year. An executive returned from extended Long Service Leave and the covering Higher Duties arrangement ceased operating. An executive also transitioned between full time and part time hours on a flexible working arrangement and an executive was seconded to the Department of Environment & Primary Industries at the beginning of June 2013.

	2012 \$	2012 \$
NOTE 21		
RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net result for the period	(1,798,070)	(2,745,659)
Add/(less) Non-Cash Flows in Net Result		
(Profit) / loss on disposal of non-current assets	(30,631)	(54,604)
Depreciation and amortisation	381,593	407,512
	(1,447,108)	(2,392,751)
Changes in Assets and Liabilities		
Decrease/(increase) in trade receivables	(1,970,260)	(365,748)
Decrease/(increase) in inventories	13,400	(50,099)
(Decrease)/increase in provisions	7,560	6,545
Decrease/(increase) in prepayments	(15,862)	21,346
(Decrease)/Increase in payables	57,285	323,095
(Decrease)/increase in employee benefits	(60,493)	105,008
Net Cash flows from Operating Activities	(3,415,477)	(2,352,604)

NOTE 22 SUBSEQUENT EVENTS

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

APPENDICES

GOVERNANCE

PERFORMANCE INDICATORS	TARGETS	ACHIEVED REPORTING 2012-2013
BOARD PERFORMANCE		
Complete and submit an annual board performance assessment report, according to any Ministerial guidelines issued	By 31 August annually	Submitted 31 August 2012
Participation by board members in development activities	All board members participate in development activities	100% of board members participated in development activities
BOARD CHARTER		
Develop and implement a board charter	The board charter is reviewed (and if necessary, amended) 30 June annually	The Charter was approved by the Board in April 2013.
RISK AND FINANCIAL MANAGEMENT		
Compliance to risk management plans for each program	All programs have risk management plans in place	75%
	Nil non-compliances with risk management plan	Nil
POLICIES AND PROCEDURES		
Regular review of policies and procedures	Each policy and procedure is reviewed at least every five years	<ul style="list-style-type: none"> • 24 Policies in total • 46% of the policies scheduled for review in 2012/13 • 36% of the scheduled policies have been reviewed @ 30 Jun 2013 (ie 4 of 11)

EFFICIENCY AND ORGANISATIONAL PERFORMANCE

PERFORMANCE INDICATORS	TARGETS	ACHIEVED REPORTING 2012-2013
GRANT MANAGEMENT		
Administration costs of grants are minimised	10 per cent or less of grant funds is spent on administration	2.23% of grant funds spent on administration Nil grants programs with more than 10 per cent spent on administration
Minimise time taken to determine grant applications	Grant applications are determined within one month of being received	All grants determined within 30 days
REGULATORY WATERWAY/WATER FUNCTIONS		
Number of days to process works on waterways permits	Not more than 20 working days	Average of 11.2 working days to process applications Number of applications that took more than 20 working days to process 26, out of a total of 135.
Number of days to process referrals for any works on or in relation to a dam	Not more than 20 working days	Average number of workingdays to process referrals- 0 days. Number of referrals thattook more than 20 working days to process, - 0.
Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	12.6 days is the average number of working days to process referrals, for the 162 referrals received. 16 referrals took more than 20 working days to process
Number of days to process enquiries from local government and the community on flooding	Not more than 20 working days	8.9days is the Average number of workingdays to respond to enquiries Number of enquiries thattook more than 20 working days to process was 10 out of approximately 180 enquiries)
Number of days to process referrals for Water Use Licences that don't meet the standard water-use conditions	Not more than 20 working days	Nil referred by Goulburn Murray Water to the CMA
Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans and seasonal adjustments to annual use limits	Not more than 20 working days	Average number of workingdays to process referrals - 10days. Number of referrals thattook more than 20 workingdays to process, - 0.
Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences	Not more than 20 working days	Nil referred by Goulburn Murray Water to the CMA

