

# Corporate Plan

2011-12 to 2015-16

Next generation catchment management



**NORTH CENTRAL**  
Catchment Management Authority  
*Connecting Rivers, Landscapes, People*



# Acknowledgment 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 2011–12 to 2015–16

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Image: North Central CMA CEO, Damian Wells discusses the impact of the floods with HRH Prince William of Wales and Victorian Premier, Ted Baillieu - Kerang, March 2011. Photo: Chris Riordan, Department of Human Services.

# Foreword from the Chairman and CEO

The North Central Catchment Management Authority (CMA) has embarked on a business renewal process which has driven the production of this Corporate Plan. We believe we are a key part of a new generation in catchment management that has evolved significantly since 1997 when CMAs were formed in Victoria.

We continue to adhere to long-held, well-founded catchment management principles in delivering our statutory role but with improved and more refined science. We are also committed to increasing our understanding of the needs of our community and our investors. We are excited about renewing the North Central Regional Catchment Strategy (RCS) – a process that has already begun. We will continue to apply our targeted investment approach to maximise enduring value for our investors and communities. Our approach has been refined through the adoption and use of the Investment Framework for Environmental Resources (INFFER) method.

The renewed RCS will be informed by an updated Statement of Strategic Intent, which is led by our purpose statement: **“We will protect and enhance the integrity of our catchments”**. Further to this, we aim to be a leading business in catchment management and as such we have adopted a new organisational vision: **“We will be a benchmark organisation working in partnership with our communities to deliver enduring natural resource management outcomes”**. The purpose statement and organisational vision drive everything we do and this document provides a road-map for delivering our new strategic direction.

Our operating environment is dynamic. Extreme events are driving the condition of our catchments. After 12 years of drought and the Black Saturday bushfires, the spring and summer of 2010–11 delivered record-breaking rainfall and floods to North Central Victoria. The Campaspe, Loddon, Avoca and Avon–Richardson catchments flooded in September and again in November–December 2010. The size and duration of these floods were exceeded in January–February 2011, with record or near record floods in each catchment. The North Central CMA’s active response under our statutory responsibilities was the largest, most sustained and most demanding flood response in the history of CMAs.

While flooding is a vital ecological process that maintains catchment integrity, floods also cause significant financial loss and emotional strain to communities. These floods were no exception. Severe flash flooding followed record rainfall, damaging many towns and farms in the upper catchment before flooding in the mid and lower catchment to the full-width of the floodplain. The damage to towns, roads, farms and other infrastructure is still being tallied. Everyone who lives, works or does business in the flooded area was impacted and the recovery will take significant time. As in the flood response, we will continue to provide leadership in the flood recovery process. The major flood response activities include a range of catchment works being delivered through various means, including the Victorian Government funded Flood Employment Program.

Water reform continues to be a major driver in our region and across northern Victoria. Reforms include the Victorian Government’s irrigation modernisation and the Australian Government’s Murray–Darling Basin Plan process. This signifies a time of rapid change for water users and stakeholders. We continue to play an active role in policy debates as well as performing our statutory roles. These statutory roles include land and water management planning and implementation, as well as delivering environmental water. Our environmental water planning and delivery through drought has given the region’s rivers and wetlands a stronger foundation to recover during wetter times.

Like the natural environment, our communities are dynamic. Population growth in major towns and cities continues as people are attracted to our region for its lifestyle and affordability. There is a growing demand for natural resource management (NRM) knowledge among our increasingly sophisticated

“Everyone who lives, works or does business in the flooded area was impacted and the recovery will take significant time. As in the flood response, we will continue to provide leadership in the flood recovery process.”

and informed communities. We aim to service this demand with improved knowledge management to better open the lines of communication between science, government and the community. Local input to our business remains fundamental to success and our ability to create value for our stakeholders.

#### The flagship initiatives in this Corporate Plan are:

- › Delivery of our region’s Flood Recovery Program
- › The RCS renewal
- › Continued development of our organisational capability as the pre-eminent NRM delivery agent and advisor to government and the community
- › Participation in the development of the Murray–Darling Basin Plan
- › Our expanded ‘Working on Country’ Aboriginal Engagement Program

#### The North Central CMA’s broad funding priorities include (refer Figure 3):

- › Protecting and enhancing the Goldfields flagship ecosystem
- › Protecting and enhancing the Mega Murray Flagship ecosystem
- › Enhancing landscape connectivity through Biolink 2
- › Protecting and enhancing the region’s two Ramsar wetland areas
- › Enhancing links from the Murray through to our northern landscape
- › Supporting our communities to participate in NRM
- › Protecting and enhancing productive agricultural lands
- › Protecting threatened species and ecological communities

The North Central CMA is on track to deliver \$16.6 million of environmental investment throughout 2010–11, resulting in many positive environmental outcomes. This achievement would not have been possible without the contribution of major agency and community partnerships. The capacity to deliver this volume of projects has been built over the past six years through investment in systems and people. Our people remain a primary asset, not only through their skills and knowledge, but most importantly their passion and commitment to deliver enduring natural resource management outcomes.

On behalf of the Board and Executive, we commend the Corporate Plan 2011–12 to 2015–16 and look forward to guiding its implementation.



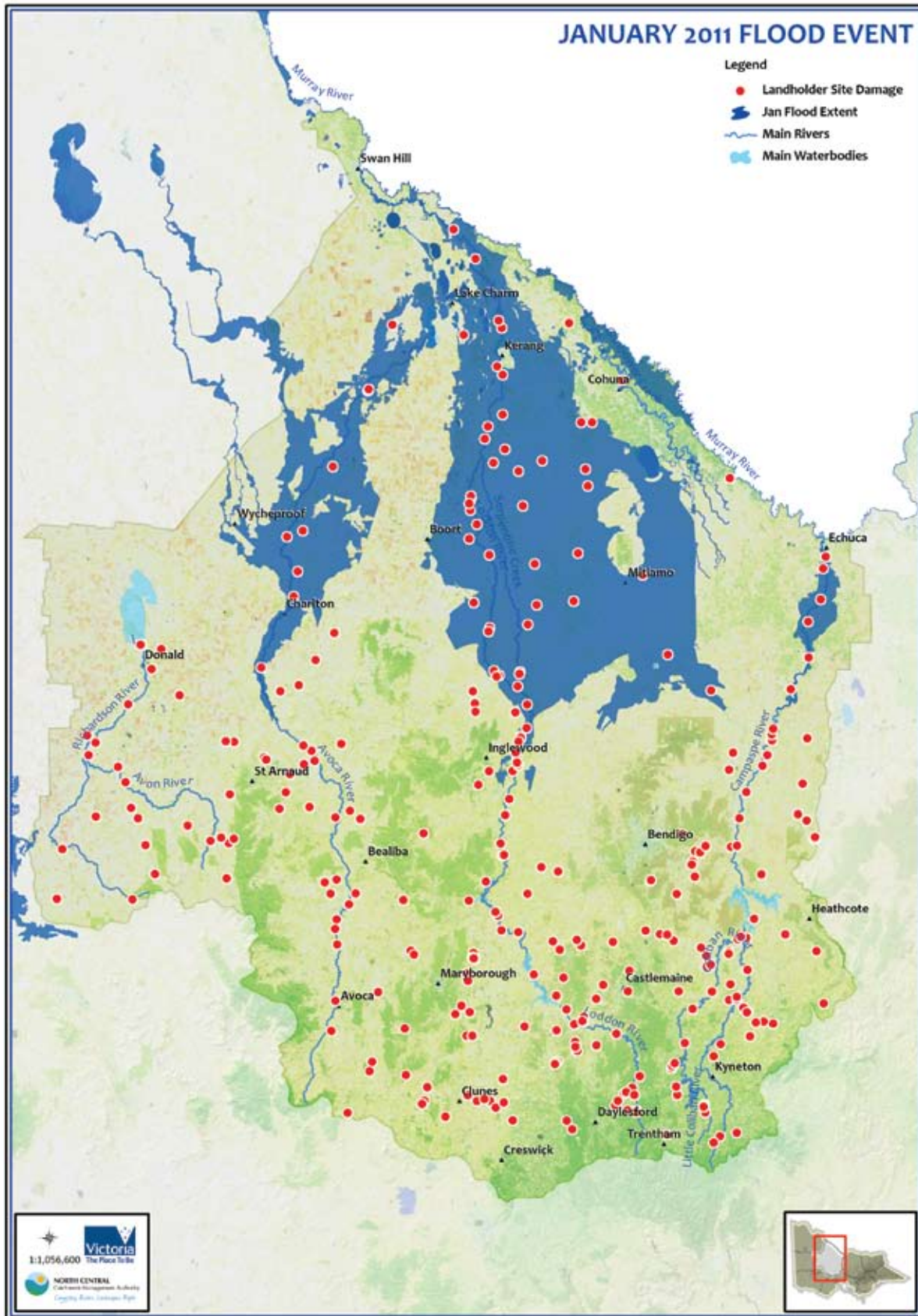
Geoff Williams  
Chairman



Damian Wells  
Chief Executive Officer



Figure 1: January 2011 flood impacts



# Part A: Statement of Corporate Intent

## About The North Central CMA

The North Central CMA is the lead natural resource management agency in North Central Victoria for coordinating and monitoring NRM programs. It works to protect and enhance the region's rivers, landscapes and natural environment.

