

# CORPORATE PLAN

2017-18 to 2021-22

*Creating natural resource management partnerships and programs that deliver lasting change*



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

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## **ACKNOWLEDGEMENT OF COUNTRY**

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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 land and natural resource management.

# Foreword from the Chairman

This Corporate Plan is a particularly important one for the North Central Catchment Management Authority (CMA). As it has in previous years it sets out the future of the North Central CMA's activities over the next year and beyond to 2021-22 however this year it also incorporates and gives life to our renewed Statement of Strategic Intent.

In recent months the North Central CMA Board has created a new vision, mission, approach and values to guide our strategic direction. We are excited about the future of integrated catchment management in the North Central region and look forward to supporting the continued evolution of the organisation to shape this bright future.

Our new vision reflects the principles of integrated catchment management spanning land, water and biodiversity resource management for long term sustainability and highlights our commitment to manage natural resources to support the success of our regional communities.

In working towards this vision, the North Central CMA has a leadership role, on behalf of Government, to plan for the region in terms of natural resource management and protection through the Regional Catchment Strategy and the programs outlined in this Corporate Plan. We are the lead organisation for natural resources project activity, both directly and through community in the region, and we enable and coordinate community action in natural resource management.

In fulfilling these roles we have a particular focus on bringing together our partners and stakeholders to make sound long term decisions about natural resource use and to plan and deliver practical, local action that delivers lasting change. Effective partnerships are critical to achieving our vision and we are ever aware of the important role played by our community, Traditional Owners, industry, science and government partners. We have created formal partnership arrangements with the Dja Dja Wurrung Group and Coliban Water that are leading to better natural resource management outcomes for the North Central region and we will continue with this focus for even better outcomes.

Guided by our renewed Statement of Strategic Intent, during the 2017-18 financial year we expect to deliver \$16.7 million of natural resource management investment across north central Victoria. We have organised this investment into logical theme-based programs that will deliver the business undertakings and business objectives described in this Plan.

## **Environmental assets**

Delivers a broad range of projects aimed at improving the health of waterways, wetlands and biodiversity, working with

community, government and key traditional owner groups to help build capacity for delivering NRM and social outcomes.

## **Environmental water**

Fulfils the North Central CMA's role in managing the environmental water reserve including long term and annual planning, adaptively managing delivery, monitoring and extensive community and traditional owner engagement.

## **Sustainable agriculture**

Works with farmers, industry and partners to achieve productive farming while protecting the natural resource base. This is achieved by delivering on regional priorities to support agriculture across North Central Victoria identified in the North Central Region Sustainable Agriculture Strategy.

## **Community engagement and strategy**

Creates key regional NRM strategies and provides support and leadership across the community focused programs across the CMA, including supporting Landcare Networks and Groups, rolling out citizen science through the Waterwatch program and coordinating the CMA Indigenous Program.

## **Statutory functions**

Provides advice and support to Local Government and the community about flooding risks associated with new development and leads the development of the Regional Floodplain Strategy which will provide the region with actions to manage the risk of flooding into the future.

We also plan to maintain our focus on continual improvement through our Organisational Development program. Our capability and capacity as an organisation to deliver our programs has been built through the investments we have made in both systems and people. Over this corporate plan period we will invest in the leadership capability of our entire staff team, further develop our cultural competencies to partner with Traditional Owners and Aboriginal people, improve our approaches to identifying and reporting on the outcomes and change we create, develop a strategy for the way we apply information and communications technology to deliver our vision and mission and with our partners create a shared view of future NRM investment opportunities.

On behalf of the Board and Management we look forward to working with the Victorian Government and our regional community, industry, science and government partners to deliver the programs outlined in the North Central CMA's Corporate Plan: 2017-18 to 2021-22.

# 1. About the North Central CMA

## 1.1 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, the North Central CMA works to deliver lasting change for the region's four river catchments and the many natural resources assets they contain.

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 Hon Lisa Neville MP, Minister for Water and the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

The Victorian Government appoints skills-based community boards of nine members to govern CMAs based on their skills and backgrounds relevant to natural resource management. As a legislative requirement, more than half of the CMA's board must be primary producers.

Through their participation in community life, board members are able to represent community values and priorities when considering strategic issues relating to the protection and improvement of the region's natural resources.

## 1.2 The North Central CMA region

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. It 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.

There are a number of local government areas within the region:

- the Loddon, Mount Alexander, Central Goldfields, Hepburn, and Campaspe Shires
- the City of Greater Bendigo
- Gannawarra, Pyrenees, Macedon Ranges, the Northern Grampians and Buloke Shires
- parts of the City of Ballarat and Swan Hill Rural City.

The region has a population of more than 240,000 people, concentrated in the growing regional hub of Bendigo and the townships of Echuca, Swan Hill, Kyneton and Woodend. The southern part of the region is a popular location for "tree-changers", with an annual population growth projected to continue growing at a rate almost 50 per cent higher than the average for regional Victoria (Loddon Mallee Regional Strategic Plan).

The North Central region includes the traditional land of the Dja Dja Wurrung, Barapa Barapa, Wemba Wemba, Yorta Yorta, Taungurung, Wadi Wadi and Wergaia represented by the Barengi Gadjin Land Council. The North Central CMA recognises the connection that Traditional Owners (TO's) and Aboriginal and Torres Strait Islander (ATSI) communities and organisations have with 'Country' and their obligations, rights and responsibilities to use and care for it.

The North Central CMA currently engage and work with TO's and ATSI communities and organisations of the North Central region in various ways; consulting on matters of interest, meeting legislative requirements regarding Aboriginal cultural heritage, collaborating to plan and implement projects and building capacity in the community (e.g. Regional Aboriginal Capacity Building project). There are also requirements for collaborative management arising from the Dja Dja Wurrung Recognition and Settlement Agreement (and other groups with agreements pending).

The annual rainfall across the region varies 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, whilst temperatures to the north regularly reach more than 40°C in summer.

The North Central CMA region is agriculturally diverse with horticulture, dairying and dryland farming (particularly grain cropping and livestock grazing) 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.

### The North Central CMA Region



#### Our region at a glance

- Four river catchments
- 13 per cent of Victoria
- 240,000 residents
- 87 per cent private land

# 2. Statement of Corporate Intent

## 2.1 Strategic direction

The strategic direction for all CMAs is guided by the two Acts that set out CMA responsibilities being the CaLP Act and the Water Act, along with their complementary Statement of Obligations (SoO). Other key Government strategic directions include *Our Catchments*, *Our Communities*, *Water for Victoria*, *Protecting Victoria's Environment-biodiversity 2036*, *Victorian Waterway Management Strategy*, *Victorian Floodplain Management Strategy* and *Victorian Climate Change Framework*.

The North Central CMA Board has renewed the strategic direction of the organisation for this Corporate Plan period. This review has been informed by the Acts, the SoO, government strategic directions and the North Central Regional Catchment Strategy 2013-19 (RCS) as well as important work being undertaken within the organisation to ensure that we continue to deliver the best possible value for our community government and science stakeholders.

### 2.1.1 Our vision

Sustainably managed land, water and biodiversity resources that support productive and prosperous communities now and in the future

### 2.1.2 Our mission

We create natural resource management partnerships and programs that deliver lasting change.

### 2.1.3 Our culture

We are knowledgeable, engaging and reliable. We do this by:

- seeking to understand
- being honest and taking responsibility
- seeing something and doing something
- showing respect
- actively engaging

We measure our achievement by asking the following questions of ourselves:

- Have we made effective decisions?
- Did we deliver the goods?
- Have we respected the rules?
- Did we share the roles and the rewards?