EFFECTIVENESS AND ENVIRONMENTAL OUTCOMES

PERFORMANCE INDICATORS	TARGETS	ACHIEVED REPORTING 2012-2013
INTEGRATED RIVER HEALTH MANAGEMENT		
Revise Regional River Health Strategy to plan for waterways in relation to their economic, social and environmental values	Regional River Health Strategy revised every six years	New Regional Waterways Strategy under development
Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the environmental water reserve in accordance with objectives	Environmental Operating Strategies developed or revised every five years Annual Watering Plans approved for all Environmental Entitlements	No Environmental Operating Strategies were developed or revised
Implement annual river health programs and activities to improve environmental values and health of water ecosystems	All annual river health targets and works programs achieved	90% of annual riverhealth targets and worksprograms achieved
REGIONAL CATCHMENT STRATEGY (RCS) IMPLEMENTATION		
Complete and submit the developed or revised RCS according to any guidelines, standards and related information issued	Submit the developed or revised RCS by the due dates required in any guidelines, standards and related information issued	North East RCS – Pending Ministerial Version submitted on 27 Sep 2012. North East RCS was approved in May 2013.
Percentage of RCS annual actions implemented	All RCS annual actions implemented	North East RCS approved in May 2013
REGIONAL NATIVE VEGETATION PLAN (RNVP) IMPLEMENTATION		
Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	No Current RNVP Plan
INVASIVE PLANT AND ANIMAL MANAGEMENT		
Regional Invasive Plant and Animal Strategies incorporating related priorities in all land tenures in the region	Invasive Plant and Animal Strategies revised by 30 June every five years	Regional Draft Strategy on hold due to reforms in Biosecurity Regulations
REGIONAL AND STATUTORY PLANNING		
Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body	100 per cent of referral responses provided for each issue	No requests received

PERFORMANCE INDICATORS	TARGETS	ACHIEVED REPORTING 2012-2013
SALINITY MANAGEMENT		
Implementation and periodic review of Regional Salinity Management Plans (RSMP) and Land and Water Management Plans (LWMP)	RSMP and LWMP completed RSMP and LWMP periodically reviewed RSMP and LWMP include annual actions to be implemented	Nil RSMP and LWMP completed LWMP to be reviewed 2013/14 Annual actions implemented through the Mega-Murray and Biolinks projects
Progress against annual action targets	All annual RSMP and LWMP actions and targets achieved	Salinity targets not measured
Develop regional salinity targets and corresponding works programs in accordance with the Murray Darling Basin Salinity Agreement (for applicable CMAs only)	All annual salinity targets and works programs achieved	Salinity targets not measured
Annual report on the allocation and update of salt disposal entitlements submitted to the responsible Minister	By 31 July annually or as otherwise requested by the responsible Minister	Not applicable. The North East region has no salt disposal entitlements
REGIONAL LANDCARE GROUPS, NETWORKS AND OTHER COMMUNITY GROUPS		
Deliver the Regional Landcare Support Strategy, including coordination of Landcare at a regional scale	Evaluate and revise the strategy every five years	Review of the Regional Landcare Support Plan commenced in January 2013

