



IN MARCH 2012 THE LARGEST FLOOD ON RECORD OCCURRED ON THE MURRAY RIVER AND TRIBUTARIES UPSTREAM OF WALWA. IN RESPONSE, WE INITIATED A SERIES OF 'CAR BONNET' SESSIONS TO PROVIDE INFORMATION AND ADVICE FOR FARMERS IMPACTED BY FLOODING. HELD AT SPORTING OVALS, COMMUNITY HALLS AND SHOPS, THESE 'CAR BONNET' SESSIONS WERE WELL RECEIVED BY THE COMMUNITY.



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

Annual Report 2011/2012



01 The CMA supported field testing of a mobile device that can convert woody debris into biochar.

02 Elders from Queensland shared traditional knowledge about fire management with farmers and CMA staff in a workshop held at Chiltern.

03 Farmers from north-east Victoria, the Goulburn Murray and southern NSW continued a major push to protect Threatened Grassy Woodlands, one of Australia's most poorly conserved ecosystems.

04 The CMA held a series of staff and Board workshops with a focus on building organisational resilience, better understanding community expectations and aligning priorities to meet government directions.

05 Guest speakers at a 'Sustainable Farming Systems' forum explored external factors affecting agriculture and considered the application of new technology to meet the increasing expectations of community, government and the private sector. Funded through 'Caring For Country' the event was jointly developed by the North East and Murray CMAs, Landcare North East Victoria and Department of Primary Industries.

COVER PHOTO STORY

During 2011/2012 we sought to respond to community needs in new ways.

In early March the largest flood on record occurred on the Murray River and tributaries upstream of Walwa.

As a direct result, the North East CMA received 89 new requests for assistance from farmers and landholders in the catchment, with almost 50% of these from the Upper Murray.

Recognising the scale of need, we devised a series of 'car bonnet' sessions in the Upper Murray to provide information to farmers and invited representatives from Goulburn Murray Hume AgCare and the Department of Primary Industries to also provide information and advice. Held at sporting ovals, community halls and shops, these 'car bonnet' sessions were well received by the community.

(Pic by Simon Dallinger)

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

Pictured - the heritage-listed Mitta Mitta River in the Upper Murray.



MESSAGE FROM THE CHAIR & CEO



The North East region is constantly changing in response to new and emerging environmental issues, and social and economic shifts.

Like the region around us, the North East Catchment Management Authority (NECMA) also evolved and changed during 2011/2012. Significantly, our organisation:

- farewelled and paid tribute to our inaugural Chief Executive, Mr John Riddiford, who over 13 years actively contributed to and fostered many innovative approaches in the North East;
- welcomed the appointment of new Board members - Ms Tammy Atkins, Mr Ben Clifton, Ms Maureen Rogers and Mrs Rhonda Serpell;
- established new strategic directions, with a focus on building organisational resilience, better understanding community expectations and aligning priorities to meet government directions. Using the framework of 'working together' we sought to identify ways that we can work with our key partners and members of the community to maintain and protect our region's natural resource assets; and
- successfully recruited a dynamic new Chief Executive, Mr Neil McCarthy, to lead our organisation into the future.

At a strategic level, we focused our efforts in three key areas:

- Engagement and partnering - we sought to strengthen and extend our relationships with existing and new partners and encouraged community involvement in natural resource management in the region;
- Building an innovative and collaborative culture - we encouraged new approaches to natural resource management in our catchment and encouraged our staff to share ideas;

- Delivering on core business - we provided information, advice and education about effective integrated catchment management, continued to deliver on ground works, and managed the environmental water reserve and a number of statutory functions under the Catchment and Land Protection (CaLP) Act 1994 and Water Act 1989, including floodplain management referrals and authorisation of works on waterways.

At an operational level, numerous high rainfall and flood events during the year required a continued focus on emergency flood 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.

On a positive note, these natural events also:

- presented an opportunity to work with a range of agencies and community groups in providing comprehensive community support to those affected by flooding;
- replenished wetlands and groundwater supplies; and
- created positive seasonal conditions, resulting in record commodity prices for many graziers.

WORKING TOGETHER TO PROTECT THE REGION'S NATURAL RESOURCES

We continued to foster and support sustainable agriculture and worked with key partners to protect biodiversity and encourage environmental stewardship in the catchment.

Neighbouring regional bodies and groups, including the NSW Murray CMA, Victorian Department of Primary Industries (DPI) and multiple Landcare groups joined our 'Sustainable Farming Practices: Soil carbon' project. Through partnering, we were able to share resources and sponsor speakers, making events more affordable and allowing delivery in locations within and beyond the North East CMA region.

BUILDING AN INNOVATIVE AND COLLABORATIVE CULTURE

We continued our involvement in development of a mobile device to convert woody debris into biochar. In conjunction with CSIRO and Victorian company, Earth System, we field tested a biochar prototype that can convert willow heaps into energy and a soil ameliorant. Preliminary results indicate:

- reductions in excess of 1000 tonnes of CO2 per year are achievable,
- many risks associated with open burning of debris heaps can be eliminated, and
- the device will deliver significant potential benefits for agriculture and other end uses.

We also sought to respond to community needs in new ways.

In early March the largest flood on record occurred on the Murray River and tributaries upstream of Walwa. Recognising the scale of need, we devised a series of 'car bonnet' sessions in the Upper Murray to provide information to farmers and invited representatives from Goulburn Murray Hume AgCare and the Department of Primary Industries to also provide information and advice. Held at sporting ovals, community halls and shops, these 'car bonnet' sessions were well received by the community.

DELIVERING ON CORE BUSINESS

As the agency responsible for floodplain management and river health in the region, the North East CMA focused a large part of its operations on flood response and recovery. Our main priority was delivery of the Victorian Government Flood Recovery program in the region.

We responded to requests from landholders impacted by floods and delivered works at more than 420 locations across the catchment according to the Victorian Government's three key funding criteria:

- restoring river erosion resulting from flood where it threatens public assets or could cause a river breakaway,
- restoring public assets and previous CMA works damaged by flooding, and
- removing flood debris that poses a threat of damage should flooding occur in future.

Finally, the renewal of the North East Regional Catchment Strategy provided us with an opportunity to interact with many partners and community groups in development of an environmental 'blueprint' for our region. The draft Strategy that we are developing on behalf of the region has reinforced the clear link between natural resource management and productive agriculture in the north east. It has also opened the door for important conversations in our catchment. These conversations will continue throughout 2012 and beyond.



Handwritten signature of Lyn Coulston in cursive.

Lyn Coulston
Chairperson

Handwritten signature of Neil McCarthy in cursive.

Neil McCarthy
Chief Executive Officer

09 We invited our local government partners to inspect flood recovery sites in the region. Pictured Alpine Shire and CMA representatives at a Mount Beauty site.



10 We invited members of our indigenous community to share traditional ecological knowledge with local landholders. Pictured two people examining a plant in a natural setting. The number 10 is visible in the bottom left corner of the image.



OUR VISION

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

OUR MISSION

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

- the North East CMA's key services (or core activities) are advice, grants, works, education and regulation
- its clients are the community, government(s), ministers, partner agencies, local government and other stakeholders
- through the Regional Catchment Strategy (RCS), the North East CMA sets NRM priorities, and coordinates the delivery of NRM programs.

OUR CATCHMENT

RAINFALL AND STORAGE DATA

Based on the 112 years of records held for Victorian rainfall, 2011 was the 12th wettest year. Most recording stations saw above average rainfall and many stations pushed into the top 10% of their wettest years on record.

January saw major and moderate flooding in the north east, and much of the region set new records for their wettest February. March was also wetter than normal across the state.

The wettest recording station across the state for 2011 was Falls Creek (Rocky Valley) with 2438.8 mm.

TABLE 1 GENERAL REGIONAL STATISTICS

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

TABLE 2 MAJOR WATER STORAGES (AT CAPACITY)

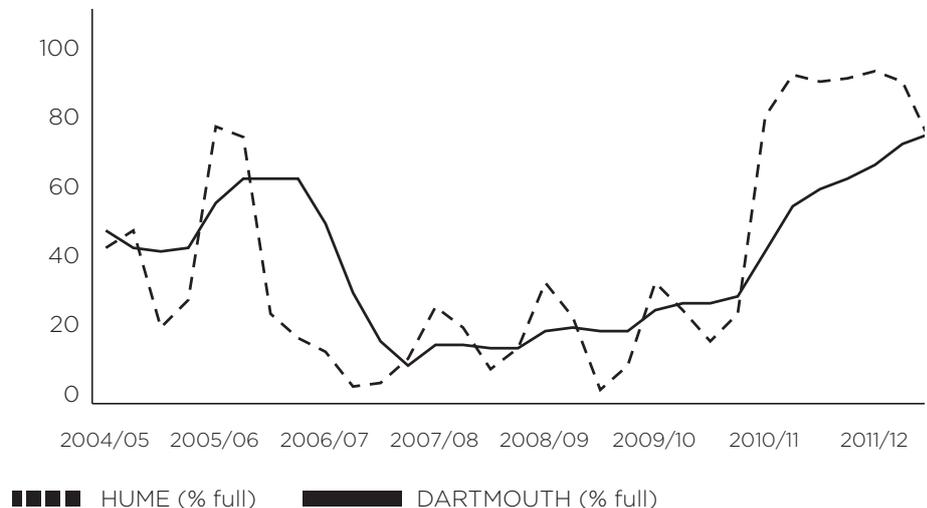
Storage	Capacity (ML)
Dartmouth Dam	3,906,400
Lake Buffalo	24,000
Lake William Hovell	13,500
Hume Weir	3,038,000
Rocky Valley Dam	29,110

TABLE 3 RAINFALL DATA BY CALENDAR YEAR

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

Rainfall data courtesy of Australian Bureau of Meteorology.

GRAPH 1 STORAGE LEVEL - HUME WEIR & DARTMOUTH DAM



EXECUTIVE SUMMARY: MANAGEMENT AND CATCHMENT OVERVIEW

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

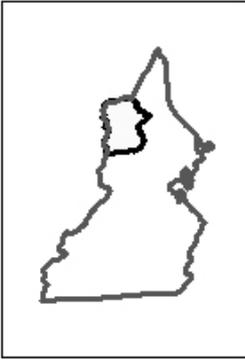
It is set out according to these headline themes*:

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

The **Management Summary** describes what main activities were undertaken by key NRM agencies in the North East Catchment Management Authority (NECMA) region during 2011/2012 to address priority issues, improve the condition of assets and engage with our community. This summary includes activities undertaken by the Department of Sustainability & Environment (DSE), the Department of Primary Industries (DPI), NECMA, 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.

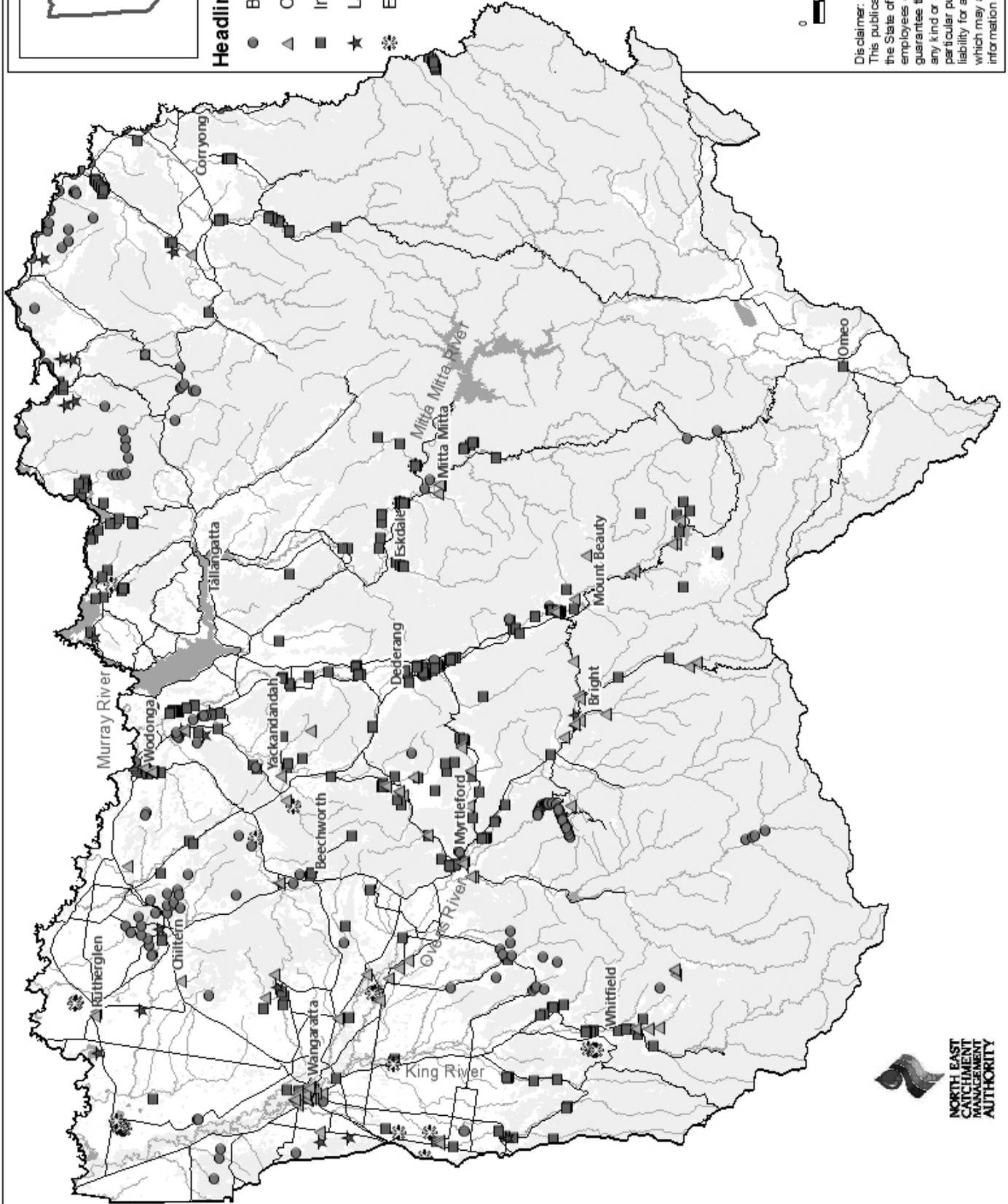


Headline Theme Activities

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



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MANAGEMENT SUMMARY

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

During 2011/2012 the key biodiversity delivery partners in the North East region:

- continued to secure conservation agreements with land managers to project, enhance and restore priority vegetation communities and remnant vegetation in priority locations;
- utilised the Actions for Biodiversity Conservation (ABC) database, National Recovery Plans and State Action Statements as primary tools for determining funding and action priorities, particularly in relation to the protection of threatened species and communities;
- 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

Practice change - Through involvement in the Targeted Biolinks project, some landholders in flood prone areas trialled new fencing techniques. Despite delays caused by successive flood events, the North East CMA successfully completed a Waterway Action Plan for the King River and secured Landholder Partnerships in the Upper Murray and Mitta.

Feral horse control - Ongoing successful control of the Bogong High Plains feral horse population has resulted in a 50% reduction in numbers between 2009 and 2012. The Victorian Brumby Association continued to support the multi-regional Alpine Peatlands project by re-homing all captured horses. DSE staff located at Swifts Creek plan to extend the reach of the project by capturing horses in State Forest south of Dinner Plain.

Cooperative management agreements - the North East Threatened Species and Communities project led to development of agreements with key public land agencies who manage threatened species and community assets. MOUs with Hancock's Plantation Pty Ltd and SP Ausnet detailed mutually agreed commitments to improve management and protection of three National and/or State threatened flora in the Carboor area, including land manager commitments to fund mitigation of threats such as pine wildling invasion, woody weed competition, inappropriate fire regime and habitat disturbance through roading and harvesting. This is an effective model that will be replicated across private and public lands sites to improve management in priority sites and result in the best use of limited funding and resources.

Development of a quality resource with high public appeal

- A collaborative project between DSE and Foundation of Parks and Wildlife (co-funders) produced a new Woodland Birds of NE Victoria brochure that featured 64 species, including 22 of 24 birds from the FFG listed Declining Woodland Bird Community.