As a public sector entity we behave in line with the Victorian Public Sector values.

### 2.1.4 Business Undertakings

#### Connecting natural resource management activities

- Delivering environmental water and improving riparian habitat
- Supporting productive agricultural land
- Linking healthy biodiversity
- Adapting our landscape to a changing climate

#### Enabling active communities

- Supporting community action
- Collaborating with Traditional Owner and Aboriginal groups
- Partnering with government, industry and community

#### Supporting sound decisions with knowledge

- Gathering knowledge from traditional, local and scientific sources
- Sharing knowledge and information to empower our community
- Fulfilling our statutory roles in floodplain management to prepare and protect the community

## 2.2 Business objectives

Business undertaking: Connecting natural resource management activities	
Business objective	Deliverables
1. Delivering environmental water and improving riparian habitat	1a. Greater consideration of social and economic opportunities and outcomes 1b. More public demonstration of outcomes 1c. More involvement and empowerment of partners and community to guide and take action 1d. Increased land manager commitment to stewardship
2. Supporting productive agricultural land	2a. More strategic approach to soil health management 2b. Improved engagement of more diverse farmer groups
3. Linking healthy biodiversity	3a. Stronger regional collaboration to identify priorities for action 3b. More involvement and empowerment of partners and community to guide and take action 3c. Increased land manager commitment to stewardship
4. Adapting our landscape to a changing climate	4a. Improved consideration of climate change adaptation requirements in planning for NRM action

Business undertaking: Enabling active communities	
Business objective	Deliverables
5. Supporting community action	5a. More involvement and empowerment of community to guide and take action
6. Collaborating with Traditional Owner and Aboriginal groups	6a. More partnerships with Traditional Owner groups 6b. More incorporation of traditional ecological knowledge in NRM 6c. Strengthened cultural competency of the NRM sector

Business undertaking: Enabling active communities	
Business objective	Deliverables
7. Partnering with government, industry and community	7a. Strengthened regional partnership to implement the Regional Catchment Strategy 7b. Clearer roles, strengthened accountability and coordination 7c. Increased focus on capturing outcomes and learnings achieved by others (partners, the community)

Business undertaking: Supporting sound decisions with knowledge	
Business objective	Deliverables
8. Gathering knowledge from traditional, local and scientific sources	8a. More incorporation of traditional ecological knowledge in NRM 8b. Better coordination with the industry (CMAs, DELWP, ARI) and the community in understanding , consistently documenting and clarifying current and prioritising future knowledge and research
9. Sharing knowledge and information to empower our community	9a. Better access to information that is accurate, useful, accessible, timely and spatially explicit
10. Fulfilling our statutory roles in floodplain management to prepare and protect the community	10a. Stronger regional ownership of floodplain strategy 10b. Improved regional flood preparedness 10c. Responsive customer service



# 3. Business Plan

At North Central CMA, we strive to be the region's leader in integrated catchment management supporting productive and prosperous communities now and in the future. We will achieve this by creating natural resource management partnerships and programs that deliver lasting change for our region's land, water and biodiversity resources.

Through the North Central CMA Enterprise Risk Framework, the Board has a strong and genuine focus on the opportunities and risks, both positive and negative, that may impact our ability to achieve our objectives.

In meeting our strategic priorities we will look to build sustainable and mutually beneficial partnerships with communities, traditional owners, partner organisations and landholders. To do this, we will focus on building the capabilities of our Board, staff and community to ensure that the North Central CMA is viewed as a leader in integrated catchment management.

We will embrace innovation and change and will ensure that our organisation maintains its sector leadership through innovation. We will seek all opportunities that deliver better stakeholder outcomes. Our service will be informed by quality research, science, local knowledge and traditional knowledge.

We recognise cultural heritage as a key asset in our region which we will also work to protect.

We will maintain safety standards at all times and in all places and we will not compromise on health, welfare and safety, which are our highest priorities.

## 3.1 Governance

The 10 Victorian CMAs including the North Central CMA, were established under, and deliver the legislative requirements of the:

- *Catchment and Land Protection (CaLP Act 1994)* and its Statement of Obligations, issued in June 2007
- *Water Act 1989* and its Statement of Obligations, issued in October 2006.

*The Public Administration Act 2004, Financial Management Act 1994, Freedom of Information Act 1982, Privacy and Data Protection Act 2014, Protected Disclosures Act 2012* and other associated statutory instruments, ministerial directions and departmental requirements also provide guidance to the CMAs on their government requirements.

Under the *CaLP Act*, the CMAs are required to have a board charter endorsed by their respective boards that sets out their governance framework. The North Central CMA has a board charter that is reviewed annually.

The North Central CMA Board, its committees and staff all have a strong commitment to continual improvement in maintaining high standards of corporate governance.

These high standards are supported through a structure and culture that establishes and maintains the appropriate separation of duties, and demands accountability and excellence in all aspects of the business.

### 3.1.1 Reporting structure

The North Central CMA is a statutory authority that reports through the Department of Environment, Land, Water and Planning (DELWP) to the Minister for Water and Minister for Energy, Environment and Climate Change and, ultimately, the Parliament of Victoria.

This 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, ministerial directions and departmental requirements.

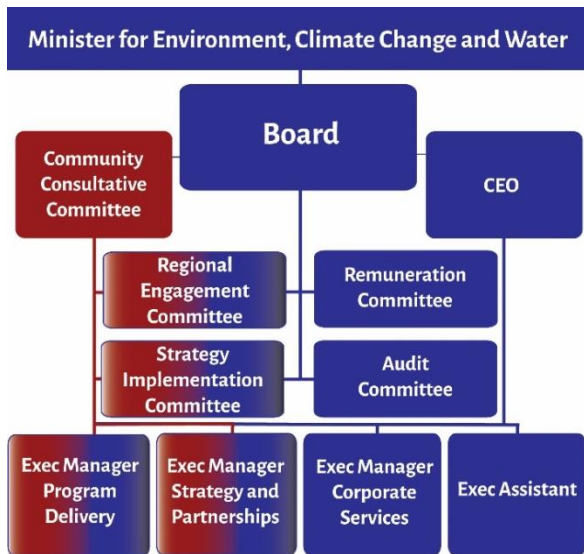
In addition to this Corporate Plan, the North Central CMA will also provide the following documents to the Ministers:

- North Central CMA Annual Report
- Victorian CMA Actions and Achievements Report
- North Central CMA Board annual performance assessment results.

A range of reporting and information is provided to DELWP on the progress and performance of North Central CMA activities (e.g. six-monthly and annual project reporting).

### 3.1.2 Board and committees

The Board has five standing committees each chaired by a Board Member, complemented by a range of project specific committees.



**Community Consultative Committee (CCC)**

Provides a community and local perspective to the strategic and operational work undertaken in the region by the North Central CMA. It is made up of 12 community members endorsed by the Board following a public application process.

**Regional Engagement Committee**

Strategically analyses, develops, monitors and coordinates approaches and practices in relation to the way we engage with our partners, stakeholders and the general community. Membership consists of three Board Members, nominated and endorsed by the full Board and two CCC Members nominated and endorsed by the CCC. It is supported by the Executive Manager Strategy and one other staff member.

**Strategy Implementation Committee**

Supports the North Central CMA to deliver on the strategic direction of the North Central RCS and sub-strategies. Three Board Members are nominated and endorsed by the full Board and two CCC Members, along with one reserve, are nominated and endorsed by the CCC. It is supported by the Executive Manager Program Delivery and one other staff member.

