

# CORPORATE PLAN

2015-16 to 2019-20

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 region, their rich culture and spiritual connection to Country. We also recognise and acknowledge the contribution and interest of Aboriginal people and organisations in the management of land and natural resources.

Document name: North Central Catchment Management Authority Corporate Plan 2015-16 to 2019-20

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# Table of Contents

<b>Foreword from the Chairman and CEO</b>	<b>2</b>	<b>Part B (1): Financial Statements</b>	<b>20</b>
About the North Central CMA	4	Compliance with Australian Accounting Standards	20
About the Catchment	4	Three Year Financial Statements	20
Key Regional Issues	5	Disclosure of any Corporate Overheads Allocated to Projects	20
Form of this Corporate Plan	6	Project Costing Principles	20
Vision statement	6		
<b>Part A: Statement of Corporate Intent and Business Plan</b>	<b>7</b>	<b>Part B (2): Financial Statements</b>	<b>21</b>
Strategic Direction	7	Table 4: Planned Programs for Forthcoming Financial Year	21
Business Objectives (five years)	8	Table 5: Five Year Operating Statement	22
Main Business Undertakings	9	Table 6: Five Year Statement of Cash Flows	23
Nature and Scope of Activities	11	Table 7: Five Year Balance Sheet	24
Table 1: Prescribed Government Measures	12	Table 8: Depreciation schedule	24
Regional Program	13	Figure 8: Summary of Financial Results	25
Table 2: 2015-16 Corporate Plan Project List	16	<b>Part B (3): Cost Recovery</b>	<b>25</b>
Figure 6: North Central CMA's Regional Investment Priorities	17		
Risk Management	18		
Figure 7: International Risk Management Standard	18		
Table 3: Summary of Major Risks	19		

# Foreword from the Chairman and Acting 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 2019-20.

During 2015-16 we will deliver \$13.3 million of natural resource management investment across north central Victoria.

## Our priorities and the 2015-16 year ahead

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

- Fulfilling our stewardship obligations by implementing the 2013-19 North Central Regional Catchment Strategy and the 2014-22 North Central Regional Waterway Strategy.
- Fulfilling our statutory obligations to the Victorian Government in monitoring the uptake of salinity credits allocated across the region and provide technical input to the Basin Salinity Management Strategy Register A five-year review. We will complete five-year reviews for the Barr Creek Catchment Strategy, the Kerang Lakes /Swan Hill Salinity Management Plan, and the Woorinen Irrigation District Excision.
- Completing 12 site-specific environmental water management plans (EWMP) to be incorporated in Victoria's long-term watering plan as part of the Implementing Water Reform in the Murray Darling Basin.
- Continuing to implement the Caring for the Campaspe River project - the first large-scale on-ground works project delivering river health improvements to this significant asset.
- Finalising our Regional Climate Change Adaptation and Mitigation Plan to complement our Regional Catchment Strategy.
- Working closely with local government to embed flood study information into strong planning outcomes and partnering with our municipalities in sourcing funding to implement flood mitigation and urban drainage works.
- Implementing the fourth year 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.
- Continuing to develop and investigate the Guttrum and Benwell state forests and the Gunbower National Park Environmental Works projects to deliver environmental water to these important areas.
- Continuing 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 wetlands of international, national or state significance within the region.
- Continuing to monitor the impacts of the 2014 delivery of environmental water into Gunbower Forest, via the Hipwell Road channel. The forest ecosystem is a Ramsar listed wetland and Australia's second-largest River Red Gum forest that relies on regular flooding to maintain its health.
- Working 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. Supporting the on-ground efforts of the region's community volunteers through our renewed Regional Landcare Support Strategy.
- Continuing to implement the 'High Community Significance project' approach across the corporate family to ensure that our project activities are undertaken with a high degree of community engagement.
- Providing leadership in the management of environmental water delivery. We will continue to play a crucial role in managing specific environmental entitlements and providing input into water resource management in unregulated waterways to protect environmental values, responding to regional environmental water management requirements, monitoring, and engaging with the community on environmental management issues for both rivers and wetlands.
- Maintaining productive agricultural land - through the FarmWater Program, the Farming for Sustainable Soils 2 project and Healthy and Productive Irrigated Landscapes.
- Consolidating and streamlining our floodplain and statutory function responsibilities in partnership with two other CMAs.
- Distilling information from our NRM auditing of over 100 sites and telling the story of the enduring landscape change we are achieving through our on-ground projects. This process is helping to measure our effectiveness and inform initiatives to achieve continual improvement.

In 2014-15 we are on track to meet all our statutory obligations. This includes:

- Consulting on the Bendigo and Castlemaine flood mitigation and urban drainage plans, finalising a plan for Heathcote and progressing a plan for Bridgewater.
- Facilitating a successful Indigenous cultural heritage mapping program with Barapa Barapa, documenting sites of cultural significance and building the capacity of our Indigenous community members.
- Managing the delivery of 148 gigalitres of environmental water to improve the health of our rivers and wetlands, including sufficient water to flood 3,800 hectares of Gunbower Forest and secure the health of the world's second-largest River Red Gum forest.
- Engaging with our communities in enhancing our natural environment and delivering education, biodiversity and water use efficiency programs.
- Involving over 850 farmers in soil related projects through our Farming for Sustainable Soils project (phases 1 and 2).
- Hosting the third annual Future Farming Expo involving over 140 participants from across the region.
- Removing willows from Gunbower Creek and the Campaspe River, Kyneton.
- Completing business cases for two significant Sustainable Diversion Limits (SDL) projects for Guttrum Benwell Forest and Gunbower National Park.

### Partnerships and programs

Effective partnerships are critical to achieving our purpose of enhancing the integrity of our catchments. The level of achievement reached in 2014-15 has not been 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 nine years through the investments we have made in both systems and people.

Guided by our Regional Operating Agreement and RCS Implementation Plan we will continue to work in partnership with many people and organisations to provide value for both our investors and our community.

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 of more than 160 groups in nine Landcare Networks comprising committed and resilient community NRM volunteers.