New translocation initiatives

- DSE partnerships with Royal Botanic Gardens and key local specialist native plant nurseries led to germination and production of seedlings for 10 target threatened flora species, with the establishment of 82 threatened orchid and 336 other threatened flora species in the 2011/12 period.

Re-establishing a species

- 260 captive-bred Spotted Tree Frogs were released in the Mount Buffalo National Park in an effort to re-establish the species in a former stronghold. The release marked the culmination of six years planning and captive husbandry undertaken at the Amphibian Research Centre (ARC) in partnership with National Recovery Team and Parks Victoria. Initial (six weeks post release) monitoring results indicated high survivorship rates; although post winter (i.e. 1213) results will determine the ultimate success of this project. Funding for the Spotted Tree Frog project was provided by ARC, Parks Victoria, DSE region, and the North East CMA.

Captive breeding programs

- New captive breeding programs were established in 2011/2012 for Alpine She-oak and Alpine Guthega Skinks. There was ongoing and captive husbandry and breeding of Threatened Spotted Tree Frog, Regent Honeyeater, Macquarie Perch and Mountain Pygmy-possum.

KEY CHALLENGES

Flooding - Successive floods events in 2010/2011 and 2011/2012 hindered delivery of the Targeted Biolinks project. Ongoing issues included staff redeployment to emergency flood response and recovery activities, changes in planned locations of works and delays in delivering project activities due to poor site access.

Access to specialists - The limited availability of alpine wetland specialists for assessment and planning tasks hindered delivery of the Protecting North East Alpine Peatlands project. Unfavourable weather conditions also impeded site assessments and on-ground works during the limited summer and autumn period suitable for field work. In summary, it was not feasible to undertake detailed site assessment and planning, and implement the on-ground works for all wetlands during the available one-year project timeframe.

Feral horse control - The number of feral horses controlled through the Protecting North East Alpine Peatlands project was well down on previous years, largely due to:

- a significantly reduced feral horse population after several years of successful control on the Bogong High Plains;
- the availability of ample forage following the breaking of the drought, thereby creating less enticement for horses to seek food in traps;
- poor access to areas where horses were in higher densities due to limited vehicle access and wet ground conditions preventing off-track vehicle use;
- three horses captured this year were released by members of the public before Parks Victoria staff could remove them from traps; and
- one horse escaping from the trap due to a trap malfunction

CATCHMENT CONDITION

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

Since 1750 the extent and quality of native vegetation in North East Victoria has significantly declined in certain areas. It is estimated that the region has approximately 62% of native vegetation remaining, with a net loss of 298 habitat hectares per year. This decline is most extensive on private land, with only 17% of native vegetation originally on private land remaining. Of the eight bioregions represented in the region, half have 31% or less of native vegetation cover.

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

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

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

After almost a decade of drought, climatic conditions in the region continued to improve in 2011/2012 with numerous rainfall/flood events. This resulted in improved environmental condition for ecosystems, particularly wetlands. Warm, wet conditions encouraged strong growth of summer-growing native grasses, boosted riverine forests and aided natural regeneration of shrubs and eucalypts in threatened grassy woodland ecosystems. However, the increase in soil moisture also delivered ongoing management challenges, such as increased weed growth and decreased access to sites. Pest species from mice to predators such as red fox have significantly increased which pose a risk to susceptible, threatened small to mid range fauna species.



INLAND AQUATIC ECOSYSTEMS

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



MANAGEMENT SUMMARY

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

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

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

Resnagging, enhancement of riparian revegetation, stock exclusion and invasive species management continued on the mid Ovens River as part of a Murray Darling Basin Authority demonstration reach project. Trout cod surveys being undertaken in the Ovens are assessing if the species continues to breed naturally within a re-established range.

Land and water statutory planning continued to play a key role in the region with a focus on sustainable development for the protection of waterway, wetland and floodplain health.

Relationships with regional councils, both planning and engineering staff, are strong. Similar to last financial year, the flood events of 2011/2012 created more planning work and increased interest, over and above normal levels.

KEY ACHIEVEMENTS

Protecting the Mitta Mitta Heritage River

Parks Victoria contributed substantial additional funding to increase the quantity and quality of control work undertaken along the Mitta Mitta, allowing for the control of large numbers of maple seedlings, willows, blackberries and English broom. Wet weather over much of the summer and autumn prevented access and/or works at various times. However, close contractor liaison and flexibility allowed opportunities to be exploited when the weather was suitable. River-based control works could only be undertaken when river levels were at "Goldilocks levels" (neither too high nor too low). Again, a strong relationship with a local rafting contractor ensured project success. The community was actively engaged with the project, assisting with planting (Mittagundi Outdoor Education Centre) and strongly supporting weed control works (Anglers Rest community). Understanding the extent of sycamore maple infestation along the Mitta Mitta Heritage River and its tributaries greatly increased. The threat posed by this infestation significantly decreased.

Helping fish climb a stairway to Ovens

Various agencies contributed expertise and funding to support improvements to a fishway in Wangaratta, including DSE's Arthur Rylah Institute, DSE River Health, the NECMA and DPI.

Monitoring work undertaken by DSE's Arthur Rylah Institute at a fishway located on a by-pass channel beside Sydney Beach weir showed the structure was not always operating effectively to allow fish passage, particularly in periods of low flow. The NECMA oversaw modifications to allow for improved fish passage on the existing fishway. Works to the bypass channel included the strategic placement of boulders weighing up to four tonnes to create resting pools and shelter spots for fish migrating upstream.

Flooding and channel change: understanding the story of the 2010 and 2011 floods in North-East Victoria

Widespread rainfall led to three significant flood events in the region in 2010/2011. This flooding inundated large areas of floodplain and a number of settlements. Widespread impacts to property, bridges and farmland occurred and more than 700 reports of flood-related damage were reported to the North East CMA by the community. Following these floods, the North East CMA commissioned an independent study to investigate and explain the distribution of channel change. Alluvium Consulting:

- reviewed more than 300 kilometres of river affected by flooding;
- undertook a range of technical analyses to assess channel change, quantify the channel and flood factors across region; and
- analysed the data to draw inferences to address the study aims.

Some members of the local farming community expressed concern about the importance of willows during flood events. In response, the NECMA commissioned an extensive community engagement process. The first round of community engagement was undertaken in August 2011 and documented in the "What We Heard" report. The NECMA convened a series of community meetings in December 2011 and April 2012 to present the findings of the scientific study to local landowners and discuss future willow management options. The NECMA shared the issues explored during these community meetings by making the 'What We Heard' report available on-line.

KEY CHALLENGES

Delays caused by flooding

Successive flood events significantly influenced management activities. Wet weather over much of the summer and autumn prevented access and/or works at various times. In addition, many programs prioritised through the River Health Strategy for 2011/2012 were delayed or adjusted because partner agencies needed to respond to flooding.

'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 water reserves – It is difficult to measure the benefit of environmental water reserves on natural resources.

Adapting to change – The river health principles of agencies do not always align with landholder expectations around private asset protection. Hence, there is a need to factor in adaptive planning in delivery of programs. Effective natural resource management of inland aquatic ecosystems will require constant adaptation to changing community priorities and climate variability.

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: Moderate
	TREND Improving

After almost a decade of drought and bushfires in 2003, 2006 & 2009, extensive flooding occurred during 2011/2012. This natural disturbance coupled with consecutive floods in 2010 instigated condition changes in aquatic ecosystems across the North East catchment.

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

Fish population surveys were undertaken in all NECMA catchments during 2011/2012, including Cudgewa Creek in the Upper Murray, Mitta and Gibbo Rivers (and Lake Dartmouth), Kiewa River, and the Buffalo, Ovens and King Rivers. Based on fish populations observed during the year, the prevailing wet conditions were ideal for spawning and growth of native and introduced fish species. Of particular note, young of year (YOY) Murray cod were captured in Cudgewa Creek indicating successful spawning of this species in the Upper Murray Catchment. Trout cod were captured at several locations in the Buffalo River, indicating that the stocked population in the Ovens is continuing to expand, with its upstream extent now recorded at Myrtleford in the Ovens and below Lake Buffalo in the Buffalo River. Trout cod were also prevalent in moderate numbers in the Ovens River down to Peechelba. A one year old Macquarie perch was captured in the Ovens River at Tarrawingee, signifying survival of some fish from a conservation stocking of this species at Whorouly in January 2011. A report on the 'health' of North East Streams,

including fish populations, undertaken under the Sustainable Rivers Audit (SRA) is due to be released in late 2012.

Water quality monitoring conducted during 2011/2012 revealed variations between key aquatic ecosystems in the catchment. A number of sites did not trigger SEPP (WoV) guidelines for any of the physical/chemical parameters monitored while increased turbidity levels and slightly low dissolved oxygen levels were recorded at a number of others.

- Four sites located on Barwidgee Creek triggered the SEPP (WoV) turbidity 25th percentile range of <5 NTU, reporting between 15-23.1 NTU. Dissolved oxygen levels were above 90% saturation and within the SEPP (WoV) guidelines at all four sites. Electrical conductivity (Qs/ cm) also remained within the SEPP (WoV) objectives at all four sites.
- Turbidity levels remained low at the 2 sites monitored on the Kiewa River and in accordance with the SEPP (WoV) objectives did not report above an annual 75th percentile of zero NTU.
- Lower parts of the King River (Kaluna Park) triggered the SEPP (WoV) dissolved oxygen 25th percentile of >85%, reporting 64.9% saturation. Turbidity levels were lower than the previous year and within the SEPP (WoV) objective with an annual 75th percentile of 27.3 NTU.
- Biological monitoring at seven sites in the Upper King (Stoney & Corr Creeks) showed that macroinvertebrate communities were returning to those associated with high quality water. According to the Waterwatch agreed level taxonomy (ALT) method and the SIGNAL 2 (a scoring system for macroinvertebrates in Australian rivers) system, all sites ranged between 5 and 6.6 indicating unpolluted water.

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 individual farm planning and technical advice, group accredited farm planning training, field days and community awareness via media. Awareness activities were complimented by the delivery of incentives that sought to facilitate a change in land management practices by private landholders. Some agencies completed onground works to manage soil erosion, and revegetated and protected remnant vegetation with a view to reducing salt and sediment loads in the Murray River and its tributaries and improving priority biodiversity assets in the catchment.

The 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.

KEY ACHIEVEMENTS

Flood recovery - As the agency responsible for floodplain management and river health in the region, the NECMA focussed a large part of its operations on flood response and recovery. The CMA's main priority was delivery of the Victorian Government Flood Recovery program in the region. It responded to requests from landholders impacted by floods and delivered works at more than 420 locations across the catchment according to the Victorian Government's three key funding criteria:

- restoring river erosion resulting from flood where it threatens public assets or could cause a river breakaway,
- restoring public assets and previous CMA works damaged by flooding, and
- removing flood debris that poses a threat of damage should flooding occur in future.

Generating biochar from waste - the NECMA continued its involvement in development of a mobile device to convert woody debris into biochar. The biochar device could potentially be used to process other on-farm sources of green waste, like thinnings from farm forestry management. During the year the NECMA worked with the CSIRO and Victorian company, Earth Systems, to field test a biochar prototype that can convert willow heaps into energy and a soil ameliorant. Results indicate that reductions in excess of 1000 tonnes of CO₂ per year are achievable, whilst eliminating many of the risks associated with open burning of debris heaps and significant potential benefits for agriculture and other end uses.

Achieving landscape scale change

- Almost 100 individual landholders and 17 groups undertook activities to support planning for landscape scale biodiversity conservation - a core goal of the Sustainable Farming Practices: Landscape Scale Conservation project. Since inception of the project, individuals and groups have cumulatively improved 245 hectares of habitat via livestock exclusion, management to encourage regeneration, weed control, direct revegetation in riparian zones to enhance remnants and changed grazing management to improve native grasses.

KEY CHALLENGES

Significant flooding - At an operational level, numerous high rainfall and flood events during the year required a continued focus on emergency flood 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. While slow to engage, participating landholders in projects like Sustainable Farming Practices: Landscape Scale Conservation undertook significant areas of protection, with some having multiple sites.

Demographic expectations - Current demographics of landholders within some areas (i.e. third generation farmers), makes the uptake of activities like Whole Farm Planning difficult. Delivery rates of Whole Farm Planning principles are generally higher for different demographics, such as lifestyle farmers, who are often new to farming and have not yet established Whole Farm Planning practices.

14 & 15 Farmers took part in a range of land health activities held during the year including group accredited farm planning, training, field days and seminars.

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

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.

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

Water table trends in the region generally indicate a rise in groundwater levels.

Compared with extended periods of no or very low stream flows during the drought, stream flows for the last six months have been above average.



COMMUNITY CAPACITY

16 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.

17 Extension visits to landholders involved in Trust for Nature and Woodlands projects sought to build and maintain management skills.



16A

MANAGEMENT SUMMARY

Activities undertaken to improve community capacity in the region.

Partner agencies in the North East sought to build community capacity by delivering and supporting a range of activities in 2011/2012.

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

The North East Landcare Support program aimed to support the capacity and resilience of Landcare and other community groups, particularly via strategic planning. Partner agencies assisted Landcare Networks to undertake Network planning, project planning and delivery; encouraged and helped groups to access Second Generation Landcare; 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.

After extensive flooding in the region, river health emerged as a key area of community interest. Landholders requested assistance through the Flood Recovery program and sought advice from the NECMA about managing flood damage. Waterwatch continued to train community volunteers, so building water quality monitoring capacity across the region.

Extension visits to participant landholders for TFN and Threatened Grassy Woodlands projects helped to build and maintain management skills.

KEY ACHIEVEMENTS

Promoting water quality -

Waterwatch continued to provide educational support to schools, students and teachers across the catchment. North East Water, NevrWaste, the NECMA, DSE, DPI and various local councils delivered the Schools Environment Education Directory (SEED) to hundreds of students across the catchment.

Building the capacity of Indigenous groups -

2010/2011 & 2011/2012 saw the establishment of Indigenous Landcare Groups in the region for the first time: "Ghunda Mulla" Aboriginal Women's Landcare Group and "The Junction" Aboriginal Youth Landcare Group. Indigenous NRM priorities and engagement processes have been and will continue to be determined by the Indigenous community as part of empowering and capacity building within the communities in the North East of Victoria.

Supporting community needs -

In early March the largest flood on record occurred on the Murray River and tributaries upstream of Walwa. As a direct result, the NECMA received 89 new requests for assistance from farmers and landholders in the catchment, with almost 50% of these from the Upper Murray. Recognising the scale of need, the CMA devised a series of 'car bonnet' sessions in the Upper Murray to provide information and support to farmers and invited representatives from Goulburn Murray Hume AgCare and the Department of Primary Industries to also provide information and advice. Held at sporting ovals, community halls and shops, these 'car bonnet' sessions were well received by the community.



16B



17

CHALLENGES

External factors - Climatic and economic factors restricted the capacity of the North East community to support NRM outcomes, particularly the rural community. 2011/2012 was again characterised by above average rainfall across the region, leading to extensive flooding. The wet seasonal conditions provided further difficulties for cropping enterprises. The negative impact of flooding and the opportunity to take advantage of improved conditions meant that many in the community did not participate in NRM projects.

Connecting people with the right support - 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. New pathways are needed to help people connect with assistance for natural resource management.

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.

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

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

Improved seasonal conditions accelerated the level of NRM works undertaken by many involved in Landcare projects who wanted to finish works delayed by drought conditions. Wetter conditions also proved ideal for successful revegetation planting and quicker growth rates which encouraged community and landholder efforts.

The capacity of Landcare Networks in the region improved, particularly for Groups who were successful in gaining 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 is promoting the formation of the Wodonga Urban Landcare Network through the project. A collective of Networks successfully continues to deliver the 'Caring for Our Country' Regional Landcare Facilitator projects. 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 of large numbers of landholders in training available through the Sustainable Farming Practices: Soil Carbon and Landcare managed trials, education and pastures projects helped to increase the capacity of farmers.

ENVIRONMENTAL STEWARDSHIP

MANAGEMENT SUMMARY

Activities undertaken to improve environmental stewardship in the region.

In 2011/2012 at least 18 new contractual agreements with incentive payments were established with private land managers to improve management of some 649 hectares of 'threatened grassy woodlands'.

Management actions 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; and
- Increasing landholder awareness and understanding of effective management practices, particularly on how agricultural production and biodiversity conservation can be integrated.

Anecdotally, there appear to be examples of positive practice change in the region.