The North Central CMA was established in 1997 under Victoria's *Catchment and Land Protection Act 1994* (CaLP Act). It also has powers and functions under the *Water Act 1989*. The North Central CMA 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.

In performing our role, we work with a range of landholders, community groups, volunteers, agencies and research institutions.

The North Central CMA delivers the following services:

- › Developing and coordinating the RCS implementation incorporating over 300 identified natural resource assets.
- › Caretaker of river health through developing and implementing the North Central River Health Strategy
- › Developing and coordinating implementation of the region's Land and Water Management Plan
- › Sourcing funds to implement priority NRM works
- › Supporting Landcare and Waterwatch programs
- › Statutory floodplain management to protect life and property through better planning
- › Providing flood response support and flood prediction advice to VicSES
- › Planning and delivering environmental water
- › Providing advice to government on regional NRM issues

## About the Catchment

The North Central CMA region is bordered by the Murray River to the north, the central highlands to the south and the Mt Camel range to the east. It covers an area of about three million hectares (13 per cent of Victoria). It has a population of over 200,000 people, with some 140,000 people living in the rapidly expanding Greater Bendigo area. The region is rich in natural assets of local, regional, national and international significance, and residents enjoy a range of benefits from these natural resources. The rivers and streams, forests and bushland, native fauna, soils, water, landforms and climate all contribute to its uniqueness. The natural resources underpin the economic and social viability of the region's communities.

The region comprises four major river catchments: the Campaspe, Loddon, Avoca, and Avon–Richardson. The Campaspe and Loddon rivers drain directly into 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 flows into the Murray River and, by way of effluent stream channels, to a further series of terminal lakes. The Avon–Richardson catchment is internally drained, with most surface water flowing into Lake Buloke in the region's north.

The region is agriculturally diverse. Irrigation areas cover much of the lower Loddon and Campaspe riverine plains, featuring dairy, mixed farming and horticulture enterprises. The region's west is dominated by large dryland agricultural enterprises that continue to increase their economies of scale.

The southern part of the region is often described as a transitional landscape. It is becoming dominated by smaller lifestyle or niche enterprises rather than the traditional grazing businesses, although many profitable farms remain south of Bendigo. This transition is driven by increased land amenity values, which in most cases exceed the primary production capacity of the landscape.

Approximately 13 per cent of the North Central CMA region is public land, with much of this reserved and managed for specific purposes including state and regional parks, flora reserves and reference areas. The region was once Australia's premier gold-mining area and several gold-mining ventures remain active, mostly near Bendigo.

## The catchment at a glance:

- › Covers 13% of Victoria
- › Over 200,000 residents
- › 87% private land holding
- › Flood recovery dominates 2011 works program
- › Water reform continues to be a significant driver of change
- › Over 300 identified natural resource assets

## Emerging Regional Issues

The dominant issue currently affecting the region is flood response and recovery. This highlights a need to further prepare and plan for future flood prevention.

Three major flood events were recently experienced throughout the catchment: September 2010, November 2010 and January 2011. The January flood is one of the largest ever recorded in the region, with simultaneous and extensive flooding across the Campaspe, Loddon, Avoca and Avon–Richardson catchments. The North Central CMA's response was the largest, most sustained and most demanding flood response in the history of CMAs.

Recovery activities include reinstating or repairing previously funded works as well as implementing immediate works to reduce further flood risk by clearing creek blockages.

North Central Victoria is undergoing significant change driven by global influences, such as population growth. The major centre, Bendigo, is growing at nearly two per cent per annum. Water reform and farm rationalisation are also major drivers, given the recent push for increased environmental water entitlements and the current soft agricultural boom. Sand mining and wind farming industries continue to develop in the region.

Despite recent floods, issues surrounding water reform remain foremost in the minds of the community, particularly in the region's north. The Australian Government's water entitlement buyback, water trade out of the region and new Victorian Government policies pose significant and continuing issues. Irrigation modernisation through the Northern Victoria Irrigation Renewal Project (NVIRP) presents both challenges and opportunities. The North Central CMA is working closely with DSE, DPI, Goulburn–Murray Water, NVIRP and local governments on these matters.

The area of irrigated land in our region will reduce dramatically under the current reform agenda. This will require significant adaptation to new technologies, farming systems and the development of new markets. It is important that the community is well supported in making the transition to ensure an ongoing and sustainable contribution to the region's economy.

## 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 organisation's 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

## North Central CMA Strategic Direction

As discussed in the Corporate Plan's foreword, the North Central CMA is undergoing a renewal process. This has involved considering fundamental questions about the purpose and vision of our business. As result, we have developed a new Statement of Strategic Intent.

North Central CMA Statement of Strategic Intent	
<b>Our Purpose</b>	
We will protect and enhance the integrity of our catchments.	
<b>Our Organisational Vision</b>	
We will be a benchmark organisation working in partnership with our communities to deliver enduring natural resource management outcomes.	
<b>Our Values</b>	
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, NRMC and staff, are committed to the following 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 catchments will 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

## 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. Strive to prevent further decline in catchment condition through discharging our statutory responsibilities.
2. Protect and enhance the highest value 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

We will measure our performance over time with a consistent methodology. The Australian Business Excellence Framework (ABEF) is a non-prescriptive leadership and management system that describes the essential elements of

organisational systems in seven categories. In 2011, the North Central CMA will align its business plan with the ABEF.

The ABEF provides a systematic and structured approach to assessing organisational performance against the categories of the framework. Schedule A2 includes a target to establish the baseline measure for each framework category. From 2012 through to the end of this Corporate Plan, the North Central CMA will prioritise organisational improvements based on value analysis. By committing to annual improvement against the baseline measure across the seven categories, this plan will become the next generation of catchment management.

Each of these performance areas is further detailed in **Schedule A2**, including initial performance indicators and targets for 2011–12. Our direction for each area is articulated below:

### Leadership

Continue to develop leadership capability, business processes, management systems and culture that are consistent with the North Central CMA's Statement of Strategic Intent.

### Strategy and Planning

Continue to align all strategic activities and operations with the Statement of Strategic Intent. This process starts with the RCS renewal (as noted in Schedule A1).

### Information and Knowledge

Review and revise information standards and systems to ensure effective storage and use of information and knowledge to achieve the North Central CMA's objectives and to develop efficient and effective reporting and continual improvement processes. This includes extending information and knowledge to our communities to facilitate decision-making that promotes enduring natural resource management outcomes.

### People

The North Central CMA acknowledges that, as a knowledge business, our people are our most important asset. We will attract and retain high performing staff. We will develop staff and provide career paths for progression. We will set high standards for performance. As such, the North Central CMA aims to create a great place for employees to work. Our people will know how they contribute to achieving the North Central CMA's strategy.

### Customer and Market Focus

The North Central CMA will analyse and improve our understanding of investor and community needs. This knowledge will inform how we manage our relationships with customers and how we deliver increasing value to customers and other stakeholders.

### Innovation, Quality and Improvement

Ensure North Central CMA processes drive value creation for stakeholders. Encourage innovation and improvements to these processes and, therefore, improve the quality of products and services.

### Success and Sustainability

Demonstrate how well the North Central CMA performs against its Corporate Plan and describe the trajectory of performance. Ensure objectives are clear and accompanied by appropriate measures. Make data available for staff to assess their performance against objectives and to undertake review and improvement. We commit to seeking feedback from our stakeholders regarding our performance.



## Business Objectives

The flagship initiatives for the Corporate Plan's first 12 months are:

1. Deliver our region's Flood Recovery Program. This involves a range of catchment works undertaken through various means, including the Victorian Government funded Flood Employment Program.
2. The RCS renewal and application of INFFER to target high-value assets where the North Central CMA can deliver enduring NRM on behalf of our investors.
3. Deliver the considerable NRM program outlined in Part B of this plan.
4. Continue to develop our organisational capability as the pre-eminent NRM advisor to government and the community.
5. Actively participate in the development of the Murray–Darling Basin Plan.
6. In consultation with local Aboriginal communities, expand our 'Working on Country' Aboriginal engagement program

## Main Business Undertakings

Flood recovery is a statutory function of the North Central CMA and will form the basis of the most significant works for the coming year. Flood recovery activities include reinstating or repairing previously funded works as well reducing flood risk by clearing creek blockages that have accumulated. Site inspections will determine whether backed up or diverted water could potentially damage critical public infrastructure in the event of future high flows.

