



**REHABILITATION OF WATERWAYS WAS A CRUCIAL PART OF THE **FIRE RECOVERY EFFORT** IN VICTORIA'S NORTH EAST. IN THE WAKE OF DEVASTATING FIRES AROUND BEECHWORTH, STANLEY, ROSEWHITE AND MUDGEGONGA IN FEBRUARY 2009, WE UTILISED OUR EXPERTISE TO HELP RESTORE AND PROTECT RIVER HEALTH.**

Diverse, healthy landscapes, vibrant communities.



**NORTH EAST  
CATCHMENT  
MANAGEMENT  
AUTHORITY**

Annual Report 2008/2009



#### COVER PHOTO STORY

In the wake of devastating fires in the Beechworth, Stanley, Rosewhite and Mudgegonga areas in February, the North East CMA worked with landholders, the Department of Sustainability & Environment (DSE), Department of Primary Industries (DPI) and local government to restore and protect river health.

Rehabilitation of waterways was a crucial part of the fire recovery effort.

Cover Picture: Mr Peter Sacco, CMA River Health Operations Manager inspecting fire damage at Barwidgee Creek, Mudgegonga in February 2009.

## CONTENTS

COVER PHOTO STORY	i	OUR PROGRAMMES	26	FINANCIAL REPORT	58
CONTENTS	1	Water		Auditor General's Certification	
MESSAGE FROM THE CHAIR & CEO	2	Strategy & Partnerships		Accountable Officer's Declaration	
HIGHLIGHTS	4	Corporate		Operating Statement	
Highlights from 2008/2009		GOVERNANCE	48	Balance Sheet	
OUR VISION	12	Our Board		Statement of Changes in Equity	
OUR MISSION	13	Senior Management Team		Cash Flow Statement	
OUR BUSINESS OBJECTIVES	13	Policies		Notes to and forming part of	
ABOUT US	14	COMPLIANCE	56	the Financial Statements	
Who We Are		Freedom of Information		APPENDICES	79
Our Role		Powers and Duties		Detailed Results Against the	
Our Region		Statement of Obligations		2008/2009 Corporate Plan	
Our Stakeholders		Building Act Compliance		GLOSSARY OF TERMS	92
OUR CATCHMENT	18	National Competition Policy		REPORT PROFILE	ii
Facts & Figures		Publications		HOW WE CAN HELP YOU	ii
Report on the Condition and		Victorian Industry Participation Policy			
Management of Land & Water		Consultancies			
Resources - Catchment Condition		Disclosure Index			
Report 2008/2009					



Planning for emergency responses



# MESSAGE FROM THE CHAIR AND CEO

2008/2009 was a particularly testing year in north east Victoria. Extreme climatic conditions highlighted the importance of emergency planning and response. The unrelenting dry conditions continued, culminating in a series of wildfires around Beechworth and Mudgegonga in February.

Many staff from the North East Catchment Management Authority (CMA) contributed to the fire recovery effort.

In the immediate aftermath, we worked with the Department of Sustainability & Environment (DSE), Department of Primary Industries (DPI) and local government to restore and protect river health and repair vital infrastructure. We responded to assistance calls from those with damaged waterways, paid eligible people to undertake priority environmental works, and provided technical expertise for an emergency stabilisation and rehabilitation plan developed for the Ovens district. Future water quality was a critical component of this report.

We then coordinated ongoing fire recovery work through the Federal Government's 'Caring for our Country' Victorian Bushfire Recovery Package.

Ironically, planning for future flooding was also top of mind for our organisation this year.

In mid February, when parts of Queensland were flooding and our region was still smouldering, we co-hosted a national floodplain conference event in Albury Wodonga. Key national and international speakers asked us to look differently at flooding and climate change. Although flooding can be disastrous for urban communities, it is essential for river health and natural wetlands linked to rivers.

However, with no floods in sight, we focussed on dry inflow contingency planning in times of extreme water shortages.

In an unprecedented collaboration, we worked with North East Water, Goulburn-Murray Water and DSE to develop a new operating agreement for periods of dry inflow. These improved planning processes will improve the sharing of water between consumptive use and environmental flows in extreme conditions.

At a business level, we undertook some minor restructures to deliver savings and continued to reduce our energy consumption. We responded to significant changes in investment, including the establishment of the Australian Government's 'Caring for Our Country' business plan and the announcement of the Victorian Investment Framework for natural resource management.

In the year ahead we look forward to working with the Victorian Government on the finalisation of the Land and Biodiversity White Paper and the Northern Sustainable Water Strategy. We also look forward to the implementation of two new 'Caring for Our Country' programmes.

In closing we would like to sincerely thank those Board members who completed their terms on 30 June 2009 - Dr Terry Hillman, Ms Rhonda Serpell and Mr Peter Roper. We extend a warm welcome to Mr Paul Carrick (Chair), Ms Susan Benedyka, Dr Alison Mitchell and Mr Bernard Young who joined the North East CMA Board on 1 July 2009.

Finally, our special thanks to the dedicated staff of the North East CMA for their enthusiasm and commitment during testing times.

John Riddiford  
Chief Executive Officer

Sarah Nicholas  
Chairperson



# HIGHLIGHTS



The North East CMA, City of Wodonga, Albury City Council and the Floodplain Management Authorities were key organisers of a national floodplain and flooding conference held in Albury Wodonga in February. More than 360 national and international delegates attended "Bridging the States: one floodplain, one unified approach".



## HIGHLIGHTS FROM 2008/2009

### LARGE SCALE RIVER HEALTH AUDIT

The North East CMA has a major waterway health programme that aims to reduce environmental threats and deliver benefits to communities, flora and fauna living along the Ovens River and its key tributaries.

In December independent consultants GHD completed an independent review of the river health work we have undertaken in the Ovens Basin since 1996 through the Victorian Government's Large Scale River Restoration programme.

This audit concluded that the nature of CMA works, combined with our focus on reducing threats posed by sediment export and seeding willow populations, are likely to lead to long-term, positive change in the Ovens. (more details on pages 32-33)

### SUPPORTING RURAL COMMUNITIES IN DROUGHT

For the third consecutive year, we coordinated the Victorian Government's Drought Employment Programme in the north-east. 135 people joined the programme this year – 45 as a direct result of the February 2009 bushfires.

We helped people to develop a work schedule that was suited to their expertise and addressed potential environmental degradation issues. Our 2008/2009 programme participants:

- sprayed more than 180 kilometres of woody weeds on crown and road frontages;
- fenced out more than 104 kilometres of waterways and gullies; and
- established more than 40 off-stream watering points.

(more details on page 37)

### CONTRIBUTING TO THE FIRE RECOVERY EFFORT

In the wake of devastating fires in the Beechworth, Stanley, Rosewhite and Mudgegonga areas in February, we worked with landholders, the Department of Sustainability & Environment (DSE), Department of Primary Industries (DPI) and local government to restore and protect river health.

Rehabilitation of waterways was a crucial part of the fire recovery effort. (more details on page 30)

### DRY INFLOW CONTINGENCY PLANNING

In an unprecedented collaboration between the lead water resource planners and agencies in the north east, we worked with North East Water, Goulburn-Murray Water and DSE to develop a new operating agreement for periods of dry inflow.

These improved planning processes will improve the sharing of water between consumptive use and environmental flows in extreme conditions. (more details on page 30)

### ONLINE TOOL HELPS PROPERTY MANAGEMENT PLANNING

Approximately 200 people signed up for eFarmer training sessions that we ran during the year. This online farm planning tool is helping farmers record farm progress and plan for the future. (more details on page 35)

### SUCCESSFUL NATIONAL FLOOD CONFERENCE

In February we co-hosted the first joint NSW/Victorian floodplain conference. More than 360 delegates attended. Guest speakers came from the United States, Europe, New Zealand and Australia. We convened a series of technical tours and special workshops focussed on linking standard floodplain technical practice with interventionist flooding for environmental purposes. (more details on page 31)

### REDUCING OUR CARBON FOOTPRINT

We continued to find ways to reduce our water and energy use, including installing a rainwater tank at our Kiewa depot. We also joined Sustainability Victoria's Resource SMART programme. We gathered baseline information about our energy and waste management programmes so that we can track and measure change. (more details on pages 46-47)

### PROMOTING A HEALTHY AND SAFE WORKPLACE

Worksafe Victoria, Beyond Blue, the Heart Foundation, GIO Insurance and the Cancer Council of Australia supported our first 'Health, Safety & Wellbeing' week held in September. We devised a series of fun and awareness activities for our employees to highlight the importance of staying healthy and safe while at work. As part of our commitment to workplace health and wellbeing, we also joined the Global Corporate Challenge - the world's largest corporate health and wellbeing initiative. (more details on pages 46-47)

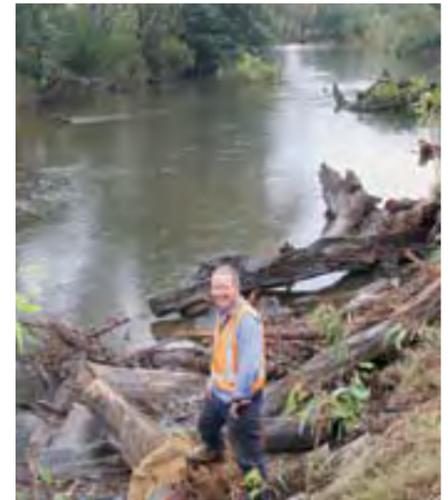
### INVESTMENT PLANNING AND PARTNER COLLABORATION

In conjunction with DSE, DPI and Local Government, we assessed the environmental value and technical feasibility of protecting high priority assets in the north east, including high capability areas of agricultural land.

Using INFERR, a new Investment Framework for Environmental Resources, we identified the highest-priority assets for investment and the policy tools that are most effective in protecting them. (more details on page 35)

### 'DOING IT WITH DUNG'

In November a regional 'Caring for Our Country' application for sustainable farming, "Doing it with Dung – from the mountains to the Murray" received funding of more than \$250,000. This project involved more than 20 Landcare groups across the region, using dung beetles as the focus for involving landholders in a range of monitoring and farm management planning and training. Our Landcare Facilitator team provided support and guidance during the development of the funding application and subsequent roll-out of the project activities. (more details on page 39)



### JULY 2008

CMA celebrated NAIDOC (National Aborigines and Islanders Day Observance Committee) week with a display of baskets in foyer created from a number of Indigenous weaving workshops held in partnership with Landcare groups in the north east.

Victorian Catchment Management Council tours North East.

### AUGUST

Green Corps Indigenous Wetland Restoration Project officially launched by Federal Minister for Employment Participation, Brendan O'Connor at Wonga wetlands.

Approx 115 people attend 'Capturing capital' workshop organised by CMA in partnership with DPI.

Approx 60 people attend young farmers forum conducted by CMA & Australian Alpine Valleys Agribusiness Forum as part of DPI rural futures programme.

La Trobe University Awards evening – North East CMA sponsors environmental science award presented to Stephanie Suter by Dr Terry Hillman (CMA Board member).

More than 100 students attend environmental roadshow event organised by CMA in partnership with Indigo Council, Department of Primary Industries, DSE, North East Greenhouse Alliance, NevRwaste, Cleanaway and SEED (Schools Environment Education Directory).

### SEPTEMBER

CMA appoints eight people to new Community Liaison Reference Group.

Wooragee Landcare group releases innovative DVD 'Where are the Barkers?' about the Barking Owls of the area.

Approx 130 people attend Environmental services forum convened by North East CMA, Charles Sturt University, North East Water, DPI Plantations North East and Australian Alpine Valleys Agribusiness Forum.

CMA hosts first Health, Safety & Wellbeing week with focus on staying healthy and safe at work.

### OCTOBER

Lyn Coulston (CMA Board member), Lindsay & Ian Humphry attend National Landcare Awards.

CMA Landcare Facilitators supported Warby Range Landcare Group to host a Landcare marquee at the Wangaratta show – more than 300 people visit site.

CMA Landcare Facilitators arrange collection days for Paterson's Curse bio-control agents – landholders from across the region collected bugs for distribution on their properties.

CMA attends Wise Water Ways Conference - A Workshop in Stream Management Principles and Practices held at La Trobe, Beechworth.

Draft Northern Sustainable Water Strategy released by Victorian Government.

CMA supports National Water Week.

CMA presents River Tender evaluation report at National Market Based Instrument Forum in Brisbane and national Veg Futures conference in Toowoomba.

### NOVEMBER

Regional 'Caring for Our Country' application secures funding of \$250K from Australian Government for 'Doing it with Dung – from the mountains to the Murray', a project involving more than 20 Landcare groups across the region.

Induction day for new Community Liaison Reference Group members.

Launch of School Environment Education Directory (SEED) at Wangaratta.

### DECEMBER

Member for Indi, Ms Sophie Mirrabella, attends Indigenous Green Corps Team graduation at Wonga Wetlands. This team had the highest graduation rate for an Indigenous based Green Corps team in Victoria.

CMA Partnership with Spotless delivers 'eco-logs' into Ovens River to create habitat for native fish.



**JANUARY 2009**

CMA Waterwatch team involved in Parks Victoria's annual summer programme where Waterwatch sessions were held for park visitors at Lake Catani.

**FEBRUARY**

CMA presents findings of the North East Greenhouse Alliance Adaption report to the EPA's Climate Change forum in Beechworth.

As part of its Volunteer Recruitment Initiative, the Victorian Government announces funding for Landcare promotional trailer.

CMA contributes to fire recovery effort.

CMA commences scenario planning for 2009/2010 water year with focus on biodiversity impacts, stress on catchment natural resource base and how the CMA should strategically adapt its programmes and priorities in response to such disturbances.

Attorney General, Robert McClelland opens first joint NSW/Victorian floodplain conference.

**MARCH**

CMA holds community reference groups meetings to inform development of Waterway Action Plans for Yackandandah Creek, King River and Snowy Creek.

Waterwatch coordinated School Environment Day in Wodonga with more than 270 students attending series of rotating activities related to water, waste, biodiversity, energy and Indigenous studies.

CMA attends interagency community meetings held at Mudgegonga and Running Creek to update landholders about fire recovery efforts.

All things fishy! - BBQ and presentation by local Freshwater Ecologist Jarod Lyon - "Tracking and Habits of Populations of Native Fish in the Kiewa River".

**APRIL**

First of three Stone Knapping workshops conducted at Burrinja Cultural Centre on Lincoln Causeway, Wodonga.

**MAY**

120 people attend future farm seminar in Beechworth organised by CMA & Australian Alpine Valleys Agribusiness Forum.

CMA hosts statewide field staff conference that involved 70 participants from CMAs and Melbourne Water.

CMA presents at English broom workshops organised by Benambra, Dinner Plain, Omeo Landcare Group who are concerned about the spread of Broom downstream through the Mitta Mitta and Murray River systems.

Ovens Landcare Network Energy Efficient Farm Practices workshops held.

Alpine Valleys Leadership graduation.

**JUNE**

CMA conducts Catchment Community Forum in Omeo - well attended, positive response. Local State member, Craig Ingram attended.

On Ground Works - crews completed work in the Upper Murray, Mitta, Omeo, Ovens Basin and along the Kiewa River in preparation for revegetation works in July.

CMA wins bronze award at Australasian Reporting Awards.



OUR VISION: Diverse, healthy landscapes; vibrant communities.



**OUR MISSION:**

To work in partnership with the community and government agencies to maintain and enhance diverse, healthy landscapes and thus to support vibrant communities in north east Victoria.

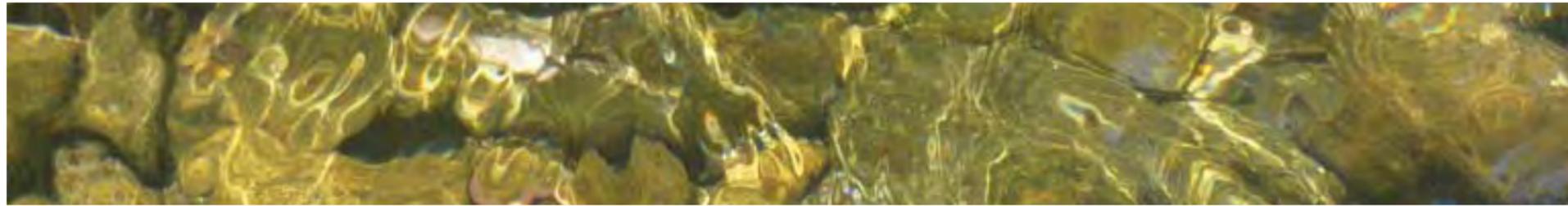
**OUR BUSINESS OBJECTIVES:**

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 the vision.

We operate by engaging the community and working in partnerships to initiate, coordinate and integrate catchment management programmes whilst 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 the downstream communities reliant on our resources.

Our ultimate purpose is to assist the north east catchment community to 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 the current and future generations.



North East Catchment Management Authority: Who we are



# ABOUT US

The North East CMA is one of ten catchment management authorities operating across the State of Victoria. The CMA works with the community, government and funding organisations to protect and enhance land, water and biodiversity resources.

We are primarily responsible for coordinating 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;
- Coordinating water quality management;
- Supporting Landcare and other community based natural resource management groups;
- Administering grants; and
- Facilitating funding.

The CMA assists in the development of regional natural resource management priorities. Our work in these areas is guided by the Regional Catchment Strategy (RCS), a five year strategy with a twenty year outlook that sets the direction for investment in natural resource management across the region.

We track and report our progress towards achieving RCS targets through an annual report on the condition and management of land & water resources. (refer to pages 22-25 of this 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.

Approximately 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.

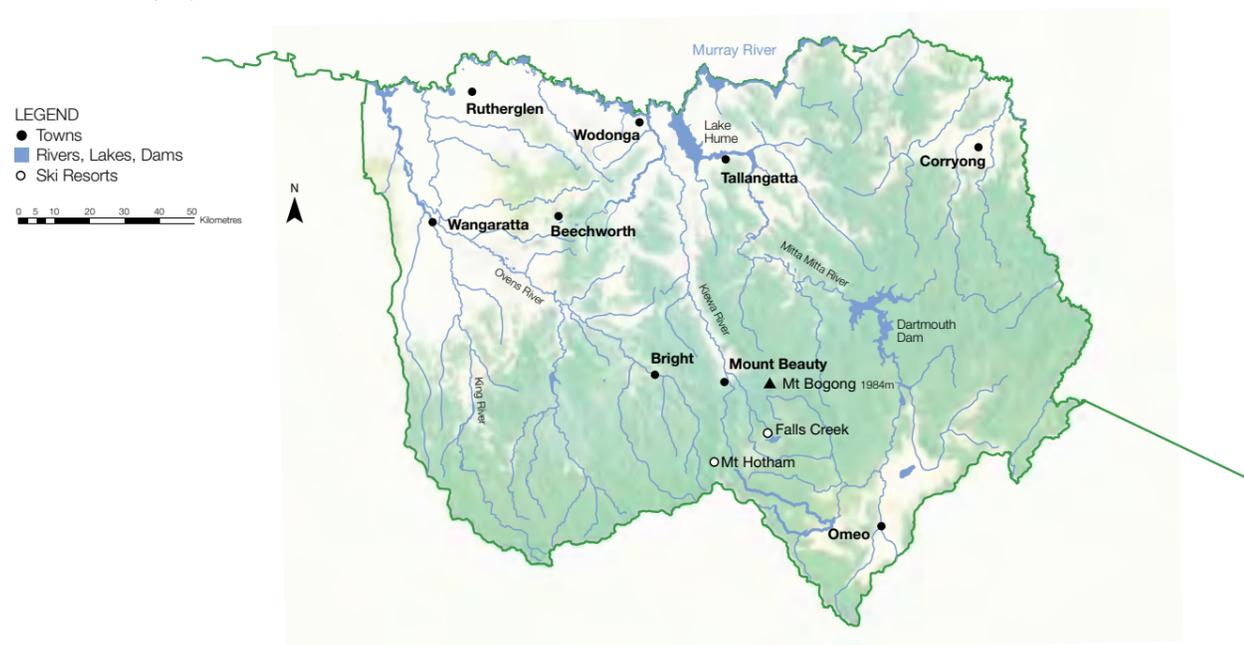
The region covers nearly two million hectares and includes the Upper Murray, Kiewa and Ovens river basins.

