



Barwidgee Creek 2001

Diverse, Healthy Landscapes, Vibrant Communities

ANNUAL REPORT

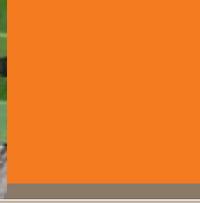
2006/2007



Barwidgee Creek 2007



**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.



**NORTH EAST
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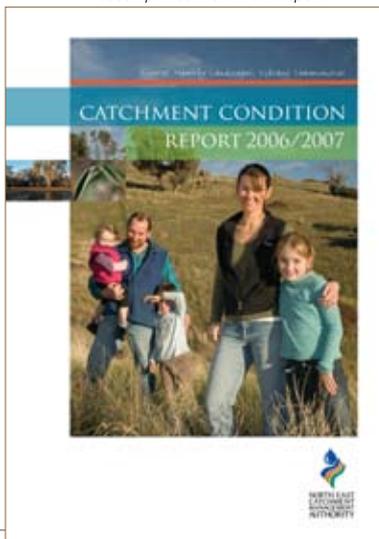


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Catchment Condition Report 2006/2007 accompanies this Annual Report





ALL ABOUT North East Catchment Management Authority

Who We Are

The North East Catchment Management Authority (CMA) is one of 10 authorities established by the Victorian Government in July 1997 under the *Catchment and Land Protection Act (CaLP) 1994*.

The CMA has responsibilities under both the *CaLP Act 1994* and the *Water Act 1989*. During the reporting period, the responsible Minister was John Thwaites, Minister for Environment and Climate Change (previously Minister for Environment).

Each CMA works with the community, government and funding organisations to protect and enhance land, water and biodiversity resources.

The North East CMA is responsible for co-ordinating integrated catchment management and sustainable land and water use in Victoria's North East region.

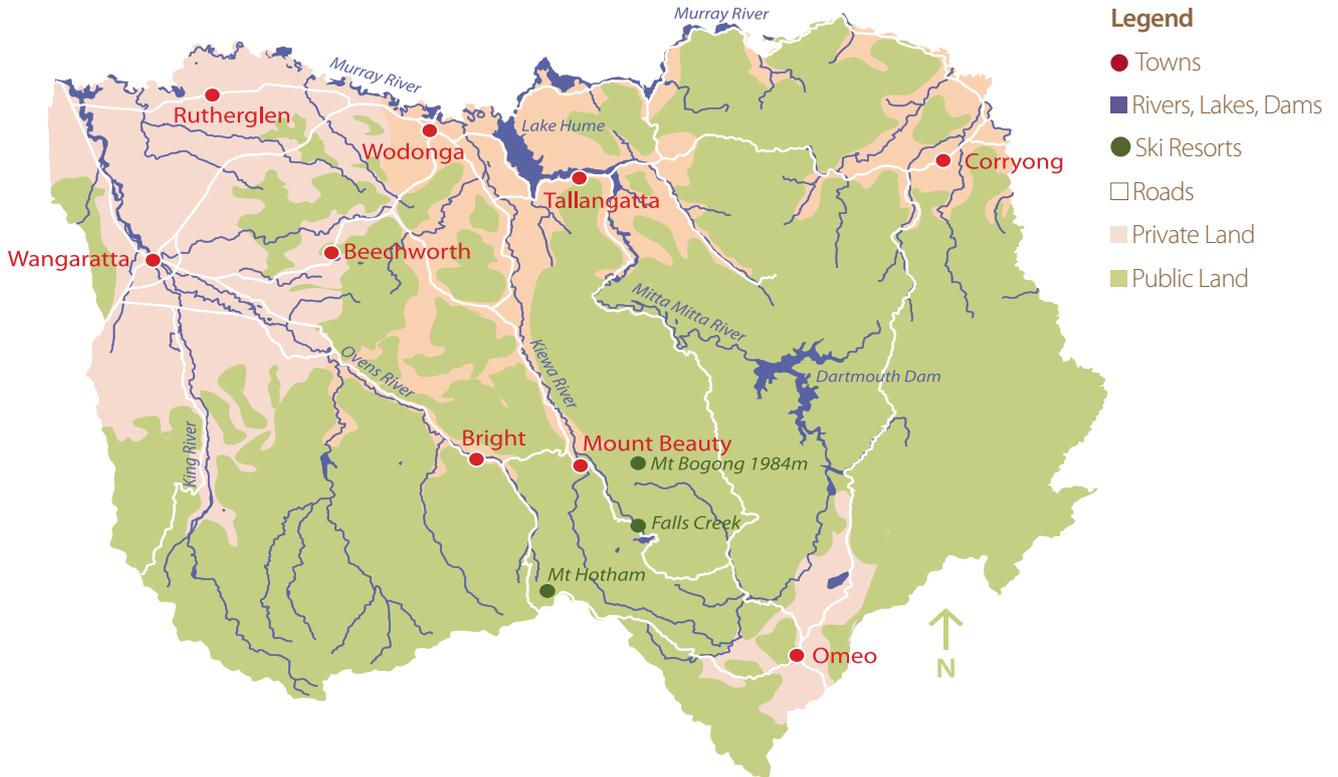
Our Role

The North East CMA is directly responsible for:

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

The CMA helps to develop regional natural resource management priorities. Our work in these areas is guided by the North East Regional Catchment Strategy (RCS) – a five-year strategy that sets the direction for investment in natural resource management in our region. The RCS takes an asset-based approach to managing natural resources and is an important planning tool for local land and water managers in Victoria's North East.

The North East CMA tracks and reports on progress towards achieving RCS targets through an accompanying Annual Catchment Condition Report.



Our Region

Victoria's North East is rich in natural assets – snow-topped mountains, river valleys, open plains and natural forests.

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

Around 95,000 people live in the North East, contributing some \$3.24 billion a year to Victoria's economic wealth.

The main industries in the region are agriculture (dairy, beef, lamb, wool, cropping and horticulture), forest products, tourism, value-added processing industries and manufacturing.

The region covers nearly 2 million hectares and includes the Upper Murray, Kiewa and Ovens river basins.

Facts and Figures

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

Major Water Storages (at capacity)

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

Average Rainfall

Wodonga	758 mm
Wangaratta	670 mm
Corryong	778 mm
Bright	1169 mm
Omeo	852 mm

MESSAGE FROM the Chairperson and CEO



Dealing with a year of extremes

Some years prove to be more testing than others and 2006/07 was a year of extremes in the North East. We had record drought conditions, record dry inflows, critical water shortages and raging bushfires.

We know that such conditions are part of the Australian climate, but in this case they followed each other in quick succession and placed enormous pressure on individuals, communities and the natural resources in our region.

Our CMA staff responded in a professional and practical way, often adapting their program delivery to cope with the stresses around them.

During summer, CMA staff assisted with fire suppression activities. After the immediate crisis, we supported the fire recovery process. A partnership between our Regional Landcare Support program, the Department of Sustainability and Environment (DSE) and the Beechworth and Dhurringile Prisons, provided 'Landmate' teams that assisted landholders repair or replace fences damaged by the King Valley fires. This project continues to receive very positive feedback from landholders.



In response to the ongoing dry conditions, the CMA developed a Dry Inflow Contingency Plan. This Plan identified the priority aquatic ecological values that will be threatened by low inflows and outlines strategies to reduce threats to them. The Plan will help to ensure river health outcomes are achieved, despite continuing drought conditions.

With the support of the State Government, we developed and fully implemented a comprehensive drought employment program. With assistance from labour hire firm, ATEL, we employed 131 drought-affected farmers who carried out important natural resource management tasks, ranging from watering tree-planting sites to fencing-off watering points on streams and rivers to prevent erosion by stock.

The North East CMA is the caretaker of river health in the region. Throughout the year, we focused on protecting and restoring river health. We implemented our ongoing, large-scale river health program, including River Tender on the Ovens River.

A new Board was appointed in July 2006 and one of its first tasks was to review our Community Engagement Plan, aimed at ensuring more effective involvement of our partners and stakeholders. The new Board performs well as a team. There were no other major changes or factors that affected our performance. Nor were there any significant changes in the CMA's financial position during the year.

Works program for 2006/07

Actual Expenditure by Business Unit for 2006/07	Actuals
Water	6,452,999
Strategy and Partnerships	4,933,652
Corporate Services	1,576,379
Total	12,963,030

The CMA continued to encourage landholders and community groups to address some of the 'big' issues facing our region. We did this in many ways during the year, including:

- working closely with our partner agencies, DSE and the Department of Primary Industries (DPI), to provide grants and technical information to help landholders manage drought and climate change in a way that protected their economic and environmental assets;
- supporting the Ovens Landcare Network's Annual Soil Health event, which investigated the effect of climate change on soils; and
- supporting workshops run by BeyondBlue to help address depression in our rural communities.

The last year demonstrated that crisis can be the catalyst for positive change.

As we look ahead into 2007/08, the North East CMA will be preparing the ground for the pending renewal of the Regional Catchment Strategy, to ensure it is a flexible and inclusive document that guides investment in natural resource management into the future. We are committed to building closer relationships with local government and the corporate sector, with a view to supporting sustainable agriculture and fostering vibrant, progressive communities across the North East.

Sarah Nicholas
Chairperson

John Riddiford
Chief Executive

2006/2007 HIGHLIGHTS



Drought employment program

The State Government provided funds to Catchment Management Authorities as part of the drought assistance package to affected rural communities.

The North East CMA received \$1.3 million to allocate to farmers to undertake environmental protection works on farming properties and establish stock containment areas to protect pastures during the drought. A total of 131 farmers were employed to undertake works in this well-received and highly beneficial program. In addition, 235 stock containment areas were established on 101 farms.

Restoring our waterways

The North East CMA's River Health team carries out many activities to improve the health of the waterways in the region.

This year, with funding from the Victorian Government's *Our Water, Our Future* program, the CMA completed 38 major works across the region. With the support and involvement of local landholders and other government agencies, CMA work crews undertook structural works and planted native vegetation to stabilise banks and increase biodiversity.

Environmental flow studies

The CMA asked local landholders with a good understanding of the Kiewa and Upper Ovens catchments to help develop the Environmental Flows for the two rivers.

The method used to determine environmental water requirements for a healthy river is a rigorous, clear and independent process that links environmental objectives with flow requirements.

The development of the Kiewa River Study will continue in 2007/08, with community members helping select representative sites and reaches, and assisting scientists to develop flow objectives.

The CMA is developing revised Water Management Plans that will create a balanced and sustainable sharing of available water between all stakeholders in the catchment.

NRM grant funding demystified

The North East CMA organised an information session and a workshop in Wodonga in February 2007 and in Omeo in March to unravel the mysteries of natural resource management (NRM) funding for people wanting to apply for land and water management grants.

The information session covered the range of funding options and gave potential applicants an opportunity to discover how to match their project ideas to the most appropriate funding source. A workshop following the information session aimed to help people improve their application writing skills.

The Australian Government's Natural Heritage Trust and North East Landcare helped with funding and the East Gippsland CMA supported the Omeo session. Participants at both events provided excellent feedback.

Catchment-focused workshops

Catchment-focused workshops were convened in Corryong in December 2006 and the Bethanga Peninsula in April 2007 as a way of meeting with local landholders to investigate issues that affected the implementation of the Regional Catchment Strategy.

CMA Advisory Committee members facilitated the workshops, injecting fresh energy and local knowledge, and attracting good attendances from a range of people. The workshops discussed and ranked the importance of a number of issues facing the region.

Tackling rural depression

The CMA partnered with the Towong and Wangaratta Shires, Incitec Pivot and TAFCO (Tobacco & Associated Farmers Co-operative Limited) to organise two mental health sessions in Corryong and Milawa. Facilitated by the BeyondBlue organisation, these sessions were aimed at landholders and small business owners.



Photo: Border Mail



Photo: Border Mail



Transition for the tobacco industry

The loss of the \$30 million tobacco industry in the North East left a huge gap in the regional economy and no real land use for some of the region's most productive land. The CMA was invited onto a Tobacco Response Committee set up by local councils and the State Government to assist the Myrtleford community to cope with the closing down of the industry and to investigate the potential for new industry in the region. Working with landholders, government support staff and industry, the team put in place the steps needed to deliver an assistance package to landholders, which involved activities to achieve strategic Regional Catchment Strategy outcomes.

Landmates

The North East CMA co-ordinated 'Landmate' teams from low-security prisons to help landholders repair or replace fences damaged by the King Valley fires. This project – a partnership between Landcare, Beechworth and Dhurringile Prisons, and the Department of Sustainability and Environment – received very positive feedback from landholders.

Energy audit

In December 2006, the CMA commissioned an independent energy audit of its Wodonga offices and the Everton and Kiewa Depots, with the aim of reducing energy use and greenhouse gas pollution. An energy audit is one part of an energy management program.

The audit concluded that CMA staff had good energy-conserving behaviour at all sites. However, it also identified practical energy-saving steps that the CMA could undertake to reduce greenhouse pollution by 17.4 tonnes – a reduction of some 12%.

Employee Assistance Program

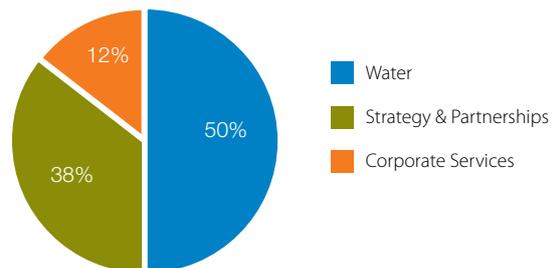
In partnership with IPS Worldwide®, the North East CMA has introduced an Employee Assistance Program (EAP). The EAP is a professional, confidential, counselling service that is available at no cost to all CMA employees and their immediate family members. The introduction of the program reflects the CMA's commitment to provide a supportive work environment and to contribute to the health and wellbeing of employees generally. This service was also made available to those farmers participating in the Drought Employment Program.

Information Technology/ Geographic Information Systems

The North East CMA has an ongoing program to improve our information technology systems. This year, the Internet speed at the CMA's Everton office was upgraded and included in the organisation's broadband network. This work is a result of the CMA's participation in the Broadband Innovation Fund Spatial Imaging Project. The next stage of this project will be further enhancements to the CMA's mapping capability.

After consulting with our partner agencies, community and staff, the CMA reviewed its website. Changes will be made to the design and structure of the website in 2007/08.

Works Program Expenditure for 2006/07



HOW WE CAN HELP YOU

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

Landcare

Our Landcare Co-ordinators run education activities and assist groups with funding applications. If you are new to our region, they can put you in contact with your nearest Landcare group.