### Business excellence and efficiency

In 2015-16 we will undertake a third survey to measure our efficiency and benchmark 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.

The North Central CMA has developed an organisation standard and associated performance benchmarks. 'Anything but Standard' is a decision-support system that is an integral part of the CMA's governance framework. It seeks to drive high performance and the 'way we do business', pushing us to think strategically about how we can most effectively and efficiently achieve our goals.

On behalf of the Board and Executive we look forward to guiding the actions in this Corporate Plan for 2015-16 through to 2019-20 and commend it to you.



David Clark  
Chairman



Brad Drust  
A/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 agencies and community groups, such as our 160+ Landcare groups, to partner in the protection and enhancement of the region's natural assets, including waterways and floodplains, wetlands, soil and biodiversity.
- **Identification of Regional Assets:** Over 400 natural assets have been identified through community engagement and referenced within the 2013-19 North Central Regional Catchment Strategy.
- **Leading Regional Environmental Strategy and Policy:** Providing advice to government on regional catchment issues and developing the 2014-22 North Central Regional Waterway Strategy for securing the health of our rivers and wetlands. The strategy allows 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 to rivers and wetlands and implementing delivery.
- **Supporting sustainable agriculture:** Advocating for the sustainable use of agricultural land, including working with the farming community to improve the quality of the region's soils.

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, Climate Change and Water, the Hon. Lisa Neville 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 to the north, 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 more than 240,000 people, concentrated in the growing regional hub of Bendigo, and townships of Echuca, Swan Hill, Kyneton and Woodend. 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.

## Key Regional Issues

### Water Reform, Agricultural Competitiveness and Sustainability

Issues surrounding water reform continue to present significant challenges for the region and are a major focus for many activities. The soon to be implemented Murray-Darling Basin Plan's Sustainable Diversion Limits (SDLs) on the amount of surface water and groundwater that can be taken from our water resources, along with irrigation modernisation and rationalisation through Goulburn Murray Water's (GMW) Connections project and the FarmWater Program, are significant issues and programs 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 climate variability, 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. We remain focused on programs that invest in on-farm water use efficiency and increased agricultural productivity such as the FarmWater Program and our Farming for Sustainable Soils Program. Along with environmental works and measures in Gunbower Forest, 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 governments, the Murray-Darling Basin Authority and partners such as the Department of Environment, Land, Water and Planning, and GMW on these important 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 (the municipalities of Bendigo, Macedon Ranges and Hepburn) 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.



### Our catchment at a glance

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

**Figure 1: The North Central CMA region**

The North Central CMA region comprises four major river catchments: 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.

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.

It is also important to prepare the region for the climate change predictions (including increased temperatures and reduced rainfall) that will put pressure on both human settlements and the region's biodiversity. In response the North Central CMA is leading the preparation of a Climate Change Adaptation and Mitigation Plan to complement the North Central Regional Catchment Strategy. The Plan will be finalised during 2015-16.

## 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, Climate Change and Water, the Hon. Lisa Neville 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.

## Vision statement

### Our mission

*'We will enhance the integrity of our catchments in partnership with our communities.'*

### Our vision

*'We will be a benchmark organisation.'*



# Part A: Statement of Corporate Intent and Business Plan

## Strategic Direction

The 2015-16 Corporate Plan is the fifth instalment in 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 previous corporate plans in laying the foundations of business excellence, and operating with purpose while meeting stakeholder commitments, the North Central CMA Board has endorsed an on-going commitment to the following **Statement of Strategic Intent**.

### Our Approach

- Best practice land-use planning for our floodplains
- Optimising catchment outcomes from environmental water use and river operations through a science and community partnership
- Attracting resources to protect and enhance assets identified in our North Central Regional Catchment Strategy in partnership with community
- Supporting sustainable agriculture and landcare in our region
- Successfully sharing knowledge among community, science and government stakeholders
- Developing and maintaining capable teams.

### Our Values

- Leadership: actively implementing, promoting and supporting the 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 Behaviours

#### Knowledgeable, engaging and reliable

- Seek to understand
- Be honest and take responsibility
- See something, do something
- Show respect
- Actively engage.

### Targeted improvements

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.

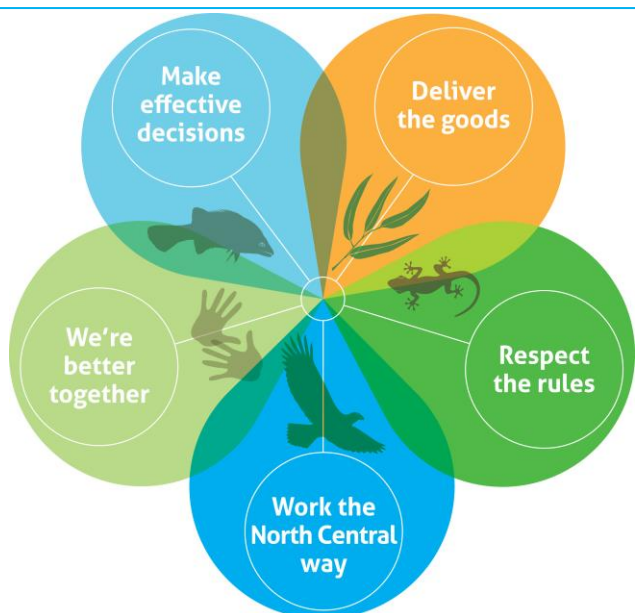
To achieve this goal, we have created an improvement process and four projects have been established with benefits expected to be demonstrated across the range of ABEF performance areas and provide significant outcomes in:

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

### The Standard

The North Central CMA has developed an organisation standard and associated performance benchmarks. The Standard is an integral part of the CMA's governance framework. The Standard seeks to drive high performance through:

- being at the heart of the 'way we do business', pushing us to think strategically about how we can most effectively and efficiently achieve our goals
- being applicable across a range of scales
  - organisational - the Standard is to be used throughout the range of activities delivered by the CMA including fieldwork, stakeholder interaction, corporate and office operations
  - spatial - the Standard applies regardless of whether you are working at a single site or the entire region
  - thematic and time scales - the RCS and the CMA's operations necessarily operate across a range of themes (community, waterways and floodplains, biodiversity, land and soils, wetlands) and a range of time scales from weeks to years and even decades.
  - no matter what activity is being undertaken, the Standard is to be applied and the user should consider each of these scales when working out what to do
  - providing a basis upon which to assess the diverse range of activities, projects and programs that are delivered by the CMA and report upon what's working and what's not
  - periodically review the results of assessments against the Standard to continually refine and improve the quality of service delivery.