**Audit Committee**

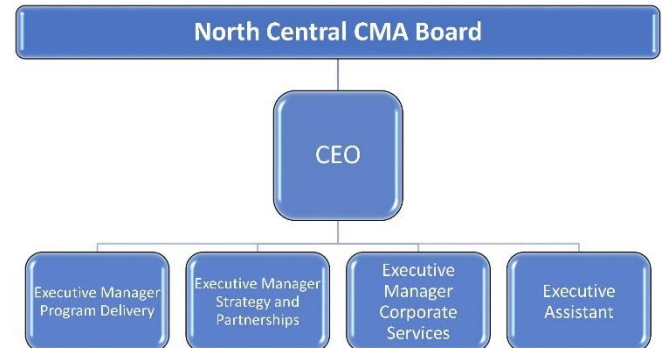
Monitors and evaluates the adequacy and effectiveness of the corporate governance and risk management frameworks. The committee consists of three Board Members nominated and endorsed by the full Board. It is supported by the CEO, Executive Manager Corporate Services, and Financial Accountant.

**Remuneration Committee**

Oversees the management, performance and remuneration of the CEO. The committee is made up of three Board Members nominated and endorsed by the full Board.

**3.1.3 Organisation structure**

The North Central CMA organisation structure consists of three departments reporting to the CEO, supported by the Executive Assistant.



**3.2 Planning framework**

The North Central CMA’s RCS is a key element of the planning framework which underpins the content of the corporate plan.



**3.2.1 Review of Corporate Plan**

The Board monitors progress against the Corporate Plan objectives at its meetings. The North Central CMA's performance, as defined by the performance measures in the Corporate Plan, is reported in the Annual Report.

The strategic objectives are updated each year based on changes occurring in the operating environment, including:

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

### 3.2.2 Other matters agreed on by the Minister and CMA

Nil

### 3.2.3 Changes to policies or procedures

Nil

## 3.3 Risk management

To facilitate the achievement of our mission and underlying strategic objectives, the Board and the Audit Committee support the development of robust risk management framework and risk culture.

Consistent with International Risk Management Standard AS/NZS ISO 31000:2009, the North Central CMA adopts the following definition of risk management:

The processes, systems and culture applied in order to manage both the upside and downside of uncertainty on the strategic objectives of NCCMA.

The North Central CMA considers risk management an important aspect of corporate governance and, therefore, a significant contributor to embedding our culture and values and in turn, delivering on our Vision.

The North Central CMA’s operations are underpinned by two key pieces of legislation and a set of statutory obligations. In addition,

as an entity under the *Public Sector Administration Act 2004*, there are further requirements for us to fulfil to ensure we are meeting the expectations of Government and the Victorian Public Sector Commission.

### 3.3.1 Risk appetite statement

The North Central CMA’s Risk appetite statement is based on its mission to ‘create natural resource management partnerships and programs that deliver lasting change’. Accordingly, North Central CMA has established three core risk appetite themes:

- 1 **Safety, Compliance and Governance** (areas of low tolerance to risk; averse)
- 2 **People, Operations and Performance** (areas that balance risk and reward outcomes)
- 3 **Leadership, Collaboration and Partnership** (areas of increased appetite for risk taking; high rewards)

### 3.3.2 Business risks

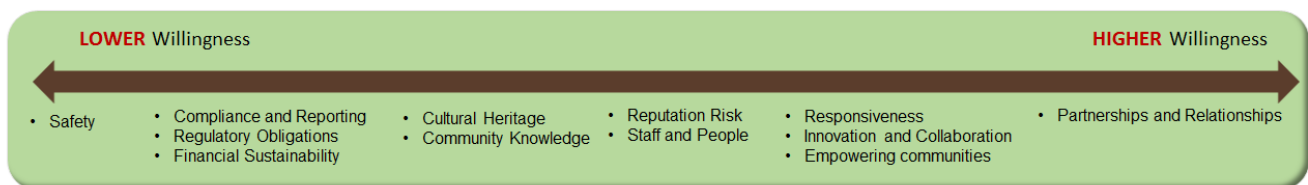
In consultation with the Board, management has identified the high level organisational risks and mitigation controls.

The Audit Committee and Board review organisational risks as set out in the North Central CMA Risk Management Framework.

### North Central CMA Risk Appetite Statement



### North Central CMA – ‘Our willingness to take risk’



Risk	Mitigation controls
<p>Reputational damage, loss of support and failure to meet strategic intent resulting from misunderstanding or poor execution of goals and objectives due to poor engagement with government, landholders, indigenous community and stakeholders.</p>	<ul style="list-style-type: none"> <li>• Engagement strategy</li> <li>• Identification of key stakeholders</li> <li>• High risk appetite for community engagement and empowerment</li> <li>• Measuring success from engagement</li> </ul>
<p>Significant workplace incident or accident resulting in significant/permanent injury or death to employee or contractor resulting from lack of OH&amp;S management and reporting.</p>	<ul style="list-style-type: none"> <li>• Up to date procedures, templates and monitoring in place</li> <li>• OHS officer employed to provide expertise and mentoring</li> <li>• Training programs</li> </ul>
<p>Stagnation of operations and failure to meet the innovation strategy and become known as industry innovation leaders due to absence of innovation and ideas.</p>	<ul style="list-style-type: none"> <li>• High risk appetite for new ideas and initiatives</li> <li>• Empowering community capability a key performance metric</li> </ul>
<p>Bad publicity and loss of reputation, goodwill, and good faith with the indigenous community due to inappropriate treatment and/or access to indigenous sites resulting from lack of understanding, planning and awareness of such sites.</p>	<ul style="list-style-type: none"> <li>• Embedded into project planning considerations</li> <li>• Strong relationships with traditional owners</li> <li>• Cultural awareness training for staff</li> </ul>
<p>System failure, business disruption, data leakage and reputational damage leading to data loss, manipulation, virus impacts and storage concerns resulting from poorly designed and/or supported IT tools and technology.</p>	<ul style="list-style-type: none"> <li>• IT strategy in place to ensure future planning</li> <li>• Significant staff knowledge of software and hardware</li> <li>• External support</li> </ul>
<p>Incorrect statutory planning advice resulting in approval of inappropriate developments, legal action and reputational damage, due to lack of experienced staff and/or inadequate infrastructure.</p>	<ul style="list-style-type: none"> <li>• Highly skilled and knowledgeable team</li> <li>• Goods tools and processes in place</li> </ul>
<p>Inability to meet our 'Desire to Lead' and 'Innovation' due to lack of focus and strategy around VMIA's Interagency and State-wide risk regime.</p>	<ul style="list-style-type: none"> <li>• Good relationship with other agencies</li> <li>• Involvement in interagency forums, groups and discussions</li> <li>• Interagency risk discussions taking place</li> </ul>
<p>Poor financial decision making or fraud resulting in an inability to meet budgets and poor investor experience resulting from lack of financial controls, oversight and governance.</p>	<ul style="list-style-type: none"> <li>• Highly skilled team</li> <li>• Strong controls, review and segregation of duties</li> <li>• Good systems and processes</li> <li>• External and internal audits</li> <li>• Audit Committee oversight</li> </ul>
<p>Inability to operate efficiently resulting in disruptions to strategic objectives due to insufficient staff capability, corporate knowledge and skill sets.</p>	<ul style="list-style-type: none"> <li>• Highly skilled workforce</li> <li>• Capability framework in place</li> <li>• Low staff turnover</li> <li>• Strong culture</li> </ul>
<p>Regulatory failure and resulting in financial penalties, reputational damage and exposure arising from lack of awareness or understanding of regulations and laws.</p>	<ul style="list-style-type: none"> <li>• Strong knowledge of regulations and legislation in government</li> <li>• Strong culture and Board focus towards compliance</li> <li>• Good policies and procedures in place</li> <li>• Audit Committee oversight</li> </ul>

## 3.4 Projects and programs

The Corporate Plan is informed by the North Central CMA's Statement of Corporate Intent and, in particular, its Vision to achieve 'Sustainably managed land, water and biodiversity resources, that support productive and prosperous communities, now and in the future'.