Funding and grants

We can send you information about natural resource management funding programs and link you to funding sources. Our website has regular updates about grants and incentive programs.

Works on waterways

You can contact us for permits and planning advice.

Schools programs

Our Waterwatch team visits schools across the region to deliver lessons on water-related topics.

Seminars and workshops

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

Indigenous support

We co-ordinate heritage assessments and cultural training, and can put you in contact with Indigenous groups in the region.

Contact us:

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**NORTH EAST
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WATER



The North East CMA's Water Program has four areas of responsibilities:

- River Health, which includes strategic and on-ground works
- Management of the region's Environmental Water Reserve that provides the environment with a legislated right to water
- Research projects
- Floodplain Management.

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Introduction

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

The North East Regional River Health Strategy provides broad-level, strategic direction for the future management of waterways in the region.

Waterway rehabilitation is a major part of the North East CMA's annual works program.

The key objectives of these works are to re-establish indigenous vegetation and improve in-stream habitat, water quality and stream bed and bank stability.

2006/07 Highlights

For most of the year, the North East CMA's River Health projects were well ahead of schedule due to the prevailing dry conditions. The following works were priorities.

Willow management

Low river levels in late 2006 provided ideal germination conditions for invasive species such as Black willow (*Salix nigra*) and poplars on exposed gravel bars along the Ovens River. North East CMA works crews and contractors undertook extensive spraying of these seedlings along the Ovens River in project targeted areas. However, the prolonged dry conditions also allowed for implementation of an extensive Black willow clearing program downstream of the Hume Freeway along the Ovens River. This work provided an excellent opportunity to advance the 2006/07 seeding willow project. CMA contractors also completed extensive willow management works on the Mitta Mitta River, paving the way for excellent weed control on sites needing revegetation ahead of the 2007 spring season.

Sand extraction

In April 2007, the North East CMA excavated large volumes of sand from the Reedy and 15 Mile Creeks near Wangaratta as part of continuing Waterway Action Plan works focused on reducing sediment input into the Lower Ovens River. We removed and stockpiled more than 20,000 cubic metres of sand.



Willow Sawfly

In October 2006, researchers from the Department of Primary Industries (DPI) Keith Turnbull Research Institute established Willow Sawfly monitoring stations at four locations across the North East region as part of a State Sawfly Monitoring Project. In November, adult and larval Willow Sawfly were found emerging on Crack and Golden willows at monitoring sites at Kergunyah, Leneva and Cheshunt in the King Valley.

The CMA monitored the sites established by DPI on a three-weekly basis through until April 2007 as a way of gaining a greater understanding of the spread, behaviour and physical impacts of this insect on Crack willow (*Salix fragilis*).

An inspection and survey of the headwaters of the King River mapped scattered Grey Sallow (*S. cinerea*). Contractors worked in remote areas, 'mopping up' identified trees that were missed over the previous two seasons.

Emergency works

In February 2007, the North East CMA's works crews and contractors completed initial emergency works along the Mitta Mitta River resulting from high flows out of Lake Dartmouth. In March, CMA officers assisted the Murray-Darling Basin Commission to assess stability issues and risks along the Mitta Mitta River following the draw-down of river levels.

Waterway works

In August 2006, major works were undertaken around Myrtleford to improve river health along the Happy Valley Creek and Ovens River. Work crews removed weeds to help improve the flow of Happy Valley Creek and replaced them with native plants to stabilise banks and build biodiversity in the area.

The project involved local landholders, the North East CMA, contractors and the Alpine Shire Council. The Victorian Government's *Our Water, Our Future* program funded the works through its large-scale river restorations project.

Resnagging Project – Murray River

In July 2005, the Murray-Darling Basin Commission (MDBC) confirmed a budget of \$1.2 million to implement the Resnagging Project on the Hume to Yarrawonga reach of the Murray River.

Three priority areas were identified and project, monitoring and risk management plans were completed. The North East CMA handed overall project management to the NSW Department of Natural Resources (DNR) in June 2006, but continues to be involved as a member of the Steering Committee and manager of the monitoring program. This project has involved a successful collaboration between the North East CMA, DNR, the NSW Department of Primary Industries and the MDBC. Resnagging works commenced in November 2006.

Fire recovery

The North East CMA assisted the Victorian Department of Sustainability and Environment (DSE) – the lead agency – with fighting the Great Divide fires and subsequent containment line rehabilitation over waterways in the region, such as Buckland Valley and above Lake Buffalo.

The CMA devised immediate priority areas for containment rehabilitation in consultation with DSE, Parks Victoria, Goulburn-Murray Water and North East Water, based on the locations of water storages, urban off-takes and high value waterways.

The CMA actively participated as a member of the Department of Human Services Regional Fire Recovery team and was team leader of the North East natural catchments subgroup responsible for identifying high-value assets and developing a works program for fire recovery over the next three years.



RIVER HEALTH

continued



Little Snowy river health project assists Eskdale improve its water quality

The unveiling of a simple sign at Eskdale Caravan Park in March 2007 marked a three-year journey for local residents, farmers and agencies who have worked together to improve water quality in their area.

Their focus was on practical solutions to issues arising from the condition and use of the Little Snowy Creek – a tributary of the Mitta Mitta River that supplies water to the township of Eskdale.

Water quality is a critical issue for the people of Eskdale and surrounding area. Eskdale has no treated, reticulated water supply and, for many years, Little Snowy was polluted with *E. coli* and related pathogens. There is a system that distributes untreated creek water to households and businesses and a number of residents pump directly from the Creek. Water quality is potentially affected by failing and leaky septic systems, stormwater, greywater and farming practices, including irrigation run-off, dairy effluent discharge and stock access to waterways.

As a direct result of this project, the Eskdale/Little Snowy Creek community:

- secured funds from the Victorian Government for feasibility studies of the water supply for Eskdale and wastewater disposal;
- developed a Neighbourhood Environment Improvement Plan endorsed by the Victorian EPA – only the third of its kind in Victoria;
- undertook works to open up the Creek – making it more accessible to the community;
- amalgamated two water trusts in the town;
- improved the rural community’s understanding of the effects of farming on waterways;
- developed a sense of cohesion and common goals among urban and rural populations; and
- prepared a project bid with Country Towns Water Supply and Sewerage Program to connect to a water supply and a decentralised wastewater treatment system.

Initial funding for the project came from the Australian Government’s National Action Plan (NAP) for Salinity and Water Quality. Work began in 2004 when the Victorian Catchment Management Council provided the North East CMA with \$200,000 in NAP funding to test the principles of land stewardship among the rural landholders of Little Snowy Creek and the urban residents of Eskdale.



Photo: Border Mail

Cash incentives helping landholders keep Ovens healthy

In its early stages, the Little Snowy Creek project concentrated on works in the agricultural sector, including willow removal, fencing creek frontage, revegetation and the set up of off-stream water supplies to prevent stock from polluting the water supply. The next phase involved the use of a self-assessment tool by the people of Eskdale. This allowed community members to drive the project by identifying programs that would target areas they saw as most important. This work led to development of the Neighbourhood Environment Improvement Plan.

Despite the ongoing drought, work on the Little Snowy Creek project has continued over the past year.

At four sites along the Creek, in the middle of the township, including in front of and downstream of the Bowls Club, willows were removed, fences erected and areas revegetated, with excellent survival rates.

The Little Snowy Creek project was led by the North East CMA, Towong Shire Council and the Victorian EPA, and supported by Goulburn-Murray Water, North East Regional Water Authority, and the Departments of Human Services, Primary Industries, and Sustainability and Environment.

Farmers and Crown land leaseholders continued to take practical steps to protect the environmental health of one of Victoria's most significant heritage rivers – the Ovens.

Land managers used funding from River Tender to protect 1,200 hectares of floodplain and 115 kilometres of Ovens River frontage – the equivalent of a return trip from Wangaratta to Bright.

River Tender is funded through the Victorian Water Trust and managed by the North East CMA.

The North East CMA received 50 expressions of interest from landholders and managers in the Ovens River, Morse's Creek, Reedy Creek and Buckland River areas. River Tender Round 3 sites are linking with past River Tender sites and other CMA works, such as Seeding willow, Reedy Creek Water Action Plan, and landholder partnership sites.



ENVIRONMENTAL WATER RESERVE

Introduction

Under the State Government's Our Water, Our Future program, water has been set aside to secure the long-term health of rivers. This water – known as the Environmental Water Reserve – is legally protected through legislation.

The North East CMA is the caretaker of river health in the region. It is responsible for the operational management of the Environmental Water Reserve and provides input into the development of water strategies.

2006/07 Highlights

CMA seeks community advice for environmental flow studies

Local knowledge played a key role in helping scientists better understand the environmental condition of the Kiewa and the Upper Ovens Rivers.

During the year, the North East CMA invited people who knew both catchments well to participate in determining the Environmental Flows for the two rivers.

The method used to determine environmental water requirements for a healthy river is a rigorous, clear and independent process that links environmental objectives with flow requirements. The development of the Kiewa River Study is ongoing, with the North East CMA asking local community members to assist in selecting representative sites and reaches, and to help scientists develop flow objectives.

The studies will determine the environmental water requirements for both the Kiewa and Upper Ovens systems. The North East CMA will develop revised Water Management Plans for each river, with the intent of creating a balanced and sustainable sharing of available water between all stakeholders in the catchment, including the environment, licensed diverters and recreational water users.



CASE STUDY

Water resources and the Ovens River Basin

Issue

Like many areas of Victoria, the North East experienced an extensive period of low rainfall and extremely low runoff in 2006/07. These drought conditions resulted in significant water shortages for urban and rural communities, and threatened the health of the region's rivers. The Ovens River basin was particularly susceptible to extended periods of low rainfall. Lake William Hovell and Lake Buffalo failed to fill for the first time since they were constructed and the Ovens River and its tributaries ran dry in numerous places. Major bushfires burnt considerable areas of the catchment.

Approach

The North East CMA's water resources team was involved in significant contingency planning around the allocation of water and minimising the impact of emergency actions on the long-term health of the Ovens River and its tributaries.

To ensure sufficient water to towns and communities including Wangaratta, Bright and Oxley, urban and rural restrictions were implemented and numerous emergency supply points were installed in the region's rivers and aquifers.

In an attempt to secure water supplies, new or larger pumps were installed, groundwater resources were harvested and temporary instream dams constructed.



Given the relative reliability of the water resources within the Ovens River basin, the extensive period of low rainfall and run-off in 2006/07 required unprecedented trade-offs and prioritising of limited water resources for essential human needs.

To help minimise the potential impact of contingency measures, the CMA worked with water managers across the region to fill information gaps in regional river health strategies and environmental flow studies. The identification and protection of drought refuge habitats became a priority. Challenges also arose in managing weeds and stock, and providing support and advice around land management techniques.

Key partners

Goulburn-Murray Water and North East Water were key partners in the contingency planning arrangements. Throughout 2006/07, the CMA's water resource team regularly met with representatives of these organisations.

Result

The CMA now has a better understanding of water resource priorities and the security of the region's water supplies. The North East CMA is in a good position to understand how the region's communities and rivers respond to extreme drought and how to change our management activities accordingly. The negotiations with Goulburn-Murray Water and North East Water helped build a collective understanding of the flow management processes and identify where future management priorities lie.

The 2006/07 experience has helped develop a CMA Dry Inflow Contingency Plan in readiness for the 2007/08 water year. Overall, the North East CMA's water resource team is in a better position to negotiate on how to minimise the threats to river health as part of strategic water resource planning processes.

RESEARCH

WATER



Introduction

The North East CMA is involved with a number of research projects that aim to improve the understanding of the region's assets and provide the best science to guide management decisions.

2006/07 Highlights

North East Sustainable Irrigation Action Plan

This Action Plan aims to identify the key assets and threats of irrigation in the area. An expert panel identified the likelihood and consequence of each of the key threats. The North East CMA circulated a draft version of the plan to the Community Reference Group for comment. It is scheduled for completion in September 2007.

5th Australian Stream Management Conference

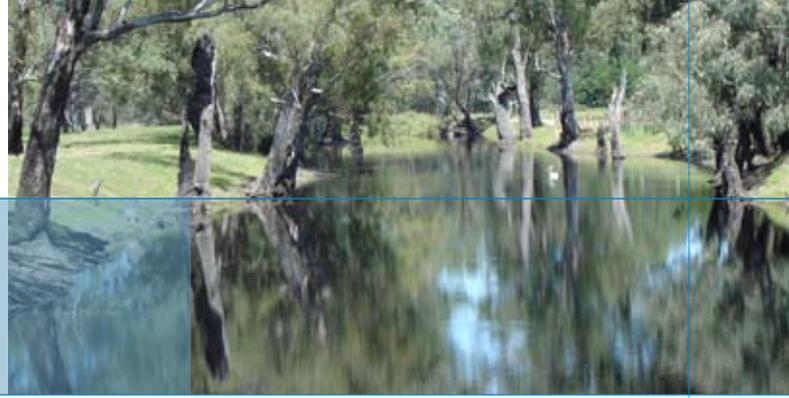
The North East CMA's river health team was involved in this national conference. Terry McCormack led a field trip to the Reedy Creek, and Jane Roots was a keynote speaker and also led a field trip to River Tender sites on the Ovens. Rebecca Damm, Glen McCallum and Natalie Martin had posters accepted. Veronica Lanigan and Natalie Martin had papers accepted. As a major sponsor, the CMA also had a display.

Wetland Strategy

There are 1,952 wetlands within the North East region that cover almost 40,000 ha. Many different types have distinguishing features and support different flora and fauna communities, thereby providing a large number of environmental, social, cultural and economical values.

Wetlands within the region are vital to protect sustainable rivers, yet many are in decline. The CMA recognised the need to create a strategic framework for the conservation, wise use and promotion of these regional wetlands.

In 2006/07, the CMA commissioned a long-term strategy for wetland health. The project team identified and mapped the region's wetlands, based on existing data sources, and described the characteristics of these wetlands and the environments they reside in. A survey of wetland condition identified and described threats and values.



The team reviewed and described management and planning arrangements for wetlands in the region. Staff identified and selected appropriate management strategies and drafted management programs and targets. A draft wetland strategy has been developed and the final strategy will be completed in September 2007.

Irrigation Development Guidelines

In light of changes to the Water Act and higher standard conditions, revised irrigation development guidelines are being developed across the northern CMA regions. To account for regional differences (i.e. annual water use limits, soil types and profiles and irrigation industry), the North East CMA prepared a draft annexe for inclusion in the guidelines.

