



THE OVENS RIVER 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 ITS LOWER REACH. THIS YEAR WE CONTINUED OUR DECADE-LONG COMMITMENT TO PROTECTING THIS SPECIAL ENVIRONMENTAL AND COMMUNITY ASSET.

Diverse, healthy landscapes, vibrant communities.

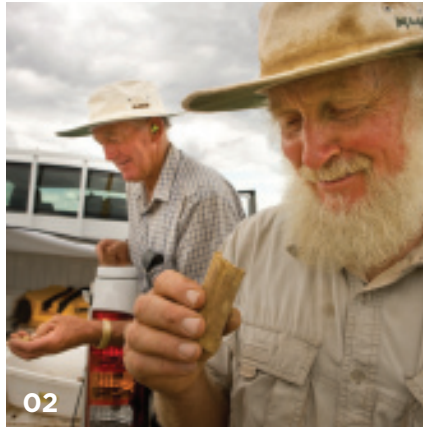


NORTH EAST
CATCHMENT
MANAGEMENT
AUTHORITY

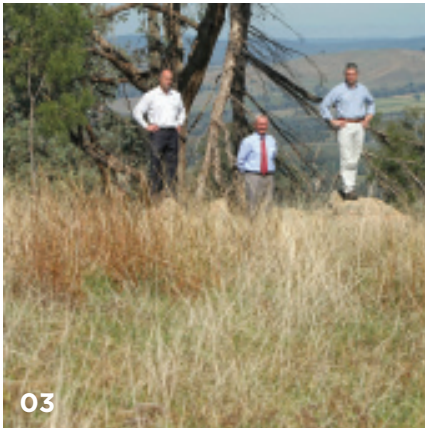
Annual Report 2009/2010



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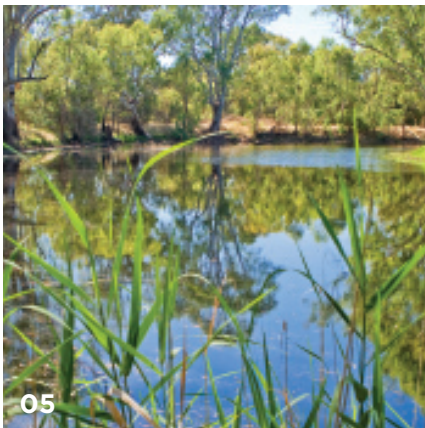
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01 A report commissioned by the North East CMA provided valuable insights into the impacts of willow removal on north east Victorian waterways (see page 13).

02 Springhurst farming brothers, Ian and Lindsay Humphry, joined a new soil carbon program in the north east (see page 12).

03 The threatened grassy woodlands project transcends traditional boundaries in a bid to deliver widespread land practice change (see page 17).

04 The North East CMA hosted community activities throughout the year (see page 9).

05 The Ovens River requires priority management because of its environmental values (see page 9).

06 Threatened grassy woodlands are essential for the survival of rare and threatened species, including the Fat-tailed Dunnart (see page 17).

COVER PHOTO STORY

Terry McCormack, Waterways Project Officer with North East CMA, is pictured by a section of the heritage-listed Lower Ovens River.

Whilst the North East CMA has been working for more than a decade to protect this nationally recognised asset, Terry has been contributing to river health in the Ovens Valley for over 20 years.

Like the North East CMA, Terry has a long lasting commitment to maintaining the health of the Ovens - a river system that 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.

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07 During the year farmers and community groups living in areas damaged by the January 2009 bushfires moved from an urgent repair focus to prevention of future environmental problems.



MESSAGE FROM THE CHAIR



2009/2010 proved to be a formative year for the North East CMA. During the course of the year we were proactive, responsive and effective.

At a governance level, our 'new' Board completed its first full year term.

We proactively developed a new Board charter that outlines the procedures and operation of our Board so that all stakeholders have a clear and shared understanding of the Board's roles, responsibilities and performance expectations. The Charter is intended to be a living document which the Board will, in consultation with stakeholders, adapt and innovate over time.

In December we responded to significant governance and strategic changes heralded by the launch of the Victorian Government's Land and Biodiversity White Paper - Securing Our Natural Future.

The White Paper highlighted mounting threats facing Victoria's land, water and biodiversity. It also announced institutional reform. The North East, Goulburn Broken and North Central CMAs will amalgamate by 1 July 2011, leading to creation of the Northern Rivers Natural Resource and Catchment Authority. Our Board is working to deliver the best outcomes for the North East region in this reform process. Simultaneously, we remained focussed on core business.

Our strategic approach to natural resource management continued to be effective.

Firstly, we continued to protect and sustain environmental assets in our region. A \$3 million biodiversity conservation project launched near Wodonga in April signalled the start of a major push to reverse the decline of threatened grassy woodland ecosystems across the Greater Murray Goulburn Catchment.

Funded by the Australian Government's Caring for our Country and led by the North East CMA, this project transcended traditional boundaries in a bid to deliver widespread change.

In a regional first, three Catchment Management Authorities (the North East, Goulburn Broken and Murray CMA's) joined key partners (Victorian State Departments of Sustainability & Environment and Primary Industries, the Trust for Nature, the Nature Conservation Trust and the Australian National University) to address the decline of these ecological communities.

In June we received national recognition as a finalist in the 2010 National Landcare Awards. This accolade highlighted the North East CMA's long term commitment to Landcare and our commitment to maintaining community connectedness.

Since its inception, the North East CMA has recognised the importance of supporting the community to adjust to challenges such as ongoing drought, and recovery after the extensive bushfires in 2003/2004, 2006 and again in 2009.

The strength of Landcare groups, combined with the assistance of North East CMA support and funding, has resulted in groups being able to deliver small, local projects and region-wide integrated projects. In the year ahead we will continue to advocate the effectiveness of this model.

Paul Carrick
Chair

MESSAGE FROM THE CEO

In some ways the past year has been a welcome relief, with the drought somewhat mitigated by better rainfall patterns than in the previous 11 years, and the absence of major bushfires.

So, in some ways it was unusual to undertake programmed works without a major emergency response in place (fire, drought or flood).

Highlights for 2009/2010 included; a 97% completion rate for land, water and biodiversity programs, a sound Victorian investment planning framework presented to investors, and an effective bushfire recovery program quickly activated in the Mudgegonga and Kiewa Valley communities. We also successfully initiated a soil carbon project with over 230 farmer expressions of interest, and a threatened grassy woodlands project, involving a collaborative effort across the NSW Murray, North East and Goulburn Broken CMAs. We made solid progress in negotiations with local Government in rural land use planning, and held an effective environmental water reserve workshop facilitated in Northern Victoria, where there are high community expectations to effectively deliver environmental water to our environmental assets.

In terms of internal operations, energy costs were further reduced by 23.4% in the full year 2009 compared to the previous year, and we enjoyed an enthusiastic uptake of the ResourceSmart program by all staff.

The North East CMA also engaged with policy formulation with effective submissions to the Northern Sustainable Water Strategy and the Murray Darling Basin Plan.

I would like to thank the Board for their strategic and personal support in my role, and I would like to thank my staff in terms of their dedication to the job at hand and their professionalism.

In the year ahead we look forward to working with DSE and the Minister in the implementation of the Government's Land and Biodiversity White Paper, including the process of institutional change, which will represent a significant change for the CMA. During this process the CMA will be committed to the continuation of program delivery and stakeholder engagement. Together with the Chair, I look forward to a positive year in this time of change.

In accordance with the Financial Management Act (1994) I am pleased to present the Report of Operations for the North East Catchment Management Authority for the year ending 30 June 2010.



John Riddiford
Chief Executive Officer



10 The North East CMA and partner agencies continued to implement recovery plans for rare and threatened species.

11 In 2009/2010 the North East CMA Waterwatch team achieved the top ranking in Victoria for gathering accurate water quality samples.

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 programs 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.

OUR CATCHMENT

TABLE 1
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

RAINFALL AND STORAGE DATA

The CMA's rain gauge adjacent to our Wodonga office measured 476 millimetres for the 2009 calendar year, compared with 495 millimetres in 2008. Victorian rainfall during 2009 was close to normal in the northwest of the State, and also along the west coast. The start to the year was very dry and although rainfall improved during the second half of 2009, totals still finished up below the long-term norms in central and eastern districts.

TABLE 2 RAINFALL DATA BY CALENDAR YEAR

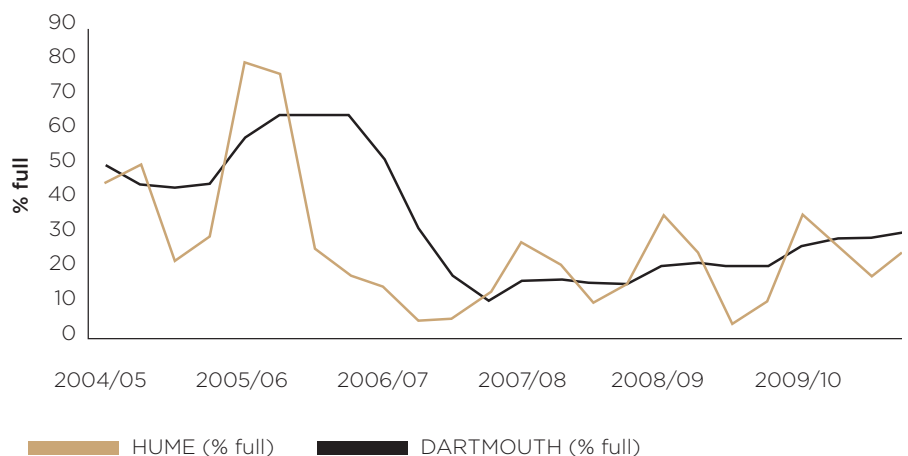
TOWN	ANNUAL RAINFALL CALENDAR YEAR (MM)							LONG TERM AVERAGE RAINFALL (MM)	LOWEST YEAR PRIOR TO 2003 (MM)
	2009	2008	2007	2006	2005	2004	2003		
Wodonga	476	495	528	287	728	498	715	701	348 (2002)
Wangaratta	421	489	442	283	846	492	658	636	385 (1998)
Corryong	664	480	679	339	846	609	955	775	344 (1967)
Bright	868	841	955	606	1,197	893	1326	1,127	578 (1982)
Omeo	414	476	663	365	698	518	585	673	430 (1938)

Rainfall data courtesy of Australian Bureau of Meteorology.

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

GRAPH 1 STORAGE LEVEL - HUME WEIR & DARTMOUTH DAM



REPORT ON THE CONDITION AND MANAGEMENT OF LAND & WATER RESOURCES – CATCHMENT CONDITION REPORT 2009/2010

BIODIVERSITY

It is estimated that North East Victoria is experiencing a net loss of 298 habitat hectares per year.

During 2009/2010 biodiversity in the region continued to be impacted by the unprecedented dry conditions and a continuing incremental decline in vegetation quality and extent. While government funded management actions undertaken during the year led to an estimated 199 hectare increase in extent and 67 habitat hectare increase in quality, incremental decline exceeded what was achieved through government investment.

The North East CMA and partner agencies continued to implement rare and threatened species Action Statements and Recovery Plans. It is unknown whether the level of actions implemented will improve the conservation status of individual species.

The CMA also commenced a major restoration project - protecting our threatened grassy woodlands. This \$3 million project will seek to reverse the decline of this important ecosystem.

The following RCS Resource Condition Targets applied to biodiversity:

- Improve the quality of priority EVC's by 10% of 2005 levels measured by HabHa
- Achieve ongoing 'net-gain' for all EVC's
- Increase where possible the extent of Native Vegetation (NV) for endangered EVC's to 15% and the extent of NV for vulnerable EVC's to 30% relative to 1750 levels, by 2023
- 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.

INLAND AQUATIC ECOSYSTEMS

Inland aquatic systems are stable based on the evidence that there is no decline in the index of stream condition, and there has been substantial works implemented to improve river health. A 70ML environmental water entitlement was purchased for the King River system and managed according to Australian Government environmental watering requirements.

Water salinity levels continue to be influenced by low flows.

The following RCS Resource Condition Targets apply:

- Zero change at Morgan as measured for Ovens and Kiewa (4,500Ha of revegetation over 30 years)
- Mean annual TN load from Ovens catchment reduced from 1578 to 728 tonnes
- Mean annual TP load from Ovens catchment reduced from 179 to 71 tonnes
- Mean annual TP load from Upper Murray & Kiewa catchments reduced from 235 to 160 tonnes
- Improvement in ISC ratings of 1999.

LAND HEALTH

There are no standardised measures to assess land health. However there was a demonstrated improvement in the number of sustainable agricultural practices, and the threat of salinity is declining with continued low groundwater tables due to the prolonged dry period.

Management actions in the north east continue to focus on improving soil carbon through sustainable farming practices, with 230 farmers participating in the program.

The following RCS Resource Condition Targets apply:

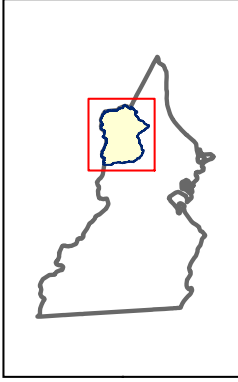
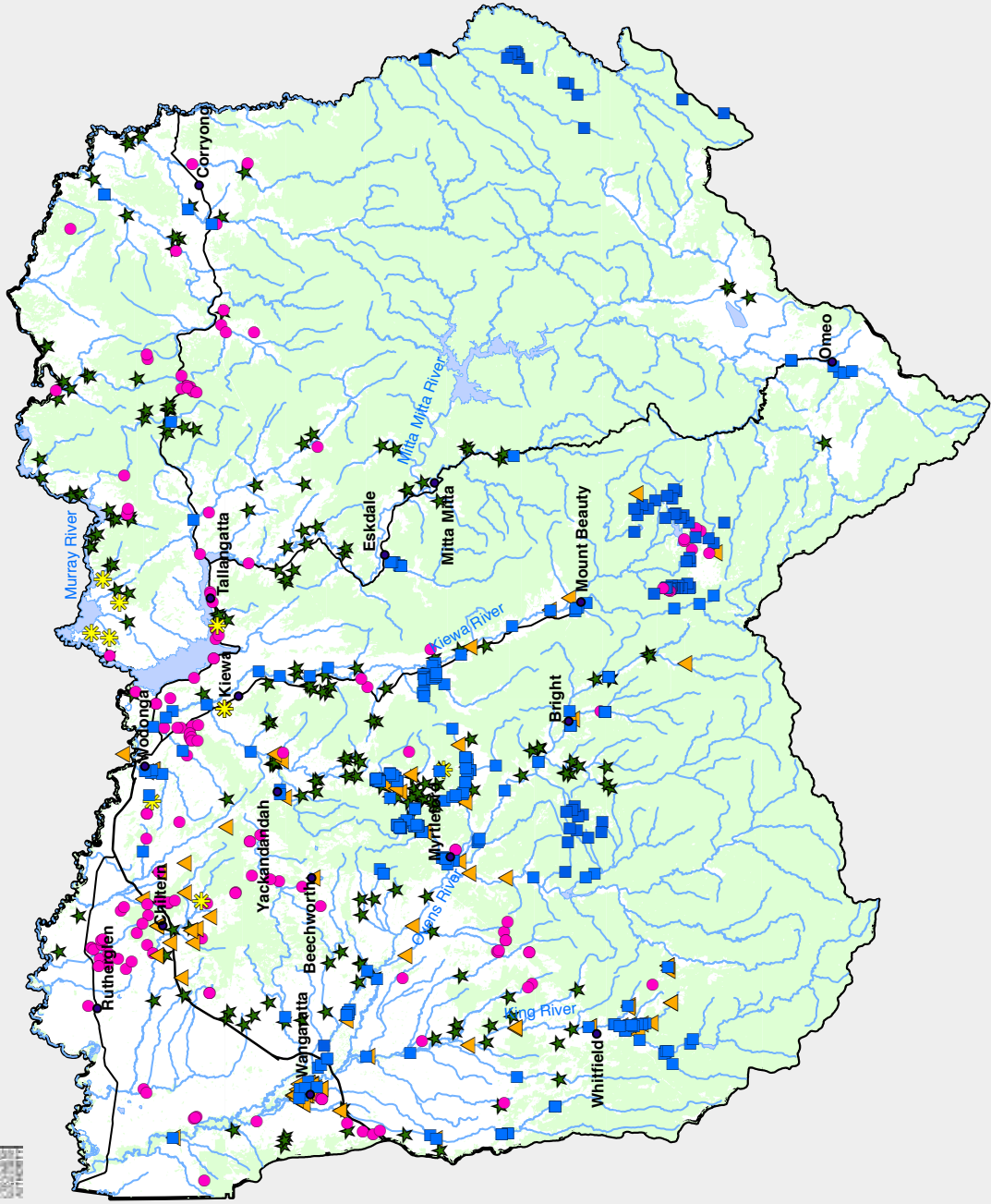
- Improve the surface soil (0-10cm) acidity levels of all agricultural land to better than pH 4.5 by 2023.
- Reduce the number of active gullies as at December 2005 in priority areas defined in the North East Soil Health Action Plan by a minimum of 30% by 2023
- Reduce the impact by a number to be determined of priority and ecologically significant pest plant infestations in high priority areas on all land by 2013.

