

Corporate Plan

2013-14 to 2017-18

Creating value for the community through partnerships



NORTH CENTRAL
Catchment Management Authority
Connecting Rivers, Landscapes, People

Acknowledgement of Country

The North Central Catchment Management Authority acknowledges Aboriginal Traditional Owners within the catchment area, their rich culture and their spiritual connection to Country.

We also recognise and acknowledge the contribution and interests of Aboriginal people and organisations in the management of land and natural resources.

North Central Catchment Management Authority (CMA) Corporate Plan 2013-14 to 2017-18

Key Contributors:

<i>Name:</i>	<i>Title:</i>	<i>Contribution:</i>
Board	Board Members	General comment
David Clark	Chairman	Foreword
Damian Wells	CEO	Foreword, concept and direction
Melissa Tylee	NRM Strategy Coordinator	Investment program
Malcolm Brown	Executive Manager Community Engagement	Author
Chris Phillips	Executive Manager Finance & Corporate Services Community Engagement team	Financials Editing, proofing, layout & publication

North Central Catchment Management Authority
PO Box 18 Huntly Vic 3551
T: 03 5448 7124 F: 03 5448 7148
E: info@nccma.vic.gov.au W: www.nccma.vic.gov.au

© North Central Catchment Management Authority, 2013

Photo credits: all photos are North Central CMA images unless otherwise acknowledged.

Cover images: Lockington Primary School students on Campaspe River; Ron Murray plays didgeridoo at a Moolort Wetlands Field Day; Ryan Smith, Minister for Environment and Paul Weller, Member for Rodney on Gunbower Creek; Llew Vale (Chairman of Goulburn-Murray Water), Aunty Esther Kirby (Barapa Barapa Elder), Minister for Water Peter Walsh and David Clark (Chairman North Central CMA); Chris Tsaros speaks to participants on a Moolort Wetlands tour; Campaspe River; and Bambi Lees, Indigenous Facilitator inspects Aboriginal artefact in river.

This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.

This publication may be of assistance to you, but the North Central Catchment Management Authority and its employees do not guarantee that the publication is without flaw of any kind, or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on information in this publication.

Contents

Foreword from the Chairman and CEO	2	Part C (1): Financial Statements	23
About the North Central CMA	4	Compliance with Australian Accounting Standards	23
About the Catchment	4	Three Year Financial Statements	23
Key Regional Issues	5	Disclosure of any Corporate Overheads Allocated to Projects	24
Form of this Corporate Plan	6	Project Costing Principles	24
Part A: Statement of Corporate Intent	7	Part C (2): Financial Statements	25
Strategic Direction	7	Table 4: Planned Programs for Forthcoming Financial Year	25
Business Objectives (five years)	9	Table 5: Five Year Operating Statement	26
Main Business Undertakings	9	Table 6: Five Year Statement of Cash Flows	27
Nature and Scope of Activities	10	Table 7: Five Year Balance Sheet	27
Table 1: Prescribed Government Measures	12	Figure 8: Summary of Financial Results	28
Part B: Business Plan	14	Figure 9: Total Revenue vs Expenditure	28
Strategic Direction	14	Figure 10: Total Assets vs Liabilities	28
The Project Portfolio	15	Table 8: Forecast Financial Performance Measures	29
Regional Program	16	Part C (3): Cost Recovery	29
Flood Recovery	18		
Table 2: 2013-14 Corporate Plan Project List	19		
Figure 6: North Central CMA's Regional Investment Priorities for 2013-14	20		
Risk Management	21		
Figure 7: International Risk Management Standard	21		
Table 3: Summary of Major Risks	22		

Foreword from the Chairman and CEO

This Corporate Plan sets out the future for the North Central Catchment Management Authority's activities over the next year and our focus beyond to 2017-18.

During 2013-14 we will deliver \$11 million of natural resource management investment across north central Victoria, ramping up a large-scale river restoration project, protecting and enhancing endangered native vegetation, finalising flood recovery commitments – including flood management plans - and completing critical works and measures infrastructure to enable the efficient delivery of environmental water to our internationally important wetlands.

In 2012-13 we met all our statutory obligations, delivered a significant flood recovery program, developed flood mitigation and urban drainage plans for six of the region's worst flood affected communities in 2010-11, managed the delivery of eight gigalitres of environmental water to improve the health of our rivers and wetlands, and engaged with our communities in enhancing our natural environment and delivering education, biodiversity and water use efficiency programs. We also commenced construction of the \$13.5 million Hipwell Road Channel in the upper Gunbower Forest. This construction work will help to secure enduring protection of the River Red Gum forest and wetlands on Gunbower Island as part of The Living Murray program. In March 2013 we commenced implementation of the four-year \$3.73 million 'Caring for the Campaspe' project accompanied by the announcement of tripling of environmental water entitlements for the Campaspe River. This project will see the river become a healthier, better-flowing system. We are extremely proud of our achievements over the past 12 months.

Effective partnerships are critical to achieving our purpose of enhancing the integrity of our catchments. The level of achievement reached in 2012-13 is not possible without the assistance of major agency and community partnerships and the efforts of our dedicated staff. The capacity to deliver so many projects has been built over the past seven years through the investments we have made in both systems and people.

Our people remain a key asset, not only through their skills and knowledge but also their extensive networks and - most importantly - their passion and commitment to delivering enduring environmental change. We will continue to provide value for both our investors and our community.

Flood Recovery

2010 and 2011 saw the region transition from a 12-year drought to floods of historic magnitude. In 2013-14 we will finalize our flood recovery work, with the completion of flood management plans as a core priority. Community engagement has been critical in the development of seven plans to date as well as strong relationships with local Council and other government agencies.

The Department of Sustainability and Environment's (now Department of Environment and Primary Industries - DEPI) Office of Water has provided the funding to develop these flood management plans with contributions from the Commonwealth Government under the Natural Disaster Resilience Grants Scheme.

We are very proud of how we have gathered local community knowledge and expertise to develop practical, positive and achievable flood mitigation options in flood affected communities. We have now completed seven flood mitigation and urban drainage plans. In 2013-4 we will complete additional plans for the flood affected communities of Castlemaine, Chewton and Campbells Creek; Dunolly; and Quambatook.

Funding provided through the Australian Government's Natural Disaster Relief and Recovery Arrangements (NDRRA) has enabled us to repair 21 flood damaged water quality monitoring sites, rebuild hundreds of kilometres (km) of fencing on 232 properties, revegetate 67 flood damaged sites and complete vital repairs on 174 levee breaches and 144 erosion control structures.

In 2013-14 we will complete the flood recovery program by replacing the Quambatook Weir, realigning 3 km of the Pentel Island levee and fencing and revegetating 70 already repaired erosion control structures.

Regional Catchment Strategy

Last year, following a significant period of community and stakeholder consultation around our most valuable natural assets, we submitted the final 2012-18 Regional Catchment Strategy to the Victorian Government. The Regional Catchment Strategy is a six-year plan that provides direction for the natural resource management work we undertake in conjunction with our partners.

We are pleased to continue implementing our renewed strategy in 2013-14 as it sets a visible foundation for our work over the coming years to achieve enduring landscape change and strengthen the links between rivers, landscapes and people in our region.

Gunbower Forest

The Gunbower Forest Environmental Watering initiative will realise significant benefits to both the environment and our farming communities and continues to be a focus over the life of this Corporate Plan.

With regulators and other measures in place to allow controlled flooding of the forest, the health of River Red Gums, native fish and other threatened plants and animals will be secured.

In partnership with the Murray-Darling Basin Authority, the Victorian Government and Goulburn-Murray Water, we will complete the large-scale flooding infrastructure works, including the Hipwell Rd channel, in 2013-14.

FarmWater Program

The \$60 million FarmWater Program is an investment in northern Victoria and a key partnership between ourselves, Goulburn Broken CMA and other agencies. The program funds on-farm infrastructure to improve irrigation efficiency and save water. This program has already directly benefited irrigators who have transferred more than eight gigalitres in water savings so far to the environment. About 47 per cent of the \$36 million in Round One funding was invested in our region. During 2013-14 Round Three funding will be distributed to irrigators participating in the program.

Business excellence and efficiency

In 2013-14 we will enter our third year of measuring efficiency and benchmarking our performance under the Australian Business Excellence Framework. In this ongoing journey we will continue to improve the decision making processes we use to guide our environmental investment, as well as improve how the monitoring, evaluation and reporting cycle informs our decisions. We will remain focused on effective business systems, efficient work practices and building a culture of continual improvement. Our new business system (Technology One) will go live on 1 July 2013.

Partnerships and programs

We will continue to work in partnership with many people and organisations to deliver our schedule of programs for the coming year:

- Gunbower Forest Environmental Water Initiative
- Caring for the Campaspe River
- Protecting and Enhancing Priority Wetlands
- Waterwatch
- Landcare.

We acknowledge the important role played by our partners, who include the Australian and Victorian Governments and their agencies, local government, rural and urban water corporations, local communities, landholders and Landcare groups.

We will continue to provide strategic support and direction to our reinvigorated regional Landcare movement that recently saw three new groups added to the existing 160+ groups. The increasing strength of Landcare in the region can be attributed to the Victorian Government's investment in nine new Landcare Network Facilitators along with the on-going commitment and resilience of our community NRM volunteers.

Our priorities and the year ahead

The North Central Catchment Management Authority's funding priorities for this Corporate Plan include:

- finalising 2010-11 flood recovery commitments - through our flood recovery program of works and the Flood and Drainage Management Plans
- protecting and enhancing Ramsar wetlands - with a focus on works and measures as part of the Gunbower Forest Environmental Watering Initiative and our Protecting and Enhancing Priority Wetlands program
- increasing the capacity of communities to actively participate in natural resource management - particularly through our Landcare, Waterwatch and Indigenous engagement programs
- maintaining productive agricultural land - through initiatives such as FarmWater, Sustainable Soils projects and Healthy and Productive Irrigated Landscapes
- protecting threatened species and ecological communities - with a focus on the Caring for the Campaspe River program
- compliance with statutory obligations under the relevant Acts.

Our key tasks for the coming year are to see the Flood Mitigation Plans finalized and implemented and to continue to increase the level of catchment improvement works both we, and our many partners, deliver that will continue to improve the integrity of the place where we live.

On behalf of the Board and Executive we look forward to guiding the actions in this Corporate Plan for 2013-14 to 2017-18 and commend it to you.



