



DIVERSE, HEALTHY LANDSCAPES; VIBRANT COMMUNITIES

REPORT ON CORPORATE PLAN

ANNUAL REPORT 2004/2005



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

Cover Picture:
(Before and After Works photo)
Barwidgee Creek, Mudgegonga



**NORTH EAST
CATCHMENT
MANAGEMENT
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WHAT'S INSIDE

North East CMA	2
Our Vision	2
Our Mission	2
Our Purpose	2
Our 5 Strategic Objectives	2
Our Region	3
Who we are	4
What we do	4
Works program for 2004/05	4
Who carries out NRM work in the North East	5
Who pays for NRM work	5
How we report on what we do	5
What We Achieved This Year	6
Chairperson's Report	8
CEO's Report	10
Business Operations	11
Water Program	12
Land Program	22
Biodiversity Program	26
Community Program	28
Performance Measures	38
Corporate Operations	41
Our Board	42
Organisational Structure	45
Our People at Work	46
Corporate Governance	48
Our Legislative Responsibilities	49
Financial Operations	51
Index to Financial Reports	51
Summary of Financial Performance	52
Disclosure Index	76



NORTH EAST CMA

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY

Our Vision

Diverse, healthy landscapes; vibrant communities

Our Mission

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

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

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

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

Our Purpose

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

Our 5 Strategic Objectives

1. Help achieve the understanding needed for effective natural resource management.
2. Prepare plans for conservation, enhancement and balanced use of natural resources.
3. Build the means and capacity to implement plans.
4. Facilitate necessary changes in practices and management.
5. Evaluate progress and learn from results.

Each of these objectives forms an essential link in the chain of actions required to achieve our vision. It also demonstrates our commitment to adaptive management leading to continuous improvement.





Our Region

The North East region of Victoria is rich in natural assets – from snow-topped mountains to river valleys and open plains. It covers nearly two million hectares and includes three major river basins: the Upper Murray, Kiewa and Ovens.

The Murray River forms the region's northern boundary, with the Victorian Alps in the south, the NSW border in the east and the Warby Ranges in the west. It takes in the local government municipalities of Wodonga, Indigo, Wangaratta, Alpine and Towong, and also parts of the Moira and East Gippsland shires.

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

About 95,000 people live in the North East and the region contributes an estimated \$3.24 billion every year to Victoria's economic wealth. The main industries are agriculture (dairy, beef, lamb, wool, cropping and horticulture), forest products, tourism, and food processing and manufacturing.

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

The region's natural assets are a major drawcard for tourists. Each year, thousands of visitors enjoy pastimes such as skiing and bushwalking in the parks, recreational fishing in the streams and rivers, and boating on lakes.

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





NORTH EAST CMA CONTINUED

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY

Who we are

The North East Catchment Management Authority (CMA) is a statutory authority, established in July 1997 by the Victorian Government under the *Catchment and Land Protection Act 1994* and the *Water Act 1989*. We report to the Minister for Environment and the Minister for Water.

The North East CMA is one of 10 Catchment Management Authorities across Victoria that work with the community, government and funding organisations to protect and enhance land, water and biodiversity resources.

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

What we do

The CMA is responsible for co-ordinating integrated catchment management and sustainable land and water use in the North East. This is achieved primarily through its role in developing and facilitating the North East Regional Catchment Strategy.

The CMA is also directly responsible for managing:

- river health;
- floodplains;
- water quality co-ordination;
- support to Landcare groups;
- administration of grants; and
- funding facilitation.

The CMA's funded activities are divided into four program areas:

1. **Water**
2. **Land**
3. **Biodiversity**
4. **Community**

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

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

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

Works program for 2004/05

Planned services and programs for 2004/05	\$'000
Water Program	6,736
Land Program	1,925
Biodiversity Program	1,432
Statutory operations	587
Other (NRM co-ordination, monitoring and evaluation)	150
Total	10,830



Who carries out NRM work in the North East

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

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

Who pays for NRM work

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

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

How we report on what we do

The North East Regional Catchment Strategy, launched in June 2004, is a five-year strategy document to guide investment in natural resource management in our region.

Developing the Regional Catchment Strategy is a legislative requirement for the North East CMA under the *Catchment and Land Protection Act 1994* and facilitating its implementation will be a major activity for the CMA in coming years.

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

This year, the North East CMA is completing its annual reporting requirements by reporting directly on its Corporate Plan through this document and on the targets developed

for the Regional Catchment Strategy through a separate document, the Catchment Condition Report, which outlines how we are progressing towards the strategy's targets.

This is a new way of reporting for a Victorian Catchment Management Authority and we believe it contributes to more accountable annual reporting.

The diagram below describes how the North East CMA will report to our stakeholders and the community from now on.

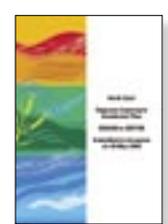
Annual Reporting Process – this year



The two reporting streams

Catchment and Land Protection Act
The Annual Report – Report against the Regional Catchment Strategy

Water Act requirements
The Annual Report – Report against the Corporate Plan





Bundara River after the 2003 Alpine fires



Bundara River regeneration November 2004

WHAT WE ACHIEVED THIS YEAR

JULY 2004 – JUNE 2005

Our Water, Our Future

As part of the State Government's White Paper, *Our Water, Our Future*, which aims to protect our valuable water resources, the CMA has actively participated in restoring our rivers and aquifers, managing the environmental water reserve and contributing to an accountable and efficient water industry. The large restoration project for the Ovens River and the River Tender project have been funded from this program.

SEE PAGE 13

Bushfire Recovery

The 2003 Alpine fires generated considerable sediment in the rivers and catchments of the North East region. During 2004/05, the CMA has done specific works to repair damage and prevent further impact on the catchments. In the Upper Buckland River area the CMA carried out works on five priority sites to stabilise the large sediment stores in the lower reaches of tributaries and stop sediment entering the Buckland River. The CMA, together with Parks Victoria, Mt Hotham and Falls Creek Alpine Resort Management Boards and Southern Hydro Pty Ltd, carried out an extensive willow control program. Because waterways in the Omeo region experienced severe sedimentation, work was done to prevent further deposits and damage. The CMA and Parks Victoria also completed a broad-scale English Broom control program on the Mitta Mitta River.

SEE PAGE 12

River Tender

Funded through the Victorian Water Trust, the River Tender pilot project is a first attempt to quantify the benefits landholders can provide to the environment through their management of riparian areas (any land that is next to, or directly influencing, waterways). The pilot explores the use of a market-based incentive program to involve landholders in protecting and enhancing this valuable component of river health.

Three tender rounds will be undertaken over the next three years to gain an understanding of how well this approach to engaging land managers works. The knowledge transfer model used to influence land management and practice change will be evaluated as part of the project.

Round One of the River Tender had a budget of \$400,000 and closed in June 2005. The North East CMA received bids totalling \$608,372 from 22 landholders to implement their agreed management plans over five years. Of these, 18 landholders were successful and 784 hectares of land, including 57 km of river frontage, will be managed to maintain and enhance river health. Twelve sites will also seek a change in Crown land licence (from agricultural/grazing to conservation/ revegetation), which will recognise the river health benefit of these properties.

SEE PAGE 14



CMA Board Regional Tour



Regional Tour

The CMA Board and staff, and senior representatives from the Department of Sustainability and Environment participated in a two-day tour of the region in September 2004. The tour began in the Heritage River section of the Ovens, below Wangaratta, and inspected a number of program sites in Beechworth, Myrtleford and Omeo, and in the Upper Murray. Highlights included demonstrations of good working partnership programs, integrated delivery, implementation of the Regional Catchment Strategy and the effects of the 2003 Alpine fires.

SEE PAGE 44

Regional Firewood Strategy

About 40,000 tonnes of firewood is used in the North East each year. With the creation of new National Parks and less access to firewood from public land, the CMA developed a regional firewood strategy for the North East. Its purpose is to identify sustainable firewood sources and access to firewood supplies in the North East region for the next 20 years. The strategy was launched at the North East Rural Expo in March 2005. It was a co-operative effort between the North East CMA, the Departments of Primary Industries and Sustainability and Environment, the Rural City of Wangaratta and Indigo Shire.

SEE PAGE 27

Catchment Community Forums

The CMA and local government jointly hosted six Catchment Community Forums across the region in September and October 2004. The forums aimed to:

- report on the Regional Catchment Strategy;
- raise issues of community concern and have a formal response mechanism for them; and
- raise awareness of the CMA's new Advisory Committees.

Nearly 100 people attended these forums and raised 185 issues. The people who attended thought the forums were useful and informative, and they helped the CMA identify issues of concern in various communities.

SEE PAGE 30



Sarah Nicholas

CHAIRPERSON'S REPORT

This has been another busy, but fruitful, year for the CMA, involving many activities, all intended to achieve positive natural resource management outcomes for North East communities and the environment.

From implementing the Regional Catchment Strategy and the water reforms outlined in the Victorian Government's White Paper *Our Water, Our Future* to building partnerships that will ensure community engagement and effective delivery of programs, these activities are all contributing to wins for our regional communities and the environment.

Responsibility for managing the North East's natural resources is shared between individuals, industries and organisations. We need people and organisations that have a healthy capacity for innovation and change if we are to achieve a healthy natural resource base that can support ongoing economic prosperity.

Regional Catchment Strategy

The Regional Catchment Strategy details community-endorsed management actions and resource condition targets. Through partnerships with investors and service providers, including private land managers, these management actions are now being implemented across the catchment to attain the resource condition targets. The CMA leads the co-ordination of the implementation of the Regional Catchment Strategy. Co-ordination must be inclusive of all players, including Indigenous interests, and requires building mutual understanding and knowledge, as well as the allocation of resources.

Landcare Support Strategy

One of the tangible and deliverable outcomes of the Regional Catchment Strategy is a Regional Landcare Support Strategy, developed this year with community input. The strategy identifies the need to build capacity within Landcare groups to get involved in natural resource management (for example, by creating information sharing and learning opportunities and providing assistance to access technical and financial support). Reinvigorated and strengthened groups and individuals will be better able to contribute to shared natural resource management objectives. A robust and active partnership between the CMA and Landcare is vital to the health of communities and the environment.

Monitoring and Evaluation

The integration of effort by all players is fundamental to the Regional Catchment Strategy's implementation. Effective monitoring and evaluation is also critical to its success. A monitoring and evaluation framework that is cost-effective, consistent and caters for several input and output levels is being developed. It will allow for learning and improvement by assessing feedback. It will be applied state-wide when it is completed.



Advisory Committees

Our new Advisory Committees are settling in and learning about the tasks they have taken on, primarily identifying priorities for investment in accord with the Regional Catchment Strategy. The two committees were appointed after a series of Catchment Community Forums, delivered with partner agencies across the region. The forums were intended to generate greater interest, contribution and improved understanding of the catchment management framework that we work within. The Advisory Committees are also responsible for planning the next round of Catchment Community Forums, using community feedback from the first round. We look forward to growing interest in our 'catchment annual general meetings'.

Water

An important issue at present is to seize the opportunity to provide a North East perspective for long-term water use planning via input into the Northern Sustainable Water Strategy. The CMA has been involved with the Australian Alpine Valleys Agribusiness Forum and the broader community to explore the opportunities and gaps for irrigators in upper catchments. This information will help ensure that water use planning across Northern Victoria has a sound information base and delivers equitable water access.

The CMA is acutely aware that 38% of the surface water of the Murray-Darling Basin arises in our region and that protecting this vital resource is part of our charter. The Board has, therefore, developed water stewardship principles that will also be part of the input into long-term water use planning. The principles will underpin the environmental and regional development use of water in the North East.

Environmental Management System

A federally supported Environmental Management System (EMS) trial is under way in the catchment region. It is important because an EMS can link regional planning to on-ground, paddock-scale decisions and is another tool to help achieve sustainable natural resource management. Better management and integration of environmental aspects into productive decision making can help re-establish a self-sustaining balance in the natural environment. Implementing an EMS on-farm has also often delivered improved management across the farm, providing personal as well as environmental gains.

CMA Board Review and Future Directions

The CMA Board is committed to continual improvement and has implemented many of the priority recommendations of an independent Board review conducted during the year. Board governance is now more streamlined and the Board has devoted more time to strategic thinking. A more strategic focus has led to improved leadership and direction from the Board as a whole and some robust and inquiring discussions.

On the horizon are deliberations on readiness for climate change, the ability of communities to manage change, Indigenous involvement, environmental reserve management and limitations to regional growth. These strategic debates and others will set some new direction and parameters for the coming year and will help to ensure vibrant communities and healthy landscapes.

Sarah Nicholas
Chairperson



John Riddiford

CEO'S REPORT

Since the launch of the Regional Catchment Strategy in June 2004, the North East CMA has actively engaged with the community as a way of supporting the transition to targeted natural resource management programs that protect our water, land and biodiversity assets. The Catchment Community Forums, stakeholder workshops and the establishment of industry partnerships have led to a greater 'buy-in' for the Strategy's implementation.

National Resource Management Programs

The CMA has supported the State Government in the delivery of water reform, including restoring our rivers and aquifers for future generations. Solid progress has been made with the bushfire recovery program, works on the Ovens River and a new River Tender approach to enhance riparian vegetation. Planning for the management of the environmental water reserve has underpinned a co-ordinated effort for river health. Our partner agencies and the Landcare movement have carried out significant water, land and vegetation works. The CMA has also worked with industry groups, including the Australian Alpine Valleys Agribusiness Forum, to deliver sustainable agricultural programs funded by the National Landcare Program.

Business Improvement

In the quest for continuous improvement, much of the foundation work for a new financial and project reporting system has been achieved. This new system will come on line in October 2005. The CMA is in a sound financial position, having met and exceeded its work targets and reduced the level of carry-over projects from previous years.

With the growth of the CMA, there has been a need to increase internal services to support project delivery. Consequently, a new information technology support strategy has been developed and is being implemented. Support for our staff, in terms of human resource management, has also been increased.

There were no significant changes in the financial position during the year or major changes or factors that had an affect on our performance.

Monitoring Evaluation and Reporting

The CMA has assisted the Australian Government in a national review of natural resource management practice change. The processes for priority setting, community engagement and developing tools for effective natural resource management have been analysed and applied at a national level. The CMA has developed a Monitoring, Evaluation and Reporting Improvement Framework to ensure Regional Catchment Strategy targets are being met. With support from the Department of Sustainability and Environment and the other nine CMAs, we have been developing an effective standard for monitoring, evaluating and reporting on programs across the state.

Summary

With community and Government support, the CMA has developed a new framework to protect our water, land and biodiversity assets from threatening processes. Stakeholder engagement and clear investment priorities will continue this trend in the ensuing year.

John Riddiford
Chief Executive Officer



BUSINESS OPERATIONS

WATER – LAND – BIODIVERSITY – COMMUNITY

Water Program	12
River Health	12
Water Quality	15
Floodplain Management	16
Waterwatch	19
Water Resources	21
Land Program	22
Rural Land Stewardship	23
Biodiversity Program	26
Community Program	28
Advisory Committees	28
Community Engagement	30
Catchment Community Forums	30
Partnerships	31
Indigenous involvement	34
Monitoring, Evaluation, Reporting and Improvement Framework	34
Youth	35
Public Comment Opportunities and Presentations	36
Performance Measures	38



WATER

PROGRAM

RIVER HEALTH

Overview

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

It is vital that the rivers and streams of the North East are managed well and their health preserved and improved wherever possible. The CMA has produced the Draft Regional River Health Strategy to guide decision making and management activities for the waterways of the North East.

The CMA, partner organisations and landholders in the region are working together to protect and enhance this resource for all in the region and along the Murray.

2004/05 Achievements

Bushfire Recovery Program

The 2003 Alpine fires generated sediment in the rivers and catchments of the North East region. During 2004/05, the CMA did specific works to repair damage and prevent any further impact on the catchments. The main programs were:

- **Upper Buckland River**

Post-fire sediment in the Upper Buckland River has been concentrated in an area of about 20 km² to the west of Dingo Creek/Buckland River. Sediment from gully erosion

and debris flows (and lesser quantities from slope-wash) has been delivered into these two waterways via 13 discrete tributaries. The CMA worked on five priority sites to stabilise the large sediment stores in the lower reaches of the tributaries and stop sediment entering the Buckland River.

- **Alpine Willow Management**

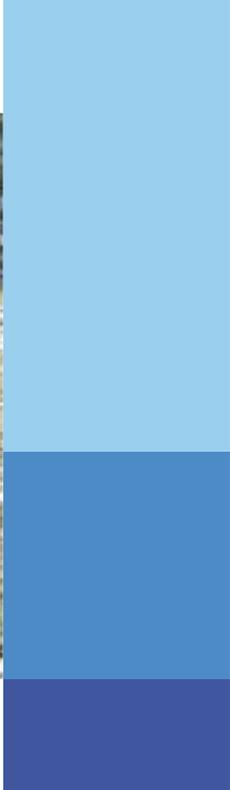
A multi-agency partnership approach between the CMA, Parks Victoria, Mt Hotham and Falls Creek Alpine Resort Management Boards and Southern Hydro Pty Ltd have removed more than 50,000 Alpine Willow seedlings and at least 50 km of streamside willow have been treated, primarily by poisoning mature plants, to reduce the risk of further infestations.

- **Omeo Recovery Works**

Heavy rainfall events in the Omeo region in February 2003 resulted in erosion across a wide area. The Livingstone Creek near Omeo and reaches of the Mitta Mitta River experienced severe sedimentation. An example of work on this problem was the construction of pile fields at Omeo to limit further sedimentation deposit and damage. In conjunction with Parks Victoria, a broad-scale English Broom control program was undertaken on the Mitta Mitta River.



Bank stabilisation on private landholder's property, Mitta Mitta River



Our Water, Our Future projects

The Victorian Government's White Paper *Our Water, Our Future* funds a number of projects in the North East region that are co-ordinated by the CMA, including the large-scale river restoration project for the Ovens River.