ENVIRONMENTAL STEWARDSHIP










There are no standardised measures to assess environmental stewardship. The North East CMA has a number of programs to promote environmental stewardship including the Threatened Grassy Woodlands project, River Tender and the numerous environmental grants offered.

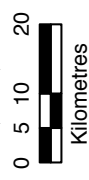
COMMUNITY CAPACITY

There are no standardised measures to assess community capacity. Community capacity programs include the Landcare Support program and the Soil Carbon project in particular, and all natural resource management delivery programs in general.



Headline Theme Activities

-  Biodiversity
-  Community Capacity to support NRM
-  Environmental Stewardship
-  Inland aquatic systems
-  Land Health
-  Water Bodies
-  Waterways
-  Tree cover
-  North East CMA



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PROTECTING AND RESTORING ALPINE PEATLAND

Investors: Victorian Investment Framework, Caring for Our Country, Parks Victoria

The North East CMA continued to support protection of an endangered ecosystem in Victoria's high country during 2009/2010. Alpine peatlands, also known as bogs, mossbeds and wetlands, are protected under Victorian and Federal Government legislation. These unique ecological communities provide habitat for nationally threatened plants and animals, store water, filter sediment and help regulate stream flow at a local level.

Grazing, bushfires, weeds and feral horses have reportedly reduced the extent of peatlands by approximately 50% over the last 200 years. Climate change is another threat.

HIGHLIGHTS

During 2009/2010 the North East CMA:

- Completed an ecological risk assessment on peatland communities at Mount Buffalo. We involved scientists and managers in this water quality investigation project. Through this process we investigated threats to water quality, established water quality trends and gained information that will be used to protect Mount Buffalo peatlands including the nationally listed wetlands of significance; Bunyip Bog and Crystal Bog from degradation; and
- Joined representatives from East Gippsland CMA, Parks Victoria, DSE and La Trobe University on a field tour of high value alpine wetlands on Davies Plain. Through this inspection we gained an understanding of the condition of these assets and the impact of feral horses - currently identified as the greatest threat to these wetlands.

PUTTING THREATENED GRASSY WOODLANDS ON THE RADAR

Investor: Caring for our Country

A \$3 million biodiversity conservation project launched near Wodonga in April signalled the start of a major push to reverse the decline of threatened grassy woodland ecosystems across the Greater Murray Goulburn catchment.

Threatened grassy woodlands include; White Box-Yellow Box, Blakely's Red Gum Woodland, native grassland, Buloke Box-Gum Grassy Woodland, Weeping Myall and Buloke Woodland.

Funded by the Australian Government's Caring for our Country and led by the North East CMA, the threatened grassy woodlands project transcended traditional boundaries by developing cross-border, cross-regional partnerships in a bid to deliver widespread land practice change.

(see case study on page 17 for more details)

INLAND AQUATIC ECOSYSTEMS

13 Adults and children enjoyed a community wetland event held at Black Swamp in May 2010.

14 A new wetland strategy resource will help guide future management of wetlands in the north east.

PROTECTING AND MANAGING THE OVENS RIVER

Investors: Victorian Investment Framework, Caring for our Country

The Ovens River is one of two rivers listed in the Victorian River Health Strategy that requires priority 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 River Red Gum forest and wetlands system in the lower reach.

In 2009/2010 the North East CMA continued to implement a major waterway health programme that aimed to reduce environmental threats and deliver benefits to communities, flora and fauna living along the Ovens River.

HIGHLIGHTS

In consultation with Parks Victoria and the Rural City of Wangaratta, we worked to address invasive weed species along the Lower Ovens River, a high conservation value aquatic ecosystem.

We also worked in partnership with landholders to control weed infestation by spraying and removing willows and developing management agreements.

The control of these invasive species along the Lower Ovens River covered an area that extended from Bundalong to Wangaratta. The targeted species comprised various Salix species, including Black willow and woody weeds such as Privet, Blackberry, Desert Ash and Box Elder.

We will commission an aquatic weed survey from Wangaratta to Bundalong to inform future control activities. Results from this study are due in December 2010.

LOWER OVENS RIVER AND FLOODPLAINS/WETLANDS PROJECT

Investor: Victorian Investment Framework

Through this collaborative project, we worked with the Department of Primary Industries (DPI), Trust for Nature (TFN) and the Rural City of Wangaratta to develop a range of community and stakeholder engagement activities, educational activities and on-ground works across the North East CMA region. Areas in and around the Lower Ovens River and Black Swamp were a key focus for activity as both are wetlands of national significance.

HIGHLIGHTS

Key achievements for 2009/2010 included:

- Completion of a wetland study summary document - we will use the Strategy to encourage and guide future management of wetlands. Landholders and partner agencies, including the Department of Sustainability and Environment, the Department of Primary Industries, Parks Victoria, Goulburn-Murray Water, and local government were involved in development of this resource. (see case study on page 16)
- Community activities - in May 2010 more than 80 people attended a community wetland event organised by the North East CMA in partnership with DPI, DSE, Parks Victoria and TFN. The event sought to raise awareness of Black Swamp - the region's most significant wetland - and remind people about the importance of wetlands. Held after Autumn rain, this community event showcased a 'wet' Black Swamp. The experience was a stark contrast to a previous 'dry' wetland tour of Lake Moodemere, Black Swamp and Boorhaman Plains organised by the CMA in September 2009.
- Involving Local Government and partner agencies - in February 2010 the North East CMA hosted an interagency workshop in Wangaratta to encourage greater understanding of the complexity of proposals to alter wetland hydrology on the Boorhaman Plains.





15

LARGE-SCALE RIVER RESTORATION

Investor: Victorian Investment Framework

The State Government's Large Scale River Restoration program 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 programs 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 program that aims to reduce environmental threats and deliver benefits to communities, flora and fauna living along the Ovens River.

Since inception of the program in 2004/2005, we have 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.

HIGHLIGHTS

In 2009/2010 our protection program involved:

- Eradicating and actively managing Black and Grey willow population as these pose a significant ongoing threat to river health in the Lower Ovens
- Managing sediment in Reedy Creek and Fifteen Mile Creek so it does not impact on the Lower Ovens River
- Managing avulsions in the Deep Creek and Croppers Creek and a potential avulsion threat between Ovens and Myrtleford
- Community education about catchment and river health through Waterwatch

- Monitoring willow removal to assess the impact of this activity on freshwater aquatic systems
- Undertaking 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.

FIRE RECOVERY EFFORT CONTINUES IN THE NORTH EAST

Investors: Victorian Investment Framework, Caring for our Country

During the year farmers and community groups living in areas damaged by the January 2009 bushfires moved from an urgent repair focus to prevention of future environmental problems.

Their efforts were supported by an allocation of \$907,000 through the Federal Government's Caring for our Country Victorian Bushfire Recovery Package. This funding sought to build community skills, knowledge & engagement; protect biodiversity; protect critical aquatic habitats and waterways; and encourage sustainable farm practices on both private (65%) and public (35%) land.

The North East CMA helped more than 100 landholders and Landcare groups to access and utilise Caring for our Country funding for activities like; controlling and containing new and emerging high risk environmental weed infestations; fencing of river reaches, riparian areas and wetlands to protect important remnant vegetation areas and water quality; and identifying and protecting exposed Indigenous sites.

We worked in partnership with DPI and DSE to provide whole farm planning assistance to landholders and implemented activities to reduce the threat of invasive plant and animals on native flora and fauna now vulnerable from the impact of the bushfires.

Erosion control was a high priority. We worked to protect vulnerable gullies, hill slopes and waterways on a site-by-site basis. We responded in a coordinated way to landholder requests for support, ensuring that all requests were inspected and prioritised according to the threat posed to high value waterways and other environmental assets. Examples of our intervention work included construction of silt traps, grade controls, rock beaching, log revetments, revegetation and stock exclusion.

The Victorian Government supported the massive repair effort by providing funding for direct works immediately after the bushfires to mitigate risks and to assist landholders with emergency activities such as stabilising gullies and removing burnt debris blockages from waterways.

HIGHLIGHTS

Key achievements for 2009/2010 included:

- Stabilising fire affected waterways and gullies in Mudgegona, Rosewhite, Running Creek, Kiewa River, Barwidgee Creed and Burarong. Works included the construction of sediment control structures, rock chutes, fencing and revegetation activities.
- Working in partnership with DPI to deliver whole farm planning support and gully erosion control works on ten properties around Murrumbidgee and Mudgegonga
- Engaging Conservation Volunteers Australia to assist with community plantings and nest box construction
- Fencing to protect native habitats, populations of threatened species and ecological communities
- Pest animal control activities to protect native wildlife and plant communities vulnerable to predation
- Strategic control and containment of new and emerging high risk weed infestations.

15 The North East CMA is committed to increasing understanding of river health issues across the catchment.

AUTUMN RAINFALL INCREASES VALUE OF PLANNED WATER RELEASES

Investors: Victorian Investment Framework, Goulburn Murray Water, North East Region Water Authority

Heavy rainfall across the north east in early Autumn increased the environmental benefits of a planned water release along the Buffalo and Ovens Rivers.

In early March Goulburn-Murray Water (G-MW) started releasing water from Lake Buffalo to allow for routine infrastructure maintenance during April.

Prior to the release, G-MW asked the North East CMA to advise about the best way to plan the water drawdown so that a routine activity would also deliver environmental benefits.

The two organisations jointly designed a release that replicated a mini-Autumn break, thereby encouraging movement of Murray Cod and catalysing breeding cycles of macro-invertebrates that play an important role in maintaining health in the river.

The welcome addition of widespread Autumn rainfall in the region prolonged the flow pulse, effectively increasing the benefits for native fish living in the Buffalo and Ovens Rivers.

The North East CMA and Goulburn-Murray Water have previously worked together on water planning issues, including development of dry inflow contingency plans for the Ovens River.

The water released from Lake Buffalo contributed to Victoria's share of inflows to the Murray River and was in excess of the identified seasonal requirements of users along the Ovens River system.

HEALTHY WATERWAYS

Investor: Victorian Investment Framework

The North East CMA develops and implements waterway action plans to help set the strategic direction for river health works in priority areas.

In 2009/2010 we worked with communities across the catchment to revise and develop Waterway Action Plans. We completed new Plans for Yackandandah Creek, the King River and Snowy Creek.

THE HERO PROGRAM - RIVER HIGH ENVIRONMENTAL RETURN OPPORTUNITIES

Investor: Victorian Water Trust

During 2009/2010 the North East CMA worked to increase its understanding of river health issues in the Ovens catchment.

Our objectives were to:

- Increase understanding of in-stream snag locations, channel shape and depth and their impact on fish habitat in the Ovens River main stem between Myrtleford and Bundalong;
- Better understand aquatic weed issues in the Lower Ovens; and
- Improve fish passage around the Wangaratta weir.

HIGHLIGHTS

We undertook a range of integrated activities to achieve these objectives:

- We commenced the Ovens River floodplain and connectivity barrier study to determine floodplain linkages between the lower Ovens River and key wetlands
- We partnered with DSE to expand our aerial photography through the statewide LIDAR (light detection and ranging) project
- In June 2010 we completed the Ovens River Snag Mapping project. The North East CMA now has a resource that clearly identifies snag map densities in the Ovens River between Myrtleford and Bundalong
- The Arthur Rylah Institute completed a design for the Wangaratta Weir. The North East CMA will commission a quote for its construction.

NORTHERN REGIONAL SUSTAINABLE WATER STRATEGY RELEASED

Investor: Victorian Investment Framework

In December 2009 the Victorian Government released a 50-year strategy to secure water for irrigators, towns and the environment.

The Northern Region Sustainable Water Strategy aims to enable northern communities to prosper in the face of a future with less water.

The North East CMA was actively involved in development of the Strategy, a process that involved 18 months of consultation with stakeholders throughout the northern region.

As part of the consultation process, we worked with the Upper Murray Agribusiness Group to ensure the inclusion of appropriate irrigation development opportunities in the Upper Murray. This included trading rule changes that will allow farmers to continue use of irrigation water for production of fodder and certified seed, both key sources of income.

In total, the Northern Region Sustainable Water Strategy outlines 52 actions and 17 policies to manage the impact of prolonged drought and climate change.

Key initiatives include putting more water aside in the region's reserve water system and adjusting seasonal allocation policies so that water can be delivered to towns and farmers even in the driest years. The strategy also aligns on-farm water saving with broader programs, and gives farmers more choice on how to manage water - when to use it, when to hold it and when to trade it.

It significantly changes the way that rivers and wetlands are managed in extreme drought by using water more efficiently and allowing it to go where it's needed the most, when it is needed the most. Another focus of the strategy is increased monitoring and licensing requirements for domestic and stock use, to protect existing water users.

LAND HEALTH

16 Sustainable Landscape Officer, Klaus Boelke soil testing at Springhurst. The North East CMA leased a mechanical soil sampler to make sampling faster and simpler, particularly in the heat of summer.

17 The North East CMA has a number of programs that promote environmental stewardship, including the Treated Grassy Woodlands project.



16

SUPPORTING NATIONAL COMMUNITY BASED WATER QUALITY MONITORING

Investors: Victorian Investment Framework, North East CMA

North East Waterwatch, a North East CMA program, is part of a national community water quality monitoring program.

Operating since 1999 in the north east, Waterwatch this year continued to involve community groups, schools, landholders, local councils and water authorities in monitoring and awareness raising activities linked to waterway health.



17

HIGHLIGHTS

In 2009/2010 the North East Waterwatch team:

- Achieved the top ranking in Victoria for its quality control and quality assurance. In June the team held specialist training sessions to help Waterwatch volunteers retain the region's 100% percent track record for gathering accurate water quality samples;
- Supported 51 active volunteers, with 38 monitoring on a monthly basis. The CMA hosted a volunteer recognition dinner in November to formally thank volunteers for their efforts; and
- Continued to guide and support the School Environment Education Directory (SEED), including hosting the SEED website, a resource that allow teachers, students and environment staff to easily access sustainability education resources. Waterwatch was involved four SEED environment days during the year held in locations across the catchment.

TAKING CONTROL OF SOIL HEALTH

Investor: Caring for our Country

During the year some 300 north east farmers registered for a new soil carbon project designed to reverse degradation, build soil health and improve productivity in the north east.

Funded by the Australian Government through Caring for our Country and managed by the North East CMA, the catchment-wide sustainable agriculture, soil carbon programme aimed to help participants develop an understanding of current soil carbon levels and encourage more sustainable agricultural management.

Participants obtained baseline data about soil health on their property through highly detailed soil testing and advice and learned how to improve soil moisture & nutrient holding capacity.

HIGHLIGHTS

A team of sustainable landscape officers from the North East CMA offered practical support to farmers and Landcare groups including offering:

- Free soil tests and agronomic advice (eligibility criteria applied) - the team completed almost 200 soil tests using a specialist soil sampler purchased by the CMA. We also offered 50 landholders places with selected agronomists;
- Free mapping training - we conducted eFarmer training for farmers in Wangaratta and Myrtleford;
- Opportunities to learn about soil carbon through forums and field days.

The CMA has supported the Ovens Landcare Network soil health workshops and trials since 2004. More recently, it helped develop and roll-out the highly successful "Doing it with dung from the mountains to the Murray", a catchment-wide project focussed on dung beetles, soil health and water quality.

ENVIRONMENTAL STEWARDSHIP

INVESTIGATING NEW DEBRIS DISPOSAL OPTIONS

Investors: Victorian Government's Smart SMEs Market Validation Program

In 2009/2010 the North East CMA proactively researched alternatives to disposal of debris heaps resulting from waterway restoration works.

The burning of debris heaps (typically *Salix* spp. and *Populus* spp.) is attracting increasing scrutiny from community groups and government due to concerns about greenhouse emissions, fire and occupational health and safety. However, any future restriction on this practice poses a risk for many river health programs due to the lack of viable alternatives.

Following an internal review of debris disposal options, the CMA commenced a feasibility study into the development of a mobile device to convert woody debris into biochar.* The device will enable on-site manufacturing of biochar from plant-based waste such as prunings and forest residue gathered during river rehabilitation.