A handwritten signature in black ink that reads "David Clark".

David Clark
Chairman



A handwritten signature in black ink that reads "Damian Wells".

Damian Wells
Chief Executive Officer

About the North Central CMA

The North Central Catchment Management Authority (CMA) is the lead natural resource management (NRM) agency in north central Victoria, delivering programs in partnership with communities and other agencies to protect and enhance the integrity of the region's four river catchments.

The Authority creates value for communities and the environment by partnering with landholders, community groups, volunteers, agencies and research institutions to deliver the following services and responsibilities:

- **Natural Resource Management:** Sourcing funds for on-ground projects and supporting community groups, such as our 160+ Landcare groups, to partner in the protection and enhancement of the region's catchments.
- **Identification of Regional Assets:** Over 400 natural assets have been identified through community engagement and referenced within the Regional Catchment Strategy.
- **Leading Regional Environmental Strategy and Policy:** Providing advice to government on regional catchment issues and developing the Regional Waterway Management Strategy for securing the health of our rivers and wetlands. The strategy will allow for effective planning and delivery of environmental water and is critical to the health of the region's waterways.
- **Flood and Disaster Response:** Providing flood prediction advice to VicSES and coordinating flood recovery programs and funding.
- **Statutory Planning:** Providing floodplain advice and issuing permits to protect life and property and support local government, planning authorities and communities with expert data and recommendations.
- **Environmental Water Management:** Planning of the best case scenario environmental water delivery and implementing delivery.
- **Protecting and Enhancing Natural Assets:** Working with a variety of communities, agencies and partners to protect and enhance the region's natural assets, including waterways and floodplains, wetlands, soil and biodiversity.

Established in 1997 under Victoria's *Catchment and Land Protection Act 1994* (CaLP Act) the North Central CMA also has powers and functions under the *Water Act 1989*. It is accountable to the Minister for Environment and Climate Change, the Hon. Ryan Smith MP and the Minister for Water, the Hon. Peter Walsh MP.

About the Catchment

The North Central CMA region covers about three million hectares or 13 per cent of Victoria. It is bounded by the Murray River at its northern edge, Mt Camel Range to the east and the Great Dividing Range to the south.

The region spans a number of local government areas, incorporating the Loddon Shire, Mount Alexander Shire, Central Goldfields Shire, Hepburn Shire, most of the Gannawarra Shire, City of Greater Bendigo and Campaspe Shire. The northern part of the Northern Grampians Shire, southern part of the Buloke Shire and parts of the Pyrenees Shire, City of Ballarat, Macedon Ranges Shire and Swan Hill Rural City also lie within the region.

The region has a population of over 240,000 people, concentrated in the growing regional hub of Bendigo, and townships of Echuca and Swan Hill. The southern part of the region is a popular lifestyle choice for "tree-changers" with the annual population growth projected to continue at almost 50 per cent greater than the average for regional Victoria.

The annual rainfall varies across the region from 300 millimetres (mm) in the north-west to over 1200 mm in the south-east. Temperatures to the south often fall below 1°C during the winter months while to the north regularly reaches above 40°C in summer.

The North Central CMA region is agriculturally diverse. Horticulture, dairying and dryland farming - particularly grain cropping and livestock grazing - are the main enterprises.

In the north of the region, the Loddon/Campaspe irrigation area supports dairy, mixed farming and horticulture. In the southern area, particularly near major population centres, traditional agricultural pursuits are giving way to smaller enterprises and rural living zones. While many profitable farms remain south of Bendigo, this transition is being driven by increased land amenity values, which in most cases exceed the primary production capacity of the land.

Approximately 13 per cent of the North Central CMA region is public land. The region's rich natural assets have been reserved as regional and national parks, internationally significant wetlands, flora and fauna reserves and reference areas from the gold-mining era.

Figure 1: The North Central CMA region



Our catchment at a glance

- 13 per cent of Victoria
- 240,000 residents
- 87 per cent private land holding
- over 400 identified natural assets

The four major river catchments are the Campaspe, Loddon and Avoca, and Avon–Richardson. The Campaspe and Loddon rivers are regulated systems that drain to the Murray River, while the Avoca River flows into a series of terminal lakes and wetlands known as the Avoca Marshes. During large flood events, the Avoca may flow directly into the Murray River and then to a further series of terminal lakes. The Avon–Richardson catchment is internally drained, with most surface water flowing into Lake Buloke.

Key Regional Issues

Flood Recovery

After the 2010 and 2011 floods, floodplain management and community resilience remain dominant issues for the entire region.

A very dry spring, summer and autumn during 2012-13 reinforces the climate variability to which the regional community must adapt.

The North Central CMA’s recovery efforts over the past two years focused on the delivery of the Natural Disaster Relief and Recovery Arrangements (NDRRA) funded activities, reinstating previously completed NRM protection and enhancement projects which were damaged by the floods. The coordinated delivery of all flood recovery projects has enabled the North Central CMA and regional partners to re-engage with community and negotiate improved environmental gains on previous works sites (such as extra riparian fencing and revegetation or wider riparian buffers).

With recovery efforts well established, the emphasis in the coming year is now on finalizing plans for flood mitigation and urban drainage management for a total of thirteen flood affected communities. Community resilience has been tested with the repeated floods and will remain a focus for many of the communities and partner organisations across our region.

Water Reform and Food Security

Issues surrounding water reform continue to present significant challenges for the region and are a major focus for many activities. The finalisation of the Murray-Darling Basin Plan along with irrigation modernisation and rationalisation through Goulburn-Murray Water’s (G-MW) Connections Program are significant issues affecting our irrigators and communities, particularly in the north of the region.

Land use is changing rapidly as landholders adopt more flexible farming systems to manage risks associated with a variable climate, irrigation modernisation and rationalisation, water trade out of the region, Australian Government water entitlement buyback and food security.

Water reform also provides potential opportunities for our rivers and wetlands through increased environmental water availability. For example, in early 2013 the Victorian Government announced an additional 22.3 gigalitres of environmental water for the Campaspe River would come from the G-MW Connections Project as a result of the decommissioning of the Campaspe Irrigation District.

We remain focused on programs that invest in on-farm water use efficiency and increased agricultural productivity such as the FarmWater Program, the Farming for Sustainable Soils Program and our Innovative Farming Program. Along with environmental works and measures such as the Gunbower Forest Environmental Watering Initiative, we are ensuring we take advantage of opportunities afforded by the changes happening in our region to enhance our environmental, social and agricultural outcomes. The North Central CMA continues to work closely with landholders, local government, Murray-Darling Basin Authority and partners such as DEPI and G-MW on these matters.

Urban Growth

Urban growth and population shift within the region remain important issues and north central Victoria continues to undergo significant transformation. Victoria's top three regional growth centres are here in our region. With population shift, demographic changes in the region's north and peri-urbanism in the south comes pressure on water resources and the natural environment. These pressures include clearing of native vegetation for increasing urbanisation, and the building of residential properties near reserve boundaries. Population change and its effect on land use places pressure on our statutory functions in protecting the environment, promoting community capacity and resilience, and maintaining productive agricultural land.

It is critical for strong linkages between the Loddon Mallee (and also Grampians) Regional Growth Plans and the North Central Regional Catchment Strategy to ensure pressures on our natural environment are considered in future urban growth planning.

Form of this Corporate Plan

The Corporate Plan has been prepared in accordance with Sections 19C and 19D of the *Catchment and Land Protection Act 1994*. The plan's form complies with the required specifications of the Minister for Environment and Climate Change, the Hon. Ryan Smith MP and the Minister for Water, the Hon. Peter Walsh MP.

The Corporate Plan, together with the North Central CMA Annual Report, provides the basis for:

- planning, managing and monitoring the North Central CMA's overall performance
- reporting to the Board and stakeholders on the North Central CMA's business
- demonstrating compliance with legislative obligations under the *Catchment and Land Protection Act 1994*, *Water Act 1989*, *Freedom of Information Act 1982*, *Information Privacy Act 2000*, *Public Administration Act 2004*, *Financial Management Act 1994*, and all associated statutory instruments, ministerial directions and departmental requirements.

Part A: Statement of Corporate Intent

Strategic Direction

The 2013-14 Corporate Plan is the third instalment in what is expected to be a five-year journey to achieve the organisational vision to become the benchmark organisation described below.

Having considered the current business context and the success of the 2011-12 Corporate Plan in laying the foundations of business excellence, and operating with purpose while meeting stakeholder commitments, the North Central CMA Board has endorsed the on-going commitment to the following **Statement of Strategic Intent**.

North Central CMA Statement of Strategic Intent	
Our Purpose We will protect and enhance the integrity of our catchments.	
Our Organisational Vision We will be a benchmark organisation working in partnership with our communities to deliver enduring natural resource management outcomes.	
Our Values Values describe specific qualitative factors where there is a clear intention and commitment to achieving a high level of performance. In alignment with the <i>Public Sector Act 2004</i> , the North Central CMA, including its Board, Natural Resource Management Committee (NRMC) and staff, are committed to the following values:	
Leadership:	actively implementing, promoting and supporting our values.
Accountability:	accepting responsibility for decisions and actions.
Respect:	treating others fairly and objectively.
Human Rights:	respecting, promoting and supporting human rights.
Responsiveness:	providing best standards of service and advice.
Impartiality:	acting objectively.
Integrity:	earning and sustaining public trust.

Our Strategy

There are four key pillars to our strategy. To achieve our purpose of protecting and enhancing the integrity of our catchments, we will:

1. Prevent further decline in catchment condition through discharging our statutory responsibilities.

2. Protect and enhance the ecological assets in our region through targeted investment.
3. Participate in public debate to advocate the sustainable use of our region's natural resources.
4. Support and facilitate community involvement in natural resource management.

In accordance with being a benchmark organisation the North Central CMA will measure its organisational performance over time through the Australian Business Excellence Framework (ABEF), which provides a consistent and independent way to do this.

We have established an initial baseline that will provide support as we decide on the priorities for improvement. The baseline also allows us to see how we are performing over time and to compare our organisation with others in the industry. We are committed to applying ABEF to the business plan with a clear focus on sustainable government practices.