### OUR STAKEHOLDERS

The North East CMA invests in developing and maintaining stakeholder relationships as a key tool for meeting its business objectives. We have identified our stakeholders as follows:

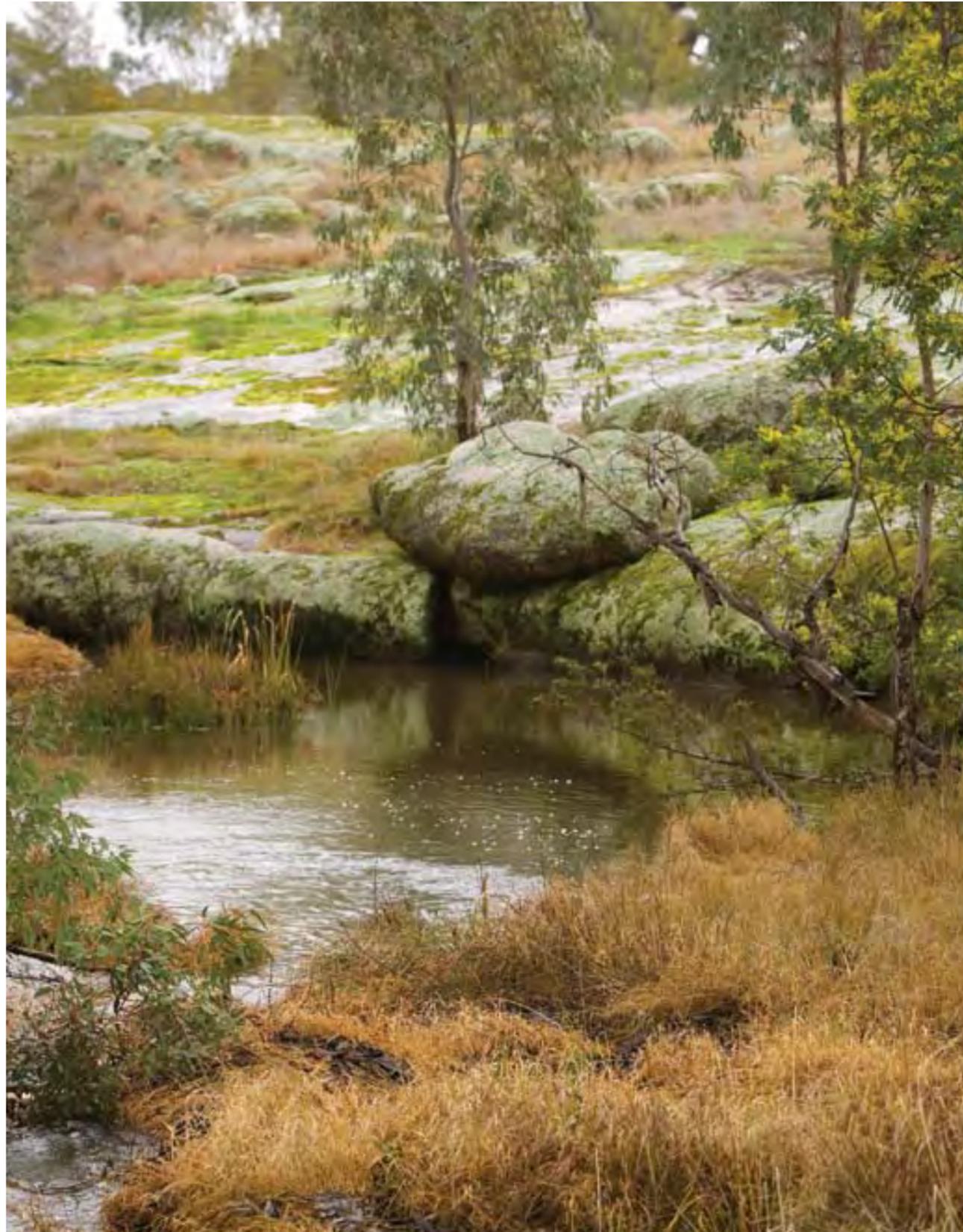
TABLE 1 - North East CMA stakeholders

Stakeholder Group	Key Characteristics	Relationship
Landholders	Rural property holders, farmers	Partner, natural resource management grants facilitation
Schools	Waterwatch participants	Education, partner, capacity building
Communities	All communities within our region	Capacity building, grants facilitation, partner
Government Departments	Includes: <ul style="list-style-type: none"> <li>• Department of Sustainability &amp; Environment (DSE)</li> <li>• Department of Primary Industries (DPI)</li> <li>• Department of Environment, Water, Heritage and the Arts</li> <li>• Department of Agriculture Fisheries and Forestry</li> <li>• Environment Protection Authority (EPA)</li> </ul>	Partner, compliance, investor
Other Natural Resource Management Organisations	Includes: <ul style="list-style-type: none"> <li>• Landcare</li> <li>• Trust for Nature</li> <li>• Local environmental groups</li> <li>• DPI regional services</li> <li>• DSE regional services</li> <li>• Greening Australia</li> <li>• Parks Victoria</li> </ul>	Partner
Staff	Direct employees and contractors	Employer
Board	Nine member Board appointed by the Minister for Environment and Climate Change	Governance, policy, strategy
Other Water Organisations	Includes North East Water (NEW), Goulburn Murray Water (G-MW) and East Gippsland Water	Partner, customer
Local Government	Includes: <ul style="list-style-type: none"> <li>• Alpine</li> <li>• East Gippsland</li> <li>• Indigo</li> <li>• Moira</li> <li>• Towong</li> <li>• Wangaratta</li> <li>• Wodonga</li> </ul>	Partner, customer





Facts & Figures General



# OUR CATCHMENT

## RAINFALL AND STORAGE DATA

The CMA's rain gauge adjacent to our Wodonga office measured 495 millimetres for the 2008 calendar year, compared with 579 millimetres in 2007. While the official regional rainfall stations in north east Victoria recorded increased rainfall the totals for 2008 were still below average resulting in limited storage recovery.

TABLE 2 - General Regional Statistics

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

TABLE 3 - Major Water Storages (at capacity)

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

TABLE 4 - Storage Capacity Comparison

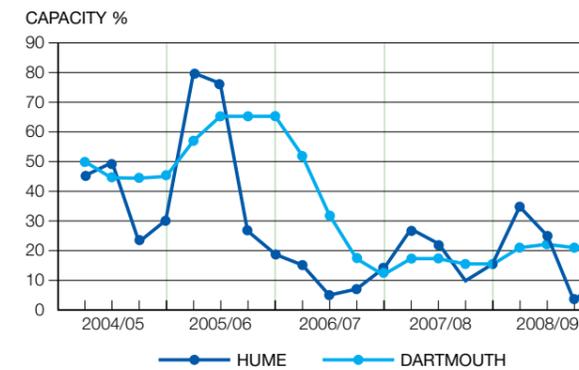
STORAGE	2008/2009 (%)				2007/2008 (%)				2006/2007 (%)				2005/2006 (%)				2004/2005 (%)			
	Q1	Q2	Q3	Q4																
Hume	35	25	4	11	28	22	10	16	15	5	6	13	80	77	26	19	45	50	22	30
Dartmouth	21	22	21	21	17	17	16	16	52	32	18	11	58	65	65	65	50	45	44	45

Note: Q1 = 30 September, Q2 = 31 December, Q3 = 31 March, Q4 = 30 June

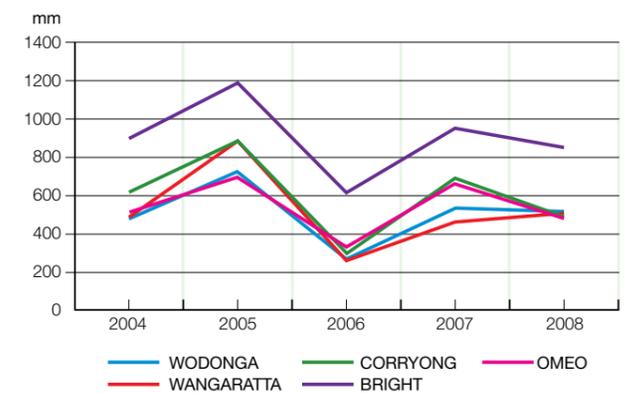
TABLE 5 - Rainfall Data

TOWN	2008	2007	2006	2005	2004	AVERAGE RAINFALL (MM)	LOWEST YEAR PRIOR TO 2003 (MM)
Wodonga	495	528	287	728	498	758	348 (2002)
Wangaratta	489	442	283	846	492	670	385 (1998)
Corryong	480	679	339	846	609	778	344 (1967)
Bright	841	955	606	1,197	893	1,169	578 (1982)
Omeo	476	663	365	698	518	675	430 (1938)

GRAPH 1 - Storage capacity Hume & Dartmouth



GRAPH 2 - Rainfall data



# ABOUT THE NORTH EAST REGIONAL CATCHMENT STRATEGY

The development of a Regional Catchment Strategy (RCS) is a legislative requirement of the Victorian Catchment and Land Protection Act 1994 which sets out how our catchment is to be managed. The North East Regional Catchment Strategy is the primary integrated planning framework for land, water and biodiversity in the north east of Victoria, and acts as an overarching strategic document from which action plans are formed.

A shared vision was established by the north east community during the RCS renewal in 2004. The vision is to achieve diverse, healthy landscapes and vibrant communities now and for generations to come. The RCS sets out an integrated catchment management approach to realise this vision, tackle priorities and achieve the natural resource management objectives of the north east community.

A copy of the North East Regional Catchment Strategy can be obtained by contacting our Wodonga office. We commenced a review of the RCS during 2008/2009. This will inform the renewal of the RCS in 2009/2010.

## MONITORING AND EVALUATION

During 2008/2009 we continued to develop processes and tools to improve our capacity for monitoring, evaluating and reporting on progress towards targets identified in the RCS. This included documenting the programme logic that links the activities implemented through programme investments to medium and longer term outcomes for the catchment.

Current reporting against RCS targets depend on assumptions that link project outputs to resource condition outcomes. We have continued to place significant emphasis on testing these assumptions to ensure the greatest reliability possible for reporting on progress towards targets.

Greater use of spatial systems for recording outputs achieved has also provided a clearer indication of where progress towards targets is being made across the catchment. We intend to implement these improvements throughout 2009/2010 as part of the renewal of the RCS and by developing capacity for community groups to spatially capture management interventions that impact on resource condition.

The report on the condition and management of land and water resources provided on pages 22-25 of the Annual Report is an interim report on our progress towards the RCS targets. We intend to publish a full Catchment Condition Report on a triennial basis, in order to match the RCS review and renewal and investment cycles. The most recent full Catchment Condition Report was undertaken in 2006/2007, a copy of which can be obtained by contacting our Wodonga office.

## REGIONAL CATCHMENT INVESTMENT PLAN PROGRAMME PERFORMANCE

The Regional Catchment Investment Plan (RCIP) is the process that directs Victorian and Australian government investment to natural resource management projects that:

- Address priority actions identified in the North East Regional Catchment Strategy and other state approved strategies; and
- Align with Australian and Victorian government funding priorities, including 'Caring for our Country'.

The North East CMA, Department of Sustainability & Environment (DSE), Department of Primary Industries (DPI), Trust for Nature and Parks Victoria deliver programmes funded through the RCIP process across the north east catchment.

## PERFORMANCE DURING 2008/2009

Overall, programmes that were funded through the Regional Catchment Investment Plan achieved their objectives during 2008/2009.

A number of projects experienced delays in activities due to availability of staff and prevailing seasonal conditions, namely drought and fires. However, others were able to take advantage of opportunities to increase activity and achieve greater outputs than anticipated.

Biodiversity investments included projects for implementing recovery and action plans for threatened species, including the Long-Footed Potaroo, Spotted Tree Frog, Trout Cod and Mountain Pygmy Possum.

Protection and enhancement of high priority vegetation communities and biodiversity assets was delivered largely through the use of covenants and property management agreements with private landowners. Revegetation works were achieved through assisting landholders with incentives to implement whole farm plans. High priority biodiversity assets targeted for vegetation protection and enhancement included areas around the Chiltern/ Mt Pilot National Park and Greta/Warby Ranges/Killawarra, Alpine habitats, Lower Ovens, Lower Kiewa, Upper Mitta rivers and the Koetong Creek.

As major contributors of water to the Murray River and supplier of water to downstream users, the health of north east rivers is particularly important.

Investments targeted implementation of Regional River Health Strategies for each of the Ovens, Kiewa and Upper Murray Basins and works on the Mitta Mitta River. Specific works included erosion and weed control works (particularly willow), fencing of remnant vegetation and revegetation works.

In this largely mountainous region where there has been considerable land clearing on private land, a focus of works included the stabilisation of gully erosion to assist the reduction in sediment and nutrient load exported to the Murray River.

An integrated programme of community education, extension, and incentives for on-ground works in a high priority sub-catchment for biodiversity & salinity was implemented. Investment also supported local government capacity to implement the North East Regional Catchment Strategy, Indigenous community engagement and environmental education in schools.

## KEY ACHIEVEMENTS BY RCIP PARTNERS

Programmes delivered by the North East CMA, DSE, DPI, Trust for Nature and Parks Victoria positively contributed to Regional Catchment Strategy goals through delivery and achievement of a range of planning, capacity building and on-ground works activities across the north east. Evaluation of these activities highlighted the following achievements:

- 198 statutory planning referrals and 300 requests for assistance were received;
- Over 70 skills, training and awareness raising events were held, involving nearly 2000 people;
- 104 community groups and 45 community projects were assisted;
- Three community driven plans that covered 11,000ha were developed;
- 212 property management plans covering over 26,000ha were developed;
- 47 Voluntary Conservation Agreements were entered into for the management of nearly 800ha of land. This included permanent protection of 248ha of priority native vegetation on five properties;
- Fencing to protect 470ha of native vegetation, including two kilometres of river frontage, and changes to grazing regimes to an additional 170ha;
- 100ha of native vegetation was re-established, including over 10ha within priority riparian zones along nearly five kms of river frontage;
- 105,000 hectares treated for priority pest species including 210 sites for fox control;
- 4330ha targeted willow control was undertaken at 14 locations;
- Two new locations were treated for new and emerging weeds;
- 9.2ha gully erosion control was treated at six sites and 1.7km of stream bed and bank was stabilised;
- 720ha of improved irrigation management practices implemented by 39 landholders; and
- More than 96,000ha of private and public land was managed to reduce the threats to significant species.

## FINANCIAL EXPENDITURE

The implementation of the North East Regional Catchment Strategy (RCS) is largely funded by the Australian and Victorian Governments. The CMA also partners with industry groups, landholders, local government and other government agencies to invest in natural resource management across the region.

TABLE 6 - Federal and Victorian Governments Investment – RCS Implementation 2008/2009

PROGRAMME	EXPENDITURE
<b>Water Programmes</b>	
River Health	4,984,086
Water Quality	68,354
Other Water	1,442,586
Fire Recovery	174,238
<b>Sub Total</b>	<b>6,669,264</b>
<b>Strategy &amp; Partnerships</b>	
Biodiversity	1,431,783
Land	1,351,067
Drought Employment Programme	1,000,000
Monitoring & Evaluation	71,308
National Landcare Programme	564,427
Statutory Operations	244,767
<b>Sub Total</b>	<b>4,663,352</b>
<b>Corporate Services (incl. WoC)</b>	
Whole of Catchment	63,655
Statutory Operations	1,072,347
<b>Sub Total</b>	<b>1,136,002</b>
<b>TOTAL EXPENDITURE</b>	<b>12,468,618</b>

FIGURE 1 - Index of stream conditions 2004



# CATCHMENT CONDITION REPORT 2008/2009

## TRACKING AGAINST THE REGIONAL CATCHMENT STRATEGY

### Outcome Statement 1 - Resilient agriculture sector maximizing productivity.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Improve surface soil (0-10cm) acidity levels of all agricultural land to better than pH 4.5 (measured in CaCl2 extract) by 2023.	195,000ha of agricultural land below 4.5 pH.	25% of target achieved to 30 June 2009. 23% of target required at this stage to achieve target.	Major soil programme delivered through Landcare 'Caring for our Country' Project outside of Regional Investment Planning processes. Unknown number of participants.		That 10% of participants in training events will reach the RCT for soil pH of 4.5.

### Outcome Statement 2 - Sustainable land management practices achieved.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Reduce the number of active gullies as at December 2005 in priority areas defined in the NESHAP (2001) by a minimum of 30% by 2023.	At the date the target was set there were 4,690 active gullies in the north East.	12% of target achieved to 30 June 2009. 7% of annual rate required. 28% required at this stage to achieve target.	4 gullies covering 9.2ha treated in 2008/2009.		At the date the target was set there were 4,690 active gullies in the north East.
Reduce the annual impact of priority and ecologically significant pest animals (rabbits, wild dogs, foxes) infestations in high priority areas on all private land by 2013.	793,000ha of private land potentially impacted by pest animals.  No benchmark data on current impact available.	no target linking annual activity to resource condition established.	Unknown amount of private land treated for pest animals.  165,000ha of public land treated for pest animals (fox, rabbits, horse, wild dogs).		Pest animal programmes will reduce the impact of priority pests on private land.

### Outcome Statement 3 - Water salinity levels do not impact on key regional and downstream assets.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Zero change in contribution to salinity at Morgan from the Ovens River as measured at Peechelba East by 2015 (MDBC 2001).  Based on 2000 conditions, utilising 1975-2000 climatic benchmark.	Approximately 56,000 tonnes is exported to the Murray River annually.	574 tonne reduction in salt loads (2299 ha revegetation since 1997).  51% of target achieved (33% required at this stage to achieve target).	99ha of revegetation with native species including riparian zone.		0.25 tonne per ha of perennial system revegetation (1997 Salinity Plan).  Actual reduction likely to vary according to seasonal stream inflow conditions.
Zero change in contribution to salinity at Bandiana from the Kiewa River as measured at Bandiana by 2015 (MDBC 2001).  Based on 2000 conditions, utilising 1975-2000 climatic benchmark.	Approximately 21,000 tonnes is exported to the Murray River annually.	574 tonne reduction in salt loads (2299 ha revegetation since 1997).  51% of target achieved (33% required at this stage to achieve target).	99ha of revegetation with native species including riparian zone.		0.25 tonne per ha of perennial system revegetation (1997 Salinity Plan).  Actual reduction likely to vary according to seasonal stream inflow conditions.

### Outcome Statement 4 - Significant reduction in the number of blue-green algal blooms within the region and the Murray River to the South Australian border.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Mean annual Total Phosphorus load from the Ovens Catchment into the Murray River reduced from 179 to 71 tonnes (40%) before 2033 (OBWQWG 2000).	Phosphorus load as at 2001 of 179 Tonnes.	total phosphorus reduction estimated at 18.9 tonnes to 30 June 2009. 30.9 tonnes required at this stage to achieve target.	9.2ha gullies treated 12.4km riparian fencing 720ha improved irrigation practices .5km stream bank stabilised"		Investment required per tonne of Total Phosphorus reduction (UNEWQS).
Mean annual Total Phosphorus load from the Upper North East Catchment to be reduced by 75 tonnes from 235 tonnes to 160 tonnes (32%) before 2033 (from Kiewa River by 38 tonnes; from Lake Hume by 37 tonnes).	Phosphorus load as at 2001 of 235 Tonnes.	total phosphorus reduction estimated at 18.9 tonnes to 30 June 2009. 30.9 tonnes required at this stage to achieve target.	9.2ha gullies treated 12.4km riparian fencing 720ha improved irrigation practices .5km stream bank stabilised"		Investment required per tonne of Total Phosphorus reduction (UNEWQS).

### Outcome Statement 5 - Natural systems understood, appreciated and protected whilst still permitting responsible public access.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Maintain the 1999 Index of Stream Condition (ISC) rating of good and excellent condition for the 830 km of stream reaches at least until 2009.	830km stream ISC rating excellent condition in 1999.	2004 Index of Stream Condition (ISC) results show no decline in river health. Next ISC rating in 2009/2010.	12.4km riparian fencing 1.1km stream bed & bank stabilised 66ha under voluntary management agreements 93ha riparian zone weeds managed		
Maintain the 1999 ISC rating of moderate condition for the 1,100 km of stream reaches by 2013.	1100km stream ISC rating moderate condition in 1999.	2004 Index of Stream Condition (ISC) results show no decline in river health. Next ISC rating in 2009/2010.	12.4km riparian fencing 1.1km stream bed & bank stabilised 66ha under voluntary management agreements 93ha riparian zone weeds managed		
By 2013, improve 20% of the 1,100 km of stream reaches classified as good and moderate ISC condition by at least one ISC category.	1100km stream ISC rating good and moderate condition in 1999.	2004 Index of Stream Condition (ISC) results show no decline in river health. Next ISC rating in 2009/2010.	12.4km riparian fencing 1.1km stream bed & bank stabilised 66ha under voluntary management agreements 93ha riparian zone weeds managed		
By 2013, improve 10% of the 302 km of stream reaches classified as poor and very poor ISC condition by at least one ISC category.	302km stream ISC rating poor and very poor condition in 1999.	2004 Index of Stream Condition (ISC) results show no decline in river health. Next ISC rating in 2009/2010.	12.4km riparian fencing 1.1km stream bed & bank stabilised 66ha under voluntary management agreements 93ha riparian zone weeds managed		

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

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

### Outcome Statement 6 - Maintain the quality of all Ecological Vegetation Classes (EVCs).

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Improve the quality of priority EVCs (as determined by the North East Native Vegetation Strategy) by 10% of 2005 levels measured by habitat hectares (NECMA 2000) by 2023.	condition and trend for native vegetation condition including assumptions associated with management action impacts and incremental decline are subject of current research to improve confidence and understanding in relation to this target.	Estimated 940 habitat ha improvement achieved due to management intervention less assumed incremental decline of 2384 habitat ha since 2001 (net loss of 1444 habitat ha).	718ha native vegetation protection and enhancement 248ha protected by legal conservation covenants 545ha under voluntary conservation management agreements 99ha native vegetation re-established 470ha native vegetation protected by fencing		Estimated losses of 228 habitat ha/year priority EVC's on private land and 70 habitat ha/year priority EVC's on public land.  1 ha of remnant protection and enhancement = 0.05 habitat ha/year gain.  1 ha of revegetation = 0.035 habitat ha/year gain over three years.

### Outcome Statement 7 - Achieve net gain in biodiversity across the region.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Achieve on-going "net gain" for all EVCs ensuring a positive gain in extent, distribution and quality at any time as measured against the previous year (NECMA 2000) until at least 2023.					Estimated losses of 228 habitat ha/year for priority EVCs on private land and 70 habitat ha/year on public land.  1ha of remnant protection and enhancement = 0.25 habitat ha gain over three years  1ha of revegetation = 0.035 habitat ha gain over three years  Plantings based on EVC benchmark and established according to minimum standards; revegetation/ regeneration in priority areas.
Increase where possible the extent of native vegetation for endangered EVCs to 15%, and the extent of native vegetation for vulnerable EVCs to 30% relative to 1750 extent levels, by 2023.	actual extent of vegetation subject to new data released in 2007.	2180ha of native vegetation re-established since 2001. 16% of 13600 ha target achieved. 5180ha required at this stage to achieve target.			Plantings based on EVC benchmark and established according to minimum standards; revegetation/ regeneration in priority areas.

### Outcome Statement 8 - Decrease in number the most highly threatened flora/fauna species and communities to levels that support self-sustaining ecosystems.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Maintain or improve (by at least one VROTS status level) the 2003 conservation status of 80% of threatened flora and 60% of threatened fauna species by 2023.	357 Victorian Rare or threatened species listed in the north East.	Priority actions being implemented for 31 fauna and 30 flora species which is 30% & 12% of number of threatened species or 51% and 15% of target required.	600 actions implemented at 100 locations for 31 fauna and 30 flora species and 3 threatened ecological communities.		Achievement of specified annual works programme will achieve target.

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

### Outcome Statement 9 - Eradicate regionally prohibited weeds, and prevent growth and spread of regionally controlled weeds. A net decline in impacts of pest plants on private and public land.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Reduce the impact of ecologically significant weeds on private land by 20% from 2003 to 2023.	793,000ha of private land potentially impacted by pest plants.  No benchmark data on current impact available.	Positive improvement observed at point of management intervention.	1456ha land potentially impacting on private land treated specifically for pest plants.  23,786ha covered by whole farm plans and 11,000ha by community driven plans.		At the date the target was set there were 4,690 active gullies in the north East.
Reduce the impact of ecologically significant weeds on public land by 20% from 2003 to 2023.	No benchmark data on current impact available.	Positive improvement observed at point of management intervention.  No benchmark to base target.	17,000ha public land treated for pest plants		Ongoing implementation of pest management programmes will reduce potential impacts.