Utilising Victorian Government funding, we engaged Victorian firm Earth Systems to undertake the feasibility study.

The study demonstrated that a mobile device could be commissioned to carry out biochar conversion in an economical and environmentally sound fashion. The proposed technology indicates a reduction in excess of 1000t CO₂e/yr is achievable, whilst eliminating many of the risks associated with open burning of debris heaps and significant potential benefits for agriculture and other end uses.

* Biochar is charcoal created from plant-based waste products through pyrolysis, a process that converts the carbon stored within plants into a chemically and biologically stable form. Biochar can be highly beneficial in soil improvement with benefits to agriculture and the environment, including reducing atmospheric carbon and greenhouse emissions, improving crop yields and reducing soil acidity.

ASSESSING THE EFFECTS OF WILLOW REMOVAL ON FRESHWATER ECOSYSTEM DYNAMICS

Investor: Victorian Investment Framework

The decision to remove, leave or otherwise manage willows in Australian streams, rivers and wetlands is a much-debated topic. There are large knowledge gaps and conflicting findings on the effects of willows on aquatic biota and a lack of literature on the effects of removing willows from aquatic ecosystems.

A report prepared by the Murray-Darling Freshwater Research Centre (MDFRC)* in 2009/2010 provided valuable insights into the impacts of willow removal on north-east Victorian waterways. The report was commissioned by the North East CMA as part of a long term monitoring program that MRDFRC commenced in 2006.

The report reviewed the possible effects of willow removal, identified and rated key issues which may arise following willow removal and outlined a long-term monitoring program based on the long-term key issues identified. It provided the results of the monitoring undertaken in willow removal and control sites in Little Snowy Creek, Eskdale, before willow removal, and in the autumn and spring of 2009 and 2010.

Monitoring of fish and macroinvertebrates suggested that sites with a native vegetation riparian zone were found to be in the best condition, while little difference was observed between sites with a willow riparian zone and the willow removed riparian zone site. Conversely, the removal of willows appeared to have a high impact on stream temperature during the summer months, with maximums recorded at the willow removal site far exceeding all other sites.

The results of the monitoring program indicated that the strategy of removing willow trunks, branches and leaves and leaving the stump and root mat is successful in minimising potential detrimental impacts.

The long-term effects of willow removal will be the focus of future monitoring by the MDFRC to determine whether willow removal achieves the desired outcome.

The monitoring program is designed to be undertaken bi-annually in autumn and spring each year for at least five years and is currently entering its third year.

*The MDFRC is a joint venture between the Murray-Darling Basin Authority and La Trobe University.

REDUCING OUR ENVIRONMENTAL IMPACT

Investor: North East CMA

The North East CMA continued a drive to improve overall environmental sustainability of operations during 2009/2010.

We first adopted an Environment Policy in 1999. Since then, we have worked to reduce our energy consumption to meet the Government's Sustainability Energy Targets.

(see case study on page 16)

NURTURING TALENT - CMA SPONSORING AWARDS

Investor: North East CMA

The North East CMA sponsored awards for excellence in environmental science at both La Trobe University and Charles Sturt University.



18

WORKING WITH OUR COMMUNITY LIAISON REFERENCE GROUP

Investor: North East CMA

In its second year of operation the Community Liaison Reference Group gave invaluable advice to North East CMA programs, particularly those focussed on maintaining community connectedness and involving community engagement processes.

HIGHLIGHTS

During 2009/2010 the North East CMA involved all staff and members of the Board and Community Liaison Reference Group in specialised community engagement training.

The training was led by a member of the International Association for Public Participation (IAP2), a non-profit organisation established to advance the practice of public participation world wide. IAP2 was founded in the United States in 1990 to promote the values and best practices associated with involving the public in decisions that affect their lives.

The CMA has since utilised the skills gained through IAP2 training to develop and implement a new approach to community engagement that supports all programs we deliver.

ENCOURAGING INDIGENOUS COMMUNITY INVOLVEMENT IN LANDCARE

Investor: Victorian Investment Framework

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

HIGHLIGHTS

In 2009/2010 we particularly focussed on identifying ways to involve Indigenous people in Landcare:

- The North East CMA completed a report for the Department of Sustainability & Environment titled 'Finding Common Ground'. We investigated the participation of Indigenous people in natural

resource management activities in Victoria and recommended mechanisms for encouraging future involvement;

- We established a dedicated Indigenous Landcare position and recruited a local Indigenous Elder to this role. This allowed us to progress recommendations from the "Finding Common Ground" report, including consulting with community to progress formation of an Indigenous Landcare group in the north east.
- We secured funding from Albury City Council and Wodonga City Council to support development a traditional weaving and stone tool exhibition during NAIDOC 2010.

SUPPORTING THE GLOBAL CORPORATE CHALLENGE

Investor: North East CMA

The Global Corporate Challenge (GCC) is a health and fitness initiative developed specifically for the corporate workplace. It was created to address the emerging health crisis resulting from the triple threat - longer workdays, sedentary occupations and little or no exercise.

The North East CMA joined the GCC this year. Three teams comprising 21 staff participated. From a health and wellbeing perspective:

- 38% reported an increase in energy
- 33% reported an increase in fitness
- 14% reported a loss in weight

HIGHLIGHTS

At a cumulative level, the teams walked 14,826 kilometres, equivalent to approximately one lap around Australia.

Our combined efforts abated some 556 kg of CO₂.

NORTH EAST CMA FINALIST AT NATIONAL LANDCARE AWARDS

Investor: Victorian Government 2nd Generation Landcare Grant

In 2009/2010 the North East CMA attracted high praise for its long-term support of Landcare across the region.

The CMA was a finalist in the Australian Government Natural Resource Management (NRM) Region Award announced at the 2010 National Landcare Awards ceremony held at Parliament House, Canberra in June.

Since its inception, the North East CMA has recognised the importance of supporting the community to adjust to challenges such as ongoing drought, and recovery after the extensive bushfires in 2003/2004, 2006 and again in 2009. We have also provided; in-kind and financial support for Landcare group priority planning, training events, field days, forums and workshops, and sponsored a Landcare representative to undertake leadership training each year for the past four years.

The strength of Landcare groups, combined with the assistance of North East CMA support and funding, has resulted in groups being able to deliver small, local projects and region-wide integrated projects.

HIGHLIGHTS

The innovative 'Do it with Dung - from the mountains to the Murray' project spanned the entire north east catchment plus Corowa Shire on the NSW border. It featured 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 field days on caring for beetles, soil health and parasite management.

The north east has the highest rate of Landcare membership amongst farmers in Victoria, with 50 Landcare groups and three Landcare networks operating in the region.

BIODIVERSITY WHITE PAPER RELEASED

Investor: Victorian Government

In December 2009 the North East CMA Chair attended the launch of the Victorian Government's Land and Biodiversity White Paper - Securing Our Natural Future.

The White Paper highlighted mounting threats facing Victoria's land, water and biodiversity.

It also announced institutional reform.

The North East, Goulburn Broken and North Central CMAs will amalgamate by 1 July 2011, leading to creation of the Northern Rivers Natural Resource and Catchment Authority.

The North East CMA Board is working to deliver the best outcomes for the north east region in this reform process. Simultaneously, it remains focussed on core business.

CASE STUDY

PROTECTING WETLANDS IN NORTH EAST VICTORIA

ISSUE

Agricultural and urban development has reduced the area of natural wetlands in the north-east region by almost 12%. Many remaining wetlands are being further damaged by practices such as intensive grazing, trampling and drainage or by the impacts of salinity, excessive nutrients, pest plants and animals.

APPROACH

In 2009/2010 the North East CMA finalised a Wetland Management Strategy summary document to guide and encourage a more integrated approach to wetland management.

Landholders and partner agencies, including the Department of Sustainability and Environment, the Department of Primary Industries, Parks Victoria, Goulburn-Murray Water, and local government were involved in development of this new resource.

RESULT

The process used to develop the Strategy encouraged increased cooperation and knowledge sharing about future management needs between agencies in the north east.

- The North East CMA involved scientists and land managers in an ecological risk assessment on peatland communities at Mount Buffalo. Through the assessment process, we jointly investigated threats to water quality, established water quality trends and gained information that can be used to protect Mount Buffalo peatlands, including nationally listed significant wetlands; Bunyip Bog and Crystal Bog from future degradation.

The CMA also used recommendations contained in the Strategy to drive and support wetland protection works.

- Through an 'expression of interest' advertising campaign run by the North East CMA, seven landholders in the lower Ovens River and Boorhaman Plains areas secured financial support to undertake protection works on 11 wetlands that covered 130 hectares. Incentives were available for properties with wetlands that required fencing, revegetation and alternative supply works.

CASE STUDY

REDUCING OUR ENVIRONMENTAL IMPACT

ISSUE

In 2006 the North East CMA commissioned an independent energy audit to identify opportunities for reduction in energy use and greenhouse gas pollution. The audit concluded that CMA staff had good energy saving behaviour. It also identified additional energy saving steps that could be implemented to reduce greenhouse pollution.

APPROACH

The North East CMA continued its drive to improve the overall environmental sustainability of operations during 2009/2010.

Throughout the year we worked to reduce our energy consumption with a view to meeting the State Government's Sustainability Energy Targets.

We joined the ResourceSmart program facilitated by Sustainability Victoria. This program provided us with a framework for achieving Victorian Government policy commitments and helped us to achieve further carbon emission reductions over and above initiatives we have already undertaken.

We monitored our overall energy use each quarter and provided feedback to staff about progress, thereby fostering and encouraging change across our workplace.

RESULTS

Key achievements for 2009/2010 included:

- Ongoing reductions in energy use - we improved energy efficiency in buildings by 16%, resulting in a 24 tonne reduction in emissions.
- Changing business practices - we purchased 100% green power, thus reducing our carbon footprint by approximately 119 tonnes a year. This year four cylinder vehicles comprised 80% of the CMA vehicle fleet, up from 56% in January 2007.
- Reducing landfill - we encouraged recycling by making more dedicated bins available, installing general rubbish bins in the three shared / high population areas of the office and introducing a compost bin and worm farm to deal with food waste.
- Recycling - we have implemented a mobile phone recycling system using "Mobile Muster". During 2009/2010 we collected 10kg of mobile phones, batteries and accessories for recycling. We continued to recycle all used toner cartridges with Planet Ark, a commitment that we started in 2006. We also provided an outside bench for employees to use that was made from 100% recycled toner cartridges.

THREATENED GRASSY WOODLANDS

ISSUE

Formerly widespread throughout southern Queensland, western New South Wales, the Australian Capital Territory and Victoria, less than 5% of Box Gum Grassy Woodland, Weeping Myall and Buloke Woodlands remain in good condition, with much occurring in small isolated patches. The remaining patches are being lost due to clearing, weed invasion and overgrazing.

Despite losing approximately 95% since European settlement, threatened grassy woodland remnants continue to support a plethora of both agricultural and environmental needs, including:

- Providing seedbank that is used to revegetate farmland and other modified areas
- Protecting stock, crops and pasture from heat, cold and wind.
- Providing high intensity, short duration grazing opportunities.

- Essential for survival of rare and threatened species, including the Superb Parrot, Regent Honeyeater, Swift Parrot, Squirrel Gliders, Bush Stone-curlew, southeastern Red-tailed Black-Cockatoo
- Having traditional Indigenous and cultural significance.
- More than 400 native plant species are recorded as occurring within the ecological community.

APPROACH

In a regional first, three Catchment Management Authorities (the North East, Goulburn Broken and NSW Murray CMA's) joined key partners (Victorian State Departments of Sustainability & Environment and Primary Industries, the Trust for Nature, the Nature Conservation Trust and the Australian National University) to address the decline of threatened grassy woodlands.

Led by the North East CMA, the partners joined forces through a \$3 million project funded through Caring for our Country across the Greater Murray Goulburn Catchment.

The project particularly sought to address a lack of understanding of, and engagement in, effective woodland management practises by land managers (public and private).

Private landholders assisted with the development of a long term Biodiversity Baseline Monitoring Program by ANU. Data gathered will provide a baseline against which future biodiversity changes can be monitored. The program has the potential to make a substantial contribution to grassy woodland conservation and biodiversity management in Australia.

RESULTS

The project partners met or exceeded the majority of project targets for year one of this project. (see table below)

TABLE 4 THREATENED GRASSY WOODLAND PROJECT YEAR 1 ACTIVITIES

THREATENED GRASSY WOODLANDS - YEAR 1 ACTIVITY	TARGET	ACTUAL
Hectares under management:	1247	1870
Remnant protection:		
Box-Gum Grassy Woodland	747	688.6
Weeping Myall Woodland	150	245
Buloke Woodland	85	280
Remnant protection total	982	1213.6
Perpetual covenant:		
Box-Gum Grassy Woodland	240	266.4
Weeping Myall Woodland	0	390
Buloke Woodland	25	0
Perpetual covenant total	265	656.4
Land managers demonstrating improved knowledge & skills in NRM, initiated by signed agreements	80	38
Workshops delivered on identification and sustainable management of grassy woodlands	8	13
Participants in land manager workshops	200	370
Hectares of grassy woodland roadsides treated for Chilean Needle Grass or Blackberry weeds	76	144
Indigenous engagement activities delivered	3	11
Participants in Indigenous engagement activities	120	323
Indigenous partnerships established and supported	1	1
Biodiversity monitoring sites established	40	40



19 North East CMA Board members (from left to right): Anthony Griffiths, Greg Hayes, Lyn Coulston, Bernard Young, Paul Carrick (Chair), Anthony Jarvis, Ray Park, Alison Mitchell.

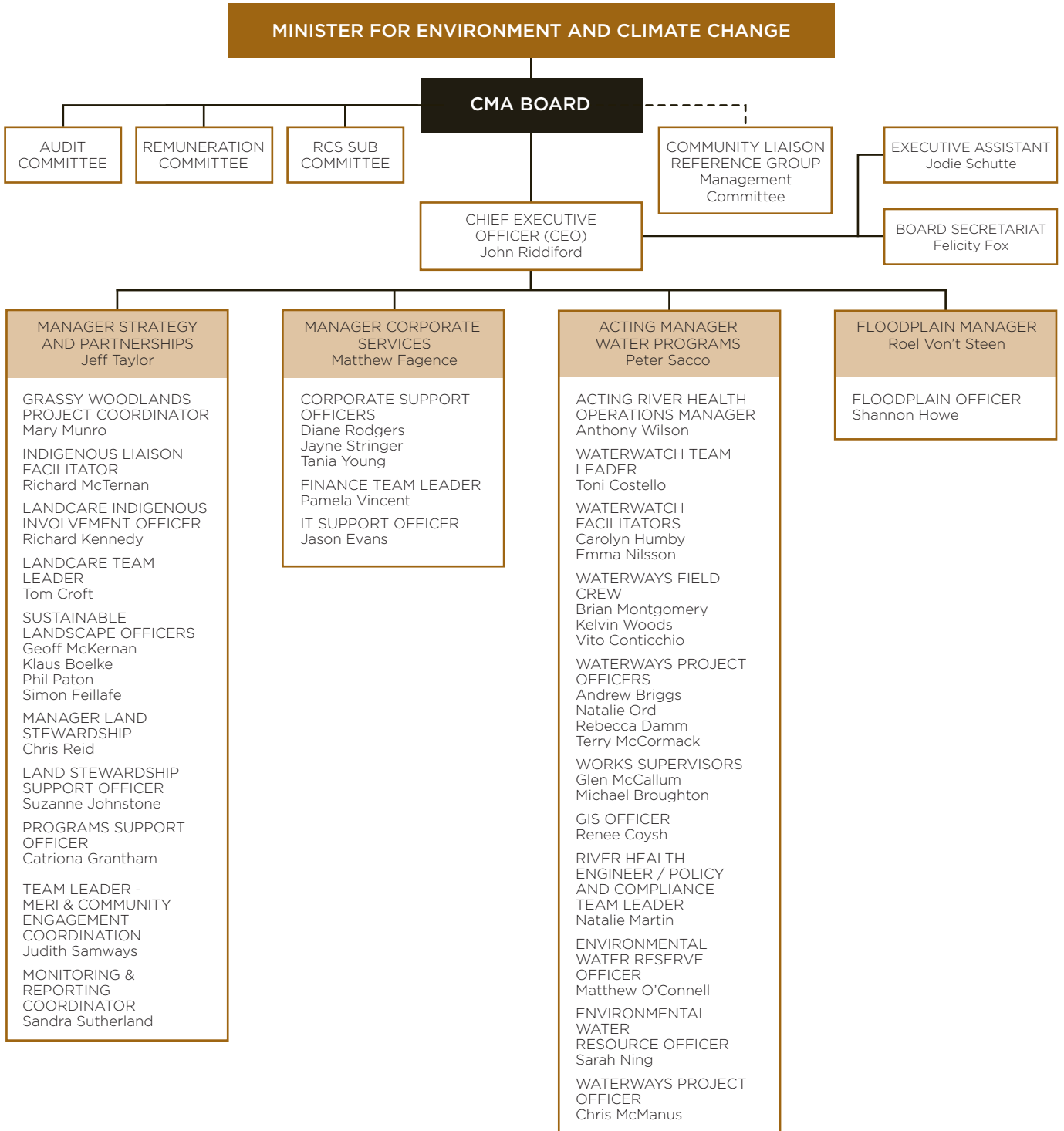
OVERVIEW

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

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

ORGANISATIONAL STRUCTURE

FIGURE 1 ORGANISATIONAL STRUCTURE



OUR BOARD

PAUL CARRICK (CHAIRPERSON)

Paul holds a Bachelor of Arts degree and has a wide range of experience in land and water resource management issues. He has been the owner/operator of a beef farm for more than 10 years. Mr Carrick has previously held senior executive roles and was a new appointee as chair in 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 served as a Councillor with the Rural City of Wangaratta for 6 years and is currently serving a term as Mayor. He is currently Secretary / Treasurer of the Greta Valley Landcare Group, having previously served as President and Vice President. He is also President of the local primary school council and a trustee of the Greta Cemetery Trust. Anthony is also a graduate of the Alpine Valleys Community Leadership Program, based in north east Victoria.