In addition to flood recovery, the most important regional activities for 2011–12 involve working with local communities to protect high priority assets. These include:

- › Finalise the **Loddon Stressed River Project** to improve the aquatic and riparian ecosystem health and fish population viability within the project reaches of the Loddon River
- › Escalate the **Avoca River Reach 7 Project** following consolidation of significant activities for the York Plains wetlands to allow for deep pool habitats to be reinstated within the reach and to increase the diversity of flora and fauna
- › Continue the **Goldfields Threatened Species Project** building on work undertaken over the previous decade to retain, enhance and re-establish populations of threatened species in the fragmented landscape of the Goldfields bioregion
- › 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
- › Manage **Environmental Water**. Managing specific environmental bulk entitlements to maximise ecological outcomes
- › Continue to build and strengthen relationships with **Aboriginal** communities with a focus of supporting their aspirations to **Work On Country**. As an example, North Central CMA has been contracted by the Department of Justice to establish on ground NRM works crew by December 2012. They will become the nucleus of an independent NRM enterprise owned and operated by the Dja Dja Wurrung Clans Aboriginal Corporation

## Nature and Scope of Activities

### Governance framework and organisational structure

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 appropriate separations of duties, and demands accountability and excellence in all aspects of the business.

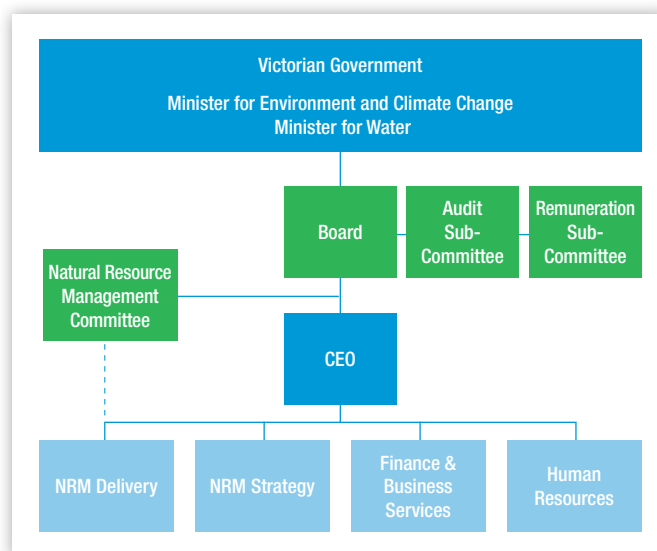


Figure 3: Governance framework and organisational structure

# Part A: Statement of Corporate Intent

## Board

North Central CMA Board members are in the final year of their term. A new Board and Chairman, including any re-appointments, are due to be finalised in July 2011.

### Current Board members are:

Geoff Williams, Chair (Swan Hill)  
Jenny Williams, Deputy Chair (Echuca)  
Jane Holt, Audit Committee Chair (St Arnaud)  
Jock Leishman (Ullina)  
Melanie McCarthy (Bendigo)  
Stuart McLean (Wycheproof)  
Don Naunton (Bendigo)  
Christine Brook, (Pyramid Hill)

It is anticipated that all Board members will have completed the Australian Institute Company Directors course, North Central CMA induction and Strategic Application of the ABEF by December 2012.



“The North Central CMA acknowledges that, as a knowledge business, our people are our most important asset.”

## Natural Resource Management Committee

The Natural Resource Management Committee (NRMC) provides community advice to the North Central CMA Board. The Board appoints membership, which is a combination of two and four year terms to ensure knowledge transfer and consistent decision-making. The North Central CMA will conduct NRMC recruitment and appointment in December 2011.

### Current NRMC members are:

Malcolm Brown (Chair)	Shane O'Loughlin (Deputy Chair)	John Knight
Marie Jones	Ron Cosgrave	Laurie Maxted
Charlie Gillingham	Ken Coates	Ron Murray
Ian Whatley	Dianne Bunnett	Brien Nelson
Rob Loats	David Jones	



## CEO and Executive Team

The North Central CMA's Executive team comprises experienced NRM leaders who have provided stability to the organisation over recent years and driven continuous improvement throughout all aspects of the organisation. In addition to their NRM and operational responsibilities, the Executive team is committed to adopting and implementing the ABEF and welcomes the opportunity to promote the organisation's purpose and vision.

Damian Wells	Chief Executive Officer
Emer Campbell	NRM Strategy Manager (Policy, Investment)
Brad Drust	NRM Delivery Manager (Asset Program, Statutory Functions)
Navec Lorkin	Finance and Business Services Manager
Gretel Bowman-Farr	Human Resources

## Performance Targets and Other Measures

The performance targets prescribed by government in Attachment 2 of the 'Form of the Corporate Plan' are shown below in Schedule A1.

The North Central CMA has continued to develop the areas of corporate strategy through the current business renewal process. The seven performance areas listed in Schedule A2 correspond to the ABEF. The North Central CMA will be accountable to these self-imposed performance targets to build our organisational capability.

Schedules A1 and 2 should be viewed together in order to examine all performance measures for which the organisation is accountable.

### Schedule A1: Prescribed by Government.

Performance area	Performance indicators	Targets	Achievement reporting
<b>Governance</b>			
Board performance	Complete and submit an annual Board performance assessment report, according to any Ministerial 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 Induction by 31 August 2011	Proportion of Board members participating in development activities
Board charter	Develop and implement a Board charter that, as a minimum: <ul style="list-style-type: none"> <li>➤ includes a requirement to regularly review the Board's effectiveness</li> <li>➤ establishes appropriate Board committees, including a risk and compliance committee</li> <li>➤ features a provision that the Board will comply with Ministerial guidelines</li> <li>➤ requires the Board to monitor the North Central CMA's financial, social and environmental performance</li> </ul>	Establish a Board charter with these features by 31 August 2011	Actual date on which the Board charter with these features was established
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
	Annual review of governance policies and procedures	Review all governance policies and procedures by 30 June annually	Actual date on which all policies and procedures were reviewed
<b>Efficiency and organisational performance</b>			
Expenditure versus budget	Variation of actual to budgeted expenditure for the North Central CMA	Total actual expenditure is less than or equal to budgeted expenditure For each program, actual expenditure is within +/- 10 per cent of the budgeted expenditure	Total actual expenditure against budgeted expenditure Number of programs with actual expenditure more than 10 per cent above the budgeted expenditure Number of programs with actual expenditure more than 10 per cent below the budgeted expenditure
Grant management	Minimise administration costs of grants	10 per cent 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 per cent 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



## Part A: Statement of Corporate Intent

Performance area	Performance indicators	Targets	Achievement reporting
	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 local government referrals regarding 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 flooding enquiries from local government and the community	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 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
<b>Effectiveness and environmental outcomes</b>			
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
	Implement annual river health programs and activities to improve environmental values and health of water ecosystems	All annual river health targets and works programs achieved	Percentage of annual river health targets and works programs achieved
Regional Catchment Strategy (RCS) implementation	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 plants and animals management	Regional Invasive Plants and Animals Strategies incorporating related priorities in all land tenures in the region	Invasive Plants and Animals 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 per cent 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 RSMP and LWMP include annual actions to be implemented	Whether: RSMP and LWMP completed; RSMP and LWMP periodically reviewed; and RSMP and LWMP include annual actions to be implemented
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 Last revised January 2010	Actual date strategies were revised

## Schedule A2: North Central CMA Discretion

An outcome of the North Central CMA's business renewal process has been the adoption of the ABEF. The self-imposed performance targets detailed below are structured under the seven performance areas of the ABEF. The framework adoption is central to our ability to benchmark the organisation over time and measure performance. 2011–12 marks a transition year in which we will establish benchmarks and processes to support our adoption of the ABEF.

The table below outlines an initial set of targets that correspond to prescribed ABEF strategy areas (performance areas) and practices (performance indicators). These commitments for 2011–12 align to the highest priorities for developing organisational capability and will underpin the theme of this plan – next generation catchment management.

Following the benchmarking of North Central CMA against all ABEF strategy areas and practices, the 2012–13 Corporate Plan will reflect our performance and prioritise a more comprehensive range of targets.