Our **Principles for Business Excellence** are:

- Clear direction and mutually agreed plans that enable organisational alignment and a focus on the achievement of goals.
- Understanding what our customers and stakeholders value, now and in the future, enabling organisational direction, strategy and action.
- All people work *in* a system. We will improve our outcomes when people work *on* the system and its associated processes.
- Engaging people's enthusiasm, resourcefulness and participation to improve organisational performance.
- Innovation and learning influence the agility and responsiveness of our organisation.
- Effective use of facts, data and knowledge leads to improved decisions.
- Variation impacts on predictability, profitability and performance.
- Sustainable performance is determined by our ability to deliver value for all stakeholders in an ethically, socially and environmentally responsible manner.
- Leaders determine the culture and value system of our organisation through their decisions and behaviour.

When the initial ABEF assessments were analysed, they clearly identified opportunities for improvement in the key performance areas of:

- Information and knowledge: *data and decision making.*
- Customers and other stakeholders: *perception of value.*
- Sustainable performance: *measuring and communicating results.*

Whilst generally meeting stakeholder expectations, the nature of reporting and maintaining governance standards has become unsustainable with the current level of resources. The resolve across our organisation is to simplify the process of monitoring and reporting, which will help demonstrate performance and increase stakeholder satisfaction.

To achieve this goal, we have created an improvement process referred to as Benchmarking our Business (BoB). Four projects have been established with benefits expected to be demonstrated across the range of ABEF performance areas and provide significant outcomes in:

- Operational efficiency, flexibility and responsiveness
- Demonstrating value for customers and stakeholders
- Improving employee productivity, satisfaction and retention.

BoB #1 – Customer and stakeholder feedback processes

Increasing knowledge about how stakeholders perceive value will influence how we design key areas, such as strategy and end-to-end processes, as well as the nature of our services and scope of asset projects. Building on the strong culture of partnering, we will actively seek stakeholder feedback and develop processes for integrating that feedback into all facets of decision making.

BoB #2 – Business systems renewal

In recent years reporting requirements have grown in both complexity and frequency. The past business systems (Axapta and CAMS) do not have the capacity or flexibility to provide efficient reporting into the future.

We have procured and installed a new business system - Technology One - and had the system configured for our business. 2013-14 will be the North Central CMA's first full year of implementation of the new business system.

BoB #3 – Organisational monitoring, evaluation and reporting (MER)

A review and systematic improvement of all MER requirements including:

- Organisational – dashboard-style key performance metrics.
- Strategy – effective execution of the 2012-18 Regional Catchment Strategy (RCS) and related NRM strategies and policies.
- Project – demonstrating enduring environmental change.
- Community engagement – demonstrate the impact of our community engagement, the increased awareness and any practice change that results.

BoB #4 – The North Central Way

Based on a strong foundation, the Statement of Strategic Intent will be actively promoted throughout the organisation through a new initiative focused on leadership and team development. Demonstrating performance against metrics from ABEF and the People Matters Survey (conducted by State Services Authority). The objectives of this initiative are to:

- Promote a more dynamic and adaptive culture
- Develop capacity for change management and resilience
- Retain valued skills and knowledge critical to organisation success.

Business Objectives (five years)

The flagship initiatives for this Corporate Plan's next 12 months are:

Objective #1 - Meet all statutory and legislative requirements

The North Central CMA will meet its accountabilities as prescribed by the *Victorian Catchment and Land Protection (CaLP) Act 1994* and *Water Act 1989*.

Objective #2 - Maximise investment into the region's environmental assets

The North Central CMA will continue to actively seek competitive funding through state and federal government funding programs, other emerging government investors and private organisations. It will also investigate opportunities for recovery of funds on a 'fee for service' basis.

Objective #3 - Advance community NRM capacity

The North Central CMA will continue to develop community capacity through the NRM program outlined in Part B. We will promote opportunities for the development and implementation of effective Environmental Literacy participatory education programs, such as Waterwatch and Landcare.

Objective #4 - Deliver the NRM program outlined in Part B of this plan

The North Central CMA will finalise the flood recovery program, as well as the other asset and enabling projects described in Part B of this plan. The new RCS will continue to drive our investment program beyond 2013-14.

Objective #5 - Maintain our "Working on Country" Aboriginal engagement program.

The North Central CMA will continue to foster Indigenous employment opportunities around NRM in consultation with local Aboriginal groups.

Main Business Undertakings

The North Central CMA has now received funding to develop thirteen flood mitigation and urban drainage plans for the worst 2010-11 flood affected communities. The Creswick flood mitigation and urban drainage plan is complete and is being implemented. An urban flood study for Bendigo is also complete. Plans have been finalised for Charlton, Rochester, Clunes, Carisbrook and Donald and have been submitted to government seeking funds for implementation. During 2013-14 we will complete flood mitigation and urban drainage plans for Castlemaine, Chewton and Campbells Creek; Dunolly; and Quambatook.

The plans will provide improved flood intelligence for each community and will identify options for reducing the potential risk in future flood events. The development of these plans has a strong community focus to ensure the recommendations have the support of communities and meet their unique needs.

Other flood recovery activities to be completed in 2013-14 include:

- Replacing the Quambatook Weir
- Re-aligning 3 km of the Pental Island levee
- Fencing and revegetating 70 already repaired erosion control structures.

In addition to finalising the flood recovery program, the following activities will take priority in 2013-14.

We will:

- Fulfil our stewardship obligations by implementing the new **Regional Catchment Strategy** and developing a supporting **Regional Waterway Management Strategy**.
- Continue implementation of the **Caring for the Campaspe River** project - the first large-scale on-ground works project delivering river health improvements to this significant asset. The project will capitalise on the experience and knowledge gained through the Loddon Stressed River project over the previous nine years. The Campaspe River holds important biodiversity within the Riverina and Goldfield bioregions and contains many vulnerable, threatened or depleted vegetation communities, aquatic fauna (including the flagship species Murray Cod and Platypus) and threatened terrestrial species

(Swift Parrot and Squirrel Gilder). The specific long-term target of the project is to improve the condition of 400 hectares (ha) of riparian vegetation along the Campaspe River by 2016. This equates to 20 per cent of the total riparian area (based upon a 50 metre [m] buffer each side of the waterway).

- Continue implementation of the **Protecting and Enhancing Priority Wetlands of the North Central CMA Region** project, which will maintain and improve the ecological condition of six wetland complexes of international, national or state significance within the region. The project focuses on the Kamarooka, Central Murray, Boort District, Avon Plain, Cope-Cope and Bunguluke wetland complexes.
Finalise construction of the large-scale flooding infrastructure as part of the **Gunbower Forest Environmental Watering** initiative, to deliver environmental water to these Ramsar listed wetlands. This floodplain ecosystem hosts Australia's second largest River Red Gum forest and relies on regular flooding to maintain its health.
- Work in collaboration with community networks, including the **North Central Landcare** and **North Central Waterwatch** programs, as a platform for community involvement in decision-making and broader community engagement.
- Provide leadership in the management of **environmental water delivery**. We will continue to play a crucial role in managing specific environmental Bulk Entitlements, investigating and managing flows in unregulated waterways for environmental benefit, responding to regional environmental water management requirements, monitoring environmental flows and engaging with the community on environmental flow issues for both rivers and wetlands.

It is important to recognise that the scale of **environmental water delivery** within the region is expected to continue to increase across the two regulated rivers – Loddon and Campaspe.

In order to deliver the best possible solutions for the environment and the communities' dependent on these river systems we facilitate four community-based advisory groups. These are the Loddon Environmental Water Advisory Group (LEWAG); Campaspe Environmental Water Advisory Group (CEWAG); the Central Murray Wetlands Environmental Water Advisory Group (EWAG) and the Bullarook Creek Environmental Water Advisory Group (BEWAG). Environmental water is sourced from both the Victorian and Commonwealth Environmental Water Holders.

Our Environmental Water Advisory Group model is recognised within the Victorian NRM sector as an example of best practice for community engagement.

- Promote **sustainable land management** practices to protect and enhance the resilience of our region's soils and priority assets through the following projects:
 - Farming for Sustainable Soils
 - Healthy Productive Irrigated Landscapes
 - Adopting Sustainable Farming Practices
 - Innovative Farming
 - Landcare

Nature and Scope of Activities

Maintaining high standards of corporate governance is a major focus of the North Central CMA.

The Board, its sub-committees and staff all have a strong commitment to continual improvement in this area. These high standards are supported through a structure and culture that maintains the appropriate separation of duties, and demands accountability and excellence in all aspects of the business.