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

GREG HAYES (BOARD MEMBER)

BAGSc, MSc

Greg, 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. Greg has qualifications in agricultural science and a post graduate degree in science.

SUSAN BENEDYKA (BOARD MEMBER)

Susan holds qualifications in business and financial management, and has completed the Australian Rural Leadership Program and the Australian Institute of Company Directors course. She has extensive experience in community engagement, regional and strategic planning and is Managing Director of The Regional Development Company. Susan was appointed in 2009.

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. Anthony has qualifications in agriculture.

ALISON MITCHELL (BOARD MEMBER)

Alison holds qualifications in environmental science, natural resources management policy and planning and is engaged in further geographic information systems studies. She has extensive experience as an aquatic ecologist and is a teacher at the NSW TAFE National Environment Centre at Thurgoona. Alison was appointed in 2009.

RAYMOND PARK (BOARD MEMBER)

BBus(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, including 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.

BERNARD YOUNG (BOARD MEMBER)

Bernard holds qualifications in forestry and forestry science and is a graduate of the Australian Institute of Company Directors. He has extensive experience in local government and forestry management and is Executive Officer of Plantations North East Inc, based in Wangaratta. Bernard was appointed in 2009.

BOARD MEETINGS

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

- Creation of a new Board Charter
- Overview and oversight of the strategic and business function of the CMA
- 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 2009/2010 performance review was undertaken and submitted to the Minister in April and May 2010.

The Board 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 5 BOARD MEETING ATTENDANCE 2009/2010

MEMBER	MEETINGS	
	NO. ATTENDED	NO. ELIGIBLE TO ATTEND
Paul Carrick (Chair)	11	11
Anthony Griffiths	8	11
Lyn Coulston	7	11
Greg Hayes	10	11
Susan Benedyka	8	11
Anthony Jarvis	11	11
Alison Mitchell	9	11
Ray Park	9	11
Bernard Young	11	11

AUDIT COMMITTEE

ROLE

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

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

MEMBERSHIP 2009/2010

The members of the Audit committee during the year were:

Ray Park	Chair
Anthony Jarvis	Board Member
Bernard Young	Board Member

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 four times during the financial year.

ATTENDANCE

TABLE 6 AUDIT COMMITTEE MEETING ATTENDANCE 2009/2010

MEMBER	MEETINGS	
	NO. ATTENDED	NO. ELIGIBLE TO ATTEND
Ray Park	4	4
Anthony Jarvis	4	4
Bernard Young	4	4

MAJOR TASKS 2009/2010

Tasks undertaken by the committee during the year were:

- Review and recommended to Board the 2007/08 Annual Financial Statements
- Setting the scope and prioritisation of the Internal Audit Plan 2009/2010
- Review the outcomes of the Internal Audit Reports 2008/09
- Review & Develop the Risk Management Strategy & Framework consistent with AS/NZS 4360:2004

REMUNERATION COMMITTEE

ROLE

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

MEMBERSHIP 2009/10

The members of the Remuneration Committee during the year were:

Paul Carrick	Chair
Susan Benedyka	Member
Anthony Griffiths	Member

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

ATTENDANCE

TABLE 7 REMUNERATION COMMITTEE MEETING ATTENDANCE 2009/2010

MEMBER	MEETINGS	
	NO. ATTENDED	NO. ELIGIBLE TO ATTEND
Paul Carrick	2	2
Susan Benedyka	2	2
Anthony Griffiths	2	2

POLICIES

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.

MEMBERSHIP 2009/2010

The members of the Steering Committee were:

Greg Hayes	Member
Alison Mitchell	Member
Anthony Jarvis	Member
John Riddiford, Chief Executive Officer	Member

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

ATTENDANCE

TABLE 8 RCS STEERING COMMITTEE MEETING ATTENDANCE 2009/2010

MEMBER	MEETINGS	
	NO. ATTENDED	NO. ELIGIBLE TO ATTEND
Greg Hayes	1	1
Alison Mitchell	1	1
Anthony Jarvis	0	0
John Riddiford	1	1

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 maintenance of risk management governance, systems and reporting consistent with the Australian/New Zealand Standard 4360:2004 or equivalent.

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.

The Attestation was passed by formal motion at the Board Meeting on 24th June 2010.

RISK MANAGEMENT ATTESTATION

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY - RISK MANAGEMENT ATTESTATION 2009/10

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

Signed: 

Date: 24 June 2010

Name: Paul Carrick

Position: Chair, North East CMA

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. 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.

the PDC or a Protected Disclosure Officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

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

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

Internet
www.ombudsman.vic.gov.au

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

Phone 03 9613 6222
Toll Free 1800 806 314

WHISTLEBLOWERS PROTECTION ACT

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

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

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

All correspondence, phone calls and e-mails from internal or external whistleblowers will be referred to the PDC. Where a person is contemplating making a disclosure and is concerned about approaching

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

COMPLIANCE

FREEDOM OF INFORMATION

Access to information under the Freedom of Information Act 1982 is obtained through a written request, as detailed in Section 17 of that Act. Applications must be as detailed and as specific as possible so that the CMA's Freedom of Information Officer can identify and locate relevant documents. All applications must include the statutory \$23.90 lodgement fee. Further charges may be payable. Freedom of Information fees and charges are not subjected to GST.

Requests to the CMA should be sent to:

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

FOR THE REPORTING PERIOD:

Number requests received	2
Number responses	2
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

POWERS AND DUTIES

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

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

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

STATEMENT OF OBLIGATIONS

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

BUILDING ACT COMPLIANCE

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

NATIONAL COMPETITION POLICY

We continue to comply with the National Competition Policy. Competitive neutrality seeks to enable fair competition between local government and private

sector businesses. Any advantage or disadvantages that government businesses may experience, simply 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

VICTORIAN INDUSTRY PARTICIPATION POLICY

No major contracts were entered into during the reporting period.

CONSULTANCIES

We entered into a total of 65 minor consultancies (less than \$100,000) resulting in expenditure of \$255,244 during the reporting period. A further two major consultancies (greater than \$100,000) were entered into during the year, details as follows.

TABLE 9 CONSULTANCIES GREATER THAN \$100,000 2009/2010

CONSULTANT	PROJECT	TOTAL FEE APPROVED	EXPENDITURE 2009/10	FUTURE EXPENDITURE
Department of Sustainability and Environment	River Tender - Biodiversity connectivity spatial information & metric project 0910	\$ 110,000	\$ 110,000	\$0
Earth Systems Consulting Pty Ltd	Bio-Char Feasibility Study	\$ 110,000	\$ 110,000	\$0

DISCLOSURE INDEX

REF.	DISCLOSURE	PAGE NO.
DSE Compliance Review		
FRD 22B	Manner of establishment and the relevant Ministers	76
FRD 22B	Objectives, functions, powers and duties	4, 24
FRD 22B	Nature and range of services provided	Back cover
FRD 22B	Organisational structure, names and functional areas of responsibility of senior officers	19
FRD 22B	Names of board members	20, 53
FRD 22B	Statement of workforce data for current and previous financial year	27
FRD 22B	Merit and equity	23
FRD 22B	Five year summary of the financial results	26
FRD 22B	Significant changes in financial position during the year	26
FRD 22B	Objectives and performance against objectives	55-74
FRD 22B	Major changes or factors affecting performance	2, 3, 55-74
FRD 22B	Subsequent events which will affect operations in future years	54
FRD 22B	Details of consultancies >\$100,000	24
FRD 22B	Details of consultancies - total no. and cost <\$100,000	24
FRD 12A	Disclosure of major contracts	24
FRD 22B	Application and operation of FoI Act 1982	24
FRD 22B	Application and operation of the Whistleblowers Protection Act 2001	23
FRD 22B	Compliance with building and maintenance provisions of the Building Act 1993	24
FRD 22B	Statement on National Competition Policy	24
FRD 22B	OHS Policy	28-29
FRD 24C	Environmental Reporting	16
FRD 25	VIPP disclosures	24
FRD 10	Disclosure index	25
FRD 22B	Statement of availability of other information	24, 76
SD4.5.5	Risk Management Compliance Attestation	22
Financial Statements Required under Part 7 of the Financial Management Act 1994		
SD4.2(f)	Compliance with model Financial Report	33-54
SD4.2(b)	Operating Statement	34
SD4.2(b)	Balance Sheet	35
SD4.2(b)	Statement of Changes in Equity	36
SD4.2(b)	Cash flow Statement	37
SD4.2(c)	Accountable officer's declaration	33
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	33, 38
SD4.2(c)	Compliance with Ministerial Directions	38
SD4.2(d)	Rounding of amounts	N/A
Other Disclosures in Notes to Financial Statements		
FRD9A	Departmental disclosure of administered assets and liabilities	N/A
FRD11	Disclosure of ex-gratia payments	N/A
FRD 21A	Responsible person and executive officer disclosures	53
FRD 102	Inventories	40, 45
FRD 109	Intangible Assets	41, 48
FRD 112B	Defined Benefit Superannuation obligations	52

FINANCIAL SUMMARY

The CMA continues to remain in a healthy solvent cash position as reflected in the Cash Flow Statement. There are adequate provisions in place to fulfil our obligations to staff and for the replacement of plant and equipment as required.

The committed funds to ongoing projects for 2010/11 is \$8,355,898.

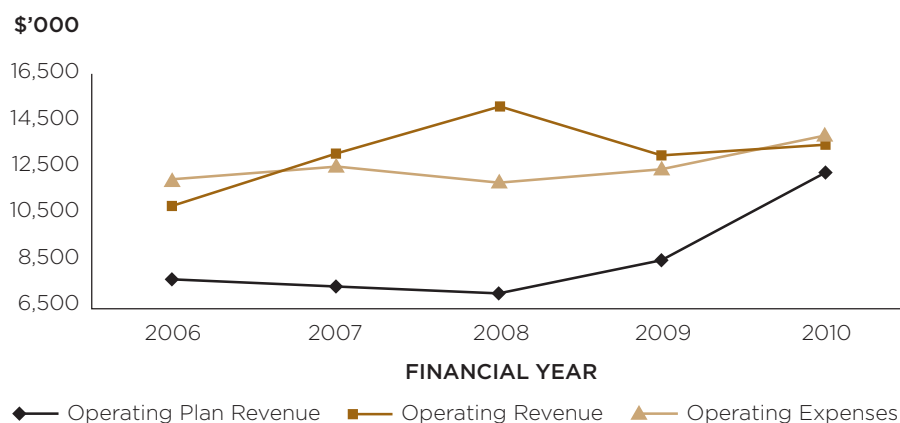
As a result of improved strategic planning and project management action plans, the CMA is well placed to significantly reduce these commitments in future carry forward projects.

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

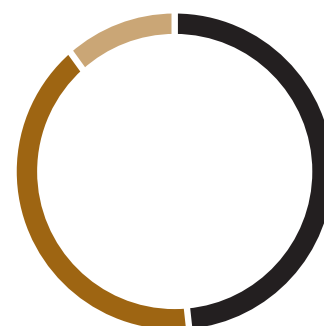
TABLE 10 SUMMARY OF FINANCIAL RESULTS

	YEAR ENDED 30/06/10	YEAR ENDED 30/06/09	YEAR ENDED 30/06/08	YEAR ENDED 30/06/07	YEAR ENDED 30/06/06
Operating Revenue	13,443,094	12,996,898	15,029,688	13,012,027	10,886,603
Operating Expenses	13,759,229	12,468,618	11,919,430	12,606,306	12,027,761
Surplus (Deficit)	(316,135)	528,280	3,110,258	405,721	(1,141,158)
Cash Held	10,938,991	10,415,581	9,452,762	6,227,071	5,693,088
Cash Held as per percentage of revenue	81%	80%	63%	48%	52%

TABLE 11 REVENUE AND EXPENDITURE ANALYSIS



GRAPH 2 REVENUE



GRAPH 3 EXPENDITURE



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

	REVENUE	EXPENDITURE
Water Programs	6,555,573	7,219,069
Strategy & Partnerships	5,482,812	5,258,902
Corporate Services	1,404,711	1,281,260
Total	13,443,096	13,759,231



OUR STAFF

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

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

OUR WORKFORCE PROFILE

The Authority employed 43 people in 2009/2010 (38.42 FTE), this is a slight increase compared to the previous figure of 43 people (37.75 FTE) from the 2008/2009 year. The breakdown in staff for the Authority is as follows:

2010	2009	2008	2007	2006
38.42	37.75	44.02	46.4	49

	EMPLOYEES			
	EMPLOYEES (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE
June 2010	43	33	10	38.42
June 2009	43	31	12	37.75

GENDER	2010		2009	
	EMPLOYEES (HEADCOUNT)	FTE	EMPLOYEES (HEADCOUNT)	FTE
Male	25	24.3	24	23.3
Female	18	14.12	19	14.45
Total	43	38.42	43	37.75

AGE COHORT	2010		2009	
	EMPLOYEES (HEADCOUNT)	FTE	EMPLOYEES (HEADCOUNT)	FTE
Under 25	0	0	0	0
25-34	15	13	14	11.7
35-44	13	11.32	16	14.45
45-54	7	6.6	6	5.6
55-64	7	7	6	5.5
65 & Over	1	0.5	1	0.5
Total	43	38.42	43	37.75

STAFF PROFILE BY POSITION (FTE)

POSITION	MALE		FEMALE		TOTAL	
	2010	2009	2010	2009	2010	2009
Executive officers	1	1	0	0	1	1
Management	3	2	0	.8	3	2.8
Water Programs	11	12	7.4	6.2	18.4	18.2
Strategy and Partnerships	8.3	7.3	4.72	3.8	13.02	11.1
Corporate	1	1	2	3	3	4.65
					38.42	37.75

ANNUAL TURNOVER (CUMULATIVE AT YEAR END)

2010	2009	2008
9%	15%	29%

OUR EMPLOYMENT FRAMEWORK

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

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

STAFF CONSULTATION

The CMA has a Staff Consultative Committee. The Committee 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. Issues discussed include the Fair Work Act 2009, the ten national employment standards, implementation of the Workplace Agreement and the organisations sustainability performance.

TRAINING AND DEVELOPMENT

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

This year, Judith Samways (Team Leader, MERI & Community Engagement) completed the Alpine Valleys Community Leadership Program.

Organisational wide training has included 'Planning for Effective Public Participation' run by IAP2 (International Association for Public Participation) and First Aid Levels 1 and 2.

CULTURAL DIVERSITY AND WOMEN

The North East CMA aims to ensure that women in our workplace, on our board and our committees are supported in their role. The CMA is committed to a family friendly workplace, through workplace conditions such as paid pre natal leave, paid maternity leave, carer's leave and flexible working arrangements. As at the 30 June 2010, women represented 41% of the workforce (headcount) and 36% of the workforce (full time equivalent).

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

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

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

HEALTH AND SAFETY

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

To enable an open and clear consultation process there are 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;
- Facilitating co-operation and dissemination of information between management and employees in relation to OHS;
- Investigating matters that may be a risk to health and safety;
- Maintaining information on OHS standards generally recommended or prevailing in workplaces of a comparable nature;
- Considering matters that have been referred to the committee from management, employees or OHS representatives with the view to making recommendations to management; and
- Participating in training and considering measures for training and educating employees at work about health and safety matters.