Dry Inflow Contingency Plan

The North East CMA developed a Dry Inflow Contingency Plan that identifies the priority aquatic ecological values that will be threatened by low inflows and outlines strategies to reduce threats. Throughout the year, the CMA engaged with relevant water authorities in the region to ensure that all activities for managing drought were co-ordinated to achieve optimal outcomes.

Presentations

John Riddiford, CEO of the North East CMA, presented a paper on water care and catchment management at the National Water Summit in Sydney in August 2006. John also presented on the impact of bushfire on catchment and water values at additional venues – Parliament House in Canberra and the International Water Association convention held in Beijing.

Waterwatch Monitoring

Members of the Waterwatch team undertook around 140 visits to 61 schools in the region, reaching more than 4,200 children. National Water Week was a great success, highlighting the importance of water conservation and water quality monitoring, as well as working in partnership with other local organisations in the area. The North East CMA organised various activities, including a snapshot down the Ovens River and the Kiewa River, and an adult monitors' barbecue in Wangaratta.

The team trained 22 new adult monitoring groups who will undertake water quality monitoring. Groups included Landcare, GreenCorp and Friends groups.

The CMA also supported a program with the Wangaratta Council, the Indigo Shire Council Greenhouse Alliance and NevRwaste to produce a Sustainable Schools education package.

FLOODPLAIN MANAGEMENT



Introduction

The North East CMA is responsible for floodplain management in the region. It plays an important role in developing floodplain studies and floodplain management plans by providing referral advice and ensuring development does not compromise the environmental functions of floodplains.

2006/07 Highlights

This year, the CMA completed improved flood maps of the Mitta Mitta floodplain below the Dartmouth reservoir. The previous flood maps were based on the historic 1934 flood and did not take into account the effect of the reservoir on major flood events.

The CMA also completed the Chiltern Flood Study. It provides the Indigo Shire Council with a program for future works to replace bridges and culverts to improve the waterway discharges during flash floods.

The North East CMA successfully bid to host the first joint NSW and Victorian Flood Management Conference in 2009, thanks to a combined approach between the CMA, local government, and NSW and Victorian floodplain and emergency agencies. The selection panel was impressed by the region's location, facilities and its innovative approach to running field trips focused on the Murray floodplain. The winning bid featured innovative themes and events, including a special train to allow delegates to see the many major floodplain structures and features of the Murray River. Delegates attending the 2009 conference will address cross-border floodplain management issues and consider practices from the international, national, state and regional perspectives.

Rainfall and Storage data

The CMA's rain gauge adjacent to our Wodonga office measured 291 mm for the year. New low rainfall records were established for Corryong, Wodonga and Wangaratta.

Storages	Hume	Dartmouth
Full Storage	3,038,000 ML	3,906,400 ML
30 June 2006 ('05)	19% (30%)	65% (45%)
30 September 2006 ('05)	15% (80%)	52% (58%)
31 December 2006 ('05)	5% (77%)	32% (65%)
31 March 2007 ('06)	6% (26%)	18% (65%)
30 June 2007 ('06)	13% (19%)	11% (65%)

Rainfall in mm	Total 2006	Average	Lowest Year
Corryong	339	778	344 (1967)
Bright	606	1169	578 (1982)
Wodonga (Albury Airport)	287	758	348 (2002)
Wangaratta Airport	283	670	385 (1998)

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



Photo: Border Mail

STRATEGY AND PARTNERSHIPS



While the North East CMA is responsible for developing the Regional Catchment Strategy, its implementation is largely achieved through the strong partnerships we have developed with public and private land managers, water authorities, local government, Landcare, and other government and semi-government authorities. The CMA facilitates the partnership approach through five programs.

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STRATEGY PLANNING



Photo: Border Mail



Introduction

The North East Regional Catchment Strategy (RCS) is an important planning tool for land managers in Victoria's North East. The RCS takes an asset-based approach to managing natural resources and guides investment in natural resource management across the Region. In 2006/07, the CMA started the review of the RCS and its supporting action plans and maintained a 'knowledge database' to inform its renewal.

2006/07 Highlights

Catchment Condition Report

The North East CMA tracks and reports on progress towards achieving its targets through an Annual Catchment Condition Report (CCR). The 2005/06 CCR was the second report produced. The North East CMA leads the way across the State in reporting against its RCS.

Biodiversity Action Plans

Biodiversity Action Plans are like a stocktake of biodiversity information for defined areas. They contribute to forming a regional picture for strategic planning in the North East. In 2006/07, the CMA asked for community comment on Biodiversity Action Plans for the Upper Murray, Lower Mitta Mitta, Omeo and Upper Ovens and King Catchment Management Units. These plans will be finalised in the next financial year.





INVESTMENT PLANNING

Introduction

Targeted investment helps address priority environmental needs across the region.

During the year, the North East CMA developed and submitted an annual Regional Catchment Investment Plan (RCIP) that met investor expectations and achieved funding goals. It also managed community grants to achieve priority Regional Catchment Strategy (RCS) outcomes, managed investor reporting requirements and assisted regional stakeholders to access funding.

2006/07 Highlights

NRM Funding Demystified – information sessions and workshop

Speakers at a workshop and information session held in Wodonga in February 2007 helped unravel the mysteries of natural resource management (NRM) funding for North East residents.

'NRM Funding Demystified' featured an information session about the range of funding options available and a workshop where people could improve their application writing skills. The seminar gave potential applicants an opportunity to discover how to match their project ideas to the most appropriate funding source available.

The Australian Government's Natural Heritage Trust, the North East CMA and North East Landcare jointly funded this activity.

The CMA received positive feedback, with about 45 people attending the information session and 30 attending the workshop.

The CMA ran a second session in Omeo in March, in partnership with the East Gippsland CMA. Again, there was positive feedback from the 25 people who attended the information session and the 17 at the workshop. Attendees came from a wide range of organisations within the community.

National Landcare Programme

With the assistance of the North East CMA's Sustainable Agribusiness Project Manager, nine groups in the North East were successful in accessing National Landcare Programme funds, with project applications totalling \$701,042.



COMMUNITY ENGAGEMENT



Photo: Border Mail

Introduction

An actively engaged community is critical to successfully developing and implementing the Regional Catchment Strategy. To achieve this, the North East CMA supported its Advisory Committees, partnered with the Department of Primary Industries (DPI) and Department of Sustainability and Environment (DSE), and engaged and fostered partnerships with the region's Indigenous communities, local government and agribusiness forums.

2006/07 Highlights

Catchment-focused workshops

North East CMA's Advisory Committee members injected fresh energy and provided useful local contacts for community workshops held across the region during the year.

The CMA convened a series of catchment-focused workshops to meet with locals and investigate issues that affected the implementation of the Regional Catchment Strategy (RCS).

Workshops were held at Corryong in December 2006 and the Bethanga Peninsula in April 2007.

The support and involvement of Advisory Committee members helped improve the way the workshops were planned and run. Their local knowledge attracted a good cross-section of people and many suggested interesting techniques for generating discussion and debate. Advisory Committee members facilitated each workshop.

People attending the workshops discussed and ranked the importance of issues surrounding:

- community understanding of natural resources;
- community values and social networks;
- land and water management practices and their impact on natural resources; and
- barriers to sustainable management practices.

The CMA will revisit each location during 2007/08 to assess any changes and will use the views generated at workshops to inform the review and implementation of the RCS.

Indigenous liaison

The North East CMA devised and supported a range of activities and programs throughout the year, including:

Cultural awareness training

By June 2007, 92% of CMA staff had attended either cultural awareness or site identification training. During the year, cultural awareness training was offered to CMA



Corporate staff, Advisory Committee members, Board members, Landcare members and staff from the Murray CMA. One training session involved local elders from the region as facilitators, a positive step forward in the CMA's relationship with the local Indigenous community.

Heritage information

In September 2006, Brendon Kennedy and Donna Mitsch, an Indigenous Interpretation Officer from Burrinja, conducted a bush tucker field day at Mt Big Ben with 46 Landcare members from Yackandandah, Baranduda and Indigo Valley.

Indigenous site training

Staff from the Department of Primary Industries, Greening Australia, Wangaratta Council and the North East CMA attended a new Indigenous site training program at Wodonga in December 2006.

The North East CMA's Indigenous Liaison Officer, Richard McTernan, developed the course in partnership with the Murray CMA and local Indigenous organisations – Mungabareena Aboriginal Corporation and the Bangerang Cultural Centre Co-operative – to help ensure that important environmental works do not affect the region's Indigenous cultural heritage.

The Australian Government's Natural Heritage Trust funded the development of the Indigenous site training program.

Local government partnerships

The North East CMA worked hard at building stronger relationships with all local government authorities across the region during the year.

The CMA's Natural Resource Co-ordinator met with Indigo Shire Council, Towong Shire Council, the Rural City of Wangaratta, the Alpine Shire and the City of Wodonga with the aim of clarifying the CMA's roles and responsibilities. Topics covered included:

- the North East Regional Catchment Strategy, including the review process and the Regional Catchment Investment Process;

- the North East Regional River Health Strategy and River Health Program;
- waterways protection by-law and works on waterways; and
- current issues in the region.

Agricultural industries liaison

The North East CMA's Sustainable Agriculture Manager worked on many and varied issues during the year, including:

Biofuel information session

The CMA supported the North East Greenhouse Alliance, including hosting an Alternative Fuel Workshop in April 2007 to look at production issues and end-use options.

Tackling rural depression

The CMA partnered with Towong and Wangaratta Shires, Incitec Pivot and the Tobacco & Associated Farmers Co-operative (TAFCO) to organise two mental health sessions in Corryong and Milawa. Facilitated by the BeyondBlue organisation, these sessions were aimed at landholders and small business owners.

Tobacco industry

The loss of this \$30 million industry in the North East left a huge gap in the regional economy and no real land use for some of the region's most productive land. The CMA's Sustainable Agriculture Co-ordinator was invited to be part of a Tobacco Response Committee set up by local councils and the State Government to assist the Myrtleford community cope with the closing down of the industry and to investigate the potential for new industries in the region. Working with landholders, government support staff and the tobacco industry, the team put in place steps to deliver a package of assistance to landholders.

REGIONAL LANDCARE SUPPORT



Introduction

The Landcare movement is a major contributor to the achievement of Regional Catchment Strategy (RCS) outcomes across the region. The North East CMA provided a regional Landcare co-ordination service to Landcare groups in the region and evaluated and reported on the implementation of the CMA's Regional Landcare Support Strategy.

2006/07 Highlights

Drought Employment Program

As part of the drought assistance package to affected rural communities, the State Government provided funds to Catchment Management Authorities for two specific projects: stock containment areas and casual employment.

Stock containment areas

The North East CMA received \$264,000 from the Department of Primary Industries (DPI) to allocate to farmers to develop permanent areas for stock containment on their farms. About 22% of this funding was allocated to the Omeo/Benambra area and the rest for the balance of the region.

Casual employment

The North East CMA was allocated 20,000 hours of casual employment to be spread among 131 drought-affected farmers (a maximum of 160 hours per person). The aim was to maintain the integrity of environmental assets and provide financial assistance for drought-affected farmers.

Soil Health Field Days

Despite the ongoing drought, Soil Health Field Days continued in Mudgegonga, Rutherglen, Tallangatta Valley and the Upper Murray.

The Ovens Landcare Network Soil Health Annual Event, 'Water, Fertility, Carbon and Me', held at Whorouly in March 2007, attracted around 130 landholders. This was the second major Soil Health forum held by the Ovens Network, as part of its National Landcare Programme project. The CMA's Landcare Support staff helped the Network to organise this event.



The diverse range of forum speakers included local soil health mentors, Dr Pauline Mele from DPI, Allan Yeomans (Yeomans Plows), David Holmgren (co-founder of Permaculture), Jennie Hermiston (regional education officer with NevRwaste) and Dr Stephen Jelbart (specialist in preventative medicine), who covered topics related to soil carbon, soil health, climate change and personal health relating to soil health.

Landcare support model

The North East CMA's Landcare Co-ordinators continued to provide practical support to the region's Landcare groups throughout the year, including:

Drought Support

Landcare Co-ordinators and Landcare groups focused on drought issues, with the additional impacts of fires in affected areas. They assisted groups to run drought information sessions, with Landcare events held at Bellbridge, Walwa, Tallangatta Valley, Leneva and Omeo during November and December 2006. A number of the Co-ordinators attended Occasional Counselling training held by the Department of Human Services to assist people dealing with drought and fire stress. Co-ordinators assisted groups and landholders in the Omeo and Upper King valleys to access DPI and other fire recovery support.

Landmates

A partnership between Landcare, the Beechworth and Dhurringile Prisons and the Department of Sustainability and Environment (DSE) allowed 'Landmate' teams from low-security prisons to assist landholders repair or replace fences damaged by the King Valley fires. Co-ordinated by one of the North East CMA's Landcare Co-ordinators and DSE, this project received very positive feedback from landholders.

Grants and funding

Planning and developing funding applications for the National Landcare Programme was a major issue for most Co-ordinators, with a many groups making single-year applications. The Second Generation Landcare Grants were allocated to groups at the end of February 2007.

Landcare Awards

In August, the 2006 North East Landcare Awards were announced at an event in Wodonga, which also marked 20 years of Landcare in Victoria. Almost 100 people attended the celebration.

The winners of the seven categories were:

- Agency Award – Rural City of Wangaratta;
- Community Group Award – Mudgegonga and District Landcare;
- Indigenous Landcare – Mungabareena Aboriginal Corporation (Wodonga);
- Individual Landcarer – Lyn Coulston, Koetong (also received a 20-Year Active Service Award);
- Landcare Education – Beechworth Primary School;
- Nature Conservation – Baranduda Landcare Group; and
- Sustainable Agriculture Award – the Humphry family, 'Avondale', Springhurst.

More than 30 people, with a combined involvement in Landcare of some 323 years, also received Active Service Awards. One posthumous Award was made to Jack Jones from the Mudgegonga Landcare Group.

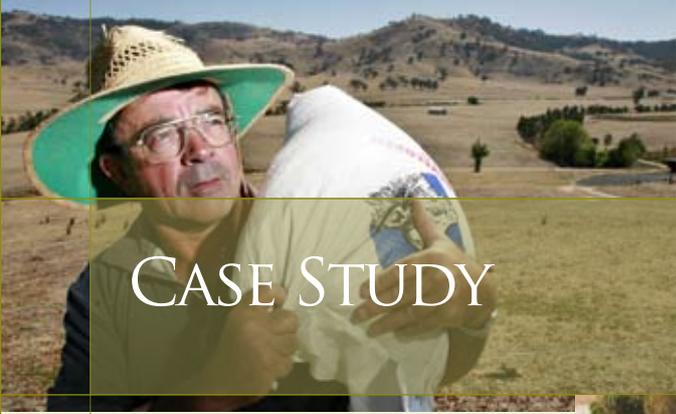


Photo: Border Mail

CASE STUDY



Helping communities deal with drought

Issue

Drought conditions were extreme in the North East during 2006/07. Many farming families faced the prospect of declining income, scarce fodder and dwindling water supplies. The drought also took a toll on natural resources. Reduced vegetation cover left many paddocks susceptible to erosion, revegetation areas were stressed by lack of water and water quality was threatened as thirsty stock trampled the banks of the region's waterways.