**Figure 3: The Standard should be viewed as a whole and not a series of independent elements.**

#### 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 integrate that feedback into all facets of decision making.

#### 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 2013-19 North Central Regional Catchment Strategy (RCS), the 2014-22 North Central Regional Waterway Strategy 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.

#### Business systems renewal

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

The North Central CMA procured and installed a new business system - Technology One - and had the system configured for our business. We have now operated with the new system for two years. We have also upgraded our GIS infrastructure with the immediate aim of better capturing our internal data and the longer-term aim of enabling the community to capture and manage their own data.

#### Business Objectives of the CMA

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 its NRM program. 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 A of this plan

The North Central CMA will implement the asset and enabling projects described in this plan. The 2013-19 North Central RCS Implementation Plan will continue to drive our investment program beyond 2015-16.

## Main Business Undertakings

During 2015-16 we will:

- Fulfil our stewardship obligations by implementing the 2013-19 North Central Regional Catchment Strategy and the 2014-22 Regional Waterway Management Strategy.
- Fulfil our statutory obligations to the Victorian Government in monitoring the uptake of salinity credits allocated across the region and provide technical input to the Basin Salinity Management Strategy Register A. We will complete five-year reviews for the Barr Creek Catchment Strategy, the Kerang Lakes/Swan Hill Salinity Management Plan, and the Woorinen Irrigation District Excision.
- Continue to implement 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 supports 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). Complementing the river health improvements to be gained through the delivery of environmental water downstream of Lake Eppalock the project will see the river become a healthier, better-flowing system.
- Implement the fourth year 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.
- Continue to lead the implementation of the Northern Eco-Connections project across three CMAs supporting landholders to improve and protect native vegetation on private land, focusing on improving connections and linkages across the diverse landscapes of northern Victoria. This \$4.59 million project is an initiative of the Victorian Government's Victorian Environmental Partnerships Program being delivered in partnership with the North Central, Goulburn Broken and North East Catchment Management Authorities. The project is being delivered through a conservation tender process, with landholders submitting bids for work they wish to undertake to improve native vegetation on their properties.
- 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 wetlands of international, national or state significance within the region. The project focuses on the Central Murray wetlands.
- Continue monitoring the benefits of the 2014 delivery of environmental water into Gunbower Forest, via the Hipwell Road channel. The forest ecosystem is a Ramsar listed wetland and Australia's second largest River Red Gum forest that relies on regular flooding to maintain its health.
- Continue to develop and investigate the Guttrum and Benwell state forests and the Gunbower National Park Environmental Works projects.
- 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.
- Continue to implement the 'High Community Significance project' approach across the corporate family to ensure that our project activities are undertaken with a high degree of community engagement.
- Continue providing leadership in the management of environmental water delivery. We will continue to play a crucial role in managing specific environmental entitlements and providing input into water resource management in unregulated waterways to protect environmental values, responding to regional environmental water management requirements, monitoring, and engaging with the community on environmental management issues for both rivers and wetlands.
- Continue to develop Environmental Water Management Plans (EWMPs) as an important strategic component of the Basin Plan implementation.
- In order to deliver the best possible solutions for the environment and the communities' dependent on these river systems we facilitate six 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); the Bullarook Creek Environmental Water Advisory Group (BEWAG); the Wimmera Mallee wetlands EWAG; and the Gunbower Community Reference Group (GCRG). Environmental water is sourced from both the Victorian and Commonwealth Environmental Water Holders.

- Continue to implement and review annually the Regional Operating Agreement between the delivery agencies to ensure that optimum agency coordination and cooperation is being achieved and is ongoing. This Regional Operating Agreement will lead to greater clarity of roles and responsibilities for service delivery in the region; eliminate duplication of effort; promote efficiencies for program delivery; provide for greater clarity at the customer interface of who is doing what; and provide an integrated front and consistent NRM messaging to the community.
- Continue to implement the Aboriginal Engagement Policy that guides the North Central CMA approach in working with Aboriginal people. This includes ensuring that the aspirations and traditions of the region's Aboriginal stakeholders are incorporated into the North Central CMA business, and that our staff have the skills and appropriate training to work productively with Aboriginal stakeholders.
- Develop a Partnership Statement with the Dja Dja Wurrung Clans Aboriginal Corporation.
- Implement the findings of the 2014 review into the Floodplain Management and the Works on Waterways Permit System across three CMAs to provide improved, community-focused, efficient and effective Floodplain Management and Works on Waterways functions. Efficient and effective use of our combined resources can be achieved by sharing and optimising the workforce capabilities and business processes and systems of the North Central, Goulburn Broken and North East CMAs. This is particularly important for situations of peak community demand such as emergency flood response. Consistency in business rules, protocols and processes will provide for a better customer experience and underpin the flexibility of staff to work across regions.
- Continue to participate in the \$205 million FarmWater Program (\$133M allocated for Rounds 1-3 and \$70M forecast for Rounds 4 and 5) - 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 516 irrigators in Rounds 1-3 who, in both the North Central and Goulburn Broken CMA regions, have already transferred 31 gigalitres in water savings to the environment.
- Continue to implement the Kerang and Gunbower NLP projects with an on-going strong focus on community participation.
- Promote sustainable land-management practices to protect and enhance the resilience of our region's soils and priority assets through:
  - Farming for Sustainable Soils Phase 2 project (which has now engaged over 850 farmers in soil improvement activities)
  - Healthy Productive Irrigated Landscapes
  - Regional Sustainable Agriculture Strategy
  - Regional Landcare Coordinator and Regional Landcare Facilitator projects.
- Finalise a North Central Climate Change Adaptation and Mitigation Plan to strengthen our strategic planning approach for achieving enduring environmental change across north central Victoria.