The Committee has an annual work plan. The work plan defines outcomes and targets for the reporting period based around four themes, ensuring commitment, improving consultation, ensuring a working OHS system and improving the culture. The emphasis is on positive performance indicators aimed at engendering a positive and proactive OHS culture. The work plan and our progress against this work plan are found in Table 12.

TABLE 12 OCCUPATIONAL HEALTH AND SAFETY COMMITTEE WORKPLAN 2009/2010

OUTCOME	NO.	INDICATOR	TARGET 2009/2010	2009/2010 OUTCOME	MEASURE
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	Three report submitted (OHS workplan)	✓
	2	SMT Quarterly reports are formally received	Four reports received	Four reports submitted	✓
	3	SMT Managers attend one OHS Committee meeting each during the year	Four individual attendances	Three out of four attendances	X
	4	SMT ensure staff are supported and resourced to enable them to participate in Health and Safety activities	One Health, Safety and Wellbeing program held	Program to be held in late 2010 with Work Safety Week	H
IMPROVING CONSULTATION	5	OHS Committee meets regularly during the year	Five meetings held	Five out of five held to date	✓
	6	Attendance rate of all OHS committee members at meetings	95% attendance rate overall	Attendance Rate = 72%	X
	7	OHS Toolbox meetings conducted within workgroups as per the target listed	OHS on each team meeting agenda	Toolbox meetings held fortnightly and safety discussed at each meeting	✓
	8	Health and Safety specific noticeboards implemented at all office locations	Four noticeboards implemented	Noticeboards at each site	✓
	9	OHS minutes communicated to all employees after each meeting	Five sets of minutes distributed and placed on noticeboards	Five minutes completed and distributed	✓
	10	Health, Safety and Wellbeing week held	One Health, Safety and Wellbeing program held	Program to be held in late 2010 with Work Safety Week	H
ENSURING A WORKING OHS SYSTEM	11	Safety walks conducted on time and as per the agreed IMS schedule	100% of safety walks held	93% of safety walks completed - final reports yet to be submitted	G
	12	Incident reports investigated	100% of incident reports investigated by Manager Corporate Services of OHS committee	13 out of 13 investigated and action plans implemented	✓
	13	IMS Safety procedures reviewed	10 X IMS Safety Instructions reviewed	Six of 10 reviews were completed	X
	14	OHS Committee members complete training	Members complete training requirements as determined by Committee & Legislation	Training requirements to be confirmed	P
IMPROVING THE CULTURE	15	Increased awareness and acceptance of OHS	Improved quality in OHS documentation submitted, improved timeliness of submitted reports	Two reports submitted this financial year	✓
	16	Improved awareness of OHS among staff	Maintain 2008/2009 OHS results in People Matter Survey	Results have been received. OHS results improved by 3% to 100%	✓

PROJECT MEASURES

 Task completed
 H Task on hold
 G Task on track to meet completion date
P Task in planning phase or yet to commence
 X Target not achieved

FINANCIAL REPORT 2009/2010

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

The accompanying financial report for the year ended 30 June 2010 of North East Catchment Management Authority which comprises the comprehensive 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 statutory declaration has been audited.

The Board Members Responsibility for the Financial Report

The Board Members of 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.

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 North East Catchment Management Authority for the year ended 30 June 2010. The Board Members of 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.

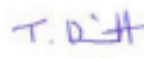
Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of North East Catchment Management Authority as at 30 June 2010 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*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in note 22 to the financial report, the government's Land and Biodiversity White Paper has recommended the establishment of five Natural Resource & Catchment Authorities to consolidate existing Catchment Management Authorities, including the North East Catchment Management Authority. As a result of this white paper, it is expected that legislation will be enacted in the Victorian Parliament to amend the *Catchment and Land Protection Act 1994* to effect the reform, including the transfers of the functions, assets and liabilities of the existing Authority to a new Natural Resource and Catchment Authority. At the date of this report, the proposed administrative arrangements have not been fully determined and the required legislation has not been enacted. As a result, there is a material uncertainty about whether the Authority will continue as a going concern.

MELBOURNE
18 August 2010

for 
D D R Pearson
Auditor-General

**STATUTORY DECLARATION
FOR THE YEAR ENDED 30 JUNE 2010**

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and financial position of the Authority as at 30 June 2010.

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

16th August 2010



J. Riddiford

Accountable Officer

16th August 2010

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
COMPREHENSIVE OPERATING STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
Income from Operating Activities			
Government contributions	3(a)	12,337,615	10,555,555
Income from Non-Operating Activities			
Interest	3(b)	493,426	739,985
Other income	3(b)	598,583	1,387,322
Net profit/(loss) from sale of assets	10(d)	13,470	314,036
Total Income		13,443,094	12,996,898
Expenses from Operating Activities			
Employee Costs	4	3,333,014	3,312,285
Depreciation	10(c)	347,868	374,181
Amortisation	11	25,371	22,800
Materials, Maintenance, Contracts and Consultancies	5	8,675,291	7,134,425
Leases (Properties & Motor Vehicles)		339,605	292,471
Other		1,038,080	1,332,456
Total Expenses from Operating Activities		13,759,229	12,468,618
Net Result from Operating Activities		(316,135)	528,280
Other Comprehensive Income		0	0
Total Comprehensive Result for the year		(316,135)	528,280

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY
BALANCE SHEET AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	10,938,991	10,415,581
Receivables	8	273,474	644,303
Prepayments		17,185	2,211
Inventories	9	36,364	195,861
Total current assets		11,266,014	11,257,956
Non-current assets			
Property, plant and equipment	10	1,323,222	1,474,869
Intangible assets	11	23,189	39,162
Total non-current assets		1,346,411	1,514,031
TOTAL ASSETS		12,612,425	12,771,987
LIABILITIES			
Current liabilities			
Payables	12	1,212,988	1,033,634
Provisions	14	36,485	0
Employee benefits	13	666,821	599,995
Total current liabilities		1,916,294	1,633,629
Non-current liabilities			
Provisions	14	36,506	167,480
Employee benefits	13	130,564	125,682
Total non-current liabilities		167,070	293,162
TOTAL LIABILITIES		2,083,364	1,926,791
NET ASSETS		10,529,061	10,845,196
EQUITY			
Contributed capital	15(a)	5,103,823	5,103,823
Reserves	15(b)	5,425,238	5,741,373
Accumulated funds	15(c)	0	0
TOTAL EQUITY		10,529,061	10,845,196

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Notes	ACCUMULATED FUNDS	CONTRIBUTED CAPITAL	RESERVES	TOTAL
Balance at 1 July 2008		0	5,103,823	5,213,093	10,316,916
Net result for the period		528,280			528,280
Transfers to/(from) reserves	15	(528,280)		528,280	0
Balance at 30 June 2009		0	5,103,823	5,741,373	10,845,196
Net result for the period		(316,135)			(316,135)
Transfers to/(from) reserves	15	316,135		(316,135)	0
Balance at 30 June 2010		0	5,103,823	5,425,238	10,529,061

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

NORTH EAST CATCHMENT MANAGEMENT AUTHORITY

CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts			
Interest received		742,565	622,645
Net GST received from the ATO		63,202	43,109
Other income		882,773	930,110
Receipts from Government		12,434,005	11,394,835
		14,122,545	12,990,699
Payments			
Payments to suppliers and employees		13,406,988	12,068,605
		13,406,988	12,068,605
Net cash (outflow) / inflow from operating activities	20	715,557	922,094
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(256,612)	(631,065)
Proceeds from sale of non-current assets		73,862	691,080
Payment for intangible assets		(9,398)	(19,289)
Net cash (outflow) / inflow from investing activities		(192,148)	40,726
Net increase / (decrease) in cash held		523,409	962,820
Cash and cash equivalents at the beginning of the financial year		10,415,582	9,452,762
Cash and cash equivalents at the end of the financial year	7	10,938,991	10,415,582

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

NOTE 1
SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

(a) Basis of Accounting

GENERAL

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

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

FUNCTIONAL AND PRESENTATION
CURRENCY

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

FINANCIAL STATEMENT
PRESENTATION

The Authority has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The Authority has chosen to present Income and Expenses in the new Comprehensive Operating Statement, which classifies Income and Expenditure according to whether they arise from transactions or other economic flows. This classification is consistent with the whole of government reporting format. All other Statements are consistent with the revised AASB 101.

(b) Revenue Recognition

FEES AND CHARGES

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

GOVERNMENT CONTRIBUTIONS

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

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

INTEREST

Interest is recognised as revenue when earned.

(c) Recognition and Measurement of Assets

Property, plant and equipment 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, buildings and infrastructure assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of Financial Reporting Direction (FRD)103D.

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

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

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

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

REVALUATIONS

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every five years. (The next valuation is due to be undertaken by the Valuer-General in 2010/11). Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value. Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as expense in determining the net result, the increment is recognised as revenue in determining the net result.

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

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

IMPAIRMENT OF ASSETS

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

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

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

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

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

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

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

(d) Depreciation and amortisation of non-current assets

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

Land is not depreciated.

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The assets residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

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

	2010 %	2009%
Leasehold improvements	12.5	12.5
Buildings	2.5 to 16.66	2.5 to 16.66
Infrastructure assets	1 to 10	1 to 10
Plant and equipment	2 to 33.33	2 to 33.33
Furniture & office equipment	7.5 to 33	7.5 to 33
Motor vehicles	10 to 33.33	10 to 33.33

(e) Cash and Cash Equivalents

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

(f) Receivables

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 impaired receivables. Trade and other receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impaired receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

(g) 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. Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

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

(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) 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).

(p) 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.

(q) Comparative Amounts

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

(r) 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).

(s) New Accounting Standards And Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2010 reporting period. As at 30 June 2010, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2010. The Authority has not, and does not intend to, adopt these standards early.

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	IMPACT ON DEPARTMENTAL FINANCIAL STATEMENTS
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards. The entity will apply the revised standards from 1 July 2010.	1 January 2010	The entity does not expect that any adjustments will be necessary as a result of applying the revised rules.
Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards	In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.	1 January 2011	When the amendments are applied, the entity and the parent will need to disclose any transactions between its subsidiaries and its associates. However, it has yet to put systems into place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

NOTE 2
FINANCIAL RISK
MANAGEMENT

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

(a) Market risk

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

At balance date term deposits totalled \$10,000,000, with a weighted average interest rate of 4.78% (2009: term deposits totalled \$9,000,000, with a weighted average interest rate of 4.91%).

At balance date \$511,740 held in deposits at call with a weighted average interest rate of 4.50% (2009: \$677,975).

All trade creditors and accruals are non-interest bearing.

INTEREST RATE SENSITIVITY ANALYSIS

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

	INTEREST RATE RISK		INTEREST RATE RISK	
	+1% Profit	+ 1% Equity	-1% Profit	- 1% Equity
Cash and Cash Equivalents				
2010	109,390	109,390	(109,390)	(109,390)
2009	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. IN March 2009, the CMA Board approved the opening of a new account with the Treasury Corporation of Victoria to ensure security of investments without the requirement of the Government Guarantee Fee. All investments are held with the Treasury Corporation of Victoria, while Day to Day Operating Accounts are managed to ensure the balances are within the \$1M Guarantee limits.

(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 2010 approximates market value.

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

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

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

(e) Interest rate exposures and maturities

		FLOATING INTEREST	FIXED INTEREST MATURING LESS THAN 1 YEAR	NON INTEREST BEARING	TOTAL
2010					
Financial asset					
Cash and cash equivalents	4.78%	938,591	10,000,000	400	10,938,991
Receivables	N/A	0	0	273,474	273,474
Financial Liabilities					
Payables	N/A	0	0	1,212,988	1,212,988
Net financial assets/liabilities		938,591	10,000,000	(939,114)	9,999,477
2009					
Financial asset					
Cash and cash equivalents	4.90%	1,415,181	9,000,000	400	10,415,581
Receivables	N/A	0	0	644,303	644,303
Financial Liabilities					
Payables	N/A	0	0	1,033,634	1,033,634
Net financial assets/liabilities		1,415,181	9,000,000	(388,931)	10,026,250

	2010 \$	2009 \$
NOTE 3		
REVENUE		
(a) Government Contributions		
Contributions to operations:		
State Government		
Catchment planning/Corporate Governance	993,480	974,000
Second Generation Landcare	712,000	569,040
River Tender	0	610,000
HERO Program	0	320,000
Crown Frontage Review	0	100,000
River Health/Healthy Waterways	3,305,390	2,824,169
Natural Resource Investment Program	2,197,000	0
Drought Relief Assistance	0	1,000,000
Bush Fire Recovery	543,000	1,458,346
Other grants	232,670	90,000
Commonwealth Government		
Caring for our Country	2,854,075	2,610,000
Caring for our Country - Competitive Grants	1,500,000	0
Total Government contributions shown as operating revenue	12,337,615	10,555,555
Total Government contributions	12,337,615	10,555,555
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	493,426	739,985
Other:		
Water Authorities	314,581	374,191
Floodplain Conference 2009	0	324,063
Miscellaneous	180,002	371,768
Murray Darling Basin Authority	104,000	317,300
	598,583	1,387,322
Total other revenues	1,092,009	2,127,307
Net profit/(loss) from sale of non current assets	13,470	314,036
Total revenue	13,443,094	12,996,898

	2010 \$	2009 \$
NOTE 4		
EMPLOYEE COSTS		
Salaries & Wages	2,483,631	2,354,538
Annual Leave	109,491	205,301
Long Service Leave	98,404	91,615
Other Leave	194,126	177,495
Salary On Costs	447,362	483,336
	3,333,014	3,312,285
NOTE 5		
EXPENSES - MATERIALS, MAINTENANCE, CONTRACTS AND CONSULTANCIES		
Materials	353,366	345,191
Repairs and Maintenance		
Motor vehicles	38,822	54,485
General	9,341	7,879
Consultants	475,244	697,498
Contractors	6,034,985	4,335,074
Grants Paid	1,763,533	1,694,298
	8,675,291	7,134,425
NOTE 6		
REMUNERATION OF AUDITORS		
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Authority's financial report:		
Payable as at 30 June 2009	0	8,800
Payable as at 30 June 2010	9,200	0
	9,200	8,800
(amounts are exclusive of GST)		
NOTE 7		
CASH AND CASH EQUIVALENT ASSETS		
Cash and cash equivalent assets		
Cash on hand	400	400
Cash at bank	426,851	737,206
Deposits at call	511,740	677,975
Investments		
Term Deposits - Treasury Corporation of Victoria	10,000,000	9,000,000
	10,938,991	10,415,581

As at 30 June 2010 \$8,470,999 (2009: \$8,787,134) of the Total Cash & Equivalents held at balance date are committed to specific projects for which funding has been provided to the Authority. Refer Note 16 for details of programs with funds committed at balance date.

	2010 \$	2009 \$
NOTE 8		
RECEIVABLES		
Current		
Trade debtors	56,197	256,557
Less: provision for impaired receivables	0	0
	56,197	256,557
Other debtors		
GST Paid	214,661	134,704
Accrued Interest on Term Deposits	2,616	253,042
Total receivables	273,474	644,303
<p>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.</p>		
NOTE 9		
INVENTORIES		
Current		
Nursery Stock	2,935	8,456
Rock Stockpile	33,429	187,405
Total inventories	36,364	195,861
Movements during the reporting period		
Opening Balance Nursery Stock	8,456	43,281
Less Write downs	(5,521)	(29,922)
Less Sales	0	(4,903)
Closing Balance Nursery Stock	2,935	8,456
Opening Balance Rock Stockpile	187,405	232,990
Rock used	(153,976)	(45,585)
Closing Balance Rock Stockpile	33,429	187,405

	2010 \$	2009 \$
NOTE 10		
PROPERTY PLANT & EQUIPMENT		
(a) Classes of property, plant and equipment		
Leasehold improvements		
At cost	115,957	115,957
Accumulated depreciation	(102,961)	(85,885)
	12,996	30,072
Land		
At valuation	185,000	185,000
	185,000	185,000
Buildings		
At valuation	299,504	299,504
At cost	21,753	21,753
Accumulated depreciation	(34,702)	(24,642)
	286,555	296,615
Infrastructure / works		
At valuation	178,853	204,853
Accumulated depreciation	(124,153)	(120,633)
	54,700	84,220
Plant and equipment		
At Fair Value	842,512	802,957
Accumulated depreciation	(433,110)	(331,019)
	409,402	471,938
Furniture and office equipment		
At Fair Value	291,411	324,220
Accumulated depreciation	(203,833)	(212,525)
	87,578	111,695
Motor vehicles		
At Fair Value	569,647	481,060
Accumulated depreciation	(282,656)	(185,731)
	286,991	295,329
Total property, plant and equipment	1,323,222	1,474,869

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 by the Victorian Valuer-General is scheduled for the 2010/11 Financial Year.