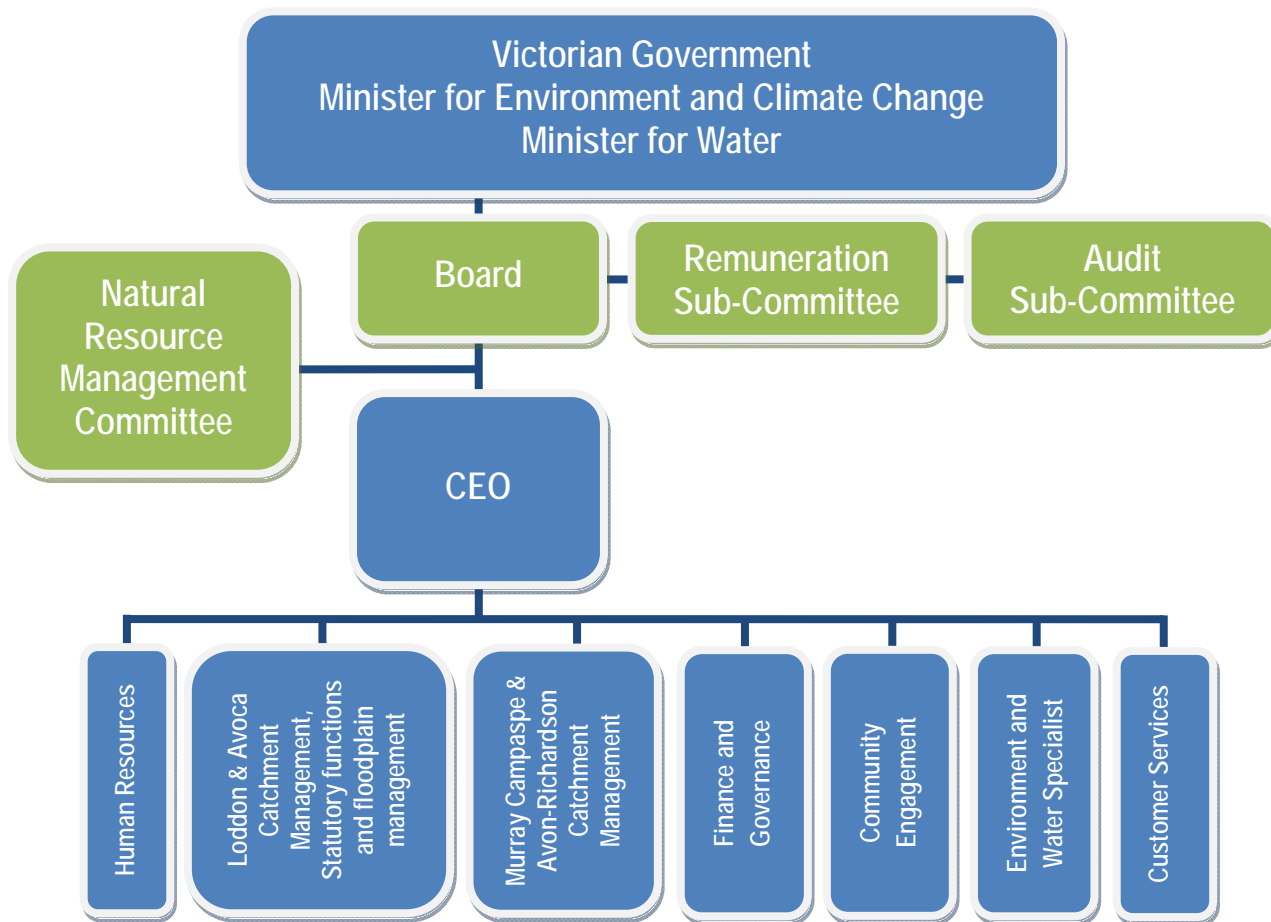


Figure 4: 2013-14 Governance framework and organisational structure



Figure 5: The North Central CMA Board appointed in 2011 with CEO Damian Wells (From left to right: James Williams, Julie Slater, David Clark (Chair), Melanie McCarthy, Prue Addlem, Laurie Maxted, Don Naunton, Christine Brooke, Damian Wells and Stuart McLean).

Table 1: Prescribed Government Measures

Performance area	Performance indicators	Targets	Achievement reporting
Governance			
Board performance	Complete and submit an annual Board performance assessment report, according to any guidelines issued	By 31 August annually	Actual date on which the Board assessment report was submitted
	Participation by Board members in development activities	All Board members participate in development activities	Proportion of Board members participating in development activities
Board Charter	Develop and implement a Board Charter	The Board Charter is reviewed (and if necessary, amended) by 30 June annually	Actual date on which the Board Charter was reviewed and, if necessary, amended
Risk and financial management	Compliance to risk management plans for each program	All programs have risk management plans in place Nil non-compliances with risk management plan	Percentage of programs with risk management plans in place Number of non-compliances with risk management plan
Policies and procedures	Regular review of policies and procedures	Each policy and procedure is reviewed at least every five years	Percentage of policies and procedures reviewed annually
Efficiency and organisational performance			
Grant management	Administration costs of grants are minimised	10% or less of grant funds is spent on administration	Overall percentage of grant funds spent on administration Number of grants from which more than 10% was spent on administration
	Minimise time taken to determine grant applications	Grant applications are determined within one month of being received	Average time taken to determine grant applications
Regulatory waterway /water functions	Number of days to process works on waterways permits	Not more than 20 working days	Average number of working days to process permits Number of permits that took more than 20 working days to process
	Number of days to process referrals for any works on or in relation to a dam	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process enquiries from local government and community on flooding	Not more than 20 working days	Average number of working days to respond to enquiries Number of enquiries that took more than 20 working days to process
	Number of days to process referrals for Water Use Licences referrals that don't meet the standard water-use conditions	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans, and seasonal adjustments to annual use limits	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process

Effectiveness and environmental outcomes			
Integrated river health management	Revise North Central River Health Strategy to plan for waterways in relation to their economic, social and environmental values	North Central River Health Strategy revised every six years	Actual date North Central River Health Strategy was revised
	Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the Environmental Water Reserve in accordance with objectives	Environmental Operating Strategies developed or revised every five years Annual Watering Plans approved for all Environmental Entitlements	Actual dates Environmental Operating Strategies were developed or revised Actual date Annual Watering Plans were approved
Regional Catchment Strategy (RCS)	Complete and submit the developed or revised RCS according to any guidelines, standards and related information issued	Submit the developed or revised RCS by the due date as required in any guidelines, standards and related information issued	Actual date on which the developed or revised RCS was submitted for approval
	Percentage of RCS annual actions implemented	All RCS annual actions implemented	Percentage of RCS annual actions implemented
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	Percentage of RNVP annual actions implemented
Invasive plant and animal management	Regional Invasive Plant and Animal Strategies incorporating related priorities in all land tenures in the region	Invasive Plant and Animal Strategies revised by 30 June every five years	Actual date strategies were revised
Regional and Statutory Planning	Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body	100% of referral responses provided for each issue	Percentage of referral responses provided for each issue
Salinity management	Implementation and periodic review of Regional Salinity Management Plans (RSMP) and Land and Water Management Plans (LWMP)	RSMP and LWMP completed RSMP and LWMP periodically reviewed	Whether RSMP and LWMP completed Whether RSMP and LWMP periodically reviewed
	Progress against annual action targets Develop regional salinity targets and correspondence works programs in accordance with the Murray-Darling Basin Salinity Agreement Annual Report on the allocation and update of salt disposal entitlements submitted to the responsible Minister	RSMP and LWMP include annual actions to be implemented All annual RSMP and LWMP actions and targets achieved All annual salinity targets and works programs achieved By 31 July annually or as otherwise requested by the responsible Minister	Whether RSMP and LWMP include annual actions to be implemented Proportion of annual salinity targets and works programs achieved Proportion of annual salinity targets and works programs achieved Actual date the report was submitted
Regional Landcare groups, networks and other community groups	Deliver the Regional Landcare Support Strategy, including regional coordination of Landcare	Evaluate and revise strategy every five years	Actual date the strategy was evaluated and revised

Reporting and Review of Corporate Plan

The Board monitors progress against the Corporate Plan objectives at quarterly Board meetings. North Central CMA's performance, as defined by the performance measures in the Corporate Plan, is reported in the Annual Report. In addition, its strategic direction is updated each year based on changes occurring in the operating environment, including:

- changes in revenue
- Ministerial direction
- community feedback
- the drive for more cost-effective systems, processes and allocation of resources
- catchment condition
- government reform.

Part B: Business Plan

Strategic Direction

This Business Plan is informed by the North Central CMA's Statement of Strategic Intent as outlined in Part A and 'Our Purpose'; *to protect and enhance the integrity of our catchments*. Through this plan, we focus our resources, energies and funding (as outlined in Part C) on this principal task to benefit communities, stakeholders and environment.

The Benchmarking our Business (BoB) organisational improvement initiatives outlined in Part A are providing significant benefits to the Business Plan and our ability to improve its value to stakeholders through efficiency gains and redirecting effort from reporting and administration into on-ground works.

In conjunction with investment partnerships with the Victorian and Australian Governments, we continue to work with local government and regional communities to secure funds and deliver both the Regional Landcare and Waterwatch programs.

We acknowledge the need to balance targeted investment while effectively engaging NRM stakeholders, and will continue to monitor this mix in conjunction with government funding partners, to create the best possible outcomes for stakeholders and the environment.

Developing Catchment Management Authorities

We are committed to assisting government with the development of catchment management authorities to ensure they remain a relevant and valuable function of government. In particular, we believe CMAs can add value in the following areas:

- **Environmental Accounts:** In collaboration with concerned scientists and economists representing diverse government functions, as well as other agencies, we support the development of a set of environmental accounts for the effective creation of environmental policy. Our experiences will be shared through the Victorian Catchment Management Council to inform state partners and regional colleagues.
- **Business Systems:** In the last few years there has been a vast increase in expectations for the amount, sophistication and frequency of reporting. This is acknowledged among CMAs as a considerable burden.

To be consistent with government sustainability we are piloting a decentralised system of works management and reporting to greatly improve CMA efficiencies and service levels to DEPI and other investors. 2013-14 will be North Central CMA's first full year implementation of the new business system 'Technology One'.

Community and Stakeholder Engagement

The North Central CMA's goal is for catchments to support successful communities through enabling profitable and sustainable economic activity including:

- a world-class irrigation sector
- a world-class dryland agricultural sector
- viable and diverse industries based in vibrant urban and rural centres.

The North Central CMA is a leader in regional engagement with strong links to Landcare, Waterwatch and other community NRM networks. Through the execution of the 2012-18 RCS, asset projects (listed in Schedule B1) are designed to secure the improved condition of the region's four catchments.

The local community holds a wealth of information about their environment, which is why we seek to partner with them; to share and build upon this knowledge. By way of example, after nine years of investment in the Loddon River as one of the region's flagship assets, we have developed a 'River Advocates' group to ensure there is on-going community effort to protect the river for future generations.

Through sustained physical and mental duress, the health and wellbeing of the north central Victorian communities has been significantly affected. Our rural and farming communities in particular have been tested through ten years of drought followed by historically significant floods and the associated damage. We recognise the important role our communities play in protecting and enhancing the integrity of our catchments and by engaging them in our programs and the Landcare ethic we acknowledge the opportunity to benefit community wellbeing through a shared purpose.

Our achievements are made possible through coordinating, developing and implementing key on-ground programs in partnership with local communities. This continues to be the cornerstone of our activities. We undertake these programs directly or through partnerships with the DEPI, Trust for Nature, local government, Regional Development Australia, and the

Murray-Darling Basin Authority. Partners also include regional water corporations, educational institutions, research bodies, the private sector and the local community. These important relationships allow us to continue to successfully deliver NRM projects with meaningful stakeholder and community input.

In March 2013 our Future Farming Expo attracted over 150 participants. The participants came together to explore a range of options for securing a sustainable future for both themselves and the region. Feedback from the event demonstrates that the North Central CMA continues to lead the way in meeting the farming community's thirst for knowledge in an engaging and meaningful way.

Regional Catchment Strategy

The Regional Catchment Strategy (RCS) is required under the *Catchment and Land Protection Act* (1994). The North Central RCS is the key planning document that sets regional priorities for the future management of natural resources across the region. The RCS spans a six-year period (2012-18) and provides focus, coordination and direction for all NRM work in the region. It will strengthen the links between rivers, landscapes and people across this unique area.