Approach

The North East CMA offered practical support to landholders and rural contractors who suffered hardship due to the drought conditions.

It encouraged people to register for the Victorian Government's Drought Employment Program and co-ordinated its roll out across the region. The \$1.3 million scheme was designed to protect and maintain high-priority environmental assets in the North East.

People were employed to do practical things to reduce pressure on the environment. For example, landholders erected fencing along sections of waterways to prevent stock trampling stream banks and causing erosion or water pollution. Eligible landholders received \$1,150 to cover materials and \$3,400 for labour for activities such as fencing waterways, spraying weeds or watering

previous tree planting sites to ensure their survival.

The CMA also encouraged eligible landholders to apply for a Stock Containment Grant. Through this funding, people were able to restrict cattle to specific areas, thereby helping to contain the impacts of erosion and overgrazing.

Through its Landcare Support program, the CMA's Landcare Co-ordinators supported Landcare groups dealing with drought issues. They helped groups run drought information sessions at Bellbridge, Walwa, Tallangatta Valley, Leneva and Omeo during November and December. A number of the Co-ordinators also attended Occasional Counselling training held by the Department of Human Services to assist those dealing with people affected by drought/fire stress. In the Omeo and Upper King, Co-ordinators assisted groups and landholders to access DPI and other fire recovery support.

Key partners

The North CMA worked closely with the Department of Sustainability and Environment and the Department of Primary Industries to provide grants and technical information to help landholders manage drought and climate change in a way that protected their economic and environmental assets. ATEL, a specialist recruitment agency, assisted the CMA by processing applications to the Drought Employment Scheme.

Result

A total of 131 landholders participated in the employment component of the Victorian Government Program. In addition, 101 landholders built 235 stock containment areas on their farms.

INNOVATION AND KNOWLEDGE SHARING



Introduction

Increased understanding of natural resource management and adoption of better tools will increase the effectiveness of Regional Catchment Strategy (RCS) programs. Throughout 2006/07, the North East CMA supported investment in research and capacity building projects and processes that supported implementation of the RCS.

2006/07 Highlights

Landscape Logic: linking land and water management to resource condition targets

The North East CMA is participating in the three-year Landscape Logic research project led by Professor Ted Lefroy from the University of Tasmania. The project is primarily looking at linking management actions with resource solutions across six natural resource management regions in Victoria and Tasmania.

The Federal Minister for the Environment and Heritage, Senator Ian Campbell, announced \$7.9 million in funding to establish the research hub that will develop tools to improve the sustainability of natural resource management practices.

Professor Lefroy leads a partnership of 24 researchers across seven institutions and six regional catchment management organisations in Victoria and Tasmania, including the North East, North Central and Goulburn Broken Catchment Management Authorities in Victoria.

The key objectives of the Landscape Logic project are to:

- establish links between management actions and resource condition; and
- explore interaction between different management actions and external drivers, such as climate, markets and resource condition targets.

INNOVATION AND KNOWLEDGE SHARING

continued



Practice change

In February 2007, the North East CMA signed a Letter of Agreement with the managers of a research project titled 'Making Successful Investments in Natural Resource Management (NRM) Practice Change'.

Specific outcomes for the CMA will include:

- an improved understanding of what drives and impedes NRM practice change within the region and the ability to apply this understanding to NRM decision-making processes;
- an improved ability to make strategic links between targets and investments in NRM practice change; and
- an improved ability to utilise monitoring and evaluation of investments aimed at NRM practice change, and applying these learnings as part of our adaptive management processes.

This project will continue throughout 2007.

EMS Pathways to Sustainable Agriculture

The North East CMA has made a long-term commitment to encouraging Environmental Management Systems (EMS) in the region because of the many ways they support sustainable agriculture.

In August 2006, the CMA held an EMS Forum that featured talks from senior officials from Elders, Brown Brothers and EMS providers.

In May 2007, almost 30 North East producers started to display new gate signs that highlight accreditation achieved through the Australian Landcare Management System. Landholders undertake a comprehensive 'health check' of their enterprise in order to reach 'Eucalyptus' accreditation awarded by Australian Landcare Management Systems.

The producers were part of an EMS pilot funded by the Australian Government and delivered in the region by the North East CMA in partnership with DPI Rutherglen.

In June 2007, the Australian Government announced an allocation of \$172,000 from the Pathways to EMS Programme to support the North East CMA's Sustainable Agriculture; Sustainable Catchments program.



PERFORMANCE MEASURES



The Performance Measures detail the CMA's performance for the reporting period against the targets listed in the Corporate Plan 2006–2009.

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PERFORMANCE MEASURES

4.1 Governance

Key Result Area		Key Performance Indicator	Actual 2006/07
4.1.1	<p>The CMA must comply with OH&S obligations and maintain a culture of safer practices.</p> <p>The CMA will encourage a staff culture of continuous improvement.</p> <p>The CMA will have an effective Integrated Management System.</p>	<p>4 OH&S meetings per year.</p> <hr/> <p>Number of notifiable incidents.</p> <hr/> <p>Number of Lost Time Injuries less than previous year.</p> <hr/> <p>4 Staff Consultative Meetings per year.</p> <hr/> <p>An improvement in results of the People Matter Survey compared to the previous year.</p>	<p>6 meetings held.</p> <hr/> <p>2 notifiable incidents in the reporting period.</p> <hr/> <p>6 Lost Time Injuries for the reporting period, up by 1 from the previous year.</p> <hr/> <p>2 Staff Consultative Meetings held.</p> <hr/> <p>Response Rate to survey increased by 1%.</p> <hr/> <p>Improvement in results obtained; in all survey sub-sections.</p> <hr/> <p>Integrated Management System implementation deferred to 2007/08 year.</p>
4.1.2	<p>The CMA must develop an Annual Report detailing the CMA's activities and financial position and report on the management of land and water resources in the region in accordance with relevant legislative and subordinate instruments and any Government guidelines.</p>	<p>Annual Catchment Condition Report completed and meeting statutory reporting requirements.</p> <hr/> <p>Annual Report submitted to the Minister by 30 September.</p> <hr/> <p>Favourable overall audit assessment by the Auditor-General.</p>	<p>Annual Catchment Condition Report completed, statutory reporting requirements met and submitted on time.</p> <hr/> <p>Annual Report completed, statutory reporting requirements met and submitted on time.</p> <hr/> <p>The Auditor General provided an unqualified audit report for the 2005/06 financial year.</p>
4.1.3	<p>The CMA must ensure that appropriate and effective processes and systems are in place to monitor its financial, social and environmental performance.</p>	<p>By 30 April annually.</p> <hr/> <p>Not less than 80%.</p>	<p>The Costing principles were included in the Annual Corporate Plan.</p> <hr/> <p>Project funding exceeded 87.4% of total funds.</p>
4.1.4	<p>The CMA must administer community grants on behalf of the Minister to assist in the implementation of the Regional Catchment Strategy and relevant sub-strategies in accordance with relevant legislation and subordinate instruments and any guidelines issued by the Secretary.</p>	<p>Annual evaluation report of community grants process indicating achievement of outcomes as identified in the Community Grants Management Framework.</p> <hr/> <p>Audited and Unqualified Financial Statements.</p>	<p>Evaluation of 2005/06 Community Grants not completed due to the majority of the funds not expended due to drought conditions.</p>
4.1.5	<p>The CMA must develop a risk management system and process to effectively manage the strategic, operational and financial risks in accordance with the Financial Management Package, all legislative and subordinate instruments and relevant industry standards.</p>	<p>Completed review.</p> <hr/> <p>Timetable for implementation of identified Risk Management Strategy issues by 30 June 2006.</p>	<p>Completed.</p> <hr/> <p>Completed.</p>
4.1.6	<p>The CMA must develop and maintain a comprehensive register of all relevant assets in accordance with the Financial Management Package and all relevant legislative and subordinate instruments.</p>	<p>Reconciliation of the two systems to ensure the assets have been transferred accurately as at 1 July 2006.</p> <hr/> <p>Stocktake/Review completed and all identifiable assets to have been checked and either Added or Disposed of (whichever is necessary) by 30 June 2007.</p>	<p>Deferred to 2008/09 financial year.</p> <hr/> <p>Completed.</p>

4.2 Community engagement

Key Result Area		Key Performance Indicator	Actual 2006/07
4.2.1	The CMA must establish open and transparent processes to engage its community in the development and implementation of its Regional Catchment Strategy, its sub-strategies, action plans and investment plans.	To be developed as part of the review of the current Community Engagement plan.	Community Engagement Policy endorsed by Board at the December 2006 meeting. Process for quarterly reporting on Community Engagement Policy.
4.2.2	The CMA must establish and maintain standing community engagement committees to: <ul style="list-style-type: none"> • provide advice to the CMA on the development and implementation of the Regional Catchment Strategy, its sub-strategies and action plans; and • act as a communication link with relevant stakeholder groups and the community. 	Annual evaluation identifies that the Advisory Committee (AC) process is meeting its objectives.	Evaluation of ACs indicated that the ACs have acted in line with the AC charter over the last year.

4.3 Integrated regional planning and co-ordination

Key Result Area		Key Performance Indicator	Actual 2006/07
4.3.1	The CMA must co-ordinate the development, review, and gain approval for the Regional Catchment Strategy in accordance with any guidelines issued by the Minister for Environment.	Board endorsed Resource Condition Targets and Management Action Targets by 31 December 2006. Adaptive Management framework in place by 30 June 2007.	Targets aligned to Theory of Change program logic Intermediate outcomes used for reporting progress against targets in the Catchment Condition Report. Project Evaluations Database developed to record, collate and collectively analyse individual project evaluations to be carried out for all projects funded to implement RCS.
4.3.2	The CMA must develop programs to co-ordinate the implementation of the Regional Catchment Strategy in partnership with key regional stakeholders.	Functioning and resourced programs effectively implementing Regional Catchment Strategy priorities.	Board-endorsed Regional Catchment Investment Plan (RCIP) submitted within required timelines and recommended for funding by investors.
4.3.3	The CMA must co-ordinate the development and review of regional sub-strategies which manage priority issues in the Regional Catchment Strategy and are specified by relevant statewide policies. The strategies must be developed in accordance with any guidelines issued by the Secretary.	Dryland Salinity Strategy Board endorsed by 31 December 2006. Water Quality Strategy Board endorsed by 31 December 2006. Review of Native Vegetation Plan commenced by 30 June 2007. Planning for Pest Plant and Animal (PPA) Action Plan renewals commenced by 30 June 2007.	The Dryland Salinity Strategy was endorsed by the Board at the December 2006 meeting. The Water Quality Strategy Review has been deferred. Review of Regional Native Vegetation Plans has been postponed by DSE. PPA Action Plan review and renewal planning has commenced.
4.3.4	The CMA must monitor, evaluate and report to the Department on resource condition and management action targets in accordance with any guidelines issued by the Minister for Environment.	Annual Catchment Condition Report completed and meeting statutory reporting requirements.	2005/06 Catchment Condition Report produced.

PERFORMANCE MEASURES

continued

4.3 Integrated regional planning and co-ordination – continued

Key Result Area		Key Performance Indicator	Actual 2006/07
4.3.5	The CMA must co-ordinate the development of a Regional Catchment Investment Plan (RCIP), and the associated documentation relating to the implementation and management of the Regional Catchment Investment Plan, in accordance with guidelines issued by the Department.	Regional Catchment Investment Plan submitted within timelines as issued by DSE.	Board-endorsed RCIP submitted within required timelines.
4.3.6	The CMA must provide advice through the Regional Catchment Investment Plan process to the relevant departments in State and Federal Government on regional priorities and programs for the implementation of the accredited Regional Catchment Strategy and sub-strategies in accordance with guidelines issued by the Department.	Investor approval of Regional Catchment Investment Plan.	Board-endorsed RCIP submitted within required timelines and recommended for funding by investors.
4.3.7	The CMA must develop and co-ordinate the implementation of a five-year Regional Landcare Support Strategy. In doing so, the CMA must ensure that the Strategy aligns with the Regional Catchment Strategy and the Victorian Action Plan for Second Generation Landcare.	Annual evaluation report completed by 30 June 2007.	Evaluation of the North East Second Generation Landcare Grants process undertaken. Mid-term review of LSS implementation, with particular focus on regional co-ordination structure commenced in third quarter, draft provided June 2007.
4.3.8	The CMA must monitor, evaluate and report quarterly to the Department on progress against the Regional Landcare Support Strategy priorities and targets.	Quarterly Regional Management Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	New quarterly project reporting process implemented as per investor expectations.
4.3.9	The CMA must develop and co-ordinate the implementation of a Regional Native Vegetation Plan (RNVP).	Project Plan for review of Regional Native Vegetation Plan in place by 30 June 2007. Investor approval of Regional Catchment Investment Plan.	Review of Regional Native Vegetation Plans has been postponed by DSE. Board-endorsed RCIP submitted within required timelines and recommended for funding by investors.
4.3.10	The CMA must monitor and report annually to the Department on the progress of implementation against priorities and targets as set out in the Regional Native Vegetation Plan.	Annual Catchment Condition Report completed and meeting statutory reporting requirements.	2005/06 Catchment Condition Report produced.
4.3.11	The CMA must develop, monitor and report on the implementation of the regional pest action plans according to guidelines issued by the Secretary.	Annual Catchment Condition Report completed and meeting statutory reporting requirements. Planning for Pest Plant and Animal (PPA) Action Plan renewals commenced by 30 June 2007.	2005/06 Catchment Condition Report produced. PPA Action Plan review and renewal planning has commenced.
4.3.12	The CMA must ensure the effective alignment of the Good Neighbour Program to priorities in the Regional Pest Action Plans and the Regional Catchment Strategy.	Investor approval of Regional Catchment Investment Plan.	Board-endorsed RCIP submitted within required timelines and recommended for funding by investors.