### Outcome Statement 10 - A net decline in impacts of pest animals on private and public land.

RESOURCE CONDITION TARGET	CONDITION BENCHMARK	PROGRESS TOWARDS TARGET	ANNUAL ACTIVITY	RATING	ASSUMPTIONS USED
Reduce the impact of pest animals on private land by 20% from 2003 to 2023.	793,000ha of private land potentially impacted by pest animals.  No benchmark data on current impact available.	Positive improvement observed at point of management intervention.  No benchmark to base target.	Unknown amount of private land treated for pest animals.  165,000ha of public land treated for pest animals (fox, rabbits, horse, wild dogs).  23,786ha covered by whole farm plans and 11,000ha by community driven plans.		Ongoing implementation of pest management programmes will reduce potential impacts.
Net decline in impact of pest animals on biodiversity assets from 2003 to 2013.	No benchmark data on current impact available.	Positive improvement observed at point of management intervention.  No benchmark to base target.	165,000ha of public land treated for pest animals (fox, rabbits, horse, wild dogs).		Pest animal programmes will reduce the impact of priority pests on biodiversity assets.
<b>Footnote:</b>	Benchmark data from RCS for the outcome target/indicator (area).	Determined using outputs x assumptions from CCR dbase for cumulative years of annual activity since benchmark established and relates to outcome statement/RCT.	Is a summary of activity recorded through annual investment planning processes & projects.	Determined using outputs x assumptions from CCR dbase. Trend relates to progress towards resource condition target.	Describes the link between annual activity and contribution towards resource condition target (impact on condition trend).

#### KNOWN LIMITATIONS WITH CATCHMENT CONDITION REPORT

##### REPORTING OF ANNUAL ACTIVITY

Estimates of annual activity are based on data available for programmes implemented through the Regional Catchment Investment Plan and Parks Victoria Natural Values Management programme activities implemented in the North East region.

Activities implemented by projects funded directly to organisations outside of these funding programmes have not been taken into account when estimating contribution to resource condition targets.

Fragmentation of funding and reporting requirements for projects by State and National investment programmes has significantly impacted on the quality of data available associated with known activity during 2008/2009. This includes major investments in pest plant and animal management, native vegetation management and soil health.

##### REVIEW OF TARGETS

A review of the North East Regional Catchment Strategy is currently being undertaken. This will include a review of targets used to report on the condition and management of land and water resources in the region.



1



3



2



4

# OUR PROGRAMMES

1. **World Wetlands Day 2009** - we helped to arrange free community activities at major wetlands in our region during February. Pictured: Deborah Nias (Murray Wetlands Working Group), Kim Krebs (Murray CMA), John Hawkins (Wonga Wetlands Supervisor) and Sarah Daniell (North East CMA) ran a frog explorer evening at Wonga Wetlands. (Photo courtesy of The Border Mail)

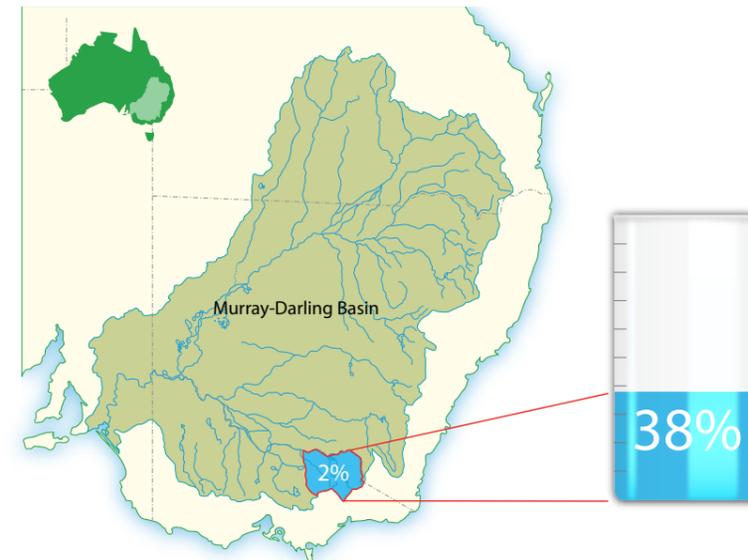
2. **Supporting rural communities** - we again co-ordinated the Victorian Government's Drought Employment Programme in the north east. 135 people joined - 45 as a direct result of the February 2009 bushfires. Pictured: Running Creek beef producers, Doug and Maria Connors received funding to assist with replacement of fences on their property. (Photo courtesy of The Border Mail)

3. **Community Liaison Reference Group** - we established a new group to assist our ongoing community engagement. Eight people were appointed to the CMA's new Community Liaison Reference Group in November. Pictured: Group members, Pamela McKimmie and Thomas Moritz (Chair)

4. **Indigenous support** - we facilitate Indigenous community involvement in natural resource management. Pictured: Uncle Wally Cooper attended a Stone Knapping workshop jointly organised by the City of Wodonga and North East CMA.

# WATER

The north east region of Victoria supplies 38 percent of the total surface water for the Murray-Darling basin, despite forming only 2 percent of the total land area.



The north east's 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.

In response to this strategy, the North East CMA's Water Programme has four areas of responsibility:

- River Health, which includes strategic and on-ground works;
- Management of the region's Environmental Water Reserve (EWR);
- Floodplain management, providing referral advice and ensuring that development does not compromise the storage functions of floodplains; and
- Research projects.

## LARGE SCALE RIVER HEALTH AUDIT

The North East CMA has a major waterway health programme that aims to reduce environmental threats and deliver benefits to communities, flora and fauna living along the Ovens River.

In December independent consultants GHD completed an independent review of the river health work we have undertaken in the Ovens Basin since 1996 through the Victorian Government's Large Scale River Restoration programme. (see case study on pages 32-33)

## VICTORIAN WATERWAYS FIELD STAFF CONFERENCE

The North East CMA proudly hosted the 20th Annual Victorian Catchment Management Authority Waterway Field Staff Conference in May.

Held in Wangaratta, the CMA showcased key works programmes that have enhanced the health of waterways and floodplains within the Ovens River Catchment. The focus of the conference was on works implementation, performance of works and monitoring of outcomes. Participants were invited to suggest improvements to methods and practices.

## CONTRIBUTING TO THE NORTHERN REGION SUSTAINABLE WATER STRATEGY

As part of its 'Our Water Our Future' action plan, the Victorian Government has committed to undertaking regional sustainable water strategies to plan for long-term water security across Victoria.

In October 2008 it released and invited feedback on a draft Northern Regional Sustainable Water Strategy.

The draft strategy related to the River Murray system and its tributaries- the Loddon, Goulburn, Broken, Campaspe, Kiewa and Ovens systems. The major urban centres it covered were; Mildura, Swan Hill, Echuca, Bendigo, Shepparton, Seymour, Benalla, Wangaratta and Wodonga.

The North East CMA sought to actively contribute to development of the Northern Region Sustainable Water Strategy, through

- a) involvement in policy development processes - the CMA was represented on the Environmental Working Group and the Consultative Committee;
- b) sharing ideas, responding to policy directions - in November we convened a northern environmental water workshop which drew together representatives from the Mallee, North Central, Goulburn Broken and North East CMA, plus research scientists and policy makers. This Forum sought to develop a collective understanding of the draft policy and to discuss and identify how the draft strategy would impact on future operations
- c) offering valued and relevant input - a number of comments submitted by the North East CMA were specifically noted by an independent review panel who assessed the adequacy of the draft strategy recommendations.

## INVOLVING ADULT VOLUNTEERS

North East Waterwatch, part of the North East CMA water team, achieved a state record in terms of involving adult volunteers in monthly water quality monitoring.

Adult volunteers collected and submitted data reports from 30 sites over the year, so helping to build knowledge about water quality across the catchment.



### USING THE DRY INFLOW CONTINGENCY PLAN TO ADAPT

The 2007/2008 Dry Inflow Contingency Plan developed by the North East CMA identified that the CMA needed to strategically adapt its programmes, budgeting and priorities to accommodate climatic disturbances such as drought.

It also identified that pre-planning is the best way to reduce risk and that the Ovens river system is the highest priority for focus in the region.

In an unprecedented collaboration between the lead water resource planners and agencies in the north east, the North East CMA this year led the process of negotiating a new operating agreement with Goulburn-Murray Water, North East Water and the Department of Sustainability and Environment. In summary, we wanted to develop a new operating agreement to ensure that environmental flows could be provided under a repeat of the record low inflows and storage levels experienced in 2006/2007.

Our joint review highlighted the need to change the bulk water entitlement for sharing of water between the environment, rural and urban users.

In March 2009, the Minister for Water approved the agreement. Improved planning processes for sharing of water in our region will help to prevent a repeat of severe water shortage as experienced in 2007. In addition, our region can better manage and accommodate a scenario equivalent to the lowest inflows on record and the subsequent failure of Lake Buffalo and Lake William Hovell to fill.

The new operating agreement is being implemented in the region. For example, there was no bulk transfer of water from the Ovens system to the Murray system at the end of the 2009 irrigation system. This reserve will support sharing of water in the Ovens system during 2009/2010.

In February, we commenced scenario planning for the 2009/2010 water year. We particularly focussed on the biodiversity impacts of ongoing drought stress on catchment natural resource base and how the North East CMA should strategically adapt its programmes and priorities to such disturbances.

### FIRE RECOVERY WORK HELPS PROTECT RIVER HEALTH

In the wake of devastating fires in the Beechworth, Stanley, Rosewhite and Mudgegonga areas in February, the North East CMA worked with landholders, state government agencies and local government to restore and protect river health.

Rehabilitation of waterways was a crucial part of the fire recovery effort.

Our river health team used a mix of river health expertise and heavy equipment to undertake rehabilitation on containment lines that were established during the immediate fire response effort. Many of these containment lines were built across or near creeks, sometimes on private property.

Together with DSE, we rehabilitated these areas. We built runoff lines and placed trees that were removed from the containment lines onto the ground to slow run-off, so preventing future erosion and silting up of waterways.

We also responded to more than 70 requests for fire rehabilitation assistance. Many of these requests were from landholders who were concerned about damage to waterways on their property.

In terms of future planning, we assisted with development of an emergency stabilization and rehabilitation plan for the Ovens district. Water quality was a critical component of this report.

In the months following the fires, farmers and community groups in fire damaged areas of our region moved from an urgent repair focus to prevention of future environmental problems.

Their efforts were supported by an allocation of \$907,000 for fire recovery work through the Federal Government's 'Caring for our Country', Victorian Bushfire Recovery Package. The North East CMA was charged with managing this environmental rehabilitation programme in the region. We contacted people to discuss ways that this additional funding could be utilised, including:

- Controlling and containing new and emerging high risk environmental weed infestations;
- Activities that support affected nationally threatened and endangered species;
- Fencing of river reaches, riparian areas and wetlands to protect important remnant;
- Vegetation areas and protecting water quality; and
- Identifying and protecting exposed Indigenous sites.

### TACKLING AQUATIC WEEDS IN WANGARATTA

A report commissioned by the North East CMA in late 2008 identified key infestations of aquatic weeds such as Parrot's Feather, Yellow Waterlily and Sweet Flag throughout the Wangaratta urban area.

In response to the report findings, the North East CMA and Rural City of Wangaratta sprayed weeds along One Mile Creek that were an emerging threat to river health. Control of Parrot's Feather (*Myriophyllum aquaticum*) was the first priority.

The CMA and Council jointly developed a management plan for Parrot's Feather throughout the One Mile Creek. This plan will involve spraying three times a year until the weed is eradicated.

The CMA's WaterWatch programme undertook macro-invertebrate and water quality sampling along the One Mile Creek at the locations where the Parrot's Feather was identified. This sampling provided important base line data to use for monitoring the affect of this aquatic weed and to inform ongoing management plans for eradicating it.

The CMA and Rural City of Wangaratta will continue to work together to control and eradicate aquatic weeds in Wangaratta, particularly; Water Poppy (*Hydrocleys nymphoides*), Yellow Waterlily (*Nymphaea Mexicana*), Taro (*Colocasia esulenta*), Sweet Flag (*Acorus Calamus*) Yellow Flag Iris (*Iris pseudacorus*), and Umbrella Sedge (*Cyperus involucratus*).

### CREATING NEW HOMES FOR NATIVE FISH

We continued to progress a native fish demonstration reach project on the Ovens River in conjunction with our partner, the Arthur Rylah Institute for Environmental Research. Utilising funding from the Murray Darling Basin Authority, we applied weed control, riparian revegetation and re-snagging techniques to the demonstration reach with a view to improving river health and aquatic habitat, and boosting native fish populations, particularly Murray Cod and Trout Cod. We also removed black willow to improve native fish habitat along the Ovens and erected fencing to exclude stock.

In December, a clever recycling initiative saw the placement of 'eco logs' into the Ovens River near Wangaratta.

Thanks to a partnership between Spotless and the North East CMA, trees that were removed for army works at Wadsworth Barracks, Bandiana were utilised for the native fish habitat restoration programme. This 'resnagging' work aimed to improve the environment for native fish in the Ovens River by creating additional shelter and breeding sites.

### DESIGNER CARROTS

In 2008/2009 we utilized funding from the Australian Government's National Market Based Instrument Capacity Building Programme, Designer Carrots, and Vic Water Trust to evaluate our River Tender programme.

River Tender is an auction-style incentive programme whereby landholders and leaseholders apply for funds by submitting a bid to undertake works that will improve river health along the Ovens, such as weed control, stock management and fencing, erosion control and planting of native trees, shrubs and grasses.

The evaluation compared the River Tender and Landholder Partnership programmes in terms of:

- Social Analysis: Landholder attitudes and behavioural change;
- Environmental Analysis: Biophysical results on-the-ground; and
- Economic Analysis: Investment costs across the two programmes.

The results have led to improved processes for landholder partnership and market based instrument projects.

### SUCCESSFUL CROSS-BORDER FLOODPLAIN AND FLOOD CONFERENCE

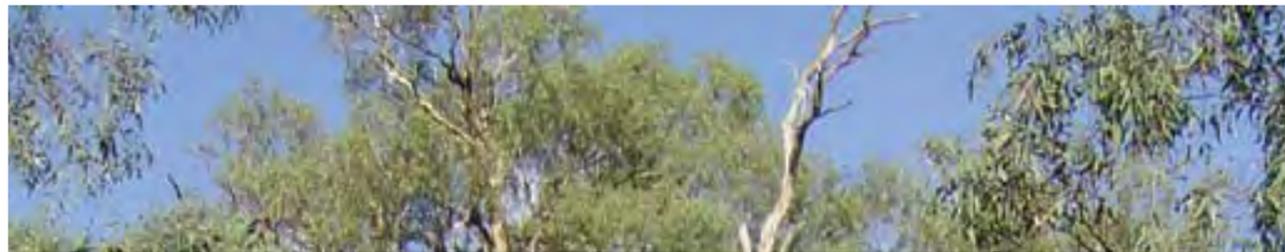
The North East CMA, City of Wodonga, Albury City Council and the Floodplain Management Authorities were key organisers of a national conference held in Albury Wodonga in February.

More than 360 national and international delegates attended the first Victorian/New South Wales cross border conference, "Bridging the States, one floodplain, one unified approach".

Speakers covered themes such as flood mitigation and planning, emergency response, climate change and changing standards, risk management and flooding for environmental values. Delegates joined technical tours at various sites along the Murray River, including:

- Wonga Wetlands to focus on floodplain ecology;
- South Albury to inspect flood mitigation;
- A new emergency management centre at Albury airport; and
- Local subdivisions to inspect flood detention, planning and zoning issues.

In a welcoming address to delegates, our Chief Executive, Mr John Riddiford, noted that the North East CMA provides important technical information to emergency services during flooding and undertakes studies to help prevent inappropriate development on floodplains.



## CASE STUDY: Review of large scale restoration along the Ovens River



### ISSUE

River systems across Victoria are under stress.

The Ovens River is one of two rivers listed in the Victorian River Health Strategy that requires special management because of its environmental values. It contributes 14 per cent of total flow in the Murray-Darling Basin, is critical for environmental flows in the Murray River, and sustains a vibrant forest and wetlands system in the lower reach.

The health of the Lower Ovens River is under threat from the impact of mining and unsustainable land clearing undertaken in the 19th and 20th centuries, ongoing unsustainable land uses in the riparian zones adjacent to the stream and its tributaries, storm water, litter, invasive weeds and other pollutants that enter from urban centres.

### APPROACH

The State Government's Large Scale River Restoration programme aims to significantly improve the health of Victoria's rivers, floodplains and estuaries by 2010, through:

- Coordination of integrated large-scale restoration activities on priority river systems to maximise river health outcomes for investment; and
- Use of these restoration programmes to demonstrate and inform the community of the effectiveness of investment in river health.

With support from the Victorian Government, the North East CMA has developed a Large Scale River Restoration programme that aims to reduce environmental threats and deliver benefits to communities, flora and fauna living along the Ovens River.

Its top priority is the protection of the high value riparian zone of the lower Ovens – the healthline for the Murray River.

Since inception of the programme in 2004/2005, the North East CMA has sought to address key threats identified for the Ovens River in the Regional River Health Strategy. Most of these arise in the middle to lower reaches and tributaries of the Ovens River, such as sedimentation, seedling willows, and impacts on water quality from unfenced frontages.

Our protection works have incorporated; riparian revegetation, pest plant control, establishment of in-stream habitat, river bed and bank stabilisation, gravel extraction, feasibility studies for fish passage design and the development of guidelines.

We have also undertaken a range of on ground works in areas where waterway action plans were developed with local communities, including Reedy Creek, King River Anabranche, Happy Valley creek, 15 Mile Creek and Deep Creek.

The North East CMA has a major waterway health programme that aims to reduce environmental threats and deliver benefits to communities, flora and fauna living along the Ovens River.

### RESULT

In December 2008, independent consultants, GHD, reviewed the river health work undertaken by the North East CMA in the Ovens Basin since 2006 through the Victorian Government's Large Scale River Restoration programme.

This independent audit concluded that the nature of CMA works, combined with our focus on reducing threats posed by sediment export and seeding willow populations, are likely to lead to long-term, positive changes in the Ovens River.

This audit highlighted that:

- the North East CMA's River Tender programme had assisted with the large scale protection of high quality remnant vegetation along the Ovens;
- a series of investigations had helped to improve river management, such as the CMA seeking alternatives for bank stabilisation through use of large wood and monitoring of sediment movement;
- the Large Scale River Restoration Project for the Ovens River adopted an integrated approach to reducing threats and enhancing habitat, delivering benefits for threatened species such as the Murray Cod and Macquarie Perch;
- the CMA had actively managed Black and Grey willow population across the system- these pose a significant ongoing threat to river health in the Lower Ovens; and
- the development and implementation of Waterway Action Plans provides an opportunity to deliver a component of the project that could be communicated with landholders and other local stakeholders.

### KEY PARTNERS

Victorian Government, adjacent landholders, Murray Darling Freshwater Research Centre, Parks Victoria, DSE Crown Land Management, Arthur Rylah Institute, CSIRO.

# STRATEGY & PARTNERSHIPS

The North East CMA is responsible for developing the North East Regional Catchment Strategy – a blueprint for investment in priority environmental works in the region. Implementation of this Strategy 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.

## INVESTMENT PLANNING AND PARTNER COLLABORATION

In conjunction with DSE, DPI and our local government partners, we assessed the environmental value and technical feasibility of protecting high priority assets in the north east, including high capability areas of agricultural land.

We particularly focussed on high capability agricultural land in the Ovens River, West Kiewa River, Mitta River and Black Swamp, plus the Boorhaman Plains and Victorian Alps.

Using INFERR, a new Investment Framework for Environmental Resources, we identified the highest-priority assets for investment in these areas and the policy tools that are most effective in protecting them.

This assessment process comprised three parts. The first two required technical expertise to determine the threat and the likely success of the management response. The third part required input from people with expertise in practice change. The use of local community knowledge is a valuable ingredient in the whole assessment process.

## WORKING WITH OUR INDIGENOUS COMMUNITY

The North East CMA continued its commitment to facilitating Indigenous community involvement in natural resource management.

In August the Federal Minister for Employment Participation, Mr Brendan O'Connor MP launched a Green Corps Indigenous Wetland Restoration project in the region. The project aims to restore four wetlands – two in Victoria and two in NSW. The North East CMA partnered with the NSW Murray CMA, Albury Council, the Indigenous Coordination Centre, Albury and Wodonga TAFE's and Parklands Victoria in developing this project.

In December the member for Indi, Sophie Mirabella was special guest at the graduation of an Indigenous Green Corps Team at Wonga Wetlands. The team achieved the highest graduation rate for an Indigenous team in NSW. The CMA played a key role in developing this innovative employment programme for young people.

## POPULAR ONLINE TOOL AIDS PROPERTY MANAGEMENT PLANNING

Approximately 200 people signed up for eFarmer training sessions run by the North East CMA during the year.

eFarmer is a free, web based aerial photography and mapping farm planning tool through which users can access Victorian government data, including information about waterways, native vegetation, soils and groundwater systems. The tool was piloted in the North East, West Gippsland and North Central regions of Victoria during 2008/2009.

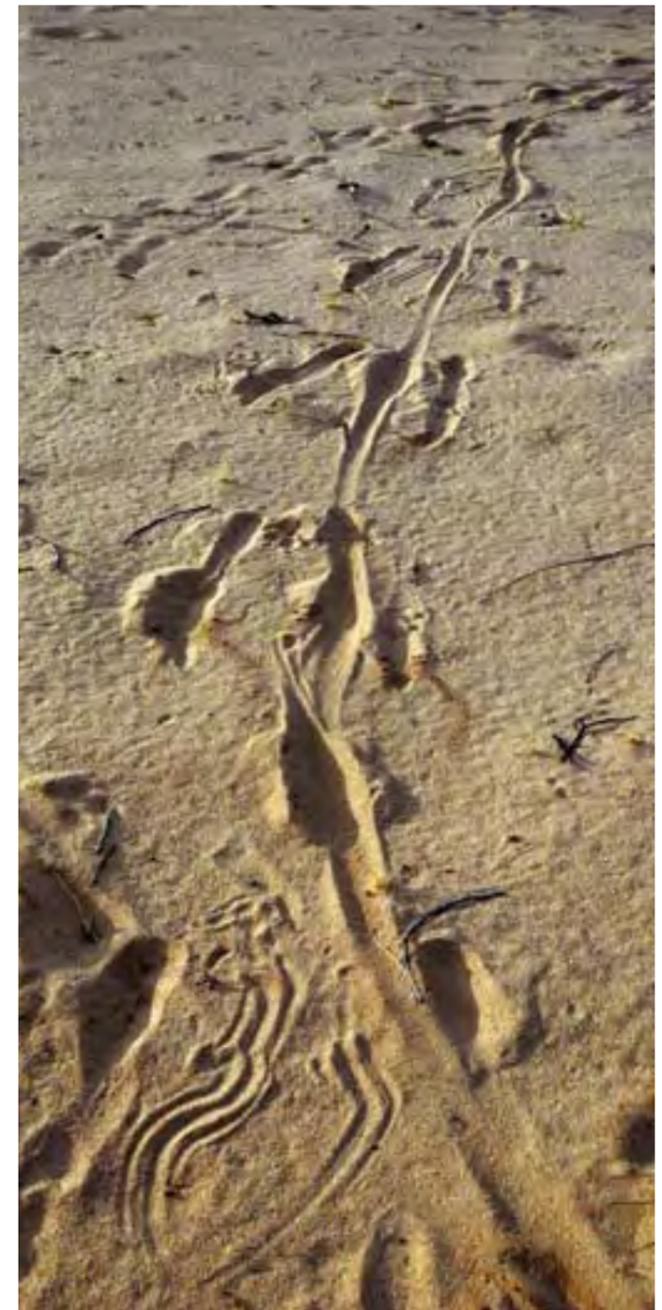
As a result of this training, farmers and Landcare groups across the North East have used eFarmer to strategically prioritise proposed works such as fencing after fire, sowing of native pasture and recording soil tests. Landcare groups are using it to map and monitor populations of Dung Beetle, including recording beetle trap locations, species numbers and types.