DISCLOSURE INDEX

REF.	DISCLOSURE	PAGE NO.
DEPI Compliance Review		
FRD 22D	Manner of establishment and the relevant Ministers	70
FRD 22D	Objectives, functions, powers and duties	29
FRD 22D	Nature and range of services provided	Back cover
FRD 22D	Organisational structure, names and functional areas of responsibility of senior officers	21
FRD 22D	Names of board members	22-23, 62
FRD 22D	Statement of workforce data for current and previous financial year	32
FRD 22D	Merit and equity	28
FRD 22D	Five year summary of the financial results	31
FRD 22D	Significant changes in financial position during the year	31
FRD 22D	Objectives and performance against objectives	64-67
FRD 22D	Major changes or factors affecting performance	2, 3, 64-67
FRD 22D	Subsequent events which will affect operations in future years	63
FRD 22D	Details of consultancies >\$10,000	30
FRD 22D	Details of consultancies - total no. and cost <\$10,000	30
FRD 12A	Disclosure of major contracts	29
FRD 22D	Application and operation of FoI Act 1982	29
FRD 22D	Application and operation of the Whistleblowers Protection Act 2001	28
FRD 22D	Application and operation of the Protected Disclosures Act 2012	28
FRD 22D	Compliance with building and maintenance provisions of the Building Act 1993	29
FRD 22D	Statement on National Competition Policy	29
FRD 22D	OHS Policy	33
FRD 24C	Environmental Reporting	N/A
FRD 25A	VIPP disclosures	29
FRD 10	Disclosure index	68
FRD 22D	Statement of availability of other information	29, 70
SD4.5.5	Risk Management Compliance Attestation	26
SD4.5.5.1	Insurance Attestation	27
Financial Statements Required under Part 7 if the Financial Management Act 1994		
SD4.2(f)	Compliance with model Financial Report	38-63
SD4.2(b)	Comprehensive Operating Statement	39
SD4.2(b)	Balance Sheet	40
SD4.2(b)	Statement of Changes in Equity	41
SD4.2(b)	Cash flow Statement	42
SD4.2(c)	Accountable Officers Declaration	38
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	38, 43
SD4.2(c)	Compliance with Ministerial Directions	43
SD4.2(d)	Rounding of amounts	43
Other Disclosures in Notes to Financial Statements		
FRD9A	Departmental disclosure of administered assets and liabilities	N/A
FRD11	Disclosure of ex-gratia payments	N/A
FRD 21B	Responsible person and executive officer disclosures	62-63
FRD 102	Inventories	45, 53
FRD 103D	Non current physical assets	44, 54-55
FRD 109	Intangible Assets	45, 56
FRD 112C	Defined Benefit Superannuation obligations	61

GLOSSARY OF TERMS

ABBREVIATION TERM

ARI _____	Arthur Rylah Institute (pg X)
CaCl _____	Calcium Chloride
CAMS _____	Catchment Activity Management System
CfoC _____	Caring for our Country
CLF _____	Community Liaison Facilitator
CLRG _____	Community Liaison Reference Group
CMA _____	North East Catchment Management Authority
DEPI _____	Department of Environment and Primary Industries
EEO _____	Equal Employment Opportunity
EPBC _____	Environment Protection and Biodiversity Conservation Act 1999
EVC _____	Ecological Vegetation Classes
EWR _____	Environmental Water Reserve
G-MW _____	Goulburn-Murray Water
Ha _____	Hectare
ISC _____	Index of Stream Condition
IT _____	Information Technology
Km _____	Kilometre
LIDAR _____	Light Detection and Ranging
MDBC _____	Murray Darling Basin Commission
MERIF _____	Monitoring Evaluation Reporting & Improvement Framework
MoU _____	Memorandum of Understanding
MSS _____	Municipal Strategic Statement
NESHAP _____	North East Soil Health Action Plan
NEW _____	North East Water
NSWS _____	Northern Sustainable Water Strategy
OBWQWG _____	Ovens Basin Water Quality Working Group
OHS _____	Occupational Health and Safety
PDC _____	Protected Disclosure Coordinator
pH _____	Acidity / Alkalinity Scale
PPSR _____	Participatory Performance Story Reporting
RCIP _____	Regional Catchment Investment Plan
RCS _____	North East Regional Catchment Strategy
REALM _____	Research Application Model
RGSC _____	Regional Groundwater Services Committee
SFMP _____	Stream Flow Management Plan
SLA _____	Service Level Agreement
VCMC _____	Victorian Catchment Management Council
VMIA _____	Victorian Managed Insurance Authority
VROTS _____	Victorian Rare or Threatened Species
WAP _____	Waterway Action Plan

REPORT PROFILE

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

The responsible Ministers during the 2012/2013 reporting period were the Hon Ryan Smith MP, Minister for Environment and Climate Change and the Hon Peter Walsh MLA, Minister for Water.