Enhancing CMA capacity

Catchment Management Authorities across Victoria have a new role to undertake in their capacity as caretakers of river health. The CMAs are now responsible for managing the operational delivery of the Environmental Water Reserve. In the North East, this has meant the CMA has provided input into the development of Irrigation Development Guidelines and streamflow management plans. The CMA has also provided input in the development of state policy.

Large-scale River Restoration Report

This project aims to protect the existing environmental assets of the Ovens River, address sites of degradation, prevent further degradation and conduct investigations (river surveys) to fill significant knowledge gaps and allow further restoration. The project is important because the Ovens must continue to act as an aquatic biodiversity reserve for the Murray River – a health line for the Murray.

The main focus is work in the Reedy Creek, King River Anabranche, Happy Valley Creek, 15 Mile Creek, Deep Creek and the lower Ovens to address high-priority risks identified in the Draft Regional River Health Strategy.

Protecting and Repairing Our Water Resources Initiative

Restoring Victoria's River Corridors

As part of *Our Water, Our Future*, this project aims to improve the riparian condition of a 30 km stretch of the King River below Lake William Hovell and a 15 km stretch of the river above the lake. During the year, the CMA worked to control weeds (predominantly willow species, with some seeding black willow), plant native species and control stock access to streams.

Mitta Mitta River Waterway Management Strategy

In accordance with the Mitta Mitta River Waterway Management Strategy, work was undertaken this year in response to ongoing stream stability problems and other stream management issues along the Mitta Mitta River. The project area includes all private and Crown land along about 100 km of the Mitta Mitta River, from the full supply level of Lake Hume to Lake Dartmouth.

The hydrology of the Mitta Mitta River has been significantly altered over many years as a result of the regulation of flows, so the major focus of this project has been to work towards addressing stability issues associated with those changes.

Specific project achievements include:

- developing co-operative agreements with landholders for enhancing the management of riparian areas along the river;
- treating large infestations of ageing and collapsing Basket Willow; and
- stabilising extensive areas of bank slumping and erosion.

Our project partners include Goulburn-Murray Water, the Murray-Darling Basin Commission, the Department of Sustainability and Environment, and landholders. There is strong community support for continuing this project, with many landholders asking the CMA about becoming involved with both extending previous works and instigating new projects. This suite of activities contributes to improvements in river health.

WATER

PROGRAM CONTINUED



case study

River Tender

The River Tender project is a new approach to native vegetation management by landholders. It recognises their already considerable efforts and offers them the opportunity to gain financial support to undertake works that will maintain or improve native vegetation on their land and manage riparian lands.

Riparian or streamside vegetation is important to stabilise banks and help minimise erosion, as well as contributing to the overall health and value of a river.

The Ovens River catchment was selected for the first round of the project because of its special status as a Heritage River. Running 227 km from the Victorian Alps to the Murray River, it is one of Victoria's most important river systems. Today, private land in the area has less than 10% native vegetation, and most of it is along river banks and streams. The native woodlands, wetlands and grasslands that remain along the river and floodplain are crucial to the survival of many plants and animals, including the Murray Cod, many species of native birds and the iconic River Red Gum.

How the River Tender Worked

1. Expressions of Interest

Landholders with riverbank or wetland property registered an expression of interest with the CMA.

2. Site assessment

A CMA River Tender project officer visited the property to assess the significance and quality of the native vegetation and discuss management options with the landholder.

3. Development of a Management Plan

After the site visit, the project officers prepared a draft management plan that was reviewed by the landholder and finalised to form the basis of the landholder's bid for funding.

4. Submission of a bid

Landholders submitted bids to the CMA seeking funding for the actions in the agreed management plans.

5. Bid assessment

The CMA objectively assessed the bids, based on the current conservation value of the site, amount of river health that will be obtained from the proposed management actions and the cost. Funds were allocated according to which plans offered the best value for money.

6. Riparian Management Agreements

Successful bidders signed agreements to receive funding for the works identified in their management plan.

7. Payments and Reporting

Periodic payments for up to five years will be made to landholders after they have reported on works specified in the management plan.

The first round of the River Tender was determined in June 2005 and 18 landholders now have management plans and agreements to carry out work on their properties.

In the first round, about 10% of the eligible landholders in the three river management units on the Ovens River contacted the North East CMA regarding the project. CMA River Tender field officers visited 49 sites to make biodiversity and current condition assessments, which included in-stream indicators of river health. Management plans were drafted for 31 landholders.



WATER QUALITY

Overview

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

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

2004/05 Achievements

- A landholder survey was conducted to identify land management practices in the region which specifically affect water quality.
- The Little Snowy Creek Waterway Action Plan was developed.
- The Blue Green Algae Abatement Program was developed.

Little Snowy Creek

Little Snowy Creek is a tributary of the Mitta Mitta River and is the water supply to the township of Eskdale. Water testing has shown that the water has been polluted with *E. coli* and related pathogens. Among the possible causes are dairy effluent, stock access to the creek, urban runoff and other natural pollutants from diffuse sources. Eskdale township's water is reticulated but untreated, which is deemed as unfit for human consumption by the Department of Human Services (a 'boil water' notice is currently in place).

In response to increased awareness of deteriorating water quality, a multi-agency approach is being taken to develop and implement water quality programs both within the farming community at the top of the catchment and the urban community that uses the water as a potable source.

A Waterway Action Plan was developed to identify the effects on stream health and water quality and to suggest actions to improve these aspects of the waterway.

The development of the Waterway Action Plan has led to willow control, fencing and revegetation works being undertaken at three sites along Little Snowy Creek.

All activities undertaken within the Little Snowy Creek catchment link back to the Neighbourhood Environment Improvement Plan being developed in accordance with EPA requirements to improve water quality.

Lake Hume Blue Green Algae Abatement Program

In response to concerns about recurring high levels of blue green algae in Lake Hume during the summer seasons, a stakeholder workshop was held during August 2004 to identify what is known about blue green algae in Lake Hume, what is yet to be understood and possible directions to take in order to help mitigate the problem.

Since this initial workshop, three Project Working Group meetings have been held to act on issues identified at the initial stakeholder workshop. The Murray-Darling Freshwater Research Centre is developing a conceptual model for the drivers responsible for the development and maintenance of blue green algal blooms in Lake Hume. Drivers of algal blooms identified through this model will help to shape mitigation programs specific to Lake Hume.

case study

Landholder Survey

In 1999, landholders in the North East were surveyed to identify land management practices in the region. In late 2004, a repeat survey compared data with the original benchmark survey to determine whether there had been any changes in practices that may affect water quality in the region.

The 1999 survey was mailed out to 407 randomly selected but evenly distributed farmers across the North East region. There was an extraordinarily high response, with 50% of landholders returning the survey.

The 2004 survey, based on the original, was sent to 441 farmers in the region. Nearly 32% of the surveys were completed and returned.

The results demonstrated good news for water quality in the region.

Key findings of the 2004 survey were:

- The number of written plans (e.g. business plan, whole farm plan, waste management plan) prepared by farmers involved in the survey increased from 45.3% in 1999 to 91.8% in 2004.
- 57.7% of respondents with permanent stream or river frontage have stock that rely on access to the stream for drinking, down from 63.7% in 1999.
- 65.7% of respondents with permanent stream or river frontage have fenced at least some frontage from stock, up from 55.4% in 1999.
- 71.2% of respondents with permanent stream or river frontage have carried out bank stabilisation works in the past five years without any external financial support.
- 84.9% of respondents have undertaken some gully stabilisation work in the past five years, up from 65.4% in 1999.
- 70.7% of respondents have planted trees in the past five years without receiving any financial assistance.
- There has been a trend towards more efficient application of irrigation water and an increase in drainage re-use systems since 1999.

The results show there are important emerging trends that indicate that the North East's farmers care about water quality and manage their farms accordingly.

WATER

PROGRAM CONTINUED

FLOODPLAIN MANAGEMENT

Overview

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

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

2004/05 Achievements

- The King River Flood Study and the Floodplain Management Plan for this area was completed this year and flood maps will be amended in the Rural City of Wangaratta's Planning Scheme.
- The Draft Kiewa Flood Study and the Floodplain Management Plan for this area was completed this year and flood maps will be amended in the City of Wodonga's Planning Scheme.



Statutory land use planning

The North East CMA is the referral authority for floodplain management services and co-ordinates the development of local Floodplain Management Strategies in partnership with local government. The CMA has statutory obligations under Section 52 and Section 55 of the *Planning and Environment Act 1987* which cover floodplain management, salinity management, planning scheme amendments and their impact on the regional catchment strategy and local planning proposals and how these may affect river health (works on waterways by laws).

Planning referrals and inquiries

The CMA formally responded to statutory floodplain management referrals and inquiries from local government councils during 2004/05. All replies were forwarded within the statutory 28-day period, unless additional data was requested, and replies were dealt with on average within 10 days. The North East CMA continued to advise VicRoads on bridge and waterway aspects of the Wodonga Internal Freeway Murray Crossing.

Flood warning

A lot of flood warnings for the North East region are issued during winter and spring as major, heavy downfalls significantly swell waterways and raise the water levels of rivers. Two rainfall events, one in September 2004 and one in February 2005, surpassed moderate flood levels. Up to 300 mm of rain was recorded in the February event, but due to the recent very dry conditions, only 10% runoff was recorded. The CMA monitored these flood events.

Rainfall and Storage Data

Not all the rain that falls in the North East catchment soaks into the ground. The portion of rainfall that flows across the land's surface instead of soaking into the ground is known as runoff. The volume of water in rivers and water storages relies heavily on the amount of rainfall and, as a consequence, the health of waterways and the available irrigation water and town water supplies depends on the amount of rain the catchment receives. Across the North East region, rainfall was 27% below average this year.

Releases from Lake Hume are used for irrigation and environmental flows, while Lake Dartmouth is operated as a backup facility.

Rainfall in mm	Corryong	Bright	Wodonga (Albury Airport)	Wangaratta Airport
Total 2004	609	893	498	492
Average	778	1169	758	670
Lowest year	344 (1967)	578 (1982)	348 (2002)	385 (1998)

Storages	Hume	Dartmouth
Full Storage (ML)	3,038,000	3,906,400
30 June 2004 (2003)	11% (18%)	48% (30%)
30 September 2004 (2003)	45% (65%)	50% (41%)
31 December 2004 (2003)	50% (61%)	45% (48%)
31 March 2005 (2004)	22% (6%)	44% (47%)
30 June 2005 (2004)	30% (11%)	45% (48%)

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



case study

Lower Kiewa River Flood Study

The lower Kiewa River is at significant risk from flooding, so a flood study for this area is a priority under the North East CMA's Regional Floodplain Management Strategy.

The damage from the floods in 1974 and 1998 was substantial – agricultural productivity was reduced and farm infrastructure, commercial and residential buildings damaged. The CMA, in conjunction with the City of Wodonga, wanted an improved understanding of the factors affecting the impact of flooding within the lower Kiewa River.

There were 11 key objectives for the study:

- identify features on the floodplain that influence the behaviour of a flood;
- review existing gauge information for the Bandiana Gauge;
- estimate the 1% (100 year) and Probable Maximum Flood flow rate and flood extent;
- develop an inventory of dwellings within the study area;
- develop priorities for obtaining floor levels for the dwellings identified in the dwelling inventory;
- undertake an assessment of likely damages that would be experienced within the study area, including an estimate of average annual damages;
- investigate possible options to reduce flood damages;
- develop an evacuation strategy, focusing on reducing stock losses;
- develop a whole-of-catchment Community Flood Information Sheet;
- detail the range of measures recommended to reduce flood damages; and
- undertake all of the above in close consultation with the affected community.

The Draft Lower Kiewa Flood Study was produced this year and it details the methods for identifying the key flood impacts on the community, the key findings and the range of strategies recommended to reduce future flood-related damages.

The draft study was funded via the Australian Government's National Risk Disaster Management Program, with a matching contribution from the Victorian Government. The local share of the study was equally divided between the City of Wodonga and the CMA. Valuable input and advice was provided by VicRoads and the State Emergency Services.

Three public meetings were held in Bandiana to give community members the opportunity to provide input.

The flood overlays in the City of Wodonga's Planning Scheme will be updated, and a floodplain management plan adopted that will streamline the planning process by exempting minor works to obtain a planning permit.

An information sheet was prepared on the Kiewa's flood warning system, showing the location of the flood warning stations and previous flood heights.



WATERWATCH

Overview

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

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

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

2004/05 Achievements

The North East Waterwatch Program continues to grow and evolve. It is mainly directed at primary school education and involves classroom lessons and field activities.

This year, Waterwatch staff visited 70 primary schools in the region an average of three or four times throughout the year. Five secondary schools were also visited. Each school has one or more sites along a river, creek or wetland where students collect water quality data and monitor changes in stream health on a seasonal basis.

There is also an adult volunteer program involving individuals and community groups, Green Corps, local government and Landcare groups.

This year Waterwatch developed a number of resources to make operations more effective, safe, streamlined and accurate. These included a methods manual, training manual, training log and equipment servicing logs.

An interpretive display was developed for Waterwatch and the CMA to showcase information at special events and public locations.

In a greater effort to offer fun, creative monitoring experiences and educational support, the *Wet, Wild & Wonderful Educational Resource Book* was developed in partnership with North East Water, along with resources for teachers, students and community members to borrow.

In an effort to ensure Waterwatch is a high-quality program, a consultant was engaged to conduct a review. From this review, a three-year strategic plan was developed to ensure the program's viability and sustainability in years to come.

The Waterwatch Program completed its first Data Confidence Plan, which promises to give community-collected data the scientific credibility it deserves.

WATER

PROGRAM CONTINUED

case study

Enchanted River Festival

The Enchanted River Festival is an annual celebration of the Murray River, incorporating the arts, education and the environment. It is an opportunity for the diverse local community to celebrate the life, beauty and shared identity of the Murray River environment.

Celebrated in April, the Enchanted River Festival program includes a series of community workshops with professional artists and river scientists, including catchment and river education, song writing, community singing, lantern making, sculpture, fire art, physical theatre, circus and dance.

All the participating groups learn skills to create artwork or a performance for a magical lantern procession and a spectacular outdoor theatre event.

There are several opportunities for the community to take part. It is a chance to develop skills, and also increases acceptance and cultural appreciation. Festival goers can share their awareness, care and responsibility for the Murray River environment with fellow community members.

The Festival allows environmental groups, local councils and the broader community to gain a better understanding of the issues facing the Murray River. It brings together diverse groups in our community, helping to improve relationships.

In 2004/05, the organisations involved were the Natural Heritage Trust, North East Water, City of Wodonga, Department of Primary Industries, Rural City of Wangaratta, Indigo Shire, Alpine Shire, Falls Creek Management Committee, Green Corps and the Murray-Darling Freshwater Research Centre.

The North East CMA was a Festival sponsor for 2005 and the Regional Waterwatch Co-ordinator joined the Festival's steering committee. Waterwatch will continue to be involved in future Festivals.





Environmental Water Resource Officers,
Sarah Daniell and Matt O'Connell

WATER RESOURCES

Overview

This was the first full year for the North East CMA's Water Resources Program, a new and developing area that will improve the CMA's role in co-ordinating the region's river health management. The program aims to improve the management of water resources by determining and improving the water quantity needs of the rivers and aquifers in North East Victoria.

The Program also aims to meet some of the Victorian Government's commitments in the White Paper, *Our Water, Our Future*. Among other commitments, this document has established a suite of Environmental Water Reserve (EWR) roles across Victoria to implement and manage the EWR.

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

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

2004/05 Achievements

Two new officers and a regional Environmental Water Reserve co-ordinator were employed. The co-ordinator will assist the CMA in its responsibilities north of the Divide that are associated with the Murray River and its tributaries.

Two Bulk Entitlements for Lower Ovens River were gazetted this year for the operation of Lake William Hovel and Lake Buffalo. Projects were completed that looked into the feasibility of wastewater reuse from some of region's largest urban wastewater treatment facilities. The program continued to support the region's irrigation development and farm water use efficiency grants process.



LAND

PROGRAM

Overview

About 45% of the North East region is privately owned land. Livestock grazing is the main primary industry, with more than half the region's agricultural land under pasture. There have been considerable increases in the development of horticultural enterprises, such as hops, grapes, apples, olives, nuts, berries and other fruit. Softwood plantation forestry is also a significant contributor to the gross value of the region's production.

In 2002, a land capability assessment that related soil, land form and climate limitations to the broad requirements of general agricultural enterprises was completed for all private land in the North East. The assessment broadly identified land as high, moderate and low to indicate its suitability for agricultural purposes.

The CMA's Land Program aims to provide extension services and incentives to increase the area of land matched to land capability by establishing perennial systems in high recharge areas, improving surface soil acidity levels and reducing the number of active gullies.

A number of projects in the CMA's Land Program are also part of the Biodiversity Program. The following projects are all delivered through service-level agreements with partner organisations:

- North East Salinity Strategy Implementation;
- North East Soil Conservation Implementation;
- North East Soil Health Action Plan Implementation;
- Whole Farm Planning in the North East; and
- Box-Ironbark Firewood Project.



Little Snowy Creek Willow infestation

Gully erosion control and revegetation at Mudgeegonga

RURAL LAND STEWARDSHIP

Rural Land Stewardship is a land investment program that will achieve long-term land use change. It takes an innovative approach to bring about sustainable agricultural productivity, improved environmental outcomes and invigorated rural communities.

It is about making the best use of land; about matching the enterprise to make full use of the capability of the land while running a sustainable business.

During 2004/05, three projects dominated the Rural Land Stewardship program – the Pilot Program, the Environmental Management Systems (EMS) pilot and the North East Land Stewardship Incentive Project.

Environmental Management System

The Environmental Management System (EMS) pilot managed by the North East CMA is one of 15 pilots funded by the Australian Government throughout Australia. This three-year project is due to finish at the end of the 2005/06 financial year.

The North East EMS pilot has 41 participants in three groups. The groups (Corryong, Tallangatta and Springhurst) meet every two months for a half-day workshop and information session. By the end of 2005, all participating landholders will be compliant with the ISO 14,001 standard and quite a number are interested in full ISO accreditation. During the life of the project, some of the landholders have had a major change in attitude – they joined the program out of curiosity and are now committed to a more sustainable approach to the environment in their agricultural businesses.