### Regional Catchment Strategy

The North Central RCS is the key planning document that sets regional priorities for the management of natural resources across the region to strengthen the links between rivers, landscapes and people.

The RCS Implementation Plan guides our work with the community and partner organisations to ensure a strong collaborative approach to implementing the RCS. The Board's Strategy Implementation Committee oversees the RCS Implementation Plan.

### Development process

We embrace our role as the lead NRM agency in north central Victoria for coordinating and monitoring NRM programs 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 designed 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.

### Anything but Standard

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

- Being at the heart of the way we do business, it pushes us to think strategically about how we can most effectively and efficiently achieve our goals
- Providing a basis for assessing the diverse range of activities, projects and programs that the CMA delivers and reports on, and
- Prompting regular review of the results of assessments against the Standard to continually refine and improve the quality of service delivery.

Over the 2017-18 Corporate Plan period we will refine our implementation and achievement measures and embed them in our governance frameworks

As such, our projects are:

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

To deliver on our various strategies the North Central CMA has established a range of programs that organise and drive the operational activity of the organisation. Whilst much of our activity is managed through separate programs, we take an integrated approach to the management of NRM assets consistent with the objectives of the North Central RCS, the Loddon Campaspe Irrigation Region Land and Water Management Plan, the 2014-22 North Central Regional Waterway Strategy and other relevant theme-based strategies.

The North Central Climate Change Adaptation and Mitigation Plan, along with the North Central Regional Sustainable Agriculture Strategy, 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 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).

### 3.4.1 Nature and scope of activities

The North Central CMA is principally responsible for protecting and improving the health of the region's natural resources in line with the RCS and its approved plans and sub-strategies, and delivering its statutory responsibilities for waterway, rural drainage and floodplain management.

The nature and scope of the North Central CMA's programs and projects contribute to the achievement of its business objectives. The core programs of the North Central CMA are:

- Environmental assets
- Environmental water
- Sustainable agriculture.
- Community engagement and strategy
- Statutory functions
- Organisational development

For each program, planned activities and associated proposed investment is described, along with the contribution that each activity makes to the specific business objective deliverables detailed earlier in this Corporate Plan and North Central CMA and government strategies.

#### Environmental Assets Program

The environmental asset program is responsible for delivering a broad range of projects aimed at improving the health of waterways, wetlands and biodiversity within our Region. The program delivers on the priorities identified within the North Central Waterway Strategy, the Regional Catchment Strategy the Regional Biodiversity Strategy and on a range of international environmental obligations. The program also works closely with the broader North Central community and key traditional owner groups to help build capacity for delivering NRM and social outcomes across the region.

Environmental assets	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<b>Delivering Riparian Priorities</b>						
<ul style="list-style-type: none"> <li>• Deliver a range of activities to improve waterway health, build capacity and support our community to ensure our region is reaching its full potential including a large river restoration project (Caring for the Campaspe) and Landcare support initiatives on riparian land as part of the annual Community Grants program</li> </ul>	795,000	795,000	795,000	1a, 1b, 1c, 1d, 4a, 6a, 6b, 7a, 7b	North Central Regional Waterway Strategy	Water for Victoria Regional Riparian Action Plan Victorian Waterway Mgmt Strategy
<b>Delivering OGW Priorities</b>						
<ul style="list-style-type: none"> <li>• Restore native fish populations through the Native Fish Recovery project</li> <li>• Continue sharing ideas, transferring knowledge, and collaborating on initiatives with the Dja Dja Wurrung</li> <li>• Improve riparian conditions and management of Birch's Creek and the Upper Coliban waterways using traditional waterway management approaches and strategic partnerships and initiatives through the North Central Priority Waterways activity</li> </ul>	970,000	933,000	781,000	1a, 1b, 1c, 1d, 4a, 6a, 6b, 7a, 7b	North Central Regional Waterway Strategy	Water for Victoria Regional Riparian Action Plan Victorian Waterway Mgmt Strategy
<b>Protect investment/build capacity</b>						
<ul style="list-style-type: none"> <li>• Enhance river health outcomes achieved throughout the catchment by ensuring</li> </ul>	180,000	173,000	297,000	1d		Victorian Waterway Mgmt

Environmental assets	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
previous works are being maintained and where possible improved by landholders						Strategy
<b><i>Protecting, linking, and enhancing priority remnants in the Kyneton woodlands</i></b>						
<ul style="list-style-type: none"> <li>Protect, link and enhance nationally significant grassy woodland remnants through ecological management and restoration using buffer fencing, facilitated regeneration and revegetation, targeted pest control and the development of 10 year landholder management agreements</li> <li>Increase education and raise awareness to support landholders to develop best practice approaches to native vegetation management</li> </ul>	451,800	-	-	3a, 3b, 3c 4a, 6a, 6b 7a, 7b	North Central RCS	<i>Protecting Victoria's Environment B'diversity 2037</i>
<b><i>Gunbower Forest key asset protection</i></b>						
<ul style="list-style-type: none"> <li>Address the critical threats impacting on the forest's ability to support and maintain its ecological character, particularly relating to native habitat and vegetation condition and pest animal control within the forested environment and specific areas which adjoin the forest</li> </ul>	484,909	430,709	-	1a, 1b, 1c, 1d, 4a, 6a, 6b 7a, 7b	North Central RCS North Central Regional Waterway Strategy	Victorian Waterway Mgmt Strategy
<b><i>Kerang priority wetlands protection project</i></b>						
<ul style="list-style-type: none"> <li>Implement activities to address the critical threats impacting on the ability of six Ramsar wetlands to support and maintain their ecological character, particularly relating to native habitat and vegetation condition and pest animal control</li> </ul>	358,710	352,310	-	1a, 1b, 1c, 1d, 4a, 6a, 6b 7a, 7b	North Central RCS North Central Regional Waterway Strategy	Victorian Waterway Mgmt Strategy
<b><i>Protecting remnant grassy ecosystems on the Riverine Plains</i></b>						
<ul style="list-style-type: none"> <li>Improve the condition of grasslands, grassy woodlands and seasonally herbaceous wetlands in the lower Loddon and Avoca catchments</li> <li>Directly engage with Traditional Owners, and improve community awareness and increase the knowledge and attitudes of key private land managers</li> </ul>	479,182	544,781	-	3a, 3b, 3c 4a, 6a, 6b 7a, 7b	North Central RCS	<i>Protecting Victoria's Environment B'diversity 2037</i>
<b><i>Kooyoora connections</i></b>						
<ul style="list-style-type: none"> <li>Build landscape resilience and connectivity between Kooyoora State Park, Wychitella and Mt Korong Nature Conservation Reserves by protecting and enhancing three nationally significant listed ecological communities along the Sunday Morning Hills range</li> </ul>	295,000	292,000	-	3a, 3b, 3c 4a, 6a, 6b 7a, 7b	North Central RCS	<i>Protecting Victoria's Environment B'diversity 2037</i>

Environmental assets	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<ul style="list-style-type: none"> <li>Build NRM skills, knowledge and Indigenous cultural awareness through engagement with Dja Dja Wurrung Enterprises to deliver on-ground works</li> <li>Increase the capacity of local community groups, such as the Wedderburn Conservation Management Network</li> </ul>						

**Environmental Water Program**

The core business of the environmental water management program is to deliver against the North Central CMAs statutory responsibilities to manage the environmental water reserve in our region pursuant to the *Water Act 1989*. This includes long term and annual planning, adaptively managing delivery, monitoring and extensive community and traditional owner engagement. The program also includes management of works and measures that support environmental watering objectives such as infrastructure to deliver water to a site or projects such as fish passages on instream barriers.