We plan to run more courses during 2009/2010 as this tool has proved so popular in our region.

## SUPPORTING AGRIBUSINESS

We continued to work with a range of partners to promote and foster sustainable agricultural practices across the region.

- Environmental services forum, September 2008 - some 130 farmers and land managers learnt more about the opportunities for carbon farming and the role of Market Based Instruments in securing landholders services via a seminar devised by the North East CMA, Charles Sturt University, North East Water, DPI Plantations North East and the Australian Alpine Valleys Agribusiness Forum. The panel of carbon trading and environmental experts included Martijn Wilder, head of Baker & McKenzie's global change and emissions trading practice, and Professor Max Finlayson, CSU Institute of Land, Water and Society (ILWS) director and internationally recognised wetland ecologist and advisor to the Australian Prime Minister on carbon trading, as well as Professors Mark Morrison and Allan Curtis from ILWS.
- Evergraze - we assisted in the delivery of pasture workshops at Omeo-Benambra, Glenrowan, Cudgewa, Murrumbidgee and Tallangatta Valley. These were well attended and presenters provided information on establishment, grazing and management of pastures as well as details on soil health.
- Future farming, May 2009 - 120 people attended a future farm seminar in Beechworth organised by the CMA. Speakers gave insights into global markets and customer trends for food and energy consumption.



### COMMUNITY LIAISON REFERENCE GROUP

During the year the North East CMA established a new group to assist its ongoing community engagement.

In November we appointed eight community members to our new Community Liaison Reference Group (CLRG):

Trudy Anderson, Michelle Cowan, Debi Gadd, Lindsay Jarvis, Pamela McKimmie, Thomas Moritz, Mac Paton and Jane Roots.

Each person was appointed on the basis their skills and experience in community engagement planning and activities, and their knowledge and understanding of north east communities.

The group provided valuable feedback during the review of the Community Engagement Policy, with a new policy adopted by the CMA Board in March 2009.

Members also provided suggestions for community engagement activities for a native fish demonstration reach project on the Ovens River near Wangaratta, and discussed how community engagement relates to bringing about NRM practice change. Alongside CMA staff, CLRG members are in the process of completing 'Planning for Effective Public Participation', a course designed and run by the International Association for Public Participation.

The CLRG is working with the CMA to set up a more structured process for planning community engagement activities, and a framework for monitoring and evaluation. Once this process and framework are in place, the CLRG will begin working more closely with the CMA on designing and evaluating engagement activities for a range of individual projects.

### SUPPORTING RURAL COMMUNITIES IN DROUGHT

For the third consecutive year, the North East CMA coordinated the Victorian Government's Drought Employment Programme in the north-east. 135 people joined this year – 45 as a direct result of the February 2009 bushfires.

Through this programme we helped people to develop a work schedule that was suited to their expertise and addressed potential environmental degradation issues in their local area.

The 2008/2009 participants undertook a range of activities, including:

- spraying more than 400 ha's of woody weeds on crown and road frontages;
- fencing-out 26 kilometres of waterways and gullies; and
- establishing more than 40 off-stream watering points.

Table 7 summarises the scope and impact of the Drought Employment Programme over a three year period:

TABLE 7 - Drought Employment Programme Works

ACTIVITY	2008/2009	2007/2008	2006/2007
Funding	\$1,000,000	\$824,000	\$1,295,998
No. of off-stream watering points installed	44	49	111
Riparian fencing	18.1 km	17.5 km	19.8 km
Gullies fenced	7.6 km	7.8 km	5.6 km
Remnant vegetation fenced	11.6 km	9.8 km	3.8 km
Wild Dog Fencing	n/a	4.2 km	2.0 km
Weeds treated on public waterways	240 ha	195 ha	95 ha
Weeds treated on roadsides	244 ha	79 ha	Nil
Weeds treated on private land	n/a	241ha	280 ha
No. of trees planted for erosion control	11,000	11,290	24,990
No. stock containment areas	44	44	235



## CASE STUDY: Doing it with dung



### ISSUE

Soil erosion, soil structure decline, organic matter loss and salinity are all significant soil health issues in the north east. The region also has some of the most acidic soils in Victoria. Innovative work begun four years ago by beef cattle farmers in the Upper Murray is now reinvigorating interest in soil health and re-energising social groups. Individual farmers and Landcare groups are focussing their efforts on the release and monitoring of dung beetles.

### APPROACH

Lucyvale is a geographically isolated valley in the mountains of north east Victoria. It is largely populated by beef cattle farmers. Most properties start in the valley floor beside Cudgewa Creek and sweep up into rugged timbered ridges. Approximately 10,000 acres is farmed, carrying some 3000 beef cattle and a small number of sheep and goats. The annual rainfall is 800mm plus with the highest rainfall occurring in the winter months.

In 2005 the Lucyvale Better Beef Group successfully applied for funding under the National Landcare Programme to release a range of dung beetles in the valley. Their project focussed on improving phosphorus and nitrogen retention, soil productivity and water quality in Upper Cudgewa Creek Catchment. Its key aims were to:

- Achieve year round dung burial through the introduction of 8-10 species of dung beetles;
- Invite all Lucyvale landholders to be part of the project;
- Provide field and training days;
- Monitor dung beetle activity, soil health and water quality;
- Promote the benefits of dung beetles to the wider community;
- Encourage Lucyvale landholders to use dung beetle friendly farming practices, and
- Develop a resource guide with a wide range of information about dung beetles.

### RESULT

The success of the Lucyvale group project is spreading, particularly through the distribution of a dung beetle resource guide to interested landholders.

In August 2008, the Kiewa Catchment Landcare Groups, in conjunction with the Lucyvale Better Beef Group and Landcare facilitators from the North East CMA, developed an application to fund a catchment-wide "Dung beetle – Soil health – Water quality" project. The application attracted enormous community support.

In November the Federal Government announced funding of \$ 250,000 for 'Doing it with Dung – from the mountains to the Murray' as part of its regional 'Caring for Our Country' open grants process.

The project commenced in January 2009, spanning the entire north east catchment and also Corowa shire on the NSW border.

Key aspects of the project include:

- The establishment of fortnightly dung beetle community-based monitoring sites;
- Training of volunteers in beetle identification and monitoring;
- Distribution of dung beetle species and trialling of potentially suitable species; and
- Caring for beetles, soil health and parasite management field days.

The North East CMA has supported the rollout of the project, including running eFarmer training for landholders to assist with monitoring and assisting with the release of dung beetles.

Hosted by the Kiewa Landcare Network, 'Doing it with Dung; From the Mountains to the Murray' has secured the support and involvement of more than 20 Landcare groups and 80 community monitors, with around 120 sites being monitored for dung beetle species and numbers. This regional project is exceeding targets and building interest and skills of landholders across the north east and beyond.

### KEY PARTNERS

Kiewa Catchment Landcare Group, Lucyvale Better Beef Group, North East CMA, Australian Government, Landcare groups across the north east and Corowa Shire, landholders and community volunteers.

Landcare groups are using dung beetles as a focus for involving landholders in monitoring and farm management planning and training. 201,000 dung beetles (201 colonies) were released across the catchment and Corowa shire during the year.

# CORPORATE

The North East Catchment Management Authority believes in the importance of providing a safe working environment, and investing in its people and the systems that they use. Corporate Service manages the financial, health and safety, vehicles, human resources, information technology and communication functions of our organisation.

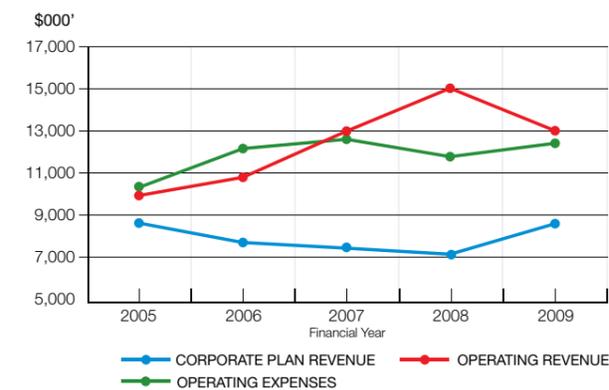
## FINANCIAL SUMMARIES

The CMA continues to remain in a healthy, solvent cash position as reflected in the Cash Flow Statement. The Department of Sustainability and Environment issued a directive in 2007/2008 that carry forward cash was to be at a benchmark rate of 35% of current year revenue. This directive has been extremely difficult to meet in the current and recent years as there has been funding received late in the month of June. This year there was \$3 million received from investors and various minor sources in the final two weeks of the financial year. Taking this \$3 million into account and the \$2.9 million in committed funds for the Ovens Stream Flow Tender project (received in 2007/2008 with a directive from DSE to not spend these funds until 2009/2010), the Cash Held as a percentage of Revenue would decrease to approx 45%. There were no matters which changed our financial position during the reporting period.

TABLE 8 - Summary of Financial Results

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Operating Revenue	12,996,898	15,029,688	13,012,027	10,886,603	9,769,127
Operating Expenses	(12,468,618)	(11,919,430)	(12,606,306)	(12,027,761)	(10,231,862)
Surplus (Deficit)	<b>528,280</b>	<b>3,110,258</b>	<b>405,721</b>	<b>(1,141,158)</b>	<b>(462,735)</b>
Cash Held	10,415,581	9,452,762	6,227,071	5,693,088	6,606,305
Cash Held as a Percentage of Revenue	80%	63%	48%	52%	68%

GRAPH 3 - Revenue/Expenditure Analysis

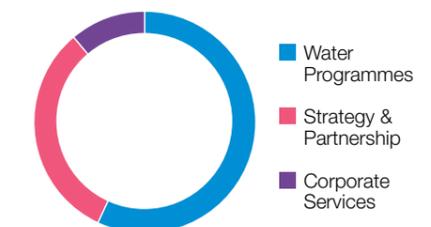


A breakdown of the revenue and expenditure by programme is provided in the following table.

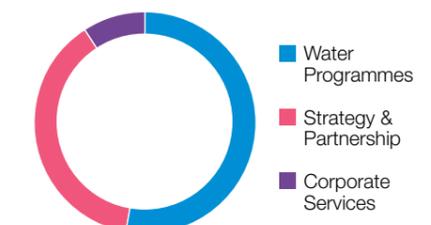
TABLE 9 - Revenue and expenditure 2008/2009

PROGRAMME	REVENUE 2008/2009	EXPENDITURE 2008/2009
Water Programmes	7,422,147	6,669,264
Strategy & Partnerships	4,119,927	4,663,352
Corporate Services	1,454,824	1,136,002
TOTAL	12,996,898	12,468,618

GRAPH 4 - Revenue 2008/2009



GRAPH 5 - Expenditure 2008/2009



## OUR STAFF

### OUR WORKFORCE PROFILE

The Authority employed 43 people in 2008/2009 (37.75 FTE), a decrease on the previous figure of 46 people (44.02 FTE) from the 2007/2008 year. The breakdown in staff for the Authority was as follows:

Workforce data staffing trends (FTE)

2009	2008	2007	2006	2005
37.75	44.02	46.4	49	39

	Employees			
	Employees (Headcount)	Full time (Headcount)	Part time (Headcount)	FTE
June 2009	43	31	12	37.75
June 2008	46	40	6	44.02

Gender	2009		2008	
	Employees (Headcount)	FTE	Employees (Headcount)	FTE
Male	24	23.3	26	25.6
Female	19	14.45	20	18.42
<b>TOTAL</b>	<b>43</b>	<b>37.75</b>	<b>46</b>	<b>44.02</b>

Staff profile by position (FTE)	Male		Female		Total	
	2009	2008	2009	2008	2009	2008
Executive Officers	1	1	0	0	1	1
Management	2	3	.8	1	2.8	4
Water Programmes	12	12	6.2	7.12	18.2	19.12
Strategy & Partnerships	7.3	8.8	3.8	5.5	11.1	14.3
Corporate	1	0.8	3	4.8	4.65	5.6
					<b>37.75</b>	<b>44.02</b>

Annual Turnover (cumulative at year end)

2009	2008	2007
15%	29%	19%

### OUR EMPLOYMENT FRAMEWORK

The CMA, in partnership with its employees and the Australian Services Union, successfully completed the renewal of the CMA's Workplace Agreement 2008-2011. The Agreement came into effect on 7 May 2009. The agreement aims to offer flexible working conditions, provide a framework to ensure all employees have access to learning and development opportunities and rewards employees on the basis of skills and satisfactory work performance.

The CMA works extremely hard to resolve issues fairly. As a result of this, the CMA had no lost days due to a workplace dispute.

### STAFF CONSULTATION

The CMA Staff Consultative Committee met twice during the year. This committee aims to address issues that arise from the implementation of the Workplace Agreement and provides advice to management on staff related policies. The Committee is made up of six elected employee representatives and one management representative. Key issues discussed this year included the CMA's organisational wide market salary review, the Fair Work Act 2009, implementation of the new workplace agreement and the organisation's sustainability performance.

### HEALTH AND SAFETY

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

To enable an open and clear consultation process, we have four designated work groups across the CMA. Group members elect their representative who sits on the Occupational Health and Safety Committee.

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

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

This year, for the first time, the Committee in conjunction with management developed a work plan with defined goals and targets.

The work plan defines outcomes and targets for the reporting period based around four themes; ensuring commitment, improving consultation, ensuring a working OHS system and improving the culture. The emphasis is on positive performance indicators aimed at engendering a positive and proactive OHS culture. The work plan and our progress against this work plan are highlighted in Table 10.

TABLE 10 - Occupational Health and Safety workplan 2008/2009

OUTCOME	NO.	INDICATOR	TARGET 2008/2009	PERFORMANCE	RESULT
ENSURING COMMITMENT	1	Items submitted to SMT from the OHS Committee for consideration are considered within a reasonable time	100% of OHS submissions addressed within the next two subsequent meetings	3 reports submitted and reviewed by SMT on time	●
	2	SMT Quarterly reports are formally received	4 reports received	4 Quarterly reports completed and submitted	●
	3	SMT Managers attend one OHS Committee meeting each during the year	4 individual attendances	Manager Corp Serv – all meetings Manager Strategy & P'ship – January CEO & a/Manager Water – March	●
	4	SMT ensure staff are supported and resourced to enable them to participate in Health, Safety and Wellbeing Week	90% staff attendance	96% attendance at compulsory training, 68% at optional events	●
IMPROVING CONSULTATION	5	OHS Committee meets regularly during the year	6 meetings held	6 meetings held	●
	6	Attendance rate of all OHS committee members at meetings	95% attendance rate overall	84% average attendance rate for 2008/2009	◇
	7	OHS Toolbox meetings conducted within workgroups as per the target listed	S&P OHS agenda item at 100% of team meetings, Corporate addresses OHS at 100% of team meeting held, Water addresses OHS at 100% of team/toolbox meetings held.	Safety discussed at each team meeting	●
	8	Health and Safety specific noticeboards implemented at all office locations	4 noticeboard implemented	Board quote approved and ordered	◇
	9	OHS minutes communicated to all employees after each meeting	6 sets of minutes distributed and placed on noticeboards	6 sets of minutes distributed	●
	10	Health, Safety and Wellbeing week held	1 Health, Safety and Wellbeing week held	1 H, S & W held	●
ENSURING A WORKING OHS SYSTEM	11	Safety Walks conducted on time and as per the agreed IMS schedule	100% of safety walks held	86% of safety walks completed	◇
	12	Incident reports investigated	100% of incident reports investigated by Manager Corporate, HR Team Leader or OHS committee	100% incidents investigated	●
	13	IMS Safety procedures reviewed	10 x IMS Safety Instructions reviewed	12 Safety Instructions reviewed	● ★
	14	OHS Committee members complete training	100% of OHS members complete training	100% completed training	●
IMPROVING THE CULTURE	15	Increased awareness of OHS	Increase in documentation/reports from each workgroup	17 incident reports submitted	●
	16	Improved awareness of OHS among staff	Improved organisational results in the People Matter Survey compared to previous year	Results communicated to OHS committee and all Staff	●

### PROJECT MEASURES

- ★ Achievement or exceptional performance to report
- Task completed
- Task on track to meet completion date
- ◇ Task requires attention to meet schedule

- ▼ Task not on track to meet schedule
- Task in planning phase or yet to commence
- Task on hold
- Task pending completion of other tasks

## STAFF SATISFACTION

The CMA recognises and values the feedback that it receives from its employees. Each year we participate in the Victorian Public Sector People Matter Survey. This survey aims to measure employee perceptions of the values and principles underpinning the organisations culture and operations. The 88% response rate was fantastic, up from 67% the previous year.

TABLE 11- People Matter Survey Results

	Percentage Agreement Measure		
	2008	2007	2006
<b>Public Sector Values</b>			
Responsiveness – providing best standards of service and advice	92%	90%	88%
Integrity- earning and sustaining public trust	92%	88%	92%
Impartiality – acting objectively	90%	87%	89%
Accountability – accepting responsibility for decisions and actions	86%	81%	83%
Respect – treating others fairly and objectively	88%	84%	87%
Leadership- actively implementing, promoting and supporting the values	77%	80%	N/A
Human Rights – as set out in the charter are upheld	84%	N/A	N/A
<b>Public Sector Employment principles</b>			
Merit – choosing people for the right reasons	87%	89%	80%
Fair and reasonable treatment – respecting and balancing people’s needs	84%	83%	93%
Equal employment opportunity – providing a fair go for all	96%	95%	93%
Reasonable avenue of redress – resolving issues fairly	80%	84%	82%
<b>Workplace Environment</b>			
Workplace Health and Safety – awareness and systems	98%	88%	97%
Workplace wellbeing	78%	85%	88%
Commitment and retention	74%	75%	83%

## TRAINING AND DEVELOPMENT

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

This year, Andrew Briggs (Waterways Project Officer) completed the Graduate Certificate in River Health (Melbourne University), Matthew O’Connell (EWR officer) completed the Alpine Valleys Leadership Programme and Fiona Shanks (HR Team Leader) completed the Bachelor of Business Human Resource Management (Charles Sturt University). Chris Reid (Manager Land Stewardship) and Judith Samways (Community Liaison Facilitator) commenced postgraduate studies and Michael Broughton (Works Supervisor) and Vito Conticchio (Waterways Field Crew) commenced a Diploma of Natural Resource Management at the Riverina Institute of TAFE.

Organisational wide training has included a Workplace Obligations course (which covers key Victorian Legislation), Microsoft Office 2007 and First Aid Level 1 & 2.

## CULTURAL DIVERSITY, WOMEN AND YOUNG PEOPLE

The North East CMA aims to ensure that women in our workplace, on our boards and our committees are supported in their role. The CMA is committed to a family-friendly workplace, through workplace conditions such as paid pre natal leave, paid maternity leave, carer’s leave and flexible working arrangements. As at 30 June 2009, women represented 44% of the workforce (headcount) and 38% of the workforce (full time equivalent).

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

The CMA employs an Indigenous Liaison Officer who works with local Indigenous communities to coordinate natural resource management projects.

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

## INFORMATION TECHNOLOGY

### CITRIX

The CMA started implementation of a new Citrix Environment to enhance the IT capability of the three offices/depots external to head office. A proof of concept trial was undertaken with these offices and it displayed increased system responsiveness for staff. A Citrix Access Gateway is also being implemented to allow secure access to the CMA systems from anywhere where an internet connection exists.

### ASSET REPLACEMENT

The three yearly asset replacement programme implemented this year resulted in upgraded computers and software systems. The major challenge of the upgrades was in the significant changes to the Microsoft Office Suite 2007. Some staff have undertaken training in the new software. The CMA will organise additional training for staff early in 2009/2010.

### ONLINE RESOURCE RESERVATION AND DIARY SYSTEM

A new resource reservation system was implemented at the CMA during the year. Using Microsoft Outlook and Microsoft Exchange, the CMA’s email system, it allows the booking and lending of CMA equipment more easily. The system has been designed to allow more open access to booking equipment, remove reliance on reception staff for equipment booking and remove problems associated with overnight synchronisation of diaries between the two Wodonga offices.



## CASE STUDY: Reducing our environmental impact



### ISSUE

Australian businesses are seeking new ways to reduce their carbon footprint.

In 2006 the North East CMA commissioned an independent energy audit of its Wodonga offices and Everton and Kiewa Depots to identify opportunities for reducing energy use and greenhouse gas pollution.

This audit concluded that CMA staff had good energy-conserving behaviour. It also identified energy saving steps that we could undertake to reduce greenhouse pollution.

### APPROACH

The CMA continues to implement recommendations from the audit and seek opportunities to reduce energy use and waste.

Our Corporate Services team monitors overall CMA energy use each quarter and provides feedback to staff, so helping to foster and encourage change.

We recycle where possible and endeavour to procure goods from "green" suppliers. All CMA offices have designated recycling bins for paper, plastic and other recyclable materials. Some staff regularly take food scraps home to feed livestock and bring home grown produce to share with others.

During 2008/2009 the North East CMA:

- became a partner in the ResourceSmart programme facilitated by Sustainability Victoria. This programme provides the framework to achieve Victorian Government policy commitments as outlined in the Our Environment Our Future – Sustainability Action Statement 2006. It also provides a framework that helps the CMA achieve further carbon emission reductions over and above initiatives already being undertaken;
- installed a 100,000 litre rainwater tank at our Kiewa depot; and
- commenced the Global Corporate Challenge, a 125 day health and wellbeing programme designed to encourage employees to be more active. As of 30 June 2009, we had achieved a total abatement of 180kg of CO<sub>2</sub>-e from walking.