4.3 Integrated regional planning and co-ordination – continued

Key Result Area		Key Performance Indicator	Actual 2006/07
4.3.13	The CMA must develop and co-ordinate the implementation of Regional Salinity Management Plans and Land and Water Management Plans.	Dryland Salinity Strategy Board endorsed by 31 December 2006. Investor approval of Regional Catchment Investment Plan.	The Dryland Salinity Strategy was endorsed by the Board at the December 2006 meeting. Board-endorsed RCIP submitted within required timelines and recommended for funding by investors.
4.3.14	The CMA must advise the Department on the development of regional salinity targets and corresponding works programs in accordance with the Murray-Darling Basin Salinity Agreement.	Annual Catchment Condition Report completed and meeting statutory reporting requirements.	2005/06 Catchment Condition Report produced.
4.3.15	The CMA must report to the Minister for Environment annually on the allocation and uptake of salt disposal entitlements.	Annual Catchment Condition Report completed and meeting statutory reporting requirements.	2005/06 Catchment Condition Report produced.
4.3.16	The CMA must participate in the periodic review, continuous improvement and implementation of those municipal planning schemes and in particular: (a) any Local Planning Policy Framework; and (b) any Municipal Strategic Statement; which may affect, or be affected by, the CMA's area, responsibilities or activities. A principal objective of the CMA's participation will be to promote consistency of any strategy or scheme with its planning and programs for the implementation of the Regional Catchment Strategy and its role as caretaker of river health.	Approved Regional Catchment Investment Plan project. All local government reviews of planning policies have input from the CMA.	Board endorsed RCIP submitted within required timelines and recommended for funding by investors. The following local government reviews occurred during the year: <ul style="list-style-type: none">• Indigo MSS Review;• Wodonga MSS Review;• Alpine Weeds Strategy; and• Alpine Council Plan. All had input from the CMA

4.4 Caretaker of river health

Key Result Area		Key Performance Indicator	Actual 2006/07
4.4.1	The CMA must develop a Regional River Health Strategy according to guidelines issued by the Secretary.	Printed North East Regional River Health Strategy and summary.	Completed
4.4.2	For priority areas identified in the Regional River Health Strategy, the CMA must, in consultation with relevant stakeholders and the community, develop relevant action plans in accordance with guidelines issued by the Secretary, which may include: a) regional water quality plans; and b) waterway action plans.	2 Water Quality Strategies (supplementary to) integrated into the Regional River Health Strategy. 3 waterway plans developed.	Water Quality Strategy review has commenced. 5 plans developed: 15 Mile Creek, Lower Kiewa, Upper Kiewa, King River, King River Avulsion.
4.4.3	The CMA must develop on-ground river restoration works programs to implement the priorities of the Regional River Health Strategy and related river health action plans.	Not less than 90%.	Completed.

PERFORMANCE MEASURES

continued

4.4 Caretaker of river health – continued

Key Result Area		Key Performance Indicator	Actual 2006/07
4.4.4	The CMA must authorise works on waterways and exercise enforcement powers in accordance with the CMA Waterways Protection By-law.	Assess/process all applications for Works on Waterways within 30 days.	All applications for Works on Waterways assessed within 30 days.
4.4.5	The CMA must act as a referral body for any: - application for a licence to construct works; and - application for a licence to take and use water; referred to them by the Minister for Water in respect of a dam in accordance with relevant legislation.		All planning referrals processed within statutory timeframes.
4.4.11	The CMA must advise the Department annually on the costs of managing the Environmental Water Reserve.	Agreed format with Department of Sustainability and Environment.	RCIP process is the agreed format.
4.4.16	The CMA must prepare regionally specific irrigation development guidelines which are consistent with the Statewide Irrigation Development Guidelines for approval by the Minister for Water.	Guidelines adopted by Government.	Guideline principles have been endorsed by the Board.
4.4.18	The CMA must report on the implementation of management plans for Water Supply Protection Areas, including groundwater and streamflow management plans, in the annual report.	Report accepted by Government.	Not completed.
4.4.21	The CMA must provide advice about flooding and controls on planning scheme amendments, and planning and building approvals to local councils in its capacity as a referral body in accordance with relevant legislation.	90% of S52 and 98% of S55 applications processed within statutory timeframe.	100% of S52 and S55 responded within statutory timeframe, except for complex applications, where a formal request for extension was applied for and accepted. The average response time was 10 days.
4.4.22	The CMA must report to the Minister for Water on the implementation of River Health Strategies, related action plans and resource condition in accordance with the Service Level Agreement and any guidelines issued by the Secretary.	Reports accepted by Government.	New quarterly project reporting process implemented as per investor expectations.
4.4.23	The CMA must benchmark and report to the Secretary on river condition in accordance with guidelines issued by the Secretary.	15 sites assessed and reported to Department of Sustainability and Environment.	15 sentinel sites assessed.

4.5 Innovation and knowledge sharing

Key Result Area		Key Performance Indicator	Actual 2006/07
4.5.1	The CMA must: - identify the CMA's research and capability needs; - support investment in research and capability building, where doing so would support the implementation of the Regional Catchment Strategy and its sub-strategies; - participate in processes or projects aimed at generating and sharing knowledge on integrated catchment management including land stewardship, river health, the management of Environmental Water Reserve, floodplain and regional drainage; and - participate in the setting of statewide priorities.	Effective Program review/change due to Monitoring Evaluation Reporting and Improvement Framework outcomes.	Evaluation Work Plan developed and endorsed by NRM Forum. Evaluation projects commissioned to review: • Landcare Support Strategy Mid Term Review; • Making Successful Investments in NRM Practice Change (River Health Program); and • the impact of past interventions on native vegetation condition (Biodiversity Resource Condition Target).



CORPORATE



The North East CMA believes in the importance of providing a safe working environment, and investing in its people and the systems that they use.

The Corporate Services team manages the financial, health and safety, vehicles, human resources, information technology and communication functions of our organisation.

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OUR BOARD

Members of the Board to 30 June 2007



Sarah Nicholas

BAGSci, Masters in Environmental Law, Management and Business, GAICD

Sarah, who lives in Wandiligong, has been Chairperson of the North East CMA since 2000. She has worked as a private consultant in natural resource management, focusing on strategic planning and community engagement. In a past life she was the ski patrol director at Mount Hotham and now has two small children to keep her enthusiastic and dynamic. She is also Deputy Chair of the Murray-Darling Basin Ministerial Council Community Advisory Committee.

Meetings attended:

Board: 9 of 11 held
Audit committee: 3 of 4 held
Remuneration committee:
2 of 2 held



Kevin Ritchie

BForsSc (Melb), DipFor (Cres)

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

Meetings attended:

Board: 2 of possible 4 **



Peter Roper

Assoc Dip Farm Man

Peter is a primary producer in Tawonga and has been a North East CMA Board member since 2003. He previously worked for Gippsland Water, managing regional water supply catchments and waste water facilities and he has considerable experience automating sprinkler irrigation systems.

Meetings attended:

Board: 9 of 11 held
Audit committee: 4 of 4 held



Brian Thompson

BSc (Forestry), Australian Rural Leadership Program

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

Meetings attended:

Board: 3 of possible 4 **

** Change to Board

Legislation amendments changed the structure of the North East CMA Board, removing Departmental Representatives. This was effective from 7 October 2006.

Lyn Coulston

Lyn owns and operates a plant nursery in the Upper Murray and is a primary producer. She has been a North East CMA Board member since 2000 and is a former Councillor and Mayor of Towong Shire. She is Secretary of the Upper Murray Landcare Network, Chairperson of the Victorian Blackberry Taskforce and a Board member of the Alpine Valleys Community Leadership Program and the Albury Wodonga Area Consultative Committee.

Meetings attended:

Board: 10 of 11 held

Anthony Griffiths

Anthony is actively involved in his family's primary production business in the Greta District, where his family has been farming for generations. Anthony is Deputy Chairperson of the CMA and has been a Board member since 2000. He is Vice President of the Greta Valley Landcare Group. He is also President of the local primary school council and a trustee of the Greta Cemetery Trust.

Meetings attended:

Board: 11 of 11 held

Dr Terry Hillman

Dip Agriculture,
BSc (Hons I), PhD

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

Meetings attended:

Board: 9 of 11 held
Remuneration committee:
2 of 2 held



Greg Hayes

BAGSc, MSc

Greg, from Talgarno, is a beef producer and a planning consultant working in agriculture, natural resource management, agribusiness and regional development in Australia and overseas. He is a member of the Wise's Creek Talgarno Landcare Group, the Albury-Wodonga Grasslands Society, Beef Improvement Association, Talgarno Fire Brigade and a board member of Australian Alpine Valleys Agribusiness Forum.

Meetings attended:

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

Anthony Jarvis

DipApSci (Ag)

Anthony is a fifth generation farmer at Cudgewa, whose main enterprise is beef cattle. He is president of the Upper Murray Landcare Network and the Victorian Farmers Federation Wodonga Livestock District Council, and treasurer of the Cudgewa Landcare Group, and a member of the Upper Murray Agribusiness Group.

Meetings attended:

Board 11 of 11 held

Raymond Park

BBus (LG), Grad Dip Mant,
MB, FCPA

Ray lives at Markwood and has a small beef farming enterprise. He has worked for 25 years in local government in North East Victoria. He is currently the Director of Business Services at the Wangaratta Rural City Council.

Meetings attended:

Board: 10 of 11 held
Audit committee: 4 of 4 held

Rhonda Serpell

Rhonda is a grazier running a Simmental stud in the Kiewa Valley at Running Creek and, with her husband Peter, also runs a commercial berry-growing operation. Rhonda has strong links to the community through Victorian Farmers Federation (Vice President of the Wodonga Livestock District Council), Landcare (Vice President of the Kiewa Catchment Landcare Groups) and Country Fire Authority, as well as other community groups in the Upper Kiewa Valley.

Meetings attended:

Board: 11 of 11 held



CASE STUDY

Taking practical steps to address climate change

Issue

Climate change and global warming have emerged as key areas of concern during regional community forums run by the North East CMA. Both are listed as threatening processes in the Regional Catchment Strategy.

The region has been experiencing more extreme climate events, including floods in 1998, drought in 2002 and 2006, and bushfires in 2003 and 2006/07.

Approach

The North East CMA has sought to address climate change and global warming by:

- identifying ways to reduce its energy usage and greenhouse gas emissions; and
- building community knowledge and understanding about ways of adapting to climate change.

The CMA is an active member of the North East Greenhouse Alliance. Through this membership it has made a public commitment to reducing its greenhouse gas emissions and energy use. During the year, the CMA supported the work of the Alliance, including hosting an Alternative Fuel Workshop in April to look at production issues and end-use options.

In December 2006, the CMA commissioned an independent Energy Audit of its Wodonga offices and the Everton and Kiewa Depots with the aim of reducing its energy use and greenhouse gas pollution. An Energy Audit is one part of an energy management program.

The audit concluded that CMA staff had good energy-conserving behaviour at all sites. However, it also identified practical energy-saving steps that the CMA could undertake to reduce greenhouse pollution by 17.4 tonnes – a reduction of some 12%.

Key partners

The North East Greenhouse Alliance, Energy Doctor and Sunrise Energy Management Pty Ltd, a group of energy management engineers from Melbourne, undertook the Energy Audit at the CMA.

Result

The CMA is implementing many of the practical energy reduction recommendations identified in the Energy Audit, including changing air-conditioning running times, improving computer night time shut down, placing timers on hot water systems, installing occupancy sensors and phasing in the use of more energy-efficient lighting. From a fleet management perspective, it plans to switch to alternative fuels, and purchase vehicles with better fuel economy.

At a governance level, the CMA Board will work with leading businesses to identify new ways of adapting to climate change and supporting innovation.



OUR COMMITTEES



Audit Committee

Role

The role of the Audit Committee is to oversee and advise the North East CMA on matters of accountability in internal control affecting the operations of the Authority. The Audit Committee has a charter that defines its responsibilities to:

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

Membership 2006/07

The members of the Audit Committee during the year were:

- Peter Roper, Chairperson;
- Sarah Nicholas, Board Member; and
- Ray Park, Board Member.

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

The committee met four times during the financial year.

Major tasks 2006/07

During the year, the committee:

- reviewed and recommended to the Board the 2005/06 Annual Financial Statements;
- set the scope and prioritisation of the Internal Audit Plan;
- reviewed the outcomes of the Internal Audit Report; and
- reviewed the Risk Management Strategy.

Remuneration Committee

Role

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

Membership

The members of the Remuneration Committee during the year were:

- Sarah Nicholas, Chairperson (independent member);
- Greg Hayes, Board Member (independent member); and
- Terry Hillman, Board Member (independent member).

The committee met twice during the year.

Pecuniary Interests

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

OUR PEOPLE

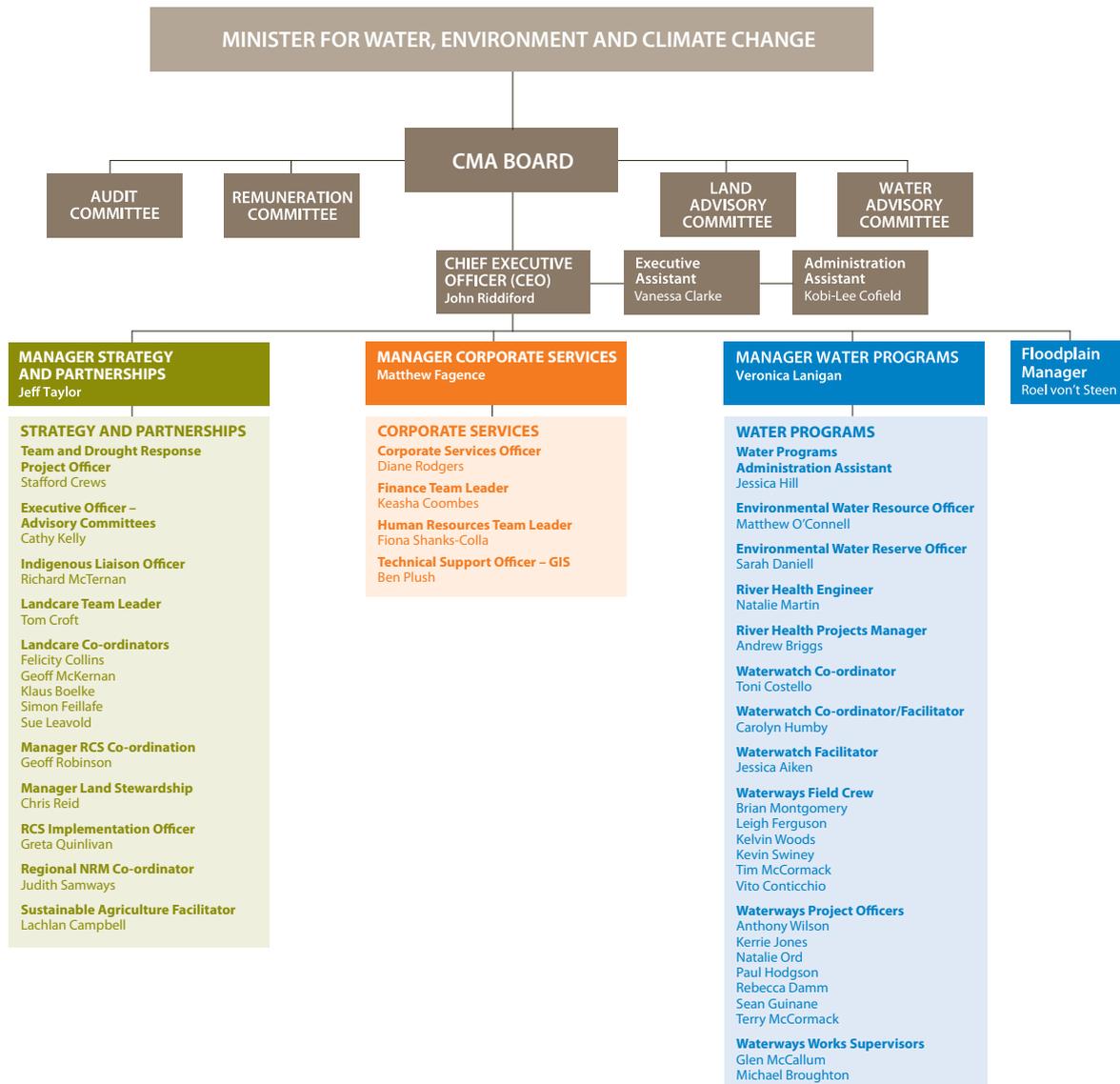


Senior Management Team

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

Organisational structure

Corporate Structure as at 30 June 2007



Water

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

Strategy and Partnerships

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

Corporate Services

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



SUPPORTING OUR PEOPLE



John G Brown AO, Patron of the Alpine Valleys Community Leadership Program presenting North East CMA employee Sarah Daniell with her graduation certificate.