## 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 describes the governance framework and organisational structure.

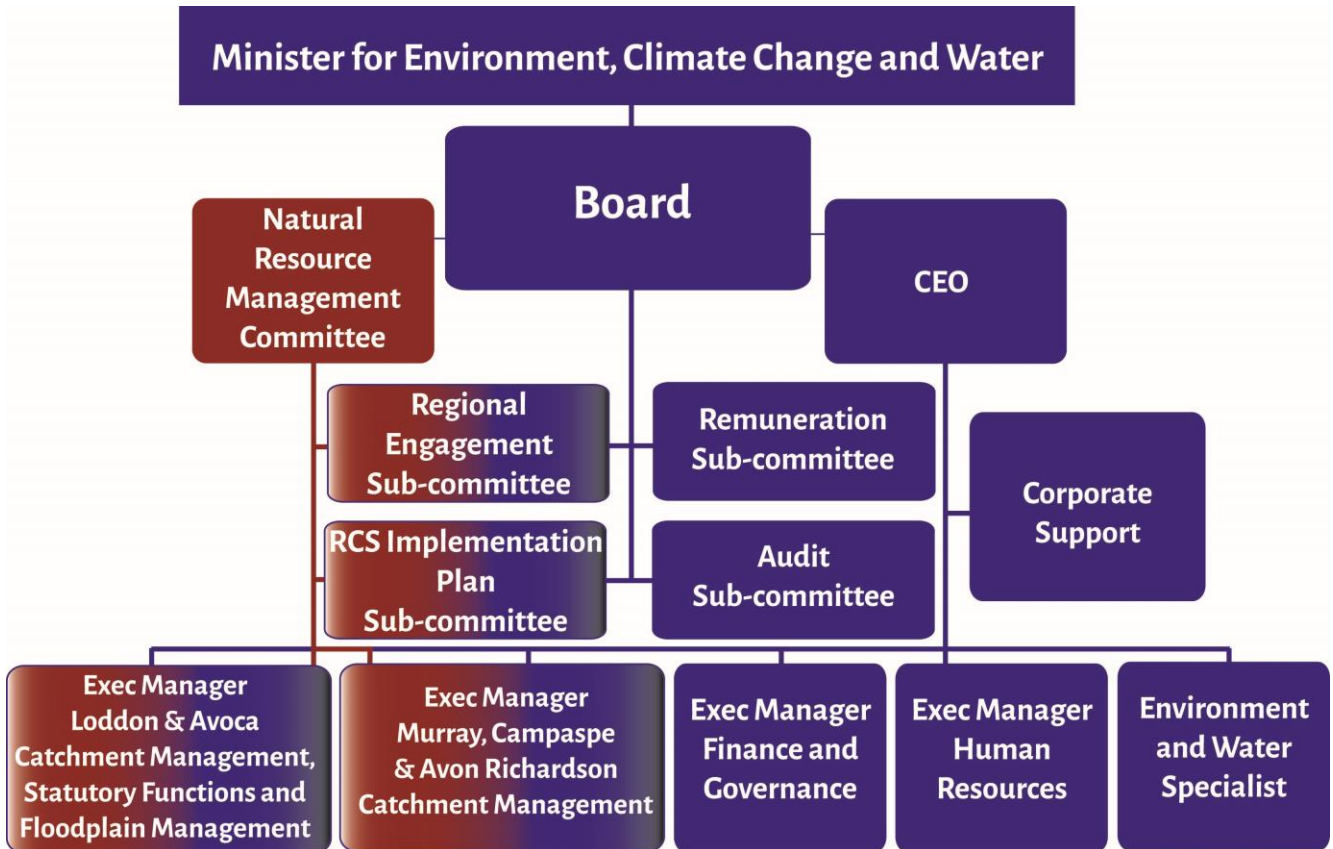


Figure 4: 2015-16 Governance framework and organisational structure



Figure 5: The North Central CMA Board – Vanessa Murray (CEO and Board support); Damian Wells (former CEO); Melanie McCarthy; James Williams; Dianne Bowles; Laurie Maxted; Julie Slater; David Clark (Chair), Julie Miller Markoff; Prue Addlem; Stuart McLean.