We continue to work closely with the community and partner organisations to ensure a strong collaborative approach to implementing the RCS.

The Project Portfolio

The North Central CMA is confident that our project and program portfolios are informed by the best available science and underpinned by effective community engagement through the NRMCA.

These processes have helped us to identify priority natural resource assets in the region and rank them against government priorities to put forward the strongest possible investment case.

Leveraging the BoB organisational improvement initiatives outlined in Part A, the program of works outlined here will benefit from productivity gains through more adaptive management practices, flexible resourcing and reduced administrative burden while creating a more valued customer experience and return on investment for stakeholders.

Development process

The North Central CMA is the lead NRM agency in north central Victoria for coordinating and monitoring NRM programs. We embrace this responsibility by employing best practice principles in managing and protecting the region's diverse environmental assets and striving to achieve enduring outcomes and a healthy and sustainable environment. Our approach is to ensure:

- our investment priorities align with those of the Victorian and Australian Governments
- continued implementation of the RCS and sub-strategies
- outcomes are delivered through the most efficient business processes
- all activities are monitored and evaluated through the project life cycle, including establishing resource condition baselines at the start of the project.

Objective and key principles

The overarching objective of the North Central CMA investment process is to maximise the benefits of NRM investment into the region. The following **principles** were adopted to assist in developing and assessing our 2013-14 Regional Investment Plan:

- Ensure sufficient flexibility for the North Central CMA to adapt to changes in Victorian Government policy and investment priorities, as well as future Board direction.
- As far as practical, achieve asset goals of existing projects within the next 18 months in accordance with the above principle.
- Manage the expectations of government, science and community by:
 - implementing the recommendations from the Investment Framework for Environmental Resources review panel
 - considering the NRMCA's project assessments, including any recommendations
 - seeking investor feedback on all project proposals before submitting any project for funding as part of the broader Regional Investment Plan.

In response to investment criteria, we have developed proposals that are:

- policy-led
- science-based
- asset-based
- collaborative
- low-risk.

We are confident that our 2013-14 projects meet a range of investment criteria and guidelines, and that they will greatly benefit our community and stakeholders.

Program Overview

The North Central CMA's broad funding priorities include:

- compliance with statutory obligations under the relevant Acts
- protecting and enhancing Ramsar wetlands
- finalising our flood recovery program
- promoting community resilience by completing thirteen Flood Management Plans
- increasing landscape connectivity of priority NRM assets
- increasing the capacity of communities to actively participate in NRM
- maintaining productive agricultural land
- protecting threatened species and ecological communities.

Our '2013-14 Regional Investment Plan' is a departure from our previous alignment with the management structure that has served us well since 2011-12. Previously we aligned our investment program with three functional areas:

- Murray, Campaspe and Avon Richardson catchments
- Loddon and Avoca catchments
- Regional.

The North Central CMA's new 2013-14 investment program is a truly regional program that better reflects our statutory responsibilities, our available resources and the level of investment we have secured for the region.

Regional Program

The primary focus of the Regional Program is to ensure the implementation of projects directly contributing to the delivery of North Central CMA's statutory functions. In addition to the delivery of statutory obligations, the focus of the Regional Program is to coordinate the delivery of projects that address the threats to both 'well defined', specific assets, and also to priority 'diverse assets' (e.g. irrigated land) spread across a large geographic area. Investment in the Regional Program will ensure that the North Central CMA meets its obligations against all Victorian and Australian government investment priorities.

The program takes an integrated approach to the management of NRM assets consistent with the objectives of the RCS, the Loddon Campaspe Irrigation Region Land and Water Management Plan, North Central Waterway Management Strategy (revised version in preparation), North Central Invasive Plant and Animal Strategy and the North Central Native Vegetation Plan priorities and actions.

The development of a North Central Climate Change Plan during 2013-14 will strengthen our strategic planning approach for achieving enduring environmental change across north central Victoria.

The design of the Regional Program has been largely guided by asset-based investment frameworks – INFFER, the Healthy Productive Landscapes Framework, and NaturePrint. The key threats and risks to assets will be actively addressed, with targeted investment to be undertaken in areas critical to achieving success. All works proposed under this program comply with Vegetation Works Standards (DSE, 2011).

The future health of the natural environment depends on the actions of people in north central Victoria, and their ability to implement and resource NRM projects. This program will build on past successes in improving the capacity of regional communities to deliver enduring environmental change.

Successful delivery of the Regional Program will contribute to:

- increasing the extent of improved and protected habitat for biodiversity
- reducing impacts of invasive plants and animals
- reducing the risk of salinity on land and water assets
- improving the quality of water and soil health
- increasing the capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.

The Regional Program provides for the best possible integration and coordination of the regional community's efforts to achieve meaningful change in terms of:

- environmentally sustainable farming practices
- protection of threatened species
- maintenance of biodiversity
- protection of ecosystem function
- increased community skills, knowledge and participation.

Northern area of Region

In the north of the region is the area collectively referred to as the lower Loddon and Campaspe. Here we find the high value Ramsar-listed wetlands (Kerang Lakes, Gunbower Island), state and nationally listed threatened species and vegetation communities (Buloke Grassy Woodlands and Plains Grasslands) and priority river reaches (including the Murray River and Gunbower Creek) which provide important aquatic, riparian and terrestrial habitats. Other priority assets of this area addressed through the Regional Investment Plan are the Benwell and Guttrum State Forests; dry and irrigated land; and the threatened grasslands of the Patho Plains.

Change in the irrigation industry is a dominant driver of change within the Lower Loddon and Campaspe area. Activities such as transitioning land-use and irrigation system modernisation – and reconfiguration associated with this change – present both risk and opportunity to the region’s environmental assets. A strong focus of this program is active protection, enhancement and restoration of priority environmental values (such as protecting the values of Gunbower Forest and the Kerang Lakes complex) through this change process.

Significant effort over the next year will go into the lower reaches of the Caring for the Campaspe River project - the first large-scale on-ground works project delivering river health improvements to this significant asset. The Campaspe River holds important biodiversity within the Riverina and Goldfield bioregions and contains many vulnerable, threatened or depleted vegetation communities, aquatic fauna (including the flagship species Murray Cod and Platypus) and threatened terrestrial species (Swift Parrot and Squirrel Gilder).

Supported by the application of INFFER the Regional Program addresses the following threats to assets in the north of the region:

- salinity
- altered water flows
- vegetation removal/habitat loss
- inappropriate land use
- declining/poor water quality
- erosion and soil disturbance
- invasive plants and animals.

If these threatening processes are left unchecked, the health and sustainability of this lowland ecosystem will continue to decline, putting at risk the priority environmental assets and the threatened species, farm productivity and ecosystem functions they support.

Southern area of Region

The south of the region is largely defined by the upper reaches of the Loddon and Campaspe Rivers. The area contains the majority of the region’s urban land, water storages, conservation reserves and crown land with licensed use. Major towns include Daylesford, Maldon, Kyneton, Heathcote, Castlemaine and Maryborough. The area includes high value river reaches, which provide important aquatic and riparian habitats and deliver good quality water to downstream users.

The area includes a range of priority environmental assets such as the biodiversity values of the Goldfields region (particularly a number of significant threatened species, such as the Box-Gum Woodlands of the Mt Alexander region) and the priority reaches of the Upper Loddon and Campaspe River catchments.

Rapidly changing land-use in the area exposes it to a range of threats associated with development; both physical threats and those associated with the changing ideals and skills of a new demographic. Changing climatic conditions are significantly altering the hydrology of the region’s upper catchment waterways.

Significant effort over the next year will go into the upper reaches of the Caring for the Campaspe River project - the first large-scale on-ground works project delivering river health improvements to this significant asset. The Campaspe River holds important biodiversity within the Riverina and Goldfield bioregions and contains many vulnerable, threatened or depleted vegetation communities, aquatic fauna (including the flagship species Murray Cod and Platypus) and threatened terrestrial species (Swift Parrot and Squirrel Gilder).

2013-14 will see the second full year of implementation of the 'Kyneton Woodlands' Project which aims to assist landholders to protect, manage and re-establish Grassy Woodlands as biodiverse carbon stores on their land in an area primarily north of Kyneton. The project continues to work towards a target of re-establishing 610 hectares of woodland vegetation and to protect and enhance 950 hectares of remnant woodlands by 2017.

Supported by the application of INFFER the Regional Program addresses the following threats to assets in the south of the region:

- declining/poor water quality
- degraded riparian condition
- erosion

- fire
- inappropriate land use
- invasive plants (including willows, gorse and blackberry) and animals
- soil disturbance
- vegetation removal/habitat loss.

If these threatening processes are left unchecked irreversible damage is expected to occur to high value NRM assets in the south of the region.

Western area of Region

In the west of the region is the area of the Avoca and Avon-Richardson catchments. Major towns include Avoca, St Arnaud, Donald, Charlton and Quambatook. The area includes high value Ramsar listed wetlands, state and nationally listed species and vegetation communities (Buloke Grassy Woodlands) and priority river reaches.

The dryland farming enterprises of the Avoca and Avon-Richardson catchments are changing. Returns from farming are becoming increasingly variable and communities are actively adapting their farming systems to a drier climate, while working to improve farming sustainability. A smaller number of landowners are managing larger, consolidated farms making the interventions of NRM programs more efficient and substantial in scale.

In this part of the region we will continue to complement our recent targeted asset protection works based around the York Plains wetlands on the Avon River and the priority upper reaches of the Avoca River, particularly Reach 7. The York Plains project, while not attracting additional funding in this plan, will see considerable activity ongoing until 2014. The North Central CMA will actively monitor the works and management plans through the landholder agreements that have been established.

Our work in the Avoca and Avon-Richardson catchments will reduce threatening processes and ensure the area remains a functioning ecosystem. Environmentally

sustainable farming practices will continue to be encouraged, while also building community skills and knowledge, and improving aquatic and terrestrial habitat for threatened species.

Interventions in this area include the delivery of on-ground works in priority areas including:

- fencing and revegetation
- erosion control
- exclusion of stock and provision of off-stream watering
- invasive plants and animals control.

Flood Recovery

The North Central CMA has now received funding to develop thirteen flood mitigation and urban drainage plans for the worst 2010-11 flood affected communities. The Creswick flood mitigation and urban drainage plan is complete and is being implemented. An urban flood study for Bendigo is also complete. Plans have been finalised for Charlton, Rochester, Clunes, Carisbrook and Donald and have been submitted to government seeking funds for implementation. During 2013-14 we will complete flood mitigation and urban drainage plans for Castlemaine, Chewton and Campbells Creek; Dunolly and Quambatook.