ABEF performance area	ABEF performance indicators	North Central CMA targets	North Central CMA achievement & reporting
<b>Corporate Strategy</b>			
Leadership	Leadership throughout the organisation – apply good governance	Continue to meet operational standards prescribed by the North Central CMA's project lifecycle	Organisational Performance Panel quarterly report
	Lead the organisational culture – senior managers role model values	Maintain year-on-year improvement averaged across the Public Sector values	People Matter Survey – annual survey generated by State Services Authority
	Society, community and environmental responsibility – demonstrate corporate responsibility	Comply with government Resource Smart initiative	Resource Smart Strategy and North Central CMA Annual reports
Strategy and Planning	Planning process – rigorous planning and implementation	Continue to ensure employee workplans aligned to corporate plan by November each year	Workplans completed and reviewed by Executive team
Information and Knowledge	Generate, collect and analyse the right data to inform decision-making – plan data collection and link to strategy	Undertake a whole-of-organisation needs analysis covering system and data applications by August 2011	Report viewed and actioned by Executive team
	Create value through applying knowledge – maintain a knowledge store	Implement procedures for the consistent storage of knowledge across the North Central CMA by June 2012	Reported in compliance section of annual performance reviews
People	A great place to work – establish the physical work environment	Resolve 'upgrade or relocate' options in office accommodation paper by August 2011	Minutes of Board meeting
	Build organisational capability through people – align organisational needs and people's expectations	Implement a tiered organisation leadership framework by June 2012	Executive Management meeting minutes
Customer and Market Focus	Customer perception of value – measure value through focused feedback	Key investor, government and stakeholder feedback obtained annually	Annual corporate strategy review and corporate plan process
Innovation, Quality and Improvement	Process improvement and innovation – define and deploy a consistent methodology to facilitate process improvement	Establish a cross-organisation process review group that meets monthly with rolling action list	Improvements applied to existing business processing maps
	Process outputs – make external comparisons	Establish the North Central CMA's baseline ABEF measurement by February 2012	Minutes of Board meetings
Success and Sustainability	Achieve sustainability	Develop an approach to attract additional funding sources to the North Central CMA and its region for activities aligned with our Statement of Strategic Intent	Minutes of Board meetings

## Reporting and Review of Corporate Plan

The Board monitors progress against Corporate Plan objectives at quarterly Board meetings.

The organisation's performance, as defined by the performance measures in the Corporate Plan, is reported in the Annual Report.

Further, the North Central CMA's strategic direction is updated each year based on changes occurring in our operating environment, including:

- Ministerial direction
- Community feedback
- The drive for more cost-effective systems, processes and allocation of resources
- Catchment condition
- Government reform







## Part B: Business Plan

This Business Plan is informed by North Central CMA's new Statement of Strategic Intent as outlined in Part A. Our purpose "**We will protect and enhance the integrity of our catchments**" focuses the North Central CMA's resources on the principle task.

To achieve this, we aspire to demonstrate high standards in NRM as reflected through the organisation's vision "**We will be a benchmark organisation working in partnership with our communities to deliver enduring natural resource management outcomes**". The purpose statement and organisational vision drive everything we do and this document provides a road-map to achieve our strategic direction.

In conjunction with our investment partnerships with the Victorian and Australian governments, the North Central CMA continues to work with local government and regional communities to secure funds and deliver both the Regional Landcare and Waterwatch programs. Striking the right balance between targeted investment and effective engagement with NRM stakeholders remains an area on which we retain a watching brief. Ultimately, our government funding partners largely determine this mix.

### The Development of Catchment Management Authorities

The North Central CMA is committed to assisting government with the development of catchment management authorities. In particular, we believe that we can add value in the following areas:

- **Refining the RCS guidelines:** Given our experience in using the INFFER decision-making tool, we can assist the Minister, the Victorian Catchment Management Council (VCMC) and Department of Sustainability and Environment (DSE) in resolving a sound methodology to apply the asset-based approach that will meet state and regional needs
- **Knowledge management:** The North Central CMA has offered its services to assist DSE in developing benchmark knowledge management systems for our industry to enhance the reporting capability and to support the ever-increasing demand for knowledge from our stakeholders

### Community and Stakeholder Engagement

The North Central CMA is a leader in regional community engagement, with strong links to the Landcare, Waterwatch and other community networks. We continue to adapt how we use science to meet current NRM challenges to deliver 'bigger and smarter' projects to the people of North Central Victoria.

Achievements are made possible through the coordination, development and implementation of key onground programs in partnership with local communities, which continue to be the cornerstone of what we do. This is undertaken directly or through partnerships with the Department of Primary Industries, DSE, Trust for Nature, Local Government and the Murray–Darling Basin Authority. Our partners also include regional water corporations, educational institutions, research bodies, the private sector and the local community. These important relationships allow the North Central CMA to continue to successfully deliver NRM projects with meaningful stakeholder and community input.

Image: Breached levee on Little Murray River enabling flood flows to drain away from Benjeroop, February 2011.

### RCS Review and Renewal

One of the North Central CMA's key functions under the CaLP Act is to review and renew the RCS. This strategy is reviewed every five years and, in the past, has linked government investment to regional priorities. There have been many changes over the past five years that have affected our communities, environment and climate. The RCS review and renewal provides an opportunity to reflect on these changes and to prepare our communities and environment for further change. It will also provide a framework for land and water managers to deal with strategic challenges into the future.

### The Project Portfolio

The North Central CMA is confident that its project portfolio is informed by the best available science and underpinned by effective community engagement through the NRM. These processes have enabled us to identify priority natural resource assets in the region and rank these against government priorities to put forward the strongest possible investment package.

### 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.

The North Central CMA approach has been to ensure:

- Alignment with the investment priorities of the Victorian and Australian governments
- Outcomes are delivered through the most efficient business processes
- All activities are actively monitored and evaluated through the project life cycle, including the establishment of resource condition baselines at project commencement

### 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 inform the development and assessment of the 2011–12 Regional Investment Plan:

1. 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.
2. As far as practical, achieve asset goals of existing projects within the next 18 months in accordance with the first principle.
3. Manage the expectations of government, science and community by:
  - Implementing the recommendations from the INFFER review panel
  - Considering the NRM's assessment of projects, including any recommendations
  - Seeking investor feedback on all project proposals before submitting the Regional Investment Plan

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

- Policy-led
- Science-based
- Asset-based
- Collaborative
- Low-risk





## Part B: Business Plan

The North Central CMA is confident that 2011–12 projects meet a range of investment criteria and guidelines, and will highly benefit our community and stakeholders.

### Program Overview

The North Central CMA region encompasses more than 13 per cent of Victoria with a population of over 200,000 people. The region is part of the Murray–Darling Basin and in recent years has become one of Victoria's most rapidly growing areas in terms of urban and agricultural activities. The region comprises the major river catchments of the Campaspe, Loddon, Avoca and Avon–Richardson.

Investment in the North Central CMA region occurs through four key catchment programs:

1. Avoca / Avon–Richardson
2. Upper Loddon and Campaspe
3. Lower Loddon and Campaspe
4. Regional

### Avoca / Avon–Richardson Catchments Program

The Avoca / Avon–Richardson Program area occupies the western part of the North Central CMA region. At just over one million hectares, it makes up approximately 40 per cent of the region. Major towns include St Arnaud, Avoca, Donald, Charlton and Quambatook.

The area includes high-value Ramsar-listed wetlands, state and nationally listed species and vegetation communities (i.e. Buloke Grassy Woodlands), and priority river reaches (including the Avoca River). As with the other program areas, the dryland farming enterprises of the Avoca / Avon–Richardson are changing. Returns from farming are becoming increasingly variable and the local community is actively adapting farming systems to a drier climate while working to improve farm sustainability. A smaller number of landowners are managing larger, consolidated farms making the interventions of NRM programs more efficient and substantial in scale.

Supported by the application of INFFER, the Avoca / Avon–Richardson Program will address the following threats: degraded riparian condition; erosion; invasive plants and animals; inappropriate land use; salinity; and vegetation removal/habitat loss.

### Program Focus

The Avoca / Avon–Richardson Program's primary objective is to protect priority NRM assets within this area. The program's priority asset is the Avoca River (Reach 7).

More specifically, program investment will reduce the many threatening processes that are operating and ensure that the area remains a functioning ecosystem. Environmentally sustainable farming practices will be encouraged, whilst building community skills and knowledge, and improving habitat (aquatic and terrestrial) for threatened species.

A targeted approach is applied to the Avoca River, which draws upon recent actions identified under the Upper Avoca Catchment Action Plan and the INFFER process. Interventions will include the delivery of the following onground works in priority areas: fencing and revegetation; the exclusion of stock and provision of off-stream watering; invasive plant and animal control; and a comprehensive sediment control and management investigation to determine the impacts of sediment on instream habitat. Recovery action plans will be implemented for 11 nationally threatened orchid species.

Image: Avoca Gully. Photo: Paul Nelson.