Little Snowy Creek

This project has completed the first year of the two-year project. The Victorian Catchment Management Council provided funding to test the principles of land stewardship among the rural landholders of Little Snowy Creek and the urban residents of Eskdale.

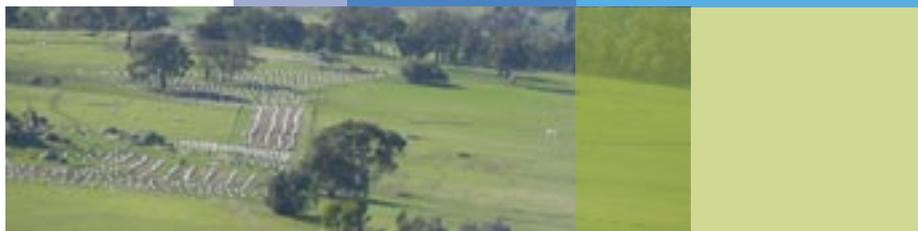
The project aims to:

- test ecosystem service concepts and approaches to gain improved on-ground practices in the Eskdale/Little Snowy Creek valley;
- engage the urban and rural communities in a united approach to the issues relating to the quality of water in the Little Snowy Creek;
- gain an understanding of the drivers needed to inspire a community to pull together to resolve natural resource management issues; and
- develop inter-agency and local government links to maximise the skills and expertise available.

One of the most important projects the community is involved in is the development of a Neighbourhood Environmental Improvement Plan (NEIP). The NEIP will develop a common set of goals with agreed long- and short-term targets.

LAND

PROGRAM CONTINUED



2004/05 Achievements

North East Land Stewardship Incentive Project

The Land Stewardship Incentive Project encourages landholders to develop farm management practices that contribute to environmentally and economically viable agricultural businesses. Landholders are paid an annual management fee for land subject to changed management conditions.

The objectives of the stewardship incentives are to:

- reverse the decline in water quality and soil acidification;
- improve biodiversity;
- reduce salinity;
- reduce soil erosion; and
- improve pest management.

To achieve these aims, the following priority areas have been targeted:

- slopes greater than 18 degrees;
- riparian zones;
- salinity recharge/discharge areas; and
- under-represented ecological vegetation classes.

The incentives do not aim to cover the full costs of works; they encourage landholders to change practices or adopt processes or technologies that will improve sustainability from both a business and environmental perspective.

This project has trialed a market-based approach to a system of incentive payments to aid landholders with the longer-term management of land taken out of mainstream production or subjected to changed management conditions.

The project was heavily over-subscribed this year. Thirty landholders across the whole region successfully applied for the incentives and 1671 hectares were taken out of agricultural production (subject to changed management conditions).

The CMA will pay landholders an annual management fee for the next three years. The total funds allocated were \$227,688.



case study

Integrated Salinity Management and Farm Forestry

This project followed on from the successful Heartlands-based initiative in the Springhurst area several years ago. It reduced salinity, improved biodiversity, and boosted pest plant and pest animal control programs, and agricultural productivity. The Heartlands approach to farm planning, combining the resources of various programs and giving landholders a range of options for on-ground works delivery, contributed to its success.

There are several projects in the integrated salinity management and farm forestry program which demonstrate the integrated approach to catchment management in the region.

Firewood Plantation Project

The Box-Ironbark initiative is a Victorian Government program to establish firewood plantations as a way of making up for the firewood that used to be available from Crown land. The project focused on the diminishing availability of firewood from public land and roadsides in the Wangaratta, Beechworth and Chiltern areas.

The program involved linking the resources of the Firewood Plan and the North East Salinity Strategy to achieve regional targets for alternative firewood supplies. It started in 2004 using the principle, established in the Heartlands initiatives, of providing landholders with 'in-kind' support rather than cash grants. The funds were linked to achieving considerable cost savings in areas such as buying materials and for contracts to buy large numbers of trees.

In 2004 and 2005, more than 315 hectares of firewood plantations were planted in North East Victoria, involving 75 landholders. The project has grown significantly, starting with 24 landholders in 2004. Already, landholder interest in establishing more plantations in 2006 is strong and is expected to increase when the program is advertised more widely.

These plantations have benefits in addition to improving salinity and biodiversity. The program:

- enabled DPI to engage with many landholders who hadn't previously had any on-ground works on their properties;

- helped achieve revegetation targets in high salinity recharge areas;
- enabled program managers to discuss with landholders a range of issues regarding land management, such as pest plant and animal control, whole farm planning, salinity and biodiversity;
- worked with the Rural City of Wangaratta to establish 25 ha of plantations for the benefit of the residents of the municipality; and
- increased future supplies of plantation firewood.

Indigo Valley Salinity Project

In 2004, the CMA launched the Indigo Valley Project using similar principles to the firewood project.

Indigo Valley is a high-priority salinity area and there is a strong community network through Landcare with other regional natural resource management programs operating in the area. The project intends to draw together these programs to achieve multiple outcomes.

Participating landholders were paid for part of the fencing costs, with the Department of Primary Industries paying for ripping of rabbit burrows, trees and planting. This project has grown over the past two years. In 2004, six landholders and 14 ha were involved; currently, eight landholders are committed to completing 39 ha of works by the end of 2005.

By using this targeted approach, the CMA hopes to see a wide range of on-ground works completed in the catchment that will ultimately reduce salinity levels and the threat to assets in the Indigo Creek catchment.

Several field days were held to encourage and foster a sense of community spirit and build enthusiasm for the project.

As with the firewood project, the Indigo Valley Salinity Project has involved many landholders who have never previously had any government on-ground works completed on their properties.

BIODIVERSITY

PROGRAM



Overview

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

The CMA's Biodiversity Program aims to provide extension activities and incentives to protect, enhance and restore priority native vegetation, implement threatened species recovery plans and action plans, and facilitate a strategic approach to implementing the Regional Catchment Strategy's biodiversity priorities.

The Program currently has 13 key projects and 25 sub-projects. Many projects are partnerships with government agencies (the Department of Sustainability and Environment, Department of Primary Industries) local government (Wangaratta City Council and Indigo Shire), education institutions (Monash and Deakin Universities) and other organisations, such as Trust for Nature and the Greta Valley Landcare Group. These partnership projects are implemented through service-level agreements.

The key projects are:

- Targeted Ecological Vegetation Class (EVC) Protection;
- Community Seedbank;
- Technical Support;
- Revegetation and Flora and Fauna Guides;
- Threatened Species and Communities Recovery Plans;
- Research and Development;
- Strategies and Action Plans;
- North East Salinity Strategy Implementation;
- North East Soil Conservation Implementation;
- North East Soil Health Action Plan Implementation;
- Pest Plants and Pest Animals;
- Whole Farm Planning; and
- Box-Ironbark Firewood Project.



case study

Mountain Pygmy-possum protection

The Mountain Pygmy-possum (*Burramys parvus*) is classified in Victoria and nationally as an endangered species. It is the only truly Alpine-endemic Australian mammal. It lives in boulderfields and heathland, which are not widespread.

The January 2003 fires affected all known populations of the Mountain Pygmy-possum except at Mt Buller. Much of the species' main habitat, Mountain Plum pine, was burnt and killed in the fires. Unfortunately, regeneration is very slow – it will take 20-35 years to fruit.

The fires resulted in the most extensive habitat disturbance in the alps since European settlement, but it also provided the first opportunity to monitor the broad-scale impact of fire on the species.

Initial surveys were conducted immediately after the fires and there has been follow-up monitoring in the past two summers. Known habitat and core populations on Mt Higginbotham, Mt Loch, the Bogong High Plains, Mt McKay, Timm Spur and the Bundarra Scree have been regularly monitored over this period.

Post-fire research has shown that Mountain Pygmy-possums largely avoided the direct impact of the fire, but surviving animals are now concentrated in small, unburnt rocky refuges. Within these high altitude refuges, Mountain Pygmy-possums have to compete with other native small mammals (Bush Rat and Antechinus) for the limited food and shelter available.

Ongoing breeding activity has been recorded in all the larger populations, however some smaller habitats (without rocky refuges) on the Bogong High Plains no longer support animals. Within at least two key populations, the northern slopes of Mt Loch and Mt McKay, the abnormally high numbers of Mountain Pygmy-possum living in unburnt refuges resulted in younger adult females aborting pouch young late in the 2004/05 breeding season.

The Victorian Government funded a fox control program to help protect the Mountain Pygmy-possum from the likely increased exposure to native and introduced predators. Monitoring the Mountain Pygmy-possum numbers and determining female:male sex ratios will help measure the predator control program's effectiveness. Work has also been done on restoring the disturbed habitat.

Preliminary genetic analysis of hair samples has confirmed the status of a sub-population at Mt Bogong. Further testing will determine the extent of variation and recruitment between populations and the parental origins of individuals.

2004/05 Achievements

Biodiversity Action Plans

The CMA released five Biodiversity Action Plans for North East Victoria during 2004/05. The areas covered were the Lower and Mid Kiewa, Lower and Mid Ovens, and Mid King catchment management units. Biodiversity Actions Plans use a structured approach to identifying priorities and mapping significant areas for native biodiversity conservation.

North East Firewood Strategy

The CMA released the North East Victoria Firewood Strategy this year. The strategy, funded by the Victorian Government, involved significant contributions from the community and government agencies, and identifies key actions based on industry research. In recent years, changes to land use management objectives have affected communities in the of North East of Victoria that have traditionally collected firewood from public and private land. The most affected communities are Wangaratta, Beechworth, Chiltern and surrounding areas.

Research findings estimate that about 40,000 tonnes of firewood are used in North East Victoria each year, and this level of demand will continue to be required into the future. The strategy aims to identify sustainable sources of firewood to supply communities in the North East region for the next 20 years and beyond.

Vegetation Management Outputs

Output	Total (ha)
Area of indigenous/local-origin vegetation protected	399
Area of indigenous vegetation enhanced	2,385
Area planted to indigenous species	180
Total	2,964

2,816 ha of the above are included in conservation agreements



Cathy Kelly, Executive Officer Advisory Committees

COMMUNITY

PROGRAM

ADVISORY COMMITTEES

During 2004, the CMA Board changed the geographic implementation committee structure (Upper Murray/Mitta, Ovens/King/Blackdog and Wodonga/Kiewa/Indigo areas) to an asset-based advisory committee structure supported by project-oriented action groups and Catchment Community Forums.

The North East CMA now has two asset-based Advisory Committees:

- Land Advisory Committee (LAC) and
- Water Advisory Committee (WAC).

Both committees cover the People and Biodiversity assets.

Membership of both Advisory Committees is spread across the entire North East catchment region. There are 11 community representatives on each committee. These community representatives include some representation from local government. There are also four technical support representatives from the partner organisations on each committee.

Role

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

The Advisory Committees, in accordance with their charter, report back to the CMA Board each quarter by providing advice and recommendations for Board discussion. Specifically, they:

- provide advice to the Board on annual investment in Regional Catchment Strategy projects.
This includes:
 - quarterly reporting against the Regional Management Plan,
 - working with program managers to review the annual priority document for development of Regional Catchment Investment Plan (RCIP) projects,
 - involvement in broader RCIP planning, and
 - participating in the monitoring and evaluation of RCIP projects.
- play a lead role in involving the broader community in natural resource planning, implementation and evaluation; and
- participate in planning for the Catchment Community Forums.

Members of the Advisory Committees attended an induction day in February 2005 and the two committees have met twice:

LAC	8 March 2005	26 April 2005
WAC	3 March 2005	28 April 2005

Sub-committees of the two Advisory Committees have also been formed. They met several times in 2005 to work on the following issues and report back to the Advisory Committee:

- Review of Regional Priorities document;
- Advisory Committee Communication Plan; and
- Catchment Community Forum Planning.



case study

Land Advisory Committee/Board tour to DPI Rutherglen Centre

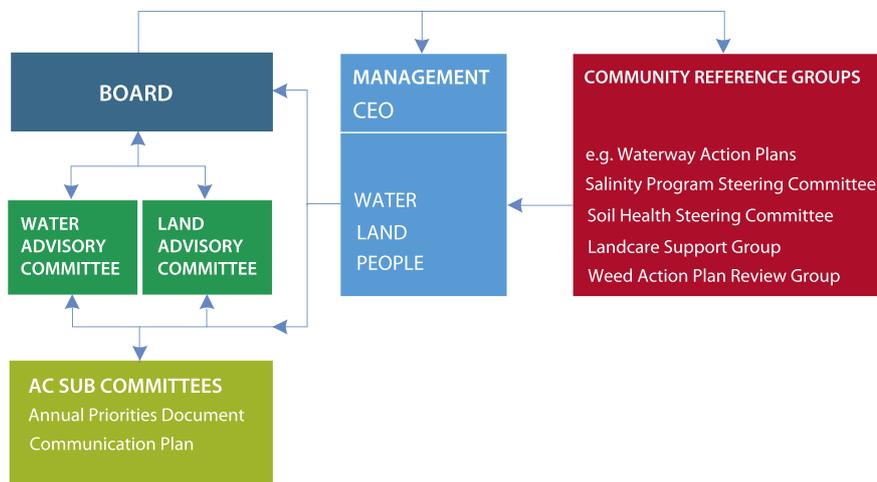
The new Land Advisory Committee, together with CMA Board members, visited the Department of Primary Industries' (DPI) Rutherglen Centre as a way of building relationships and partnerships between the CMA and DPI's research arm, Primary Industries Research – Victoria (PIRVic). It was an opportunity for the Land Advisory Committee and Board Members to meet with each other and DPI staff.

Advisory Committee members now have a better understanding of PIRVic's operations and research activities, and will be able to transfer that knowledge to their communities and networks. They can act as knowledge brokers within their local communities. It was also an opportunity for PIRVic to understand the concerns of community members.

Land Advisory Committee	Meetings attended (of a possible 3)
Anthony Griffiths (Board member)	3
Neville Wright	3
Ian Lobban	3
Michael Makin	3
Karen Jones	3
Wayne Donehue	2
Rhonda Serpell	3
Thomas Moritz	3
Peter Curtis	3
Melinda Short	3
Tony Jarvis	3
Roy Baird	3
Tim Clune (DPI)	2
Sue Berwick (DSE)	3
Rick Felton (DPI)	3
Jim Blackney (Trust for Nature)	3

Water Advisory Committee	Meetings attended (of a possible 3)
Lindsay Jarvis (Board member)	3
Don Chambers	3
Alison Mitchell	2
Frank Griffiths	3
Paul McGowan	3
Ray Henderson	3
Peter Serpell	3
Gordon Nicholas	3
Rick Malaschenko	2
Debi Gadd	3
Pamela McKimmie	3
Robyn Scales	3
Anne Graesser (Goulburn-Murray Water)	3
Don Jackson (North East Water)	2
Tony Long (DSE)	1
Neville Fowler (DPI) and Joy Sloan (DPI proxy) Mike Hosking (DPI proxy)	3

Governance Structure



COMMUNITY

PROGRAM CONTINUED



Wodonga Catchment Community Forum – field trip to inspect wetlands

COMMUNITY ENGAGEMENT

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

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

The CMA's vision for community engagement is:

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

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

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

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

CATCHMENT COMMUNITY FORUMS

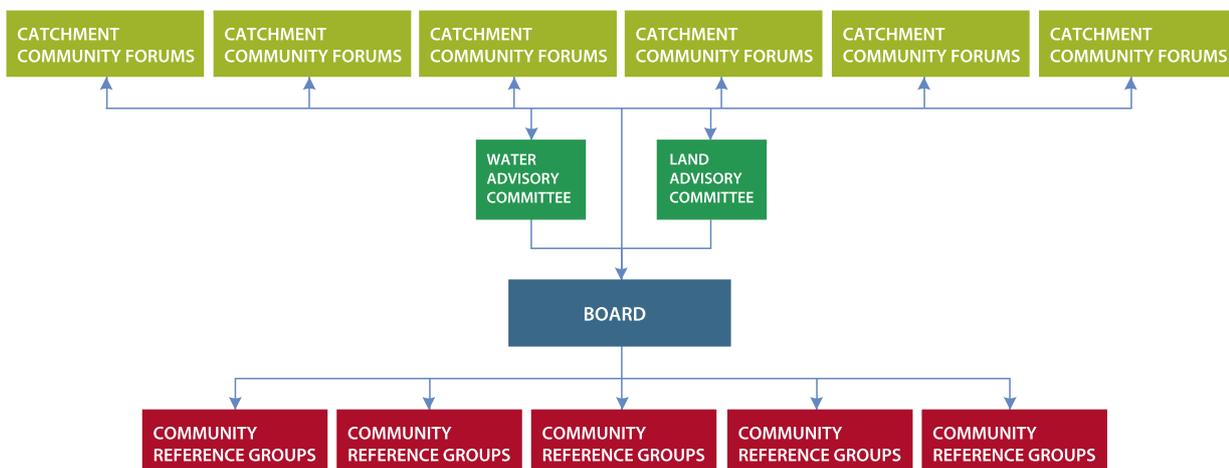
The CMA and local councils jointly hosted six Catchment Community Forums across the region in September and October 2004. The forum objectives were to:

- report on the Regional Catchment Strategy;
- raise issues of community concern and have a formal response mechanism to them; and
- raise awareness of the CMA's new Advisory Committees.

Nearly 100 people attended these forums and raised 185 issues. While community participation was lower than expected, the people who attended thought the forums were useful and informative. Each participant was surveyed and their feedback will be incorporated into next year's forum.

The CMA would like to thank the Wodonga, Indigo, Towong, Alpine and Wangaratta councils, as well as the Department of Sustainability and Environment, the Department of Primary Industries, Parks Victoria, North East Water and Goulburn-Murray Water, for their valuable contributions.

Advisory Committees and Community Engagement





PARTNERSHIPS

Landcare

Landcare is a pivotal community resource in the North East region. These groups are a principal mechanism for community capacity building and on-ground works, but they require support to assist and strengthen these roles. The North East CMA aims to implement the Landcare support strategy to help Landcare communities achieve their outcomes.