The North East CMA believes in the importance of providing a safe working environment, and investing in its people and the systems that they use.

The Corporate Services team manages the financial, health and safety, vehicles, human resources, information technology and communication functions of our organisation.

Human Resources

This year the CMA reviewed its Human Resource (HR) Policy and developed a new HR framework to guide the functions of the HR Team. Work has begun on a revised HR manual. It will be a resource for all employees to use in applying, managing and complying with the diverse range of employment laws, principles, policies, procedures and practices that regulate North East CMA employment. It aims to be a valuable reference to guide decision making, facilitate consistency of action in implementation, and to inform employees about entitlements, benefits and organisational expectations as they carry out their work responsibilities.

In partnership with IPS Worldwide®, the North East CMA has introduced an Employee Assistance Program (EAP). The EAP is a professional, confidential counselling service that is available at no cost to all CMA employees and their immediate family members. The introduction of the program reflects the CMA's commitment to provide a supportive work environment and to contribute to the health and wellbeing of employees generally. This service was also made available to those farmers participating in the Drought Employment Program.

Training and Development

The North East CMA is committed to providing training and development for all employees, with particular emphasis on the development of employee skills to meet the CMA's business objectives and to recognise staff for their commitment to the organisation. In conjunction with their supervisors, employees identify skill gaps and opportunities for training.

This year, seven staff members who are undertaking undergraduate or post-graduate degrees were given study support and professional development opportunities. Veronica Lanigan completed her Masters in Business Administration, Sarah Daniell completed the Alpine Valleys Leadership Program, and Sean Guinane and Anthony Wilson completed their Graduate Certificate in River Health.

On behalf of the CMA, the Victorian Employers Chamber of Commerce and Industry (VECCI) conducted a training needs analysis of management and supervisors. The purpose was to identify current skills, abilities and skill gaps in our leadership team.

Across the organisation, there were briefings and training on the Public Sector Code of Conduct 2007, First Aid Level 1 & 2, Occupational Health and Safety, and the Privacy Act.

Enterprise Agreement and Staff Consultative Committee

The targets outlined in the CMA's Enterprise Agreement 2005 were met for Year 1 and staff received a 3% pay rise from July 2006. Preliminary work has commenced for the renewal of the enterprise agreement, which is due to expire in 2008.

The CMA Staff Consultative Committee met three times during the year. This committee addresses issues relating to the enterprise agreement and provides advice on staff-related policies. The committee is made up of six employees and one management representative. This year the committee worked with management to resolve issues relating to employment agreements, fuel purchasing and fleet management, and a reduction in office-based greenhouse emissions.



SUPPORTING OUR PEOPLE

continued

Merit and Equity and Code of Conduct

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

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

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

Health and Safety

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

The Health and Safety Advisory Committee aims to:

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

The focus of the committee in the past year has been not only ensuring compliance with the *Occupational Health and Safety Act 2004*, but also in building a culture within the workplace that puts health and safety first. There are designated workgroups across all offices and sectors, and consultation with employees is an ongoing process.

This year the committee reviewed the Occupational Health and Safety (OH&S) policy and procedures, which included a review of 47 safety instructions. Two work practice notices were issued in relation to mobile phone use while driving and outdoor clothing. Medical examinations continued for all staff, covering visual acuity, colour vision perception, visual skin checks, hearing tests and spirometry.

The committee met six times during the reporting period. Seven committee members completed the one-day OH&S refresher course and the two new members completed the five-day training course. Its members as at 30 June 2007 were: Andrew Briggs, Michael Broughton, Geoff McKernan, Matthew Fagence, Natalie Ord, Glen McCallum, Terry McCormack, Christopher Reid and Fiona Shanks-Colla.

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

The CMA's internal incident and injury reporting system recorded 16 incidents in the reporting period, with six of these resulting in Workcover claims. The CMA encourages and supports incident reporting as a method for continually improving and reviewing our safety systems.

Cultural Diversity and Women

The North East CMA aims to ensure that women in our workplace, and on our boards and committees, are supported in their role. The CMA is committed to a family-friendly workplace, through workplace conditions such as paid maternity leave, carer's leave and flexible working arrangements. As at the 30 June 2007, women represented 43% of the workforce.

The CMA has noted Government direction to deliver culturally appropriate services and believes that its services, including community communications, adhere to this direction.



Workforce Data

The CMA employed 49 people in 2006/07 (46.4 FTE), this was a decrease on the previous figure of 49 FTE in the 2005/06 year. The breakdown in staff for the CMA was as follows:

	As at 30 June 2007	As at 30 June 2006
Total number of staff (full-time equivalent)	46.4	49

Staff profile by position (Full-time equivalents)						
Position	Male		Female		Total	
	2007	2006	2007	2006	2007	2006
Executive officers	1	1	0	0	1	1
Management	5	6	1	1	6	7
Water Programs	13.4	17	9.2	11	22.6	28
Strategy and Partnerships	6.6	5	4.6	4	11.2	9
Corporate	1	0	4.6	4	5.6	4

Information Technology/ Geographic Information Systems

Improvements in our information technology and the way we manage our information is ongoing. This year the focus was on consolidating the previous year's changes. In consultation with all staff, a computer usage policy and procedure manual was developed and implemented. The policy aims to provide consistent approaches to technology use and mitigate risks for the CMA.

The Internet speed at the North East CMA's Everton office was upgraded and included in the organisation's broadband network. This work is a result of the CMA participation in the Broadband Innovation Fund Spatial Imaging Project, a partnership between Multi Media Victoria, the Department of Sustainability and Environment, and the North East and North Central Catchment Management Authorities. Staff morale at the Everton site has significantly increased, along with

improved efficiencies in internal communication and operations. These benefits will be reported on as part of the project. Further enhancements to the CMA's mapping capability are the next stage of the project.

The CMA website was reviewed in consultation with our partner agencies, community and staff. The results of the review are being incorporated into website changes that are to be implemented in 2007/08.

Freedom of Information

People wishing to access information under the *Freedom of Information Act 1982* need to do so 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 \$22 lodgement fee. Further charges may be payable. Freedom of Information fees and charges are not subjected to GST.

Requests to the CMA should be sent to:

Fiona Shanks-Colla
Freedom of Information Officer
North East CMA
PO Box 616
Wodonga, Victoria 3689

Phone: (02) 6043 7600

Email: necma@necma.vic.gov.au

In the reporting period, no requests under the *Freedom of Information Act 1982* were received.

Information Retained and Available

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

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

SUPPORTING OUR PEOPLE

continued

Whistleblowers Protection Act 2001

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

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

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

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

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

The Ombudsman Victoria
Level 9, 459 Collins Street
Melbourne Victoria 3000
(DX 210174)

Internet: www.ombudsman.vic.gov.au

Email: ombudvic@ombudsman.vic.gov.au

Phone: 03 9613 6222

Toll Free: 1800 806 314

North East CMA – Application of the <i>Whistleblowers Act 2001</i>	Number	Type
The number and types of disclosures made to public bodies during the year	Nil	–
The number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures	Nil	–
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	Nil	–
The number and types of disclosures referred by the public body to the Ombudsman for investigation	Nil	–
The number and types of investigations taken over from the public body by the Ombudsman	Nil	–
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	Nil	–
The number and types of disclosed matters that the public body has declined to investigate	Nil	–
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	Nil	–
Any recommendations made by the Ombudsman that relate to the public body	Nil	–



CORPORATE GOVERNANCE

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.

(2) No other provision of this Act that confers a power on an Authority limits sub-section (1).

Functions

Catchment and Land Protection Act 1994 S12
Water Act 1989, S189, S199, and S202;

Catchment and Land Protection Act 1994 – S12

(1) Each Authority has the following functions in respect of the region for which it has been appointed –

- (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 about the funding of the implementation of the regional catchment strategy and any other special area plan;

(g) 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;

(h) to advise the Minister and provide information to the Minister on any matter referred to it by the Minister;

(i) to carry out any other functions conferred on Authority by, or under this Act, or any other Act.

(2) Each Authority has the 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.

(3) Sub-section (2) is not to be taken to be limited by any other provision of this Act that confers a power on the Authority.

Water Act 1989 – S189

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

- (a) to identify and plan for State and local community needs relating to the use and to the economic, social and environmental values of land and waterways;
- (b) to develop and to implement effectively schemes for the use, protection and enhancement of land and waterways;
 - (ba) to –
 - (i) develop and implement plans and programs, and –
 - (ii) carry out works and activities –
to maintain the environmental water reserve in accordance with the environmental water reserve objective;



CORPORATE GOVERNANCE

continued

(bb) to –

(i) develop and implement plans and programs;
and

(ii) carry out works and activities –
to improve the environmental values and health
of water ecosystems, including their biodiversity,
ecological functions, quality of water and other
uses that depend on environmental condition;

(c) to investigate, promote and research any matter
related to its functions, powers and duties in
relation to waterway management;

(d) to educate the public about any aspect of
waterway management.

(2) In performing its functions under this Act, an Authority
that has a waterway management district must have
regard to the need to maintain the environmental water
reserve in accordance with the environmental water
reserve objective.

S202 – Floodplain Management Functions

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

- (a) to find out how far floodwaters are likely to
extend and how high they are likely to rise;
- (b) to declare flood levels and flood fringe areas;
- (c) to declare building lines;
- (d) to control developments that have occurred or
that may be proposed for land adjoining waterways;

(e) to develop and implement plans and to take any
action necessary to minimise flooding and flood
damage;

(f) to provide advice about flooding and controls on
development to local councils, the Secretary to the
Department of Infrastructure and the community.

Statement of Obligations

The Minister has issued two Statement of Obligations
that the CMA is also responsible to.

Building Act Compliance

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

Major contracts

No major contracts were entered into during the
reporting period.

National Competition Policy

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

Consultancies

Consultancies greater than \$100,000				
Consultant	Project	Total Fee Approved	Expenditure 2006/07	Future Expenditure
Department of Sustainability and Environment	Living Murray – Resnagging	\$332,970	\$332,970	Nil
Sinclair Knight Merz	REALM – Lower Ovens River	\$106,195	\$52,699	\$53,496
Sinclair Knight Merz	REALM – Upper Ovens River	\$123,769	\$21,535	\$74,233
BMT WBM Pty Ltd	Wetland Strategy Development	\$163,140	\$68,632	\$94,508
Hyder Consulting	Enhancing CMA Monitoring and Evaluation Capacity	\$226,000	\$41,551	\$9,438
Consultancies less than \$100,000				
51	Various	\$692,683	\$575,135	\$144,293



FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

FINANCIAL OPERATIONS



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REPORT ON FINANCIAL OPERATIONS

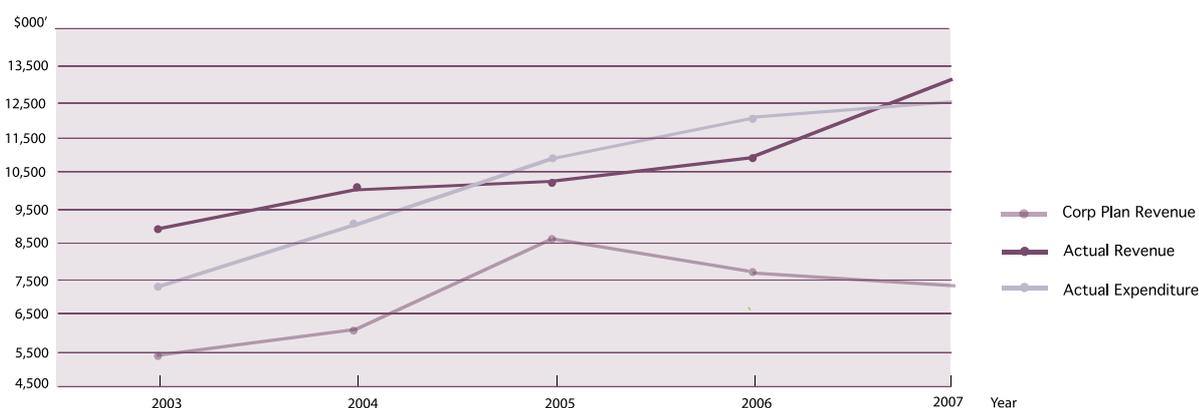
There has been a large emphasis again this year on completing works projects committed to in the previous year.

A key driver was a directive from the Department of Sustainability and Environment to reduce the cash reserves to a more manageable level. This resulted in a level of expenditure in the financial year, that was more than originally planned. Prior-year reserves have been used to cover these costs.

The CMA remains in a healthy solvent cash position as reflected in the Cash Flow Statement. Late in the financial year there were increases in the CMA's revenue due to the Department of Sustainability and Environment providing funding in advance for 2007/08 projects.