The plans will provide improved flood intelligence for each community and will identify options for reducing the potential risk in future flood events. The development of these plans has a strong community focus to ensure the recommendations have the support of communities and meet their unique needs.

Other flood recovery activities to be completed in 2013-14 include:

- Replacing the Quambatook Weir
- Re-aligning 3 km of the Pental Island levee
- Fencing and revegetating 70 already repaired erosion control structures.

Table 2: DRAFT 2013-14 Corporate Plan Project List

Table 2 lists the range of known and unconfirmed projects for 2013-14. [It is important to recognise that there are other activities with significant works to be completed in 2013-14. Examples include provision of expert services to G-MW and development of flood management plans that were commenced in 2012-13].

Project title	Type
Kyneton Woodlands Project	Asset
Caring for the Campaspe	Asset
North Central Regional Strategy for Healthy Rivers and Wetlands	Enabling
Protecting and Enhancing Regional Priority Wetlands	Enabling
Administration of Statutory Functions	Obligatory
Reporting and Accounting for Salinity	Obligatory
Healthy Productive Irrigated Landscapes	Enabling
North Central Waterwatch	Enabling
River Health Maintenance	Enabling
Environmental Water Reserve Officers	Enabling
Victorian Landcare Grants	Enabling
Regional Landcare Coordinator	Enabling
Regional Landcare Facilitator	Enabling
Regional Landcare Facilitator – CFI Communications	Enabling
North Central Climate Change Plan	Enabling
Biodiversity Fund projects (tbc)	Asset
Caring for our Country projects (tbc)	Enabling
The Living Murray	Asset
FarmWater	Enabling

Note: **Asset** = primary focus to protect and enhance the environmental values of spatially defined physical assets; **Enabling** = primary focus to create community capacity, engagement or extension services; **Obligatory** = legislated services.

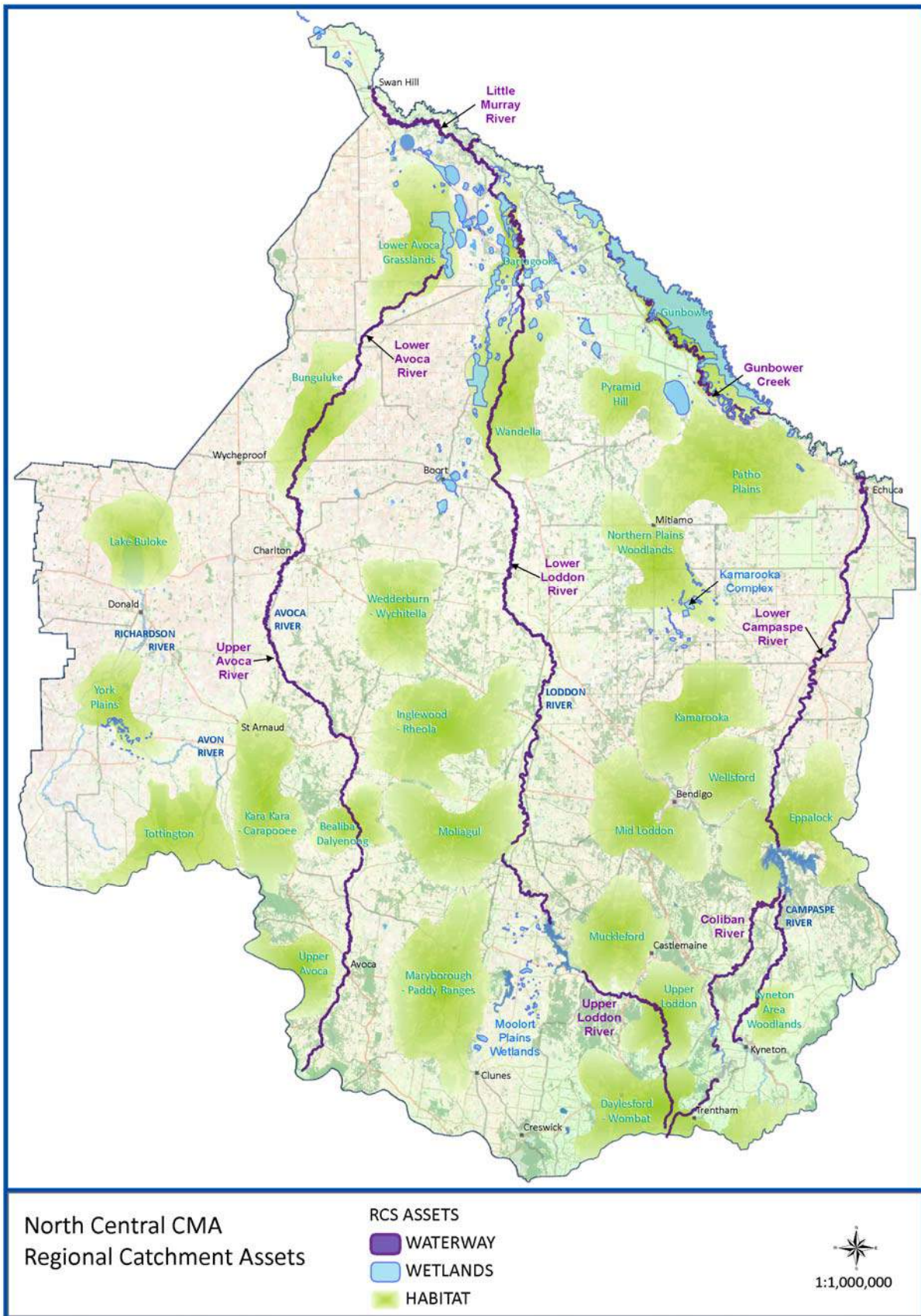


Figure 6: North Central CMA's Regional Investment Priorities for 2013-14

Risk management

The North Central CMA’s risk framework is consistent with the International Risk Management Standard AS/NZS ISO 31000:2009, as illustrated in Figure 7.

The North Central CMA Board and Executive team continually revisits our approach to risk management. Key risks associated with the achievement of the North

Central CMA’s strategic priorities and related goals have been identified and best practice processes are in place to deal with these risks, should they materialise.

The Authority maintains a risk register, and the audit committee has a standing item at its monthly meeting to review organisational risks and report as appropriate to the Board.

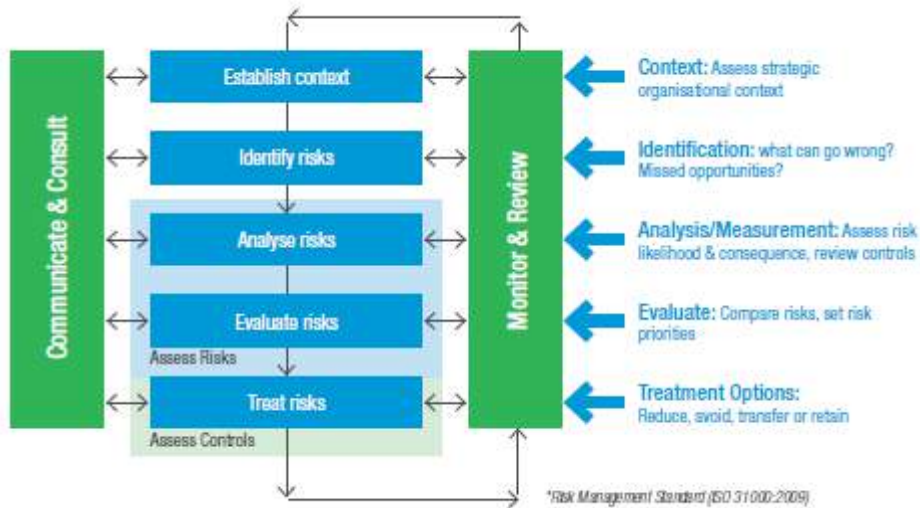


Figure 7: The International Risk Management Standard

Table 3 provides a summary of the North Central CMA’s approach to risk in key categories. The information is based on representations made by the North Central CMA Board and Executive team.

Table 3: Summary of Major Risks

Risk Description	Strategy	Category	Board approved Ranking
Failure to deliver to stakeholder expectations	The North Central CMA exists to create value for the community. Value can only be created while the organisation retains public trust and the confidence of the Government. Failure to meet community, investor and Government expectations puts the reputation, funding and sustainability of the organisation at risk. Specifically, we must ensure that we retain a high-functioning governance framework that facilitates the delivery of our statutory obligations as well as our contractual commitments and Ministerial expectations.	Strategic and Political	High
Injury or accident to staff or other involved person	Under the <i>Victorian Occupational Health and Safety Act 2004</i> the North Central CMA is required to provide and maintain a safe workplace for staff, contractors and the general public. Under common law, the North Central CMA also has a duty of care to all staff, contractors and the general public. OHS reports KPIs monthly to Audit Committee. To achieve this, the North Central CMA aims to actively promote a safety culture in the business and provide a safe and secure workplace by developing, maintaining and continually improving a safety system that assesses and effectively manages and where possible reduces the various risks associated with the work undertaken at the North Central CMA. To support these processes all staff are provided with appropriate training, information, equipment and facilities to undertake their work.	Occupational Health and Safety	High
Inadequate provision of emergency response	The North Central CMA has roles in emergency response and recovery (particularly floods) defined by the Water Act and our Statement of Obligations and must ensure that it discharges its accountabilities to prepare, protect and assist recovery of the regional community. In order to achieve this the North Central CMA will maintain relevant Response Action Plans that describe the actions the organisation will take and ensure appropriate staff resources are available to deliver the plans at all times. Compliance with these requirements will be monitored through annual review of Response Action Plans, periodic 'mock events' and evaluation following activation of any Plan.	Strategic and Political	High
Failure of a project	The North Central CMA receives funding from a range of sources (primarily Government) to undertake projects that contribute to delivering enduring environmental change and must ensure that these projects deliver on the expectations of the investor, community and Government. In order to achieve this, the North Central CMA will apply decision support tools to select feasible projects, conduct an annual project planning process and will ensure deliver of projects consistent with North Central CMA operational procedures. Compliance with these requirements will be monitored through annual investment processes, project plan approvals, a project audit methodology and the MERI Framework.	Strategic and Political	Moderate
Ongoing viability of entity	The North Central CMA must ensure it is financially solvent, able to withstand changes in external circumstances and manage emergency situations whilst still able to meet obligations on an ongoing basis. In order to achieve this the North Central CMA will not commit beyond known funding, will retain a contingency fund to meet unexpected costs or funding cuts and protect itself from loss through insurance or other contractual arrangements. Compliance with these requirements will be monitored through annual budgeting, preparation of monthly and annual accounts, daily treasury management, review by Audit Committee and auditors (including Financial Management Compliance Framework).	Financial Management	Significant
Failure to comply with statutory & compliance requirements	North Central CMA must comply with all statutory and compliance requirements including relevant parts of The Catchment and Land Protection Act, The Water Act, The Finance Act and directives received from Ministers and government departments. These requirements will be met through adherence to policies and procedures, maintaining records and reporting to management, Audit Committee and Board and providing reports and declarations to Ministers (including Annual Report, Corporate Plan, and declarations including fraud, asset loss, credit card use. Compliance with these requirements will be monitored through review by Audit Committee and auditors (including Financial Management Compliance Framework).	Compliance	Low
Inability to demonstrate natural asset improvement	The RCS provides a long term vision for NRM and provides direction regarding priorities and investment. To ensure that the North Central CMA remains relevant it is important to be able to demonstrate to Government and the community that we are meeting targets set in the RCS and that we are creating enduring environmental change. This can be done by ensuring best science is being used and that a robust Monitoring, Evaluation, Reporting and Improvement framework is implemented and that the CMA can tell the story about the environmental benefits achieved.	Operational	Significant
Loss of social licence to operate	The risk arising from negative perception on the part of stakeholders (including Government Ministers, investors and the communities with whom we work) can adversely affect the North Central CMA's ability to maintain existing, or establish new, relationships and have continued access to resources. Policies and procedures are in place to limit our exposure to negative media and adverse community opinion; including negative comments posted on social media.	Strategic and Political	Significant