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

KEY ACHIEVEMENTS

Protecting wetlands and floodplains

- In an area where adoption of covenants has historically been low, 28 landholders in the Lower Ovens signed five year management agreements, covering 518 hectares of wetland and revegetation. In its third year of operation, the Lower Ovens River and Floodplain Wetlands (Mega Murray Flagship) project proved to be one of the most successful targeted incentive projects of its kind. In future these covenanted sites will be monitored by TFN.

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 the NECMA involved neighbouring regional bodies and groups, including the NSW Murray CMA, Victorian DPI and multiple Landcare groups. Through partnering, agencies were able to share resources and sponsor speakers, making events more affordable and allowing delivery in locations within and beyond the NECMA 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.

KEY CHALLENGES

Financial incentives - New covenant adoption 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. Success 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, DSE, DPI, other agencies and individuals.

Rigorous standards - New revegetation standards 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.

Changing expectations - Client expectations of funding levels are higher than in previous years and is a factor that project staff need to consider in the development of incentive programs.

Weed control - High summer rainfall has 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 under pasture.

Key regional industries include agriculture (dairy, beef, wool, cropping and horticulture), wine, forest industries, tourism and value-added processing industries, particularly in the regional cities of Wangaratta and Wodonga.

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

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

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 agreements via a range of programs where landowners are achieving environmental stewardship and natural resource management

outcomes. These are ongoing with terms of agreement of between five and ten 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.

The TFN Covenancing program in the North East oversees an estate of 56 Conservation Covenants totalling 3095 hectares. Of these 54 have management plans developed in collaboration with landowners. Stewardship inspections and management plan reviews occur every three years. These 54 sites have active environmental stewardship outcomes occurring.

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 that is overseen by the DSE 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.



18



19

GOVERNANCE

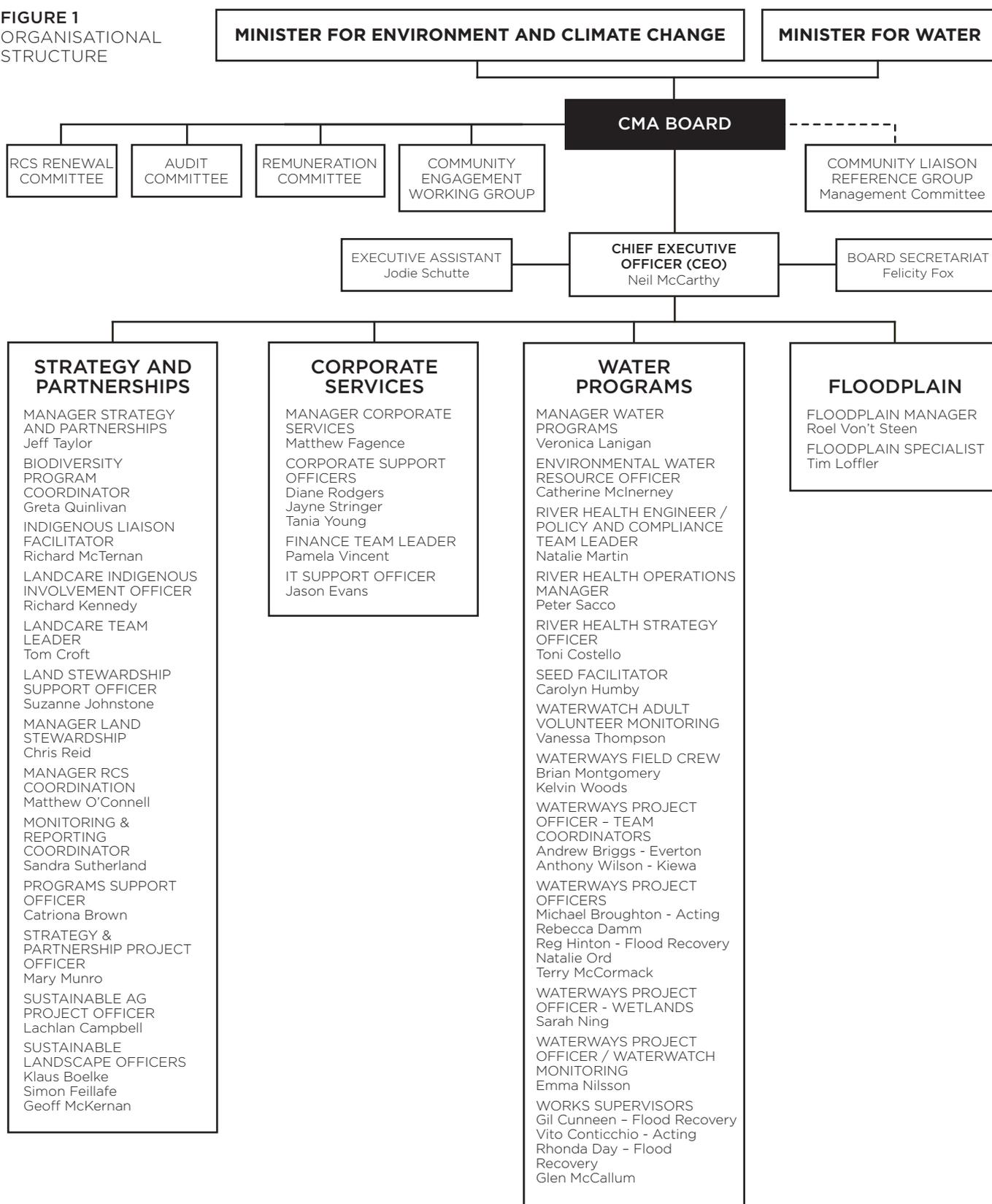
OVERVIEW

THE NORTH EAST CMA VALUES AND UPHOLDS GOOD GOVERNANCE PRACTICES BY:

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

ORGANISATIONAL STRUCTURE

FIGURE 1
ORGANISATIONAL STRUCTURE



OUR BOARD



19



20

20 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 local government and forestry management and is Executive Officer of Plantations North East Inc, based in Wangaratta.

21 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 Chair of the Board between 2009 and 2011.



21



22

22 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.



23

19 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.

23 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.

**24 ANTHONY GRIFFITHS
(BOARD MEMBER)
TERM ENDED 30 SEPT 2011**

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



**25 TAMMY ATKINS
(BOARD MEMBER)
OCT 2011 APPOINTEE**

With a career interest in regional policy and economic development and experience working with all three tiers of government, Tammy has a working understanding of the nexus between economy, industry and community development. Community-minded, she is active with a number of local groups and is past Chair of the Australian Alpine Valleys Agribusiness Forum. She lives on a dairy farm in Milawa and holds qualifications in economics, public policy, project management and community development.



**26 MAUREEN ROGERS
(BOARD MEMBER)
OCT 2011 APPOINTEE**

Maureen is an environmental economist employed as a researcher with La Trobe University and is a member of the Wooragee Landcare Group and the Beechworth Environment Advisory Group. Maureen has qualifications in Economics, Natural Resource Management and Environmental Economics, and is interested in rural community development and land use in a changing world.

**27 BEN CLIFTON
(BOARD MEMBER)
OCT 2011 APPOINTEE**

Ben is a primary producer, wine and cider maker and property manager in Beechworth. He has experience in prime lamb farming and a strong interest in sustainable agriculture. Ben is also interested in hiking, snow skiing and four wheel driving.



**28 RHONDA SERPELL
(BOARD MEMBER)
OCT 2011 APPOINTEE**

Rhonda is a self employed primary producer of 27 years, and is currently an executive committee member for the Kiewa Catchment Landcare Groups. Rhonda has qualifications in Horticulture and Company Directorship. Rhonda's interests include mentoring local farmers, improving our agricultural landscape and using native plants to increase the sustainability and profitability of agriculture.

BOARD MEETINGS

The Board conducted 12 ordinary meetings during the year. The key project undertaken by the Board during the year was a review of the organisation's Strategic Directions.

As part of good governance the Board also undertakes an annual review of its performance. The 2011/2012 performance review was undertaken and will be 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.

TABLE 4 BOARD MEETING ATTENDANCE 2011/2012

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Lyn Coulston (Chairperson)	12	12
Bernard Young (Deputy Chairperson)	10	12
Paul Carrick	8	12
Susan Benedyka	10	12
Anthony Jarvis	12	12
Anthony Griffiths (Jul - Sep 2011)	3	3
Tammy Atkins (Oct 2011 appointment)	7	9
Benjamin Clifton (Oct 2011 appointment)	7	9
Maureen Rogers (Oct 2011 appointment)	9	9
Rhonda Serpell (Oct 2011 appointment)	8	9

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; and
- To ensure maintenance of an effective and efficient audit.

MEMBERSHIP 2011/2012

The members of the Audit committee during the year were:

1st July 2011 - 24th Nov 2011

Ray Park Chair (External Appointment)

Bernard Young Board Member

Anthony Jarvis Board Member

24th Nov 2011 - 30th Jun 2012

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 2011/2012

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

- Effective Management of Risks
 - Reviewed Privacy Act and Whistleblowers Policies
 - Reviewed the Quarterly Risk Management Reports
 - Reviewed the Risk Management Policy & Framework to ensure consistency with AS/NZS ISO 31000:2009
 - Reviewed the Gifts Policy Register
 - Internal Audit - Financial Management Compliance Framework
 - Internal Audit - Investment in Improved Environmental Flows in the Upper Ovens Catchment Funding Deed
- Reliable management and financial reporting
 - Review and recommendation to Board of the 2010/2011 Annual Financial Statements
 - Reviewed the Financial Policy and Procedures

- Reviewed and assessed the Delegated Levels of Authority Policy

- Reviewed the Fraud Policy
- Internal Audit - Management Reporting to the Board

- Compliance with laws and regulations

- Internal Audit - Occupational Health & Safety

- Maintenance of an effective and efficient audit

- Reviewed the scope of the Annual Financial Audit 2011/2012 to ensure adequacy

- Reviewed all management responses and actions to Internal Audits

- Reviewing the scope and prioritisation of the revised Internal Audit Plan

- Other

- Quarterly Advice to the Board on all reviews undertaken

- Annual review of the Committees performance

TABLE 5 AUDIT COMMITTEE MEETING ATTENDANCE 2010/2011

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Ray Park	3	4
Bernard Young	1	1
Anthony Jarvis	4	4
Maureen Rodgers	3	3
Rhonda Serpell	3	3

The Internal Auditor, RSM Bird Cameron, attended three meetings during the financial year.

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 2011/2012

The members of the Audit committee during the year were:

1 July 2011 – 24 Nov 2011

Paul Carrick Chair
 Anthony Griffiths Board Member
 Susan Benedyka Board Member

24 Nov 2011 – 30 Jun 2012

Lyn Coulston Chair
 Susan Benedyka Member
 Ben Clifton Member

The committee met once 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 2011/2012

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Lyn Coulston	1	1
Susan Benedyka	1	1
Ben Clifton	1	1
Paul Carrick	0	0
Anthony Griffiths	0	0

REGIONAL CATCHMENT STRATEGY RENEWAL COMMITTEE

ROLE

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

MEMBERSHIP 2011/2012

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

1 Jul 2011 – 24 Nov 2011

Lyn Coulston Member
 Bernard Young Member
 Tony Jarvis Member

24 Nov 2011 – 30 Jun 2012

Lyn Coulston Chair
 Tammy Atkins Member
 Maureen Rogers Member

The committee met six times during the year to discuss and have input into the RCS Renewal process.

ATTENDANCE

TABLE 7 REGIONAL CATCHMENT STRATEGY RENEWAL COMMITTEE MEETING ATTENDANCE 2011/2012

MEMBER	MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND
Lyn Coulston	4	6
Tammy Atkins	2	4
Maureen Rogers	4	4
Bernard Young	1	2
Tony Jarvis	2	2

COMMUNITY ENGAGEMENT WORKING GROUP (COMMITTEE)

The Board at its April 2011 meeting resolved to establish a Community Engagement Working Group to review the CMA's Community Engagement Policy. This Committee contributed to development of a new community engagement policy and direction for the CMA. Responsibility for this function now sits with the Board and the entire organisation. This Committee laid the foundations for the way in which the North East CMA now engages with the community.

MEMBERSHIP 2011/2012

The Working Group members are:

- Lyn Coulston (Chair)
- Susan Benedyka (Member)
- John Riddiford (CMA CEO) (1 July - 19 August 2011)
- Jeff Taylor (CMA Officer)
- Judith Samways (CMA Officer) (1 July - 21 October 2011)
- Michelle Cowan (Community Liaison Reference Group (CLRG))
- Debi Gadd (CLRG)
- Lindsay Jarvis (CLRG)
- Pamela McKimmie (CLRG)
- Thomas Moritz (CLRG)
- Mac Paton (CLRG)
- Jane Roots (CLRG)

POLICIES

RISK MANAGEMENT

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 24 July 2012.

RISK MANAGEMENT ATTESTATION

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
RISK MANAGEMENT ATTESTATION 2011/2012

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

Signed: 

Date: 24th July 2012

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.

WHISTLEBLOWERS PROTECTION ACT

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

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

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

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

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

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

Internet
www.ombudsman.vig.gov.au

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

Phone 03 9613 6222
Toll Free 1800 806 314

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

COMPLIANCE

FREEDOM OF INFORMATION

Access to information under the Freedom of Information Act 1982 is obtained through a written request, as detailed in Section 17 of that Act. Applications must be as detailed and as specific as possible so that the CMA's Freedom of Information Officer can identify and locate relevant documents. All applications must include the statutory \$25.10 lodgement fee. Further charges may be payable. Freedom of Information fees and charges are not subjected to GST.

Requests to the CMA should be sent to:

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

In the reporting period one request under the Freedom of Information Act was received.

INFORMATION RETAINED AND AVAILABLE

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

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

POWERS AND DUTIES

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

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

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

STATEMENT OF OBLIGATIONS

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

BUILDING ACT COMPLIANCE

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

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 22C 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 93 minor consultancies (less than \$10,000) resulting in expenditure of \$116,627 during the reporting period.

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

TABLE 8 CONSULTANCIES GREATER THAN \$10,000 2011/2012

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED FEE	EXPENDITURE 2011-12	FUTURE EXPENDITURE
Corporate & Governance				
Mercer (Australia)	Organisational Review	58,050	56,700	
McArthur Management Services	Senior Executive Recruitment Services	19,725	19,725	
Total HRM	Human Resources Consulting Services	12,000	12,000	
Emergent Future	Resilience & Landscapes Strategy consultancy	28,455	17,000	11,455
Adhoc Ventures	Working With You Change Management Program	12,000	12,000	
Waterways Technical & Research				
Alluvium Consulting	Stream Resilience Study	62,500	62,500	
Water Technology	Ovens River Floodplain Connectivity & Barrier Study	53,593	40,273	13,320
Sinclair Knight	Happy Valley Creek Flood Study Stability Design	15,635	15,635	
Murray-Darling Freshwater Research Centre	Lake Moodemere Environmental Watering Plan - Aquatic Vertebrate Survey & Analysis	24,545	24,545	
Water Technology	Lake Moodemere Environmental Watering Plan - Bathymetric Survey	20,000	20,000	
Australian Ecosystems	Lake Moodemere Environmental Watering Plan - Vegetation & Hydrological requirements	13,827	13,827	
Australian Ecosystems	Lake Moodemere Environmental Watering Plan - Frog & Bird Values and Hydrological requirements	12,890	12,890	
Water Technology	Nariel Creek Engineering Assessment & Design	10,300	10,300	
Alluvium Consulting	Post Flood channel change & willow story	28,100	27,920	180
Water Technology	Ovens River - Gravel Bars Integrated Hydraulic & Geomorphic investigation & Analysis	32,851	23,409	9,442
Land & Biodiversity Technical Research				
Charles Sturt University	Grassy Woodlands Social Research	10,000	10,000	
Murray-Darling Freshwater Research Centre	Sustainable Farming - Soils Data Analysis & Report	15,000	15,000	

FINANCIAL SUMMARY

The 2011/12 financial year saw the CMA focus its waterways program on the 2010/11 Floods projects. Timing of receiving the \$2.7M advance in the previous financial year (2010/11) and the focus of delivering on the associated works resulted in the significant deficit position at 30 June 2012.