### RESULT

Reductions in our energy consumption and changes to our vehicle fleet have resulted in a steady decrease in carbon emissions since the inception of our programme in 2006.

### KEY PARTNERS

The North East CMA is a member of the North East Greenhouse Alliance (NEGA). Through our involvement in the Alliance we aim to work with local stakeholders in a variety of greenhouse project areas such as carbon sinks, community energy efficiency, climate change adaptation strategies, renewable energies and alternate fuels and vehicles.

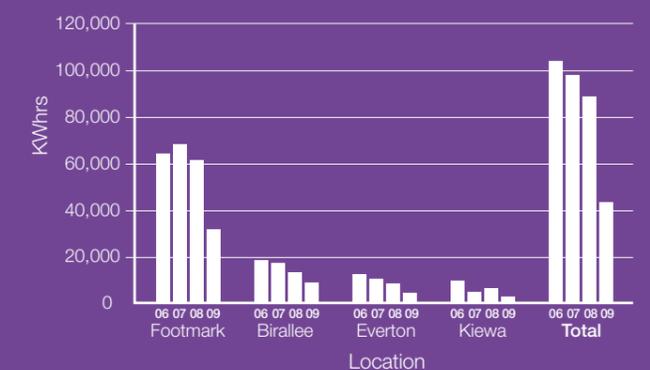
TABLE 12 - North East CMA energy use

Energy Use (Electricity)		
Year	kWh	% change
2005	105,413	NA
2006	104,077	-1.3%
2007	97,606	-6.2%
2008	87,157	-10.7%

TABLE 13 - North East CMA Vehicle Fleet Emissions (CO<sub>2</sub> tonnes)

Year	Electricity	Transport Fuel	Total	% Change
2005	138.1	NA		
2006	136.3	314.18	450.5	
2007	127.9	302.23	430.1	-4.53%
2008	112.4	267.00	379.4	-11.79%

TABLE 14 - Energy consumption year on year \*



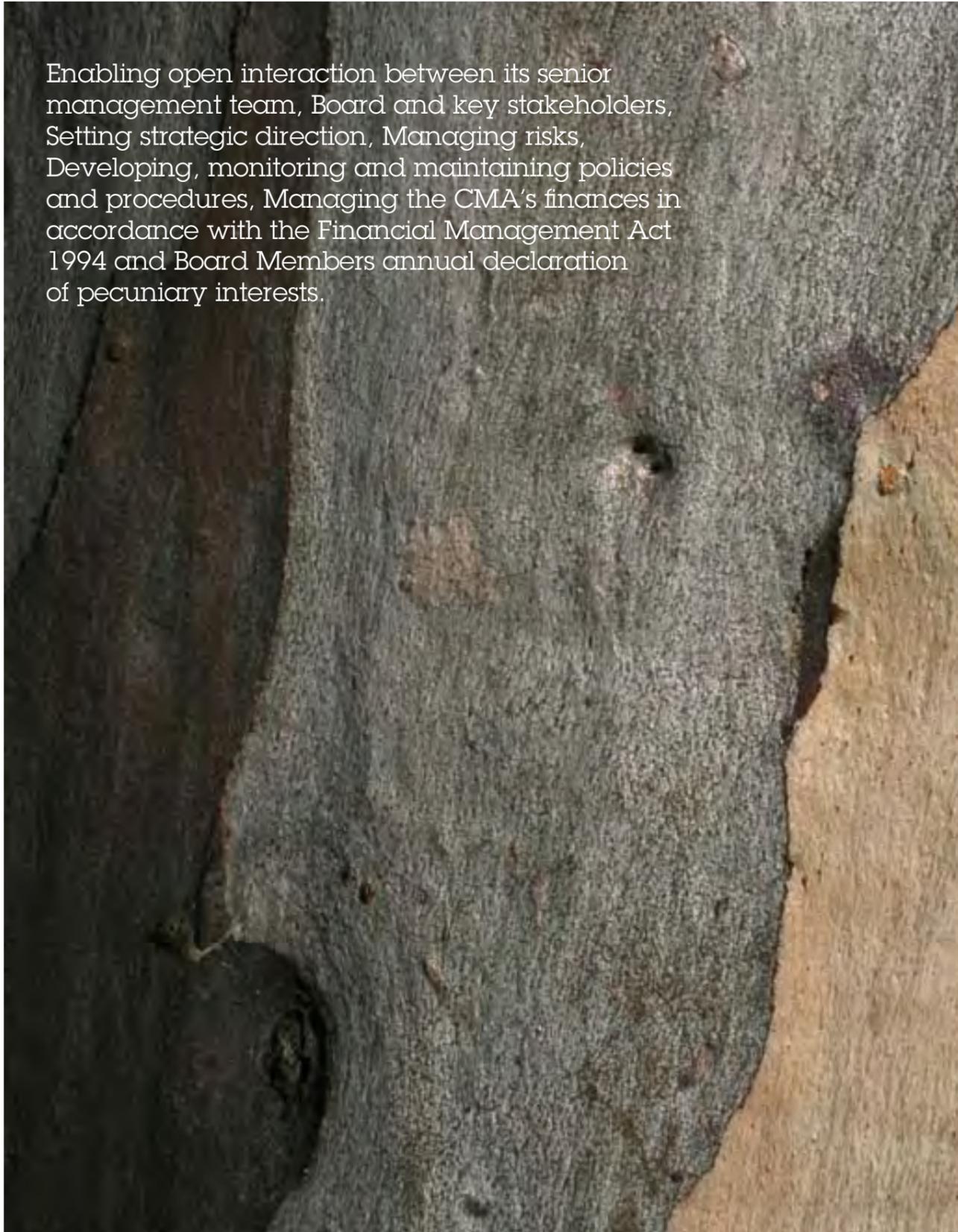
\*note information is collected by calendar year so data for 2009 is not yet finalised.

Our staff members are committed to protecting the environment and reducing our overall impact on natural resources.



The North East CMA values and upholds good governance practices by:

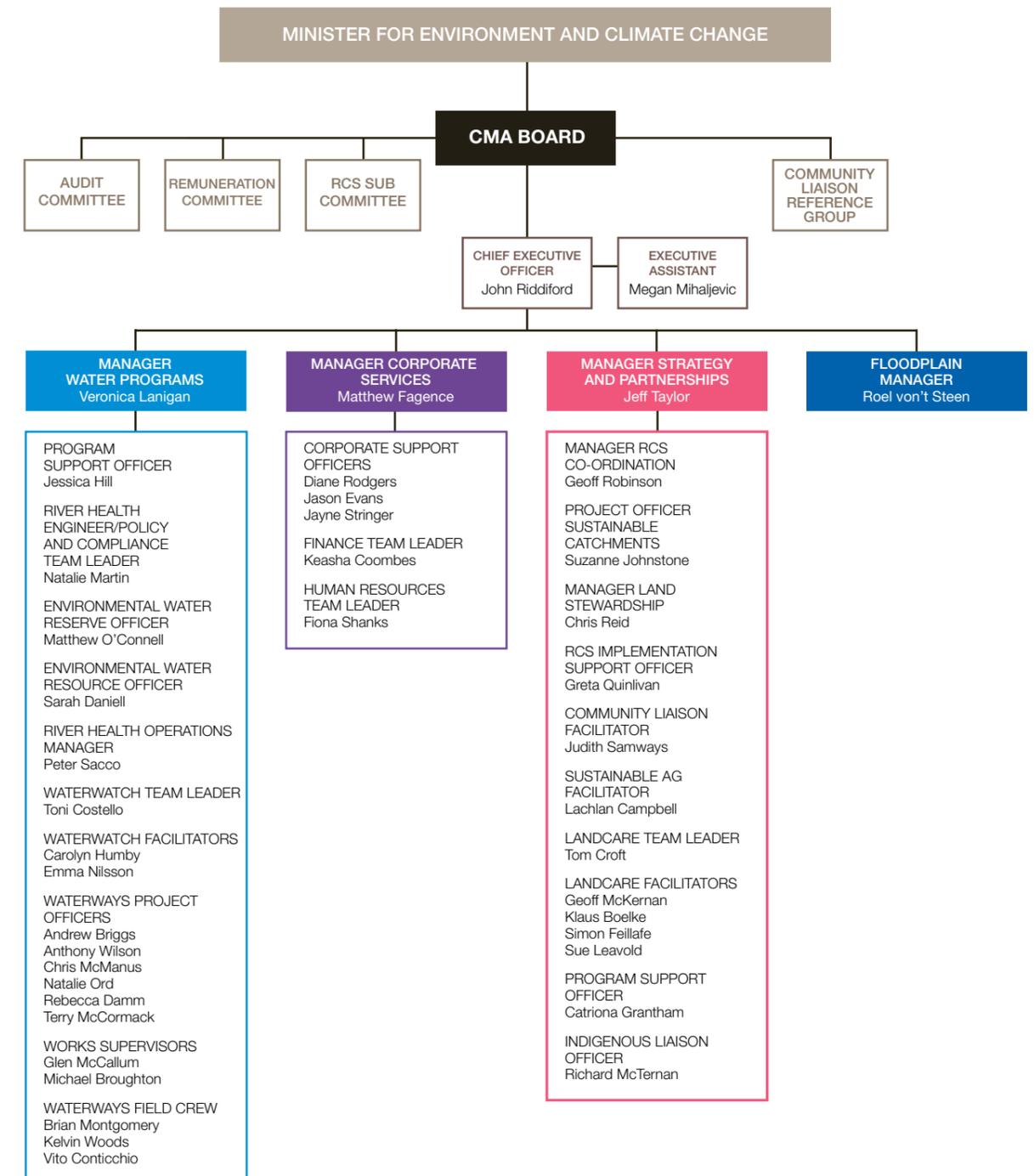
Enabling open interaction between its senior management team, Board and key stakeholders,  
 Setting strategic direction, Managing risks,  
 Developing, monitoring and maintaining policies and procedures, Managing the CMA's finances in accordance with the Financial Management Act 1994 and Board Members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



# GOVERNANCE

## ORGANISATIONAL STRUCTURE

FIGURE 2 - Organisational Structure as at 30 June 2009



## OUR BOARD



**SARAH NICHOLAS  
(Chair)**

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

Sarah, who lives in Wandiligong, has been Chair of the North East CMA since 2000. She has worked as a private consultant in natural resource management, focussing 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 a member of the Basin Community Committee of the Murray Darling Basin Authority. Sarah completed her term with the Board on 30 June 2009.



**ANTHONY GRIFFITHS  
(Deputy Chair)**

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 Chair of the CMA and has been a Board Member since 2000. He is currently Secretary/Treasurer of the Greta Valley Landcare Group, having previously served as President and Vice President. He is also President of the local primary school council and a trustee of the Greta Cemetery Trust. Anthony is a graduate of the Alpine Valleys Community Leadership Programme, based in north east Victoria and is also a Councillor with the Rural City of Wangaratta.



**PETER ROPER  
(Board Member)**

Assoc Dip Farm Man

Peter is a primary producer at Tawonga and has been a member of the North East CMA Board since 2003. He has previously worked for Central Gippsland Water Authority, managing regional water supply catchments and wastewater treatment and re-use facilities. Peter completed his term with the Board on 30 June 2009.



**LYN COULSTON  
(Board Member)**

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 the 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 Programme and the Albury Wodonga Area Consultative Committee. Lyn was a finalist in the 2008 National Landcare Awards.



**GREG HAYES  
(Board Member)**

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 has been a member of the North East CMA Board since 2006. Greg 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.



**ANTHONY JARVIS  
(Board Member)**

Anthony is a fifth generation farmer at Cudgewa, whose main enterprise is beef cattle. He has been a member of the North East CMA Board since 2006. Anthony is president of the Upper Murray Landcare Network and the Victorian Farmers Federation Wodonga Livestock District Council, Treasurer of the Cudgewa Landcare Group, and a Member of the Upper Murray Agribusiness Group.



**DR TERRY HILLMAN  
(Board Member)**

Dip Agriculture, BSc (Hons I), PhD

Terry is an Adjunct Professor at La Trobe University. He has been a CMA Board Member since its establishment in 1997. Terry chairs La Trobe University's Regional Advisory Board and is on the Board of the Murray Darling Association. Terry completed his term with the Board on 30 June 2009.



**RAYMOND PARK  
(Board Member)**

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

Ray lives in Markwood where he grows lucerne and beef cattle. He has been a member of the North East CMA Board since 2006. Ray has worked for 26 years in senior positions in local government in north east Victoria. He is currently the Director of Business Services at the Rural City of Wangaratta. Ray holds degrees in Accounting and Local Government, a Master of Business, is a qualified accountant and is currently studying Rural Planning.



**RHONDA SERPELL  
(Board Member)**

Advanced Diploma of Horticultural Management

Rhonda is a grazier who runs a small Simmental stud and commercial operation in the Kiewa Valley at Running Creek. She has been a member of the North East CMA Board since 2006. Rhonda also works with ex tobacco growers in north east Victoria, helping them to move forward into new crops. With husband Pete, she is exploring uses for raspberries other than fruit production. Rhonda has strong links to the community through the Victorian Farmers Federation (Secretary of the Wodonga Livestock District Council), Landcare (the Kiewa Catchment Landcare Groups), and Country Fire Authority, and other community groups in the Upper Kiewa Valley. Rhonda completed her term with the Board on 30 June 2009.

## BOARD MEETINGS

The Board conducted 11 ordinary meetings and during the year. The key projects undertaken by the Board during the year included:

- A review of the CMA's Advisory Committee/Community Engagement structure. The Community Liaison Reference Group was created during the year; and
- The endorsement of new and review of various existing Board policies.

As part of good governance the Board also undertakes an annual review of its performance. The 2007/2008 performance review was undertaken and submitted to the Minister in September 2008.

The Board further undertakes an annual strategic planning session to set the CMA's direction for the coming year. The Board also identifies items of strategic interest for inclusion on the annual calendar and subsequent discussion at each Board meeting.

## PECUNIARY INTERESTS

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

TABLE 15 - Board meeting attendance 2008/2009

MEMBER	MEETINGS	
	No. Attended	No. Eligible to Attend
Sarah Nicholas	10	11
Anthony Griffiths	11	11
Peter Roper	5	11
Lyn Coulston	7	11
Greg Hayes	10	11
Tony Jarvis	11	11
Terry Hillman	9	11
Ray Park	11	11
Rhonda Serpell	11	11

## AUDIT COMMITTEE

The Audit Committee oversees and advises the Board on matters of accountability in internal control affecting the operations of the CMA. To help fulfil this role the Audit Committee has a charter which defines its responsibilities as:

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

Membership of the Audit Committee was decided by resolution of the Board at the July 2008 Board meeting. Members during the reporting period were:

- Peter Roper (Chair);
- Ray Park (Member); and
- Rhonda Serpell (Member).

TABLE 16 - Audit committee meeting attendance 2008/2009

MEMBER	MEETINGS	
	No. Attended	No. Eligible to Attend
Peter Roper	4	5
Ray Park	5	5
Rhonda Serpell	5	5

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

The committee met five times during the financial year and undertook the following key tasks:

- Review and recommendation to Board of the 2008/2009 Annual Financial Statements;
- Setting the scope and prioritisation of the Internal Audit Plan;
- Review the outcomes of the Internal Audit Report;
- Review the Risk Management Strategy; and
- Tender for and appoint an Internal Auditor for the 2008/2009 and 2009/2010 financial years.

## REMUNERATION COMMITTEE

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

Membership of the Remuneration Committee was decided by resolution of the Board at the July 2007 Board meeting. Members during the reporting period were:

- Sarah Nicholas (Chair);
- Greg Hayes (Member); and
- Lyn Coulston (Member).

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

TABLE 17- Remuneration committee meeting attendance 2008/2009

MEMBER	MEETINGS	
	No. Attended	No. Eligible to Attend
Sarah Nicholas	3	3
Greg Hayes	3	3
Lyn Coulston	3	3

## REGIONAL CATCHMENT STRATEGY

### STEERING COMMITTEE

The Board resolved to establish the governance arrangements for the review and renewal of the North East Regional Catchment Strategy. This included a Project Steering Committee providing support, guidance and the executive oversighting of project progress on behalf of the Board.

The Steering Committee consists of:

- Geoff Robinson, Manager RCS Coordination (Project Manager);
- John Riddiford, Chief Executive Officer (Member);
- Sarah Nicholas (Member);
- Lyn Coulston (Member);
- Rhonda Serpell (Member);
- Greg Hayes (Member); and
- Tony Jarvis (Member).

The committee met four times during the year to assist management and act as a conduit to the Board in the review and renewal of the current RCS.

TABLE 18 - RCS steering committee meeting attendance 2008/2009

MEMBER	MEETINGS	
	No. Attended	No. Eligible to Attend
Lyn Coulston	4	4
Rhonda Serpell	4	4
Greg Hayes	3	4
Tony Jarvis	3	4
Sarah Nicholas	4	4
John Riddiford	4	4

## SENIOR MANAGEMENT TEAM



**JOHN RIDDIFORD**  
(Chief Executive Officer)  
B.For.Sc, Dip. Company Directors

Our Chief Executive, John Riddiford, attends all Board meetings and is a vital link between the governance and operations of the North East CMA.

John has over 25 years experience in natural resource management in both the public and private sectors.

Before taking up the position of Chief Executive Officer of the North East Catchment Management Authority, he was employed at Melbourne Water for more than ten years.

At the CMA John has overseen the implementation of many programmes to improve water quality and the reversal of land degradation. This has been largely achieved through community empowerment and community cooperation.

John is a Fellow of the Australian Institute of Company Directors and a Member of the Australian Institute of Management.



**JEFF TAYLOR**  
(Manager Strategy & Partnerships)

Strategy & Partnerships is responsible for the management of the Authority's strategic and investment planning functions and facilitating the CMA's partnerships with the community and key stakeholders.

Jeff has had over 25 years of strategic planning and management experience in various industries that include manufacturing, news media and natural resource management. Before taking on his current role, Jeff was employed as Manager of the former Upper North East River Management Authority.



**MATTHEW FAGENCE**  
(Manager Corporate Services)  
Bachelor of Commerce, CPA, AICM, Justice of the Peace (Qual.) Qld.

Corporate Services is responsible for the management of Finance, Human Resources, Information Technology and all general administrative functions.

Matthew has a variety of work experience including being the Financial Controller for the Macquarie Regional Radioworks group, various Management Accounting roles in both the United Kingdom and Spain and Queensland Department of Housing. Matthew is also a Councillor on the CPA Australia Albury-Wodonga Branch.

Matthew, his wife and 2 daughters moved onto a family property in the Towong Shire during the year and runs Black Baldy Steers.



**VERONICA LANIGAN**  
(Manager Water Programmes)  
Bachelor and Grad. Dip. in Env. Mgt, Masters of Business

Veronica Lanigan is the Manager of Water Programmes and has worked with the North East CMA for the past ten years; eight as Manager Water Programmes and two as the Water Quality Co-ordinator. Veronica is responsible for the river health, water quality, water resources, and Waterwatch functions of the organisation, which broadly covers the CMA's operational role.

Veronica's background has been with the Environment Protection Authority and the Department of Natural Resources and Environment in the Water area.

Veronica also runs Murray Greys on a small property in the Ovens Valley.

Veronica returned from maternity leave in May 2009.

## POLICIES

### RISK MANAGEMENT

From 1 July 2007 the CMA was required to apply the Victorian Government Risk Management Framework Guidelines (issued in July 2007) to its Risk Management Framework, this required implementation of and maintaining of risk management governance, systems and reporting consistent with the Australian/New Zealand Standard 4360:2004 or equivalent.

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

The Minister for Finance also issued a standing direction requiring that the CMA take appropriate steps to introduce an appropriate approach to risk management. It further required that a sufficient level of attention be given to the risks associated with its management.

In complying with the new framework and standing direction, the CMA is required to make an attestation in the Annual Report that the framework is or is not consistent with the Australian/New Zealand Standard 4360:2004 or equivalent.

### RISK MANAGEMENT ATTESTATION 2008/2009

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

Signed:

Date: 1st September 2009

Name: Paul Carrick

Position: Chair

### MERIT, EQUITY AND CODE OF CONDUCT

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

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

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

### WHISTLEBLOWERS

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 2001 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 22, 459 Collins Street  
Melbourne Victoria 3000

(DX 210174)

Internet [www.ombudsman.vig.gov.au](http://www.ombudsman.vig.gov.au)

E-mail [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

Phone 03 9613 6222

Toll Free 1800 806 314

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

# COMPLIANCE

## FREEDOM OF INFORMATION

The North East CMA is considered to be a Government Agency under the Freedom of Information Act 1982 and is required to comply with the procedures that have been prescribed under which members of the public may gain access to information held by agencies. A decision to release information is made by the Freedom of Information Officer.

Access to information under the Freedom of Information Act 1982 is obtained through a written request, as detailed in Section 17 of that Act. Applications must be as detailed and as specific as possible so that the CMA's Freedom of Information Officer can identify and locate relevant documents. All applications must include the statutory \$23.40 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  
HR Team Leader (FOI Officer)  
PO Box 616  
Wodonga, Victoria 3689  
Phone (02) 6043 7600  
E-mail necma@necma.vic.gov.au

Number requests received	1
Number responses	1
Internal reviews	0
VCAT appeals	0

## INFORMATION RETAINED AND AVAILABLE

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

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

## POWERS AND DUTIES

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

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

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

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

## STATEMENT OF OBLIGATIONS

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

## BUILDING ACT COMPLIANCE

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

## NATIONAL COMPETITION POLICY

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

## PUBLICATIONS

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

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

## VICTORIAN INDUSTRY PARTICIPATION POLICY

No contracts greater than \$1 million were entered into during the reporting period.