Successful delivery of the Avoca / Avon–Richardson Program is expected to contribute to: the extent of habitat improved and protected for biodiversity; reduced impacts of invasive plants and animals; reduced risk of salinity on land and water assets; improvements in water quality and soil health; and an increase in the capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.

### Upper Loddon and Campaspe Catchments Program

The Upper Loddon and Campaspe Catchments Program covers approximately 1.2 million hectares and 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 that provide important aquatic and riparian habitats and deliver good quality water to downstream users.

The region includes a range of priority environmental assets that feature in the Regional Investment Plan and includes the biodiversity values of the Goldfields region. A number of significant threatened species are present in the Box-Gum woodlands of the Mt Alexander region and the priority reaches of the Upper Loddon and Campaspe catchments.

Much like the Lower Loddon and Campaspe Program area, change is a driver of threats to environmental assets in this region. Changing land-use exposes the area to a range and intensity of threats associated with development; both physical threats and those associated with the different ideals and skills of a new demographic. The changing climate is significantly altering the hydrology of the region's upper catchment waterways.

Supported by the application of INFFER, the program will address the following threats to these assets: fish migration; declining/poor water quality; degraded riparian condition; erosion; fire; inappropriate land use; invasive plants (including willows, gorse and blackberry) and animals; soil disturbance; and vegetation removal/habitat loss. If these threatening processes are left unchecked, irreversible damage is expected to occur within the next 10 years.

### Program Focus

The Upper Loddon Campaspe Program will deliver large-scale NRM outcomes within the dryland region. Consistent with the objectives, priorities and actions of the RCS, North Central River Health Strategy, Second Generation Dryland Salinity Management Plan (Land Management Plan), North Central Native Vegetation Plan, Bioregional plans for the Goldfields and Riverina bioregions, Pest Plant and Animal Action Plans – now incorporating the principles of the new Invasive Plants and Animals Policy Framework – this program takes an integrated approach to NRM.

The program's design has been largely guided by INFFER. Its primary objective is to protect priority NRM assets within the Upper Loddon and Campaspe Program area. Key threats and risks to assets will be actively addressed, with targeted investment to be made in areas critical to achieving success.

Successful delivery of this program is expected to contribute to: the extent of habitat improved and protected for biodiversity; reduced impacts of invasive plants and animals; reduced risk of salinity on land and water assets; improvements in water quality and soil health; and increased capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.



## Part B: Business Plan

### Lower Loddon and Campaspe Catchments Program

The Lower Loddon and Campaspe Program area covers 713,876 ha of diverse land types and largely comprises the irrigation areas of Torrumbarry, Pyramid–Boort and Rochester–Campaspe. The terrestrial and aquatic environment of the region is highly recognised by the community for its environmental, social and economic values.

The region includes the high-value Ramsar-listed wetlands (Kerang Lakes, Gunbower Island), state and nationally listed threatened species and vegetation communities (Buloke Grassy Woodlands, 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 the Lower Loddon and Campaspe Program area addressed through the Regional Investment Plan are the Benwell and Guttrum State Forests; dry and irrigated land; and the threatened Patho Plains Grasslands.

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

Supported by the application of INFFER, the program will address the following threats to these assets: salinity; altered water flows; vegetation removal/habitat loss; inappropriate land use; declining/poor water quality; erosion and soil disturbance; and invasive plants and animals. If these threats are left unchecked, the health and sustainability of this lowland ecosystem will continue to decline, putting at risk priority environmental assets and the threatened species, farm productivity and ecosystem functions they support.

#### Program Focus

The Lower Loddon and Campaspe Program will deliver large-scale NRM outcomes within the Lower Loddon and Campaspe catchments. Consistent with the objectives of the RCS, the Loddon Campaspe Irrigation Region Land and Water Management Plan, North Central River Health Strategy and the North Central Native Vegetation Plan priorities and actions, this program takes an integrated approach to NRM.

The program's primary objective is to protect priority NRM assets within the program area as identified by the NRMCA. The program's design has been largely guided by INFFER and the Healthy Productive Landscapes framework. Key threats and risks to assets will be actively addressed, with targeted investment to be undertaken in areas critical to achieving success.

The 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; and increased community skills, knowledge and participation.

Successful delivery of this program is expected to contribute to: the extent of habitat improved and protected for biodiversity; reduced impacts of invasive plants and animals; reduced risk of salinity on land and water assets; improved water quality and soil health; and an increase in the capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.

**IMPORTANT NOTE:** A number of proposed projects will be delivered in areas affected by the 2010–11 floods. As flood impacts are still being assessed at the time of the writing, the project activities are based on the best available information. As the extent of the impacts on communities and natural resources are determined, the suitability of the projects and their activities will be reviewed and adapted as appropriate.



Image: Loddon River at Newbridge. Photo: Stephen Malone Photography.

### Regional Catchments Program

The Regional Program will deliver landscape-scale projects across the North Central CMA region. The suite of regional projects will collectively address the following threats: altered water flows; barriers to migration; declining/poor water quality; degraded riparian condition; erosion; fire; inappropriate land use; invasive plants and animals; salinity; soil disturbance; and vegetation removal/habitat loss.

#### Program Focus

In addition to the delivery of statutory obligations, the focus of the Regional Program is to coordinate the delivery of projects where the asset extends beyond a single program area, and where there are common threats to priority assets across two or more of the geographic program areas.

Successful program delivery is expected to contribute to: the extent of habitat improved and protected for biodiversity; reduced impacts of invasive plants and animals; reduced risk of salinity on land and water assets; improvements in water quality and soil health; and an increase in the capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.

Projects include: the Loddon Stressed River Project; Victorian Landcare; Reporting and Accounting for Salinity; Environmental Reserve Management; and Monitoring, Evaluation and Reporting.

#### Flood Recovery Project

Wide-spread flooding (September and November 2010, followed by a 1-in-100 year flood in January 2011) across North Central Victoria caused significant damage to works undertaken by the North Central CMA and its partners.

This project will deliver strategic flood recovery actions to facilitate the recovery and replacement of those works, helping to maintain the protection of natural assets across the region.

The project's focus will be to provide strategic direction, coordination and delivery of all North Central CMA flood recovery activities. The project will also draw on funding from Natural Disaster Recovery and Relief Assistance (NDRRA) and other specific Victorian and Australian government flood recovery funding.

Activities will include remediation and reinstatement of previously-funded environmental protection works, including riparian protection, instream and catchment erosion, and infrastructure. Where appropriate, the project will also support activities to improve the condition or state of high-value assets (environmental assets, such as river reaches).

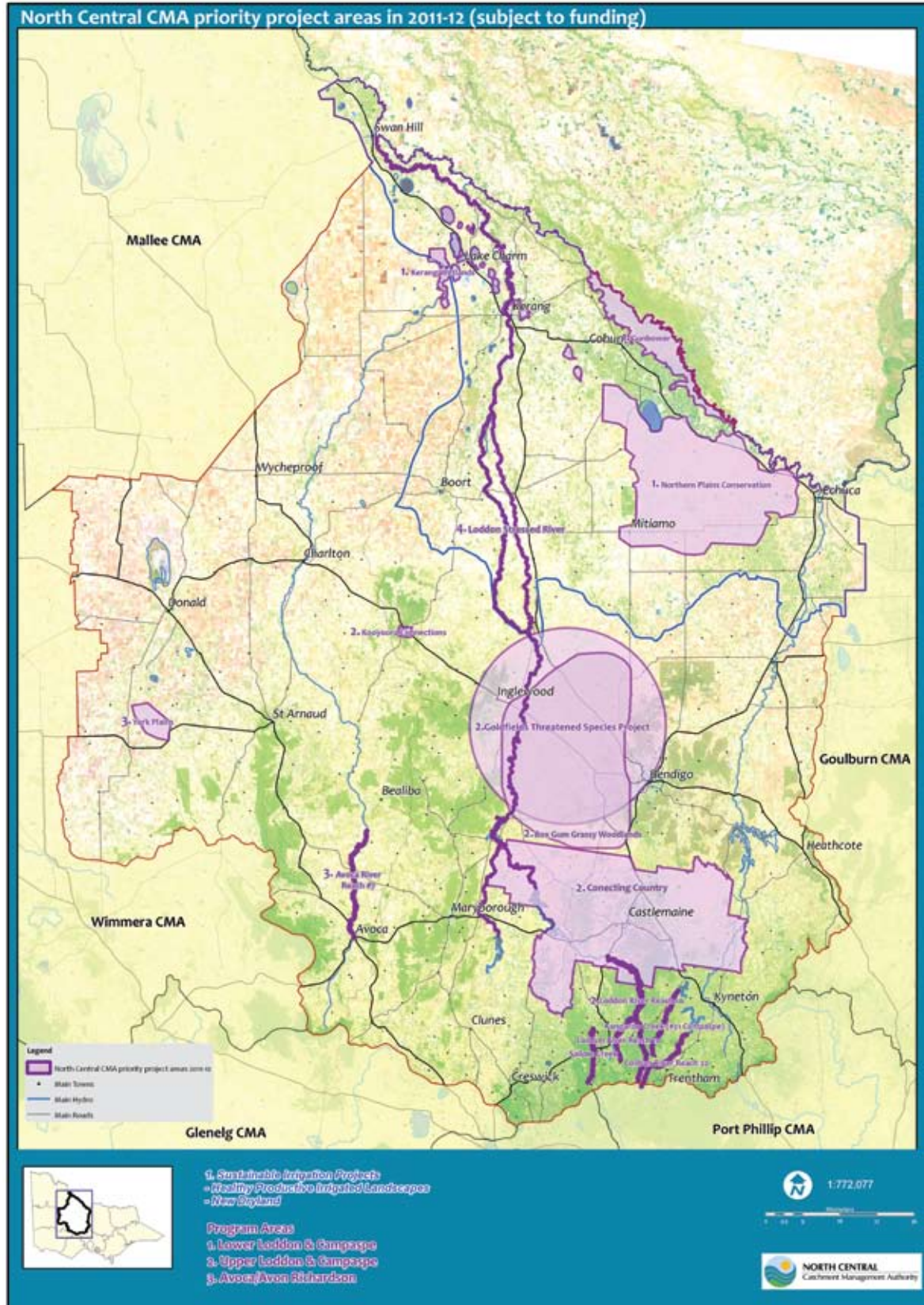
A detailed assessment of flood damage will be complete in April 2011 and will form the basis of a NDRRA funding bid. As more information becomes available regarding the scope of the delivery activities, further negotiation and discussion with DSE will occur to define the detail and scope of this project.