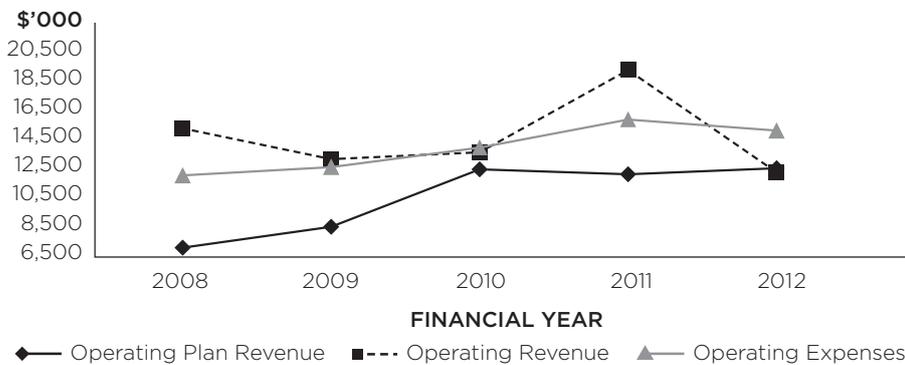
The committed funds to ongoing projects for 2012/13 and future years is \$ 8,989,335.

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

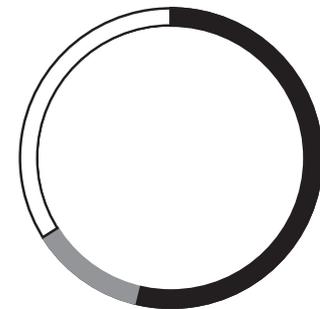
TABLE 9 SUMMARY OF FINANCIAL RESULTS

	YEAR ENDED 30/06/12	YEAR ENDED 30/06/11	YEAR ENDED 30/06/10	YEAR ENDED 30/06/09	YEAR ENDED 30/06/08
Operating Revenue	12,128,942	18,876,643	13,443,094	12,996,898	15,029,688
Operating Expenses	14,874,602	15,612,646	13,759,229	12,468,618	11,919,430
Surplus (Deficit)	(2,745,660)	3,263,997	(316,135)	528,280	3,110,258
Cash Held	10,908,452	13,783,624	10,938,991	10,415,581	9,452,762
Cash Held as a percentage of revenue	90%	73%	81%	80%	63%

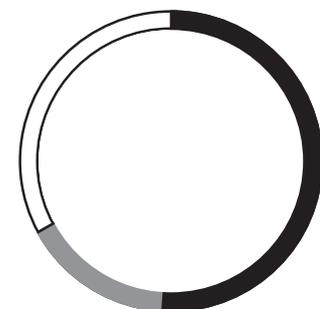
TABLE 10 REVENUE AND EXPENDITURE ANALYSIS



GRAPH 2 REVENUE



GRAPH 3 EXPENDITURE



- WATER PROGRAMS
- STRATEGY & PARTNERSHIPS
- CORPORATE SERVICES

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

TABLE 11 REVENUE AND EXPENDITURE BY PROGRAM

	REVENUE	EXPENDITURE
Water Programs	6,533,125	7,628,880
Strategy & Partnerships	1,443,215	2,365,404
Corporate Services	4,152,602	4,880,319
Total	12,128,942	14,874,603

OUR STAFF

OUR WORKFORCE PROFILE

The Authority employed 48 people in 2011/12 (42FTE), this is an increase compared to the previous figure of 45 people (39FTE) in 2010/11. The increase in employment levels between June 2011 and June 2012 is due to the employment of 1 Project Officer - Flood Recovery and 2 Works Supervisors - Flood Recovery. 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 2012	48	34	14	42	6
June 2011	45	33	12	39	4

TABLE 13 COMPARISON OF EMPLOYEES BY GENDER

GENDER	2012			2011		
	ONGOING	FIXED TERM & CASUAL		ONGOING	FIXED TERM & CASUAL	
	EMPLOYEES (HEADCOUNT)	FTE	FTE	EMPLOYEES (HEADCOUNT)	FTE	FTE
Male	26	25	3	23	22	1
Female	22	17	4	22	17	3

TABLE 14 COMPARISON OF EMPLOYEES BY AGE RANGE

AGE	2012			2011		
	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	7	7	2	11	10	2
35-44	22	17	3	18	14	0
45-54	9	9	1	7	7	1
55-64	8	8	1	8	8	1
65 & Over	2	2	0	1	1	0

TABLE 15 COMPARISON OF EMPLOYEES BY CLASSIFICATION

CLASSIFICATION	2012			2011		
	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	3	0	3	3	0
Water Programs	23	21	4	21	18	1
Strategy and Partnerships	14	12	2	14	12	3
Corporate	7	5	1	6	5	0

OUR EMPLOYMENT FRAMEWORK

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

The CMA works extremely hard at resolving issues fairly. As a result of this the CMA 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; and
- Make recommendations to the Senior Management Team (SMT).

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

TRAINING AND DEVELOPMENT

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

Organisational wide training 2011/12 included First Aid Training.

CULTURAL DIVERSITY AND WOMEN

The NECMA aims to ensure that women in our workplace, on our boards and our committees are supported in their role. The CMA is committed to a family friendly workplace, through workplace conditions such as paid pre natal leave, paid maternity leave, carer's leave and flexible working arrangements. As at the 30 June 2011, women represented 45.8% of the workforce (Headcount) and 40.5% of the workforce (Full time equivalent).

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

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

YOUNG VICTORIANS

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

HEALTH AND SAFETY

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

To enable an open and clear consultation process we have four 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 NECMA. Its functions include:

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

The Committee has an Annual Work Plan. The work plan defines outcomes and targets for the reporting period based around four themes, ensuring commitment, improving consultation, ensuring a working OHS system and improving the culture. The emphasis is on positive performance indicators aimed at engendering a positive and proactive OHS culture. The work plan and our progress against this work plan are found in Table 16.

TABLE 16 NORTH EAST CMA - OCCUPATIONAL HEALTH AND SAFETY COMMITTEE WORKPLAN 2011/2012

OUTCOME	NO.	INDICATOR	TARGET 2011/2012	2011/2012 OUTCOME	MEASURE
COMMITMENT	1	Submissions to Senior Management Team (SMT) from Committee are considered within a reasonable time	100% of submissions addressed within next two subsequent meetings	2 submissions	✓
	2	SMT Quarterly reports are formally received	4 reports received	Only 3 reports submitted	✓
	3	Each SMT Member attend one OHS Committee meeting during the year	1 attendance per non-appointed SMT member	Only 1 of 3	X
CONSULTATION	4	OHS Committee meets regularly during the year	4 meetings held	3 meetings held	X
	5	Attendance rate of all OHS committee members at meetings	75% attendance rate overall	81%	✓
	6	New National OHS Laws Training for All Staff & Board	Training &/or Workshops held	All Staff, SMT & Board Workshops held	✓
	7	OHS discussed within DWG's	OHS on each team meeting agenda	OHS discussions at Team Meetings	✓
	8	OHS minutes communicated to all employees after each meeting	Minutes distributed and placed on noticeboards	100%	✓
WORKING SYSTEM	9	Safety Walks conducted on time and as per the agreed IMS schedule	100% of safety walks held	71%	X
	10	Incident reports investigated	100% of incident reports investigated	100%	✓
	11	OHS Systems Audit	External Audit undertaken 11/12	Audit held in April 2012	✓
	12	OHS Committee members complete training	ALL Members undertake annual refresher training	No Training Undertaken	X
CULTURE	13	Safety Awareness Week	Safety Week Held 11/12	7th-11th Nov 2011	✓
	14	Improved awareness of OHS among staff	Maintain or improved OHS results in People Matter Survey 2011	Decrease by 2% to 96% awareness & commitment	X

PROJECT MEASURES X Target not achieved ✓ Task completed

WE ARE A PRACTICAL, COMMUNITY-FOCUSED, REGIONAL GOVERNMENT AUTHORITY THAT WORKS IN COLLABORATION WITH THE COMMUNITY AND OUR PARTNERS TO BUILD DIVERSE AND HEALTHY LANDSCAPES ACROSS NORTH EAST VICTORIA. OUR WORK IS GUIDED BY SCIENCE AND IMPLEMENTED THROUGH EFFECTIVE PARTNERSHIPS.



FINANCIAL REPORT 2011/2012

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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 2012 of the North East Catchment Management Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statutory certification 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.

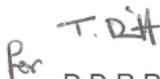
Opinion

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 2012 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 2012 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
24 August 2012

Per 
D D R Pearson
Auditor-General

**STATUTORY CERTIFICATION
FOR THE YEAR ENDED 30 JUNE 2012**

We certify that the attached financial statements for North East Catchment Management Authority have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Australian Accounting Standards, Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and financial position of the Authority as at 30 June 2012.

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

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



L. Coulston

Chairperson

21st August 2012



N. McCarthy

CEO and Accountable Officer

21st August 2012



M. Fagence

Manager Corporate Services

21st August 2012

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
 COMPREHENSIVE OPERATING STATEMENT
 FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Income from Operating Activities			
Government contributions	3(a)	11,056,636	17,858,571
Income from Non-Operating Activities			
Interest	3(b)	574,689	547,747
Other income	3(b)	443,014	403,055
Net profit/(loss) from sale of assets	3(b), 10(d)	54,604	67,270
Total Income		12,128,943	18,876,643
Expenses from Operating Activities			
Employee Costs	4	4,068,453	3,584,460
Depreciation	10(c)	368,065	299,614
Amortisation	11	39,447	32,925
Materials, Maintenance, Grants, Contracts and Consultancies	5	8,905,519	10,373,564
Leases (Properties & Motor Vehicles)		232,985	312,506
Other		1,260,133	1,009,577
Total Expenses from Operating Activities		14,874,602	15,612,646
Net Result from Operating Activities		(2,745,659)	3,263,997
Other Comprehensive Income			
Gain on revaluation of Property, Plant and Equipment	10(b)	102,544	217,854
Total Comprehensive Result for the year		(2,643,115)	3,481,851

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
BALANCE SHEET AS AT 30 JUNE 2012

	Notes	2012\$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	10,908,452	13,783,624
Receivables	8	596,803	231,055
Prepayments		10,013	31,359
Inventories	9	62,150	12,051
Total current assets		11,577,418	14,058,089
Non-current assets			
Property, plant and equipment	10	1,997,678	1,692,689
Intangible assets	11	57,738	90,524
Total non-current assets		2,055,416	1,783,213
TOTAL ASSETS		13,632,834	15,841,302
LIABILITIES			
Current liabilities			
Payables	12	813,536	875,441
Provisions	14	8,670	14,660
Employee benefits	13	797,809	680,860
Total current liabilities		1,620,015	1,570,961
Non-current liabilities			
Payables	12	385,000	0
Provisions	14	93,225	80,690
Employee benefits	13	166,797	178,739
Total non-current liabilities		645,022	259,429
TOTAL LIABILITIES		2,265,037	1,830,390
NET ASSETS		11,367,797	14,010,912
EQUITY			
Contributed capital	15(a)	5,103,823	5,103,823
Reserves	15(b)	6,263,974	8,907,089
Accumulated funds	15(c)	0	0
TOTAL EQUITY		11,367,797	14,010,912

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 2012

	Notes	ACCUMULATED FUNDS \$	CONTRIBUTED CAPITAL \$	RESERVES \$	TOTAL \$
Balance at 1 July 2010		0	5,103,823	5,425,238	10,529,061
Net result for the period		3,263,997			3,263,997
Other Comprehensive Income					
Transfer of Increments/ Decrements on Revaluation of Land & Buildings	10(b)			217,854	217,854
Transfers to/(from) reserves	15	(3,263,997)		3,263,997	0
Balance at 30 June 2011		0	5,103,823	8,907,089	14,010,912
Net result for the period		(2,745,659)			(2,745,659)
Other Comprehensive Income					
Transfer of Increments/ Decrements on Revaluation of Land & Buildings	10(b)			102,544	102,544
Write Off Asset Revaluations to Retained Earnings	15	95,263		(95,263)	0
Transfers to/(from) reserves	15	2,650,396		(2,650,396)	0
Balance at 30 June 2012		0	5,103,823	6,263,974	11,367,797

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 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts			
Interest received		582,716	536,276
Net GST received from the ATO		189,553	266,211
Other income		510,794	468,694
Receipts from Government		10,893,759	18,073,503
		<u>12,176,822</u>	<u>19,344,684</u>
Payments			
Payments to suppliers and employees		14,529,426	16,015,835
		<u>14,529,426</u>	<u>16,015,835</u>
Net cash (outflow) / inflow from operating activities	20	(2,352,604)	3,328,850
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(724,349)	(495,928)
Proceeds from sale of non-current assets		208,442	111,971
Payment for intangible assets		(6,661)	(100,260)
		<u>(522,568)</u>	<u>(484,217)</u>
Net cash (outflow) / inflow from investing activities		(522,568)	(484,217)
Net increase / (decrease) in cash held		(2,875,172)	2,844,633
Cash and cash equivalents at the beginning of the financial year		13,783,624	10,938,991
Cash and cash equivalents at the end of the financial year	7	10,908,452	13,783,624

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

**NOTE 1
SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

(a) Basis of Accounting

GENERAL

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

This annual financial report was authorised for issue by the North East Catchment Management Authority Board on 21st August 2012.

This financial report has been prepared on an accrual basis.

ACCOUNTING POLICIES

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

CLASSIFICATION BETWEEN
CURRENT AND NON-CURRENT

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

HISTORICAL COST CONVENTION

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

CRITICAL ACCOUNTING ESTIMATES

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

FUNCTIONAL AND PRESENTATION
CURRENCY

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

FINANCIAL STATEMENT
PRESENTATION

The 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

FEES AND CHARGES

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

GOVERNMENT CONTRIBUTIONS

Government grants and contributions are recognised as income from transactions on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the comprehensive operating statement as government contributions. However, grants and contributions received from the Victorian State Government, which

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

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

INTEREST

Interest is recognised as revenue when earned.

(c) Recognition and Measurement of Assets

Property, plant and equipment 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.

ACQUISITION

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

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

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

REPAIRS AND MAINTENANCE

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

OPERATING LEASES

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

LEASEHOLD IMPROVEMENTS

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

NON-CURRENT PHYSICAL ASSETS

Land, buildings and infrastructure assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of Financial Reporting Direction (FRD)103D. The Infrastructure assets revalued in 2011/2012 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.

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). The Valuer-General Victoria's appointed agent undertook a one off valuation on the Authority's Infrastructure Assets in 2011/12 as this was not completed in the 2010/11 year. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

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

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

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

IMPAIRMENT OF ASSETS

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

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

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

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

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

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

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

(d) Depreciation and amortisation of non-current assets

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

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

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

	2012 %	2011 %
Leasehold improvements	12.5	12.5
Buildings	2.5 to 16.66	2.5 to 16.66
Infrastructure assets	1 to 10	1 to 10
Plant and equipment	2 to 33.33	2 to 33.33
Furniture & office equipment	7.5 to 33	7.5 to 33
Motor vehicles	10 to 33.33	10 to 33.33

(e) Cash and Cash Equivalents

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

(f) Receivables

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.

(g) 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.

(h) Inventories

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

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

(i) 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.

(j) Employee Benefits

(I) WAGES AND SALARIES AND ANNUAL LEAVE

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

(II) LONG SERVICE LEAVE

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

(III) SUPERANNUATION

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

(IV) EMPLOYEE BENEFIT ON-COSTS

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

(V) PERFORMANCE PAYMENTS

Performance payments for the Authority's 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.

(k) Changes in Accounting Policy

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

(l) 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.

(m) Taxation

The Authority is not liable for Income Tax.

(n) Financial Instruments / Investments

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

(o) 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.

(p) Provisions

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

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

(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) 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 17) and, if quantifiable, are measured at nominal value. Contingent liabilities are presented exclusive of GST payable.

(s) 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.

(t) Financial Instruments

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:

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.

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.

(u) 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.

(v) Comparative Amounts

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

(w) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period. As at 30 June 2012, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2012. The Authority has not, and does not intend to, adopt these standards early.