## CONSULTANCIES

### CONSULTANCIES GREATER THAN \$100,000

CONSULTANT: Department of Sustainability & Environment  
PROJECT: Living Murray Resnagging

TOTAL FEE APPROVED	EXPENDITURE 2008/2009	FUTURE EXPENDITURE
\$630,600	\$310,300	\$0

MINOR CONSULTANCIES LESS THAN \$100,000	TOTAL EXPENDITURE 2008/2009
56	\$387,198

## DISCLOSURE INDEX

REF.	DISCLOSURE	PAGE NO.
<b>DSE Compliance Review</b>		
FRD 22B	Manner of establishment and the relevant Ministers	ii
FRD 22B	Objectives, functions, powers and duties	13, 56
FRD 22B	Nature and range of services provided	15, 16, ii
FRD 22B	Organisational structure, names and functional areas of responsibility of senior officers	49, 54
FRD 22B	Names of board members	50, 51
FRD 22B	Statement of workforce data for current and previous financial year	42
FRD 22B	Merit and equity	55
FRD 22B	5 year summary of the financial results	41
FRD 22B	Significant changes in financial position during the year	41
FRD 22B	Objectives and performance against objectives	79-91
FRD 22B	Major changes or factors affecting performance	3, 79-91
FRD 22B	Subsequent events which will affect operations in future years	78
FRD 22B	Details of consultancies >\$100,000	56
FRD 22B	Details of consultancies – total no. and cost <\$100,000	56
FRD 12A	Disclosure of major contracts	56
FRD 22B	Application and operation of Fol Act 1982	56
FRD 22B	Application and operation of the Whistleblowers Protection Act 2001	55
FRD 22B	Compliance with building and maintenance provisions of the Building Act 1993	56
FRD 22B	Statement on National Competition Policy	56
FRD 22B	OHS Policy	42, 43
FRD 24C	Environmental Reporting	47
FRD 25	VIPP disclosures	56
FRD 10	Disclosure index	57
FRD 22B	Statement of availability of other information	ii, 56
SD4.5.5	Risk Management Compliance Attestation	55
<b>Financial Statements Required under Part 7 of the Financial Management Act 1994</b>		
SD4.2(f)	Compliance with model Financial Report	62-78
SD4.2(b)	Operating Statement	63
SD4.2(b)	Balance Sheet	64
SD4.2(b)	Cash flow Statement	66
SD4.2(b)	Statement of Changes in Equity	65
SD4.2(c)	Accountable officer's declaration	62
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	67, 62
SD4.2(c)	Compliance with Ministerial Directions	67
SD4.2(d)	Rounding of amounts	N/A
<b>Other Disclosures in Notes to Financial Statements</b>		
FRD9A	Departmental disclosure of administered assets and liabilities	N/A
FRD11	Disclosure of ex-gratia payments	N/A
FRD 21A	Responsible person and executive officer disclosures	77
FRD 102	Inventories	68
FRD 109	Intangible Assets	69
FRD 112B	Defined Benefit Superannuation obligations	68

N/A = Disclosure not required



# FINANCIAL REPORT 2008/2009

## CONTENTS

Auditor General's Certification	60-61
Accountable Officer's Declaration	62
Operating Statement	63
Balance Sheet	64
Statement of Changes in Equity	65
Cash Flow Statement	66
Notes to and forming part of the Financial Statements	67-78

**VAGO**

Victorian Auditor-General's Office

**INDEPENDENT AUDITOR'S REPORT****To the Members of the Board, North East Catchment Management Authority***The Financial Report*

The accompanying financial report for the year ended 30 June 2009 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 Board Member's Responsibility for the Financial Report*

The Board Members of the North East Catchment Management Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (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 the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone (61 3) 8001 7000 Facsimile (61 3) 8001 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

Auditing in the Public Interest

**VAGO**

Victorian Auditor-General's Office

**Independent Auditor's Report (continued)***Matters Relating to the Electronic Presentation of the Audited Financial Report*

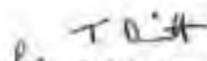
This auditor's report relates to the financial report published in both the annual report and on the website of the North East Catchment Management Authority for the year ended 30 June 2009. The Board Members of the North East Catchment Management Authority are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the North East Catchment Management Authority website.

*Independence*

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

*Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the North East Catchment Management Authority as at 30 June 2009 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  
17 September 2009
  
D D R Pearson  
Auditor-General

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone (61 3) 8001 7000 Facsimile (61 3) 8001 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

Auditing in the Public Interest

## ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 30 JUNE 2009

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

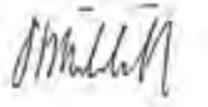
We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2009 and financial position of the Authority as at 30 June 2009.

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:



P. Carrick  
Chairperson  
15th September 2009



J. Riddiford  
Accountable Officer  
15th September 2009

## OPERATING STATEMENT

FOR THE REPORTING PERIOD ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>Revenue from operating activities</b>			
Government contributions	3(a)	10,555,555	13,299,624
<b>Revenue from non-operating activities</b>			
Interest	3(b)	739,985	493,083
Net profit/(loss) from sale of assets	3(b)	314,036	47,773
Other income	3(b)	1,387,322	1,189,208
<b>Total Revenue</b>		<b>12,996,898</b>	<b>15,029,688</b>
<b>Expenses</b>			
Depreciation	10(c)	374,181	454,799
Amortisation	11	22,800	20,387
Employee Costs	4	3,312,285	3,266,960
Materials, Maintenance, Contracts and Consultancies	5	7,134,425	6,920,460
Other		1,624,927	1,256,824
<b>Total Expenses</b>		<b>12,468,618</b>	<b>11,919,430</b>
<b>Net Result for the Period</b>		<b>528,280</b>	<b>3,110,258</b>

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

## BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	10,415,581	9,452,762
Receivables	8	686,486	567,658
Prepayments		2,211	14,600
Inventories	9	195,861	276,270
<b>Total current assets</b>		<b>11,300,139</b>	<b>10,311,290</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	1,474,869	1,595,030
Intangible assets	11	39,162	42,674
<b>Total non-current assets</b>		<b>1,514,031</b>	<b>1,637,704</b>
<b>TOTAL ASSETS</b>		<b>12,814,170</b>	<b>11,948,994</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	12	1,075,817	811,339
Employee benefits	13	599,995	559,789
<b>Total current liabilities</b>		<b>1,675,812</b>	<b>1,371,128</b>
<b>Non-current liabilities</b>			
Provisions	14	167,480	164,949
Employee benefits	13	125,682	96,001
<b>Total non-current liabilities</b>		<b>293,162</b>	<b>260,950</b>
<b>TOTAL LIABILITIES</b>		<b>1,968,974</b>	<b>1,632,078</b>
<b>NET ASSETS</b>		<b>10,845,196</b>	<b>10,316,916</b>
<b>EQUITY</b>			
Contributed capital	15(a)	5,103,823	5,103,823
Reserves	15(b)	5,741,373	5,213,093
Accumulated funds	15(c)	0	0
<b>TOTAL EQUITY</b>		<b>10,845,196</b>	<b>10,316,916</b>

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

## STATEMENT OF CHANGES IN EQUITY

FOR THE REPORTING PERIOD ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>Total Equity at beginning of financial year</b>		<b>10,316,916</b>	<b>7,206,658</b>
Net result for the period		528,280	3,110,258
<b>Total recognised income and expense for the period</b>		<b>528,280</b>	<b>3,110,258</b>
<b>Total Equity at end of financial year</b>		<b>10,845,196</b>	<b>10,316,916</b>

**CASH FLOW STATEMENT**  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Interest received		622,645	357,380
GST received from the ATO		43,109	493,834
Other income		930,110	1,058,344
Receipts from Government		11,394,835	13,569,447
		12,990,699	15,479,005
<b>Payments</b>			
Payments to suppliers and employees		12,068,605	12,247,053
		12,068,605	12,247,053
<b>Net cash (outflow)/inflow from operating activities</b>	20	<b>922,094</b>	<b>3,231,952</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Payments for property, plant & equipment)		(631,066)	(413,506)
Proceeds from sale of non-current assets		691,080	409,690
(Payment for intangible assets)		(19,289)	(2,445)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>40,725</b>	<b>(6,261)</b>
<b>Net increase/(decrease) in cash held</b>		<b>962,819</b>	<b>3,225,691</b>
Cash and cash equivalents at the beginning of the financial year		9,452,762	6,227,071
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>10,415,581</b>	<b>9,452,762</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE PERIOD ENDED 30 JUNE 2009

**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 Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions. This financial report has been prepared on an accrual basis.

**ACCOUNTING POLICIES**

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

**CLASSIFICATION BETWEEN CURRENT AND NON-CURRENT**

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

**INTEREST**

Interest is recognised as revenue when earned.

**(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 8 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.

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

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

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

## REVALUATIONS

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

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

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

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

## IMPAIRMENT OF ASSETS

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount. All other assets are assessed annually for indicators of impairment, except for:

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written-off by a charge to the 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:

	2009 %	2008 %
Leasehold improvements	12.5	12.5
Buildings	2.5 to 16.66	2.5 to 16.66
Infrastructure assets	1 to 10	1 to 10
Plant and equipment	2 to 33.33	2 to 33.33
Furniture & office equipment	7.5 to 33	7.5 to 33
Motor vehicles	10 to 33.33	10 to 33.33

## (e) Cash and Cash 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, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## (f) Receivables

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.

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

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

## (iii) Superannuation

The amount charged to the 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.

## (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 which is recoverable or payable to the taxation authority is classified as operating cash flows.

## (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 operating statement when it is earned. All investments expected to be disposed of within 12 months of balance date are classified as current assets and all others are classified as non-current assets.

## (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 3 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 14).

## (q) Objective and funding

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

## (r) Comparative Amounts

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

## (s) Funds Held in Trust

Where funds are received and held on behalf of a third party and the Authority has no control over the disbursement of such funds, these funds are treated as a liability called funds held in trust (refer note 12).

## (t) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. As at 30 June 2009, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2009. The Authority has not, and does not intend to, adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Authority financial statements
AASB 8 Operating Segments	Supersedes AASB 114 Segment Reporting	Beginning 1 Jan 2009	Not applicable.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 Jul 2009	Impact expected to be insignificant.
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs5, 7 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]	A suite of amendments to existing standards following issuance of IASB Standard Improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 Jan 2009	Impact is being evaluated.

## NOTE 2

### FINANCIAL RISK MANAGEMENT

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

#### (a) Market risk

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

At balance date term deposits totalled \$9,000,000, with a weighted average interest rate of 4.91% (2008: term deposits totalled \$7,400,000, with a weighted average interest rate of 7.63%).

At balance date \$677,975 held in deposits at call with a weighted average interest rate of 3.00% (2008: \$1,304,055).

All trade creditors and accruals are non-interest bearing.

#### INTEREST RATE SENSITIVITY ANALYSIS

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

	Interest rate risk			
	+1% Profit	+ 1% Equity	-1% Profit	- 1% Equity
Cash and Cash Equivalents	104,156	104,156	(104,156)	(104,156)

#### (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.

The Federal Government created in 2008/09 the Guarantee scheme which guarantee's the security of the first \$1M held in requisite banking institutions. The CMA Board approved in March 2009 the payment of the Government Guarantee fee to secure any funds held at that time over the \$1M limit, as well as approving the opening of a new account with the Treasury Corporation of Victoria to ensure security of investments without having to pay the Government Guarantee Fee.

#### (c) Liquidity risk

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

#### (d) Fair Value

Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The carrying amount of creditors and accruals at 30 June 2009 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.

## NOTE 3

### REVENUE

#### (a) Government Contributions

Contributions to operations:

##### State Government

Catchment planning/Corporate Governance  
Second generation Landcare  
River Tender  
HERO Program  
Crown Frontage Review  
River Health/Healthy Waterways  
Ovens Streamflow Tender  
Drought Relief Assistance  
Bush Fire Recovery  
Other grants

##### Commonwealth Government

Caring for Our Country  
National Heritage Trust & National Landcare Programme  
Miscellaneous

#### Total Government contributions

Conditional grants

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

An analysis of these grant monies is displayed at Note 16 (d).

#### (b) Other revenues

Interest

##### Other:

Water Authorities  
Floodplain Conference 2009  
Miscellaneous  
Murray Darling Basin Authority/Commission

Net profit/(loss) from sale of non current assets

#### Total other revenues

#### Total revenue

	2009 \$	2008 \$
<b>State Government</b>		
Catchment planning/Corporate Governance	974,000	922,000
Second generation Landcare	569,040	535,000
River Tender	610,000	0
HERO Program	320,000	0
Crown Frontage Review	100,000	0
River Health/Healthy Waterways	2,824,169	2,840,737
Ovens Streamflow Tender	0	2,900,000
Drought Relief Assistance	1,000,000	1,100,000
Bush Fire Recovery	1,458,346	464,584
Other grants	90,000	25,000
<b>Commonwealth Government</b>		
Caring for Our Country	2,610,000	0
National Heritage Trust & National Landcare Programme	0	4,225,703
Miscellaneous	0	286,600
<b>Total Government contributions</b>	<b>10,555,555</b>	<b>13,299,624</b>
Conditional grants		
Interest	739,985	493,083
<b>Other:</b>		
Water Authorities	374,191	505,000
Floodplain Conference 2009	324,063	0
Miscellaneous	371,768	368,908
Murray Darling Basin Authority/Commission	317,300	315,300
	1,387,322	1,189,208
Net profit/(loss) from sale of non current assets	314,036	47,773
<b>Total other revenues</b>	<b>2,441,343</b>	<b>1,730,064</b>
<b>Total revenue</b>	<b>12,996,898</b>	<b>15,029,688</b>

**NOTE 4**  
EMPLOYEE COSTS

	2009 \$	2008 \$
Salaries & Wages	2,354,538	2,314,281
Annual Leave	205,301	208,725
Long Service Leave	91,615	97,902
Other Leave	177,495	160,244
Salary On Costs	483,336	485,809
<b>Total</b>	<b>3,312,285</b>	<b>3,266,960</b>

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

	2009 \$	2008 \$
Materials	345,191	112,267
<b>Repairs &amp; Maintenance</b>		
Motor vehicles	54,485	96,470
General	7,879	9,391
Consultants	697,498	966,925
Contractors	4,335,074	3,742,467
Grants Paid	1,694,298	1,992,940
<b>Total</b>	<b>7,134,425</b>	<b>6,920,460</b>

**NOTE 6**  
REMUNERATION OF AUDITORS

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

	2009 \$	2008 \$
Payable as at 30 June 2008	0	7,995
Payable as at 30 June 2009	8,800	0
<b>Total</b>	<b>8,800</b>	<b>7,995</b>

**NOTE 7**  
CASH AND CASH EQUIVALENT ASSETS

	2009 \$	2008 \$
<b>Cash and cash equivalent assets</b>		
Cash on hand	400	401
Cash at bank	737,206	748,306
Deposits at call	677,975	1,304,055
<b>Investments</b>		
Term Deposits	9,000,000	7,400,000
<b>Total</b>	<b>10,415,581</b>	<b>9,452,762</b>

**NOTE 8**  
RECEIVABLES

	2009 \$	2008 \$
<b>Current</b>		
Trade debtors	256,557	206,115
Less: provision for doubtful debts	0	0
	256,557	206,115
<b>Other debtors</b>		
GST Paid	176,887	225,841
Accrued Interest on Term Deposits	253,042	135,702
<b>Total receivables</b>	<b>686,486</b>	<b>567,658</b>

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

**NOTE 9**  
INVENTORIES

	2009 \$	2008 \$
<b>Current</b>		
Nursery Stock	8,456	43,281
Rock Stockpile	187,405	232,990
<b>Total inventories</b>	<b>195,861</b>	<b>276,271</b>
<b>Movements during the reporting period</b>		
Opening Balance Nursery Stock	43,281	50,451
Less Write downs	(29,922)	(4,512)
Plus Purchases	0	0
Less Sales	(4,903)	(2,658)
<b>Closing Balance Nursery Stock</b>	<b>8,456</b>	<b>43,281</b>
Opening Balance Rock Stockpile	232,990	168,954
Rock extracted		201,709
Rock used	(45,585)	(105,757)
Revaluation at cost		(31,916)
<b>Closing Balance Rock Stockpile</b>	<b>187,405</b>	<b>232,990</b>

**NOTE 10**  
PROPERTY PLANT & EQUIPMENT

(a) Classes of property, plant and equipment

**Leasehold improvements**  
At cost  
Accumulated depreciation

**Land**  
At valuation

**Buildings**  
At valuation  
At cost  
Accumulated depreciation

**Infrastructure/works**  
At valuation  
Accumulated depreciation

**Plant and equipment**  
At Fair Value  
Accumulated depreciation

**Furniture and office equipment**  
At Fair Value  
Accumulated depreciation

**Motor vehicles**  
At Fair Value  
Accumulated depreciation

**Total property, plant and equipment**

**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.

The next Valuation is scheduled for 1st July 2010.

	2009 \$	2008 \$
<b>Leasehold improvements</b>		
At cost	115,957	103,084
Accumulated depreciation	(85,885)	(71,724)
	<b>30,072</b>	<b>31,360</b>
<b>Land</b>		
At valuation	185,000	185,000
	<b>185,000</b>	<b>185,000</b>
<b>Buildings</b>		
At valuation	299,504	269,505
At cost	21,753	29,291
Accumulated depreciation	(24,642)	(15,895)
	<b>296,615</b>	<b>282,900</b>
<b>Infrastructure/works</b>		
At valuation	204,853	204,853
Accumulated depreciation	(120,633)	(114,769)
	<b>84,220</b>	<b>90,084</b>
<b>Plant and equipment</b>		
At Fair Value	802,957	1,204,096
Accumulated depreciation	(331,019)	(894,401)
	<b>471,938</b>	<b>309,695</b>
<b>Furniture and office equipment</b>		
At Fair Value	324,220	314,272
Accumulated depreciation	(212,525)	(226,372)
	<b>111,695</b>	<b>87,900</b>
<b>Motor vehicles</b>		
At Fair Value	481,060	854,031
Accumulated depreciation	(185,731)	(245,941)
	<b>295,329</b>	<b>608,090</b>
<b>Total property, plant and equipment</b>	<b>1,474,869</b>	<b>1,595,030</b>

**NOTE 10**  
PROPERTY PLANT & EQUIPMENT (continued)

**(b) Movements during the reporting periods**

Carrying Amount	Leasehold Improvements \$	Land \$	Buildings \$	Infrastructure and Works \$	Plant and Equipment \$	Furniture and Office Equipment \$	Motor Vehicles \$	Total \$
<b>Balance as at 1 July 2007</b>	<b>44,166</b>	<b>185,000</b>	<b>291,135</b>	<b>95,949</b>	<b>821,427</b>	<b>103,517</b>	<b>457,047</b>	<b>1,998,241</b>
Additions	0	0	0	0	9,165	28,745	375,596	<b>413,506</b>
Disposals	0	0	0	0	(84,500)	(220)	(277,198)	<b>(361,918)</b>
Revaluations	0	0	0	0	0	0	0	<b>0</b>
Write-Offs	0	0	0	0	(252,752)	0	252,752	<b>0</b>
Derecognition	0	0	0	0	0	0	0	<b>0</b>
Depreciation	(12,806)	0	(8,235)	(5,865)	(183,645)	(44,142)	(200,106)	<b>(454,798)</b>
<b>Balance as at 1 July 2008</b>	<b>31,360</b>	<b>185,000</b>	<b>282,900</b>	<b>90,084</b>	<b>309,695</b>	<b>87,900</b>	<b>608,090</b>	<b>1,595,030</b>
Additions	12,873	0	30,000	0	305,157	73,740	209,296	<b>631,065</b>
Disposals	0	0	(7,538)	0	(54,171)	(557)	(312,087)	<b>(374,353)</b>
Revaluations	0	0	0	0	0	0	0	<b>0</b>
Transfers	0	0	0	0	0	0	0	<b>0</b>
Write-Offs	0	0	0	0	(2,200)	(492)	0	<b>(2,692)</b>
Derecognition	0	0	0	0	0	0	0	<b>0</b>
Depreciation	(14,161)	0	(8,747)	(5,864)	(86,543)	(48,896)	(209,970)	<b>(374,181)</b>
<b>Balance as at 30 Jun 2009</b>	<b>30,072</b>	<b>185,000</b>	<b>296,615</b>	<b>84,220</b>	<b>471,938</b>	<b>111,695</b>	<b>295,329</b>	<b>1,474,869</b>

**(c) Depreciation charge for the year**

	2009 \$	2008 \$
Leasehold improvements	14,161	12,806
Infrastructure / works	5,864	5,865
Plant & equipment	86,543	183,645
Furniture & office equipment	48,896	44,142
Motor vehicles	209,970	200,106
Buildings	8,747	8,235
	<b>374,181</b>	<b>454,799</b>

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

	2009 \$	2008 \$
Proceeds from sale of fixed assets	691,080	409,690
Less written down value	(377,044)	(361,917)
<b>Net profit/(loss) on disposal</b>	<b>314,036</b>	<b>47,773</b>

**NOTE 11**  
INTANGIBLES

	2009 \$	2008 \$
<b>Intangibles - Software and Licences</b>		
At cost	112,558	93,269
Accumulated amortisation	(73,396)	(50,596)
	<b>39,162</b>	<b>42,673</b>
<b>Movements during the reporting period</b>		
Opening Balance	42,673	60,614
Additions	19,289	2,446
Disposals	0	0
Revaluations	0	0
Write-Offs	0	0
Amortisation	(22,800)	(20,387)
<b>Closing Balance</b>	<b>39,162</b>	<b>42,673</b>

**NOTE 12**  
PAYABLES

	2009 \$	2008 \$
<b>Current Payables</b>		
Trade payables	212,983	427,728
Funds Held in Trust	365,000	0
Accrued expenses	340,965	238,229
Other	156,869	145,382
<b>Total Payables</b>	<b>1,075,817</b>	<b>811,339</b>

**NOTE 13**  
EMPLOYEE BENEFITS

	2009 \$	2008 \$
<b>Current</b>		
Annual leave	277,429	251,010
Long service leave	285,521	270,369
Other - Time in Lieu	37,045	38,410
<b>Total Current</b>	<b>599,995</b>	<b>559,789</b>
<b>Non-Current</b>		
Long service leave	125,682	96,001
<b>Total Non-Current</b>	<b>125,682</b>	<b>96,001</b>
<b>Aggregate carrying amount</b>		
Current	599,995	559,789
Non-Current	125,682	96,001
<b>Total Employee Benefits</b>	<b>725,677</b>	<b>655,790</b>
<b>Full Time Equivalent Employee numbers at end of financial year:</b>	<b>37.75</b>	<b>44.02</b>

Current Leave Provisions represent the unconditional portion of employee benefits. The Authority expects to pay \$215,757 (2008: \$246,527) of the current provisions in the next 12 months.