This report of operations and associated financial statements has been prepared to meet statutory requirements and inform stakeholders of the CMA's activities for the 2012/13 period.

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

- Previous annual reports
- Corporate Business Plan 2012/13 to 2017/18
- Regional Catchment Strategy
- North East Regional River Health Strategy
- Regional Catchment Investment Plan

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

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

ISSN 1836-2990

© State of Victoria, (North East Catchment Management Authority) 2013. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

HIGHLIGHTS 2012/2013

MARCH 2013

Diane Farmer won the inaugural North East Victoria Water Ambassador Award launched by NECMA and North East Water to mark World Water Day. An active member of the Wangaratta Sustainability Network, the Award recognised Diane's efforts in promoting water and environmental sustainability in the North East area.

Landcare groups and individual members took part in 'kitchen conversations' organised by NECMA to encourage insights and ideas for inclusion in a new Landcare Support Plan.



APRIL 2013

More than 200 people attended "Doing More With Less" annual soils forum Hot House Theatre, Gateway Island, Wodonga. Major General Michael Jeffery, Australia's first Soils Advocate, spoke about his long term vision for Australia in supporting global food security.



Throughout the year NECMA focussed efforts on reconnecting with communities, especially mountain and remote communities in the Omeo, Benambra and Upper Murray areas. In March NECMA Board inspected restoration of alpine bog in the Alpine National Park and attended briefings in the Omeo area.



MAY 2013

National Volunteer week. NECMA recognises and thanks the 2000+ Landcare volunteers and 50+ Waterwatch volunteers who contribute to natural resource management and environmental sustainability across the catchment



Victorian Minister for the Environment and Climate Change, Hon Ryan Smith, visits Corryong today to release new strategies for managing Victoria's land, water and biodiversity resources.



Traditional elders from Far North Queensland conducted fire workshops in the Upper Murray that allowed landholders to trial ecological burns on their property to test the difference in native grass health, observe fire as a pest weed control and discuss the potential of further research within threatened grassy woodland ecosystems for carbon retention.



JUNE 2013

NECMA hosts Turtles Australia visit to Wangaratta for "Talk n Turtles" community events designed to raise awareness of wetlands protection and habitat management.

North East Landcare Forum, "Landcare, Looking Forward", attracted an impressive speaker line-up, including Alexandra Gartmann from FRRR, Ella Maesepp from ALC, Karen Brisbane from Victorian Landcare, Les Robinson from Enabling Change, Libby Riches from Southern Otway Landcare Network and local Landcare groups.

NECMA monitors river levels near Harrierville and in the Buckland Valley over a weekend of intense rainfall. While the waterways were very turbid, there were no debris blockages or problems with flash flooding.

Researchers from the Department of Environment and Primary Industries (DEPI) and Arthur Rylah Institute (ARI) use video to assess the effectiveness of putting habitat for native fish back into rivers across Victoria.

HOW WE CAN HELP YOU

You can contact the North East Catchment Management Authority for advice and assistance in the following areas:

FUNDING AND GRANTS

We provide information about natural resource management funding programs and link you to funding sources. Our website has regular updates about grants and incentive programs. Visit www.necma.vic.gov.au

WORKS ON WATERWAYS AND FLOODPLAIN MANAGEMENT

You can contact us for works on waterways permits and planning advice in relation to flooding and waterways.

EDUCATION

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

LANDCARE

If you are new to our region, we can put you in contact with your nearest Landcare group.

SEMINARS AND WORKSHOPS

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

INDIGENOUS SUPPORT

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

1B Footmark Crt,
PO Box 616
Wodonga, VIC 3689

Telephone 02 6043 7600
Facsimile 02 6043 7601
necma@necma.vic.gov.au
www.necma.vic.gov.au



With support from



Australian Government