**Table 1: Performance Areas and Targets**

Performance area	Performance target	Achievement commentary
<b>Business Management and Governance</b>	Submit annually a Board performance assessment report, according to any guidelines issued	State if the report complied with any guidelines issued. OR If the report did not comply to any guidelines issued, explain the reason(s).
	A risk management strategy approved by the Board and being implemented	State if the strategy / plan is approved by the board and being implemented. OR if the strategy / plan is not approved by the board and being implemented, explain the reason(s)
	100% of the CMA's policies and procedures reviewed every three years	State the percentage of policies and procedures reviewed during the prior three financial years OR if less than 100 per cent state the percentage achieved and state the reasons why 100 per cent was not achieved.
	Full compliance with all applicable Standing Directions under the Financial Management Compliance Framework Checklist.	State if full compliance was achieved. If full compliance was not achieved state which direction requirement(s) were not complied with and explain the reason(s) for non-compliance.
<b>Regional Planning and Coordination</b>	A Regional Catchment Strategy approved by the Minister	Describe the status of the RCS at the end of the last financial year.
	A Stakeholder and Community Engagement Framework approved by the Board	Describe the status of the framework / plan at the end of the last financial year. OR If a framework / plan is not approved and being implemented explain the reasons.
	A Regional Landcare Support Plan approved by the Board	Describe the status of the plan at the end of the last financial year. OR If a plan is not approved explain the reasons.
	A Regional Waterway Strategy approved by the Board	Describe the status of the strategy at the end of the last financial year.
	A Regional Floodplain Strategy approved by the Board	Describe the status of the strategy at the end of the last financial year.
	Land and Water Management Plans (LWMP) in designated irrigation areas (or equivalent) approved by the Board	Describe the status of the LWMP at the end of the last financial year.
	The regional contribution to the annual report on salinity management activities and the allocation and update of salt disposal entitlements is submitted to the department by 31 July or as otherwise directed by the department.	State the date when the regional contribution was submitted. If the regional contribution was not submitted by 31 July, or as otherwise directed, state the date when the regional contribution was submitted and the reason(s) for late submission.
<b>Regional Delivery</b>	Progress with implementation of the RCS (and its major sub-strategies) is reviewed by the board annually.	State if progress on implementation was reviewed by the Board by the end of the last financial year. OR If the progress on implementation was not reviewed by the Board, explain the reasons.
	Projects / activities to implement the RCS are delivered and reported according to associated funding agreements.	State if the projects / activities were delivered and reported according to associated funding agreements OR if the projects / activities were not delivered and reported according to the funding agreements explain the reason(s).
	Projects / activities to implement the Regional Waterway Strategy and the Regional Floodplain Management Strategy are delivered and reported according to associated funding agreements.	State if the projects / activities were delivered and reported according to associated funding agreements OR if the projects / activities were not delivered and reported according to the funding agreements explain the reason(s).
	Projects / activities to implement the LWMP are delivered and reported according to associated funding agreements.	State if the projects / activities were delivered and reported according to associated funding agreements OR if the projects / activities were not delivered and reported according to the funding agreements explain the reason(s).
<b>Statutory functions under Part 10 of the Water Act</b>	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated with waterway and floodplain management are responded to within the prescribed period.	State the percentage of responses that were within the prescribed period OR if the percentage of responses within the prescribed period was less than 90 per cent explain the reasons AND identify if waterways and / or floodplain related responses were affected.
<b>Statutory functions under Part 11 of the Water Act</b>	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated with irrigation management are responded to within the prescribed period.	State the percentage of responses that were within the prescribed period OR if the percentage of responses within the prescribed period was less than 90 per cent explain the reasons.

## Reporting and Review of Corporate Plan

The Board monitors progress against the Corporate Plan objectives at its 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.

## Regional Program

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

The 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:

- **Victorian Auditor General Office (VAGO) process.** Responding to VAGO observations there is an opportunity to improve the effectiveness of CMAs by participating in sector response through initiatives including integrated catchment management framework, governance models and investment approaches.
- **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 expectations in terms of efficiency, streamlining, automation, labour saving and risk elimination from manual systems we have implemented a new business system that has now been fully operational for two years and is already improving our management and the quality of our reporting. Along with an NRM audit report - involving an assessment of more than 100 on-ground projects over the last two years - we are using our business system to help demonstrate the enduring landscape change we are achieving.

### 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 2013-19 RCS, asset projects (listed in Table 2) are designed to secure the improved condition of the region's four catchments.

The North Central CMA will review its Community Engagement Strategy in 2015.

In the 2014-15 year we commenced implementation of a new 'High Community Significance project' approach across the corporate family to ensure that our project activities are undertaken with a high degree of community engagement.

Projects that are regarded as successful in recent years have three common ingredients, namely, 'commitment', 'ownership' and 'project visibility'. 'Model' projects include many of the recently developed flood mitigation plans, the Hipwell Road Gunbower Watering Infrastructure project, the RCS and Regional Waterway Strategies and the Regional Climate Change Adaptation and Mitigation Plan (in development). In these projects, each part of the corporate family respected each other's role and fulfilled the requirements of their own.

Successful projects underpinned by effective community engagement are fundamental ingredients in the successful delivery of the North Central Regional Catchment Strategy.

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 Department of Environment, Land, Water and Planning, (DELWP), the Department of Economic Development, 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.

### **Regional Catchment Strategy**

The North Central 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 (2013-19) 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 have developed an RCS Implementation Plan to guide our work with the community and partner organisations to ensure a strong collaborative approach to implementing the RCS. A joint Board and NRM sub-committee oversee the RCS Implementation plan.

### **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 used in determining our 2015-16 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 any of the NRM's 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
- risk assessed.

We are confident that our 2015-16 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
- 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.

The North Central CMA's 2015-16 Investment Program is a regional program that best reflects our statutory responsibilities, our available resources and the level of investment we have secured for the region.

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 2013-19 North Central Regional Catchment Strategy, the Loddon Campaspe Irrigation Region Land and Water Management Plan and the 2014-22 North Central Regional Waterway Strategy. The North Central Climate Change Adaptation and Mitigation Plan (in development and to be finalised early in 2015-16) will strengthen our strategic planning approach for achieving enduring environmental change across north central Victoria by factoring in the vulnerability of different assets to the climate change predictions for the region.

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 the 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.

Supported by the application of INFFER the Regional Program addresses the following threats to assets in 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
- climate change.

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

**Table 2: 2015-16 Corporate Plan Project List**

Table 2 lists the range of known and unconfirmed projects for 2015-16.

Project title	Type
Administration of Statutory Functions	Obligatory
Basin Plan EWMPs	Enabling
Caring for the Campaspe	Asset
Central Murray Wetlands	Asset
Community Grants (NLP)	Enabling
Environmental Water Reserve Officers	Enabling
Farming for Sustainable Soils 2	Enabling
Farm Water Program	Enabling
Flood Plain Management	Enabling
Healthy Productive Irrigated Landscapes	Enabling
Kamarooka Wetlands	Asset
Kerang and Gunbower Wetlands Protection	Asset
Kooyoora Connections project	Enabling
Kyneton Woodlands project	Asset
Native Fish Recovery	Enabling
North Central Climate Change Adaptation and Mitigation Plan	Enabling
North Central Regional Waterways Strategy	Enabling
North Central Waterwatch	Enabling
Northern Eco-Connections (VEPP)	Enabling
Project RENEW	Enabling
Protecting Remnant Grassy Ecosystem	Asset
Protecting and Enhancing Regional Priority Wetlands (VEWH)	Enabling
Recreational Fishing Grant – Pyramid Creek	Enabling
Recreational Fishing Grant – Irrigation screens	Enabling
Regional Floodplain Strategy	Enabling
Regional Indigenous engagement	Enabling
Regional Landcare Coordinator	Enabling
Regional Landcare Facilitator	Enabling
Reporting and Accounting for Salinity	Obligatory
River Maintenance	Enabling
SDL Offsets Gunbower	Enabling
SDL Offsets Guttrum Benwell	Enabling
TLM Enviro Delivery	Asset
TLM Gunbower Forest	Asset
TLM Indigenous Partnership	Enabling
VEFMAP Wetland Monitoring	Enabling
Victorian Landcare Grants	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.