Environmental water	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<b>Environmental Water Management</b>						
<ul style="list-style-type: none"> <li>Manage specific Victorian Environmental Water Holder entitlements for the Campaspe River (including the Coliban River), Loddon River System (including Tullaroop, Serpentine and Pyramid creeks) and 14 Central Murray and Mid Loddon wetlands, and seven Wimmera Mallee Pipeline wetlands</li> <li>Collaborate with key partners, provide input to water policy, deliver technical investigations and respond to section 51 of the Water Act referrals</li> <li>Ensure shared benefits for Traditional Owner Groups cultural values, key recreational users and the regional economy</li> </ul>	754,000	778,000	811,000	1a, 1b, 1c, 1d 4a 5a 6a, 6b 7a, 7b, 7c	North Central Regional Waterway Strategy	Water for Victoria Victorian Waterway Mgmt Strategy
<b>Environmental Works and Measures</b>						
<ul style="list-style-type: none"> <li>Undertake investigations, planning and works to improve the management of environmental water and/or enhance its outcomes through the following projects over the next four years:                             <ul style="list-style-type: none"> <li>Tang Tang Swamp delivery infrastructure: approvals and construction</li> <li>Gunbower and Lower Loddon Fishways project:</li> <li>Lake Eppalock outlet tower thermal curtain: feasibility, concept and detailed design, business case</li> <li>McDonald Swamp levee detailed design; approvals and construction</li> <li>Tragowel Swamp and Two Mile Swamp delivery infrastructure and detailed design/business case</li> </ul> </li> </ul>	65,000	50,000	86,000	1a, 1b, 1c, 1d 4a 6a, 6b 7a, 7b, 7c	North Central Regional Waterway Strategy	Water for Victoria Victorian Waterway Mgmt Strategy



Environmental water	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<b><i>The Living Murray 'Flooding For Life'</i></b>						
<ul style="list-style-type: none"> <li>Provide environmental flows to Gunbower Creek and restore regular flooding to Gunbower Forest through a combination of environmental watering, engineering works, monitoring, indigenous partnership programs and community engagement</li> </ul>	940,000	940,000	940,000	1a, 1b, 1c, 1d 4a 5a 6a, 6b 7a, 7b, 7c	North Central Regional Waterway Strategy	Water for Victoria Victorian Waterway Mgmt Strategy
<b><i>Guttrum-Benwell Forest Sustainable Diversion Limit Offset</i></b>						
<ul style="list-style-type: none"> <li>Reinstate a more natural flooding regime for the forest, particularly to address the reduced frequency and duration of floods by delivering water to the forest and semi-permanent wetlands via inlets and levees to contain water on the floodplain</li> </ul>	1,016,000	1,045,000	1,075,000	1a, 1b, 1c, 1d 4a 6a, 6b 7a, 7b, 7c	North Central Regional Waterway Strategy	Water for Victoria Victorian Waterway Mgmt Strategy
<b><i>Gunbower National Park Sustainable Diversion Limit Offset</i></b>						
<ul style="list-style-type: none"> <li>Enable the delivery of environmental water to the wetlands and forest of the Gunbower National Park to mimic a natural flood event, including delivering water to almost half of the permanent and temporary wetlands and River Red Gums with flood dependent understorey</li> <li>Enhance infrastructure and channels to enable the provision of water to land that can currently not be watered by any other infrastructure</li> </ul>	1,233,000	1,269,000	1,305,000	1a, 1b, 1c, 1d 4a 6a, 6b 7a, 7b, 7c	North Central Regional Waterway Strategy	Water for Victoria Victorian Waterway Mgmt Strategy

#### Sustainable Agriculture Program

The Sustainable Agriculture Program continues to work with communities and partner agencies to achieve productive farming while protecting the natural resource base. This is achieved by delivering on regional priorities to support agriculture across North Central Victoria via the implementation of actions identified in the North Central Region Sustainable Agriculture Strategy to protect the regional assets of; Land and soils; Waterways, floodplains and wetlands; Consumptive water available for irrigation; Agricultural livestock & crop health; Natural Biodiversity; Atmosphere and People in Agriculture from the pressures that agricultural practices put on the condition of these assets.

Sustainable agriculture	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<b><i>Healthy Productive Irrigated Landscapes</i></b>						
<ul style="list-style-type: none"> <li>Implement the Loddon Campaspe Irrigation Region Land and Water Management Plan: <ul style="list-style-type: none"> <li>Develop, coordinate and monitor an irrigation region Land and Water Management Plan and Drainage Management Plan</li> <li>Support development and management of water-use licences and associated Ministerial determinations</li> </ul> </li> </ul>	958,000	1,576,000	1,132,000	2a, 2b 4a 5a 7a, 7b, 7c	Loddon Campaspe Irrigation Region Land and Water Mgmt Plan	

Sustainable agriculture	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<ul style="list-style-type: none"> <li>Take responsibility for changes to Water-Use Objectives and Standard Conditions (including section 51 licence amendments)</li> <li>Develop and implement Irrigation Development Guidelines</li> <li>Convene and coordinate State Environment Protection Policy obligations for surface drainage to reduce river impacts</li> </ul>						
<b>Reporting and Accounting for Salinity</b>						
<ul style="list-style-type: none"> <li>Implement the Murray Darling Basin Salinity Management Strategy (BSM2030)</li> <li>Manage accountable actions for MD BSM2030 Salinity Registers</li> <li>Contribute to Victoria's Annual Murray Darling Basin Salinity Management Strategy Report</li> </ul>	584,000	436,000	417,000	7b, 7c	Loddon Campaspe Irrigation Region Land and Water Management Plan	Murray Darling Basin Salinity Mgmt Strategy 2030
<b>Farming for Sustainable Soils - Phase 2</b>						
<ul style="list-style-type: none"> <li>Take a community-based approach to land protection and soil conservation to improve the soil health of the region by establishing soil health groups and, in partnership, develop a plan to address the primary soil health issues</li> </ul>	525,000	559,000	-	2a, 2b 4a 5a 7a, 7b, 7c	North Central Victoria Regional Sustainable Agriculture Strategy	
<b>Plan2Farm</b>						
<ul style="list-style-type: none"> <li>Support farming families to develop strategic plans with appropriate enterprise goals and make informed, confident and more timely farming decisions around farm layout and design; irrigation upgrades; infrastructure optimisation; water entitlements and tariffs; land area and configuration; agriculture type and scale; the people involved (family and labour); and if necessary, to exit farming with dignity</li> </ul>	0	800,000	800,000	2b 4a 7a, 7b	Loddon Campaspe Irrigation Region Land and Water Management Plan  North Central Victoria Regional Sustainable Agriculture Strategy	

**Community Engagement and Strategy Program**

The community engagement and strategy program provides support and leadership across the community focused programs across the CMA. A key focus of the program is supporting Landcare Networks and Groups, rolling out Landcare Grants, rolling out the citizen science Waterwatch program and coordinating the CMA Indigenous Program.