Landcare and related community groups have been active in the North East since 1983, when landholders formed farm tree groups, catchment groups or other action groups. Since then, most of these groups have broadened their activities and are operating now as Landcare groups.

The first official Landcare groups in the region formed in 1989 and numerous new groups have formed since. Many of the groups are now networking with others to improve communication and the co-ordination of activities.

2004/05 Achievements

This was the first year of implementation of the North East Regional Landcare Support Strategy (LSS). Major activities included the approval of a new funding process for the Victorian Government's Second Generation Landcare Grants, increased funding for Landcare co-ordination for next year and Landcare celebrations across the region.

A Monitoring and Evaluation Plan was developed for the LSS to identify the best ways to record and learn from Landcare support programs.

New Landcare groups were formed during the year in alpine and urban areas. These include the Falls Creek Landcare Group, the Dinner Plain sub-group of Omeo Landcare, and the Felltimber Landcare Group in Wodonga. This now brings the number of official groups and sub-groups to 52. Five Networks also operate, with almost all areas in the region now covered by a Landcare group. There are more than 1,700 Landcare Group memberships, equating to around 2,000–3,000 members.

The CMA helped many groups to successfully apply for funding through the National Landcare Program. The grants will allow these groups and networks to expand their activities in training, education, trials and works for sustainable agricultural production.

COMMUNITY

PROGRAM CONTINUED



Luke Bayley, Regional Natural Resource Management Co-ordinator



Andrew Briggs, River Health Projects Manager

Sponsorship

The North East CMA has developed a sponsorship policy in order to identify and determine appropriate opportunities for the CMA to promote its key messages. Sponsorship opportunities are assessed on their ability to:

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

2004/05 Achievements

In 2004/05, the CMA provided total sponsorship of \$18,030.

AlpValleys Sponsorship

The CMA provided \$8,000 this year to the AlpValleys Agribusiness Forum to support sustainable agricultural production and regional development in the North East. Building strong partnerships with the agricultural industry is crucial in ensuring the region achieves its vision of diverse, healthy landscapes and vibrant communities.

The CMA and AlpValleys developed funding bids for sustainable horticultural development in the Upper Murray and Dairy Best Practice program throughout the catchment. The partnership has also secured funding for a full-time sustainable agricultural facilitator, located with the AlpValleys Agribusiness Forum and managed by a joint steering committee. This facilitator's role will be to develop further relationships between agricultural industries and natural resource management agencies.

Community leadership programs

As part of the CMA's sponsorship program, support is given to community and staff members to attend community leadership programs:

- community member, Wayne Donehue, and CMA staff member, Andrew Briggs, attended the Alpine Valleys Community Leadership Program; and
- CMA staff member, Luke Bayley, attended the Murray-Darling Leadership Program.

Support for regional Landcare

The CMA supported Landcare at the following regional forums conferences and other Landcare events:

- Upper Murray Catchment Forum;
- 14 community members attended the 2004 Victorian Landcare Forum in Bendigo;
- the Kiewa Landcare Group Community Trailer for tree plantings; and
- the Talgarno and Baranduda Tree Planting Days.

Tertiary institute awards

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

- La Trobe University – Most Outstanding third year student from Bachelor of Science in Environmental Management and Ecology; and
- Charles Sturt University – Award for Academic Excellence in Environmental Management.

Business and community awards

The CMA sponsored the Celebrating Business and Tourism on the Border Awards in the Excellence in Environmental Management category.

Sponsorship support for conferences

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

- Wise Waterways Conference; and
- State Field Staff Conference.

Other Regional Sponsorship

The CMA also supported the cross-border Albury Wodonga Phosphorus Campaign in conjunction with other water and government authorities.



case study

North East Landcare Support Program

The CMA manages a range of Landcare Support Programs in the region to assist Landcare groups and members to operate as effectively as possible and to assist members to be involved in resource management.

The new Regional Landcare Support Strategy (LSS) prioritises and gives direction to the CMA's Landcare Support Program. It was developed with strong input from community Landcarers.

A key LSS priority completed this year was the review and rollout of a new funding process for the Victorian Government's Second Generation Landcare Grants, distributed through the CMA.

The new process has eliminated the competitive application process, and provides funding allocations to all active groups based on their membership numbers. This means that groups with large memberships will gain higher funding, but all groups can receive some funding. The groups set their project activities and budgets and can now carry funding forward into future years, if required, allowing for better planned works.

The second major LSS priority implemented was to improve Landcare co-ordination support in the region. A range of actions was completed to enable this, including:

- funding for five full-time equivalent Landcare Network Co-ordinator positions (up from three), which the CMA will fund for three years from 2005/06;
- the CMA has taken on the administration of the employment of co-ordinators, instead of devolving this to Landcare Networks;
- extensive consultation workshops with Landcare groups to work out the best options for community participation in selection and management processes; and
- establishment of steering committees made up of Landcare representatives to participate in the co-ordinator selection process and ongoing management.

The new co-ordinators are expected to start work by October 2005. Although employed by the CMA, the co-ordinators will

be responsible to their Landcare groups through the new steering committees, which are made up of representatives from the relevant Landcare groups. As these co-ordinators are funded to support and strengthen Landcare, they need to work closely with the groups. Landcare groups will have a strong involvement in managing and prioritising the co-ordinators' work plans through the steering committees.

The current Landcare co-ordination support has assisted groups and networks to undertake a broad range of community activities this year, including:

- 100 learning and development opportunities, such as field days, workshops and training sessions, with around 1,800 community members participating;
- eight Local Area Plans reviewed or updated, and five new plans created or started;
- 17 projects funded for the region under the Envirofund program to the value of \$311,042;
- eight projects funded in the region under the National Landcare Program, to the value of \$633,360; and
- 38 media items and 11 radio interviews about Landcare groups and their activities across the region.

The extent of community involvement in Landcare and the voluntary support provided by community members was highlighted by the Active Service Awards nominations in 2003 and 2004.

The CMA again held regional awards to recognise a combined 210 years of active service to Landcare in the North East. This brings the total to more than 700 years of service by members of Landcare Groups in our region. Two celebration events were held during Landcare Week in August 2004, allowing Landcare members to get together and share their experiences. These stories are being used as part of the monitoring and evaluation of Landcare support.

In 2003, four of the 10 Victorian Landcare Awards winners were from the North East, and represented Victoria in the National Awards in 2004. This was an outstanding effort.

COMMUNITY

PROGRAM CONTINUED



INDIGENOUS INVOLVEMENT

Indigenous Natural Resource Liaison Officer

The North East CMA secured funding for a three-year, full-time Indigenous Natural Resource Liaison Officer. This position is funded through the Natural Heritage Trust.

By having an Indigenous officer on staff, the CMA will be able to improve understanding of Indigenous culture and issues and ensure that all projects managed by the CMA consider, acknowledge and protect Indigenous cultural heritage values. The person works with CMA program managers, CMA staff, Landcare groups, agribusiness and other land management forums to engage, inform and discuss all works before detailed planning. This will mean that works are implemented in a culturally appropriate manner.

MONITORING, EVALUATION, REPORTING AND IMPROVEMENT FRAMEWORK

The North East CMA has completed a Monitoring Evaluation, Reporting and Improvement Framework (MERIF), which provides a set of processes that will help the CMA to:

- monitor the state of the natural environment in the North East region;
- co-ordinate data collection from all projects under the Regional Catchment Strategy in the North East region;
- demonstrate the contribution to improving the resource condition by the projects prioritised by the Regional Catchment Strategy;
- provide performance information for the annual Regional Catchment Investment Planning cycle, and to improve and refine the Regional Catchment Strategy (adaptive management);
- be accountable to funders and community stakeholders; and
- effectively manage reporting processes.



case study

Productive, healthy landscapes in the Boorhaman/Rutherglen cropping district

Cropping is a key component of the mixed farm systems in the Boorhaman and Rutherglen area and is a major contributor to the district's earnings.

This project has great significance for sustainable agriculture in the area. It will provide considerable natural resource management benefits for the region's cropping landscapes and the wider region by:

- significantly improving growers' access to the latest information in a way that encourages practice change;
- enhancing soil biodiversity through reduced cultivation and enhancement of biological processes to build humus levels;
- protecting surface soils from wind and water erosion with increased stubble cover;
- optimising water use by improving water infiltration, reducing run off and evaporation, and reducing waterlogging; and
- implementing management strategies that improve soil structure and stability, thereby reducing soil degradation.

By monitoring and recording the soil's physical and chemical properties, it will be possible to benchmark their condition in coming years against the current properties. This is an important management tool, as croppers can learn from their current individual practices and from each other.

The CMA is working with the Boorhaman, Rutherglen and Springhurst Landcare Groups, the Ovens Landcare Network, DPI/PIRVic at Rutherglen, agronomy company I K Caldwell and McNamara's Country Store on this project.

YOUTH

Waterwatch

Waterwatch is the CMA's main vehicle for educating young people in the North East about environmental management and sustainable land management practices.

This year, Waterwatch staff visited 70 primary schools in the region at least three times and also visited five secondary schools.

School Waterwatch groups monitor water quality at selected sites along a nearby river, creek or wetland. Students collect data, monitor changes in stream health and provide the results to Waterwatch co-ordinators, which contributes to the data set for the region. This information is important for assessing the health of North East waterways.

COMMUNITY

PROGRAM CONTINUED



PUBLIC COMMENT OPPORTUNITIES AND PRESENTATIONS

Presentations

During 2004/05, the CMA gave presentations to:

- the Indigo Shire Council, May 2005;
- the Regional Resource Planning Forum (NSW and Queensland natural resource management liaison), in Armadale, NSW, November 2004;
- the Murray-Darling Basin Commission Research Scientists at Albury, May 2005;
- the Alpine Valleys Leadership Forum, Wodonga, May 2005;
- the Australian Water Association's National Conference on Water Planning for the Future in Melbourne, June 2005;
- a Trust for Nature launch in Chiltern, July 2004;
- the Emerging Leaders Program, Victorian Local Government Authorities, August 2004;
- the Mitta Mitta River Water Services Public Meeting on river health works;
- three Youth Forums (Waterwatch team);
- the Farm Dams workshop on Farm Dams legislation, May 2005; and
- the University of the Third Age on Streamflow Management Planning.

Tours and Displays

The CMA organised the following tours or displays during 2004/05:

- hosted a tour of the Victorian Water Trust at Wangaratta, February 2005;
- organised a National Water Week Plaza display and related activities in Wodonga and across the catchment by the Waterwatch and water quality team, October 2004;
- attended the World Water Day / In My Backyard Festival display at Wodonga, March 2004; and
- contributed to the Enchanted River Festival (Waterwatch team).

Workshops, Information Sessions and Public Meetings

The CMA ran the following workshops, information sessions and public meetings during 2004/05:

- six Catchment Community Forums – held across the region in Myrtleford, Wangaratta, Wodonga, Barnawartha, Corryong and Omeo;
- Whole Farm Planning workshops at Wangaratta and Tallangatta;
- two public meetings in conjunction with Earthtech on the Finns Creek/Lower Kiewa Waterway Action Plan;
- a public meeting in conjunction with Earthtech on the Middle Kiewa Waterway Action Plan;
- two public meetings in conjunction with Earthtech on the Reedy Creek Waterway Action Plan development;
- two public meetings in conjunction with Earthtech on the 15 Mile Creek Waterway Action Plan development;
- an Urban Water Quality awareness session at Eskdale in 2004;
- a Works on Waterways Information Session at Melbourne University;
- a public consultation meeting on the development of the Little Snowy Creek Waterway Action Plan, July 2004;
- a Water Closer to the Source Forum in Beechworth, February 2005;
- two public meeting for the draft Kiewa Flood Study; and
- 13 EMS Group meetings in Corryong, Tallangatta and Springhurst.



NIMBY, Wodonga March 2004 – 3D scale model of an urban catchment demonstrating human impact on water quality

Public Comments

The CMA invited the public to comment on the following strategies and studies:

- Draft Regional River Health Strategy;
- Lower Kiewa Flood Study; and
- Landcare Support Strategy.

Publications

The CMA produced the following publications during 2004/05:

- Annual Report for the year ended 30 June 2004;
- Corporate Plan 2004/2005;
- Regional Catchment Investment Plan 2004/2005;
- Draft Kiewa Flood Study;
- King River Rural Flood Study;
- North East Victorian Firewood Strategy;
- Lower Kiewa Biodiversity Action Plan;
- Mid Kiewa Biodiversity Action Plan;
- Lower Ovens Biodiversity Action Plan;
- Mid Ovens Biodiversity Action Plan;
- Mid King Biodiversity Action Plan;
- Seedbank Strategic Plan;
- Works on Waterways Guidelines (9);
- Draft Regional River Health Strategy;
- Reedy Creek Waterway Action Plan;
- Finns Creek / Lower Kiewa Waterway Action Plan;
- Reedy Creek Geomorphology report and management recommendations;
- Fifteen Mile Creek Geomorphology report and management recommendations;
- Draft Fifteen Mile Creek Waterway Action Plan;
- Little Snowy Creek Waterway Action Plan;

- Waterwatch Strategic Plan;
- Waterwatch Evaluation Report;
- Waterwatch Data Confidence Plan;
- Waterwatch Volunteering Brochure;
- Waterwatch Newsletters (3);
- Wet, Wild and Wonderful Education Resource Book;
- Community Forums Newsletter;
- A Resource Guide – Managing Your Rural Property; and
- North East Landcare Support Strategy.

Communication and Media

The North East CMA works hard to communicate and promote its activities and to encourage landholder and community involvement and participation.

The CMA regularly puts out media releases about initiatives and projects to build support and raise awareness of issues related to improved natural resource management in the region.

Copies of media releases can be obtained from the CMA's website, www.necma.vic.gov.au

PERFORMANCE MEASURES

The business objectives of the North East CMA over the next five years are dictated by legislative responsibilities and priorities as outlined in the North East Regional Catchment Strategy. Activities can be grouped into five areas – Resource Condition Target development, Community Engagement, Biodiversity, Water and Land programs. The numbering system in the Performance Measures tables relate to objectives in the North East CMA's Corporate Plan.

1.4.1 Resource Condition Target Development				
Activity (1)		RCS Reference (2)	Performance Measures as per Corporate Plan (3)	Performance Report (4)
1	Develop a soil carbon content target for the North East.	Management Action Target (MAT) 1.2.2	1.1 Methodology for establishing content target and monitoring requirements developed by December 2005.	<ul style="list-style-type: none"> Application submitted in 2005/06 RCIP, but not funded. Expectation that a state-wide project will develop tools to be used by regions for setting soil carbon content targets.
2	Develop target for land area threatened by shallow and rising saline water tables.	MAT 1.3.5	2.1 Area of land threatened by rising water tables identified and mapped by June 2005. 2.2 Target for land area threatened by shallow and rising saline water tables developed by June 2005.	<ul style="list-style-type: none"> Area of land threatened by rising water tables has been identified and mapped. This information is being used to develop the target for shallow and rising saline water tables. Expected to be developed by 30 June 2006.
3	Develop target for soil erosion – wind.	MAT 2.2.1	3.1 Target developed for Soil Erosion – Wind by December 2005	<ul style="list-style-type: none"> This MAT is to be reviewed as to necessity.
4	Develop target for reduction of impact of priority and ecologically significant pest plant and animal species.	MATs 2.3.1 and 2.4.1	4.2 Process for evaluating impact of priority and ecologically significant pest plant and animal species developed by December 2006. 4.3 Evaluation and benchmarking of impact of priority and ecologically significant pest plant and animal species completed by December 2006. 4.4 Targets developed for impact of priority and ecologically significant pest plant and animal species by December 2008.	<ul style="list-style-type: none"> To be undertaken in 2006/07 during the renewal of the North East Regional Weed and Pest Animal action plans.
5	Review the region's two Water Quality strategies and confirm Water Quality targets.	MATs 4.1.2 and 4.2.2	5.1 Renewed Water Quality Action Plan for the North East with Resource Condition Targets.	<ul style="list-style-type: none"> Project to renew the Water Quality strategies has begun and is due for completion by 30 June 2006.
6	Develop target for vegetation condition.	MAT 7.1.2	6.1 Native vegetation condition in priority EVCs benchmarked by June 2005. 6.2 Target developed for Native Vegetation Condition by December 2005.	<ul style="list-style-type: none"> Vegetation condition modelled across private land in the region as preliminary benchmark with validation for condition assessments completed for 3,500 ha. Final report on vegetation condition benchmark to be completed by December 2005, after regional stakeholder engagement on data validation process and benchmark modelling outcomes. Target for vegetation condition to be developed as part of review and renew of Regional Vegetation Plan. Anticipated project completion delayed due to project not funded in 2005/06 RCIP.
7	Develop target for Wetland condition	MAT 5.7.1	7.1 Regionally significant wetlands mapped and target for condition established by November 2005.	<ul style="list-style-type: none"> Project under way, with project planning in place and project manager co-ordinating mapping and condition assessment activities. Completion date has been delayed to 30 June 2007.

1.4.2 Community Engagement				
Activity (1)	RCS Reference (2)	Performance Measures as per Corporate Plan (3)	Performance Report (4)	
1	Implement findings of the review of the Implementation Committee structure.	Section 9.5	1.1 Community Committee structure in place and meeting the objectives outlined in the CMA's Community Engagement Plan.	<ul style="list-style-type: none"> Land and Water Advisory Committees formed February 2005. Committees will meet up to six times a year. Each committee consists of 11 community, four organisational and two board representatives. Role of the Committees is to advise the Board on annual investment in the RCS and play a lead role in the broader community in natural resource planning, implementation and evaluation. Formation and workplan of Committees meet the objectives outlined in the CMA's Community Engagement Plan.
2	Implementation of Community Engagement Plan.	Section 9.5	2.1 Achievement of annual performance measures as identified in the Community Engagement Plan	<ul style="list-style-type: none"> Stage 1 report on River Tender community engagement effectiveness review completed by Charles Sturt University.
3	Implementation of the North East Regional Landcare Strategy.	MAT 12.1.2 and Section 9.4	3.1 Achievement of annual performance measures, as identified in the North East Regional Landcare Support Strategy.	<ul style="list-style-type: none"> New funding process for Second Generation Grants implemented – more groups able to access funding. Landcare co-ordination support to be increased from three to five full-time equivalents next year. Steering committees set up. Seven consultation workshops to plan steering committee arrangements. 38 media articles, 11 radio interviews on Landcare activities. 100 Landcare learning events held with more than 1,800 participants. Two Landcare Awards and celebration events held. 210 years of service to Landcare recognised.