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	IMPACT ON FINANCIAL STATEMENTS
AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The group has not yet decided when to adopt AASB 9.	1 January 2013	The Authority is yet to assess its full impact. However, initial indications are that it may affect the Authority's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss
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	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.	1 July 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 13 Fair Value Measurement, AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 and AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements	The standard explains how to measure fair value and aims to enhance fair value disclosures.	1 January 2013 / 1 July 2013	The Authority is yet to assess its full impact. The Authority will apply amended standard from 1 January 2013.
AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.	These standards require the recognition of all remeasurements of defined benefit liabilities/ assets immediately in other comprehensive income (removed of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.	1 January 2013 / 1 July 2013	The Authority is yet to assess its full impact. The Authority will apply amended standard from 1 January 2013.
AASB 2010-10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	AASB 1 First-time Adoption of Australian Accounting Standards was amended in December 2010 by eliminating references to fixed dates for one exemption and one exception dealing with financial assets and liabilities.	1 January 2013	This amendment will not affect the financial statements of the group.

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	IMPACT ON FINANCIAL STATEMENTS
AASB 2011-4 Amendments to Australian Accounting Standards to remove Individual Key Management Personnel Disclosure Requirements	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.	1 July 2013	This amendment is expected to have a limited impact.
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	Requirement for entities to group items presented in other comprehensive income on the basis of whether they may be recycled to profit or loss in the future.	1 July 2012	The Authority will apply this amendment from 1 July 2012. This will only have an impact on disclosure and presentation.
AASB 2011-13 Amendments to Australian Accounting Standards - Improvements to AASB 1049	The amendments clarify some of the requirements in AASB 1049 Whole of Government and General Government Sector Financial Reporting and will improve the harmonisation of the financial reporting requirements of the Commonwealth, State and Territory Governments. Applicable only to not-for-profit entities and/or public sector entities.	1 July 2012	This amendment is expected to have a limited impact.

NOTE 2 FINANCIAL RISK MANAGEMENT

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

a) Market risk

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

At balance date term deposits totalled \$10,150,000, with a weighted average interest rate of 3.59% (2011: term deposits totalled \$12,700,000, with a weighted average interest rate of 4.97%).

At balance date \$234,986 held in deposits at call with a weighted average interest rate of 3.5% (2011: \$373,777).

All trade creditors and accruals are non-interest bearing.

INTEREST RATE SENSITIVITY ANALYSIS

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

	INTEREST RATE RISK		INTEREST RATE RISK	
	+1% Profit	+ 1% Equity	-1% Profit	- 1% Equity
Cash and Cash Equivalents	\$	\$	\$	\$
2012	109,085	109,085	(109,085)	(109,085)
2011	137,836	137,836	(137,836)	(137,836)

(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 the first \$1M held in requisite banking institutions. This was reduced to \$250,000 in February 2012.

All investments are held with the Treasury Corporation of Victoria.

(c) Liquidity risk

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

(d) Fair Value

Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The carrying amount of creditors

and accruals at 30 June 2012 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 \$
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
2011					
Financial asset					
Cash and cash equivalents	4.97%	1,083,224	12,700,000	400	13,783,624
Receivables (*)	N/A	0	0	146,674	146,674
Financial Liabilities					
Payables	N/A	0	0	875,441	875,441
Net financial assets/liabilities		1,083,224	12,700,000	(728,367)	13,054,857

(*) Adjusted for NET GST Receivable

	2012 \$	2011 \$
NOTE 3		
REVENUE		
(a) Government Contributions		
Contributions to operations:		
State Government		
River Health/Healthy Waterways	2,567,000	2,861,897
Natural Resource Investment Program	2,474,000	2,315,000
Natural Resource Investment Program - Competitive Grant	587,645	0
Catchment Planning/Corporate Governance 10/11	0	1,010,609
Catchment planning/Corporate Governance 11/12	520,615	520,615
Regional Catchment Strategy 11/12	0	150,000
2010/11 Flood Recovery Program	1,014,526	5,250,000
Flood Employment Program	60,000	70,000
Second Generation Landcare	925,000	510,450
Market Validation Program - Biochar Project	423,000	987,000
Bush Fire Recovery	0	57,000
Other grants	0	113,000
Commonwealth Government		
Caring for Our Country	1,843,000	1,843,000
Caring for Our Country - Natural Disaster Recovery	25,000	75,000
Caring for Our Country - Competitive Grants	350,000	2,095,000
Biodiversity Fund	154,350	0
Carbon Farming Initiative (Biochar)	112,500	0
Total Government contributions shown as operating revenue	11,056,636	17,858,571
Total Government contributions	11,056,636	17,858,571
Conditional grants		
The Authority has recognised as revenue several grants received from the Government where the full project has not yet been completed.		
An analysis of these grant monies is displayed at Note 16 (d).		
(b) Other revenues		
Interest	574,689	547,747
Other:		
Water Authorities	182,514	140,068
Miscellaneous	189,799	159,907
Murray Darling Basin Authority	70,700	103,080
	443,014	403,055
Total other revenues	1,017,702	950,802
Net profit/(loss) from sale of non current assets	54,604	67,270
Total revenue	12,128,942	18,876,643

NOTE 4
EMPLOYEE COSTS

Salaries & Wages	2,703,305	2,556,472
Annual Leave	247,743	236,758
Long Service Leave	87,555	85,069
Other Leave	179,360	175,948
Salary On Costs	465,490	530,213
Salary On Costs (Vision Super LASF Defined Benefits Plan Unfunded Liability)	385,000	0
	4,068,453	3,584,460

	2012 \$	2011 \$
NOTE 5		
EXPENSES - MATERIALS, MAINTENANCE, GRANTS, CONTRACTS AND CONSULTANCIES		
Materials	321,737	967,677
Repairs and Maintenance		
Motor vehicles & Plant	64,506	47,319
General	12,432	11,503
Consultants	939,050	1,530,947
Contractors	5,695,783	6,150,990
Grants Paid	1,872,011	1,665,128
	8,905,519	10,373,564

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 2011	0	9,350
Payable as at 30 June 2012	9,750	0
(amounts are exclusive of GST)	9,750	9,350

NOTE 7
CASH AND CASH EQUIVALENT ASSETS

Cash and cash equivalent assets

Cash on hand	400	400
Cash at bank	523,066	709,447
Deposits at call	234,986	373,777
Investments		
Term Deposits - Treasury Corporation of Victoria	10,150,000	12,700,000
	10,908,452	13,783,624

As at 30 June 2012 \$8,989,335 (2011: \$11,734,996) of the Total Cash & Equivalents held at balance date are committed to specific projects for which funding has been provided to the Authority. Refer Note 16 for details of programs with funds committed at balance date.

	2012 \$	2011 \$
NOTE 8		
RECEIVABLES		
Current		
Trade debtors	528,448	132,586
Less: provision for impaired receivables	0	0
	528,448	132,586
Other debtors		
GST Paid	63,331	84,381
Accrued Interest on Term Deposits	5,024	14,088
Total receivables	596,803	231,055

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		
Nursery Stock	0	0
Rock Stockpile	62,150	12,051
Total inventories	62,150	12,051
Movements during the reporting period		
Opening Balance Nursery Stock	0	2,935
Less Write downs	0	(2,935)
Less Sales	0	0
Closing Balance Nursery Stock	0	0
Opening Balance Rock Stockpile	12,051	33,429
Rock derived from blast	160,000	0
Rock used	(109,901)	(21,378)
Closing Balance Rock Stockpile	62,150	12,051

	2012 \$	2011 \$
NOTE 10		
PROPERTY PLANT & EQUIPMENT		
(a) Classes of property, plant and equipment		
Leasehold improvements		
At cost	115,957	115,957
Accumulated depreciation	(111,675)	(106,024)
	<u>4,282</u>	<u>9,933</u>
Land		
At valuation	147,000	147,000
	<u>147,000</u>	<u>147,000</u>
Buildings		
At valuation	533,038	530,999
At cost	0	0
Accumulated depreciation	(16,176)	0
	<u>516,862</u>	<u>530,999</u>
Infrastructure / works		
At valuation	134,001	178,853
Accumulated depreciation	0	(134,521)
	<u>134,001</u>	<u>44,332</u>
Plant and equipment		
At Fair Value	842,514	842,512
Accumulated depreciation	(618,220)	(532,295)
	<u>224,294</u>	<u>310,217</u>
Furniture and office equipment		
At Fair Value	347,790	348,197
Accumulated depreciation	(240,897)	(240,057)
	<u>106,893</u>	<u>108,140</u>
Motor vehicles		
At Fair Value	1,179,748	849,861
Accumulated depreciation	(315,402)	(307,793)
	<u>864,346</u>	<u>542,068</u>
Total property, plant and equipment	<u>1,997,678</u>	<u>1,692,689</u>

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 2010	12,996	185,000	286,555	54,700	409,402	87,578	286,991	1,323,222
Additions	0	0	0	0	1,409	75,779	418,740	495,928
Disposals	0	0	0	0	0	0	(41,358)	(41,358)
Revaluations	0	(38,000)	255,854	0	0	0	0	217,854
Transfers	0	0	0	0	0	0	0	0
Write-Offs	0	0	(1,375)	0	0	(1,968)	0	(3,343)
Derecognition	0	0	0	0	0	0	0	0
Depreciation	(3,063)	0	(10,035)	(10,369)	(100,593)	(53,249)	(122,305)	(299,614)
Balance as at 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
Transfers	0	0	0	0	0	0	0	0
Write-Offs	0	0	0	(2,619)	0	(1,186)	0	(3,805)
Derecognition	0	0	0	0	0	0	0	0
Depreciation	(5,651)	0	(16,176)	(10,256)	(85,926)	(65,856)	(184,200)	(368,065)
Balance as at 30 Jun 2012	4,282	147,000	516,862	134,001	224,294	106,893	864,346	1,997,678

	2012 \$	2011 \$
(c) Depreciation charge for the year		
Leasehold improvements	5,651	3,063
Infrastructure / works	10,256	10,369
Plant & equipment	85,926	100,593
Furniture & office equipment	65,856	53,249
Motor vehicles	184,200	122,305
Buildings	16,176	10,035
	368,065	299,614
(d) Profit and/or loss on sale of non-current assets		
Proceeds from sale of fixed assets	208,443	111,971
Less written down value	(153,839)	(44,701)
Net profit/(loss) on disposal	54,604	67,270

	2012 \$	2011 \$
NOTE 11		
INTANGIBLES		
Intangibles - Software and Licences		
At cost	228,877	222,215
Accumulated amortisation	(171,139)	(131,691)
	<u>57,738</u>	<u>90,524</u>
Movements during the reporting period		
Opening Balance	90,524	23,189
Additions	6,661	100,260
Amortisation	(39,447)	(32,925)
Closing Balance	<u>57,738</u>	<u>90,524</u>
NOTE 12		
PAYABLES		
Current Payables		
Trade payables	228	50,434
Accrued expenses	732,812	745,951
Other	80,496	79,056
Total Payables	<u>813,536</u>	<u>875,441</u>
Non-Current Payables		
Accrued expenses (Vision Super Unfunded Contributions) - refer Note 18	385,000	0
Total Non-Current Payables	<u>385,000</u>	<u>0</u>
Total Payables	<u>1,198,536</u>	<u>875,441</u>
NOTE 13		
EMPLOYEE BENEFITS		
Current		
Annual leave	354,073	292,015
Long service leave	399,018	349,140
Other - Time in Lieu	44,718	39,705
Total Current	<u>797,809</u>	<u>680,860</u>
Non-Current		
Long service leave	166,797	178,739
Total Non-Current	<u>166,797</u>	<u>178,739</u>
Aggregate carrying amount		
Current	797,809	680,860
Non-Current	166,797	178,739
Total Employee Benefits	<u>964,607</u>	<u>859,599</u>
Full Time Equivalent Employee numbers at end of financial year:	42.20	39.40
Current Leave Provisions represent the unconditional portion of employee benefits. The Authority expects to pay \$350,479 (2011: \$413,694) 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	4.31%	4.60%
Weighted average discount rates	2.74%	5.28%
Weighted average settlement period	7 years	7 years

	2012 \$	2011 \$
NOTE 14		
PROVISIONS		
Quarry Rehabilitations		
Current Provisions		
Everton	2,970	2,740
Walwa	1,860	8,290
Moyhu	3,840	3,630
Total Current Provisions	8,670	14,660
Non Current Provisions		
Fairyknowe	25,336	19,259
Sandy Creek	67,889	61,431
Total Non Current Provisions	93,225	80,690
Total Quarry Rehabilitations	101,895	95,350

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.

	2012 \$	2011 \$
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	636,465	418,611
Transfer of increments/Decrements on Disposal of non-current assets	102,544	217,854
Net transfers (to)/from accumulated funds	(95,263)	0
Asset revaluation reserve	643,746	636,465
Committed funds reserve		
Balance at beginning of year	8,270,624	5,006,627
Net transfers from accumulated funds	(2,650,396)	3,263,997
Committed funds reserve	5,620,228	8,270,624
Total Reserves	6,263,974	8,907,089
(c) Accumulated funds		
Balance at beginning of year	0	0
Net result for the period	(2,745,659)	3,263,997
Transfer from Asset Revaluation Reserve	95,263	0
Transfer (to)/from Committed Fund Reserve	2,650,396	(3,263,997)
Balance at end of year	0	0

Committed funds reserve

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

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

	2012 \$	2011 \$
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	146,260	261,544
Later than one year but not later than five years	225,216	307,352
Later than five years	0	0
	371,476	568,896

(b) Capital commitments

As at 30 June 2012 the Authority had Nil in capital expenditure commitments (2011: \$128,625). All Outstanding Commitments are to be expensed in the 2012/13 Financial Year.

(c) Non-Capital commitments

As at 30 June 2012 the Authority had \$82,093 (2010: \$2,555,182) in non-capital expenditure commitments. All Outstanding Commitments are to be expensed in the 2012/13 Financial Year.

(d) Outstanding works programs

As at 30 June 2012, the Authority had outstanding works programs totalling \$8,989,335 (2010: \$11,734,996) to complete during the 2012/13 and following financial years. This consists of grants received by the Authority but not expended as at 30 June 2012.

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

Compliance Statement As at 30 June 2012

	Opening Balance	2011/12 Amount Received	2011/12 Amount Expensed	Closing Balance	Committed Funds	Uncommitted Funds
Water Programs	8,628,179	6,533,125	7,628,880	7,532,424	7,532,424	0
Strategy & Partnerships	1,559,156	1,443,215	2,365,404	636,967	636,967	0
Corporate Services	1,547,661	4,152,602	4,880,319	819,944	819,944	0
	11,734,996	12,128,942	14,874,603	8,989,335	8,989,335	0

Compliance Statement As at 30 June 2011

	Opening Balance	2010/11 Amount Received	2010/11 Amount Expensed	Closing Balance	Committed Funds	Uncommitted Funds
Water Programs	5,886,836	11,520,396	8,779,053	8,628,179	8,628,179	0
Strategy & Partnerships	1,696,039	5,031,289	5,168,173	1,559,156	1,559,156	0
Corporate Services	888,124	2,324,957	1,665,420	1,547,661	1,547,661	0
	8,470,999	18,876,642	15,612,646	11,734,996	11,734,996	0

	2011/2012	2010/2011
Project management		
External service providers	5,078,946	1,709,360
Internal resources	3,910,389	10,025,636
Total Committed Funds	8,989,335	11,734,996

Funds committed as at 30 June 2012 for external programs are anticipated to be expended as follows:

Period	2011/2012	2010/2011
Within one year	3,505,870	1,500,756
Later than one year but within five years	1,573,076	208,604
Later than five years	-	-
Total Committed Funds	5,078,946	1,709,360

Refer Operating Statement & related Notes

NOTE 17 CONTINGENT LIABILITIES

As at 30 June 2012, the Authority has issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$85,800 (2011: \$85,800)

NOTE 18 SUPERANNUATION

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

Fund	Type of Scheme	Rate %	2012 \$	2011 \$
Vision Super	Defined benefits	9.25	22,369	16,443
Vic Super New Scheme	Accumulation	9	30,789	29,383
Vision Super Saver	Accumulation	9	78,035	71,306
All Other funds	Accumulation	9	118,985	137,280
Total contributions to all funds			250,178	254,412

As at balance date there was \$27,525 (2011: \$17,209) 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 Corporation 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 \$453 million net of Contributions Tax. The Authority's contribution to the short fall inclusive of interest and taxes to 30 June 2012 is \$385,000 (refer to Note 12). This amount will be payable from 1st July 2013.

Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2011 pursuant to the requirements of Australian Accounting Standard AAS25 follows:

	31 Dec 2011 \$,000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

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

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75%p.a.