Part C (1): Financial Statements

Compliance with Australian Accounting Standards

The North Central CMA prepares the annual general purpose financial report in compliance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions.

Three year financial statements

While Victorian Government funding is expected to remain relatively constant, 2012-13 is expected to see a peak investment of nearly \$21m. This reflects the funding from various flood recovery initiatives.

In 2013-14 and beyond current forecasts show that revenue and expenses will reduce to around \$9 - \$10M. The North Central CMA will actively pursue additional investment targeting the new government/institutional investors, such as the Clean Energy Futures program through which the Authority has submitted a total of \$15M of project proposals to the Biodiversity Fund to span the full period of this Corporate Plan.

The North Central CMA expects a small operating deficit in 2013-14 due to completion of some current projects and a break-even position in subsequent years when revenue and expenses fall in the same year. This follows surplus in 2010-11 and a deficit in 2011-12 and 2012-13, due mainly to the timing of funding receipts.

Disaster recovery programs have been a considerable source of revenue with around 30 per cent of 2012-13 revenue attributed to 2011 flood event recovery programs. Implementation of these funding programs presented a challenge to the North Central CMA given the government's policy of not applying corporate charges to this revenue.

The estimated operating deficit in the Statement of Financial Performance will reduce cash to \$3.3M at 30 June 2013 and fall further to \$1.8M by 30 June 2014. At \$1.8M this represents less than 20% of revenue making controlling timing of revenue and expenditure of high importance.

North Central CMA has taken a relatively conservative approach with respect to forecasting future revenue. The Authority believes this is appropriate given the current investment context with some programs finishing (e.g Natural Resources Investment Program – NRIP and Caring for our Country - CfoC), as well as some uncertainty around successive funding programs.

Disclosure of any corporate overheads allocated to projects

With the benefit of business improvements providing productivity gains, the North Central CMA will reduce its corporate charge to 9 per cent of revenue from 2013-14. In recent years a corporate service charge of 14 per cent was required to provide for the indirect resource costs associated with program delivery. This includes general business support and administrative functions, and access to organisational infrastructure.

Further to this, unless granted exemption, levy charges for direct support services will apply to the functions listed below. Applying these levies makes North Central CMA timesheet and billing functions more efficient, as it is not cost effective to track small time increments across the whole works program for these staff.

- GIS and spatial information: 1.25 per cent
Spatial and data systems, map production.
- Indigenous Engagement: 2.0 per cent
Compliance, Indigenous community engagement.
- Communications: 2.5 per cent
Marketing, event coordination, community engagement.

This costing model is consistent with the recommendations of the SCRIVCO report and the principle that projects should bear the true costs of delivery through the full lifecycle of the project.

Project costing principles

The North Central CMA applies the following principles in costing any project and determining the nature of works and action to be undertaken.

1. **Right scope:** agree with funding partners on the SMART goals considering right outcome, right intervention, right approach.
2. **Compliance:** meet all project governance requirements (Organisational Performance Panel, Audit Committee, Board Review, Standing Grants panel as required) including legislative and statutory obligations; applicable policies and best management practices (project planning incorporating MERI and Engagement); and stakeholder service level agreements.
3. **Value for money:** utilise decision support tools such as INFFER to qualify investment thresholds, opportunities for multiple outcomes, environmental benefits and demonstrate cost/benefit ratio.
4. **Enduring environmental outcomes:** the outcomes of the project must be sustainable for the benefit of future generations.
5. **Transparent costing:** in context of principles 1 to 4, project costing considers past experience and applicable productivity gains through innovation and improvements to deliver the most cost effective solutions for our stakeholders.

Part C (2): Financial Statements

Table 4: Planned programs for the forthcoming financial year

North Central CMA Planned Programs	2013-14 Forecast Income & Expenditure by Source of Funding							Total Revenue \$ 000's	Proposed Expenditure \$ 000's
	State Statutory \$ 000's	State Discretionary \$ 000's	Disaster Recovery \$ 000's	C'wealth \$ 000's	Other \$ 000's	Interest \$ 000's			
Income									
<i>Statutory Operations: Governance</i>									
Board NRMC Chief Executive Officer & support Business Manager & support	880							880	1,330
Other Revenue Interest					250	200		250 200	
Total Statutory Operations	880				250	200		1,330	1,330
<i>Strategy Programs:</i>									
	810	3,924		4,596				9,330	10,330
Total Strategy Programs	810	3,924		4,596				9,330	10,330
Total North Central CMA	1,690	3,924		4,596	250	200		10,660	11,660

Table 5: Five-Year Operating Statement

Actual 2011/12 \$ 000's	Statement of Financial Performance	Forecast Current Year 2012/13 \$ 000's	Forecast 2013/14 \$ 000's	Forecast 2014/15 \$ 000's	Forecast 2015/16 \$ 000's
	<i>Local</i>				
517	Interest	283	200	150	150
241	Sundry Corporate Revenue	482	250	200	200
	<i>Government Grants</i>				
	<i>State</i>				
521	CM010-49 Corporate Funding	947	880	792	792
59	CW513-11 Water Smart Farms (VWT)	55	0	0	0
524	CW513-12 Salinity Infrastructure	157	275	275	275
555	CW513-13 SIALM (OWOF)	0	30	30	30
0	CW513-14 Linking Farms	883	700	700	700
0	CW513-15 Sustainable Agriculture	26	0	0	0
1,237	CW514-22 Large Scale River Restoration (OWOF)	0	0	0	0
211	CW514-25 Environmental Water Reserve Officers	0	0	0	0
1,025	CW514-27 Healthy Waterway Program	255	214	214	214
475	CW514-28 Water Statutory Functions	747	597	597	597
0	CW513- 33 On-Ground Works Program	883	1,430	1,480	1,680
0	CW514-35 Environmental Water Reserve Officers	213	213	213	213
630	SG010-48 Second Generation Landcare	137	0	0	0
0	SG010-71 Second Generation Landcare	283	200	200	200
0	SG010-70 Regional Landcare Coordinators	0	125	125	125
20	Weeds Management (WP010-35)	0	0	0	0
62	Recreational Fishing Grants	15	0	0	0
1,480	Flood Recovery Employment Program	0	0	0	0
2,016	Natural Resource Investment Program	1,116	0	0	0
210	LM010-61 Sustainable Land Management	93	0	0	0
130	Environmental Flows and Stressed Rivers	0	0	0	0
0	Floodplain Management	130	0	0	0
48	Bush Tender Project	96	0	0	0
0	River Health Monitoring	258	0	0	0
1,035	Natural Disaster Funding	5,779	0	0	0
158	National Landcare Program	0	0	0	0
1,699	Regional Contribution	462	140	140	140
1,444	Other State	1,843	810	810	810
	<i>Commonwealth</i>				
4,155	Caring For Our Country	4,286	3,150	3,150	3,150
0	MDBA	0	375	375	375
0	CFI Communication Programme	0	30	30	30
1,444	Other	1,781	1,041	1,041	1,041
19,896	Total Revenue	21,210	10,660	10,522	10,722
	Expenditure				
	Corporate & Statutory Operations				
175	Board	176	176	176	176
173	NRMC	125	125	125	125
439	Chief Executive Officer & support	360	360	360	360
646	Business Manager & support	477	425	350	340
641	Strategic/Business Planning, Monitoring & support	260	260	230	230
1,068	Other Statutory functions	1,186	950	851	861
(1,482)	Recovery from Strategy Programmes	(1,432)	(966)	(950)	(950)
	<i>Strategy Programs:</i>				
22,317		24,556	10,330	9,380	9,580
23,977	Total Expenditure	25,708	11,660	10,522	10,722
(4,081)	Operating Surplus (Deficit)	(4,498)	(1,000)	0	0

Table 6: Five-Year Statement of Cash Flows

Actual 2011/12 \$ 000's	Statement of Cash Flows	Forecast Current Year 2012/13 \$ 000's	Forecast * 2013/14 \$ 000's	Forecast * 2014/15 \$ 000's	Forecast * 2015/16 \$ 000's
	<u>Cash Flows from Operating Activities</u>				
	<u>Receipts:</u>				
	Local:				
517	Interest received	283	200	150	150
241	Receipts from other sources	482	250	200	200
	Grants:				
13,539	Receipts from State	14,378	5,616	5,576	5,776
5,599	Receipts from Commonwealth	6,067	4,596	4,596	4,596
	<u>Payments:</u>				
(23,322)	Payments to suppliers and employees	(25,832)	(11,460)	(10,322)	(10,622)
(3,426)	Net cash provided by operation activities	(4,622)	(800)	200	100
	<u>Cash Flows from Investing Activities</u>				
(917)	Payments for purchase property, plant and equipment	(500)	(500)	(500)	(500)
389	Proceeds on disposal of property, plant and equipment	500	300	300	300
1,796	Movement in Debtors/Creditors	(1,232)	(490)		
1,268	Net Cash used in investing activities	(1,232)	(690)	(200)	(200)
(2,158)	<u>Net increase (decrease) in cash held</u>	(5,854)	(1,490)		(100)
11,306	Cash at the beginning of the financial year	9,148	3,294	1,804	1,804
9,148	Cash at the end of the financial year	3,294	1,804	1,804	1,704