1.4.3 Biodiversity Programs				
Activity (1)	RCS Reference (2)	Performance Measures as per Corporate Plan (3)	Performance Report (4)	
1	Extension and incentives to protect, enhance and restore priority native vegetation.	MAT 7.1.3	1.1 An increase of 2,500 ha of priority native vegetation aged for biodiversity values through property management agreements or permanent protection conservation covenants by June 2009.	<ul style="list-style-type: none"> 1,216 ha achieved to June 2005 (85 ha – permanent protection covenants, 941 ha – voluntary management agreements).
2	Implement threatened species Recovery Plans and Action Plans for priority species.	MAT 9.1.2	2.1 Targets as set out in Recovery Plans and Action Statements achieved for priority species according to annual work plans.	<ul style="list-style-type: none"> Target achieved or exceeded. All annual workplan activities completed with planned outputs exceeded.
3	Facilitation of a strategic approach for implementing biodiversity priorities into Regional Catchment Strategy programs.	Resource Condition Targets (RCT) 7.1, 8.1 and 8.1a	3.1 All regional Catchment Strategy implementation projects achieving a measurable contribution to biodiversity protection, enhancement or restoration by June 2009.	<ul style="list-style-type: none"> 89% of projects included in the 2005/06 Regional Catchment Investment Plan have measurable activity that contributes to biodiversity conservation.

(1) The scheduled activity.

(2) The reference to the Regional Catchment Strategy.

(3) The scheduled timeframe for the activity.

(4) Performance measure – what was actually achieved against what was stated in the Corporate Plan.

1.4.4 Water Programs				
Activity (1)	RCS Reference (2)	Performance Measures as per Corporate Plan (3)	Performance Report (4)	
1	Extension services and incentives to improve water quality.	Management Action Targets (MAT) 4.1.1, 4.2.1 and 4.2.3	<p>1.1 Ovens Basin Water Quality Strategy (OBWQS 2000) implemented via the attainment of targets developed for the management action contained in the 12 strategy programs by 2030.</p> <p>1.2 Upper North East Water Quality Strategy (UNEWQS 2001) implemented via the attainment of targets developed for the management actions contained in the 13 strategy programs by 2008.</p> <p>1.3 20 km of waterways fenced to control stock access for improved water quality by June 2008.</p>	<ul style="list-style-type: none"> • 10 of the 12 programs are on track. • Elements of Stream Management Program and the Research and Investigation Program have fallen behind. • 12 of the 13 programs have either been completed or are on track. • River health targets are ambitious and need to be reviewed in context of available funding and accelerated works program. • 1.83 km achieved (9% of target).
2	River Management Works.	MAT 5.1.2	<p>2.1 Maintain the 1999 Index of Stream Condition (ISC) rating of good and excellent condition for the 830 km of stream reaches at least until June 2009.</p> <p>2.2 Maintain the 1999 ISC rating of moderate condition for the 1,100 km of stream reaches at least until June 2013.</p> <p>2.3 By June 2009, improve 10% of the 1,100 km of stream reaches classified a good and moderate ISC condition by at least one ISC category.</p>	<p>River health targets are ambitious and need to be reviewed in context of available funding and accelerated works program. Five-year implementation targets:</p> <ul style="list-style-type: none"> • Area under voluntary landholder agreements – 55.6% achieved. • Riparian zone protected/enhanced – 36.4% achieved. • Riparian zone woody weeds managed – 4.0% achieved. • Streambank stabilised – 1.9% achieved. • Streambed stabilised – 4.5% achieved. • Barriers with fish passage restored – 0.0% achieved. • Reaches with improved flow regime – 0.0% achieved

1.4.5 Land Programs				
Activity (1)	RCS Reference (2)	Performance Measures as per Corporate Plan (3)	Performance Report (4)	
1	Extension services and incentives to increase the area of perennial systems in high recharge areas on agricultural land.	MAT 1.3.1	<p>1.1 2,600 ha of priority high recharge areas on agricultural land converted to perennial systems by June 2009.</p>	<ul style="list-style-type: none"> • 445 ha achieved (17% of target).
2	Extension services and incentives to improve surface soil acidity levels of agricultural land.	MAT 1.1.1 MAT 1.1.2	<p>2.1 Regional soil pH monitoring and evaluation program established by December 2005.</p> <p>2.2 20% of landholders applying lime according to best practice to 20% of their farm by June 2009.</p>	<ul style="list-style-type: none"> • Project officer appointed. • Successful National Landcare Program applications by Landcare groups to address soil health issues, including soil acidity.
3	Extension services and incentives to reduce the number of active gullies in the North East.	MAT 2.1.1 MAT 2.1.2 MAT 2.1.3	<p>3.1 Baseline data collected on the number of active gullies in the North East by December 2005.</p> <p>3.2 Annual workplan achieved with management agreements in place and each landholder receiving incentives.</p>	<ul style="list-style-type: none"> • Funding sought for 2005/06 to carry out survey. • 45 gullies treated against annual target of 45.

(1) The scheduled activity.

(2) The reference to the Regional Catchment Strategy.

(3) The scheduled timeframe for the activity.

(4) Performance measure – what was actually achieved against what was stated in the Corporate Plan.



CORPORATE OPERATIONS

OUR BOARD – OUR PEOPLE – CORPORATE GOVERNANCE – OUR LEGISLATIVE RESPONSIBILITIES

Our Board	42
Organisational Structure	45
Our People at Work	46
Overview	46
Training and Development	46
Staff Consultative Committee	46
Enterprise Agreement	46
Time in lieu (Flexi-time) Working Agreement	46
Industrial Relations	46
Code of Conduct	46
Equal Opportunity Employer	46
Occupational Health and Safety	47
Integrated Management System	47
Workforce Data	47
Corporate Governance	48
Board Appointments	48
Audit Committee	48
Remuneration Committee	48
Pecuniary Interests	48
Subsequent Events	49
National Competition Policy	49
Information Retained and Available	49
Consultancies	49
Our Legislative Responsibilities	49
Power of Authority	49
Functions	49
Whistleblowers' Protection Act	50
Freedom of Information	50
Building Act Compliance	50

OUR BOARD

MEMBERS OF THE BOARD OF MANAGEMENT



Sarah Nicholas

BAgSci, Masters in Environmental Law, Management and Business.

Sarah, who has been Chair of the North East CMA since 2000, is raising a young family and lives in Wandiligong. She has worked as a private consultant in natural resource management and has been the ski patrol director of Mount Hotham. Her family previously farmed in the Goulburn Broken Catchment region and she has worked with farmer groups to identify land management issues and solutions. She is a member of the Murray-Darling Basin Ministerial Council Community Advisory Committee and her community interests include local sporting and environmental groups and Landcare.

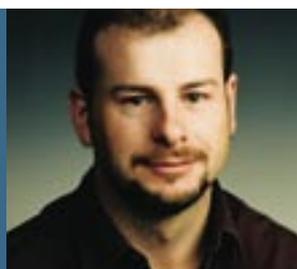
Sarah joined the CMA Board to achieve on-ground change through increasing community understanding of catchment and broader environmental issues.

Meetings attended:

Board: 11 of 11 held

Audit Committee: 3 of 3 held

Remuneration Committee: 1 of 1 held



Anthony Griffiths

Anthony is a primary producer from the Greta District, where his family has been farming for generations. He has been a member of the Greta Valley Landcare Group for many years including terms as president and vice president. He has been a CMA Board member since 2000. He became involved with the CMA to ensure a commonsense, community-oriented voice on the Board to try and get the North East community more involved in deciding their future. He is a Victorian Farmers Federation member, a trustee of the Greta Cemetery Trust and a school councillor at the Greta Valley Primary School.

Anthony's goal as a CMA Board member is to find non-regulatory answers/incentives to preserve and enhance the North East's natural resources and to open up the lines of communication between different individuals and groups involved with caring for the environment in the region.

Meetings attended:

Board: 11 of 11 held



Lyn Coulston

Horticultural qualifications

Lyn owns and operates a nursery in Shelley (Upper Murray) and is a primary producer. She was appointed to the Board of the North East CMA in 2000 and is also a Councillor (immediate past Mayor) of the Towong Shire. Lyn has been involved with promoting Australian plants for gardens and landscaping for many years. She is heavily committed to Landcare and is the Secretary of the Upper Murray Landcare Network and President of the Koetong Landcare Group. She is also a committee member of Upper Murray Agcare (rural financial counselling service) and a member of the Albury Wodonga Area Consultative Committee. Lyn believes the CMA Board has a unique opportunity to contribute to strategic planning and decision making that will establish a framework for managing natural resources into the future.

Meetings attended:

Board: 9 of 11 held



Lindsay Jarvis OAM

Grad Dip Systems Agriculture (UWS)

Lindsay is a director of the Murray Goulburn Dairy Co-operative and a dairy farmer from Kergunyah. In 2004, he was awarded the Order of Australia Medal for services to the natural resource management and the dairy industry. He is an original CMA Board member and previously a member of the North East Catchment and Land Protection Board. Lindsay currently chairs Goulburn-Murray Water's Customer Service Committee and is a committee member of Kergunyah Landcare Group. Lindsay sees his role as a Board member as endeavouring to ensure that the CMA, its committees and the community have a clear understanding of their respective roles. His goal is to ensure the CMA delivers user-friendly natural resource management programs that have appropriate community involvement.

Meetings attended:

Board: 9 of 11 held

Audit Committee: 3 of 3 held

Remuneration Committee: 1 of 1 held

The Board

The Board of the North East CMA is a Ministerially appointed skills-based Board and represents the community of the North East region. Members are appointed through an application and selection process. Board members have a variety of skills, but all are committed to improving the natural assets of the region.



Dr Terry Hillman

Dip Agriculture, BSc (Hons I), PhD

Terry is an Adjunct Professor at La Trobe University. He has been a CMA Board member since its establishment in 1997. Terry is Chair of La Trobe University's Regional Advisory Board, and a member of the Albury Water Board and the Murray-Darling Association. He is on the organising committee for the Enchanted River Festival and is involved with regional performing arts.

Terry joined the CMA Board because he believed and still does, that the CMA is an excellent format for attacking regional natural resource management issues at an appropriate scale and for engaging the regional community in this work.

Meetings attended:

Board: 10 of 11 held



Johanna Barker

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

Johanna is a senior manager in the banking sector and lives in Melbourne. She became a North East CMA Board member in 2003. Johanna's particular environmental focus is the interface between rural and city interest. As a Board member, she wants to achieve better co-ordination between community interests and a sustainable environment. She is committed to strong governance and financial management.

Meetings attended:

Board: 11 of 11 held

Audit Committee: 3 of 3 held

Remuneration Committee: 1 of 1 held



Kevin Ritchie

BForSc (Melb), DipFor (Cres)

Kevin is Regional Director for the Department of Sustainability and Environment (DSE) in the North East. He became the DSE representative on the CMA Board in 1999; he has a long history of involvement in the management of forestry, biodiversity, catchment management and water issues in the North East and across Victoria.

Kevin is committed to ensuring that the CMA operates as an effective organisation, facilitating a strong community input to catchment and land management, and providing leadership in sustainable land use. He provides the CMA Board with input on government policy directions and the integration of the programs of all relevant government services in the catchment and region.

Meetings attended:

Board: 7 of 11 held



Peter Roper

Assoc Dip Farm Man

Peter is a primary producer in Tawonga and previously worked for Gippsland Water, managing regional water supply catchments and wastewater facilities. His interests include alpine grazing and irrigation closer to the source. He is concerned about the condition of the North East's rivers and streams, and the environment they flow through. He is a Goulburn-Murray Water Kiewa Catchment Water Services Committee member, a member of the Tawonga Country Fire Authority and a school councillor for the Tawonga Primary School. Peter's main concern as a Board member is the need for greater accountability for water usage both domestically and commercially, and his goal is for truly integrated resource management.

Meetings attended:

Board: 7 of 11 held

OUR BOARD CONTINUED

MEMBERS OF THE BOARD OF MANAGEMENT

OUR BOARD CONTINUED

MEMBERS OF THE BOARD OF MANAGEMENT



Sarah Crooke

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

Sarah is a dairy farmer from Gundowring, where she and her husband milk 430 cows. Sarah was appointed to the North East CMA Board in 2002 and is on the Board of Dairy Australia. Her focus for the CMA's operations are effective strategic planning and community engagement. Through her contribution to the CMA, she hopes to achieve integration of profitable farming practices and good natural resource management.

Meetings attended:
Board: 10 of 11 held



Mac Paton

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

Mac is a dairy farmer and lives at Tallangatta. He has been on the CMA Board since its inception in 1997. Mac sits on the Water Service Committee of Goulburn-Murray Water and is a member of the Alpine Valleys Agribusiness Forum. He is a former Towong Shire Councillor and is a member of the Victorian Farmers Federation and the United Dairyfarmers of Victoria. Mac's particular concern is the balance between regional development and sustainable environmental practices.

Meetings attended:
Board: 10 of 11 held



Brian Thompson

BSc (Forestry), Australian Rural Leadership Program

Brian is a Community Relationship Manager with the Department of Primary Industries, based in Benalla. He is a member of the Horseshoe & Hodgsons Creek Landcare Group and the Australian Alpine Valleys Agribusiness Forum, and is also a Board Member of the Goulburn Broken CMA. His other main community interest is as a Board Member of North East Agcare, a rural financial counselling service. Through his time on the CMA Board, Brian hopes to achieve better relationships between catchment partners.

Meetings attended:
Board: 10 of 11 held

case studies

Regional Tour

In September 2004, the CMA Board and staff, and senior representatives from DSE toured the region. The two-day tour began in the Heritage River section of the Ovens, below Wangaratta. They inspected program sites in Beechworth, Myrtleford and Omeo, and in the Upper Murray. Highlights were demonstrations of good working partnership programs, integrated delivery, implementation of the Regional Catchment Strategy and the effects of the 2003 Alpine fires.

Water Stewardship Program

The Board Performance Review in 2004 recommended that the Board and senior staff address strategic issues facing the CMA. A strategic planning workshop was held in April 2005 to clarify the CMA's strategic role in the future of water use in the North East.

Although the CMA is not directly involved with the business decisions of water users, it is interested in making sure that the people of the North East have equitable access to water resources.

The North East is an integrated part of the water industry in the Murray-Darling Basin, with equitable access to resources.

The CMA and its partners are developing a Water Stewardship program that includes:

- requirements for environmental flows;
- a river health program; and
- sustainable water use (including irrigation).

ORGANISATIONAL STRUCTURE

Organisational Review

The CEO commissioned an organisational review in June 2005.

The purpose of the review was to:

- align with the deliverables of the proposed Statement of Obligations;
- align with the deliverables of the Regional Catchment Strategy;
- be logical and transparent to external and internal stakeholders;
- allow for clearer career progression, where possible;
- incorporate a greater focus on investments;
- incorporate a greater focus on planning;
- incorporate a greater focus on corporate functions such as human resources, IT, communications and corporate planning;
- maintain the current level of client focus; and
- include a dedicated audit/compliance function, if possible.

The review was completed in July 2005.

New Senior Management Team structure

John Riddiford – Chief Executive Officer

Jeff Taylor – Manager Strategy and Partnerships

Veronica Lanigan – Manager Water Programs

Manager – Corporate Services (vacant at time of printing)



Senior Management Team (as at 30 June 2005)

John Riddiford – Chief Executive Officer

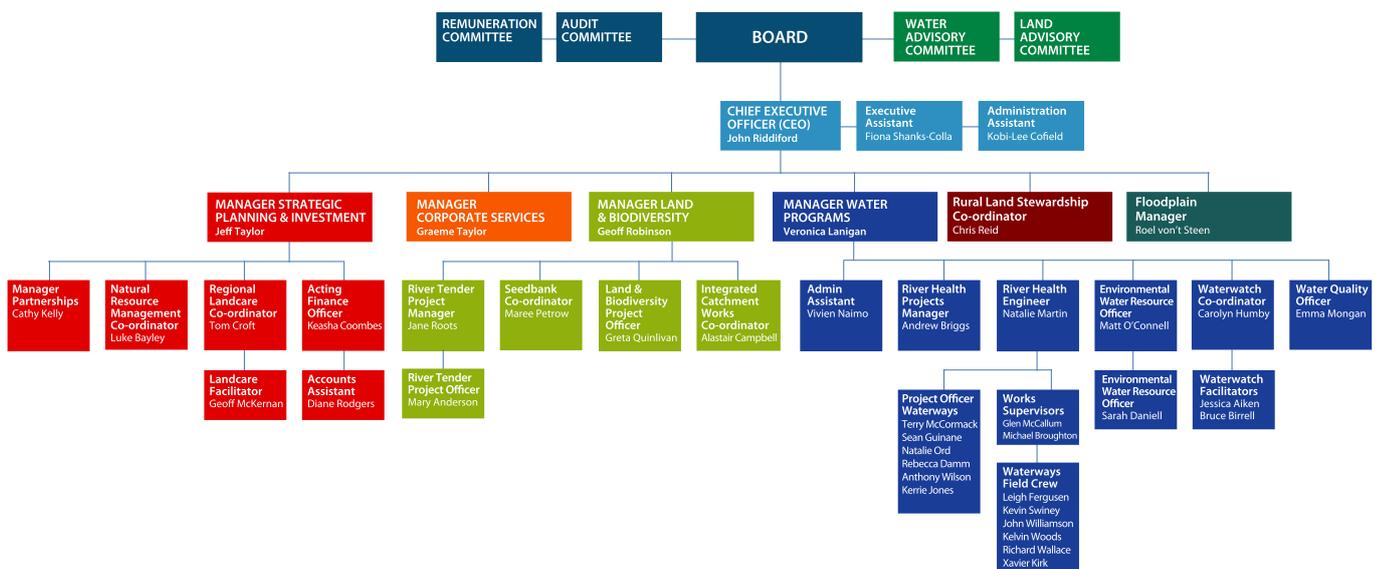
Jeff Taylor – Manager Strategic Planning and Investment

Veronica Lanigan – Manager Water Programs

Graeme Taylor – Manager Corporate Services

Geoff Robinson – Manager Land and Biodiversity

Corporate Structure as at 30 June 2005





OUR PEOPLE AT WORK

Overview

The North East CMA has a number of initiatives and programs in place to ensure that our people can work productively within a supportive environment and realise their full potential.