Summary of Financial Results					
	Year Ended 30/06/07	Year Ended 30/06/06	Year Ended 30/06/05	Year Ended 30/06/04	Year Ended 30/06/03
Operating Revenue	13,012,027	10,886,603	9,769,127	9,410,440	8,458,832
Operating Expenses	(12,606,306)	(12,027,761)	(10,231,862)	(8,654,989)	(6,853,304)
Abnormal Items	-	-	-	-	-
Surplus (Deficit)	405,721	(1,141,158)	(462,735)	755,451	1,605,528

Revenue Expenditure Analysis



AUDITOR-GENERAL'S CERTIFICATION



VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDIT REPORT

North East Catchment Management Authority

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

The Financial Report

The accompanying financial report for the year ended 30 June 2007 of the North East Catchment Management Authority which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's declaration has been audited.

The Responsibility of the Members of the Board for the Financial Report

The Members of the Board of the North East Catchment Management Authority are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

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Auditing in the Public Interest

AUDITOR-GENERAL'S CERTIFICATION continued

VAGO

Victorian Auditor-General's Office

Independent Audit Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of North East Catchment Management Authority as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
11 September 2007



D.D.R. Pearson
Auditor-General

2

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Auditing in the Public Interest

ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED
30 JUNE 2007

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

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2007 and the financial position of the Authority as at 30 June 2007.

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

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



S. Nicholas

Chairperson

6 September 2007



J. Riddiford

Accountable Officer

6 September 2007

OPERATING STATEMENT

	Notes	2007 \$	2006 \$
Revenue from Operating Activities			
Government contributions	3(a)	11,220,650	9,424,931
Interest	3(b)	433,585	405,520
Net profit/(loss) from sale of assets	3(b)	(8,629)	9,892
Other income	3(b)	1,366,421	1,046,260
Total revenue		13,012,027	10,886,603
Expenses			
Depreciation	9(c)	426,792	383,194
Amortisation	10	19,743	10,466
Employee costs		3,396,845	3,057,267
Derecognition of assets		–	195,514
Materials, contracts and consultancies	4	7,368,198	7,401,540
Doubtful debts expense	7	175,927	–
Other		1,218,801	979,780
Total expenses		12,606,306	12,027,761
Net result for the period		405,721	(1,141,158)

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

BALANCE SHEET

AS AT 30 JUNE 2007

	<i>Notes</i>	2007 \$	2006 \$
Assets			
Current assets			
Cash and cash equivalents	6	6,227,071	5,693,088
Receivables	7	513,078	881,212
Prepayments		15,016	5,871
Inventories	8	219,405	205,559
Total current assets		6,974,570	6,785,729
Non-current assets			
Property, plant and equipment	9	1,998,241	1,969,311
Intangible assets	10	60,614	78,043
Total non-current assets		2,058,855	2,047,354
Total assets		9,033,425	8,833,083
Liabilities			
Current liabilities			
Payables	11	1,105,728	1,368,024
Employee benefits	12	474,951	449,351
Total current liabilities		1,580,679	1,817,375
Non-current liabilities			
Provisions	13	119,509	104,860
Employee benefits	12	126,579	109,911
Total non-current liabilities		246,088	214,771
Total liabilities		1,826,767	2,032,146
Net assets		7,206,658	6,800,937
Equity			
Contributed capital	14(a)	5,103,823	5,103,823
Reserves	14(b)	2,102,835	1,697,114
Accumulated funds	14(c)	-	-
Total equity		7,206,658	6,800,937

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



STATEMENT OF CHANGES IN EQUITY

	<i>Notes</i>	2007 \$	2006 \$
Total equity at beginning of financial year		6,800,937	7,846,622
Gain/(loss) on land and building revaluations		-	78,359
Gain/(loss) on Infrastructure assets revaluation		-	17,114
Net income recognised directly in equity		-	95,473
Net result for the period		405,721	(1,141,158)
Total recognised income and expense for the period		405,721	(1,045,685)
Total equity at end of financial year		7,206,658	6,800,937

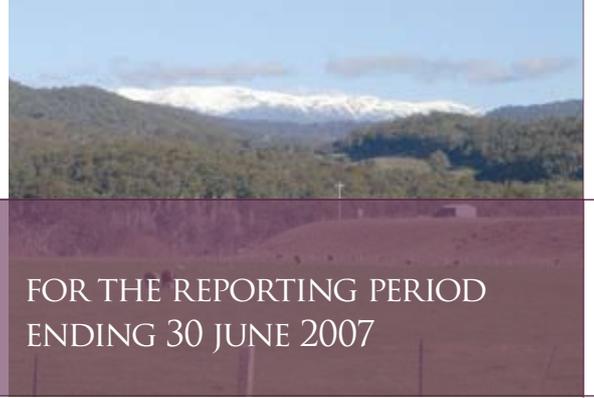
The statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT



	<i>Notes</i>	2007 \$	2006 \$
Cash flows from operating activities			
Receipts			
Interest received		440,707	413,676
Other income		1,606,643	477,105
Receipts from Government		12,189,451	10,288,708
		<u>14,236,801</u>	<u>11,179,489</u>
Payments			
Payments to suppliers and employees		12,080,772	11,484,539
GST paid to the ATO		1,155,380	154,073
		<u>13,236,152</u>	<u>11,638,612</u>
Net cash (outflow)/inflow from operating activities	19	<u>1,000,649</u>	<u>(459,123)</u>
Cash flows from investing activities			
(Payments for property, plant and equipment)		(805,324)	(746,071)
Proceeds from sale of non-current assets		340,973	303,307
(Payment for intangible assets)		(2,315)	(11,330)
Net cash (outflow)/inflow from investing activities		<u>(466,666)</u>	<u>(454,094)</u>
Net increase/(decrease) in cash held		<u>533,983</u>	<u>(913,217)</u>
Cash and cash equivalents at the beginning of the financial year		5,693,088	6,606,305
Cash and cash equivalents at the end of the financial year	6	<u>6,227,071</u>	<u>5,693,088</u>

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD ENDING 30 JUNE 2007

Note 1 Summary of significant accounting policies

(a) Basis of accounting

General

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

This financial report has been prepared on an accrual basis.

Accounting policies

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

Classification between current and non-current

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

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with A-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

(b) Revenue recognition

Fees and charges

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

Government contributions

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the Operating Statement as Government contributions. However, grants and contributions received from the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Water have indicated are in the nature of owners' contributions, are accounted for as Equity – Contributed Capital.

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

Goods and services received free of charge

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

Interest

Interest is recognised as revenue when earned.

Note 1 Summary of significant accounting policies *continued*

(c) Recognition and measurement of assets

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

Acquisition

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

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

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

Repairs and maintenance

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

Operating leases

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

Leasehold improvements

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

Non-current physical assets

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

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

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

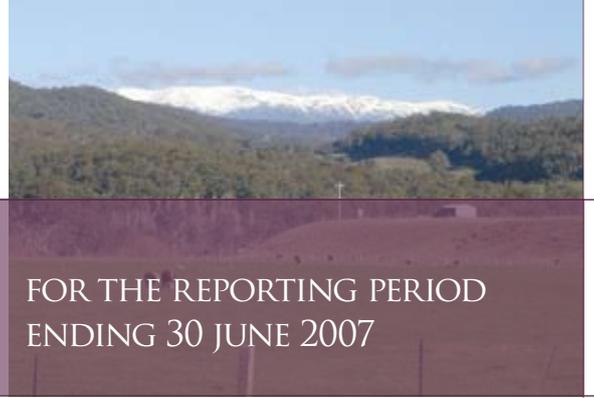
Revaluations

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

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

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

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Impairment of assets

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

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

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

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

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

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

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

(d) Depreciation and amortisation of non-current assets

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

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their

cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

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

	2007 %	2006 %
Leasehold improvements	12.5	12.5
Buildings	2.5 to 16.66	2.5 to 16.66
Infrastructure assets	1 to 10	1 to 10
Plant and equipment	2 to 33.33	2 to 33.33
Furniture and office equipment	7.5 to 33.33	7.5 to 33.33
Motor vehicles*	10 to 33.33	10 to 20

* New motor vehicles purchased during 2006/07 are depreciated at the rate of 33.33%. This was changed in line with the revision of the vehicle policy, which holds vehicles to three years or 60,000 kms whichever is the sooner.

(e) Cash and cash equivalent assets

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

(f) Receivables

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

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible

Note 1 Summary of significant accounting policies *continued*

are written off. A provision for doubtful receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

(g) Inventories

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

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

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year, which are unpaid at financial year end. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Employee benefits

(i) Wages and salaries and annual leave

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

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured 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 market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave are classified as a current liability, where the employee has a present entitlement to the benefit. The non-current liability represents long service leave entitlements accrued for employees with less than seven years of continuous service.

(iii) Superannuation

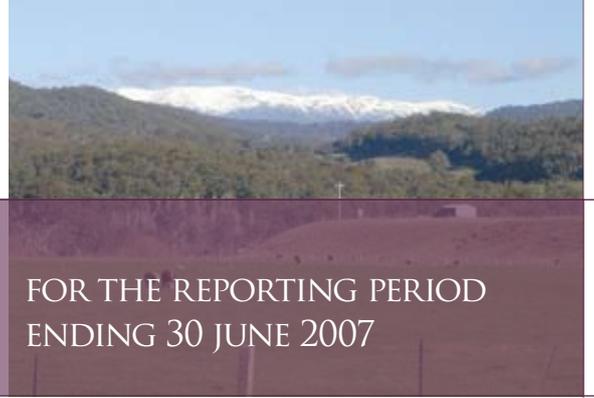
The amount charged to the Operating Statement in respect of superannuation represents the contributions made by the Authority to the superannuation plan in respect to the current services of Authority staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

(iv) Employee benefit on-costs

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

(v) Performance payments

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

(j) Changes in accounting policy

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

(k) Goods and services tax

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

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet. Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis – i.e. inclusive of GST. The GST component of cashflows arising from investing and financing activities that is recoverable or payable to the taxation authority is classified as operating cash flows of the contracts to balance date.

(l) Taxation

The Authority is not liable for Income Tax.

(m) Financial Instruments/Investments

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

(n) Intangibles

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

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

(o) Web site costs

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

(p) Provisions

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

Provisions are recognised for end of life quarry rehabilitation costs (refer note 13).

(q) Comparative amounts

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

Note 2 Financial risk management

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

(a) Market and Interest rate risk

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

At balance date no term deposit investments were held (2006: term deposit investments totalled \$5,121,826 with weighted average interest rate of 5.64%).

At the balance date \$5,247,216 was held in deposits at call with a weighted average interest rate of 6.10%.

All trade creditors and accruals are non-interest bearing.

(b) Credit risk

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

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

(c) Liquidity risk

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

(d) Fair value

Management considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The carrying amount of creditors and accruals at 30 June 2007 approximates market value.

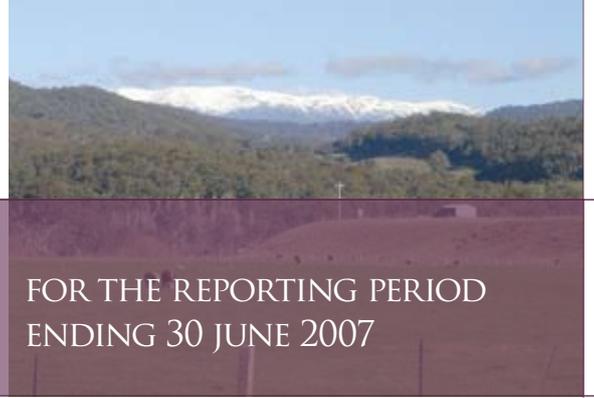
The fair values and net fair values of financial assets and financial liabilities are determined as follows:

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

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

(e) Significant terms and conditions

The Authority's terms, conditions and accounting policies for financial instruments are those adopted generally.



NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Note 3 Revenue

(a) Government contributions

Contributions to operations:

State Government

	2007 \$	2006 \$
Catchment Planning	922,000	1,000,000
Second Generation Landcare	505,000	518,294
White Paper funding	590,132	1,717,500
River Health & Water Quality	3,032,000	2,035,000
Bush Tender 06/07	113,555	-
Bush Tender 07/08	100,265	-
Drought Relief Assistance	1,264,000	-
Bush Fire Recovery	232,000	-
Natural Disaster Funding	194,020	-
Other grants	262,939	163,860
Miscellaneous	-	57,871

Commonwealth Government

National Heritage Trust and National Landcare Programme	3,953,339	3,894,909
Miscellaneous	51,400	37,497

Total Government contributions shown as operating revenue	11,220,650	9,424,931
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Capital contributions:

Total Government contributions included in income for capital purposes	-	-
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Total Government contributions	11,220,650	9,424,931
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Conditional grants

The Authority has recognised as revenue several grants received from the Government where the full project has not yet been completed.

An analysis of these grant monies is displayed at Note 15 (d).

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

	2007 \$	2006 \$
Note 3 Revenue <i>continued</i>		
(b) Other revenues		
Interest	433,585	405,520
Other:		
Water Authorities	533,751	115,000
Miscellaneous	404,970	588,360
Murray-Darling Basin Commission	427,700	342,900
	<u>1,366,421</u>	<u>1,046,260</u>
Net profit/(loss) from sale of non-current assets	(8,629)	9,892
Total other revenues	<u>1,791,377</u>	<u>1,461,672</u>
Total revenue	<u>13,012,027</u>	<u>10,886,603</u>
 Note 4 Expenses – Materials, contracts and consultancies		
Repairs and maintenance		
Motor vehicles	102,182	71,007
General	11,763	45,694
Materials	136,841	414,220
Consultants	999,301	946,419
Contractors	4,403,971	4,279,942
Incentives paid	1,714,140	1,644,258
	<u>7,368,198</u>	<u>7,401,540</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Note 5 Remuneration of auditors

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

	2007 \$	2006 \$
Paid as at 30 June 2006	-	5,400
Payable as at 30 June 2007	8,000	-
	8,000	5,400

Note 6 Cash and cash equivalent assets

Cash and cash equivalent assets

Cash on hand	400	400
Cash at bank	979,455	570,862
Deposits at call	5,247,216	-
Term deposits	-	5,121,826
	6,227,071	5,693,088

Note 7 Receivables

Current

Trade debtors	473,144	745,841
Less: provision for doubtful debts ⁽ⁱ⁾	(175,927)	-
	297,217	745,841
Other debtors	215,861	135,371
Total receivables	513,078	881,212

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.