## Project Summary

PIRS ref	Project Name	Type
<b>Program</b>		
<b>Lower Loddon &amp; Campaspe</b>		
NC1112.01.120	Healthy Productive Irrigated Landscapes	Enabling
NC1112.01.121	Enhancing the Kerang Ramsar Wetlands	Asset
NC1112.01.122	Enhancing Values of the Gunbower Ramsar Site	Asset
NC1112.01.123	Northern Plains Conservation	Asset
NC1112.01.143	New Dryland	Enabling
<b>Program</b>		
<b>Upper Loddon &amp; Campaspe</b>		
NC1112.02.124	Enhancing Upper Catchment Waterways	Asset
NC1112.02.125	Connecting Country	Asset
NC1112.02.126	Goldfields Threatened Species Project	Asset
NC1112.02.141	Box Gum Grassy Woodlands	Asset
NC1112.02.142	Kooyoora Connections – Wedderburn CMN	Asset
<b>Program</b>		
<b>Avoca Avon Richardson</b>		
NC1112.03.127	Improving the Health of Avoca Reach 7	Asset
<b>Program</b>		
<b>Regional</b>		
NC1112.04.119	Permanent Protection Stewardship	Enabling
NC1112.04.128	Loddon Stressed River	Asset
NC1112.04.129	North Central Waterwatch Program	Enabling
NC1112.04.130	Victorian Landcare Grants	Enabling
NC1112.04.131	Regional Landcare Coordination	Enabling
NC1112.04.132	Reporting & Accounting Salinity	Obligatory
NC1112.04.133	River Health Maintenance	Enabling
NC1112.04.134	Administration of Statutory Functions	Obligatory
NC1112.04.135	Environmental Reserve Manager	Obligatory
NC1112.04.136	Farm Plan 21 – North Central Asset Protection	Enabling
NC1112.04.139	Regional Landcare Facilitator	Enabling
NC1112.04.140	Farming for Sustainable Soils	Enabling
NC1112.04.144	Landscape-scale Asset Feasibility Study	Enabling
NC1112.04.145	River and Wetland Strategic Planning	Obligatory
NC1112.04.146	North Central Regional Catchment Strategy	Obligatory
NC1112.04.147	Flood Recovery	Enabling

# Part B: Business Plan

Figure 4: Program areas and priority assets in 2011–12





## Part C: Financial Statements\* and Risk Management

**\*Note:** at the time of writing, the North Central CMA is preparing a flood recovery program for consideration through the federal NDRRA process. If successful, the outcome of this funding proposal will impact on the financial information presented in this document.

### Five Year Financial Summary

As the Ministers are aware, the North Central CMA does not have a rating base. Forecasted revenue in 2011–12 will remain consistent with 2010–11 funding levels in relation to Victorian Investment Framework and Caring for our Country projects. Additional revenue of \$2.1 million is expected for flood response work and a flood employment program during 2010–11. It is also anticipated that revenue will remain at approximately \$14 million for the next four years.

Forecast expenditure in 2011–12 is estimated at \$15.6 million. It is anticipated that expenditure will remain at \$14 million for the next four years as the North Central CMA delivers the Regional Investment Plan within its funding year.

It is expected that there will be a minor operating surplus of \$10,000 in 2011–12. The next four years will provide a minor variance in financial performance, as the North Central CMA is positioned to deliver projects within each financial year of funding.

The estimated operating deficit in the Statement of Financial Performance will reduce cash assets by \$2.2 million in 2010–11 to \$5.1 million at 30 June 2011. The cash assets held by the North Central CMA will remain at 33 per cent of annual revenue in 2011–12. This ratio will remain at 33 per cent or below over the next four years and is within Corporate Plan guidelines of 30–35 per cent agreed to by DSE.

### 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.

### Financial Statements

#### Schedule 1: 2010–11 Income

North Central CMA Planned Programs	2010-11 Expected Income					Proposed Expenditure \$ 000's
	State \$ 000's	C'wealth \$ 000's	Other \$ 000's	Interest \$ 000's	Total \$ 000's	
<i>Statutory Operations: Program 7 Governance</i>						
Board	185	-	-	50	235	163
NRMC	140	-	-	-	140	190
Chief Executive Officer & support	290	-	-	90	380	448
Business Manager & support	400	-	-	183	583	600
Strategic/Business Planning, Monitoring & support	-	-	-	-	0	1,145
Other Statutory functions	555	-	-	-	555	1,062
Overheads not allocated	-	-	-	-	0	-
EBA Costs Funded by North Central CMA	-	-	-	-	0	86
Projected Savings from EBA Initiatives	-	-	-	-	0	(195)
<b>Total Statutory Operations</b>	<b>1,570</b>	<b>0</b>	<b>0</b>	<b>323</b>	<b>1,893</b>	<b>3,499</b>
<i>Strategy Programs:</i>						
1. Lower Loddon & Campaspe	3,201	1,421	-	-	4,622	5,543
2. Upper Loddon & Campaspe	1,451	586	-	-	2,037	2,047
3. Avoca Avon-Richardson	1,297	-	-	-	1,297	1,034
4. Regional	4,593	1,771	1,285	-	7,649	6,664
<b>Total Strategy Programs</b>	<b>10,542</b>	<b>3,778</b>	<b>1,285</b>	<b>0</b>	<b>15,605</b>	<b>15,288</b>
<b>Total North Central CMA</b>	<b>12,112</b>	<b>3,778</b>	<b>1,285</b>	<b>323</b>	<b>17,498</b>	<b>18,787</b>
<i>Partnership Programs</i>						
1. Lower Loddon & Campaspe	150	-	-	-	150	150
2. Upper Loddon & Campaspe	-	-	-	-	0	0
3. Avoca Avon-Richardson	-	-	-	-	0	0
4. Regional	-	-	-	-	0	0
<b>Total Partnership Business</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>150</b>
<b>Total CMA &amp; Partners</b>	<b>12,262</b>	<b>3,778</b>	<b>1,285</b>	<b>323</b>	<b>17,648</b>	<b>18,937</b>