This year, the CMA has commissioned an organisational review to match its structure with its legislative needs to ensure the structure is the right one to implement the CMA and Regional Catchment Strategy activities. The results of the review are due in late 2005.

Training and Development

The North East CMA is committed to providing training and development for all employees with particular emphasis on:

- the development of their capability to meet the CMA's objectives and to promote continuous improvement:
- a clear understanding of, and involvement in, continuous improvement principles and practices; and
- the development of skills for all employees.

All staff members undertook some form of training during the year.

Staff Consultative Committee

In February 2005, the CMA adopted new Terms of Reference for the Staff Consultative Committee, including a new membership structure.

The role of the committee is to:

- address any issues relating to the Enterprise Agreement raised by staff or unions;
- monitor the implementation of the enterprise agreement;
- maintain an overview of training within the organisation;
- review staff-related policies on a needs basis; and
- consider and review outcomes of any employee-related surveys conducted by the CMA.

The committee met four times during the reporting period. Its members, at 30 June 2005, were: Graeme Taylor, Fiona Shanks-Colla, Jeff Taylor, Natalie Ord, Michael Broughton and Chris Reid.

Enterprise Agreement

The Enterprise Agreement covering employees of the CMA was renegotiated during the year, with in-principle agreement on a three-year Enterprise Agreement.

Time in Lieu (Flexi-time) Working Agreement

At the request of staff, in March 2005 the CMA implemented a new working arrangement through new base, spread and accrual working hours.

Industrial Relations

No time was lost during the year through industrial disputes.

Code of Conduct

The CMA operates under the Code of Conduct for the Victorian Public Sector and in accordance with the *Public Administration Act 2004* that outlines how staff should conduct their business and how they should treat the public, clients and colleagues.

Equal Opportunity Employer

The CMA is committed to the principles of Equal Employment Opportunity. Its policy on Equal Opportunity reflects its desire to enjoy a workplace free of discrimination, where each person has the opportunity to progress to the extent of their ability.

Cultural Diversity

No specific needs were identified during the year.

Women

As at 30 June 2005, women represented 42% of the workforce.



Occupational Health and Safety

The CMA is committed to providing its employees with a working environment that is safe and without risks to health and welfare.

Health and Safety Advisory Committee

The aims of the Health and Safety Advisory Committee are to:

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

The structure of the committee changed during the year to better reflect the designated work groups now existing within the organisation.

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

Committee representatives are trained, as needed, in occupational health and safety compliance with Acts and regulations.

Incidents and Dangerous Occurrences

No notifiable incidents or dangerous occurrences were reported to the Victorian WorkCover Authority during the reporting period.

Register of Injuries

Only three minor injuries were registered during 2004/05. These injuries did not result in any time lost in the workplace or the need for issuing work practice safety notices.

Integrated Management System

The CMA is implementing an Integrated Management System (IMS) based on the following standards:

- Occupational Health and Safety;
- Environmental Management; and
- Quality Management.

The IMS is a collection of operating procedures that define the processes an organisation uses to ensure its administrative and project work is carried out effectively, safely, efficiently and within legislative and regulatory requirements.

Workforce Data

Total number of staff

As at 30 June 2005	39
As at 30 June 2004	36
As at 30 June 2003	31

Number of full-time and part-time employees by gender

		As at 30 June 2005	As at 1 July 2004
Full time	Male	22	20
	Female	14	12
Part time	Male	1	1
	Female	3	3

CORPORATE GOVERNANCE

Board Appointments

The Victorian Minister for Environment, in conjunction with the Minister for Agriculture, appoints the members and chairperson of the CMA Board after a comprehensive application and selection process.

In line with State Government policy, the selection of Board members is skills based and should also reflect the composition of the Victorian community.

A selection panel assesses applications, ranks each application against selection criteria and obtains referee reports. The Department of Sustainability and the Environment undertakes probity checks on short-listed candidates. Successful applicants are required to have completed a declaration of private interests form.

Members serve in different capacities and a mix of personal qualities is required for a CMA Board to operate effectively as a board of management. The precise duties and responsibilities of an individual Board member will depend, in part, on their particular strengths.

To operate effectively, each Board member should possess core competencies and knowledge, experience and skills in at least one of the following areas:

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

Subsection 12(2) of the *Catchment and Land Protection Act 1994* also establishes a number of statutory criteria for membership of the CMA:

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

Audit Committee

Role

The Audit Committee assists the Board to fulfil its oversight responsibilities by ensuring:

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

Membership

The members of the Audit Committee are:

Lindsay Jarvis Chairperson
Sarah Nicholas
Johanna Barker

The committee met three times during the year.

Major Undertakings

The committee's major undertaking during the year was the successful completion of the 2004/05 Internal Audit Plan covering compliance with the:

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

Remuneration Committee

Role

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

Membership

The members of the Remuneration Committee are:

Lindsay Jarvis Chairperson
Sarah Nicholas
Johanna Barker

The committee met once during the year.

Pecuniary Interests

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

Subsequent Events

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

National Competition Policy

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

Information Retained and Available

In accordance with the requirements of the *Financial Management Act 1994*, all relevant information listed in FRD22 is retained and will be made available on request, subject to the provisions under the Freedom of Information Act and the Privacy Act.

Consultancies

Consultancies greater than \$100,000				
Consultant	Project	Total Fee Approved	Expenditure 2004/05	Future Expenditure
Arthur Rylah Institute	Hume to Yarrawonga Re-snagging project – Monitoring Plan	\$107,600	\$75,320	Nil
ITU Nolan	Enhancing CMA Monitoring & Evaluation Capacity	\$186,764	\$6,882	\$179,882
Arthur Rylah Institute	Re-snagging and Riparian Restoration – Hume to Yarrawonga	\$143,000	\$143,000	Nil
Consultancies less than \$100,000				
37	Various	\$667,638	\$523,997	\$99,412

OUR LEGISLATIVE RESPONSIBILITIES

Power of Authority

Water Act 1989

S123 (1)

An Authority has power to do all things that are necessary or convenient to be done for, or in connection with, or as incidental to, the performance of its functions, including any function delegated to it.

Functions

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

Water Act 1989

S189

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

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

S199

(1) An Authority has the following functions:

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

S202

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

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

OUR LEGISLATIVE RESPONSIBILITIES CONTINUED

Catchment and Land Protection Act 1994

S13

An Authority has the following functions

- (a) to prepare a regional catchment strategy for the region and to co-ordinate and monitor its implementation;
- (b) to prepare social area plans for areas in the region and to co-ordinate and monitor their implementation;
- (c) to promote the co-operation of persons and bodies involved in the management of land and water resources in the region in preparing and implementing the strategy and special area plans;
- (d) to advise the Minister, and, if requested by any other Minister, that other Minister –
 - (i) on regional priorities for activities by and resource allocation to bodies involved in the management of land and water resources in the region; and
 - (ii) on guidelines for integrated management of land and water resources in the region; and
 - (iii) on matters relating to catchment management and land protection; and
 - (iv) on the condition of the land and water resources in the region;
- (e) to promote community awareness and understanding of the importance of land and water resources, their sustainable use, conservation and rehabilitation;
- (f) to make recommendations to the Minister and the Secretary about actions to be taken on Crown land managed by the Secretary to prevent land degradation;
- (g) to advise the Minister and provide information to the Minister on any matter referred to it by the Minister;
- (h) to carry out any other functions conferred on the Authority by, or under this Act, or any other Act.

Whistleblowers' Protection Act

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

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

Disclosures of improper conduct or detrimental action by the North East Catchment Management Authority or its employees may be made to the Protected Disclosure Co-ordinator, Graeme Taylor, phone 02 6043 7613.

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

Alternative contact persons

A disclosure about improper conduct or detrimental action by the North CMA or its employees may also be made to the Chairperson of the CMA Audit Committee or directly to the Ombudsman.

Mr Lindsay Jarvis, Chairperson, CMA Audit Committee, mobile 0407 933 360 or The Ombudsman Victoria, Level 22, 459 Collins Street, Melbourne, Victoria 3000. (DX 210174), Internet: www.ombudsman.vic.gov.au, e-mail: ombudvic@ombudsman.vic.gov.au, phone 03 9613 6222, toll free 1800 806 314.

No disclosures were reported during the year.

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 specific as possible so that the CMA's Freedom of Information Officer can identify and locate relevant documents. All applications must include the statutory \$20.50 lodgement fee. Further charges may be payable. Freedom of Information fees and charges are not subject to GST.

Requests to the CMA should be sent to: Fiona Shanks-Colla, Freedom of Information Officer, PO Box 616, Wodonga, Victoria 3689, phone 02 6043 7600, e-mail necma@necma.vic.gov.au.

No requests under the Freedom of Information Act were received during 2004/05.

Building Act Compliance

The North East CMA ensures that all works requiring building approval have plans certified, that works in progress are inspected and that Occupancy Permits are issued by building surveyors engaged on a job-by-job basis as per the *Building Act 1993*.

The CMA also ensures that plans for these works are lodged with the relevant local councils. A register of building surveyors and the jobs they certified is maintained. The CMA requires all building practitioners engaged on its works to show evidence of current registration when they are engaged. A condition of their contracts with the CMA is that they maintain their registered status for the course of the contract. No building works were undertaken during the reporting period. The CMA has complied with the Act.

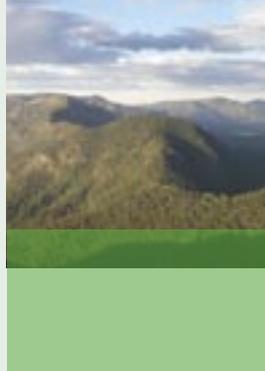


FINANCIAL OPERATIONS

FINANCIALS – PERFORMANCE – NOTES

Summary of Financial Performance	52	Notes to the Financial Statements	58
Auditor-General’s Certification	53	1. Statement of significant accounting policies	58
Accountable Officer’s Declaration	54	2. Revenue	62
Statement of Financial Performance	55	3. Government contributions	62
Statement of Financial Position	56	4. Result from ordinary activities	63
Statement of Cash Flows	57	5. Service delivery expenditure	63
		6. Non-service delivery expenditure	63
		7. Remuneration of auditors	63
		8. Receivables	64
		9. Investments	64
		10. Inventories	64
		11. Property, plant and equipment	65
		12. Payables	67
		13. Interest-bearing liabilities	67
		14. Provisions	68
		15. Equity and movements in equity	69
		16. Superannuation	70
		17. Commitments	71
		18. Reconciliation of result from ordinary activities to net cash inflow from operating activities	73
		19. Responsible persons	74
		20. Contingent liabilities	75
		21. Financial instruments	75
		22. International financial reporting standards (IFRS)	75
		Disclosure Index	76

SUMMARY OF FINANCIAL PERFORMANCE



Financial Management Compliance Framework

The Department of Treasury and Finance has developed the Financial Management Compliance Framework (FMCF) to assist Victorian Public Service (VPS) agencies attain the most effective financial management to achieve organisational goals, while simultaneously meeting Government requirements for the purposes of accountability.

During 2004/05, the CMA's internal auditors, KPMG, undertook an assessment of the Authority against the FMCF. The assessment identified that the Authority was mostly compliant, with a few areas of partial compliance. Areas of partial compliance will be addressed during 2005/06.

New Financial and Project Management System

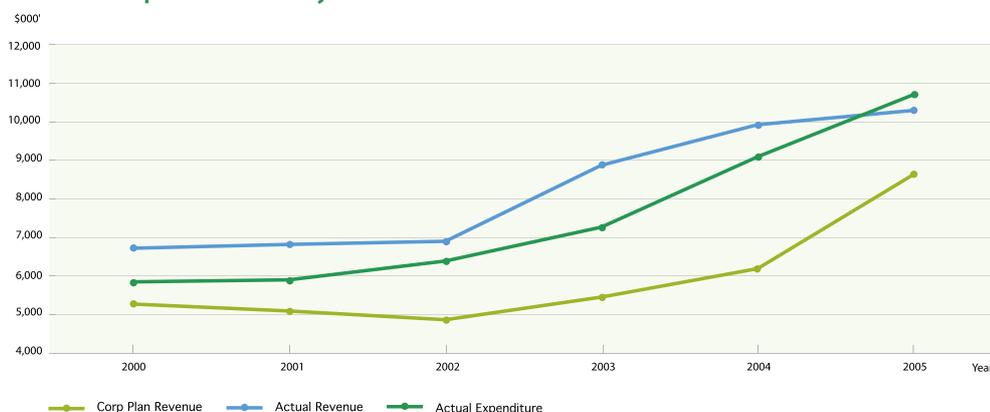
During 2004/05, the Victorian CMAs committed to adopting a new financial and project management system. After extensive analysis, the Microsoft product 'Axapta' was chosen. Axapta is Enterprise Resource Planning software made up of many modules or functions. Axapta will help the CMA run its day-to-day business more efficiently by integrating project and financial management.

As at 30 June 2005, four CMAs were using the system. The North East CMA commenced implementation early in 2005 with an anticipated commencement date of 1 December 2005.

Summary of Financial Results

	Year ended 30/06/05	Year ended 30/06/04	Year ended 30/06/03	Year ended 30/06/02	Year ended 30/06/01	Year ended 30/06/00
Operating Revenue	10,287,048	9,914,896	8,859,234	6,892,228	6,810,357	6,712,107
Operating Expenses	(10,825,631)	(9,083,805)	(7,253,706)	(6,377,476)	(5,892,054)	(5,840,103)
Abnormal Items	-	-	-	-	-	141,453
Surplus (Deficit)	(538,583)	831,091	1,605,528	514,752	918,303	1,013,457

Revenue Expenditure Analysis



AUDITOR-GENERAL'S CERTIFICATION



INDEPENDENT AUDIT REPORT

North East Catchment Management Authority

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

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2005 of North East Catchment Management Authority consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report, and the supporting declaration.

Members' Responsibility

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

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

Audit Approach

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

The audit procedures include:

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

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

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

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 are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of North East Catchment Management Authority as at 30 June 2005 and its financial performance and cash flows for the year then ended.

MELBOURNE
23 September 2005



JW CAMERON
Auditor-General

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

Auditing in the Public Interest

ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 30 JUNE 2005



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

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2005 and financial position of the Authority as at 30 June 2005.

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

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

S. Nicholas
Chairperson
23rd September 2005

J. Riddiford
Accountable Officer
23rd September 2005

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005



	Note	2005 \$	2004 \$
Revenue from ordinary activities			
Revenue from rendering of services	2	8,515,523	8,268,773
Other revenue and revenue from other parties	2	1,771,525	1,646,123
		<u>10,287,048</u>	<u>9,914,896</u>
Expenses from ordinary activities			
Service delivery expenditure	5	10,158,341	8,365,370
Non-service delivery expenditure	6	667,290	718,435
		<u>10,825,631</u>	<u>9,083,805</u>
Net result for the reporting period			
Total revenues, expenses and revaluation adjustments recognised directly in equity		<u>(538,583)</u>	<u>831,091</u>
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown			
	15	<u>(538,583)</u>	<u>831,091</u>

The Statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 58 to 75.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Current assets			
Cash assets	18	162,651	2,124,535
Receivables	8	624,743	439,860
Inventories	10	154,049	201,649
Other financial assets	9	6,443,654	6,807,899
Total current assets		7,385,097	9,573,943
Non-current assets			
Property, plant and equipment	11	1,986,610	1,816,099
Total non-current assets		1,986,610	1,816,099
Total assets		9,371,707	11,390,042
Current liabilities			
Payables	12	1,110,516	2,536,838
Interest-bearing liabilities	13	–	8,964
Provisions	14	200,325	179,132
Total current liabilities		1,310,841	2,724,934
Non-current liabilities			
Interest-bearing liabilities	13	–	71,712
Provisions	14	214,455	208,402
Total non-current liabilities		214,455	280,114
Total liabilities		1,525,296	3,005,048
Net assets		7,846,411	8,384,994
Equity			
Contributed capital	15	5,103,823	5,103,823
Accumulated (deficit)/surplus	15	–	–
Reserves	15	2,742,588	3,281,171
Total equity		7,846,411	8,384,994

The Statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 58 to 75.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2005

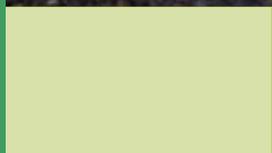


	Note	2005 \$	2004 \$
Cash flows from operating activities			
Receipts (inclusive of GST)			
Fees and charges		163,406	602,151
Government contributions		9,027,425	8,665,111
Interest received		334,918	376,729
Other revenues		1,003,752	838,039
		<u>10,529,501</u>	<u>10,482,030</u>
Payments (inclusive in GST)			
Employee entitlements		(2,441,408)	(1,821,211)
Interest and other financing costs paid		(18,561)	–
Other payments		(9,875,322)	(5,821,573)
Net cash (used in)/provided by operating activities	18	<u>(1,805,790)</u>	<u>2,839,246</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(1,041,531)	(774,066)
Proceeds from sale of non-current assets		521,192	500,280
Net cash (used in)/provided by investing activities		<u>(520,339)</u>	<u>(273,786)</u>
Net (decrease)/increase in cash held		<u>(2,326,129)</u>	<u>2,565,460</u>
Cash at the beginning of the financial year		8,932,434	6,366,974
Cash at the end of the financial year	18	<u>6,606,305</u>	<u>8,932,434</u>

The Statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 58 to 75.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



1 Statement of significant accounting policies

(a) Basis of preparation

This general-purpose financial report has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views. It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian accounting standard or Urgent Issues Group Consensus View, or an alternative accounting policy permitted by an Australian accounting standard is adopted to improve the relevance and reliability of the financial report. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year.