(b) Movements during the reporting periods

	Leasehold Improvements \$	Land \$	Buildings \$	Infrastructure and Works \$	Plant and Equipment \$	Furniture and Office Equipment \$	Motor Vehicles \$	Total \$
Carrying Amount								
Balance as at 1 July 2008	31,360	185,000	282,900	90,084	309,695	87,900	608,090	1,595,029
Additions	12,873	0	30,000	0	305,157	73,740	209,296	631,066
Disposals	0	0	(7,538)	0	(54,171)	(557)	(312,087)	(374,353)
Revaluations	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Write-Offs	0	0	0	0	(2,200)	(492)	0	(2,692)
Derecognition	0	0	0	0	0	0	0	0
Depreciation	(14,161)	0	(8,747)	(5,864)	(86,543)	(48,896)	(209,970)	(374,181)
Balance as at 1 July 2009	30,072	185,000	296,615	84,220	471,938	111,695	295,329	1,474,869
Additions	0	0	0	0	39,554	27,897	189,162	256,613
Disposals	0	0	0	0	0	(3,861)	(36,259)	(40,120)
Revaluations	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Write-Offs	0	0	0	(20,272)	0	0	0	(20,272)
Derecognition	0	0	0	0	0	0	0	0
Depreciation	(17,076)	0	(10,060)	(9,248)	(102,090)	(48,153)	(161,241)	(347,868)
Balance as at 30 Jun 2010	12,996	185,000	286,555	54,700	409,402	87,578	286,991	1,323,222

	2010 \$	2009 \$
(c) Depreciation charge for the year		
Leasehold improvements	17,076	14,161
Infrastructure / works	9,248	5,864
Plant & equipment	102,090	86,543
Furniture & office equipment	48,153	48,896
Motor vehicles	161,241	209,970
Buildings	10,060	8,747
	347,868	374,181
(d) Profit and/or loss on sale of non-current assets		
Proceeds from sale of fixed assets	73,862	691,080
Less written down value	(60,392)	(377,044)
Net profit/(loss) on disposal	13,470	314,036

	2010 \$	2009 \$
NOTE 11		
INTANGIBLES		
Intangibles - Software and Licences		
At cost	121,956	112,558
Accumulated amortisation	(98,767)	(73,396)
	23,189	39,162
Movements during the reporting period		
Opening Balance	39,162	42,673
Additions	9,398	19,289
Amortisation	(25,371)	(22,800)
Closing Balance	23,189	39,162
NOTE 12		
PAYABLES		
Current Payables		
Trade payables	4,178	212,983
Funds Held in Trust	350,000	365,000
Accrued expenses	778,792	340,965
Other	80,018	114,686
Total Payables	1,212,988	1,033,634
NOTE 13		
EMPLOYEE BENEFITS		
Current		
Annual leave	295,865	277,429
Long service leave	334,438	285,521
Other - Time in Lieu	36,518	37,045
Total Current	666,821	599,995
Non-Current		
Long service leave	130,564	125,682
Total Non-Current	130,564	125,682
Aggregate carrying amount		
Current	666,821	599,995
Non-Current	130,564	125,682
Total Employee Benefits	797,385	725,677
Full Time Equivalent Employee numbers at end of financial year:	38.42	37.85

Current Leave Provisions represent the unconditional portion of employee benefits. The Authority expects to pay \$243,795 (2009: \$215,757) of the current provisions in the next 12 months.

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

Weighted average increase in employee costs	4.00%	4.45%
Weighted average discount rates	5.16%	5.48%
Weighted average settlement period	7 years	7 years

	2010 \$	2009 \$
NOTE 14		
PROVISIONS		
Quarry Rehabilitations		
Current Provisions		
Everton	15,140	0
Walwa	9,915	0
Moyhu	11,430	0
Total Current Provisions	36,485	0
Non Current Provisions		
Everton	0	49,261
Walwa	0	19,704
Moyhu	0	39,409
Fairyknowe	11,548	19,704
Sandy Creek	24,958	39,402
Total Non Current Provisions	36,506	167,480
Total Quarry Rehabilitations	72,991	167,480

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

Everton and Moyhu Quarries have been closed. The rehabilitation provisions for these two quarries represent an estimate of final works to be undertaken to meet the final rehabilitation requirements of the respective Work Authorities. The Walwa Quarry is planned to be closed by 31st December 2010.

	2010 \$	2009 \$
NOTE 15		
CONTRIBUTED CAPITAL, RESERVES AND ACCUMULATED FUNDS		
(a) Contributed capital		
Balance at beginning of year	5,103,823	5,103,823
Balance at end of year	5,103,823	5,103,823
(b) Reserves		
Asset revaluation reserve		
Balance at beginning of year	420,675	425,274
Transfer of increments/Decrements on Disposal of non-current assets	0	0
Net transfers (to)/from accumulated funds	(2,064)	(4,599)
Asset revaluation reserve	418,611	420,675
Committed funds reserve		
Balance at beginning of year	5,320,698	4,787,819
Net transfers from accumulated funds	(314,071)	532,879
Committed funds reserve	5,006,627	5,320,698
Total Reserves	5,425,238	5,741,373
(c) Accumulated funds		
Balance at beginning of year	0	0
Net result for the period	(316,135)	528,280
Transfer from Asset Revaluation Reserve	2,064	4,599
Transfer to Committed Fund Reserve	314,071	(532,879)
Balance at end of year	0	0

Committed funds reserve

The reserve has been established to recognise that the Authority receives funding for programs in advance of the program works taking place. The Authority is committed to expending these funds in accordance with its Regional Management Plan in succeeding years.

At the end of the financial year any Accumulated Funds which represents unexpended program funding has been transferred to the reserve. For details of the extent of the Authority's commitments for works programs refer to Note 16 (d).

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

	2010 \$	2009 \$
NOTE 16		
COMMITMENTS		
(a) Operating leases		
Non-cancellable operating lease commitments inc. GST		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	163,672	199,214
Later than one year but not later than five years	376,562	112,963
Later than five years	0	0
	540,234	312,177

(b) Capital commitments

As at 30 June 2010 the Authority had no outstanding capital commitments (2009: nil).

(c) Non-Capital commitments

As at 30 June 2010 the Authority had \$2,273,719 (2009: \$1,354,454) in non-capital expenditure commitments. All Outstanding Commitments to be expensed in the 2010/11 Financial Year.

(d) Outstanding works programs

As at 30 June 2010, the Authority had outstanding works programs totalling \$8,470,999 (2009: \$8,787,134) to complete during the 2010/2011 and following financial years. This consists of grants received by the Authority but not expended as at 30 June 2010.

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

Compliance Statement As at 30 June 2010

Program	Opening Balance	2009/2010 Amount Received	2009/2010 Amount Expensed	Closing Balance	Committed Funds	Uncommitted Funds
Water Programs	6,550,332	6,555,573	7,219,069	5,886,836	5,886,836	0
Strategy & Partnerships	1,472,129	5,482,812	5,258,902	1,696,039	1,696,039	0
Corporate Services	764,673	1,404,711	1,281,260	888,124	888,124	0
	8,787,134	13,443,096	13,759,231	8,470,999	8,470,999	0

Compliance Statement As at 30 June 2009

Program	Opening Balance	2008/2009 Amount Received	2008/2009 Amount Expensed	Closing Balance	Committed Funds	Uncommitted Funds
Water Programs	5,797,449	7,422,147	6,669,264	6,550,332	6,550,332	0
Strategy & Partnerships	2,015,554	4,119,927	4,663,352	1,472,129	1,472,129	0
Corporate Services	445,851	1,454,824	1,136,002	764,673	764,673	0
	8,258,854	12,996,898	12,468,618	8,787,134	8,787,134	0

Refer Comprehensive Operating Statement & related Notes

NOTE 17
CONTINGENT LIABILITIES

As at 30 June 2010, the Authority has issued Bank Guarantees in favour of the Ministry for Agriculture and Resources totalling \$85,800 (2009: \$85,800)

NOTE 18
SUPERANNUATION

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

Fund	Type of Scheme	Rate %	2010 \$	2009 \$
Vision Super	Defined benefits	9.25%	15,449	14,522
Vic Super New Scheme	Accumulation	9%	37,486	39,002
GSO- ESS	Accumulation	9-10%	6,782	21,756
Vision Super Saver	Accumulation	9%	65,314	64,567
All Other funds	Accumulation	9%	117,407	116,134
Total contributions to all funds			242,438	255,981

As at balance date there was \$25,261 (2009: \$22,255) in contributions payable to the above funds.

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

DEFINED BENEFITS

Vision Super is a Defined Benefit Fund. Any unfunded liability in respect to this fund would normally be recognised in the financial statements of the Authority. However, the Vision Super Defined Benefit Fund is a multi Employer sponsored plan. As the 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 recent Economic Climate (ie Global Financial Crisis), Vision Super undertook an interim Actuarial review as at 31st December 2008. The Trustee determined that there was a funding shortfall of \$71M for the expected defined benefit plan liabilities, but there will be no call made in the 2009/2010 or 2010/2011 Financial Year.

The next Actuarial review is scheduled for 30th June 2010. Vision Super have advised that if there is a funding shortfall at this date, then a call will be made effective 1st July 2011.

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
P Carrick	(Chairperson)
A Griffiths	(Deputy Chairperson)
J Riddiford	(CEO)
A Mitchell	(Board Member)
A Jarvis	(Board Member)
B Young	(Board Member)
G Hayes	(Board Member)
L Coulston	(Board Member)
R Park	(Board Member)
S Benedyka	(Board Member)
J Taylor	(Acting CEO - 20 July 2009 to 10 August 2009)

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	2010	2009
\$0-\$9,999	6	8
\$10,000-\$19,999	3	1
\$180,000-\$189,999	0	1
\$190,000-\$199,999	1	0
Total Remuneration \$	277,461	271,425

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	
	2010	2009	2010	2009
\$100,000-\$109,999	1	0	1	0
\$110,000-\$119,999	1	3	1	3
\$120,000-\$129,999	1	0	1	0
\$130,000-\$139,999	1	0	1	0
Total Remuneration \$	481,272	348,674	481,272	348,674

Due to Maternity Relief arrangements, one additional position has been included in the executive officers for 2009/2010

Other transactions

Responsible Persons

Lyn Coulston (Board Member) is a director of Mountain Creek Native Plant Nursery. During the year the Authority purchased \$19,123 (2009: \$16,877) of seedlings from Mountain Creek Native Plant Nursery. These purchases were based on normal commercial terms and conditions.

Responsible Persons - related parties

There were no other transactions conducted with responsible persons or their related parties during the financial year ended 30 June 2010 (2009: nil).

	2010 \$	2009 \$
NOTE 20		
RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net result for the period	(316,135)	528,280
Add/(less) Non-Cash Flows in Net Result		
(Profit) / loss on disposal of non-current assets	(13,470)	(314,036)
Depreciation and amortisation	373,239	396,981
	43,634	611,225
Changes in Assets and Liabilities		
Decrease/(increase) in trade receivables	370,829	(118,826)
Decrease/(increase) in inventories	159,497	80,410
(Decrease)/increase in provisions	(94,489)	2,531
Decrease/(increase) in prepayments	(14,974)	12,389
(Decrease)/Increase in payables	179,352	264,478
(Decrease)/increase in employee benefits	71,708	69,887
Net Cash flows from Operating Activities	715,557	922,094

NOTE21
SUBSEQUENT EVENTS

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

NOTE 22
GOING CONCERN

In December 2009, the State Government released Securing our Natural Future - a White Paper for land and biodiversity at a time of climate change. Included in the document was a commitment to restructure Victoria's natural resource management bodies and the associated legislation.

The Government has determined that structural reform of key delivery organisations in Victoria's natural resource management sector - principally the Catchment Management Authorities, Regional Coastal Boards and associated peak bodies - is required.

The White Paper foreshadows the establishment of Natural Resource and Catchment Authorities (NRCAs) by 1 July 2011.

ALIGNMENT OF NEW NATURAL RESOURCE & CATCHMENT AUTHORITIES

New Authority	Current Bodies
Melbourne Water & Catchment Authority	Melbourne Water, Port Phillip / Western Port CMA, Central Coastal Board
Gippsland NRCA	East Gippsland CMA, West Gippsland CMA, Gippsland Coastal Board, Gippsland Lakes Taskforce
Western Districts NRCA	Glenelg Hopkins CMA, Corangamite CMA, Western Coastal Board
Wimmera-Mallee NRCA	Wimmera CMA, Mallee CMA
Northern Rivers NRCA	North Central CMA, Goulburn Broken CMA, North East CMA

The financial impact of the reform cannot be reliably measured as at balance date.

APPENDICES

DETAILED RESULTS AGAINST THE 2009/2010 CORPORATE PLAN

GOVERNANCE

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
MINISTERIAL REQUESTS				
4.1.1	The CMA shall respond to requests from the Minister, or to requests from any other Minister, for information on matters related to CMA functions and business in a timely manner. (WA 8.1 / CaLP 8.1)	None		N/A
CMA OPERATIONS				
4.1.2	The CMA shall operate within the requirements of the Governance Guidelines for the Department's statutory authorities. (WA 9.1 / CaLP 9.1)	Demonstrate corporate social responsibility by: Reducing greenhouse gas emissions, and supporting community people through the Alpine Valley Community Leadership Program.	Reduction in greenhouse gas emissions by 5% compared with benchmark year. At least one community member supported in the Alpine Valleys Community Leadership Program.	Reduction in GHG emissions by 35% (approx 139 tonnes CO ₂ -e). The CMA bought 100% "Greenpower" in 2009/2010. One community member supported in Alpine Valley Community Leadership Program.
4.1.3	The CMA shall review its performance periodically and report as directed by the Minister, or the Secretary or Department on behalf of the Minister. (WA 9.2 / CaLP 9.2)	The Board will conduct a self assessment of its performance.		Self Assessment submitted to the Minister in May 2010.
CORPORATE PLANS				
4.1.4	The CMA shall develop and implement a Corporate Plan in accordance with relevant legislation and subordinate instruments and any guidelines issued by the Minister. (WA 10.1 / CaLP 10.1)		Approved Corporate Plan submitted to Minister by 30 April 2010.	Approved Corporate Plan submitted to Minister by 30 April 2010.
ANNUAL REPORTS				
4.1.5	The CMA shall develop an Annual Report detailing the CMA's activities and financial position (and report on the condition and management of land and water resources in its region and the carrying out of its functions) in accordance with relevant legislative and subordinate instruments and any Government guidelines. (WA 11.1 / (CaLP 11.1))	Prepare the Annual Report.	Annual Report submitted to the Minister by 9 October. Favourable overall audit assessment by the Auditor-General.	Annual Report submitted to the Minister by 9 October.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
PERFORMANCE MONITORING				
4.1.6	The CMA shall ensure that appropriate and effective processes and systems are in place to monitor its financial, social and environmental performance. (WA 12.1 / CaLP 12.1)	Implement project development and budgeting process.	Successfully prepare all budgets (financial & non-financial) on time for Board approval.	Budgets completed on time.
MANAGEMENT OF CMA FUNDS				
4.1.7	The CMA shall manage the relevant investment of Government funds in the region's natural resource management program in the manner outlined in its Service Level Agreement (and any contract or agreement between the Department and the CMA), the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 13.1 / (CaLP 13.1))			Compliant.
4.1.8	The CMA shall manage its business operations in compliance with the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 13.2 / CaLP 13.2)			Compliant.
4.1.9	The CMA shall administer community grants on behalf of the Minister to assist in the implementation of the Regional Catchment Strategy and relevant sub-strategies and plans in accordance with relevant legislation and subordinate instruments and any guidelines issued to the CMA. (WA 13.3 / (CaLP 13.3))	Management of community grants.	95% of approved grant applications processed and grants paid within one month of their receipt by the CMA.	100% of grants processed within 30 days of receipt by the CMA.
MANAGING RISKS				
4.1.10	The CMA shall develop a risk management system and processes to effectively manage strategic, operational and financial risks in accordance with the Financial Management Compliance Framework, all relevant legislative and sub-ordinate instruments and industry standards. (WA 14.1 / CaLP 14.1)	Implement the 2009-2011 Risk Management Plan. Monitor Current and Emerging Risks.	Actions as listed in the Plan are met on time and formally reported to the Board.	Actions completed and reports provided to the Board.
4.1.11	The Authority shall develop and maintain a comprehensive register of all relevant assets in accordance with the Financial Management Compliance Framework and all relevant legislative and sub-ordinate instruments. (WA 15.1 / CaLP 15.1)	Maintain Asset Register as required.		Compliant.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
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)	Annual Stocktake. Maintain an asset replacement schedule for all Major Assets.	Annual Stocktake of Assets completed. Annual Review of Asset replacement schedule completed.	Stocktake completed. Review completed.