Community engagement and strategy	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<b>Aboriginal Capacity Building Project</b>						
<ul style="list-style-type: none"> <li>Work with Traditional Owners and the ATSI communities within the North Central CMA to build shared capacity and delivery</li> </ul>	170,000	170,000	-	6a, 6b, 6c 8a, 8b	North Central RCS	DELWP Aboriginal Inclusion Plan 2016-2020
<b>Victorian Landcare Grants</b>						
<ul style="list-style-type: none"> <li>Undertake Landcare grants process annually to provide funding to local landcare priorities</li> </ul>	204,000	204,000	204,000-	5a	North Central CMA Landcare Support Plan 2014-18	Victorian Landcare Program Review Action Plan
<b>State Landcare Facilitator</b>						
<ul style="list-style-type: none"> <li>Support Landcare groups and Landcare networks to undertake local NRM</li> </ul>	149,200	149,200	-	5a 7a, 7b, 7c 9a	North Central CMA Landcare Support Plan 2014-18	Victorian Landcare Program Review Action Plan
<b>National Landcare Grants</b>						
<ul style="list-style-type: none"> <li>Focus on helping farmers improve farm sustainability</li> </ul>	125,000	125,000		5a	North Central CMA Landcare Support Plan 2014-18  North Central Victoria Regional Sustainable Agriculture Strategy	
<b>NLP Regional Landcare Coordinator</b>						
<ul style="list-style-type: none"> <li>Focus on helping farmers improve farm sustainability</li> </ul>	216,000	216,000		2b 5a 7a, 7b, 7c 9a	North Central CMA Landcare Support Plan 2014-18  North Central Victoria Regional Sustainable Agriculture	

Community engagement and strategy	Forecast 2016/17	Proposed 2017/18	Proposed 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
					Strategy	
<b>Waterwatch</b>						
<ul style="list-style-type: none"> <li>Work with community volunteers and schools to monitor waterways across the region</li> </ul>	192,000	192,000	192,000	1b, 1c 5a 8b 9a	North Central Regional Waterway Strategy	Water for Victoria Victorian Waterway Management Strategy
<b>River Detectives Program</b>						
<ul style="list-style-type: none"> <li>Work with primary schools to improve environmental understanding of our waterways</li> </ul>	125,000	125,000	-	1b, 1c 5a 8b 9a	North Central Regional Waterway Strategy	Water for Victoria Victorian Waterway Management Strategy
<b>Our Catchment Our Communities</b>						
<ul style="list-style-type: none"> <li>Work with the community, government agencies and stakeholders to deliver integrated catchment management outcomes that align to the Regional Catchment Strategy</li> </ul>	527,000	646,000	436,000	5a 6a 7a, 7b, 7c	North Central RCS	Our Catchments, Our Communities Integrated Catchment Management in Victoria 2016-19
<b>Water for Indigenous</b>						
<ul style="list-style-type: none"> <li>Work with Traditional Owners to improve participation in the Victorian water planning and management frameworks through consultative structures that address the rights and interests of Victorian Traditional Owners</li> </ul>			500,000	6a, 6b, 6c 8a, 8b		

### Statutory Functions Program

The Statutory Functions team provides advice and support to Local Government and the community about flooding risks associated with new development. The team is also currently leading the development of the Regional Floodplain Strategy which will provide the region with actions to manage the risk of flooding into the future.

Statutory functions	Forecast investment 2016/17	Proposed investment 2017/18	Proposed investment 2018/19	Link to Bus. Objectives	CMA Strategy	External Strategy
<b>Regional Waterway and Floodplain</b>						
<ul style="list-style-type: none"> <li>Provide advice and support to Local Government and the community about flooding risks associated with new development to protect the community</li> <li>Develop and implement the Regional Floodplain Strategy</li> </ul>	674,000	681,000	834,000	10a, 10b, 10c	NC Regional Floodplain Strategy NC Regional Waterway Strategy	Victorian Floodplain Mgmt Strategy Victorian Waterway Mgmt Strategy

**Organisational Development Programs**

With a commitment to continual improvement and organisational development, the North Central CMA identifies and delivers a targeted suite of development initiatives each year. These initiatives focus on the people, the processes and the strategies that support our NRM activities. Organisational development priorities for the 2017-18 period are described below and Achievement Targets are described in Section 4.7.

Organisational development	Link to Bus. Objectives
<b>MERI Improvement</b>	
<ul style="list-style-type: none"> <li>Review the performance report/program logic side of MERI and develop an approach for theories of change.</li> </ul>	1b 7a, 7c 8b, 9a
<b>Cultural Competencies Program</b>	
<ul style="list-style-type: none"> <li>The North Central CMA is committed to partnering with our traditional owners and aboriginal stakeholders. This Program will enhance cultural competencies of our staff, Board and CCC. It will include the development and implementation of a Reconciliation Action Plan and a cultural competency assessment and development program.</li> </ul>	6a, 6b, 6c
<b>Future growth opportunities program</b>	
<ul style="list-style-type: none"> <li>This program will ensure an aligned and strategic view of our strategies and plans with a diverse funding landscape and position the region for sustained and increased investment in NRM activities. In particular the program will:                             <ul style="list-style-type: none"> <li>collaboratively develop and document a planned approach to ensure consistency in the development, measurement and implementation of our strategic framework.</li> <li>collaboratively develop a method and/or tools to structure thinking about how to prioritise NRM assets or project ideas from within the strategic framework to guide resource allocation.</li> <li>develop a short list of at least three priority NRM assets or projects,</li> <li>develop a road map of traditional and non-traditional funding sources, including descriptions, opportunities and potential partnerships.</li> </ul> </li> </ul>	7a, 7b
<b>ICT Strategy</b>	
<ul style="list-style-type: none"> <li>The North Central Catchment Management Authority Information and Communication Technology (ICT) Strategy will provide guidance to the organisation on the direction for technology related investment during the 2017 – 2020 period.</li> </ul>	Contributes to majority of objectives
<b>Leadership capability program</b>	
<ul style="list-style-type: none"> <li>The North Central CMA’s people are our most important asset. Through this program we will build organisational capability by fostering talent and developing leadership capabilities across all levels the organisation. We will identify required leadership competencies aligned to our Statement of Strategic Intent and develop a program to build these competencies in our people, with a focus on ensuring appropriate diversity across all layers of the organisations.</li> </ul>	Contributes to majority of objectives

### 3.5 Performance indicators and targets\*

Each CMA is required to measure its achievement in each of the performance areas required by the Victorian Government, and report its achievement against those performance areas in its annual report.

CMAs may choose to add additional performance areas, performance indicators, targets and achievement reporting. North Central CMA has identified some specific organisational targets below.

Performance Area	Performance target
<b>Business management and governance</b>	Submit annually, a board and governance performance assessment report according to any guidelines issued.
	A risk management strategy / plan approved by the board and being implemented.
	One hundred per cent of the CMA's policies and procedures reviewed every three financial years.
	Full compliance with all applicable Standing Directions under the Financial Management Compliance Framework Checklist.
<b>Regional planning and coordination</b>	A regional catchment strategy (RCS) approved by the minister.
	A stakeholder and community engagement framework / plan approved by the board.
	A regional Landcare support plan approved by the board.
	A regional waterways strategy approved by the minister.
	A regional floodplain strategy approved by the board.
	Land and water management plans (LWMP) in designated irrigation areas (or equivalent) approved by the board.
	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.
<b>Regional delivery</b>	Progress with implementation of the RCS (and its major sub-strategies) is reviewed by the board annually.
	Projects / activities to implement the RCS are delivered and reported according to associated funding agreements.
	Projects / activities to implement the regional waterways strategy and the regional floodplain management strategy delivered and reported according to associated funding agreements.
	Projects / activities to implement the LWMP are delivered and reported according to associated funding agreements.
<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.
<b>Statutory functions under Part 11 of the Water Act</b>	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated irrigation management are responded to within the prescribed period.