(b) Investments

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

(c) Inventories

Inventories comprise stores and materials used in the delivery of project outcomes. All inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on a first-in, first-out basis.

(d) Revenue recognition

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

Fees and charges

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

Grants and contributions

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

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

Goods and services received free of charge

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

Sale of non-current assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



(e) **Bad and doubtful debts**

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

(f) **Employee entitlements**

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

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on wage and salary rates expected to be applicable at the time leave is taken.

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

Long service leave

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

Superannuation

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

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

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

(g) **Leases**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



(h) Non-current assets

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

(i) Revaluations of non-current assets

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

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

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

(j) Depreciation and amortisation of non-current assets

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

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

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

	2005 %	2004 %
Leaseholder 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 and office equipment	7.5 to 33	7.5 to 33
Motor vehicles	10 to 20	10 to 20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



(k) Statement of cash flows

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

(l) Accounts payable

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

(m) Interest-bearing-liabilities

Interest-bearing-liabilities are carried on the Statement of Financial Position at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in 'Other creditors and accruals'.

(n) Accounts receivable

All receivables are non-interest bearing. The carrying value of receivables at 30 June 2005 approximates market value.

(o) Goods and services tax (GST)

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

(p) Objective and funding

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

2. Revenue

Rendering of services revenue from operating activities:

Government contributions

Local contributions

Fees and charges for services

Other revenues

From operating activities

Interest:

Other parties

Miscellaneous

From outside operating activities

Gross proceeds from sale of non-current assets

Total other revenues

Total revenue from ordinary activities

3. Government contributions

Contributions to operations:

State Government

Catchment planning

Second Generation Landcare

White Paper funding

River health and water quality

Victorian Landcare program

Other grants

Australian Government

Total Government contributions shown as operating revenue

Capital contributions:

Total Government contributions included in income for capital purposes

Total Government contributions

(a) Conditional grants

The Authority has recognised as revenue several grants received from the Government where the full project has not yet been completed. An analysis of these grant monies is displayed at Note 17.

Note

2005
\$

2004
\$

3

8,404,680

7,796,208

16,677

42,155

94,166

430,410

8,515,523

8,268,773

332,803

383,989

917,530

761,854

521,192

500,280

1,771,525

1,646,123

10,287,048

9,914,896

235,000

230,000

90,000

510,000

1,352,000

–

2,790,000

2,589,000

420,000

–

151,726

765,750

3,365,954

3,701,458

8,404,680

7,796,208

–

–

8,404,680

7,796,208

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



4. Result from ordinary activities

There are no individually significant items included in the profit from ordinary activities as at 30 June 2005

5. Service delivery expenditure

Employees	2,350,493	1,844,756
Direct costs*	7,398,384	6,085,688
Leases	–	3,850
Depreciation	353,099	306,709
Other	56,365	124,367
	10,158,341	8,365,370

* Direct costs are recognised as those costs directly attributable to the project outcomes of the Authority, inclusive of bad and doubtful debts. 2005: \$18,644 (2004: \$20,000)

6. Non-service delivery expenditure

Governance cost		
Board	118,166	135,358
Advisory committees	4,911	62,357
Audit	5,300	4,900
Bad and doubtful debts	–	–
Written down value of assets sold	517,923	504,456
Other expenses	20,990	11,364
	667,290	718,435

7. Remuneration of auditors

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

Paid as at 30 June 2005	–	4,900
Payable as at 30 June 2005	5,300	–
	5,300	4,900

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



8. Receivables

Current

Trade debtors

Less: provision for doubtful debts

Other debtors

Total receivables

Other debtors

These amounts generally arise from transactions outside the usual operating activities of the Authority. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

9. Investments

Current

Other financial assets

Investments comprise money invested with National Australia Bank Treasury. The investments are due to mature in July 2005 and have a weighted average interest rate of 5.44% (2004: 5.23%).

10. Inventories

Current

Supplies and consumables – at cost

Total inventories

	2005 \$	2004 \$
Trade debtors	626,099	459,860
Less: provision for doubtful debts	(1,356)	(20,000)
	<u>624,743</u>	<u>439,860</u>
Other debtors	–	–
Total receivables	<u>624,743</u>	<u>439,860</u>
Other financial assets	6,443,654	6,807,899
	<u>6,443,654</u>	<u>6,807,899</u>
Supplies and consumables – at cost	154,049	201,649
Total inventories	<u>154,049</u>	<u>201,649</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



11. Property, plant and equipment

	2005 \$	2004 \$
Leaseholder improvements		
At cost	103,084	99,871
Accumulated depreciation	(33,308)	(20,515)
	<u>69,776</u>	<u>79,356</u>
Land		
At valuation – 2003	114,000	129,000
	<u>114,000</u>	<u>129,000</u>
Buildings		
At valuation – 2003	271,020	288,500
At cost	15,330	–
Accumulated depreciation	(15,667)	(7,687)
	<u>270,683</u>	<u>280,813</u>
Infrastructure / works		
At valuation – 2003	537,376	537,376
Accumulated depreciation	(245,156)	(233,150)
	<u>292,220</u>	<u>304,226</u>
Plant and equipment		
At cost	1,318,847	1,151,344
Accumulated depreciation	(642,576)	(614,225)
	<u>676,271</u>	<u>537,119</u>
Furniture and office equipment		
At cost	219,665	201,717
Accumulated depreciation	(120,343)	(106,714)
	<u>99,322</u>	<u>95,003</u>
Motor vehicles		
At cost	654,064	556,650
Accumulated depreciation	(189,726)	(166,068)
	<u>464,338</u>	<u>390,582</u>
Total property, plant and equipment	<u>1,986,610</u>	<u>1,816,099</u>

Basis of valuation

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



11. Property, plant and equipment (continued)

Reconciliations

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

2005	Leaseholder Improvements	Land	Buildings	Infrastructure	Plant and Equipment	Furniture and Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening carrying amount	79,356	129,000	280,813	304,226	537,119	95,003	390,582	1,816,099
Additions	3,213	–	14,992	–	462,620	42,462	518,244	1,041,531
Revaluation	–	–	–	–	–	–	–	–
Disposals	–	(15,000)	(17,478)	–	(146,488)	–	(338,955)	(517,921)
Depreciation	(12,793)	–	(7,644)	(12,006)	(176,980)	(38,143)	(105,533)	(353,099)
Closing carrying amount	69,776	114,000	270,683	292,220	676,271	99,322	464,338	1,986,610

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



Depreciation charge for the year

	2005 \$	2004 \$
Leaseholder improvements	12,793	12,353
Infrastructure / works	12,006	12,004
Plant & equipment	176,980	153,375
Furniture & office equipment	38,143	29,614
Motor vehicles	105,533	91,676
Buildings	7,644	7,687
	<u>353,099</u>	<u>306,709</u>

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

Proceeds from sale of fixed assets	521,192	500,280
Less written down value	(517,921)	(504,456)
Net profit/(loss) on disposal	<u>3,271</u>	<u>(4,176)</u>

12. Payables

Current

Accounts payable	576,941	2,129,934
Accrued expenses	533,575	406,904
	<u>1,110,516</u>	<u>2,536,838</u>

All trade creditors and accruals are non-interest bearing.
The carrying amount of creditors and accruals at 30 June 2005 approximates market value.

13. Interest-bearing liabilities

Current

Unfunded superannuation liability	-	8,964
-----------------------------------	---	-------

Non-current

Unfunded superannuation liability	-	71,712
Unfunded liability was paid out in June 2005		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



14. Provisions

Current

Employee entitlements:

Long service leave

Annual leave

2005
\$

2004
\$

20,000

20,000

180,325

159,132

200,325

179,132

Non-current

Employee entitlements

Long service leave

214,455

208,402

Aggregate carrying amount of provisions

Current

200,325

179,132

Non-current

214,455

208,402

414,780

387,534

Number of employees

Number of equivalent full-time employees at year end

39

34

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



15. Equity and movements in equity

Asset revaluation reserve

Balance at beginning of year

Revaluation increment on non-current assets

Net transfers (to)/from accumulated surplus

Balance at end of year

Committed funds reserve

Balance at beginning of year

Net transfers (to)/from accumulated surplus

Balance at end of year

Contributed capital

Balance at beginning of year

Balance at end of year

Accumulated surplus

Balance at beginning of year

Net result for the year

Transfer from/(to) reserves

Balance at end of year

Equity

Balance at beginning of year

Total changes in equity recognised in the statement
of financial performance

Total equity at reporting date

2005
\$

2004
\$

329,800

329,800

–

–

–

–

329,800

329,800

2,951,371

–

(538,583)

2,951,371

2,412,788

2,951,371

5,103,823

5,103,823

5,103,823

5,103,823

–

2,120,280

(538,583)

831,091

538,583

(2,951,371)

–

–

8,384,994

7,553,902

(538,583)

831,091

7,846,411

8,384,994

Committed funds reserve

The reserve has been established to recognise that the Authority receives funding for programs in advance of the program works taking place. The Authority is committed to expending these funds in accordance with its Regional Management Plan in succeeding years. At the end of the financial year the Accumulated Surplus, which represents unexpended program funding, has been transferred to the reserve. For details of the extent of the Authority's commitments for works programs refer to Note 17.

The difference of \$3,471,243 between the Outstanding works program and the committed funds reserve represents the amount that the Authority is committed to via various works programs (Note 17) not covered by the committed funds reserve. This amount represents a balance within contributed capital previously transferred in from accumulated surplus.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



16. Superannuation

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

Fund	Type of Scheme	Rate %	2005 \$	2004 \$
Defined Benefit Local Auth Super	Defined benefits	9.25–10.75%	46,523	49,895
Vic Super New Scheme	Accumulation	9%	25,855	8,962
GSO	Accumulation	9–10%	11,797	19,449
Vision Super (previously LASPLAN)	Accumulation	9%	66,769	37,542
All Other Funds			70,067	56,079
Total contributions to all funds			221,011	171,927

As at balance date there was \$13,750 in contributions payable to the above funds (2004: \$13,106).
No balances were repayable in respect of loans made to the Authority from any fund.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



17. Commitments

Operating leases

Non-cancellable operating lease commitments inc. GST

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year

Later than one year but not later than five years

Later than five years

2005
\$

2004
\$

132,105

84,171

391,897

420,653

–

–

524,002

504,824

Capital commitments

As at 30 June 2005 the Authority had no outstanding capital commitments (2004: nil) except for those amounts contained within the Outstanding Works Programs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



17. Commitments (continued)

Outstanding works programs

As at 30 June 2005, the Authority had outstanding works programs totalling \$5,884,031 (2004: \$6,812,613) to complete during the 2004/05 financial year. This consists of grants received by the Authority but not expended as at 30 June 2005.

These programs are funded from Government grants received in the 2004/05 financial year as well as from accumulated funds brought forward. Specific works programs are dependent on Government funding being made available. Consequently, there is a timelag between the date of receiving government funding and commencement of the relevant works program.

Compliance Statement as at 30 June 2005

Program	Revenue Recognised			Outgoings			Unexpended Program Contributions	Outstanding Program Commitments
	Net Prior Years	Current Year	Total	Prior Years	Current Year	Total		
Waterway management	\$5,706,992	\$5,173,134	\$10,880,126	\$3,471,241	\$4,860,766	\$8,332,007	\$2,548,119	\$2,548,119
Water quality	\$843,528	\$345,410	\$1,188,938	\$470,868	\$317,452	\$788,320	\$400,617	\$400,617
Other water	\$2,711,019	\$413,541	\$3,124,560	\$1,075,424	\$1,043,574	\$2,118,998	\$1,005,562	\$1,005,562
Biodiversity	\$1,818,352	\$1,008,686	\$2,827,038	\$1,047,508	\$1,201,497	\$2,249,005	\$578,033	\$578,033
Land	\$935,372	\$646,000	\$1,581,372	\$655,736	\$541,022	\$1,196,758	\$384,613	\$384,613
People, capacity & knowledge	\$1,854,074	\$1,036,681	\$2,890,755	\$1,173,715	\$1,170,323	\$2,344,038	\$546,716	\$546,716
Other programs	\$725,296	\$282,803	\$1,008,099	\$355,351	\$350,560	\$705,911	\$302,188	\$302,188
Corporate	\$911,784	\$1,380,793	\$2,292,577	\$833,960	\$1,340,435	\$2,174,395	\$118,183	\$118,183
Total	\$15,506,417	\$10,287,048	\$25,793,465	\$9,083,803	\$10,825,630	\$19,909,432	\$5,884,031	\$5,884,031

Refer Statement of Financial Performance

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



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

Note	2005 \$	2004 \$
Net result for the reporting period	(538,583)	831,091
Add/(less): non-cash items		
Depreciation and amortisation	353,099	306,709
Provision for doubtful debts	(18,644)	20,000
Net (profit)/loss on sale of non-current assets	(3,271)	4,176
Change in operating assets and liabilities net of effects from restructuring:		
(Increase)/decrease in receivables	(166,239)	93,823
(Increase)/decrease in inventories	47,600	(68,055)
Increase/(decrease) in creditors and accruals	(1,426,322)	1,595,664
Increase/(decrease) in other provisions	27,246	64,799
Increase/(decrease) in interest bearing liabilities	(80,676)	(8,961)
Net cash used in/(provided by) operating activities	(1,805,790)	2,839,246
Cash consists of cash at bank and on hand (net of bank overdraft) and short-term deposits with a term to maturity of 90 days or less		
Cash at year end as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:		
Cash at bank and on hand	162,651	2,124,535
Short-term deposits	6,443,654	6,807,899
Total	6,606,305	8,932,434

9

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



19. Responsible persons

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

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

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

Remuneration of responsible persons

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

	2005	2004
\$0–\$9,999	8	6
\$10,000–\$19,999	1	6
\$20,000–\$29,999	–	1

Remuneration of executive officers

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

\$130,000–\$140,000	–	1
\$140,000–\$150,000	1	–

Other transactions

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2005 (2004: nil).

Responsible persons remuneration outstanding at 30 June 2005 amounted to \$16,457 (2004: \$12,261).

There were no other balances owing to or from responsible persons or their related parties at 30 June 2005.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005



20. Contingent liabilities

As at 30 June 2005, the Authority has issued Bank Guarantees in favour of the Minister for Energy Industries totalling \$79,500 (2004: \$69,500)

The Authority is not aware of any other contingent liabilities existing at 30 June 2005 (2004: nil) which may have a material effect on the financial statements.

21. Financial Instruments

Terms, conditions and accounting policies

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

Interest rate risk

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

Credit risk

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

Net fair values

The fair values of the Authority's financial assets and liabilities are not expected to be significantly different from each class of asset and liability as recognised in the Statement of Financial Position as at 30 June 2005.

22. International financial reporting standards (IFRS)

For reporting periods beginning on or after 1 January 2005, North East CMA must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for the year ended 30 June 2005.

A high-level overview of the impacts of conversion to AIFRS on existing accounting and reporting policies and procedures, systems and processes has been prepared. This included high-level identification of the key differences in accounting policies that are expected to arise from adopting AIFRS.

Management have assessed the impact of the transition to AIFRS. They are of the view that based on current circumstances there is no material impact on transition to AIFRS to retained earnings as at 1 July 2004 or on the result for the year to 30 June 2005.

DISCLOSURE INDEX



The 2004/05 Annual Report of the North East CMA is prepared in accordance with all the relevant Victorian legislation. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

FRD*	Disclosure	page
22	Manner of establishment and the relevant Ministers	4
22	Objectives, functions, powers and duties	2, 49, 50
22	Nature and range of services provided	4, 5
22	Organisational structure, names and functional areas of responsibility of senior officers	45
22	Names of board members, major committees, objectives and achievements	42-44, 48
22	Statement of workforce data for current and previous financial year	47
22	Merit and equity	46
15	Executive officer disclosures	74
22	Five-year summary of the financial results	52
22	Significant changes in financial position during the year	10
22	Objectives and performance against objectives	38-40
22	Major changes or factors affecting performance	10
22	Subsequent events that will affect operations in future years	49
22	Details of consultancies >\$100,000	49
22	Details of consultancies total number and cost <\$100,000	49
12	Disclosure of major contracts	none
22	Application and operation of the <i>Freedom of Information Act 1982</i>	50
22	Application and operation of the <i>Whistleblowers' Protection Act 2001</i>	50
22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	50
22	Statement on National Competition Policy	49
22	Occupational health and safety	47
10	Disclosure index	76
22	Statement of availability of other information	49

* Financial Reporting Direction, issued by the Department of Treasury and Finance



DIVERSE, HEALTHY LANDSCAPES; VIBRANT COMMUNITIES

REPORT ON CORPORATE PLAN

ANNUAL REPORT 2004/2005



**NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY**

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DIVERSE, HEALTHY LANDSCAPES; VIBRANT COMMUNITIES

CATCHMENT CONDITION REPORT

ANNUAL REPORT 2004/2005



NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

Contents

From the Chairperson	2
Introduction	3
Land	5
Inland Waters	7
Biodiversity	10
People	14
Climate and Atmosphere	14
The Future	15

FROM THE NORTH EAST CMA CHAIRPERSON

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

This Catchment Condition Report reports on the goals and targets outlined in the North East Regional Catchment Strategy (RCS). The RCS is a five-year, overarching strategic document for integrated planning and management of land, water and biodiversity in the North East region of Victoria.

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

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

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

The RCS takes an asset-based approach to managing the natural resources of the North East region. The strategy embraces adaptive management and hence this Catchment Condition Report is the first step in reporting on progress towards resource condition targets and identifying future improved management activities.



Sarah Nicholas
Chairperson

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CATCHMENT CONDITION REPORT

INTRODUCTION

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

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

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

The procedure for determining resource condition trend includes multiplying the activity by assumption compared with the Resource Condition Target. This provides a framework to determine resource condition trend, and focus on testing assumptions for verification and continuous improvement. As this is the first report to trial this methodology, there may be inaccuracies.

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

This report provides a solid foundation to highlight progress of the implementation of the Regional Catchment Strategy and provides valuable information in the direction of resourcing priority programs and evaluation of the effectiveness of program delivery.