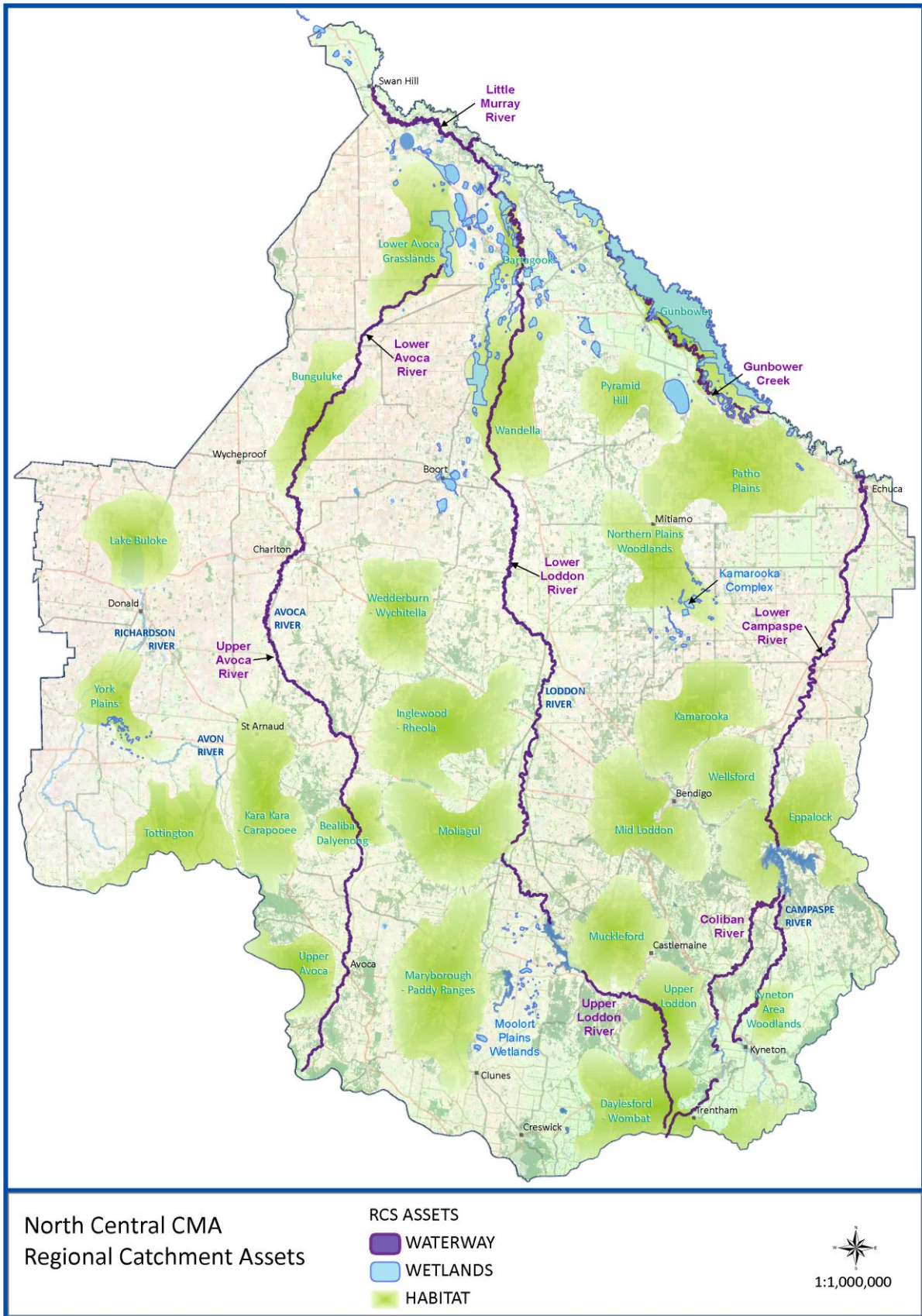


Figure 6: North Central CMA's RCS Priority Assets Summary

## 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 reviews organisational risks and reports to the Board as appropriate.