COMMUNITY ENGAGEMENT

#	KRA	ACTIVITY 2009/10	KPIS 2009/10	RESULT 2009/10
GENERAL				
4.2.1	The CMA shall develop, maintain and enhance strategic partnerships with regional service deliverers for the implementation of the Regional Catchment Strategy, its sub-strategies, and any plans, including investment plans and special area plans. (CaLP 16.3)	Support strategic partnership forums. Facilitate engagement with the region's, local government authorities.	Meaningful participation in local government forums at officer and Councillor/ Board level.	Water Program maintained. Enhanced strategic partnerships that underpin the delivery of catchment programs with Rural City of Wangaratta, Wodonga City Council, Alpine Shire, Parks Victoria, Department of Sustainability, Department of Primary Industries, Goulburn Murray Water and Murray Darling Basin Authority. Participation in North East Greenhouse Alliance meetings and events. Sponsorship of project to assess alignment opportunities between Local government corporate Plans and the Regional Catchment Strategy.
4.2.2	The CMA shall establish and maintain community engagement structures and / or processes on an ongoing basis to: Provide advice to the CMA on the development and implementation of Regional River Health Strategies (its	Community Liaison Reference Group providing advice to the CMA. Facilitate engagement with the region's, agribusinesses.	At least four catchment community forums held.	Three Community Reference Groups were established as part of the process in developing Waterway Action Plans for the King River, Yackandandah Creek and Snowy Creek. Each group

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
	sub-strategies, and any plans, including investment plans and special area plans), floodplain and drainage programs; and Act as a communication link with relevant stakeholder groups and the community. (WA 16.2 / (CaLP 16.2))	Facilitate engagement with the region's, Indigenous community. Coordinate community engagement meetings. Implement community engagement monitoring, evaluation and reporting program.		met a minimum of three times throughout the project. Two community meetings were held in Mudgegonga and Running Creek as part of communicating North East CMA and other agencies' roles in delivering bush fire recovery services as a result of the 2009 Beechworth Complex bushfires. Community forums not held due to delay in Regional Catchment Strategy renewal processes.
4.2.3	The CMA shall make available to the public: Information about the catchment and waterway management services and relevant educational material (CaLP 16.4 / WA 16.3)	Place all relevant information on the website. Produce Catch Up newsletter.	Four Catch Up editions produced.	Information about the catchment and waterway management services placed and maintained on the website. This was augmented by print material. One edition of the Catch Up newsletter was produced. The Waterwatch Program, in partnership with NEVRWaste and North East Water, launched the Sustainable Environmental Education Directory (SEED) website.
COMMUNICATION ADVICE TO MINISTERS				
4.2.4	The CMA shall advise the Minister of appropriate opportunities to communicate issues and outcomes relating to catchment management, river health and the environmental water reserve. (WA 17.1 / CaLP 17.1)			The Minister was advised of matters relating to environmental water reserve, CFoC funding for bush fire recovery programs and other relevant matters.

INTEGRATED REGIONAL PLANNING AND COORDINATION

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
REGIONAL CATCHMENT STRATEGY (RCS)				
4.3.1	The CMA shall co-ordinate the development, review, and gain approval for the RCS in accordance with any guidelines issued by the Minister. (CaLP 18.1)	Finalise review of RCS. Commence RCS renewal based on Land & Biodiversity White Paper outcomes.	RCS review completed by 30 October 2009. RCS renewal commenced by 30 June 2009.	RCS Review completed by Roberts Evaluation and submitted to the Victorian Catchment Management Council. Internal and external stakeholders consulted. RCS renewal not commenced as Guidelines not issued.
4.3.2	The CMA shall coordinate the implementation of the RCS. (CaLP 18.2)	Manage Service Level Agreements with key regional stakeholders. Facilitate Monitoring, Evaluation, Reporting and Improvement processes for RCS implementation Programs. Refine spatially explicit asset based approach for RCS implementation.	Satisfactory Annual Performance Report.	2008/2009 Annual Performance Report submitted and accepted by DSE.
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)	Complete renewal of Pest Plant & Animal Plans. Undertake an evaluation of sub-strategy/action plan requirements following outcomes of the Land and Biodiversity White Paper.	Pest Plant and Animal Action Plans Board endorsed by 30 June 2010.	Completion of Invasive Plants and Animals Strategy delayed pending clarification of RCS renewal and Statewide "assets based approach" guidelines. Strategy now in draft form and will be released for public comment in the second half of 2010.
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 2008/2009 Annual Report.	Annual Catchment Condition reporting completed and meeting statutory requirements.	2008/2009 Annual Catchment Condition report submitted and accepted by the Minister.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
		Coordinate RIP reporting processes for the region.	Regional Investment Plan reporting completed and meeting investor requirements.	All Regional Investment Plan reporting to investors submitted on time and accepted.
4.3.5	The CMA shall provide input on action plan priorities and programs to the development of the RCS. (WA 18.1)	Develop the Regional Investment Plan.	Regional Investment Plan submitted to DSE in accordance with guidelines.	2010/2011 Regional Investment Plan submitted to DSE.
REGIONAL INVESTMENT PROCESS				
4.3.6	The CMA shall include the planning works programs for action plans in the submission of the annual Regional Catchment Investment Process and other relevant funding processes to the Department (WA 19.1)	Develop the Regional Investment Plan.	Regional Investment Plan submitted by required date.	2010/2011 Regional Investment Plan submitted to DSE by the required date.
SPECIAL AREA PLANS				
4.3.7	The CMA shall submit to the Minister for approval any special area plans prepared for special areas declared in its region. (CaLP 19.1)			N/A
4.3.8	The CMA shall coordinate and monitor the implementation of any approved special area plans prepared in accordance with the CaLP Act or any guidelines issued by the Minister. (CaLP 19.2)			N/A
REGIONAL INVESTMENT PLAN (RIP)				
4.3.9	The CMA shall coordinate the development of the RIP and the associated documentation, and the implementation and management of the RIP, in accordance with any guidelines issued by the Department. (CaLP 20.1)	Develop the Regional Investment Plan. NE0708.2.235	Regional Investment Plan submitted by required date.	2010/2011 Regional Investment Plan submitted to DSE by the required date.
4.3.10	The CMA shall provide advice through the RIP process to the Department on regional priorities and programs for the implementation of the accredited RCS and sub-strategies and relevant plans in accordance with any guidelines issued by the Department. (CaLP 20.2)	Develop the Regional Investment Plan.	Regional Investment Plan submitted by required date.	2010/2011 Regional Investment Plan submitted to DSE by the required date.
LAND STEWARDSHIP - LANDCARE				
4.3.11	The CMA shall develop and coordinate the implementation of a regional action plan for Landcare to support Landcare activities across its region in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.1)	Implement the Regional Landcare Support Strategy.	Annual workplan completed.	Annual workplan completed.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
4.3.12	The CMA shall monitor, evaluate and report on progress against priorities and targets defined by the regional action plan for Landcare in accordance with any guidelines issued to the CMA or any relevant State policy, framework, strategy, plan or guideline. (CaLP 21.2)	Report through the Regional Investment Plan reporting process.	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	All Regional Investment Plan reporting to investors submitted on time and accepted.
LAND STEWARDSHIP - BIODIVERSITY				
4.3.13	The CMA shall develop and coordinate the implementation of regional plans for biodiversity, such as a Native Vegetation Plan (NVP) in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 22.1)	Develop the Regional Investment Plan. Manage Service Level Agreements with DSE Regional Services for implementation of the RNVP.	Investor approval of Regional Investment Plan. Implementation of Native Vegetation projects conforms to Service Level Agreement.	2009/2010 Regional Investment Plan approved by the Minister. Native Vegetation projects delivered according to Service Level Agreements. Project activity reported through the Victorian Investment Framework and CfoC reporting processes.
4.3.14	The CMA shall monitor and report on the progress of implementation against priorities and targets as set out in regional plans for biodiversity in accordance with any guidelines issued to the CMA. (CaLP 22.2)	Report through the Regional Investment Plan reporting process.	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	All Regional Investment Plan reporting to Investors submitted on time and accepted.
4.3.15	The CMA shall implement revegetation standards for all on-ground works delivered by its own and contracted staff in accordance with any guidelines issued to the CMA. The CMA shall encourage other regional revegetation works, delivered by community groups, to adopt the same standards. (CaLP 22.3)	Promotion of the North East Revegetation Guide as the standard for all revegetation in the north east.	The North East Revegetation Guide recognised and used as the standard for revegetation in the north east.	The North East Revegetation Guide standards used for CMA and Service Provider projects. Landcare groups encouraged to adopt standards through the grants eligibility process.
LAND STEWARDSHIP - PEST MANAGEMENT				
4.3.16	The CMA shall develop and coordinate the implementation of regional pest plans in accordance with the RCS and any relevant State policy, framework, strategy, plan or guideline. (CaLP 23.1)	Coordinate renewal of Pest Plant & Animal Plans.	Pest Plant and Animal Action Plans Board endorsed by 30 June 2010.	Completion of Invasive Plants and Animals Strategy delayed pending clarification of RCS renewal and Statewide "assets based approach" guidelines. Strategy now in draft form and will be released for public comment in the second half of 2010.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 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.	Advice provided to Minister when requested by DPI.	Advice provided to the Minister throughout the year with regard to 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)	Coordinate sub-strategy renewals for Pest Action Plans.	Pest Action Plans signed off by Board by 30 June 2010.	Completion of Invasive Plants and Animals Strategy delayed pending clarification of RCS renewal and Statewide "assets based approach" guidelines. Strategy now in draft form and will be released for public comment in the second half of 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.	Advice provided to Minister when requested by DPI.	Advice provided to the Minister throughout the year with regard to the Noxious Weeds Review.
LAND STEWARDSHIP - SALINITY MANAGEMENT				
4.3.20	The CMA shall develop and coordinate the implementation of Regional Salinity Management Plans or their equivalent in accordance with the RCS and any relevant State policy, framework, Strategy, plan or guideline. (CaLP 24.1)	Develop the Regional Investment Plan.	Investor approval of Regional Investment Plan. Implementation of Regional Investment Plan salinity projects conforms to Service Level Agreement.	2009/2010 Regional Investment Plan approved by the Minister. Salinity projects delivered according to Service Level Agreements. Project activity reported through the VIF reporting process.
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 Investment Plan reporting process.	Regional Investment Plan reports submitted within agreed timelines and of a standard accepted by Department of Sustainability and Environment.	All Regional Investment Plan reporting to Investors submitted on time and accepted.
4.3.22	The CMA shall advise the Department on the development of regional salinity targets and corresponding works programs in accordance with the Murray Darling Basin Agreement, or subsequent such agreement. (CaLP 24.3)	Prepare Catchment Condition report for inclusion in the 2009/2010 Annual Report.		Catchment Condition Report completed.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
REFERRALS AND NOTICES				
4.3.23	The CMA shall prepare a response to referrals from the Environment Protection Authority in accordance with relevant legislation. (CaLP 25.1)	As required.	Responses to planning referrals made within statutory timeframes.	The CMA responded to EPA referrals within 30 days and also assisted EPA with information when requested. The CMA also participated in the 13th annual review of the AGL Hydro dam de-silting works as part of the EPA Designated Working Group.
4.3.24	Where the CMA is listed in a Local Government Planning Scheme as a referral body, the CMA shall provide advice on planning referrals which relate to dryland salinity, irrigation management, soil erosion and any other land management issues identified in the local Municipal Strategic Statement. (CaLP 25.2)	As required.	Responses to planning referrals made within statutory timeframes.	Responses were provided within statutory time frames to all Local Government planning referrals with conditions, recommendations and comments, as appropriate to the referral.
4.3.25	The CMA shall consider any land management notices and make a decision on whether to consent to the notice. (CaLP 25.3)	As required.	Responses to planning referrals made within statutory timeframes.	No land management notices were received.
LOCAL GOVERNMENT PLANNING				
4.3.26	The CMA shall participate in the periodic review, continuous improvement and implementation of those municipal planning schemes and in particular: any Local Planning Policy Framework; any Municipal Strategic Statement (MSS); and 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 programs for the implementation of the RCS, its sub-strategies and plans regional river health, floodplain and regional drainage programs. (WA 20.1 / (CaLP 26.1))	Provide comments for Local Government MSS reviews as appropriate.	All Local Government reviews of planning policies have input from the CMA.	Input was provided into Local Government reviews of planning policies, planning scheme amendments and studies as appropriate. These included Planning Scheme Amendments 58, 62, 28, 69, 70, 72, 74, 75, 76, and 77 for Wodonga, Amendments C20 and 21 for Towong Shire, Amendment C15 for Alpine Shire, and Amendment C36 in Wangaratta.