How to use this report

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

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

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

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

INTRODUCTION CONTINUED

Monitoring and Evaluation of the RCS

The North East Regional Catchment Strategy will be monitored and evaluated to enable the North East CMA and its partners to gain a picture of progress. The information collected will feed directly into a program of annual review, adaptive management and continuous improvement. Monitoring and evaluation will be built into each program and the CMA will develop its own data management and reporting system. Information on natural resources and their management will be readily available to ensure that the community and investors are well informed and decisions are made on the best available environmental, economic and social data.

Catchment Condition Financial Expenditure

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

Asset	Expenditure 2004/05*
Inland Waters	
River Health	\$4,549,000
Water Quality	\$ 317,000
Other Water	\$1,870,000
Sub Total	\$6,736,000
Biodiversity	\$1,432,000
Envirofund **	\$ 311,000
Sub Total	\$1,743,000
Land	\$1,925,000
NLP **	\$653,000
Sub Total	\$2,578,000
Other	
Statutory Operations	\$587,000
Monitoring and Evaluation	\$150,000
Sub Total	\$737,000
TOTAL	\$11,794,000

* Does not include all investment in the Regional Catchment Strategy.

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



LAND

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

Outcome: Resilient Agriculture Production and Maximising Productivity

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

Resource Condition Target (RCT)		
1	Improve surface soil (0-10 cm) acidity levels of all agricultural land to better than pH 4.5 (measured in CaCl ₂ extract) by 2023 (see Assumption L1 in RCS Section 7.3)	
Activity	Resource Condition Trend	Rating
4 field days Total of 160 participants	2.8% of target achieved. First year of Soil Health Program implementation. Year one target of 5% not achieved but strong evidence of building future capacity. <i>Assumption:</i> That 10% of participants in training events will reach the RCT for soil pH of 4.5.	

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

Outcome: Sustainable Land Management

- Sustainable land management practices achieved.

Resource Condition Target (RCT)		
2.1	Reduce the number of active gullies as at December 2005 in priority areas defined in the North East Soil Health Action Plan (2001) by a minimum of 30% by 2023	
	Activity	Resource Condition Trend
	52 gullies treated in 2004/05	7% of target achieved to 30 June 2005. 18% required at this stage to achieve target. However, a significant upward trend in gullies treated annually. <i>Assumption:</i> At the date the target was set there were 4,690 active gullies in the North East.
		Rating
		
Resource Condition Target (RCT)		
2.4	Reduce the annual impact of priority and ecologically significant pest animal (rabbits, wild dogs, foxes) infestations in high priority areas on all private land by 2013 (see Assumptions L5 and L6 in RCS Section 7.3)	
	Activity	Resource Condition Trend
	40% high priority areas treated, 85% compliance 6,500 ha rabbit control 72 properties visited 10 free rabbit inspections 3 LACPs 50% increase in co-ordinated baiting 70 RFAs responded to 10,090 baits sold/used PAIS records recorded 4 fencing assessments completed 9,100 km ² baiting achieved 10 presentations completed	Relationship of impacts of pest animals determined using existing baseline data obtained for rabbits, wild dogs and foxes.
		Rating
		



Evidence of target being achieved or exceeded



Evidence of progress

 Evidence of no progress



Evidence of regress

 Insufficient evidence to assess

Outlook

For 2005/06, \$1.9 million has been allocated for sustainable agricultural, soil health, salinity, pest plant and pest animal programs. A new focus will be a greater undertaking of sustainable agricultural projects funded by the National Landcare Program, and an increased understanding of the impact of rising acidity levels.



INLAND WATERS

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

Outcome: Water Salinity

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

Resource Condition Target (RCT)		
3.1	Zero change in contribution to salinity at Morgan from the Ovens River as measured at Peechelba East by 2015. Based on 2000 conditions, utilising 1975-2000 climatic benchmark	
3.1a	Zero change in contribution to salinity at Morgan from the Kiewa River as measured at Bandiana by 2015. Based on 2000 conditions, utilising 1975-2000 climatic benchmark	
Activity	Resource Condition Trend	Rating
76 ha of revegetation with native species	403 tonne reduction in salt loads (1,612 ha revegetation in recharge areas) from North East streams since 1997. Target of 300 tonnes exceeded. Assumption: 0.25 tonne/ha of salt reduction per ha of perennial system revegetation (1997 Salinity Plan).	
279 ha of non-indigenous perennial pastures established		
90 ha non-indigenous plantation established		



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess



INLAND WATERS CONTINUED

Outcome: Algal Blooms

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

Resource Condition Target (RCT)		
4.1	Mean annual Total Nitrogen load from the Ovens Catchment into the Murray River reduced from 1,578 to 728 tonnes (46%) before 2033 (OBWQS 2000) (see Assumption W ₃ in RCS Section 7.3)	
4.1a	Mean annual Total Phosphorus load from Ovens Catchment into the Murray River reduced from 179 to 71 tonnes (40%) before 2033 (OBWQS 2000) (see Assumption W ₃ in RCS Section 7.3)	
4.2	Target for reduction in mean annual Total Nitrogen load from the Upper North East Catchment into the Murray River to be determined	
4.2a	Mean annual Total Phosphorus load from the Upper North East Catchment to be reduced by 75 tonnes from 235 tonnes to 160 tonnes (32%) before 2033 (from Kiewa River by 38 tonnes; from Lake Hume by 37 tonnes) – UNEWQS 2001 (see Assumptions W ₃ and W ₉ in RCS Section 7.3)	
Activity	Resource Condition Trend	Rating
34 km of riparian fencing 52 gullies treated 40 ha of land using improved irrigation practices 6 km of streambank stabilised	Reduction of 15 tonnes of Total Phosphorus, which is 8% of the targeted reduction by 2033. No assumptions developed for nitrogen. Assumption: Investment required per tonne of Total Phosphorus reduction (UNEWQS)	



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess



Outcome: Natural Systems (River Health)

- Natural Systems understood, appreciated and protected.

Resource Condition Target (RCT)		
5.1	Maintain the 1999 Index of Stream Condition (ISC) rating of good and excellent condition for the 830 km of stream reaches at least until 2009 (see Assumption W4 in RCS Section 7.3)	
5.1a	Maintain the 1999 ISC rating of moderate condition for the 1100 km of stream reaches by 2013 (see Assumption W4 in RCS Section 7.3)	
5.1b	By 2013, improve 20% of the 1100 km of stream reaches classified as good and moderate ISC condition by at least one ISC category (see Assumption W4 in RCS Section 7.3)	
5.1c	By 2013, improve 10% of the 302 km of stream reaches classified as poor and very poor ISC condition by at least one ISC category (see Assumption W4 in RCS Section 7.3)	
Activity	Resource Condition Trend	Rating
19 skills and training events 12 awareness raising forums 793 ha of voluntary landholder agreements 35 km riparian vegetation management 57 ha riparian woody weed management 40 ha of improved irrigation management 6 km of streambank stabilised 5 km of streambed stabilised 32 km of instream habitat improved	Initial 2004 ISC results show that there has been no decline in river health. Further work will be undertaken to align current 1999 targets with ISC 2004 methodology.	

Outcome: Water Quality

- A net increase in the water quality in the region.

Resource Condition Target (RCT)		
6.2	By 2023, water quality at 80% of all monitoring stations of inland water bodies will comply with appropriate SEPP (EPA 2003) and ANZECC (2000) water quality objectives (see Assumption Ws in RCS Section 7.3)	
Activity	Resource Condition Trend	Rating
As per RCT 5.1	Resource Condition Trend Assumption to be developed. 2005/06 project 'Regional Surface Water Monitoring Network Review' to look at adequacy of current water quality monitoring and recommend improvements to more accurately track progress against targets. This project is to be completed by June 2006.	



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

Outlook

For 2005/06, \$3.3 million has been allocated to protect North East water assets from threatening processes. Funding will provide for river health works in the three primary river basins, the Ovens, the Kiewa and the Upper Murray. The funding also supports the sustainable irrigation program and continuing implementation of the water quality program. The River Tender trial, a new auction approach for management agreements to protect riparian vegetation, will also continue.



BIODIVERSITY

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

Outcome: Ecological Vegetation Classes

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

Resource Condition Target (RCT)			
7.1	Improve the quality of priority EVCs (as determined by the North East Native Vegetation Strategy) by 10% of 2005 levels measured by habitat/hectare (North East CMA 2000) by 2023 (see Assumptions B1, B4, B5 and B6 in RCS Section 7.3)		
	Activity	Resource Condition Trend	Rating
	275 ha protected by legal conservation covenants	Have achieved 410 habitat/ha improvement less incremental loss of 920 habitat/ha over 4 years resulting in a net loss of 510 habitat/ha. Target was for 648 habitat/ha gain. Assumption: Estimated losses of 425 habitat/ha/year total EVCs on private land and 230 habitat/ha priority EVCs/year. 1 ha of remnant protection and enhancement = 0.05 habitat/ha gain over 3 years. 1 ha of revegetation = 0.035 habitat/ha gain over 3 years.	
	2,541 ha protected by voluntary landholder agreements		
	399 ha of indigenous vegetation protected by fencing		
	1,601 ha of indigenous vegetation enhanced		



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess



Outcome: Net Gain

- Achieve net gain in biodiversity across the region.

Resource Condition Target (RCT)								
8.1	Achieve ongoing 'net-gain' for all EVCs ensuring a positive gain in extent, distribution and quality at any time as measured against the previous year (NECMA 2000) until at least 2023 (see Assumptions B2, B4, B5, B6 and B7 in RCS Section 7.3)							
	<table border="1"> <thead> <tr> <th>Activity</th> <th>Resource Condition Trend</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>275 ha protected by legal conservation covenants 2,541 ha protected by voluntary landholder agreements 399 ha of indigenous vegetation protected by fencing 1,601 ha of indigenous vegetation enhanced 180 ha revegetated with indigenous vegetation</td> <td>(Need to assess statutory planning referrals, public land and private land trends to previous year.) Assumption: Plantings based on EVC benchmark and established according to minimum standards; revegetation/regeneration in priority areas.</td> <td style="text-align: center;">○</td> </tr> </tbody> </table>	Activity	Resource Condition Trend	Rating	275 ha protected by legal conservation covenants 2,541 ha protected by voluntary landholder agreements 399 ha of indigenous vegetation protected by fencing 1,601 ha of indigenous vegetation enhanced 180 ha revegetated with indigenous vegetation	(Need to assess statutory planning referrals, public land and private land trends to previous year.) Assumption: Plantings based on EVC benchmark and established according to minimum standards; revegetation/regeneration in priority areas.	○	
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8.1a	Increase where possible the extent of native vegetation for endangered EVCs to 15% and the extent of native vegetation for vulnerable EVCs to 30% relative to 1750 extent levels, by 2023 (see Assumptions B3, B4, B5 and B6 in RCS Section 7.3)							
	<table border="1"> <thead> <tr> <th>Activity</th> <th>Resource Condition Trend</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>As per RCT 8.1</td> <td>1,580 ha revegetated, target of 13,600 ha. Assumption: Plantings based on EVC benchmark and established according to minimum standards; revegetation/regeneration in priority areas.</td> <td style="text-align: center;">🌿</td> </tr> </tbody> </table>	Activity	Resource Condition Trend	Rating	As per RCT 8.1	1,580 ha revegetated, target of 13,600 ha. Assumption: Plantings based on EVC benchmark and established according to minimum standards; revegetation/regeneration in priority areas.	🌿	
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As per RCT 8.1	1,580 ha revegetated, target of 13,600 ha. Assumption: Plantings based on EVC benchmark and established according to minimum standards; revegetation/regeneration in priority areas.	🌿						

Outcome: Threatened flora and fauna

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

Resource Condition Target (RCT)								
9.1	Maintain or improve (by at least one VROTS status level) the 2003 conservation status of 80% of threatened flora and 60% of threatened fauna species by 2023 (see Assumptions B3, B4, B5 and B6 in RCS Section 7.3)							
	<table border="1"> <thead> <tr> <th>Activity</th> <th>Resource Condition Trend</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>85,549 ha of habitat managed for threatened flora and fauna Threatened Species Recovery Plans and Action Statements being implemented for 5 fauna species and 4 flora species (11% and 3% of number of species)</td> <td>Assumption: Achievement of specified annual works program will achieve target (target and assumptions to be reviewed 2005/06).</td> <td style="text-align: center;">○</td> </tr> </tbody> </table>	Activity	Resource Condition Trend	Rating	85,549 ha of habitat managed for threatened flora and fauna Threatened Species Recovery Plans and Action Statements being implemented for 5 fauna species and 4 flora species (11% and 3% of number of species)	Assumption: Achievement of specified annual works program will achieve target (target and assumptions to be reviewed 2005/06).	○	
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Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

BIODIVERSITY CONTINUED

Outcome: Pest Plants

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

Resource Condition Target (RCT)			
10.1	Reduce the impact of ecologically significant weeds on private land by 20% from 2003 to 2023 (see Assumption L6 in RCS Section 7.3)		
10.1a	Reduce the impact of ecologically significant weeds on public land by 20% from 2003 to 2023 (see Assumption L6 in RCS Section 7.3)		
	Activity	Resource Condition Trend	Rating
	<p>Preparation of the Region Weed Action Plans for 9 of the 10 catchments deferred until 2006.</p> <p>Process for assessment of the impact and invasiveness of pest plants developed as a scientific basis and key determinant for the ranking and noxious weeds list categorisation. The process used in phase one of the review of the North East CMA noxious weeds list will be used in phases two and three.</p> <p>During 2004/05, DPI weed management programs have co-ordinated the management, delivery of extension and compliance programs for state and catchment priority weeds. These programs worked with the bushfire recovery project and largely targeted areas affected by the 2003 alpine bushfires.</p> <p>475 priority properties were inspected; 51,201 ha inspected; 10,041 ha infested; 3,027 ha of infestation treated; 673 initial contacts made to land owners; 248 land owners requested to undertake control works through a work plan agreement.</p> <p>All known sites for state-prohibited weeds (65 recorded) have been monitored and control and eradication works implemented where weeds were growing. These include hawkweeds (<i>Hieracium spp</i>) and knot weeds (<i>Fallopian spp</i>) at Falls Creek, black knapweed (<i>Centaurea nigra</i>) at Ovens Valley, camel thorn (<i>Alhaghi maurorum</i>) at Rutherglen, <i>Salvinia molesta</i> at Wodonga, horsetails (<i>Equisetum spp</i>) at Eurobin and water hyacinth (<i>Eichornia crassipes</i>) at Corryong.</p> <p>Serrated tussock (<i>Nasella trichotoma</i>) is a threatening new and emerging species in the North East Catchment. Two new small infestations were identified and added to DPI's program for eradication.</p>	Trend analysis to be developed.	○



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess



Outcome: Pest Animals

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

Resource Condition Target (RCT)			
11.1	Reduce the impact of pest animals on private land by 20% from 2003 to 2023 (see Assumption L6 in RCS Section 7.3)		
11.1a	Net decline in effect of pest animals on biodiversity assets from 2003 to 2013 (see Assumption L6 in RCS Section 7.3)		
	Activity	Resource Condition Trend	Rating
	40% high priority areas treated 85% compliance 6,500 ha rabbit control 72 properties visited 10 rabbit free inspections 3 LACPs 50% increase in co-ordinated baiting 70 requests for assistance responded to 10,090 baits sold/used 4 fencing assessments completed 9,100 km ² baiting achieved 10 presentations completed	Ongoing contribution to target. Contributions added to longer-term impact (evidence of progress relates specifically to rabbits).	



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

Outlook

The implementation of the protection of threatened species, revegetation and biodiversity protection programs will be the focus of a \$1.1 million investment in 2005/06. The Department of Sustainability and Environment and the Trust for Nature will be the major organisations for the delivery of these programs.



PEOPLE

The People asset of the Regional Catchment Strategy (RCS) does not lend itself to a Resource Condition Target, yet it is a priority area for action and for achieving outcome targets.

The RCS identifies programs to build community capacity that include employing Landcare co-ordinators, the roll-out of environmental management systems (EMS), engagement of the community by developing partnerships and the roll-out of the North East CMA's community engagement program as well as the provision of extension services through the Department of Sustainability and Environment and the Department of Primary Industries.

Outlook

The creation of five full-time (equivalent) Landcare positions in 2005/06 will provide increased support for Landcare in the North East. This will form part of a \$0.9 million investment in Landcare and community programs.

CLIMATE AND ATMOSPHERE

Outcome: Greenhouse

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

Resource Condition Target (RCT)			
14.1	Targets to be developed by 2009 for reduction in greenhouse emissions and carbon storage in the region.		
	Activity	Resource Condition Trend	Rating
	Not yet achieved	Not assessed	



Evidence of target being achieved or exceeded



Evidence of progress



Evidence of no progress



Evidence of regress



Insufficient evidence to assess

Outlook

As part of the Regional Catchment Strategy, the North East CMA is committed to developing targets for greenhouse carbon reduction and for climate protection. A major climate change conference will be hosted in the North East, which will look at climate change scenarios, and the need for adaptive change in natural resource management and agricultural practices.



THE FUTURE

Resource Condition Targets

There are a number of resource condition targets still to be developed:

- 1.2 Target for soil carbon content.
- 1.3 Target for land area threatened by shallow and rising saline water tables.
- 2.2 Target for reduction of annual impact by a number to be determined of priority and ecologically significant pest plant infestations in high priority areas on all land by 2013.
- 5.7 Target for Extent of Regionally Significant Wetlands.
- 6.4 Target for Condition of Regionally Significant Wetlands.
- 6.4c Developed target for 'Salinity' sub indicator of Condition of Regionally Significant Wetlands.

All resource condition targets and management action targets will be refined over the next 12 months and the catchment indicators, in addition to the Index of Stream Condition, will also be reviewed.

Monitoring, Evaluation and Reporting

The CMA will finalise its monitoring, evaluation, reporting and improvement framework for the current Regional Catchment Strategy. In addition, a state-wide monitoring, evaluation and reporting template will be developed to effectively report against regional catchment strategies.

Acronyms

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

Glossary

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

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



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