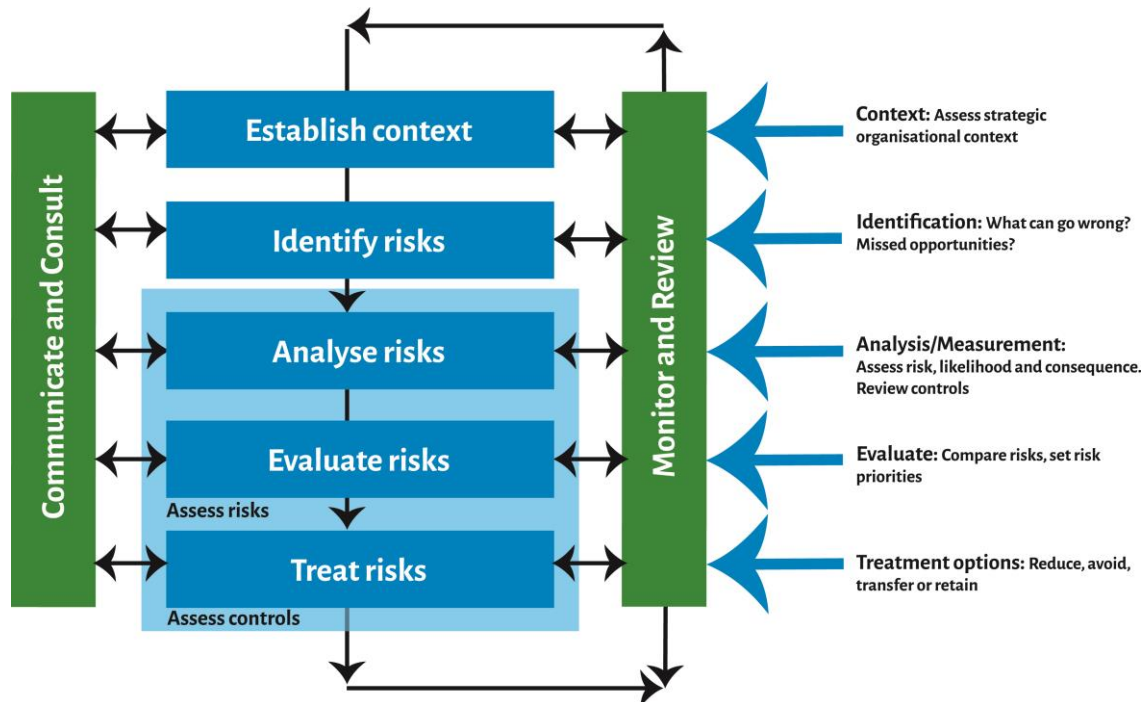


Figure 7: The International Risk Management Standard ISO 31000:2009

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
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
Injury or accident to staff or other involved person	Under <i>the 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
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
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
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
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
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
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

## Part B (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

Revenue for 2014-15 is expected to be \$18.0M. The amount of unspent project funds expected to be carried into 2015-16 is \$4.7M. This is reflected in the cash balance of \$5.4M.

The approach for 2015-16 and beyond is to take a conservative view on revenue by including only confirmed or highly likely funding. This results in revenue falling to \$11.2M in 2015-16 with small increases in subsequent years from anticipated SDL revenue.

Based on lower revenue the forecast is to record an operating deficit in 2015-16 as the unspent project funds balance reduces to \$1.7M at 30 June 2016.

For 2016-17 and 2017-18 reduced unspent funds in most projects are expected to be offset by some of the SDL revenue carrying forward to future years.

Forecasts for corporate and support functions, capital expenditure and cash flow have been managed to ensure a sound financial position is maintained despite the lower revenue figures.

### Disclosure of any corporate overheads allocated to projects

Business improvements providing productivity gains have enabled the North Central CMA to keep its standard corporate charge to nine per cent of revenue for 2015-16. This charge covers general business support and administrative functions, and access to organisational infrastructure.

Where applicable levy charges for direct support services apply to the following functions:

- GIS and spatial information: 1.25 per cent  
Spatial and data systems, map production.
- Communications: 2.5 per cent  
Marketing, event coordination, community engagement.
- Indigenous Engagement: 2.0 per cent  
Compliance, Indigenous 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 B (2): Financial Statements

**Table 4: Planned programs for the forthcoming financial year**

North Central CMA Planned Programs	2015-16 Forecast Income & Expenditure by Source of Funding						
	State Statutory	State Discretionary	State Disaster Recovery	C'wealth	Other	Total Revenue	Proposed Expenditure
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
<b>Income</b>							
<i>Corporate &amp; Statutory Operations</i>							
Board, NRMC, CEO & Finance	762					762	902
Other Revenue (including staff secondments)					50	50	
Interest					90	90	
Total Corporate & Statutory Operations	762				140	902	902
Total Project Funded Programs	1,407	4,621		4,256		10,284	13,284
Total North Central CMA	2,169	4,621		4,256	140	11,186	14,186

**Table 5: Five-Year Operating Statement**

Actual	Operating Statement	Forecast Current Year	Forecast	Forecast	Forecast
2013/14		2014/15	2015/16	2016/17	2017/18
\$ 000's		\$ 000's	\$ 000's	\$ 000's	\$ 000's
	<u>Statutory Operations: Governance</u>				
905	Corporate Funding	802	762	724	688
171	Interest	179	90	80	70
194	Other (includes staff secondments)	86	50	50	50
	<u>Project Grants</u>				
	<u>State Government</u>				
971	Victorian Water Group (VIF/EC) - Statutory	1,142	1,407	1,407	1,407
3,798	Victorian Water Group (VIF/EC) - Other	3,400	4,136	4,136	4,136
2,938	Natural Disaster Relief & Recovery	0	0	0	0
2,295	Victorian Environmental Partnerships Program	2,068	0	0	0
973	Victorian Common Fund Agreement	105	325	0	0
503	Natural Disaster Resilience Grants Scheme	1,025	0	0	0
3	DELWP - Fisheries	22	160	0	0
17	Other	16	0	0	0
	<u>Commonwealth Government</u>				
3,170	Caring for Our Country	1,938	0	0	0
0	National Landcare Program	1,344	2,662	2,662	2,662
1,216	The Living Murray	887	800	800	800
2,641	Department of Environment	3,976	180	2,600	2,400
741	Land Sector Package	493	444	0	0
261	Action on the Ground	190	170	135	0
150	Sustainable Water Use	0	0	0	0
100	Coal Seam Gas	0	0	0	0
389	Carbon Action Plan	21	0	0	0
0	Other	0	0	0	0
	<u>Other Funding</u>				
480	Water Corporations	65	0	0	0
81	Local Government	119	0	0	0
0	Local Government	106	0	0	0
(204)	Other	43	0	0	0
21,792	<b>Total Revenue</b>	<b>18,029</b>	<b>11,186</b>	<b>12,594</b>	<b>12,213</b>
	<b>Expenditure</b>				
	<b>Corporate &amp; Statutory Operations</b>				
199	Board	173	180	180	180
139	NRMC	173	170	170	170
404	Chief Executive Officer & support	410	380	380	380
424	Strategic Fund	394	0	0	0
466	Business Manager & support	466	440	440	440
2,057	Other Statutory & Support functions	1,869	1,732	1,684	1,638
(2,344)	Recovery from Project Programmes	(2,202)	(2,000)	(2,000)	(2,000)
17,884	<b>Project Programmes</b>	<b>19,224</b>	<b>13,284</b>	<b>11,740</b>	<b>11,095</b>
19,231	<b>Total Expenditure</b>	<b>20,506</b>	<b>14,186</b>	<b>12,594</b>	<b>12,213</b>
2,561	<b>Operating Surplus (Deficit)</b>	<b>(2,477)</b>	<b>(3,000)</b>	<b>0</b>	<b>0</b>