(i) This large provision relates to amounts claimed from the Department of Sustainability and Environment (DSE) for additional contributions towards salary costs in 2006 and 2007. There is some uncertainty as to whether DSE will now fund this contribution.

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

	2007 \$	2006 \$
Note 8 Inventories		
Current		
Nursery stock	50,451	55,559
Rock stockpile	168,954	150,000
Total inventories	219,405	205,559
 Note 9 Property, plant and equipment		
(a) Classes of property, plant and equipment		
Leasehold improvements		
At cost	103,084	103,084
Accumulated depreciation	(58,918)	(46,113)
	44,166	56,971
 Land		
At valuation	185,000	185,000
	185,000	185,000
 Buildings		
At valuation	269,505	269,505
At cost	29,291	-
Accumulated depreciation	(7,660)	-
	291,135	269,505
 Infrastructure/works		
At valuation	204,853	204,853
Accumulated depreciation	(108,904)	(103,039)
	95,949	101,814
 Plant and equipment		
At cost	1,701,769	1,568,761
Accumulated depreciation	(880,342)	(789,767)
	821,427	778,994

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

	2007 \$	2006 \$
Note 9 Property, plant and equipment <i>continued</i>		
Furniture and office equipment		
At cost	301,428	290,015
Accumulated depreciation	(197,911)	(149,883)
	103,517	140,132
Motor vehicles		
At cost	602,556	538,547
Accumulated depreciation	(145,509)	(101,652)
	457,047	436,895
Total property, plant and equipment	1,998,241	1,969,311

Basis of valuation

Land and buildings were independently valued as at 30 June 2006 at market value (land) and fair value (buildings) by Fisher Murphy Valuers, Certified Practising Valuer, AAPI.

Infrastructure assets were valued by independent valuers Earth Tech Engineering, Environmental Engineers, BE, on the replacement value as at 30 June 2006, less the depreciation associated with the expired portion of its estimated total useful life.

(b) Movements during the reporting periods

	Leasehold improvements	Land	Buildings	Infrastructure and works	Plant and equipment	Furniture and office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying Amount								
Balance as at 1 July 2005	69,776	114,000	270,683	292,220	676,271	112,602	464,338	1,999,890
Additions	-	-	-	-	390,507	74,362	281,202	746,071
Disposals	-	-	-	-	(99,944)	(75)	(191,930)	(291,949)
Revaluations	-	71,000	7,359	17,114	-	-	-	95,473
Write-offs	-	-	(925)	-	-	(541)	-	(1,466)
Derecognition	-	-	-	(195,514)	-	-	-	(195,514)
Depreciation	(12,805)	-	(7,612)	(12,006)	(187,840)	(46,216)	(116,715)	(383,194)
Balance as at 1 July 2006	56,971	185,000	269,505	101,814	778,994	140,132	436,895	1,969,311

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Note 9 Property, plant and equipment *continued*

	Leasehold improvements	Land	Buildings	Infrastructure and works	Plant and equipment	Furniture and office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2006	56,971	185,000	269,505	101,814	778,994	140,132	436,895	1,969,311
Additions	–	–	29,295	–	403,359	11,413	361,257	805,324
Disposals	–	–	–	–	(146,553)	–	(202,438)	(348,991)
Revaluations	–	–	–	–	–	–	–	–
Write-offs	–	–	(5)	–	(606)	–	–	(611)
Derecognition	–	–	–	–	–	–	–	–
Depreciation	(12,805)	(0)	(7,660)	(5,865)	(213,767)	(48,028)	(138,667)	(426,792)
Balance as at 30 Jun 2007	44,166	185,000	291,135	95,949	821,427	103,517	457,047	1,998,241

(c) Depreciation charge for the year

	2007 \$	2006 \$
Leasehold improvements	12,805	12,805
Infrastructure/works	5,865	12,006
Plant and equipment	213,767	187,840
Furniture and office equipment	48,028	46,216
Motor vehicles	138,667	116,715
Buildings	7,660	7,612
	426,792	383,194

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

	2007 \$	2006 \$
Proceeds from sale of fixed assets	340,973	303,308
Less written down value	(349,602)	(293,415)
Net profit/(loss) on disposal	(8,629)	9,892

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

	2007 \$	2006 \$
Note 10 Intangibles		
Intangibles - software and licences		
At cost	90,823	88,508
Accumulated amortisation	(30,209)	(10,465)
	<u>60,614</u>	<u>78,043</u>
Movements during the reporting period		
Opening balance	78,043	77,178
Additions	2,314	11,330
Disposals	-	-
Revaluations	-	-
Write-offs	-	-
Amortisation	(19,743)	(10,465)
Closing balance	<u>60,614</u>	<u>78,043</u>
Note 11 Payables		
Current payables		
Trade payables	227,242	441,096
Accrued expenses	624,232	712,051
Other	254,254	214,877
Total payables	<u>1,105,728</u>	<u>1,368,024</u>

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Note 12 Employee benefits

Current

Annual leave	256,225	238,876
Long service leave	181,218	178,638
Other – time in lieu	37,508	31,837
Total current	474,951	449,351

Non-current

Long service leave	126,579	109,911
Total Non-current	126,579	109,911

Aggregate carrying amount

Current	474,951	449,351
Non-current	126,579	109,911
Total employee benefits	601,530	559,262

Full-time equivalent employee numbers at end of financial year:	46.4	49
-----------------------------------------------------------------	------	----

Current leave provisions represent the unconditional portion of employee benefits. The Authority expects to pay \$232,891 (2006: \$201,093) of the current provisions in the next 12 months.

Note 13 Provisions

Quarry rehabilitations

Everton	37,579	33,443
Walwa	10,294	8,951
Moyhu	15,822	13,735
Fairyknowe	15,822	13,735
Sandy Creek	39,992	34,995
119,509	119,509	104,860

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Note 14 Contributed capital,
reserves and accumulated funds

(a) Contributed capital

	2007 \$	2006 \$
Balance at beginning of year	5,103,823	5,103,823
Capital contributions	-	-
Balance at end of year	5,103,823	5,103,823

(b) Reserves

Asset revaluation reserve

Balance at beginning of year	425,274	329,800
Revaluation increment on non-current assets	-	95,474
Net transfers (to)/from accumulated funds	-	-
Asset revaluation reserve	425,274	425,274

Committed funds reserve

Balance at beginning of year	1,271,840	2,412,790
Net transfers from accumulated funds	405,721	(1,140,950)
Committed funds reserve	1,677,561	1,271,840
Total reserves	2,102,835	1,697,114

(c) Accumulated funds

Balance at beginning of year	-	208
Net result for the period	405,721	(1,141,158)
Transfer to reserves	(405,721)	1,140,950
Balance at end of year	-	-

Committed funds reserve

The reserve has been established to recognise that the Authority receives funding for programs in advance of the program works taking place. The Authority is committed to expending these funds in accordance with its Regional Management Plan in succeeding years. At the end of the financial year any Accumulated Funds which represent unexpended program funding, have been transferred to the reserve. For details of the extent of the Authority's commitments for works programs refer to Note 15(d).

The difference of \$3,471,034 between the Outstanding Works Program and the committed funds reserve represents the amount that the Authority is committed to via various works programs (Note 15 (d)) not covered by the committed funds reserve. This amount represents a balance within contributed capital previously transferred in from accumulated funds.

Note 15 Commitments

(a) Operating leases

Non-cancellable operating lease commitments inc. GST

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

	2007 \$	2006 \$
Within one year	153,076	152,350
Later than one year, but not later than five years	430,350	585,385
Later than five years	–	44,672
	583,426	782,407

(b) Capital commitments

As at 30 June 2007 the Authority had no outstanding capital commitments (2006: nil) except for those amounts contained within the Outstanding Works Programs.

(c) Non-capital commitments

As at 30 June 2007 the Authority had \$1,576,320 (2006: \$1,431,808) in non-capital expenditure commitments.

(d) Outstanding Works Programs

As at 30 June 2007, the Authority had Outstanding Works Programs totalling \$5,148,595 (2006: \$4,742,876) to complete during the 2006/2007 financial year. This consists of grants received by the Authority but not expended as at 30 June 2007.

These programs are funded from Government grants received in the 2006/07 financial year as well as from accumulated funds brought forward. Specific works programs are dependent on Government funding being made available. Consequently, there is a time lag between the date of receiving Government funding and commencement of the relevant works program.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Compliance statement as at 30 June 2007

Program	Revenue Recognised				Outgoings			Unexpended program contributions	Outstanding program commitments
	Prior Years	2006-2007	2007-2008 in advance	Total	Prior Years	Current Year	Total		
Waterway Management	15,885,340	5,371,246		21,256,586	13,869,136	5,217,026	19,086,162	2,170,425	2,170,425
Water quality	1,378,967	292,457		1,671,424	1,213,368	213,172	1,426,540	244,884	244,884
Other water	3,905,671	816,532		4,722,203	3,031,297	866,333	3,897,630	824,573	824,573
Biodiversity	3,750,512	739,640		4,490,152	3,363,188	926,621	4,289,809	200,343	200,343
Land	1,934,372	634,430		2,568,802	1,885,767	558,020	2,443,786	125,016	125,016
People, capacity & knowledge	4,120,651	1,098,583		5,219,234	3,583,238	1,165,974	4,749,212	470,022	470,022
Other programs	2,624,703	2,684,025	200,265	5,508,993	1,911,347	2,484,314	4,395,660	1,113,333	1,113,333
Corporate	3,373,267	1,531,573		4,904,840	3,373,267	1,531,573	4,904,840	–	–
Total	36,973,483	13,168,487	200,265	50,342,235	32,230,607	12,963,033	45,193,640	5,148,595	5,148,595

Refer Operating Statement & related Notes.

Note 16 Contingent liabilities

As at 30 June 2007, the Authority had issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$79,500 (2006: \$79,500).

Note 17 Superannuation

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

Fund	Type of Scheme	Rate %	2007 \$	2006 \$
Vision Super	Defined benefits	9.25-10.75%	62,074	33,891
Vic Super New Scheme	Accumulation	9%	47,133	39,796
GSO	Accumulation	9-10%	9,004	8,045
Vision Super Saver	Accumulation	9%	30,357	50,898
All Other funds	Accumulation	9%	116,449	96,369
Total contributions to all funds			265,017	228,999

As at balance date there was \$17,844 (2006: \$18,464) in contributions payable to the above funds.

No balances were repayable in respect of loans made to the Authority from any fund.

Note 17 Superannuation *continued*

Defined benefits

Vision Super is a Defined Benefit Fund. Any unfunded liability in respect to this fund would normally be recognised in the Financial Statements of the Authority. However, the Vision Super Defined Benefit Fund is a multi-employer sponsored plan. As the fund's assets and liabilities are pooled and are not allocated by employer, the actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119, the Authority does not use defined benefit accounting for these contributions. On the basis of the results of the most recent full actuarial investigation conducted by the Funds' Actuary at 31st December 2005, the Trustee has determined that the current funding arrangements are adequate for the expected defined benefit plan liabilities.

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

Note 18 Responsible persons related disclosures

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

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

Honourable J. Thwaites	(Minister)
S. Nicholas	(Chairperson)
A. Griffiths	(Deputy Chairperson)
J. Riddiford	(CEO)
L. Coulston	(Board Member)
G. Hayes	(Board Member)
T. Hillman	(Board Member)
A. Jarvis	(Board Member)
R. Park	(Board Member)
P. Roper	(Board Member)
R. Serpell	(Board Member)

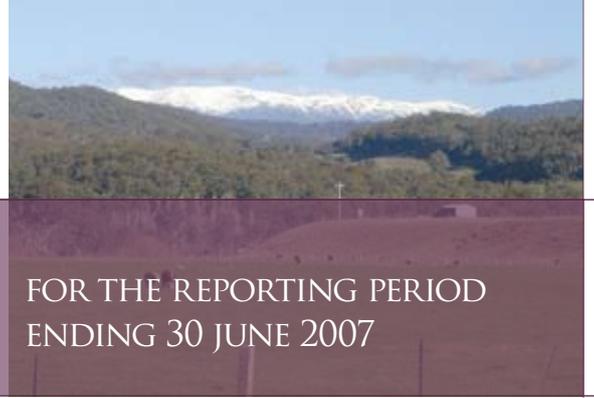
Remuneration of responsible persons

Remuneration paid to Ministers is reported in the Annual Report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests which each member of the Parliament completes.

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

Band	2007	2006
\$0-\$9,999	8	8
\$10,000-\$19,999	1	1

Total remuneration of responsible persons referred to in the above bands was \$88,800 (2006: \$80,000). The remuneration of the CEO is reported under the Remuneration of Executive Officers.



NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD
ENDING 30 JUNE 2007

Note 18 Responsible persons related disclosures *continued*

Remuneration of executive officers

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

Band	Total Remuneration		Base Remuneration	
	2007	2006	2007	2006
\$100,000-\$109,999	2	3	2	3
\$110,000-\$119,999	1	–	1	–
\$140,000-\$149,999	–	–	–	1
\$150,000-\$159,999	–	1	1	–
\$160,000-\$169,999	1	–	–	–
Total Remuneration \$	491,554	466,609	475,554	458,674

Other transactions

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2007 (2006: nil).

Responsible persons remuneration outstanding at 30 June 2007 amounted to \$3,895 (2006: \$3,772).

There were no other balances owing to or from responsible persons or their related parties at 30 June 2007.

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

	2007 \$	2006 \$
Profit/(loss) for the period after income tax	405,721	(1,141,158)
Add/(less) non-cash flows in net profit/(loss)		
(Profit)/loss on disposal of non-current assets	8,629	(9,892)
Depreciation and amortisation	446,535	393,660
Allowance for doubtful debts	175,927	–
Derecognition of assets	–	195,514
	<u>1,036,812</u>	<u>(561,876)</u>
Changes in assets and liabilities		
Decrease/(increase) in trade receivables	272,697	(295,103)
Decrease/(increase) in inventories	(13,846)	(51,510)
(Decrease)/increase in provisions	14,649	14,611
Decrease/(increase) in prepayments	(9,145)	(5,870)
Decrease/(increase) in other receivables	(80,490)	38,634
(Decrease)/increase in payables	(262,296)	257,509
(Decrease)/increase in employee benefits	42,268	144,482
Net cash flows from operating activities	<u>1,000,649</u>	<u>(459,123)</u>

Note 20 Subsequent events

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

DISCLOSURE INDEX

The 2006/07 Annual Report of the North East CMA is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Authorities' compliance with statutory disclosure requirements.

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The North East CMA extends a sincere thank you to all photo contributors.



*Diverse, Healthy Landscapes,
Vibrant Communities*



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