# Part C: Financial Statements\* and Risk Management

Schedule 2: Five Year Statement of Financial Performance

Estimate 2010/11 \$ 000's	Statement of Financial Performance	Forecoming Year 2011/12 \$ 000's	F'cast 2012/13 \$ 000's	F'cast 2013/14 \$ 000's	F'cast 2014/15 \$ 000's	F'cast 2015/16 \$ 000's
	<b>Local</b>					
323	Interest	385	400	400	400	400
1,820	Other	250	900	800	700	600
	<b>Government Grants</b>					
	State					
1,015	CM010-49 Corporate Funding	1,031	1,057	1,083	1,110	1,138
421	CW513-11 Water Smart Farms (WWT)	-	0	0	0	0
1,317	CW513-12 Salinity Infrastructure	618	618	618	618	618
457	CW513-13 SIALM (OWOF)	1,097	1,097	1,097	1,097	1,097
0	CW513-14 Linking Farms	680	680	680	680	680
1,200	CW514-22 Large Scale River Restoration (OWOF)	1,300	-	0	0	0
205	CW514-25 Environmental Water Reserve Officers	211	211	211	211	211
1,047	CW514-27 Healthy Waterway Program	1,025	1,025	1,025	1,025	1,025
353	CW514-28 Water Statutory Functions	362	362	362	362	362
325	SG010-71 Second Generation Landcare - Devolved Grants	365	365	365	365	365
169	SG010-70 Victorian Action Plan for Second Generation Landcare (Regional Landcare Coordinators)	150	150	150	150	150
20	Weeds Management (WP010-35)					
73	LM010-61 Sustainable Rural Landscapes	897	897	897	897	897
46	Recreational Fishing Grants					
	Water for Growth					
1,210	Flood Response Funding	-	0	0	0	0
1,000	Flood employment Program	1,000	-	-	0	0
2,869	Natural Resource Investment Program	2,805	2,805	2,805	2,805	2,805
	Commonwealth		0	0	0	0
3,778	Caring For Our Country	3,475	3,475	3,475	3,475	3,475
17,648	Total Revenue	15,651	14,042	13,968	13,895	13,823
	<b>Expenditure</b>					
3,499	Corporate & Statutory Operations					
-	Board	200	200	200	200	200
-	Implementation Committees	210	210	210	210	210
-	Chief Executive Officer & support	500	500	500	500	500
-	Business Manager & support	650	650	650	650	650
-	Strategic/Business Planning, Monitoring & support	1,250	1,250	1,250	1,250	1,250
-	Other Statutory functions	1,062	1,062	1,062	1,062	1,062
-	Overheads not allocated	0	0	0	0	0
-	EBA Costs Funded by North Central CMA	175	268	200	200	200
-	Projected Savings from EBA Initiatives	(210)	(218)	(186)	(186)	(186)
	<b>Strategy Programs:</b>					
5,693	1. Lower Loddon & Campaspe	4,420	3,757	3,757	3,757	3,757
2,047	2. Upper Loddon & Campaspe	2,210	1,879	1,879	1,879	1,879
1,034	3. Avoca Avon-Richardson	880	748	748	748	748
6,664	4. Regional	4,294	3,650	3,650	3,650	3,650
18,937	Total Expenditure	15,641	13,955	13,919	13,919	13,919
(1,289)	Operating Surplus (Deficit)	10	86	49	(24)	(96)

Note: \$6,664,000 of Regional expenditure includes committed flood recovery funds.

### Schedule 3: Five Year Statement of Cash Flows

Estimate 2010/11 \$ 000's	Statement of Cash Flows	Forthcoming Year 2011/12 \$ 000's	F'cast * 2012/13 \$ 000's	F'cast * 2013/14 \$ 000's	F'cast * 2014/15 \$ 000's	F'cast * 2015/16 \$ 000's
	<b>Cash Flows from Operating Activities</b>					
	<b>Receipts:</b>					
	<i>Local:</i>					
323	Interest received	385	400	400	400	400
1,820	Receipts from other sources	250	250	250	250	250
	<i>Grants:</i>					
11,227	Receipts from State	11,041	8,767	8,793	9,320	9,348
3,778	Receipts from Commonwealth	3,475	3,475	3,475	3,475	3,475
	<b>Payments:</b>					
(19,037)	Payments to suppliers and employees	(15,141)	(13,555)	(13,099)	(12,919)	(14,019)
(1,889)	Net cash provided by operation activities	10	(664)	(181)	526	(546)
	<b>Cash Flows from Investing Activities</b>					
(600)	Payments for purchase property, plant and equipment	(500)	(350)	(350)	(350)	(350)
300	Proceeds on disposal of property, plant and equipment	200	300	200	200	200
(300)	Net Cash used in investing activities	(300)	(50)	(150)	(150)	(150)
(2,189)	<b>Net increase in cash held</b>	(290)	(714)	(331)	376	(696)
7,256	Cash at the beginning of the financial year	5,067	4,777	4,063	3,732	4,108
5,067	Cash at the end of the financial year	4,777	4,063	3,732	4,108	3,412

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



Image: Koori Kids Day - NAIDOC Week 2010.  
Photo: Christine Taylor.

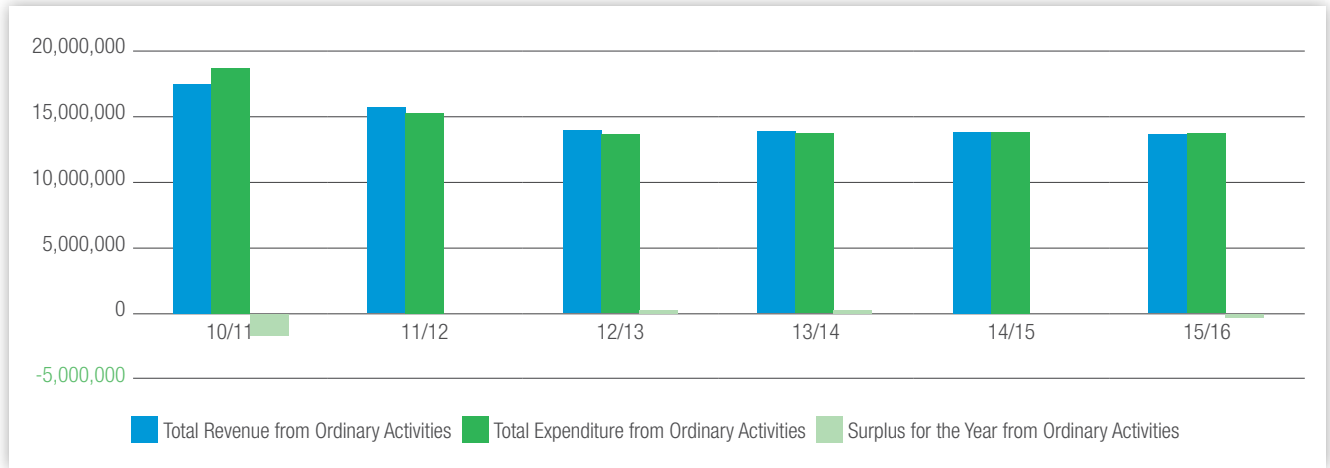


## Part C: Financial Statements\* and Risk Management

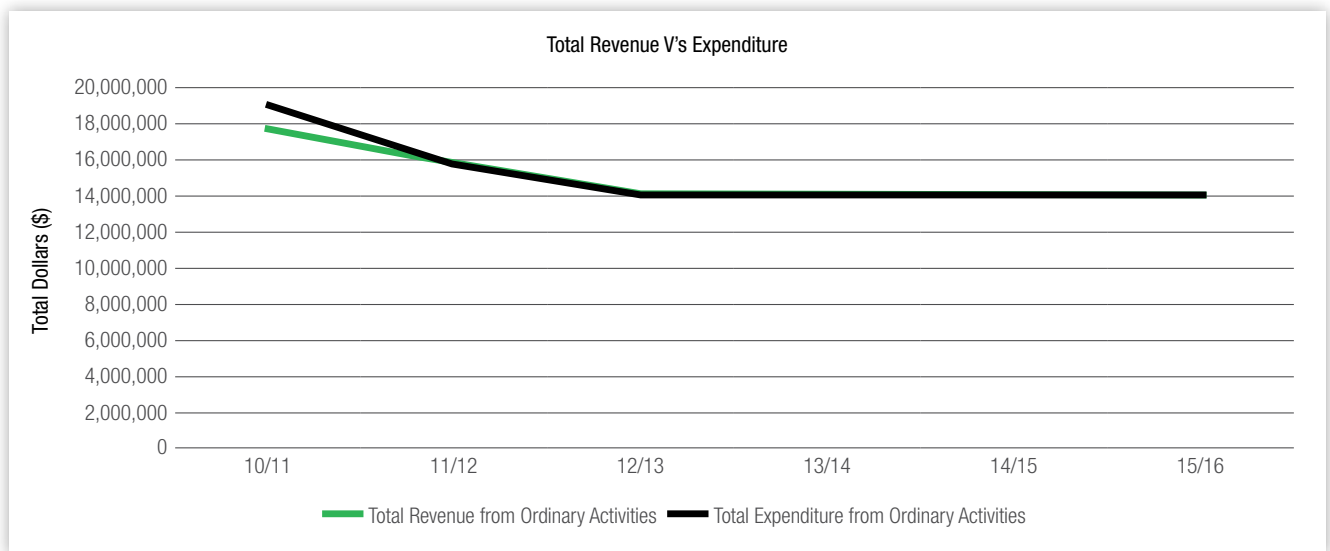
Schedule 4: Five Year Statement of Financial Position