**NOTE 14**  
PROVISIONS

	2009 \$	2008 \$
<b>Quarry Rehabilitations</b>		
Everton	49,261	41,727
Walwa	19,704	15,521
Moyhu	39,409	44,784
Fairyknowe	19,704	17,914
Sandy Creek	39,402	45,003
	<b>167,480</b>	<b>164,949</b>

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

**NOTE 15**  
CONTRIBUTED CAPITAL, RESERVES AND ACCUMULATED FUNDS

	2009 \$	2008 \$
<b>(a) Contributed capital</b>		
Balance at beginning of year	5,103,823	5,103,823
Capital contributions	0	0
<b>Balance at end of year</b>	<b>5,103,823</b>	<b>5,103,823</b>
<b>(b) Reserves</b>		
<b>Asset revaluation reserve</b>		
Balance at beginning of year	425,274	425,274
Transfer of increments/ Decrements on Disposal of non-current assets	0	0
Net transfers (to)/from accumulated funds	(4,599)	0
<b>Asset revaluation reserve</b>	<b>420,675</b>	<b>425,274</b>
<b>Committed funds reserve</b>		
Balance at beginning of year	4,787,819	1,677,561
Net transfers from accumulated funds	532,879	3,110,258
<b>Committed funds reserve</b>	<b>5,320,698</b>	<b>4,787,819</b>
<b>Total Reserves</b>	<b>5,741,373</b>	<b>5,213,093</b>
<b>(c) Accumulated funds</b>		
Balance at beginning of year	0	0
Net result for the period	528,280	3,110,258
Transfer from Asset Revaluation Reserve	4,599	
Transfer to Committed Fund Reserve	(532,879)	(3,110,258)
<b>Balance at end of year</b>	<b>0</b>	<b>0</b>

**Committed funds reserve**

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

The difference of \$3,471,034 between the Outstanding works programme and the committed funds reserve represents the amount that the Authority is committed to via various works programmes (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 16

### COMMITMENTS

#### (a) Operating leases

##### Non-cancellable operating lease commitments inc. GST

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

	2009 \$	2008 \$
Within one year	199,214	245,461
Later than one year but not later than five years	112,963	214,944
Later than five years	0	0
	<b>312,177</b>	<b>460,405</b>

#### (b) Capital commitments

As at 30 June 2009 the Authority had no outstanding capital commitments (2008: nil).

#### (c) Non-Capital commitments

As at 30 June 2009 the Authority had \$1,354,454 (2008: \$1,152,362) in non-capital expenditure commitments. All Outstanding Commitments to be expensed in the 2009/10 Financial Year.

#### (d) Outstanding works programmes

As at 30 June 2009, the Authority had outstanding works programmes totalling \$8,791,735 (2008: \$8,258,854) to complete during the 2009/2010 and following financial years. This consists of grants received by the Authority but not expended as at 30 June 2009.

These programmes are funded from Government grants received in the 2008/2009 financial year as well as from accumulated funds brought forward. Specific works programmes 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 programme.

#### Compliance Statement As at 30 June 2009

Programme	Revenue Recognised			Outgoings	Unexpended Programme Contributions	Outstanding Programme Commitments
	Prior Years	2008/2009 Current Year	Total	Current Year		
Water Programmes	5,797,449	7,422,147	13,219,596	6,669,264	6,550,332	6,550,332
Strategy & Partnerships	2,015,554	4,119,927	6,135,481	4,663,352	1,472,129	1,472,129
Corporate Services	445,851	1,454,824	1,900,675	1,136,002	764,673	764,673
	<b>8,258,854</b>	<b>12,996,898</b>	<b>21,255,752</b>	<b>12,468,618</b>	<b>8,787,134</b>	<b>8,787,134</b>

Refer Operating Statement & related Notes

## NOTE 17

### CONTINGENT LIABILITIES

As at 30 June 2009, the Authority has issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$85,800 (2008: \$85,800).

## NOTE 18

### SUPERANNUATION

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

Fund	Type of Scheme	Rate %	2009 \$	2008 \$
Vision Super	Defined benefits	9.25%	14,522	16,009
Vic Super New Scheme	Accumulation	9%	39,002	38,157
GSO-ESS	Accumulation	9-10%	21,756	12,544
Vision Super Saver	Accumulation	9%	64,567	64,349
All Other funds	Accumulation	9%	116,134	142,259
<b>Total contributions to all funds</b>			<b>255,981</b>	<b>273,318</b>

As at balance date there was \$25,255 (2008: \$27,497) in contributions payable to the above funds.

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

#### Defined Benefits

The Vision Super is a Defined Benefit Fund. Any unfunded liability in respect to this fund would normally be recognised in the financial statements of the Authority. However, the Vision Super Defined Benefit Fund is a multi Employer sponsored plan. As the Funds' assets and liabilities are pooled and are not allocated by employer, the actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119, the Authority does not use defined benefit accounting for these contributions. On the basis of the results of the most recent full actuarial investigation conducted by the Funds' Actuary at 31st December 2008, the Trustee has determined that the current funding arrangements are adequate for the expected defined benefit plan liabilities. Due to the current economic environment, the fund will undertake an Actuarial review on 30th June 2010, instead of waiting the usual 3 years.

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

## NOTE 19

### RESPONSIBLE PERSONS RELATED DISCLOSURES

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

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

**Honourable Gavin Jennings, MLC**  
Minister for Environment & Climate Change

<b>S. Nicholas</b>	(Chairperson)
<b>A. Griffiths</b>	(Deputy Chairperson)
<b>J. Riddiford</b>	(CEO)
<b>L. Coulston</b>	(Board Member)
<b>G. Hayes</b>	(Board Member)
<b>T. Hillman</b>	(Board Member)
<b>A. Jarvis</b>	(Board Member)
<b>R. Park</b>	(Board Member)
<b>P. Roper</b>	(Board Member)
<b>R. Serpell</b>	(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	2009	2008
\$0-\$9,999	8	8
\$10,000-\$19,999	1	1
\$170,000-\$179,999	0	1
\$180,000-\$189,999	1	0
<b>Total Remuneration \$</b>	<b>282,139</b>	<b>263,837</b>

### 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	
	2009	2008	2009	2008
\$110,000-\$119,999	3	3	3	3
<b>Total Remuneration \$</b>	<b>348,674</b>	<b>338,572</b>	<b>348,674</b>	<b>338,572</b>

### Other transactions

#### Responsible Persons

Lyn Coulston (Board Member) is a director of Mountain Creek Native Plant Nursery. During the year the Authority purchased \$16,877 (2008: \$24,207) of seedlings from Mountain Creek Native Plant Nursery. These purchases were based on normal commercial terms and conditions.

#### Responsible Persons - related parties

Peter Serpell (Spouse to Rhonda Serpell - Board Member) received a Grant of \$2,200 under the Bushfire Recovery Programme. This grant was assessed against the Bushfire Recovery Grant criteria and deemed eligible.

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2009 (2008: nil).

Responsible persons remuneration outstanding at 30 June 2009 amounted to \$Nil (2008: \$387). There were no other balances owing to or from responsible persons or their related parties at 30 June 2009.

**NOTE 20**

RECONCILIATION OF NET RESULT FOR THE PERIOD  
TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2009 \$	2008 \$
<b>Net result for the period</b>	<b>528,280</b>	<b>3,110,258</b>
<b>Add/(less) Non-Cash Flows in Net Result</b>		
(Profit)/loss on disposal of non-current assets	(314,036)	(47,773)
Depreciation and amortisation	396,981	475,186
	<b>611,225</b>	<b>3,537,671</b>
<b>Changes in Assets and Liabilities</b>		
Decrease/(increase) in trade receivables	(118,826)	121,347
Decrease/(increase) in inventories	80,410	(56,866)
(Decrease)/increase in provisions	2,531	45,441
Decrease/(increase) in prepayments	12,389	416
Decrease/(increase) in other receivables	0	(175,927)
(Decrease)/Increase in payables	264,478	(294,389)
(Decrease)/increase in employee benefits	69,887	54,260
<b>Net Cash flows from Operating Activities</b>	<b>922,094</b>	<b>3,231,952</b>

**NOTE 21**

SUBSEQUENT EVENTS

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

# APPENDICES

## DETAILED RESULTS AGAINST THE 2008/2009 CORPORATE PLAN

**GOVERNANCE**

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>CMA OPERATIONS</b>				
4.1.2	The CMA shall operate within the requirements of the Governance Guidelines for the Department's statutory authorities. (WA 9.1 / CaLP 9.1)	Demonstrate corporate social responsibility by: <ul style="list-style-type: none"> <li>benchmarking energy usage and greenhouse emissions and implement reduction programme; and</li> <li>supporting community people in the Alpine Leaders programme.</li> </ul>	Reduction in energy usage by 5% compared with benchmark. Reduction in greenhouse gas emissions by 5% compared with benchmark. At least one community member supported in the Alpine Valleys Leadership programme.	Reduction in Energy Usage by 5% (approx 4,000kW hrs) Reduction in GHG by 21% (approx 80 tonnes CO2-e) One Landcare member supported in the Leadership Programme.
4.1.3	The CMA shall review its performance periodically and report as directed by the Minister, or the Secretary or Department on behalf of the Minister. (WA 9.2 / CaLP 9.2)	The Board will conduct a self assessment of its performance.	The Board will submit to DSE its self assessment by August 31.	Self assessment submitted.
<b>CORPORATE PLANS</b>				
4.1.4	The CMA shall develop and implement a Corporate Plan in accordance with relevant legislation and subordinate instruments and any guidelines issued by the Minister. (WA 10.1 / CaLP 10.1)		Approved Corporate Plan submitted to Minister by 30 April 2008.	Corporate Plan submitted by 2008.
<b>ANNUAL REPORTS</b>				
4.1.5	The CMA shall develop an Annual Report detailing the CMA's activities and financial position (and report on the condition and management of land and water resources in its region and the carrying out of its functions) in accordance with relevant legislative and subordinate instruments and any Government guidelines. (WA 11.1 / (CaLP 11.1))	Prepare the Annual Report. NE0708.2.235	Annual Report submitted to the Minister by 10 October. Favourable overall audit assessment by the Auditor-General.	Report submitted to the Minister by 10 October. Unqualified Audit Report from VAGO for 2007/2008.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>PERFORMANCE MONITORING</b>				
4.1.6	The CMA shall ensure that appropriate and effective processes and systems are in place to monitor its financial, social and environmental performance. (WA 12.1 / CaLP 12.1)	Implement Axapta project and financial reports.		Completed.
<b>MANAGEMENT OF CMA FUNDS</b>				
4.1.9	The CMA shall administer community grants on behalf of the Minister to assist in the implementation of the (Regional Catchment Strategy and relevant sub-strategies and plans) in accordance with relevant legislation and subordinate instruments and any guidelines issued to the CMA. (WA 13.3 / (CaLP 13.3))	Management of community grants. NE0809.2.235	10% or less spent on grants administration. 95% grant applications processed within one month.	Less than 10% spent on Grants administration. 100% of grant payments processed within one month of receipt of correct paperwork.
<b>MANAGING RISKS</b>				
4.1.10	The CMA shall develop a risk management system and processes to effectively manage strategic, operational and financial risks in accordance with the Financial Management Compliance Framework, all relevant legislative and sub-ordinate instruments and industry standards. (WA 14.1 / CaLP 14.1)	Review current Risk Management Strategy	Review completed. Timetable completed for Risk Management Strategy mitigation measures by 30 June 2008.	Risk Management Review completed by March 2009. Risk Management Review completed by the June 2008.
4.1.11	The Authority shall develop and maintain a comprehensive register of all relevant assets in accordance with the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 15.1 / CaLP 15.1)	Transfer Asset Register from MYOB to AXAPTA.	Reconciliation of the two systems to ensure the assets have been transferred accurately by 30 June 2008	The Asset register was successfully migrated to the Axapta Database in February 2009.
4.1.12	The Authority shall develop and implement systems to manage and maintain its assets and supply its services in a sustainable manner. (WA 15.2 / CaLP 15.2)	Under take a stock take/ review of each Asset category to ensure all assets are accounted for correctly.	Stock Take/Review completed and all identifiable assets to have been checked and either Added or Disposed of (whichever is necessary) by 30 June 2008.	Stock Take completed in May 2009 and all appropriate transactions acted upon as required.

## COMMUNITY ENGAGEMENT

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>GENERAL</b>				
4.2.1	The CMA shall develop, maintain and enhance strategic partnerships with regional service deliverers for the implementation of the Regional Catchment Strategy, its sub-strategies, and any plans, including investment plans and special area plans. (CaLP 16.3)	Provide executive support to the North East NRM Forum. NE0708.2.235 Facilitate engagement with the regions local government authorities. NE0708.2.235	Executive support provided at an appropriate level. Meaningful participation in local government forums at officer and Councillor/Board level.	Executive support provided. Participated in Local Government Environmental and climate Change forums.
4.2.2	The CMA shall establish and maintain community engagement structures and / or processes on an ongoing basis to: a) Provide advice to the CMA on the development and implementation of Regional River Health Strategies (its sub-strategies, and any plans, including investment plans and special area plans), floodplain and drainage programs; and b) Act as a communication link with relevant stakeholder groups and the community. (WA 16.2 / (CaLP 16.2))	Establish Community Liaison Reference Group NE0708.2.235 Facilitate engagement with the regions agribusinesses. NE0708.2.224 Facilitate engagement with the regions Indigenous community. NE0708.3.241 Coordinate community engagement meetings NE0809.2.235 Implement community engagement monitoring, evaluation and reporting programme. NE0809.2.235	CLRG established by 30 September 2008. At least 4 catchment community forums held. CE MER implemented by 31 December 2008.	The Community Liaison Reference Group (CLRG) was established as part of the new Community Engagement Structure, and is now ongoing. One Community Catchment Workshop was held in the Omeo Benambra region. It was not possible to hold more workshops due to more urgent priorities being identified due to the change in the CMA's Community Engagement processes. The CE MER Plan development was postponed till 2009/2010.
4.2.3	The CMA shall make available to the public: a) Information about the catchment and waterway management services and b) relevant educational material (CaLP 16.4 / WA 16.3)	Place all relevant information on the website. NE0809.2.235 Produce Catch Up.	4 Catch Up editions produced.	4 Catch Up editions produced.

## INTEGRATED REGIONAL PLANNING AND COORDINATION

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>REGIONAL CATCHMENT STRATEGY (RCS)</b>				
4.3.1	The CMA shall co-ordinate the development, review, and gain approval for the RCS in accordance with any guidelines issued by the Minister. (CaLP 18.1)	Finalise review of RCS NE0809.2.235 Commence RCS renewal planning based on Land & Biodiversity White Paper outcomes. NE0809.2.235	RCS review completed by 30 June 2009 RCS renewal planning commenced by 30 June 2009.	RCS review postponed by DSE/VCMC till 2009/2010. RCS renewal planning commenced, however commencement of renewal has been delayed pending release of the Land & Biodiversity White Paper.
4.3.2	The CMA shall coordinate the implementation of the RCS. (CaLP 18.2)	Manage Service Level Agreements with key regional stakeholders NE0809.2.235 Facilitate Monitoring, Evaluation, Reporting and Improvement processes for RCS implementation Programmes. NE0809.2.224 Refine spatially explicit asset based approach for RCS implementation. NE0809.2.224	Satisfactory Annual Performance Report.	2007/2008 Annual Performance Report accepted by Investors and key stakeholders.
4.3.3	The CMA shall coordinate the development, review and implementation of regional sub-strategies or plans which manage priority issues in the RCS and/or are specified by relevant State policies in accordance with any guidelines issued to the CMA. (CaLP 18.3)	Coordinate review of Pest Plant & Animal Plans. Undertake an evaluation of sub-strategy/action plan requirements to inform RCS renewal.	Pest Plant and Animal Action Plans Board endorsed by 30 June 2009. Evaluation completed by 30 June 2009.	Completion of Pest Plant and Animal Action Plans deferred to 2009/2010. Deferred pending release of Land & Biodiversity White Paper and regional Catchment Strategy renewal guidelines.
4.3.4	The CMA shall monitor, evaluate and report to the Department on resource condition and management action targets in accordance with any guidelines issued to the CMA. (CaLP 18.4)	Prepare Catchment Condition report for inclusion in the 2007/2008 Annual Report. Coordinate RCIP reporting processes for the region. NE0809.2.235	Annual Catchment Condition reporting completed and meeting statutory reporting requirements. RCIP reporting completed and meeting Investor requirements.	Completed and included in the 2007/2008 Annual Report. 2007/2008 RCIP reporting requirements met.
4.3.5	The CMA shall provide input on action plan priorities and programmes to the development of the RCS. (WA 18.1)	Develop the Regional Catchment Investment Plan NE0809.2.235	Regional Catchment Investment Plan submitted to DSE in accordance with guidelines.	2009/2010 Regional Investment Plan submitted in accordance with DSE guidelines.
<b>REGIONAL CATCHMENT INVESTMENT PROCESS</b>				
4.3.6	The CMA shall include the planning works programmes for action plans in the submission of the annual Regional Catchment Investment Process and other relevant funding processes to the Department. (WA 19.1)	Develop the Regional Catchment Investment Plan. NE0708.2.235	Regional Catchment Investment Plan submitted by 17 January to DSE.	2009/2010 Regional Investment Plan submitted in accordance with DSE timelines.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>REGIONAL CATCHMENT INVESTMENT PLAN (RCIP)</b>				
4.3.9	The CMA shall coordinate the development of the RCIP and the associated documentation, and the implementation and management of the RCIP, in accordance with any guidelines issued by the Department. (CaLP 20.1)	Develop the Regional Catchment Investment Plan. NE0708.2.235	Regional Catchment Investment Plan submitted by 17 January to DSE.	2009/2010 Regional Investment Plan submitted in accordance with DSE timelines.
4.3.10	The CMA shall provide advice through the RCIP process to the Department on regional priorities and programmes for the implementation of the accredited RCS and sub-strategies and relevant plans in accordance with any guidelines issued by the Department. (CaLP 20.2)	Develop the Regional Catchment Investment Plan. NE0708.2.235	Regional Catchment Investment Plan submitted by 17 January to DSE.	2009/2010 Regional Investment Plan submitted in accordance with DSE timelines.
<b>LAND STEWARDSHIP – LANDCARE</b>				
4.3.11	The CMA shall develop and coordinate the implementation of a regional action plan for landcare to support landcare activities across its region in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.1)	Implement the Regional Landcare Support Strategy. NE0708.2.224	Annual workplan completed.	Annual workplan completed.
4.3.12	The CMA shall monitor, evaluate and report on progress against priorities and targets defined by the regional action plan for landcare in accordance with any guidelines issued to the CMA or any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.2)	Report through the Regional Management Plan reporting process. NE0708.2.235	Regional Management Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	2008/2009 RCIP reports submitted and Investor requirements met.
<b>LAND STEWARDSHIP – BIODIVERSITY</b>				
4.3.13	The CMA shall develop and coordinate the implementation of regional plans for biodiversity, such as a Native Vegetation Plan (NVP) in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 22.1)	Develop the Regional Catchment Investment Plan. NE0708.2.235 Manage SLA with DSE Regional Services for implementation of the RNVP. NE0708.2.235	Investor approval of Regional Catchment Investment Plan. Implementation of RCIP projects conforms to SLA.	2008/2009 RCIP approved by Investors. RCIP projects implemented in accordance with SLA.
4.3.14	The CMA shall monitor and report on the progress of implementation against priorities and targets as set out in regional plans for biodiversity in accordance with any guidelines issued to the CMA. (CaLP 22.2)	Report through the Regional Management Plan reporting process. NE0708.2.235	Regional Management Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	2008/2009 RCIP reports submitted and Investor requirements met.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>LAND STEWARDSHIP – BIODIVERSITY (CONTINUED)</b>				
4.3.15	The CMA shall implement revegetation standards for all on-ground works delivered by its own and contracted staff in accordance with any guidelines issued to the CMA. The CMA shall encourage other regional revegetation works, delivered by community groups, to adopt the same standards. (CaLP 22.3)	Promotion of the NE Revegetation Guide as the standard for all revegetation in the NE. NE0708.2.235	The NE Revegetation Guide recognised and used as the standard for revegetation in the NE.	NE Revegetation Guide used as the standard for revegetation in the NE.
<b>LAND STEWARDSHIP – PEST MANAGEMENT</b>				
4.3.16	The CMA shall develop and coordinate the implementation of regional pest plans in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 23.1)	Coordinate review of Pest Plant & Animal Plans. Regional pest management programmes implemented by DPI.	Pest Plant and Animal Action Plans Board endorsed by 30 June 2009. Regional pest management programmes included in the RCIP.	Completion of Pest Plant and Animal Action Plans deferred to 2009/2010.
4.3.17	The CMA shall advise the Minister, or another Minister (if requested), on regional priorities for the management of pest species. (CaLP 23.2)	Board advice to Minister under the current Noxious Weeds Review. NE0708.2.235	Advice provided to Minister when requested by DPI.	Advice provided to Minister as part of the noxious Weeds Review.
4.3.18	The CMA shall develop, monitor and report on the progress of implementation against priorities and targets as set out in regional pest plans in accordance with any guidelines issued to the CMA. (CaLP 23.3)	Report through the Regional Management Plan reporting process. NE0809.2.235 Coordinate sub-strategy reviews for pest action plans.	Regional Management Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment. Pest Action Plans signed off by Board by 30 June 2009.	2008/2009 RCIP reports submitted and Investor requirements met. Completion of Pest Plant and Animal Action Plans deferred to 2009/2010.
4.3.19	The CMA shall advise the Minister on the declaration or revocation of a declaration for any relevant pest species. (CaLP 23.4)	Board advice to Minister under the current Noxious Weeds Review. NE0708.2.235	Advice provided to Minister when requested by DPI.	Advice provided to Minister as part of the noxious Weeds Review.
<b>LAND STEWARDSHIP – SALINITY MANAGEMENT</b>				
4.3.20	The CMA shall develop and coordinate the implementation of Regional Salinity Management Plans or their equivalent in accordance with the RCS and any relevant State policy, framework, Strategy, plan or guideline. (CaLP 24.1)	Develop the Regional Catchment Investment Plan. NE0809.2.235	Investor approval of Regional Catchment Investment Plan. Implementation of RCIP salinity projects conforms to SLA.	2008/2009 RCIP approved by Investors. RCIP salinity project implemented in accordance with SLA.
4.3.21	The CMA shall monitor and report on the progress of the implementation of Regional Salinity Management Plans or their equivalent in accordance with any guidelines issued to the CMA. (CaLP 24.2)	Report through the Regional Management Plan reporting process. NE0809.2.235	Regional Management Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	2008/2009 RCIP reports submitted and Investor requirements met.
4.3.22	The CMA shall advise the Department on the development of regional salinity targets and corresponding works programmes in accordance with the Murray Darling Basin Agreement, or subsequent such agreement. (CaLP 24.3)	Prepare Catchment Condition report for inclusion in the 2007-08 Annual Report. Review salinity targets as part of the RCS review. NE0809.2.235	Review completed by 30 June 2009.	RCS renewal has been delayed pending release of the Land & Biodiversity White Paper.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>LOCAL GOVERNMENT PLANNING</b>				
4.3.26	The CMA shall participate in the periodic review, continuous improvement and implementation of those municipal planning schemes and in particular: a) any Local Planning Policy Framework; b) any Municipal Strategic Statement; and c) (any zones and overlays) which may affect, or be affected by, the CMA's (region, functions, powers and duties) 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 programmes for the implementation of (the RCS, its sub-strategies and plans) regional river health, floodplain and regional drainage programmes. (WA 20.1 / (CaLP 26.1))	Provide comments for Local Govt MSS reviews as appropriate. NE0809.3.241	All Local Government reviews of planning policies have input from the CMA.	Planning policies reviewed as required. Land Use Strategy review initiated.