\* Progress reported in Annual Report

### 3.6 Other North Central CMA targets

Organisational development initiative	Achievement target
<b>MERI Improvement</b>	
<ul style="list-style-type: none"> <li>Review the performance report/program logic side of MERI and develop an approach for theories of change.</li> </ul>	<p>Theories of change June 2017 MERI review September 2017</p>
<b>Cultural Competencies Program</b>	
<ul style="list-style-type: none"> <li>Improve cultural competencies and compliance, including development and implementation of a Reconciliation Action Plan</li> </ul>	<p>All members of corporate family have completed cultural competency training by 30 September 2017</p> <p>Cultural competencies development program finalised by December 2017</p> <p>Reconciliation Action Plan endorsed by Board by June 2018</p>
<b>Future growth opportunities development program</b>	
<ul style="list-style-type: none"> <li>ensure an aligned and strategic view of our strategies and plans with a diverse funding landscape and position the region for sustained and increased investment in NRM activities.</li> </ul>	<p>Development of 'Line of Sight, Decision Support Tool</p> <p>Identification and development of priority projects</p> <p>31 December 2017</p>
<b>ICT Strategy</b>	
<ul style="list-style-type: none"> <li>The North Central Catchment Management Authority (NCCMA) Information and Communication Technology (ICT) Strategy will provide guidance to the organisation on the direction for technology related investment during the 2017 – 2020 period.</li> </ul>	<p>Strategy progress in line with final agreed ICT Strategy roadmap (roadmap to be completed and Board endorsed by September 2017)</p>
<b>Leadership capability program</b>	
<ul style="list-style-type: none"> <li>Development of a capability framework to identify and develop our people and their leadership capabilities that the organisation requires now and into the future.</li> </ul>	<p>Program developed by August 2017 for implementation in the 17/18 performance cycle</p> <p>Each staff member has a tailored development plan and has completed at least one action by June 2018</p>

# 4. Financial Statements

## 4.1 Investment strategy

This Corporate Plan includes confirmed projects and related funding, proposed/potential funding based on likely but unconfirmed programs and an allowance for unknown funding that inevitably becomes available from year to year.

Funding can fluctuate significantly from year to year and therefore the North Central CMA must be flexible in its delivery approach to be able to maximise investment opportunities when they arise.

The National Landcare Program is set to finish in 2017/18 which makes up approximately 20% of the CMAs funding. This Corporate Plan assumes this Program will continue beyond that date.

## 4.2 Corporate programs and cost recovery

To deliver NRM and statutory functions, the North Central CMA must have corporate systems and services in place such as human resource management, finance, ICT, communications and governance. State Government provides \$0.9 million annually for these services which is significantly below the required \$3.8 million to run the organisation annually. The additional \$2.9 million is funded from interest and corporate charges applied to projects. Corporate charges are considered annually by the Board as part of the budget process and can vary from 0 to 13.5 percent depending on the corporate services required and the degree of project management required.

Business and system improvements providing productivity gains have enabled the North Central CMA to reduce its corporate charges in this Corporate Plan

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

- GIS and spatial information: 1.5 per cent  
Spatial and data systems, map production.
- Communications: 1.5 per cent  
Marketing, event coordination, community engagement.
- Indigenous Engagement: 1.5 per cent  
Compliance, Indigenous community engagement.

### Service fees and charges

The North Central CMA can charge fees for services provided in accordance with the Department of Treasury and Finance Cost Recovery Guidelines. The Authority does not currently charge any fees for services.

## 4.3 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 and applicable Ministerial Directions.

## 4.4 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, and 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.



## 4.5 Depreciation and amortisation

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Depreciation and amortisation are included in the financial statements. Rates for depreciation and amortisation are determined by the expected useful life of the assets. In 2015-16, as per the Financial Reporting Direction (FRD) 103D the five year scheduled cycle for asset revaluations took place. The North Central CMAs assets have been restated as at 30 June 2016 in accordance with the Valuer General review.

## 4.6 Capital

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The majority of capital expenditure for the North Central CMA relates to the replacement of motor vehicles in line with policy and safety requirements. The Plan includes an allocation of \$0.5 million per year for this.

## 4.7 Key financial assumptions

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The key financial assumptions that have been used in the development of the Corporate Plan are:

- Revenue based on current programs and assumed future programs
- Salaries and wages increase of 2.5% in line with expectations of the upcoming Enterprise Agreement negotiations

- Corporate cost increases of 2% factoring in some expected savings targets
- No growth in project or corporate FTEs
- Corporate cost recovery minimised to ensure only slight corporate surpluses
- Interest rates to remain constant

Deficits represent the intent to deliver project funding carried forward from previous years.

## 4.8 Financial overview

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Revenue for 2016-17 is expected to be \$16.7 million. The amount of unspent project funds expected to be carried into 2017-18 is \$6.1 million. This is reflected in the cash balance of \$9.3 million.

The approach for 2017-18 and beyond is to take a relatively aggressive approach on revenue by including confirmed funding and also including assumptions around possible and unknown funding based on previous year trends. This results in project revenue and spend staying reasonably constant throughout the life of the plan.

Minimal corporate surpluses have been proposed with the operating deficits reflecting the intent to reduce carry forward funds. The carried forward project funds are forecast to reduce to \$3.6 million by 30 June 2020.

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

## 4.8.1 Revenue forecast

	2017/18 forecast income & expenditure by source of funding				
	State \$ 000's	C'wealth \$ 000's	Other \$ 000's	Total Revenue \$ 000's	Proposed Expenditure \$ 000's
<b><u>Corporate &amp; Statutory Operations</u></b>					
Board, NRM, CEO & Finance	937	-	-	937	1,070
Other Revenue (incl staff secondments)	-	-	92	92	-
Interest	-	-	184	184	-
<b>Total Corporate &amp; Statutory Operations</b>	<b>937</b>	<b>-</b>	<b>276</b>	<b>1,213</b>	<b>1,070</b>
<b><u>Project Programs</u></b>					
Victorian Water Group (VIF/EC) - Statutory	681	-	-	681	681
Victorian Water Group (VIF/EC) - Other	6,833	-	-	6,833	7,350
Victorian Common Fund Agreement	675	-	-	675	675
National Landcare Programme	-	2,714	-	2,714	2,714
The Living Murray	-	940	-	940	940
Murray Darling Basin Plan	-	2,314	-	2,314	2,994
Other funding	-	-	1,000	1,000	-
<b>Total Project Funded Programs</b>	<b>8,189</b>	<b>5,968</b>	<b>1,000</b>	<b>15,157</b>	<b>15,354</b>
<b>Grand Total</b>	<b>9,126</b>	<b>5,968</b>	<b>1,276</b>	<b>16,370</b>	<b>16,424</b>