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

NOTE 19
RESPONSIBLE PERSONS
RELATED DISCLOSURES

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

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

Honourable Ryan Smith, MP	Minister for Environment and Climate Change
Honourable Peter Walsh, MLA	Minister for Water
L. Coulston	(Chair)
A. Griffiths	(Deputy Chair 1 July 2011 to 30 Sep 11)
B. Young	(Board Member, from 1 July 2011 & Deputy Chair from 18 Oct 2011)
N. McCarthy	(CEO from 9 Feb 12)
J. Riddiford	(CEO 1 July 11 to 19 Aug 11)
P. Carrick	(Board Member)
S. Benedyka	(Board Member)
A. Jarvis	(Board Member)
B. Clifton	(Board Member from 1 Oct 2011)
T. Atkins	(Board Member from 1 Oct 2011)
M. Rogers	(Board Member from 1 Oct 2011)
R. Serpell	(Board Member from 1 Oct 2011)
J. Taylor	(Acting CEO - 22 Aug 2011 to 25 Nov 2011 & 7 Dec 2011 to 8 Feb 12)
M. Fagence	(Acting CEO - 28 Nov 2011 to 6 Dec 2011)

Remuneration of responsible persons

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

Band	2012	2011
\$0-\$9,999	5	4
\$10,000-\$19,999	4	4
\$180,000-\$189,999	1	0
\$190,000-\$199,999	1	0
\$200,000-\$209,999	0	1
Total Remuneration \$	259,021	284,956

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	
	2012	2011	2012	2011
\$100,000-\$109,999	0	0	1	0
\$110,000-\$119,999	2	0	1	0
\$120,000-\$129,999	0	0	0	0
\$130,000-\$139,999	0	3	0	3
\$140,000-\$149,999	1	0	1	0
Total number of Executive Officers	3	3	3	3
Total Annualised Employee Equivalent (*)	2.8	3.0	2.8	3.0
Total Remuneration \$	377,613	427,942	366,279	407,838

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

Other transactions

Responsible Persons

Lyn Coulston (Board Chair) is a director of Mountain Creek Native Plant Nursery. During the 2012 year the Authority purchased \$20,500 (2011: \$7,030) of seedlings from Mountain Creek Native Plant Nursery. These purchases were based on normal commercial terms and conditions.

Responsible Persons - related parties

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2012 (2011: nil).

	2012 \$	2011 \$
NOTE 20		
RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net result for the period	(2,745,659)	3,263,997
Add/(less) Non-Cash Flows in Net Result		
(Profit) / loss on disposal of non-current assets	(54,604)	(67,270)
Depreciation and amortisation	407,512	332,538
	(2,392,751)	3,529,265
Changes in Assets and Liabilities		
Decrease/(increase) in trade receivables	(365,748)	42,420
Decrease/(increase) in inventories	(50,099)	24,313
(Decrease)/increase in provisions	6,545	22,359
Decrease/(increase) in prepayments	21,346	(14,174)
(Decrease)/Increase in payables	323,095	(337,547)
(Decrease)/increase in employee benefits	105,008	62,214
Net Cash flows from Operating Activities	(2,352,604)	3,328,850

NOTE21
SUBSEQUENT EVENTS

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

APPENDICES

DETAILED RESULTS AGAINST THE 2011/2012 CORPORATE PLAN

GOVERNANCE

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
MINISTERIAL REQUESTS				
4.1.1	The CMA shall respond to requests from the Minister, or to requests from any other Minister, for information on matters related to CMA functions and business in a timely manner. (WA 8.1 / CaLP 8.1)			No requests received
CMA OPERATIONS				
4.1.2	The CMA shall operate within the requirements of the Governance Guidelines for the Department's statutory authorities. (WA 9.1 / CaLP 9.1)	Demonstrate corporate social responsibility by: <ul style="list-style-type: none"> Reducing paper consumption, Reducing Energy Consumption and supporting community people in the Alpine Leaders program 	Reduction in paper consumption by 5% compared with benchmark year Reduction in energy consumption by 5% compared with benchmark year At least one community member supported in the Alpine Valleys Leadership program	Paper consumption reduced by 30% Energy consumption reduced by 32% One community member supported in the Alpine Valley's Leadership Program.
4.1.3	The CMA shall review its performance periodically and report as directed by the Minister, or the Secretary or Department on behalf of the Minister. (WA 9.2 / CaLP 9.2)	The Board will conduct a self assessment of its performance	By 31 August Annually	Self assessment submitted 25 August 2011
CORPORATE PLANS				
4.1.4	The CMA shall develop and implement a Corporate Plan in accordance with relevant legislation and subordinate instruments and any guidelines issued by the Minister. (WA 10.1 / CaLP 10.1)	Submit Corporate Plan	Approved Corporate Plan submitted to Minister by 30 April 2011	Approved Corporate Plan submitted to Minister by 30 April 2012
ANNUAL REPORTS				
4.1.5	The CMA shall develop an Annual Report detailing the CMA's activities and financial position (and report on the condition and management of land and water resources in its region and the carrying out of its functions) in accordance with relevant legislative and subordinate instruments and any Government guidelines. (WA 11.1 / (CaLP 11.1)	Prepare the Annual Report	Annual Report submitted to the Minister by 21 October Favourable overall audit assessment by the Auditor-General	Annual Report submitted to the Minister on 29 August 2011. Unqualified Audit Report from VAGO for 2010/11
PERFORMANCE MONITORING				
4.1.6	The CMA shall ensure that appropriate and effective processes and systems are in place to monitor its financial, social and environmental performance. (WA 12.1 / CaLP 12.1)	Implement project development and budgeting process	Successfully prepare all budgets (financial & non-financial) on time for Board Approval	Budgets completed on time and approved by Board

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
MANAGEMENT OF CMA FUNDS				
4.1.7	The CMA shall manage the relevant investment of Government funds in the region's natural resource management program in the manner outlined in its Service Level Agreement (and any contract or agreement between the Department and the CMA), the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 13.1 / (CaLP 13.1)			Compliant
4.1.8	The CMA shall manage its business operations in compliance with the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 13.2 / CaLP 13.2)			Compliant
4.1.9	The CMA shall administer community grants on behalf of the Minister to assist in the implementation of the (Regional Catchment Strategy and relevant sub-strategies and plans) in accordance with relevant legislation and subordinate instruments and any guidelines issued to the CMA. (WA 13.3 / (CaLP 13.3)	Management of community grants.	100% of approved Grant applications processed and paid within one month of their receipt by the CMA	100% of grants processed within 30 days of receipt by the CMA.
MANAGING RISKS				
4.1.10	The CMA shall develop a risk management system and processes to effectively manage strategic, operational and financial risks in accordance with the Financial Management Compliance Framework, all relevant legislative and sub-ordinate instruments and industry standards. (WA 14.1 / CaLP 14.1)	Implement the 2011-2012 Risk Management Plan Monitor Current and Emerging Risks	Actions as listed in the Plan are met on time and formally reported to the Board	Risk Management Plan implemented and ratified by Board and Audit Committee
4.1.11	The Authority shall develop and maintain a comprehensive register of all relevant assets in accordance with the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 15.1 / CaLP 15.1)	Maintain Asset Register as required		Compliant
4.1.12	The Authority shall develop and implement systems to manage and maintain its assets and supply its services in a sustainable manner. (WA 15.2 / CaLP 15.2)	Maintain an asset replacement schedule for all Major Assets	Annual Review of Asset replacement schedule completed	Compliant Review completed as part of flood recovery program

COMMUNITY ENGAGEMENT

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
GENERAL				
4.2.1	The CMA shall develop, maintain and enhance strategic partnerships with regional service deliverers for the implementation of the Regional Catchment Strategy, its sub-strategies, and any plans, including investment plans and special area plans. (CaLP 16.3)	Support strategic partnership forums. Facilitate engagement with the region's local government authorities.	Meaningful participation in local government forums at officer and Councillor/Board level	Participation throughout 2011-12 in North East Greenhouse Alliance meetings and events. Participation in the development of the Hume Regional Growth Plan
4.2.2	The CMA shall establish and maintain community engagement structures and / or processes on an ongoing basis to: Provide advice to the CMA on the development and implementation of Regional River Health Strategies (its sub-strategies, and any plans, including investment plans and special area plans), floodplain and drainage programs; and Act as a communication link with relevant stakeholder groups and the community. (WA 16.2 / (CaLP 16.2))	Review the Community Engagement framework and associated policies Facilitate engagement with the regions agribusinesses. Facilitate engagement with the regions indigenous community Coordinate community engagement meetings Implement community engagement monitoring, evaluation and reporting program.	Quarterly compliance reporting against the CMA's CE Policy	The CE working group contributed to development of a new policy for the NECMA. The following agribusiness groups were engaged through the Soil Carbon project: <ul style="list-style-type: none"> • Boorhaman Cropping Group • Upper Murray Agricultural Group • Summer Fruit Growers • King Valley Vignerons • Alpine Vignerons The CMA facilitated the establishment of two Indigenous Landcare Groups in the region.
4.2.3	The CMA shall make available to the public: Information about the catchment and waterway management services and relevant educational material. (CaLP 16.4 / WA 16.3)	Place all relevant information on the website		Information about the catchment and waterway management services was placed and maintained on the website. This was augmented by print material.
COMMUNICATION ADVICE TO MINISTERS				
4.2.4	The CMA shall advise the Minister of appropriate opportunities to communicate issues and outcomes relating to catchment management, river health and the environmental water reserve. (WA 17.1 / CaLP 17.1)			The Minister was advised of matters relating to the flood recovery program and other relevant matters.

INTEGRATED REGIONAL PLANNING AND COORDINATION

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
REGIONAL CATCHMENT STRATEGY (RCS)				
4.3.1	The CMA shall co-ordinate the development, review, and gain approval for the RCS in accordance with any guidelines issued by the Minister. (CaLP 18.1)	Commence RCS renewal based on VCMC Guidelines	RCS renewal commenced by in the first quarter of 2011/12.	The RCS renewal has progressed according to plan.
4.3.2	The CMA shall coordinate the implementation of the RCS. (CaLP 18.2)	Manage Service Level Agreements with key regional stakeholders Facilitate Monitoring, Evaluation, Reporting and Improvement processes for implementation Programs.	Satisfactory Annual Performance Report	On track to be delivered on time
4.3.3	The CMA shall coordinate the development, review and implementation of regional sub-strategies or plans which manage priority issues in the RCS and / or are specified by relevant State policies in accordance with any guidelines issued to the CMA. (CaLP 18.3)			Final draft submitted for approval
4.3.4	The CMA shall monitor, evaluate and report to the Department on resource condition and management action targets in accordance with any guidelines issued to the CMA. (CaLP 18.4)	Prepare Catchment Condition report for inclusion in the 2010/11 Annual Report. Coordinate Regional Investment Plan (RIP) reporting processes for the region.	Annual Catchment Condition reporting completed and meeting statutory reporting requirements. RIP reporting completed and meeting Investor requirements.	Report submitted on time RIP reporting to Investors submitted on time and accepted.
4.3.5	The CMA shall provide input on action plan priorities and programs to the development of the RCS. (WA 18.1)	Develop the Regional Investment Plan	Regional Investment Plan submitted to DSE in accordance with guidelines	2012-13 RIP submitted to DSE.
REGIONAL CATCHMENT INVESTMENT PROCESS				
4.3.6	The CMA shall include the planning works programs for action plans in the submission of the annual Regional Catchment Investment Process and other relevant funding processes to the Department (WA 19.1)	Develop the RIP.	RIP submitted by required date.	2012-13 RIP submitted to DSE by the required date.

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
SPECIAL AREA PLANS				
4.3.7	The CMA shall submit to the Minister for approval any special area plans prepared for special areas declared in its region. (CaLP 19.1)			N/A
4.3.8	The CMA shall coordinate and monitor the implementation of any approved special area plans prepared in accordance with the CaLP Act or any guidelines issued by the Minister. (CaLP 19.2)			N/A
REGIONAL CATCHMENT INVESTMENT PLAN (RIP)				
4.3.9	The CMA shall coordinate the development of the RCIP and the associated documentation, and the implementation and management of the RCIP, in accordance with any guidelines issued by the Department. (CaLP 20.1)	Develop the Regional Investment Plan. NE0708.2.235	Regional Investment Plan submitted by required date.	2012-13 Regional Investment Plan submitted to DSE by the required date.
4.3.10	The CMA shall provide advice through the RCIP process to the Department on regional priorities and programs for the implementation of the accredited RCS and sub-strategies and relevant plans in accordance with any guidelines issued by the Department. (CaLP 20.2)	Develop the Regional Investment Plan.	Regional Investment Plan submitted by required date.	2012-13 Regional Investment Plan submitted to DSE by the required date.
LAND STEWARDSHIP - LANDCARE				
4.3.11	The CMA shall develop and coordinate the implementation of a regional action plan for landcare to support landcare activities across its region in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.1)	Implement the Regional Landcare Support Strategy	Annual workplan completed.	Annual workplan completed.
4.3.12	The CMA shall monitor, evaluate and report on progress against priorities and targets defined by the regional action plan for landcare in accordance with any guidelines issued to the CMA or any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.2)	Report through the Regional Investment Plan reporting process	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	Regional Investment Plan reporting to Investors submitted on time and accepted.

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
LAND STEWARDSHIP – BIODIVERSITY				
4.3.13	The CMA shall develop and coordinate the implementation of regional plans for biodiversity, such as a Native Vegetation Plan (NVP) in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 22.1)	Develop the Regional Investment Plan Manage SLA with DSE Statewide Services for implementation of the RNVP	Investor approval of Regional Investment Plan. Implementation of RIP NV projects conforms to SLA.	Regional investment plan submitted – still waiting for investor approval
4.3.14	The CMA shall monitor and report on the progress of implementation against priorities and targets as set out in regional plans for biodiversity in accordance with any guidelines issued to the CMA. (CaLP 22.2)	Report through the Regional Investment Plan reporting process	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	Regional Investment Plan reporting to Investors submitted on time and accepted
4.3.15	The CMA shall implement revegetation standards for all on-ground works delivered by its own and contracted staff in accordance with any guidelines issued to the CMA. The CMA shall encourage other regional revegetation works, delivered by community groups, to adopt the same standards. (CaLP 22.3)	Promotion of the NE Revegetation Guide as the standard for all revegetation in the NE.	The NE Revegetation Guide recognised and used as the standard for revegetation in the NE.	The NE Revegetation Guide standards used for CMA and Service Provider projects. Landcare groups encouraged to adopt standards through the grants eligibility process.
LAND STEWARDSHIP – PEST MANAGEMENT				
4.3.16	The CMA shall develop and coordinate the implementation of regional pest plans in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 23.1)			Final draft of the Invasive Plants & Animals Strategy forwarded to DPI, DSE and Parks Victoria for comment prior to submission to Board to approve the draft document for public consultation.
4.3.17	The CMA shall advise the Minister, or another Minister (if requested), on regional priorities for the management of pest species. (CaLP 23.2)	Board advice to Minister under the current Noxious Weeds Review	Advice provided to Minister when requested by DPI.	No requested received from DPI
4.3.18	The CMA shall develop, monitor and report on the progress of implementation against priorities and targets as set out in regional pest plans in accordance with any guidelines issued to the CMA. (CaLP 23.3)			Final draft of the Invasive Plants & Animals Strategy forwarded to DPI, DSE and Parks Victoria for comment prior to submission to Board to approve the draft document for public consultation.