### CARETAKER OF RIVER HEALTH

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>REGIONAL RIVER HEALTH STRATEGY</b>				
4.4.1	The CMA shall develop a Regional River Health Strategy according to guidelines issued by the Secretary. (WA 21.1)	Strategy is completed and endorsed 2006. Participate in the development of RRHS phase 2 at the State level.	Printed North East Regional River Health Strategy and summary.	Printed North East Regional River Health Strategy and summary.
<b>RIVER HEALTH ACTION PLANS</b>				
4.4.2	For priority areas identified in the Regional River Health Strategy, the CMA shall, in consultation with relevant stakeholders and the community, develop and coordinate the implementation of, relevant action plans, in accordance with guidelines issued by the Secretary, which may include: a) water quality management action plans; and b) waterway management action plans. (WA 22.1)	Implement existing WAPs.		5 existing WAPs Implemented included: RCoW WAP, Lt Snowy Ck WAP, Livingston, Victoria Morass WAP, Koetong Ck WAP and Lower Kiewa – Finns Ck WAP. 3 new WAPs were developed for Upper King River, Yackandandah Ck and Snowy Ck.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>RIVER HEALTH WORK PROGRAMMES</b>				
4.4.3	The CMA shall develop and implement on-ground river restoration works programmes to implement the priorities of the Regional River Health Strategy and related river health action plans. (WA 23.1)	Prepare 11 annual works plans. Mitta Mitta channel capacity project. Living Murray Resnagging project. MDBC demonstration reach project. Prepare RCIP projects. Liaise with DSE regarding crown frontage vegetation assessments.	11 Annual Work plans developed RCIP bid endorsed	The works programme made up of 19 individual projects were delivered across the catchment Mitta Mitta Channel Capacity project was delivered MDBC demonstration reach project on the Ovens River between Wangaratta and Tarrawingee was delivered Living Murray Re-snagging project completed Liaison with DSE regarding Crown frontage vegetation assessments was conducted
4.4.4	The CMA shall include the works programmes outlined above in the submission of the annual RCIP to the Department. (WA 23.2)	Prepare RCIP projects.	RCIP bid endorsed.	RCIP (CFoC and VIF) project bids were developed/ endorsed and approved.
4.4.5	The CMA shall consult with the Department's public land managers in development of any plans, programmes or schemes, which are on a Crown frontage. (WA 23.4)	Liaise with DSE regarding crown frontage vegetation assessments.	Complete a report on crown frontage vegetation assessments.	Report finalised.
<b>APPROVALS, REFERRALS AND ADVICE</b>				
4.4.6	The CMA shall authorise works on waterways and exercise enforcement powers in accordance with the CMA Waterways Protection By-law.	Authorise Works on Waterways.	Assess/process all applications for Works on Waterways within 30 days.	All applications for Works on Waterways processed within 30 days.
4.4.7	The CMA shall act as a referral body for any: a) application for a licence to construct works; and b) application for a licence to take and use water referred to it by the Minister in respect of a dam in accordance with relevant legislation. (WA 24.2)	Provide comments on all Goulburn-Murray Water referrals. Develop a process to incorporate Environmental Water Reserve into GMW licence referral process.	Process applications within 30 days. Process developed and communicated to GMW.	None received.
4.4.8	The CMA shall provide advice on planning referrals which relate to waterway, water quality and any other river health issues when requested by local government. (WA 24.3)	Provide comments on all local government and other Authority referrals.	Provide comments on referrals within statutory timeframes.	Fifty S52 referrals processed within statutory timeframes.
4.4.9	The CMA shall advise the Department on conditions for licences in respect of Crown frontages. (WA 24.4)	Provide comments to the Department on all crown frontage referrals.		12 referrals were processed.
4.4.10	The CMA shall provide advice to rural and urban water authorities, local government and State Government agencies on aspects of their business, or matters which they are handling, which impact on river health. (WA 24.5)	Provide comments on WSDS, drought response plans, water plans. NE 0506.02.05 NE 0708.02.152	Comments provided to rural and urban water authorities.	Comments provided to rural and urban water authorities, in particular proposed Bright Water Storage.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>MANAGEMENT OF THE ENVIRONMENTAL WATER RESERVE (EWR)</b>				
4.4.12	The CMA shall integrate the management of the EWR into the development of the Regional River Health Strategy, action plans and integrated river works programmes. (WA 26.1)	Identify how EWR can be integrated into works program/action plans, such as a review of the RCS (through MERIF).	EWR integrated into review of RCS.	Participated in RCS interviews to ensure EWR is considered in the new RCS
4.4.13	In all its river health planning and works programmes, the CMA shall aim to: a) achieve the most effective use of the EWR; b) achieve the greatest level of environmental benefits practicable; and c) minimise, as far as possible, any adverse impacts on water users. (WA 26.2)	Integrate EWR objectives into works program/action plans, whilst minimising adverse impacts.	Process documented. Benefits documented.	Dry Inflow contingency plans documented including processes and benefits.
4.4.14	The CMA shall liaise with: a) the storage operator to negotiate the most effective release pattern for the EWR, in regulated systems including during drought; and b) surface water and groundwater licensing authorities to negotiate the most effective surface water and groundwater extraction regime. (WA 26.3)	Liaise with GMW regarding the operation of lake Buffalo. Liaise with Goulburn-Murray Water effective surface/ground water extractions as part of Ovens SFMP. Participate as a member of the Regional Groundwater Services Committee and relevant Surface Water Committees	G-MW and NERWA documented EWR objectives in Dry Inflow Contingency Plan Demonstrated input into the Ovens SFMP process Attendance at RGSC meetings and relevant Surface Water Committees	Dry Inflow contingency plans documented including processes and benefits. Attended meetings as required.
4.4.17	The CMA shall report annually to the Secretary on the consistency of the management of the EWR with the requirements of the State Water Accounts. (WA 26.6)	Provide EWR information to State Water Accounts process.	Information provided.	Information provided.
4.4.18	The CMA shall receive approval from the Secretary where the CMA, whether acting in its own capacity or as a delegate of the Minister, intends to: • purchase a water share; • transfer ownership of a water share; • assign a limited-term transfer of a water share; and • assign a water allocation under a water share or an environmental entitlement. (WA 26.7)	Process the ownership of water share as required.	Approvals sought from the Secretary.	Approvals sought where required.
4.4.20	The CMA shall liaise with the storage operator to maximise benefits to the EWR resulting from the timing, volume and location of the release of water in the consumptive entitlements. (WA 26.9)	Liaise with GMW regarding the operation of lake Buffalo and Lake William Hovell. Liaise with River Murray Water in relation to the operation of Lake Dartmouth	Demonstrated influence in operational management.	MOU between NERWA, GMW and CMA developed for operation of Ovens and King Storages

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>WATER ALLOCATION PROCESSES</b>				
4.4.21	The CMA shall provide input into the development of Sustainable Water Strategies on: a) requirements and priorities for enhancing the EWR in high priority river and wetland systems and groundwater dependent ecosystems; b) River health and water quality issues; c) Potential large-scale land use changes in catchments; and d) Opportunities and implications for regional development. (WA 27.1)	The CMA shall participate in the Northern Sustainable Water Strategy, and provide EWR advice.	Documented input into discussion paper and draft strategy.	Documented input for the development of the Northern Sustainable Water Strategy.
4.4.23	The CMA shall provide input to bulk entitlements, groundwater management plans, water savings projects, irrigation reconfiguration plans and any other water allocation processes from a river health perspective. (WA 27.3)	Provide input as opportunities arise.	Input documented.	Input documented where required.
4.4.24	The CMA shall prepare regionally specific irrigation development guidelines which are consistent with the Statewide Irrigation Development Guidelines for approval by the Minister. (WA 27.4)	Completed 2007/2008 Provide input into Regional Guidelines implementation. Develop MOU for new irrigation development process.	Input documented. Process developed.	Regional MOU document completed (which documents the input required and the process for Irrigation Development Guidelines).
4.4.25	The CMA shall advise the Minister on conditions and objectives for water use licences in accordance with relevant legislation, where requested by the Minister. (WA 27.5)	Completed 2007/2008.	Input documented. Demonstrated participation.	Provided input and participated where required.
<b>FLOODPLAIN MANAGEMENT</b>				
4.4.27	The CMA shall develop and coordinate the implementation of regional plans for floodplain management. (WA 28.1)	Review the Regional Floodplain Management Strategy & Develop and coordinate reg. flood plans.	Develop and coordinate reg. flood plans.	Review of regional FPM commenced.
4.4.28	For priority areas in the regional floodplain plan, the CMA shall: a) Undertake flood studies, develop floodplain management action plans and implement floodplain management works; and b) Report to the Department on the progress of these activities in accordance with relevant funding agreements. (WA 28.2)	Undertake flood mapping in RCOW - Owens tributaries (Reedy Creek, Tarawingee area); Towong Shire -Murray tributaries; Alpine Shire - Buffalo & Buckland rivers.	Incorporation of improved flood maps in relevant Council planning schemes.	Flood level declaration maps have been prepared for Wangaratta area. One new flood study, the Middle Creek Leneva Flood & Drainage Study commenced.
4.4.29	The CMA shall provide advice about flooding and controls on planning scheme amendments, and planning and building approvals to local councils in its capacity as a referral body in accordance with relevant legislation. (WA 28.3)	Provide advice to local Government on planning referrals.	100% of S55 applications processed within statutory timeframe.	180 floodplain referrals were processed within the statutory timeframe.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
4.4.30	The CMA shall declare the flood level where a flood study has been carried out and an appropriate flood level determined. (WA 28.4)	Flood levels for the Mitta will be prepared.	Flood levels declared for the Mitta Mitta River.	Flood levels declared for the Wangaratta urban area.
4.4.31	The CMA shall coordinate the collection of appropriate flood data following a significant flood event and make it available to the public. (WA 28.5)	Flood data will be collected following flood events. NE 0506.02.05	Flood data available to the public.	No notable flood events occurred during the reporting period.
4.4.32	The CMA shall participate and provide technical assistance and support for studies, plans and works undertaken by local government and other authorities to ensure that best practice outcomes are achieved. (WA 28.6)	Where requested technical advice will be provided.	Demonstrated participation in studies, plans and works undertaken by local government and other authorities.	Assisted Alpine Shire with the implementation of the Myrtleford Flood Mitigation Scheme. Assisted SES with the Flood Safe educational campaign in Myrtleford Area.
4.4.33	The CMA shall assist local government in developing and maintaining their flood sub-plans under the Municipal Emergency Management Plans where appropriate. (WA 28.7)	Where requested technical advice will be provided.	Demonstrated participation in local government sub-plans under the Municipal Emergency Management Plans.	Assisted Towong Shire with review of its flood sub-plan.
<b>MANAGEMENT OF REGIONAL DRAINAGE</b>				
4.4.35	The CMA shall implement, operate and protect the regional drainage schemes and works which the CMA has been appointed to assume responsibility for by an Order made under s.98 Water Act 1989, in accordance with that Order. (WA 29.2)	Black Dog Creek Waterway Management District By-law will be implemented.	Assess/process all applications within 30 days.	No application received.
<b>MONITORING AND REPORTING ON RIVER HEALTH</b>				
4.4.36	The CMA shall report to the Minister for Water on the implementation of Regional River Health Strategies, related action plans and resource condition in accordance with the Service Level Agreement and any guidelines issued by the Secretary. (WA 30.1)	Regional Management Plan reports developed.	Reports accepted by government.	Reports submitted to Government.
4.4.37	The CMA shall benchmark and report to the Secretary on river condition in accordance with guidelines issued by the Secretary. (WA 30.2)	Undertake sentinel ISC site assessments.	15 sites assessed and reported to Department of Sustainability and Environment.	ISC sentinel site assessments were not required/funded by DSE.
4.4.38	The CMA shall participate in the Regional Water Resource Monitoring Partnership and implement their role as outlined in regional Water Monitoring Project Co-operative Arrangement. (WA 30.3)	Participate in partnership.	Attendance at each partnership meeting.	Attended meetings when required.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>RESPONDING TO NATURAL DISASTERS, INCIDENTS AND EMERGENCIES</b>				
4.4.39	The CMA shall develop, maintain and implement a Flood Response Action Plan and review it annually. (WA 31.1)	Review Flood Response Action Plan.	Flood Response Action Plan and reviewed.	Flood Response Action Plan reviewed.
4.4.40	The CMA shall develop and implement river related restoration works programmes following natural disasters such as bushfires or floods. (WA 31.2)	Respond to emergencies.	Successfully funded river restoration works programmes. Reporting carried out as per funding agreement.	Undertook regional recovery activities in relation to fires.
4.4.41	The CMA shall participate in the development of regional blue-green algal blooms contingency plans. (WA 31.3)	Report blooms to GMW. Participate in regional planning exercises.	Reports submitted to GMW. Attendance at regional planning exercises.	Attended two Blue Green Algae (BGA) events. One hosted by Goulburn Murray Water, a debriefing of the Murray River BGA event and a workshop held by DSE to discuss each agencies legislative role(s) in the event of a BGA outbreak.
4.4.42	The CMA shall liaise with local government and state emergency services on flooding and emergency management issues. (WA 31.4)	Liaison regarding fire and drought recovery programmes.	Attendance at drought, fire recovery meetings.	Attended fire recovery meetings.
<b>COMMUNITY PARTICIPATION AND AWARENESS</b>				
4.4.43	The CMA shall undertake programmes to encourage community engagement and participation in: a) river health programmes; b) the management of the EWR; and c) the monitoring of river health. (WA 32.1)	Implement Waterway Action Plans. Landcare presentations on RRHS. Streamflow Management Planning (Env Water). WaterWatch – road shows at local schools, Support adult monitoring network. Participation in salt watch week, world water day, local events. WQ monitoring support for river health staff, assistance with community engagement activities. Foster working relationship with NERWA in WQ programme delivery. Participate in water policy review. Annual coms plan. Media events - water week.	Report quarterly to Board on community engagement activities. 13 roadshows to 70 schools. Water quality data provided to 70 schools. Water week activities. 60 active adult volunteers supported, water quality data provided to all monitors annually. Annual works plan implemented with NERWA.	Monthly updates to the Board on Riverhealth community engagement. 5 Student Environment Days - 12 different NRM organisations involved, 915 Grade 5 & 6 students participated – 49 schools. 39 adult volunteers conducting monthly water quality monitoring. 39 monitoring plans and data reports produced (monthly monitored sites). 102 active sites monitored by volunteers and schools. QA/QC Week activities – 20 adult volunteers participated. SEED website went live – CMA has units of work related to catchment and river health for teachers to use. ISC – Water Quality Monitoring Trial – 7 adult volunteers monitoring monthly. Parks Vic Summer Programme – Lake Catani – Waterwatch testing. Saltwatch Week – 147 students participated in salinity monitoring. MOU with NERWA – Tapping into Catchments.

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
4.4.44	The CMA shall develop and implement community education programmes on river health and the management of the EWR. (WA 32.2)	As above - water week activities.	Report quarterly to Board on community engagement activities.	Unit of Work on river health and catchment health developed by CMA and on SEED website for Teachers to access. Tapping into Catchments – joint programme with NERWA to work with and support schools in educating about river health.
4.4.45	The CMA shall promote community awareness of flood risks. (WA 32.3)	Respond to planning enquiries. NE 0506.02.05	Planning applications completed within statutory timeframe.	See 4.4.29
4.4.46	The CMA shall develop, implement and maintain strategic partnerships with rural and urban water authorities for the implementation of the Regional River Health Strategy. (WA 32.4)	Liaise with GMW / NERWA re drought and fire response plans. Implement NERWA MOU. NE 0506.02.02 / NE 0506.02.03 / NE 0506.02.04 / NE 0506.02.05 / NE 0506.02.33	Completed drought/fire response plans. MOU principles adhered to.	MOU with NERWA – Tapping into Catchments.

## INNOVATION AND KNOWLEDGE MANAGEMENT

#	Key Result Area	Activity 2008/2009	KPIs 2008/2009	Result 2008/2009
<b>INNOVATION AND KNOWLEDGE SHARING</b>				
4.5.1	The CMA shall a) identify the CMA's research and capability needs; b) support investment in research and capability building, where doing so would improve the implementation of the RCS its sub-strategies and plans; c) participate in processes or projects aimed at generating and sharing knowledge on integrated catchment management including river health, the management of EWR, flooding and drainage; and d) participate in the setting of state-wide priorities. (WA 33.1 / CaLP 27.1)	Conduct an Annual assessment of knowledge needs. NE0809.2.235 Participate in LW&A project "Making Successful Investments in NRM Practice Change". NE0809.2.235 Participate in the Landscape Logic research programme. NE0809.2.224 Participate in statewide Forums for Biodiversity and RCS renewal. NE0809.2.235 Develop a Regional Knowledge Strategy. NE0809.2.235 Actively participate in the development of the Government's Land and Biodiversity White Paper. NE0809.2.235 Follow up after evaluation. Learning by evaluation and adaptation.	Annual project outcomes achieved. Attendance at Forums. Regional Knowledge Strategy in place.	Project outcomes achieved for 2008/2009. North East CMA represented at statewide RCS and Biodiversity Forums.

**Note:** Activities 4.1.1, 4.1.7, 4.1.8, 4.2.4, 4.3.7, 4.3.8, 4.3.23, 4.3.24, 4.3.25, 4.4.11, 4.4.15, 4.4.16, 4.4.19, 4.4.22 and 4.4.34 did not have a KPI for the reported period but were acted upon as necessary.

# GLOSSARY OF TERMS

ABBREVIATION	TERM
ARI	Arthur Rylah Institute
CaCl	Calcium Chloride
CAMS	Catchment Activity Management System
CfoC	Caring for our Country
CLF	Community Liaison Facilitator
CLRG	Community Liaison Reference Group
CMA	North East Catchment Management Authority
DPI	Department of Primary Industries
DSE	Department of Sustainability and Environment
EEO	Equal Employment Opportunity
EVC	Ecological Vegetation Classes
EWB	Environmental Water Reserve
G-MW	Goulburn-Murray Water
Ha	Hectare
ISC	Index of Stream Condition
IT	Information Technology
Km	Kilometre
MDBC	Murray Darling Basin Commission
MERIF	Monitoring Evaluation Reporting & Improvement Framework
MoU	Memorandum of Understanding
MSS	Municipal Strategic Statement
NESHAP	North East Soil Health Action Plan
NEW	North East Water
NRM	Natural Resource Management
NSWS	Northern Sustainable Water Strategy
OBWQWG	Ovens Basin Water Quality Working Group
OHS	Occupational Health and Safety
PDC	Protected Disclosure Coordinator
pH	Acidity/Alkalinity Scale
PPSR	Participatory Performance Story Reporting
RCIP	Regional Catchment Investment Plan
RCS	North East Regional Catchment Strategy
REALM	Research Application Model
RGSC	Regional Groundwater Services Committee
SFMP	Stream Flow Management Plan
SLA	Service Level Agreement
SMT	Senior Management Team
VCAT	Victorian Civil and Administrative Tribunal
VMIA	Victorian Managed Insurance Authority
VROTS	Victorian Rare or Threatened Species
WAP	Waterway Action Plan

## REPORT PROFILE

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

Gavin Jennings MLC, Minister for Environment and Climate Change was the responsible Minister for the North East CMA during the reporting period. The CMA has functions under both the Catchment and Land Protection Act (CaLP) 1994 and the Water Act 1989. The CMA was accountable to the Minister for Environment and Climate Change for its functions under the CaLP Act and to The Hon. Tim Holding, Minister for Water for its functions under the Water Act.

This report of operations and associated financial statements has been prepared to meet statutory requirements and inform stakeholders of the CMA's activities for the 2008/2009 period.

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

- Previous annual reports;
- Corporate Plan 2008/2009 to 2013/2014;
- Regional Catchment Strategy;
- North East Regional River Health Strategy; and
- Regional Catchment Investment Plan.

Copies of these documents may be obtained from our office, 1B Footmark Court, Wodonga or from our website, [www.necma.vic.gov.au](http://www.necma.vic.gov.au).

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

ISSN 1836-2990

© State of Victoria, (North East Catchment Management Authority) 2009. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

## PHOTO CREDITS

The North East CMA extends sincere thanks to all those who contributed photos for this report.

Staff contributors: Terry McCormack, Natalie Martin, Richard McTernan, Matthew O'Connell, Fiona Shanks, Andrew Briggs, Natalie Ord, Sarah Daniell, Chris Reid, Emma Nilsson and Kate Patrick.

External contributors: Alison Pouliot, The Border Mail, The Wangaratta Chronicle, Bell Commercial Photography, Simon Dallinger Photography, Steven Routledge, Chantelle Bourne, Mary-Anne Scully, the Alpine Valleys Community Leadership Programme and Belinda Pearce.

# HOW WE CAN HELP YOU

YOU CAN CONTACT THE NORTH EAST CMA FOR ADVICE AND ASSISTANCE IN THE FOLLOWING AREAS:

## FUNDING AND GRANTS

We provide information about natural resource management funding programmes and can link you to funding sources. Our website has regular updates about grants and incentive programmes. Visit [www.necma.vic.gov.au](http://www.necma.vic.gov.au)

## WORKS ON WATERWAYS

You can contact us for permits and planning advice.

## SCHOOLS PROGRAMMES

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

## LANDCARE

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

## SEMINARS AND WORKSHOPS

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

## INDIGENOUS SUPPORT

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



Established 1950

North East CMA - Winner of Bronze Award for its 2007/2008 Annual Report.



This Report was printed on Mega Recycled Silk, made from 50% recycled post consumer waste and 50% FSC Certified fibre, and printed with environmentally friendly Soy Inks.

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

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



**NORTH EAST  
CATCHMENT  
MANAGEMENT  
AUTHORITY**

With support from



**Australian Government**