CARETAKER OF RIVER HEALTH

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
REGIONAL RIVER HEALTH STRATEGY				
4.4.1	The CMA shall develop a Regional River Health Strategy according to guidelines issued by the Secretary. (WA 21.1)	The Regional River Health Strategy was completed and endorsed 2006. Participate in the planning for the development of VSHREW at the State level.	Provide input to DSE process as requested.	The CMA participated in the planning for the development of VSHREW at a state level with DSE.
RIVER HEALTH ACTION PLANS				
4.4.2	For priority areas identified in the Regional River Health Strategy, the CMA shall, in consultation with relevant stakeholders and the community, develop and coordinate the implementation of, relevant action plans, in accordance with guidelines issued by the Secretary, which may include: water quality management action plans; and waterway management action plans. (WA 22.1)	Implement existing Waterway Action Plans (WAPs).	Undertake initial priority actions for new WAPs - King River, Yackandandah Creek and Snowy Creek.	Waterway Action Plans were implemented for King River, Yackandandah Creek, Little Snowy Creek, Lower Kiewa/Finns Creek, Rural City of Wangaratta, Wodonga City Council, Omeo and district and Snowy Creek. One new WAP was developed for Mitta Mitta.
RIVER HEALTH WORK PROGRAMS				
4.4.3	The CMA shall develop and implement on-ground river restoration works programs to implement the priorities of the Regional River Health Strategy and related river health action plans. (WA 23.1)	Prepare 11 annual works plans. Mitta Mitta channel capacity project. Living Murray Resnagging project. MDBC demonstration reach projects. Prepare RIP projects. Liaise with DSE regarding crown frontage vegetation assessments. Liaise with DSE regarding crown frontage riparian licences.	11 Annual Work plans developed. RIP bid endorsed.	11 work plans were developed. CMA worked with MDBA and G-MW to deliver works for the Mitta Mitta Channel Capacity project. The CMA implemented the MDBA Ovens River Native Fish Demonstration Reach project. The CMA delivered the DSE Crown Frontage Review project in partnership with DSE Crown Land Management. The CMA continued to liaise and advise DSE on crown frontage vegetation assessments.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
4.4.4	The CMA shall include the works programs outlined above in the submission of the annual RIP to the Department. (WA 23.2)	Prepare Regional Investment Plan projects.	Regional Investment Plan bid endorsed.	Regional Investment Plan bid was endorsed.
4.4.5	The CMA shall consult with the Department's public land managers in development of any plans, programs or schemes, which are on a Crown frontage. (WA 23.4)	Liaise with DSE regarding crown frontage vegetation assessments.	Provide regional advice and technical input to DSE as required.	Regional advice and technical input was provided to DSE as required.
APPROVALS, REFERRALS AND ADVICE				
4.4.6	The CMA shall authorise works on waterways and exercise enforcement powers in accordance with the CMA Waterways Protection By-law.	Authorise Works on Waterways.	Assess/process all applications for Works on Waterways within 30 days.	Works on Waterways permit applications and exemptions were processed within 30 days. 32 Permits 23 Exemptions Four Applications refused. Compliance issues were dealt with in accordance with the CMA's enforcement policy.
4.4.7	The CMA shall act as a referral body for any: application for a licence to construct works; and any 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 G-MW licence referral process.	Process applications within 30 days. Process developed and communicated to G-MW.	Responded to three Goulburn-Murray Water construction licence applications. Compliance matters generally dealt with by a combined interagency approach. The CMA did not receive any referrals for licences to take and use water.
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	Formal advice and comments in relation to waterway, water quality, wetlands and other related river health issues were made within the statutory time frame. Many preplanning meetings and enquiries were also received and responded to, generally within a two week time frame.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
4.4.9	The CMA shall advise the Department on conditions for licences in respect of Crown frontages. (WA 24.4)	Provide comments to the Department on all crown frontage referrals. Provide input into any review of crown frontage licences.	Provide timely comments on new licence applications and licence transfers as requested. Provide input into any review of crown frontage licences.	Responses made to eight crown land licence referrals. Advice provided on crown land matters as required where linked into planning and work permit matters. Strengthening partnership with the department due to the crown frontage review project.
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 Water Supply Demand Strategy (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 authorities as required. Some examples include North East Water Waste Water treatment plant risk assessments, NERWA Wastewater Strategy, Bright Water Storage, Upper Ovens Water Management Plan and Dry Inflow Contingency planning.
HERITAGE RIVER AREAS				
4.4.11	The CMA shall incorporate the requirements relating to Heritage River Areas into the development and implementation of The Regional River Health Strategy. (WA 25.1)	Projects in heritage areas will consider Heritage plan requirements.		The CFoC funded Protecting Critical Aquatic Habitats from Invasive Species project was delivered in the Lower Ovens Heritage River.
MANAGEMENT OF THE ENVIRONMENTAL WATER RESERVE (EWR)				
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 programs. (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 the development of VSHREW to ensure that EWR is considered.
4.4.13	In all its river health planning and works programs, the CMA shall aim to: achieve the most effective use of the EWR; achieve the greatest level of environmental benefits practicable; and minimise, as far as possible, any adverse impacts on water users. (WA 26.2)	Integrate EWR objectives into works program/action plans, whilst minimising adverse impacts.	Process documented. Benefits documented.	Dry Inflow Contingency plans implemented and reviewed including processes and benefits in relation to river health works and planning.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
4.4.14	The CMA shall liaise with: the storage operator to negotiate the most effective release pattern for the EWR in regulated systems including during drought; and surface water and groundwater licensing authorities to negotiate the most effective surface water and groundwater extraction regime. (WA 26.3)	<p>Liaise with Goulburn-Murray Water (G-MW) regarding the operation of Lake Buffalo.</p> <p>Liaise with Goulburn-Murray Water effective surface/ ground water extractions as part of Ovens Stream Flow Management Plan (SFMP).</p> <p>Participate as a member of the Regional Groundwater Services Committee and relevant Surface Water Committees.</p>	<p>G-MW and NERWA documented EWR objectives in Dry Inflow Contingency Plan.</p> <p>Demonstrated input into the Ovens SFMP process.</p> <p>Attendance at Regional Groundwater Services Committee meetings and relevant Surface Water Committees.</p>	<p>CMA negotiated a beneficial release pattern for EWR from Lake Buffalo storage with Goulburn-Murray Water & North East Water.</p> <p>Dry Inflow Contingency plans reviewed, including processes and benefits to EWR.</p> <p>Attended Regional Groundwater Service Committee meetings and Surface Water Committees as required.</p>
4.4.15	<p>Where the EWR includes an environmental entitlement and the CMA is appointed as the environmental manager of the environmental entitlement by the Minister, the CMA shall:</p> <ul style="list-style-type: none"> • Develop a multi-year Environmental Operating Strategy for the environmental entitlement according to guidelines developed by the Secretary; • Seek endorsement from both the Minister for Water and Minister for Environment for the Environmental Operating Strategy; • Develop and implement an Annual Watering Plan in line with the Environmental Operating Strategy; • Seek endorsement from both the Minister for Water and Minister for Environment for the Annual Watering Plan; • Work with storage operator and where relevant, the Department's regional officers and land managers to ensure provision of water and management of relevant structures according to the Annual Watering Plan; • Manage any costs associated with the management and delivery of the EWR; and • Provide advice to the Minister of Environment through the Secretary on any temporary trade of the EWR. (WA 26.4). 	<p>Reduced activity planned.</p> <p>No activity planned. CMA does not hold an environmental entitlement.</p>		<p>Agreement reached with the Australian Government on the Commonwealth Environmental Watering Program for the King River.</p>

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
4.4.16	The CMA shall advise the Department annually on the distribution and headworks costs associated with managing the EWR. (WA 26.5)	No activity planned.		N/A
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: <ul style="list-style-type: none"> • Purchase a water share transfer ownership of a water share; • Transfer ownership of a water share; • Assign a limited-term transfer of a water share; • Assign a water allocation under a water share or an environmental entitlement. (WA 26.7)	Process the ownership of water share as required.	Approvals sought from the Secretary.	Approvals sought where required.
4.4.19	Any water shares that the CMA purchases shall be included in, and managed in accordance with, the Annual Watering Plan. (WA 26.8)	No activity planned.		N/A
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 G-MW 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.	CMA negotiated a beneficial release pattern for EWR from Lake Buffalo storage with Goulburn-Murray Water & North East Water.
WATER ALLOCATION PROCESSES				
4.4.21	The CMA shall provide input into the development of Sustainable Water Strategies on: <ul style="list-style-type: none"> • Requirements and priorities for enhancing the EWR in high priority river and wetland systems and groundwater dependent ecosystems; • River health and water quality issues; • Potential large-scale land use changes in catchments; and • Opportunities and implications for regional development. (WA 27.1)	The CMA shall participate in the Northern Sustainable Water Strategy, and provide EWR advice.	Documented input into discussion paper and draft strategy.	Provided input into the development of Northern Sustainable Water Strategy (NSWS). The NSWS strategy was released by Government.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
4.4.22	The CMA shall input into the development of stream flow management plans and groundwater management plans from a river health perspective and coordinate their implementation. (WA 27.2)	Input into Kiewa Streamflow Management Plan – model scenarios. Input into the Upper Ovens Streamflow Management Plan – model scenario. Participate in Consultative Committees.	Kiewa REALM & scenarios run. Ovens REALM & scenarios run. Attend SFMP consultative committee meetings. Attend EWR network meetings.	Provided input into the Kiewa and Ovens REALM scenario run. Attended SFMP meetings and other EWR network meetings.
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.	The CMA has provided input as opportunities have arisen. North East CMA was a representative on the Steering Committee for the Upper Ovens Water Management Plan. Other participation included the Lake Moodemere Water Savings Project, and bulk entitlement planning discussion involving Bright & Omeo.
4.4.24	The CMA shall prepare regionally specific irrigation development guidelines that are consistent with the Statewide Irrigation Development Guidelines for approval by the Minister (WA 27.4)	Completed 2007/2008. Implement Regional Guidelines. Implement MoU for new irrigation development process.	Implementation process developed.	MoU has been finalised and endorsed by the Minister. Guidelines are being implemented across the region.
4.4.25	The CMA shall advise the Minister on conditions and objectives for water use licences in accordance with relevant legislation, where requested by the Minister. (WA 27.5)	Completed 2007/2008	Input documented. Demonstrated participation.	Provided input and participated where required.
4.4.26	The CMA shall report on the implementation of management plans for Water Supply Protection Areas, including groundwater and stream flow management plans, in the Annual Report. (WA 27.6)	Develop a process / system that captures information to allow for reporting.	Report accepted by Government.	CMA participated in stream flow management and groundwater plans. Report for implementation of management plan for Water Supply Protection Areas not submitted.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
FLOODPLAIN MANAGEMENT				
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 regional flood plans.	Develop and coordinate regional flood plans.	Review of regional Flood Plan Management Strategy completed and approved by the Board October 2009.
4.4.28	For priority areas in the regional floodplain plan, the CMA shall: <ul style="list-style-type: none"> • Undertake flood studies; • Develop floodplain management action plans and implement floodplain management works; and • Report to the Department on the progress of these activities in accordance with relevant funding agreements. (WA 28.2)	Finalise the flood mapping currently underway. Middle Creek Flood Study (Rural City of Wodonga). Monitor construction progress on the approved Myrtleford scheme. Declaration of flood levels for: <ul style="list-style-type: none"> • Wangaratta urban area • Fifteen Mile Creek • Myrtleford. 	Incorporation of improved flood maps in relevant Council planning schemes.	Flood mapping project completed. Middle Creek Flood Study (Rural City of Wodonga) completed. Construction of stage 1 of the Myrtleford scheme completed and monitored throughout its delivery.
4.4.29	The CMA shall provide advice about flooding and controls on planning scheme amendments, and planning and building approvals to local councils in its capacity as a referral body in accordance with relevant legislation. (WA 28.3)	Provide advice to local government on planning referrals.	98% of S55 applications processed within statutory timeframe.	All 115 floodplain referrals were processed within the required timeframe.
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)			Declaration of flood levels completed for 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.	Participated in the Myrtleford Flood Mitigation Scheme, assistance provided for the Middle Creek Flood Study (Wodonga Council), and Murray Floodplain Study (Albury).

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
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.	No request received.
MANAGEMENT OF REGIONAL DRAINAGE				
4.4.34	The CMA shall develop and coordinate the implementation of a regional plan for drainage management, including establishing the roles of implementing authorities. (WA 28.9)	No action proposed.		N/A
4.4.35	The CMA shall implement, operate and protect the regional drainage schemes and works which the CMA has been appointed to assume responsibility for by an Order made under s.98 Water Act 1989, in accordance with that Order. (WA 29.2)	Black Dog Creek Waterway Management District By-law will be implemented.	Assess / process all applications within 30 days.	No application received. An information brochure to assist landholders about the By-Law process has been developed and also added to the CMA's website.
MONITORING AND REPORTING ON RIVER HEALTH				
4.4.36	The CMA shall report to the Minister for Water on the implementation of Regional River Health Strategies, related action plans and resource condition in accordance with the Service Level Agreement and any guidelines issued by the Secretary. (WA 30.1)	Regional 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)			ISC monitoring assessments were not required.
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 regional partnership meetings.
RESPONDING TO NATURAL DISASTERS, INCIDENTS AND EMERGENCIES				
4.4.39	The CMA shall develop, maintain and implement a Flood Response Action Plan and review it annually. (WA 31.1)	Review Flood Response Action Plan.	Flood Response Action Plan reviewed.	Flood Response Action Plan reviewed.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
4.4.40	The CMA shall develop and implement river related restoration works programs following natural disasters such as bushfires or floods. (WA 31.2)	Respond to emergencies. Implement February 2009 fire recovery programs.	Successfully funded river restoration works programs. Reporting carried out as per funding agreement	Successfully delivered fire recovery program as per Federal Government CFoC and State Government guidelines. Reporting carried out as per funding agreements.
4.4.41	The CMA shall participate in the development of regional blue-green algal blooms (BGA) contingency plans. (WA 31.3)	Report blooms to G-MW. Participate in regional planning exercises.	Reports submitted to G-MW. Attendance at regional planning exercises.	Attended regional meetings regarding BGA.
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 programs.	Attendance at drought, fire recovery meetings.	Attended meetings as required.
COMMUNITY PARTICIPATION AND AWARENESS				
4.4.43	The CMA shall undertake programs to encourage community engagement and participation in: <ul style="list-style-type: none"> • River health programs; • The management of the EWR; and • The monitoring of river health. (WA 32.1)	Implement Waterway Action Plans. Landcare presentations on RRHS. Streamflow Management Planning (Environmental Water). Waterwatch - road shows at local schools, support adult monitoring network. Participation in Salt Watch Week, World Water Day, local events. Support the School Environment Education Directory (SEED) project. Water quality monitoring support for river health staff, assistance with community engagement activities.	Report quarterly to Board on community engagement activities. 13 roadshows to 70 schools. Water quality data provided to 70 schools. National Water Week activities. 60 active adult volunteers supported, water quality data provided to all monitors annually. Active participation in SEED governance arrangements. Annual works plan implemented with NERWA.	Provide quarterly reports on Community Engagement activities to the Board. Three Student Environment Days (508 school students, 15 partners). SEED website (Average of 165 hits per month, 4,554 page views). One teacher training delivered via the Dept of Education's Elluminate program. Trained 44 adult volunteers in water quality monitoring (new & refresher training). 60 adult volunteers managed. 38 adult volunteers monitor a sites on a monthly basis.

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
		<p>Foster working relationship with NERWA in WQ program delivery.</p> <p>Participate in water policy review.</p> <p>Annual communications plan.</p> <p>Media events- National Water Week.</p>		<p>Two Quality Assurance/Quality Control events for adult monitors (39 participants).</p> <p>Four CMA monitoring projects (One Mile Creek, Stoney Creek, Corr Creek & Kiewa River) which included 12 sites on a monthly basis.</p> <p>89 sites monitored on a monthly basis.</p>
4.4.44	The CMA shall develop and implement community education programs on river health and the management of the EWR. (WA 32.2)	As above - National Water Week activities.	Report quarterly to Board on community engagement activities	<p>Implementation of School Environment Education Directory (SEED).</p> <p>Delivery of Tapping into Catchments in partnership with North East Water.</p>
4.4.45	The CMA shall promote community awareness of flood risks. (WA 32.3)	<p>Respond to planning enquiries. NE 0506.02.05</p> <p>Promote the "Floodsmart" program.</p>	Planning applications completed within statutory timeframe.	All floodplain referrals were processed within the required timeframe.
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)	<p>Liaise with G-MW / NERWA re drought and fire response plans.</p> <p>Implement NERWA MoU. NE 0506.02.02 / NE 0506.02.03 / NE 0506.02.04 / NE 0506.02.05 / NE 0506.02.33</p>	<p>Completed drought/fire response plans.</p> <p>MoU principles adhered to.</p>	MoU principles adhered to for NERWA and NEVRWaste-Tapping into Catchment and SEED.

INNOVATION AND KNOWLEDGE MANAGEMENT

#	KRA	ACTIVITY 2009/2010	KPIS 2009/2010	RESULT 2009/2010
INNOVATION AND KNOWLEDGE SHARING				
4.5.1	<p>The CMA shall</p> <ul style="list-style-type: none"> Identify the CMA's research and capability needs; Support investment in research and capability building, where doing so would improve the implementation of the RCS its sub-strategies and plans; 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 Participate in the setting of statewide priorities. <p>(WA 33.1 / CaLP 27.1)</p>	<p>Conduct an annual assessment of knowledge needs.</p> <p>Participate in Land & Water Australia project "Making Successful Investments in NRM Practice Change".</p> <p>Participate in the Landscape Logic research program.</p> <p>Participate in statewide Forums for Land and Biodiversity White Paper outcomes and RCS renewal.</p> <p>Continue the CSIRO "Willow Water Use" Project.</p> <p>Continue to sponsor research into the effects of willow removal on streams – Murray Darling Freshwater Research Centre.</p> <p>Continue Catchment Yield Monitoring Studies with Melbourne University.</p>		<p>Continued the CSIRO "Willow Water Use" Project.</p> <p>Continued to sponsor research into the effects of willow removal on streams – Murray Darling Freshwater Research Centre.</p> <p>Supported DSE research into Willow Saw Fly.</p> <p>Commenced HERO capacity building projects.</p>

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
EPA _____	Environmental Protection Authority
EVC _____	Ecological Vegetation Classes
EWR _____	Environmental Water Reserve
GHG _____	Greenhouse Gases
G-MW _____	Goulburn-Murray Water
Ha _____	Hectare
HabHa _____	Habitat Hectares
HERO _____	High Environmental Return Opportunities
ISC _____	Index of Stream Condition
IT _____	Information Technology
Km _____	Kilometre
KPI _____	Key Performance Indicator
KRA _____	Key Result Area
LIDAR _____	Light Detection and Ranging
MDBA _____	Murray Darling Basin Authority
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
NERWA _____	North East Region Water Authority
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
RIP _____	Regional Investment Plan
RCS _____	North East Regional Catchment Strategy
REALM _____	Research Application Model
RGSC _____	Regional Groundwater Services Committee
SEED _____	School Environment Education Directory
SFMP _____	Stream Flow Management Plan
SLA _____	Service Level Agreement
VAGO _____	Victorian Auditor General's Office
VCMC _____	Victorian Catchment Management Council
VMIA _____	Victorian Managed Insurance Authority
VROTS _____	Victorian Rare or Threatened Species
VSHREW _____	Victorian Strategy for Healthy Rivers, Estuaries and Wetlands
WAP _____	Waterway Action Plan
WSDS _____	Water Supply Demand Strategy

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 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 2009/2010 period.

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

- Previous annual reports
- Corporate Plan 2009/2010 to 2014/2015
- Regional Catchment Strategy
- North East Regional River Health Strategy
- Regional Catchment Investment Plan

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

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

ISSN 1836-2990

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PHOTO CREDITS

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

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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 programs and can link you to funding sources. Our website has regular updates about grants and incentive programs.

WORKS ON WATERWAYS

You can contact us for permits and planning advice.

SCHOOLS PROGRAMS

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

We provide information about natural resource management funding programs and can link you to funding sources. If you are new to our region, we can put you in contact with your nearest Landcare group.

SEMINARS AND WORKSHOPS

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

INDIGENOUS SUPPORT

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

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