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
4.3.19	The CMA shall advise the Minister on the declaration or revocation of a declaration for any relevant pest species. (CaLP 23.4)	Board advice to Minister under the current Noxious Weeds Review	Advice provided to Minister when requested by DPI.	No requests received from DPI.
LAND STEWARDSHIP – SALINITY MANAGEMENT				
4.3.20	The CMA shall develop and coordinate the implementation of Regional Salinity Management Plans or their equivalent in accordance with the RCS and any relevant State policy, framework, Strategy, plan or guideline. (CaLP 24.1)	Develop the Regional Investment Plan	Investor approval of Regional Investment Plan. Implementation of RIP salinity projects conforms to SLA.	Awaiting Ministerial approval
4.3.21	The CMA shall monitor and report on the progress of the implementation of Regional Salinity Management Plans (RSMP) or their equivalent in accordance with any guidelines issued to the CMA. (CaLP 24.2)	Report through the Regional Investment Plan reporting process	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	Regional Investment Plan reporting to Investors submitted on time.
4.3.22	The CMA shall advise the Department on the development of regional salinity targets and corresponding works programs in accordance with the Murray Darling Basin Agreement, or subsequent such agreement. (CaLP 24.3)	Prepare Catchment Condition report for inclusion in the 2010/11 Annual Report.		Catchment Condition Report completed.
REFERRALS AND NOTICES				
4.3.23	The CMA shall prepare a response to planning referrals from the Environment Protection Authority in accordance with relevant legislation. (CaLP 25.1)	As required	Responses to planning referrals made within statutory timeframes.	One referral received and responded to.
4.3.24	Where the CMA is listed in a Local Government Planning Scheme as a referral body, the CMA shall provide advice on planning referrals which relate to dryland salinity, irrigation management, soil erosion and any other land management issues identified in the local Municipal Strategic Statement. (CaLP 25.2)	As required	Responses to planning referrals made within statutory timeframes.	Responses were provided within statutory time frames to all Local Government planning referrals with conditions, recommendations and comments, as appropriate to the referral.
4.3.25	The CMA shall consider any land management notices and make a decision on whether to consent to the notice. (CaLP 25.3)	As required.	Responses to planning referrals made within statutory timeframes.	No land management notices were received.

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
LOCAL GOVERNMENT PLANNING				
4.3.26	<p>The CMA shall participate in the periodic review, continuous improvement and implementation of those municipal planning schemes and in particular:</p> <p>any Local Planning Policy Framework;</p> <p>any Municipal Strategic Statement;</p> <p>and (any zones and overlays) which may affect, or be affected by, the CMA's (region, functions, powers and duties) area, responsibilities or activities.</p> <p>A principal objective of the CMA's participation will be to promote consistency of any strategy or scheme with its planning and programs for the implementation of (the RCS, its sub-strategies and plans) regional river health, floodplain and regional drainage programs.</p> <p>(WA 20.1 / (CaLP 26.1))</p>	<p>Provide comments on planning referrals for planning scheme amendments as appropriate.</p>	<p>All Local Government reviews of planning policies have input from the CMA</p> <p>Responses provided within statutory timeframes.</p>	<p>Input was provided into Local Government reviews of planning policies, planning scheme amendments and studies as appropriate.</p> <p>This included:</p> <ul style="list-style-type: none"> • Planning scheme amendments C91, C93, C94 for Wodonga; Alpine C26, DPCD (Alpine Resorts) C21 and C23, C24 for Towong Shire • Indigo Shire's 2012 Rutherglen Rural Living Strategy • Indigo Shires Master Plans - Recreational Reserves • Rutherglen Rural Living Strategy • Moira Shire Settlement Strategy 2012 • Alpine Shire 2012 Alpine Rural Land Study

CARETAKER OF RIVER HEALTH

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
REGIONAL RIVER HEALTH STRATEGY				
4.4.1	The CMA shall develop a Regional River Health Strategy (RRHS) according to guidelines issued by the Secretary. (WA 21.1)	Revise the RRHS. Participate in the planning for the development of Victorian Strategy for Healthy Rivers Estuaries and Waterways (VSHREW) at the State level. Revise RRHS to plan for waterways in relation to their economic, social and environmental values.	Draft of the RRHS completed. Provide input to DSE process as requested. RRHS revised every six years.	Draft RRHS commenced but not completed. Aquatic Value Identification and Risk Assessment (AVIRA) model populated. Provided comments to DSE on draft guidelines. Final guidelines have not been finalised. RRHS revision commenced.
4.4.1(a)	Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the environmental water reserve in accordance with objectives.	Participate in policy development for the new Environmental Water Holder. Develop an annual Watering Plan for Lake Moodemere.	Provide input to the ministerial rules development. Moodemere Watering plan completed.	Input provided into policy development for the Victorian Environmental Water Holder. Lake Moodemere Environmental Watering plan completed.
4.4.1(b)	Implement annual river health programs and activities to improve environmental values and health of water ecosystems	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	Some annual river health targets were achieved, however significant resources were diverted onto delivering the flood recovery program
RIVER HEALTH ACTION PLANS				
4.4.2	For priority areas identified in the Regional River Health Strategy, the CMA shall, in consultation with relevant stakeholders and the community, develop and coordinate the implementation of, relevant action plans, in accordance with guidelines issued by the Secretary, which may include: water quality management action plans; and waterway management action plans. (WA 22.1)	Implement existing Waterway Action Plans (WAPs). Maintenance and emergency and landholder partnership projects (18 subprojects). Implement Lower Ovens Caring for our Country projects.	Undertake priority actions for WAPs; King River, Mitta Mitta River, Yackandandah Creek, Little Snowy Ck, Lower Kiewa / Finns Ck, Reedy Ck, 15 Mile Ck, Wangaratta WAP, Wodonga WAP Lower Ovens Caring for our Country projects completed as per contract obligations	Works were implemented for the following WAPs: Mitta Mitta River, Yackandandah Creek, Little Snowy Ck, Lower Kiewa / Finns Ck, Reedy Ck, 15 Mile Ck, Wangaratta WAP. Lower Ovens Caring for our Country project mostly completed, however an extension of time for some works was granted

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
RIVER HEALTH WORK PROGRAMS				
4.4.3	The CMA shall develop and implement on-ground river restoration works programs to implement the priorities of the Regional River Health Strategy and related river health action plans. (WA 23.1)	Prepare 18 annual works plans Mitta Mitta channel capacity project MDBC demonstration reach projects Prepare RIP projects River Tender Participate in annual investment seminar and annual review	12 Annual Work plans developed Works completed as per MDBA/GMW prioritisation process Works completed as per Agreement RIP bid endorsed Final payments sent for round 3 and management plans for signed off for round 4. Present projects to regional stakeholders	7 work plans for projects were initiated but then put on hold due to major flooding. Staff resources were reallocated to flood recovery works from July to July CMA worked with MDBA and GMW to deliver works for the Mitta Mitta Channel Capacity project The CMA worked with partners to implement the MDBA Ovens River Native Fish Demonstration Reach project RIP bids submitted and approved Participated in annual investment seminar and annual review River Tender 2010/11 contracts were awarded to successful bidders. Final payments sent for round 3
4.4.4	The CMA shall include the works programs outlined above in the submission of the annual RCIP to the Department. (WA 23.2)	Prepare Regional Investment Plan (RIP) projects NE Mega Murray Flagship Large Scale River Restoration Project Healthy Waterways Project NE Targeted Biolinks Project	RIP bid endorsed	RIP bid was endorsed.

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
4.4.5	The CMA shall consult with the Department's public land managers in development of any plans, programs or schemes, which are on a Crown frontage. (WA 23.4)	Securing Priority Riparian Areas Project with DSE Liaise with DSE regarding crown frontage licence transfer and renewals Implementing Victorian Environment Advisory Council River Redgum Grazing Phase out project with Parks Victoria	30 agreements attached to crown frontage licences Provide written responses to crown frontage licence transfer and renewals Participate in the working group	47 new signed riparian management agreements 3 written responses to DSE regarding crown frontage licence transfer and renewals No working group meetings held
APPROVALS, REFERRALS AND ADVICE				
4.4.6	The CMA shall authorise works on waterways and exercise enforcement powers in accordance with the CMA Waterways Protection By-law.	Authorise Works on Waterways Undertake enforcement as required Participate in State Bylaw review process	Assess/process all applications for Works on Waterways within 30 days (in line with statutory time frames from local government)	70% applications for Works on Waterways within 30 days (in line with statutory time frames from local government) 138 applications for permits were received this year. Participated in State Bylaw review process
4.4.7	The CMA shall act as a referral body for any: application for a licence to construct works; and application for a licence to take and use water; referred to it by the Minister in respect of a dam in accordance with relevant legislation. (WA 24.2)	Provide comments on all Goulburn-Murray Water referrals.	Process applications within statutory response time	Provide comments on 6 Goulburn-Murray Water referrals The CMA has not received any referrals for licences to take and use water from GMW
4.4.8	The CMA shall provide advice on planning referrals which relate to waterway, water quality and any other river health issues when requested by local government. (WA 24.3)	Provide comments on all local government and other Authority referrals.	Provide comments on referrals within statutory timeframes	194 planning referrals commented on
4.4.9	The CMA shall advise the Department on conditions for licences in respect of Crown frontages. (WA 24.4)	Provide comments to the Department on all crown frontage referrals. Provide input into policy decisions in relation to crown frontage licences	Timely comments provided on new licence applications and licence transfers as requested. Input provided into policy decisions in relation to crown frontage licences	Responses made to 3 crown land licence referrals Participated in the Riparian Technical Working Group & SPRA Steering Committee in relation to crown frontage licences
4.4.10	The CMA shall provide advice to rural and urban water authorities, local government and State Government agencies on aspects of their business, or matters which they are handling, which impact on river health. (WA 24.5)	Participate in NERWA annual works plan requested on WSDS, drought response plans, water plans	Comments provided to rural and urban water authorities	The CMA participated in AGL's annual stakeholder meeting for the storage desilting and monitoring program Participated in North East Water regional groundwater forum

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
HERITAGE RIVER AREAS				
4.4.11	The CMA shall incorporate the requirements relating to Heritage River Areas into the development and implementation of Regional River Health Strategy (RRHS). (WA 25.1)	Revise RRHS	Draft of the RRHS completed	
MANAGEMENT OF THE ENVIRONMENTAL WATER RESERVE (EWR)				
4.4.12	The CMA shall integrate the management of the EWR into the development of the RRHS, action plans and integrated river works programs. (WA 26.1)	Revise RRHS	Draft of the RRHS completed	Commenced RRHS development
4.4.13	In all its river health planning and works programs, the CMA shall aim to: achieve the most effective use of the EWR; achieve the greatest level of environmental benefits practicable; and minimise, as far as possible, any adverse impacts on water users. (WA 26.2)	Aim to integrate EWR objectives, use and hydrology concepts into works program/ action plans, whilst minimising adverse impacts on programs and water users.	EWR use, environmental benefits and adverse impacts documented	Prioritised work areas through RRHS addendum aligned with water resource management priorities.
4.4.14	The CMA shall liaise with: the storage operator to negotiate the most effective release pattern for the EWR, in regulated systems including during drought; and surface water and groundwater licensing authorities to negotiate the most effective surface water and groundwater extraction regime. (WA 26.3)	Liaise with GMW and NERWA regarding the operation of lake Buffalo and the Ovens System Liaise with Goulburn-Murray Water effective surface/ ground water extractions as part of upper Ovens Water Management Plan Development Participate as a member of the Regional Groundwater Services Committee (RGSC) and relevant Surface Water Committees	Participation in North East Dry Inflow Contingency Planning Meeting. Implementation of North East CMAs obligations under Ovens System Operating Agreement. Demonstrated input into the upper Ovens WMP finalisation process Attendance at RGSC meetings and relevant Surface Water Committees	Goulburn Murray Water and the CMA negotiated an environmentally beneficial release pattern (of scheduled maintenance releases) out of Lake Buffalo. Participated in Community Consultative Committee meetings for the upper Ovens WMP development process. Liaised with Goulburn Murray Water for the implementation of the Upper Ovens Water Management Plan. Attended RGSC meetings and relevant Surface Water Committees.

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
4.4.15	<p>Where the EWR includes an environmental entitlement and the CMA is appointed as the environmental manager of the environmental entitlement by the Minister, the CMA shall:</p> <p>Develop a multi-year Environmental Operating Strategy for the environmental entitlement according to guidelines developed by the Secretary;</p> <p>Seek endorsement from both the Minister for Water and Minister for Environment for the Environmental Operating Strategy;</p> <p>Develop and implement an Annual Watering Plan in line with the Environmental Operating Strategy;</p> <p>Seek endorsement from both the Minister for Water and Minister for Environment for the Annual Watering Plan;</p> <p>Work with storage operator and where relevant, the Department's regional officers and land managers to ensure provision of water and management of relevant structures according to the Annual Watering Plan;</p> <p>Manage any costs associated with the management and delivery of the EWR; and</p> <p>Provide advice to the Minister of Environment through the Secretary on any temporary trade of the EWR</p> <p>(WA 26.4).</p>	<p>Reduced activity planned- no state entitlement held</p> <p>When requested hold an environmental entitlement for the Commonwealth</p>	<p>Fulfil obligations to Commonwealth Environmental Water Holder where they delegated management responsibility to the CMA (ie 50MI on the King River and 20MI on the Buffalo River/ Lower Ovens)</p>	<p>Management of Commonwealth Environmental Water shares in the Ovens Regulated System delegated to CMA.</p> <p>Goulburn Murray Water and the CMA negotiated releasing Commonwealth Environmental Water shares in line with watering plan approved by the Commonwealth Environmental Water Holder.</p> <p>Operational Monitoring Report submitted and endorsed by the Commonwealth Environmental Water Holder.</p>
4.4.16	<p>The CMA shall advise the Department annually on the distribution and headworks costs associated with managing the EWR.</p> <p>(WA 26.5)</p>	<p>No activity planned. CMA does not currently hold an environmental entitlement</p>		<p>No activity planned</p>
4.4.17	<p>The CMA shall report annually to the Secretary on the consistency of the management of the EWR with the requirements of the State Water Accounts.</p> <p>(WA 26.6)</p>	<p>Upon Request provide EWR management information to the Victorian Water Accounts formation process.</p>	<p>Information provided</p>	<p>Information provided to the Victorian Water Accounts formation process.</p>

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
4.4.18	The CMA shall receive approval from the Secretary where the CMA, whether acting in its own capacity or as a delegate of the Minister, intends to: purchase a water share transfer ownership of a water share assign a limited-term transfer of a water share assign a water allocation under a water share or an environmental entitlement (WA 26.7)	Process the ownership of water share as required	Approvals sought from the Secretary as required	No approvals required
4.4.19	Any water shares that the CMA purchases shall be included in, and managed in accordance with, the Annual Watering Plan. (WA 26.8)	No activity planned. Any CMA purchased Water Shares will be trigger the development of an Annual Watering Plan		Not applicable. No water shares purchased.
4.4.20	The CMA shall liaise with the storage operator to maximise benefits to the EWR resulting from the timing, volume and location of the release of water in the consumptive entitlements. (WA 26.9)	Liaise with GMW regarding the operation of lake Buffalo and Lake William Hovell. Liaise with River Murray Water in relation to the operation of Lake Dartmouth	Demonstrated liaison with Storage Operator.	Goulburn Murray Water and the CMA negotiated an environmentally beneficial release pattern (of scheduled maintenance releases) out of Lake Buffalo.
WATER ALLOCATION PROCESSES				
4.4.21	The CMA shall provide input into the development of Sustainable Water Strategies on: requirements and priorities for enhancing the EWR in high priority river and wetland systems and groundwater dependent ecosystems; River health and water quality issues; Potential large-scale land use changes in catchments; and Opportunities and implications for regional development. (WA 27.1)	Participate in the implementation of the Northern Region Sustainable Water Strategy, and provide EWR advice	Documented input into the implementation of Northern Region Sustainable Water Strategy	Input into MDBA Draft Basin Plan. Contributed to State Licensing Committee meeting processes and provided comments on Local Management Rules.
4.4.22	The CMA shall input into the development of stream flow management plans and groundwater management plans from a river health perspective and coordinate their implementation. (WA 27.2)	Input into the Upper Ovens Water Management Plan (WMP) development through participating in Consultative Committee meetings Assist in the implementation of the Ministerial Approved WMP. Participate in DSE lead processes on the review of WMP	Participate in upper Ovens River WMP consultative and Steering Committee meetings Attend EWR network meetings	Participation in the Upper Ovens River WMP Consultative Committee meetings. Assisting in the implementation of the Ministerial approved Upper Ovens River WMP. Attendance at EWR Officer network meetings