Estimate 2010/11 \$ 000's	Statement of Financial Position	Forthcoming Year 2011/12 \$ 000's	F'cast 2012/13 \$ 000's	F'cast 2013/14 \$ 000's	F'cast 2014/15 \$ 000's	F'cast 2015/16 \$ 000's
	Assets					
	<b>Current Assets</b>					
267	Cash	277	563	2,532	2,908	2,712
4,800	Term Deposits	4,500	3,500	1,200	1,200	700
1,500	Receivables	2,000	2,500	2,500	2,500	2,500
	Non Current Assets					
2,300	Fixed Assets	2,350	2,400	2,500	2,600	2,700
8,867	Total Assets	9,127	8,963	8,732	9,208	8,612
	Liabilities					
	<b>Current Liabilities</b>					
800	Accounts Payable	986	736	456	956	456
346	Accruals	450	450	450	450	450
600	Employee Provisions	550	550	550	550	550
	<b>Non Current Liabilities</b>					
130	Employee Provisions	140	140	140	140	140
1,876	Total Liabilities	2,126	1,876	1,596	2,096	1,596
6,991	Net Assets	7,001	7,087	7,136	7,112	7,016
	Equity					
229	Contributed Capital - 1/7/1997	229	229	229	229	229
7,815	Contributed Capital - Projects Bal	6,526	6,536	6,622	6,671	6,647
236	Asset Revaluation	236	236	236	236	236
(1,289)	Accumulated Surplus	10	86	49	(24)	(96)
6,991	Total Equity	7,001	7,087	7,136	7,112	7,016

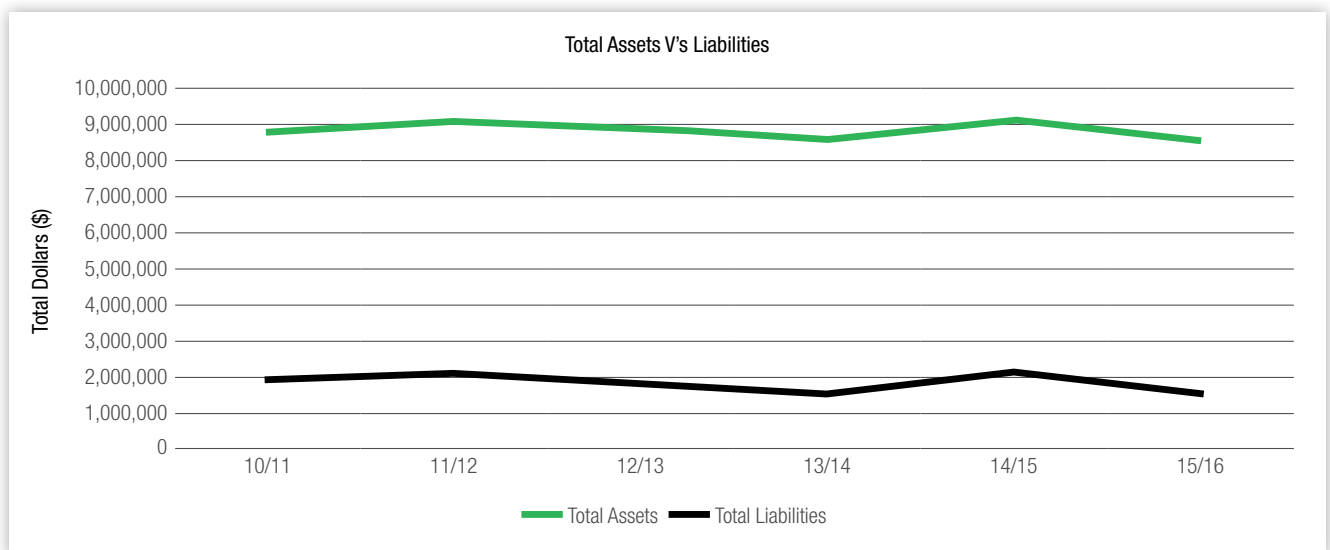
**Figure C1: Summary of Financial Results**



**Figure C2: Total Revenue V's Expenditure**



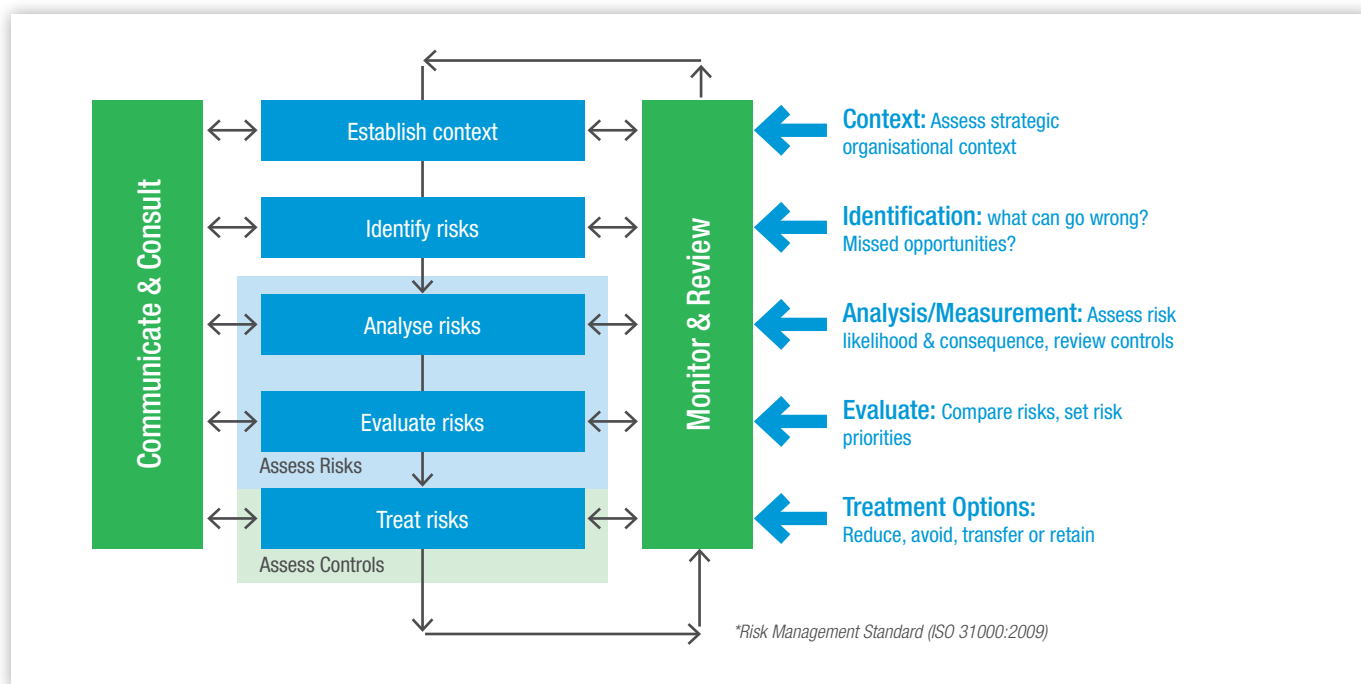
**Figure C3: Total Assets V's Liabilities**



# Part C: Financial Statements\* and Risk Management

## Risk Management

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



The North Central CMA Board and Executive team have undertaken a risk management process facilitated by auditors PKF. Key risks associated with the achievement of the North Central CMA's strategic priorities and related goals were identified and assessed.

### A Summary of Major Risks

The table provides a summary of the North Central CMA's risk management outcomes. The information is based on representations made by the North Central CMA Board and Executive team.

Risk Description	Category	Risk Ranking
Risk of inadequate funding	Strategic and Political	H
Risk of personal injury or death	Occupational Health and Safety	H
Risk of not meeting stakeholder expectations	Strategic and Political	S
Risk of North Central CMA becoming financially unviable	Financial Management	S
Risk of environmental impacts on North Central CMA operations	Natural Resource Management	S
Risk of causing environmental damage	Natural Resource Management	S
Risk of inadequate information management practices	Information Technology	S

H = High

S = Significant

Ownership of all risks identified within the organisation are assigned to the Executive team, which is responsible for completing risk treatment plans and ensuring mitigation controls are put in place.





Image this page: Bridgewater. Photo: Adrian Martins.  
Images on back cover clockwise from top left: Benwell  
SWMS construction, Photo: Anthony Webster; Imagine  
Pictures; Approaching Rochester Photo: Adrian  
Martins; Works at Benjeroop, Photo: Anthony Webster,  
Imagine Pictures.





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