**Table 6: Five-Year Statement of Cash Flows**

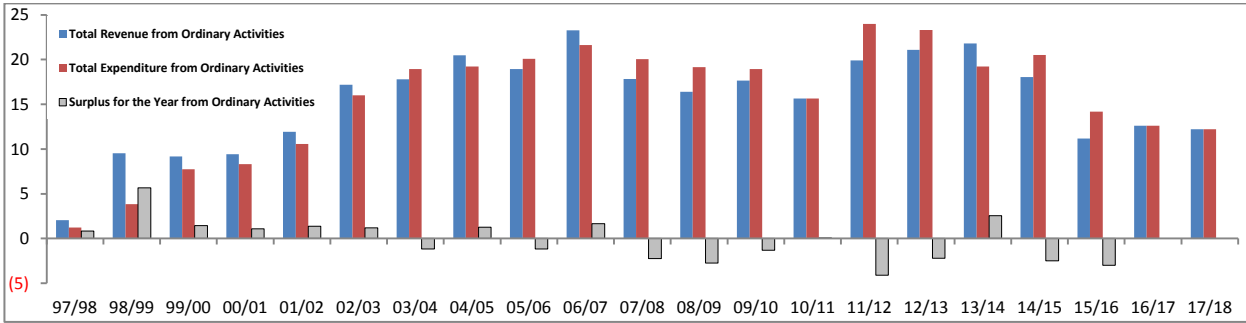
Actual 2013/14 \$ 000's	Statement of Cash Flows	Forecast Current Year 2014/15 \$ 000's	Forecast * 2015/16 \$ 000's	Forecast * 2016/17 \$ 000's	Forecast * 2017/18 \$ 000's
	<i>Cash Flows from Operating Activities</i>				
-					
	<i>Receipts:</i>				
905	Corporate Funding	802	762	724	688
171	Interest	179	90	80	70
194	Other (includes staff secondments)	86	50	50	50
	<i>Grants:</i>				
11,497	Receipts from State	7,778	6,028	5,543	5,543
8,667	Receipts from Commonwealth	8,850	4,256	6,197	5,862
356	Receipts from Other Investors	333	0	0	0
257	(Increase) / Decrease in Debtors	1,319	350	0	0
	<i>Payments:</i>				
(12,576)	Payments to suppliers	(13,649)	(8,286)	(7,244)	(6,863)
(578)	Increase / (Decrease) in Creditors	(313)	99	0	0
(6,100)	Payments to employees and staff costs	(6,365)	(5,500)	(5,000)	(5,000)
2	Increase / (Decrease) in Staff Liabilities	168	(165)	0	0
2,797	Net cash provided by operation activities	(811)	(2,316)	350	350
	<i>Cash Flows from Investing Activities</i>				
(452)	Payments for purchase of fixed assets & intangibles	(400)	(400)	(400)	(400)
432	Proceeds on disposal of fixed assets & intangibles	253	200	200	200
(20)	Net Cash used in investing activities	(147)	(200)	(200)	(200)
2,777	<i>Net increase (decrease) in cash held</i>	(958)	(2,516)	150	150
3,562	Cash at the beginning of the financial year	6,340	5,382	2,866	3,016
6,340	Cash at the end of the financial year	5,382	2,866	3,016	3,166

**Table 7: Five-Year Balance Sheet**

Actual 2013/14 \$ 000's	Balance Sheet	Forecast Current Year 2014/15 \$ 000's	Forecast 2015/16 \$ 000's	Forecast 2016/17 \$ 000's	Forecast 2017/18 \$ 000's
	Assets				
	<u>Current Assets</u>				
6,340	Cash / Deposits	5,382	2,866	3,016	3,166
2,669	Receivables	1,350	1,000	1,000	1,000
	<u>Non Current Assets</u>				
2,612	Fixed Assets	2,313	2,113	1,963	1,813
11,621	Total Assets	9,044	5,978	5,978	5,978
	Liabilities				
	<u>Current Liabilities</u>				
1,214	Accounts Payable / Accruals	901	1,000	1,000	1,000
1,018	Employee Provisions	1,175	1,000	1,000	1,000
	<u>Non Current Liabilities</u>				
109	Employee Provisions	120	130	130	130
2,341	Total Liabilities	2,196	2,130	2,130	2,130
9,280	Net Assets	6,848	3,848	3,848	3,848
	Equity				
229	Contributed Capital - 1/7/1997	229	229	229	229
8,527	Contributed Capital - surplus transfer	8,527	8,527	8,527	8,527
755	Asset Revaluation	800	800	800	800
6,944	Project Funded Surplus	3,944	944	944	944
(7,174)	Accumulated Surplus (Deficit)	(6,651)	(6,651)	(6,651)	(6,651)
9,280	Total Equity	6,848	3,848	3,848	3,848

**Table 8: Depreciation schedule**

Actual 2013/14 \$ 000's	Movement in Fixed Assets and Intangibles	Forecast Current Year 2014/15 \$ 000's	Forecast 2015/16 \$ 000's	Forecast 2016/17 \$ 000's	Forecast 2017/18 \$ 000's
3,150	Opening Written Down Value	2,612	2,313	2,113	1,963
(562)	Depreciation	(492)	(400)	(350)	(350)
452	Additions	400	400	400	400
0	Revaluation	45			
(427)	Disposals at Written Down Value	(253)	(200)	(200)	(200)
2,612	Closing Written Down Value	2,313	2,113	1,963	1,813



**Figure 8: Summary of financial results and forecasts (\$ millions)**

## Part B (3): Cost Recovery

North Central CMA continues to investigate 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.

This relates to services provided within our Statutory Functions program. Initial services offered on a fee recovery basis could include:

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