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
4.4.23	The CMA shall provide input to bulk entitlements, groundwater management plans, water savings projects, irrigation reconfiguration plans and any other water allocation processes from a river health perspective. (WA 27.3)	Provide input to water allocation and sharing processes as opportunities arise - Bright storage upgrade project	Input documented- Bright Bulk Entitlement Amended	Participated in the pending Lake Moodemere Water Works Licence
4.4.24	The CMA shall prepare regionally specific irrigation development guidelines which are consistent with the Statewide Irrigation Development Guidelines for approval by the Minister (WA 27.4)	Implement 2009 Regional Guidelines.	Implementation process developed	MOU and Guidelines are being implemented across the region.
4.4.25	The CMA shall advise the Minister on conditions and objectives for water use licences in accordance with relevant legislation, where requested by the Minister. (WA 27.5)	Provide advice as requested	Document advice provided	No requests from the Minister
4.4.26	The CMA shall report on the implementation of management plans for Water Supply Protection Areas (WSPAs), including groundwater and stream flow management plans, in the annual report. (WA 27.6)	Capture information for reporting.	Annual report contains report on the implementation of management plans for WSPAs.	Report for implementation of management plan for Water Supply Protection Areas not required. First report expected Sep 2013.
FLOODPLAIN MANAGEMENT				
4.4.27	The CMA shall develop and coordinate the implementation of regional plans for floodplain management. (WA 28.1)	Implement the Regional Floodplain Management Strategy. Participate in the amendment of the State Floodplain Strategy process	Flood response action plan reviewed	Regional Flood response action plan reviewed
4.4.28	For priority areas in the regional floodplain plan, the CMA shall: Undertake flood studies, develop floodplain management action plans and implement floodplain management works; and Report to the Department on the progress of these activities in accordance with relevant funding agreements. (WA 28.2)	No flood mapping proposed Monitor stage 2 construction progress on the approved Myrtleford scheme Declaration of flood levels for: Fifteen Mile Creek Myrtleford	Participate in steering committee meetings Flood levels declared	Monitored Stage 2 of the Myrtleford Flood Mitigation Scheme No flood levels declared
4.4.29	The CMA shall provide advice about flooding and controls on planning scheme amendments, and planning and building approvals to local councils in its capacity as a referral body in accordance with relevant legislation. (WA 28.3)	Provide advice to local Government on planning referrals.	98% of S55 applications processed within statutory timeframe.	96% floodplain referrals were processed within the required time frame

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
4.4.30	The CMA shall declare the flood level where a flood study has been carried out and an appropriate flood level determined. (WA 28.4)	No flood studies proposed		N/A
4.4.31	The CMA shall coordinate the collection of appropriate flood data following a significant flood event and make it available to the public. (WA 28.5)	Flood data collected following 2010/11 flood events.	Flood data available to the public	Flood data available to the public
4.4.32	The CMA shall participate and provide technical assistance and support for studies, plans and works undertaken by local government and other authorities to ensure that best practice outcomes are achieved. (WA 28.6)	Where requested technical advice will be provided. Participate in State Government enquiries into flood response and recovery	Demonstrated participation in studies, plans and works undertaken by local government and other authorities Demonstrated participation in enquiries	Participated in Hume Regional Growth Plan development Participated in workshop on response to Comrie review
4.4.33	The CMA shall assist local government in developing and maintaining their flood sub-plans under the Municipal Emergency Management Plans where appropriate. (WA 28.7)	Where requested technical advice will be provided.	Demonstrated participation in local government sub-plans under the Municipal Emergency Management Plans	Participated in SES flood safe local flood guide for Towong and Upper Murray
MANAGEMENT OF REGIONAL DRAINAGE				
4.4.34	The CMA shall develop and coordinate the implementation of a regional plan for drainage management including establishing the roles of implementing authorities. (WA 28.9)	No action proposed		N/A
4.4.35	The CMA shall implement, operate and protect the regional drainage schemes and works which the CMA has been appointed to assume responsibility for by an Order made under s.98 Water Act 1989, in accordance with that Order. (WA 29.2)	Implement Black Dog Creek Waterway Management District By-law.	Assess / process all applications within 30 days.	ByLaw has expired

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
MONITORING AND REPORTING ON RIVER HEALTH				
4.4.36	The CMA shall report to the Minister for Water on the implementation of Regional River Health Strategies, related action plans and resource condition in accordance with the Service Level Agreement and any guidelines issued by the Secretary. (WA 30.1)	Regional reports completed.	Reports accepted by government.	Victorian Investment Framework (VIF) reporting completed and submitted to Government
4.4.37	The CMA shall benchmark and report to the Secretary on river condition in accordance with guidelines issued by the Secretary. (WA 30.2)	DSE undertaking Index Of Stream Condition (ISC) – in house Assist DSE with the Index of Wetland Condition (IWC) monitoring	No action proposed 11 Site assessments of Wetlands in the region	14 site assessments of Wetlands in the region were undertaken and were reported back to participating landholders and agency partners
4.4.38	The CMA shall participate in the Regional Water Resource Monitoring Partnership and implement their role as outlined in regional Water Monitoring Project Co-operative Arrangement. (WA 30.3)	Participate in partnership.	Attendance at partnership meetings	Attended one partnership meetings
RESPONDING TO NATURAL DISASTERS, INCIDENTS AND EMERGENCIES				
4.4.39	The CMA shall develop, maintain and implement a Flood Response Action Plan and review it annually. (WA 31.1)	Implement Flood Response Action Plan.	Document Flood Response Action Plan implementation	Flood Response plan partially reviewed
4.4.40	The CMA shall develop and implement river related restoration works programs following natural disasters such as bushfires or floods. (WA 31.2)	Continue flood recovery response activities from 2011.	Implement restoration works as per funding agreement with Government.	September and December flood recovery plans implemented as per the NDRA guidelines
4.4.41	The CMA shall participate in the development of regional blue-green algal (BGA) blooms contingency plans. (WA 31.3)	Participate in regional BGA meetings and planning exercises.	Attendance at regional BGA meetings and planning exercises	No meetings held
4.4.42	The CMA shall liaise with local government and state emergency services on flooding and emergency management issues. (WA 31.4)	Participate in community awareness programs – SES Flood Smart Liaison regarding post emergency recovery programs.	Participate in community awareness raising Attendance at recovery meetings	Provided requested assistance to the SES Incident Control Centres in Wangaratta Participated in regional flood recovery meetings

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
COMMUNITY PARTICIPATION AND AWARENESS				
4.4.43	<p>The CMA shall undertake programs to encourage community engagement and participation in:</p> <p>river health programs;</p> <p>the management of the EWR; and</p> <p>the monitoring of river health.</p> <p>(WA 32.1)</p>	<p>Develop community engagement plans as part of project planning</p> <p>Implement Waterway Action Plans</p> <p>WaterWatch - road shows at local schools. Support adult monitoring network.</p> <p>Participation in Salt Watch Week, World Water Day, local events</p> <p>Support the Schools Education and Environment Directory (SEED) project</p> <p>Water Quality (WQ) monitoring support for river health staff, assistance with community engagement activities</p> <p>Foster working relationship with NERWA in WQ program delivery</p> <p>Participate in water policy review</p> <p>Participate in flood recovery community processes</p> <p>Annual comms plan</p> <p>Media events- water week</p>	<p>Report quarterly to Board on community engagement activities</p> <p>Four roadshows to 40 schools</p> <p>Water Week activities</p> <p>60 active adult volunteers supported, water quality data provided to all monitors annually.</p> <p>Active participation in SEED governance arrangements.</p> <p>Implement the NERWA MOU</p> <p>Provide written/verbal comment on all VSHREW policy documents</p> <p>Submission provided to review processes</p> <p>Documented Comms plan</p> <p>Articles in three local papers in Waterweek</p>	<p>Presented three papers at River Management Conference</p> <p>Provided quarterly reports on Community Engagement activities to the Board.</p> <p>Undertook significant community engagement process around community perceptions/ experiences of the role willows played in flood impacts.</p> <p>Four Student Environment days completed (Wangaratta, Tallangatta, Bright & Yarrowonga). 595 students attended.</p> <p>National Water Week activities: Community awards & volunteer recognition evening, Wangaratta in partnership with NERWA 170 people attended (also participated in Rural City Of Wangaratta events My Backyard Rules (500 attendees) and Water Expo (150 attendees). Local media coverage of all events.</p> <p>Supported 61 active Waterwatch volunteers who monitor water quality at 75 sites. Provided annual data reports for sites monitored monthly to monitors and stakeholders.</p> <p>Active participation in the SEED Committee of Management, Advisory and Functional groups.</p> <p>Provide written comments on draft VSHREW policy</p> <p>Submission provided to flood review processes</p>

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
COMMUNITY PARTICIPATION AND AWARENESS				
4.4.44	The CMA shall develop and implement community education programs on river health and the management of the EWR. (WA 32.2)	As above - water week activities	Report quarterly to Board on community engagement activities	Delivered the SEED (School Environmental Education Directory) across the North East.
4.4.45	The CMA shall promote community awareness of flood risks. (WA 32.3)	Respond to flood level enquiries. Promote the SES "Floodsmart" program	Provide written advice to the community on flood levels. Participate in local Government community awareness raising	Provided 126 written advice to the community on flood levels.
4.4.46	The CMA shall develop, implement and maintain strategic partnerships with rural and urban water authorities for the implementation of the Regional River Health Strategy. (WA 32.4)	Liaise with GMW / NERWA contingency planning Participate in the Waterway Incident Protocol MOU with EPA, GMW and NERWA. Implement NERWA MOU.	Participate in regular partnership meetings Attend regular meetings with MOU partners. MOU principles adhered to	Attended North East DICP meetings and progressed extreme drought planning scenarios for the Ovens Regulated System No Waterway Incident Protocol meetings were scheduled Participated in a partnership meeting with NERWA

INNOVATION AND KNOWLEDGE MANAGEMENT

#	KRA	ACTIVITY 2011/2012	KPIS 2011/2012	RESULT 2011/2012
INNOVATION AND KNOWLEDGE SHARING				
4.5.1	<p>The CMA shall</p> <p>identify the CMA's research and capability needs;</p> <p>support investment in research and capability building, where doing so would improve the implementation of the RCS its sub-strategies and plans;</p> <p>participate in processes or projects aimed at generating and sharing knowledge on integrated catchment management including river health, the management of EWR, flooding and drainage; and</p> <p>participate in the setting of state-wide priorities</p> <p>(WA 33.1 / CaLP 27.1)</p>	<p>Continue the CSIRO "Willow Water Use" Project</p> <p>Continue to sponsor research into the effects of willow removal on streams - MDFRC</p> <p>Continue Catchment Yield Monitoring Studies with Melbourne University.</p> <p>Develop portable Biochar prototype and initiate field studies</p> <p>Finalise flood characteristics flood study</p> <p>Finalise willow flood study</p>	<p>Continue the CSIRO "Willow Water Use" Project</p> <p>Continue to sponsor research into the effects of willow removal on streams - MDFRC</p> <p>Continue Catchment Yield Monitoring Studies with Melbourne University.</p> <p>Complete stage 1 for Biochar project</p> <p>Finalise flood characteristics flood study</p> <p>Finalise willow flood study</p>	<p>Completed the CSIRO "Willow Water Use" Project</p> <p>Continued to sponsor research into the effects of willow removal on streams - MDFRC</p> <p>Continued Catchment Yield Monitoring Studies with Melbourne University.</p> <p>Completed milestones for Biochar project.</p> <p>Completed research and community engagement into the flood impacts on channel change across the catchment and the role willows played in that channel change</p>

KEY PERFORMANCE INDICATORS

PERFORMANCE AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
GOVERNANCE			
Board performance	Complete and submit an annual board performance assessment report, according to any Ministerial guidelines issued	By 31 August annually	Submitted 25 August 2011.
	Participation by board members in development activities	All board members participate in development activities	66% of board members participated in development activities
Board charter	Develop and implement a board charter that as a minimum: includes a requirement for the regular review of the board's effectiveness establishes appropriate board committees including a risk and compliance committee features a provision that the board will comply with Ministerial guidelines requires the board to monitor the CMA's financial, social and environmental performance	A board charter with these features was established by 31 August 2010	Compliant
Risk and financial management	Compliance to risk management plans for each program	All programs have risk management plans in place Nil non-compliances with risk management plan	67% of programs have risk management plans (2 out of 3 programs) Nil non-compliance
	Annual review of governance policies and procedures	Review all governance policies and procedures by 30 June annually	11 Governance Policies were reviewed across the months of Oct 11, Feb 12, Mar 12, Apr 12, May 12 & Jun 12

PERFORMANCE AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
EFFICIENCY AND ORGANISATIONAL PERFORMANCE			
Expenditure versus budget	Variation of actual to budgeted expenditure for the CMA	Total actual expenditure is less than or equal to budgeted expenditure For each program, actual expenditure is within +/- 10 per cent of the budgeted expenditure	Total actual expenditure was less than budgeted expenditure by 7%. Nil programs with actual expenditure more than 10 per cent above the budgeted expenditure Nil programs with actual expenditure more than 10 per cent below the budgeted expenditure
Grant management	Administration costs of grants are minimised	10 per cent or less of grant funds is spent on administration	4.03% 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 26 working days to process permits 69 out of 139 permits that took more than 20 working days to process
	Number of days to process referrals for any works on or in relation to a dam	Not more than 20 working days	1 referred by Goulburn Murray Water to the CMA, within 20 days to respond
	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	14.9 days to process 205 referrals 45 referrals that 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	145 enquiries that took an average of 13.2 working days to respond. 56 enquiries that took more than Average of 20 working days to process
	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	5 referrals from Goulburn Murray Water to the CMA, 20% more than 20 days
	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	Nil referred by Goulburn Murray Water to the CMA
	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

PERFORMANCE AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
EFFECTIVENESS AND ENVIRONMENTAL OUTCOMES			
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	Regional River Health Strategy still under review
	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	1 Annual Watering Plans developed (Moodemere)
	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	56% of annual river health targets and works programs achieved, due to redirection of resources to extensive flood recovery project
Regional Catchment Strategy (RCS) implementation	Percentage of RCS annual actions implemented	All RCS annual actions implemented	The new RCS has just been released in draft form, it will be submitted in October 2012.
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	100% of the RNVP annual actions implemented
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	Final draft of the Invasive Plants & Animals Strategy forwarded to DPI, DSE and Parks Victoria for comment prior to submission to Board to approve the draft document for public consultation.
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 AREA	PERFORMANCE INDICATORS	TARGETS	ACHIEVEMENT REPORTING
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	RSMP and LWMP completed LWMP to be reviewed 2013/14 LWMP grants implemented
	Progress against annual action targets	All annual RSMP and LWMP actions and targets achieved	All priority actions and targets achieved.
	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	Awaiting new State guidelines before a new 5 year plan can be commenced.

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GLOSSARY OF TERMS

ABBREVIATION TERM

ARI _____	Arthur Rylah Institute
CaCl _____	Calcium Chloride
CAMS _____	Catchment Activity Management System
CfoC _____	Caring for our Country
CLF _____	Community Liaison Facilitator
CLRG _____	Community Liaison Reference Group
CMA _____	North East Catchment Management Authority
DPI _____	Department of Primary Industries
DSE _____	Department of Sustainability and Environment
EEO _____	Equal Employment Opportunity
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 CMA was established by the Victorian Government in July 1997 under the Catchment and Land Protection Act 1994.

The responsible Ministers during the 2011/2012 reporting period were Ryan Smith MP, Minister for Environment and Climate Change and Peter Walsh MLC, 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 2011/2012 period.

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

- Previous annual reports
- Corporate Plan 2011/2012 to 2016/2017
- 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.

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29 Biological farming field day – Kiewa Valley.

30 Creating a bark canoe – the region has two active Indigenous Landcare groups.

31 Trout cod yearling – monitoring undertaken by DSE’s Arthur Rylah Institute indicates that stocked populations in the Ovens River continue to expand.

32 Flood recovery works, King River – the CMA delivered works through this Victorian Government funded program at more than 420 locations during the year.

33 The CMA publishes all water quality data supplied by volunteer monitors to an online Waterwatch database, a statewide reference tool.

34 Member for Benambra, Bill Tilley, helped to launch the renewal of the North East Regional Catchment strategy in February.

35 Despite delays caused by floods, the collaborative Lower Ovens Critical Aquatic Habitat project continued in the region.



34



35

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

PHOTO CREDITS

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

HOW WE CAN HELP YOU

The North East Catchment Management Authority is responsible for facilitating and coordinating the management of the North East catchment in an integrated and sustainable manner with a particular focus on land, biodiversity and water resources. Within this role, the North East CMA:

- 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
- Plans and makes decisions within an integrated catchment management context.

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

FUNDING AND GRANTS

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

WORKS ON WATERWAYS

You can contact us for permits and planning advice.

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



**NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY**

With support from



Australian Government