*Cash flows from Operating Activities are reflected on a gross basis (i.e. GST inclusive)

Table 7: Five-Year Balance Sheet

Actual 2011/12 \$ 000's	Statement of Financial Position	Forecast Current Year 2012/13 \$ 000's	Forecast 2013/14 \$ 000's	Forecast 2014/15 \$ 000's	Forecast 2015/16 \$ 000's
	<u>Assets</u>				
	<u>Current Assets</u>				
134	Cash	794	804	804	704
9,014	Term Deposits	2,500	1,000	1,000	1,000
617	Receivables	750	1,000	1,000	1,000
	<u>Non-Current Assets</u>				
3,054	Fixed Assets	3,178	3,178	3,178	3,278
12,819	Total Assets	7,222	5,982	5,982	5,982
	<u>Liabilities</u>				
	<u>Current Liabilities</u>				
1,515	Accounts Payable	1,000	1,000	1,000	1,000
1,129	Accruals	750	750	750	750
1,101	Employee Provisions	900	700	700	700
	<u>Non-Current Liabilities</u>				
144	Employee Provisions	140	100	100	100
3,889	Total Liabilities	2,790	2,550	2,550	2,550
8,930	Net Assets	4,432	3,432	3,432	3,432
	<u>Equity</u>				
229	Contributed Capital - 1/7/1997	229	229	229	229
8,526	Contributed Capital	7,946	3,448	2,448	2,448
755	Asset Revaluation	755	755	755	755
(580)	Accumulated Surplus – Current Year	(4,498)	(1,000)	0	0
8,930	Total Equity	4,432	3,432	3,432	3,432

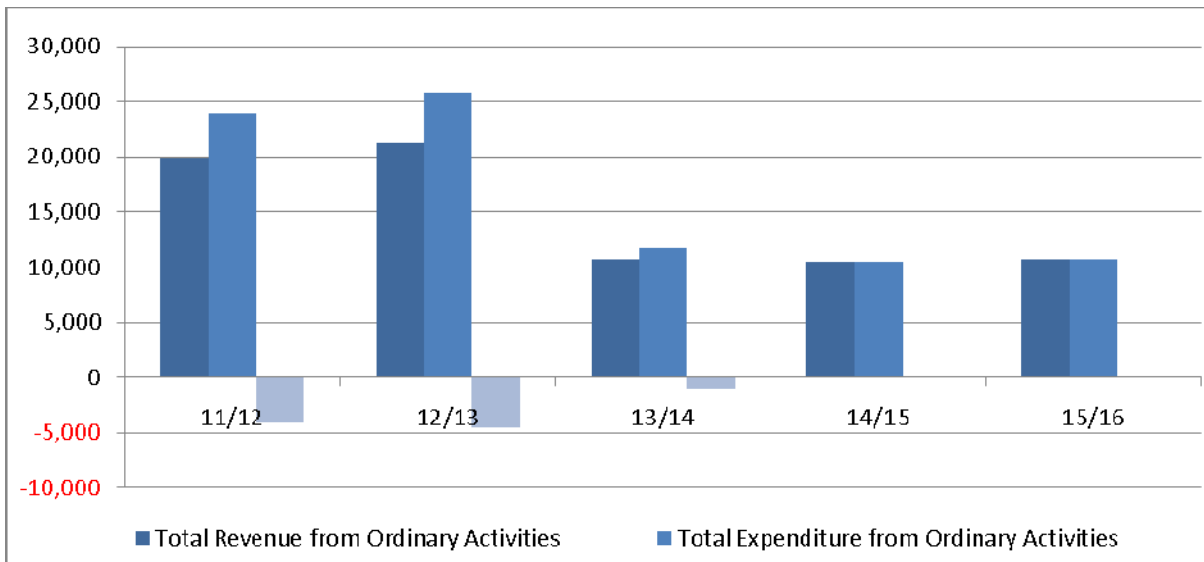


Figure 8: Summary of Financial Results (\$ 000's)

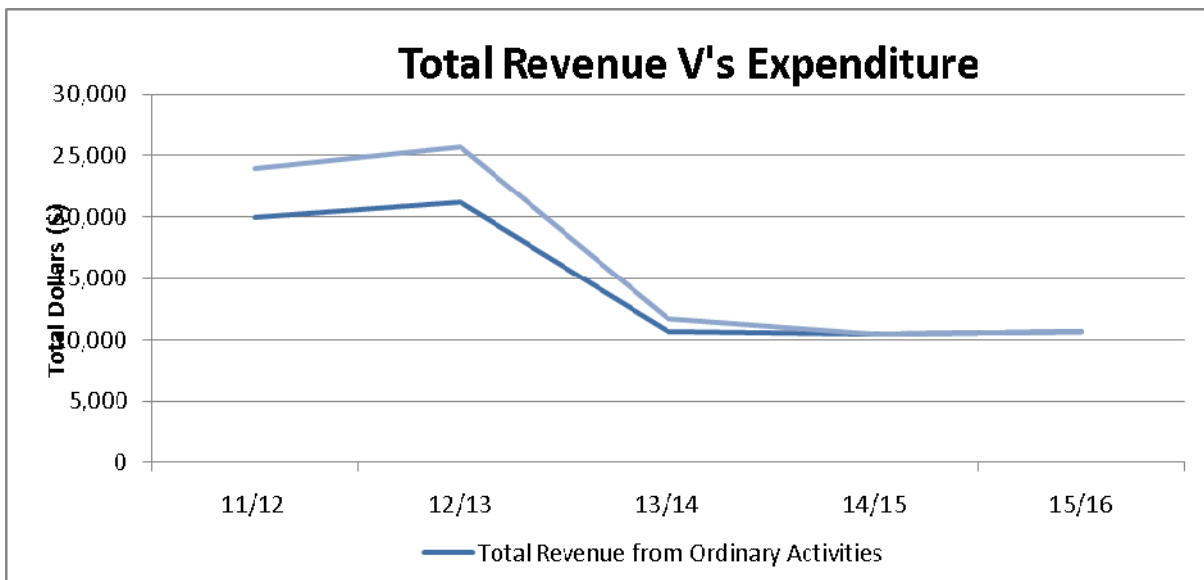


Figure 9: Total Revenue vs Expenditure (\$ 000's)

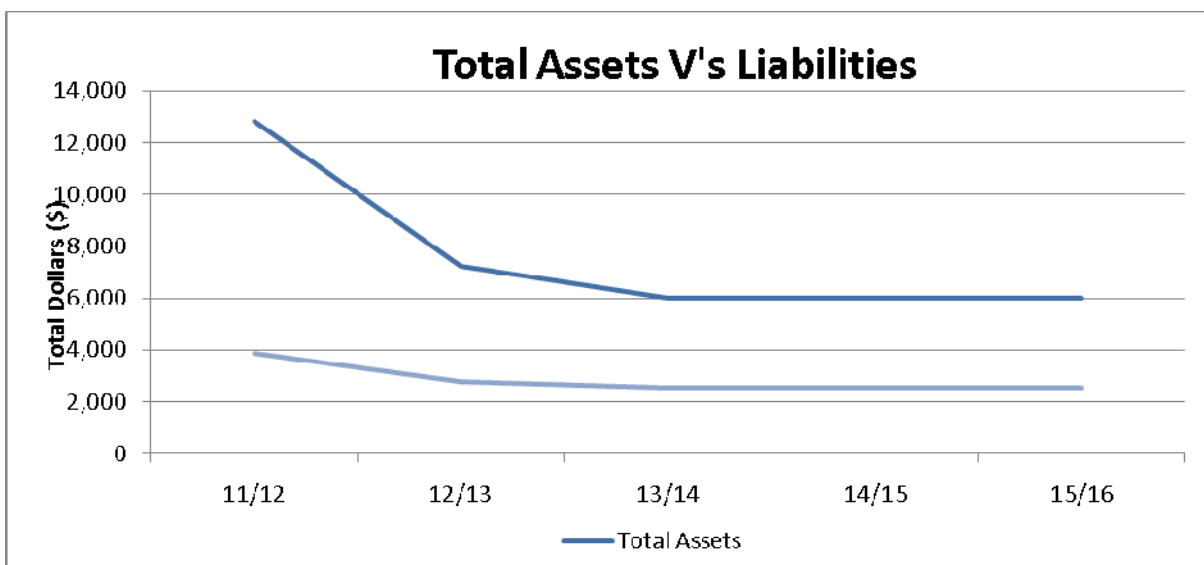


Figure 10: Total Assets vs Liabilities (\$ 000's)

Table 8: Forecast Financial Performance Measures for the North Central CMA

Performance Measure	2012/13	2013/14	2014/15	2015/16
Governance Expenditure vs Total CMA Expenditure	4%	11%	11%	11%
Program Expenditure vs Total CMA Expenditure	96%	89%	89%	89%
Governance Expenditure vs Total Corporate Expenditure	44%	47%	48%	48%

Part C (3): Cost Recovery

North Central CMA is currently investigating the opportunity to develop a range of services available to communities on a 'fee for service' basis in accordance with the Cost Recovery Guidelines issued by the Department of Treasury and Finance.

It is expected that this will be introduced in 2013/14 within our Statutory Functions program. Initial services offered on a fee recovery basis could include:

1. Works on waterway permits
2. Flood level advice.



Contact Us

Huntly – Main Office

PO Box 18, Huntly, Victoria 3551
628–634 Midland Highway,
Huntly, Victoria 3551

T: (03) 5448 7124

F: (03) 5448 7148

E: info@nccma.vic.gov.au

Office Hours: 8:45am to 5:00pm
Monday to Friday
(excluding public holidays).

www.nccma.vic.gov.au



NORTH CENTRAL
Catchment Management Authority
Connecting Rivers, Landscapes, People