## 4.8.2 Operating statement

Actual 2015/16 \$ 000's	Operating Statement	Forecast 2016/17 \$ 000's	Forecast 2017/18 \$ 000's	Forecast 2018/19 \$ 000's	Forecast 2019/20 \$ 000's
	<b><u>Statutory Operations</u></b>				
987	Corporate Funding	987	937	937	937
183	Interest	142	184	159	121
74	Other (includes staff secondments)	92	92	92	92
	<b><u>Project Funding</u></b>				
	<b><u>State Government</u></b>				
1,271	Victorian Water Group (VIF/EC) - Statutory	2,004	681	834	834
6,271	Victorian Water Group (VIF/EC) - Other	5,353	6,833	6,701	6,701
(82)	Victorian Environmental Partnerships Program	0	0	0	0
700	Victorian Common Fund Agreement	1,440	675	0	0
55	DELWP - Fisheries	23	0	0	0
346	Other	0	0	0	0
	<b><u>Commonwealth Government</u></b>				
7	Caring for Our Country	0	0	0	0
2,710	National Landcare Programme	2,709	2,714	2,320	2,320
1,078	The Living Murray	977	940	940	940
469	Murray Darling Basin Plan	2,112	2,314	2,380	2,380
445	Biodiversity Fund	452	0	0	0
170	Action on the Ground	135	0	0	0
40	Sustainable Water Use	40	0	0	0
22	Carbon Action Plan	0	0	0	0
89	Natural Disaster Resilience Grants Scheme	0	0	0	0
	<b><u>Other Funding</u></b>				
183	Water Corporations	25	0	0	0
100	Universities	0	0	0	0
245	Local Government	70	0	0	0
92	Other	106	1,000	1,500	1,500
<b>15,455</b>	<b>Total Revenue</b>	<b>16,666</b>	<b>16,370</b>	<b>15,864</b>	<b>15,826</b>
	<b><u>Expenditure</u></b>				
	Corporate & Statutory Operations				
178	Board	198	202	206	211
144	Community Consultative Committee	129	132	134	137
389	Chief Executive Officer & support	460	469	479	488
527	Strategic Fund	631	250	250	250
430	Business Manager & support	836	853	870	887
1,621	Other Statutory & Support functions	1,621	1,653	1,686	1,720
(2,401)	Recovery from Project Programmes	(2,805)	(2,500)	(2,550)	(2,601)
15,201	Project Programmes	15,354	15,661	15,661	15,661
<b>16,088</b>	<b>Total Expenditure</b>	<b>16,424</b>	<b>16,720</b>	<b>16,736</b>	<b>16,753</b>
<b>(633)</b>	<b>Operating Surplus (Deficit)</b>	<b>242</b>	<b>(349)</b>	<b>(872)</b>	<b>(927)</b>

### 4.8.3 Statement of cash flows

Actual 2015/16 \$ 000's	Cash Flow Statement	Forecast 2016/17 \$ 000's	Forecast 2017/18 \$ 000's	Forecast 2018/19 \$ 000's	Forecast 2019/20 \$ 000's
	<b><u>Cash Flows from Operating Activities</u></b>				
	<b>Receipts</b>				
987	Corporate Funding	987	937	937	937
183	Interest	142	184	159	121
74	Other (includes staff secondments)	92	92	92	92
	<b>Grants</b>				
8,562	Receipts from State	8,820	8,189	7,535	7,535
5,029	Receipts from Commonwealth	6,424	5,968	5,640	5,640
619	Receipts from Other Investors	201	1,000	1,500	1,500
1,342	(Increase) / Decrease in Debtors	(175)	(2)	(405)	0
	<b>Payments</b>				
(9,695)	Payments to suppliers	(10,226)	(10,345)	(10,179)	(10,008)
734	Increase / (Decrease) in Creditors	(480)	0	(640)	0
(6,012)	Payments to employees and staff costs	(5,898)	(6,075)	(6,257)	(6,444)
180	Increase / (Decrease) in Staff Liabilities	70	0	36	37
<b>2,004</b>	<b>Net cash provided by operation activities</b>	<b>(44)</b>	<b>(51)</b>	<b>(1,581)</b>	<b>(590)</b>
	<b><u>Cash Flows from Investing Activities</u></b>				
(749)	Payments for purchase of fixed assets & intangibles	(500)	(500)	(500)	(500)
213	Proceeds on disposal of fixed assets & intangibles	408	200	200	200
<b>(536)</b>	<b>Net Cash used in investing activities</b>	<b>(92)</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>
1,468	<b>Net increase (decrease) in cash held</b>	(136)	(351)	(1,881)	(890)
7,986	<b>Cash at the beginning of the financial year</b>	9,453	9,318	8,966	7,086
<b>9,453</b>	<b>Cash at the end of the financial year</b>	<b>9,318</b>	<b>8,966</b>	<b>7,086</b>	<b>6,196</b>

## 4.8.4 Balance sheet

Actual 2015/16 \$ 000's	Balance Sheet	Forecast 2016/17 \$ 000's	Forecast 2017/18 \$ 000's	Forecast 2018/19 \$ 000's	Forecast 2019/20 \$ 000's
	<b><u>Assets</u></b>				
	<b><i>Current Assets</i></b>				
9,453	Cash / Deposits	9,318	8,966	7,086	6,196
418	Receivables	593	595	1,000	1,000
	<b><i>Non Current Assets</i></b>				
2,424	Fixed Assets	2,216	2,216	2,216	2,216
<b>12,295</b>	<b>Total Assets</b>	<b>12,127</b>	<b>11,778</b>	<b>10,302</b>	<b>9,412</b>
	<b><u>Liabilities</u></b>				
	<b><i>Current Liabilities</i></b>				
2,120	Accounts Payable / Accruals	1,640	1,640	1,000	1,000
1,229	Employee Provisions	1,298	1,298	1,331	1,364
	<b><i>Non Current Liabilities</i></b>				
158	Employee Provisions	158	158	162	166
<b>3,507</b>	<b>Total Liabilities</b>	<b>3,096</b>	<b>3,096</b>	<b>2,493</b>	<b>2,530</b>
<b>8,788</b>	<b>Net Assets</b>	<b>9,031</b>	<b>8,681</b>	<b>7,809</b>	<b>6,882</b>
	<b><u>Equity</u></b>				
229	Contributed Capital - 1/7/1997	229	229	229	229
8,527	Contributed Capital - surplus transfer	8,527	8,527	8,527	8,527
768	Asset Revaluation	768	768	768	768
5,982	Project Funded Surplus	6,074	5,570	4,584	3,599
(6,717)	Accumulated Surplus (Deficit)	(6,566)	(6,411)	(6,298)	(6,240)
<b>8,789</b>	<b>Total Equity</b>	<b>9,031</b>	<b>8,682</b>	<b>7,810</b>	<b>6,883</b>

## 4.8.5 Depreciation schedule

Actual 2015/16 \$ 000's	Movement in Fixed Assets	Forecast 2016/17 \$ 000's	Forecast 2017/18 \$ 000's	Forecast 2018/19 \$ 000's	Forecast 2019/20 \$ 000's
<b>2,257</b>	<b>Opening Written Down Value</b>	<b>2,424</b>	<b>2,216</b>	<b>2,216</b>	<b>2,216</b>
(386)	Depreciation	(300)	(300)	(300)	(300)
749	Additions	500	500	500	500
13	Revaluation	0	0	0	0
(209)	Disposals at Written Down Value	(408)	(200)	(200)	(200)
<b>2,424</b>	<b>Closing Written Down Value</b>	<b>2,216</b>	<b>2,216</b>	<b>2,216</b>	<b>2,216</b>

4.8.6 Summary of financial results and forecasts 1997-98 to 2019-20 (\$ millions)

