

ANNUAL REPORT

2015/16



NORTH CENTRAL
Catchment Management Authority
Connecting Rivers, Landscapes, People



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ACKNOWLEDGEMENT OF COUNTRY

The North Central Catchment Management Authority acknowledges Aboriginal Traditional Owners within the region, their rich culture and spiritual connection to Country. We also recognise and acknowledge the contribution and interest of Aboriginal people and organisations in land and natural resource management.

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“The North Central CMA’s Women in Agriculture course exceeded my expectations. I was surprised how encouraging everyone was of each other. There was no competition and everyone was respectful, encouraging, appreciative and nurturing of each person’s agricultural initiative.”

Jo Bear, sheep farmer, Loddon Vale.



All photos courtesy of North Central CMA

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Year in Review

Foreword from the Chairman

The North Central Catchment Management Authority (CMA) strives to be a benchmark organisation, working across north central Victoria to enhance the integrity of our catchments in partnership with our communities. In pursuit of this goal I am pleased to report that in 2015-16 we delivered \$16 million of investment resulting in enduring natural resource management (NRM) outcomes for the region.

During the reporting period we continued to provide regional leadership in NRM, primarily through bringing our partners together to implement our current Regional Catchment Strategy (RCS) – now in its third year. This involved undertaking a diverse range of strategy, onground, community capability and compliance projects. In specific catchment asset areas across the region we progressed with the protection and enhancement of 32 of the 42 priority assets identified in our RCS.

We strengthened our region's NRM strategy and consulted widely in developing complementary strategies to tackle the impacts of climate change on our natural resources and to accelerate the uptake of sustainable agricultural practices across the region. Both our North Central Climate Change Adaptation and Mitigation Plan and our Regional Sustainable Agriculture Strategy were finalised and released in December 2015.

Our NRM work also involved significant practical onground work. For a third year we can provide a comprehensive report of North Central CMA delivered activities against the investment we secured for the region. Our work for the year includes structural works (2.8 km of channel modification, 29 water storages and 140 km of fencing); environmental works (381 ha of revegetation; 8,032 ha of weed control and 23,457 ha of pest animal control); management services (65 ha of modified grazing land); approval or advice on 2,142 planning and regulatory issues and 7,995 people engaged in our events throughout the year.

Effective partnerships are critical to achieving our purpose of enhancing the integrity of our catchments. During the year we worked to strengthen our relationships with our partners. We continued to deliver our Regional Operating Agreement with key NRM managers (the Department of Environment, Land, Water and Planning and Parks Victoria) and partner with other land and water management organisations (such as Goulburn Murray Water; Coliban Water, Trust for Nature and other state and federal agencies), particularly in the area of complementary and coordinated service delivery to the regional community. We entered into a Memorandum of Understanding with Coliban Water to protect and enhance the beneficial uses of catchment areas for community benefit, including sustaining local jobs, and the environment, with a focus on climate change.

We are particularly proud of our partnerships with our local community, Landcare networks and groups, Traditional Owners and local government. Together we achieve significant on-ground works, identify and protect cultural heritage and protect communities into the future. This financial year saw the development and release of Flood Eye - an online mapping tool that enables the community to obtain a free report with flood information specific to a property. We signed a Partnership Statement with the Dja Dja Wurrung Aboriginal Corporation to consolidate our relationship and strengthen our work together to look after Country and we facilitated a successful Indigenous cultural heritage mapping program with Barapa Barapa Traditional Owners. Our region's farmers are one of our biggest assets and we continue to work with them to maintain sustainable, productive agricultural land through projects such as FarmWater and Farming for Sustainable Soils – through which over 900 farmers from across the region are involved in soil-related projects – and Healthy and Productive Irrigated Landscapes.

Whilst our achievements in 2015-16 are many, there are some notable highlights:

- We provided local support to the Victorian Government's Drought Response Program and coordinated Stock Containment Area grants along with the Drought Employment Program which saw fourteen farmers and farm workers employed in work crews based in Charlton and St Arnaud working on community NRM projects.
- The Barapa 'Water for Country' project won the 2015 Victorian Landcare Indigenous Land Corporation Land Management Award.
- We recognise and support our diverse community including women in agriculture. Our popular 'Chicks in the Sticks' event attracted over 140 women where guests heard from leaders in the NRM industry and Auntie Esther (front cover) who spoke of her connection to Country.
- We continued to implement a large-scale river restoration project along the Campaspe River to improve the condition of riparian land, which is critical to waterway health. Through cooperative partnerships, we negotiated the delivery of 14km of riparian fencing, 123ha of weed control and 64ha of revegetation with landholders and public land managers in both rural and urban areas along the river's 250km length. The flagship project also engaged over 550 participants at community events during the reporting year.
- We continued to provide leadership in the management of environmental water delivery and managed the delivery of 75 gigalitres of environmental water to improve the health of our rivers and wetlands. This included 35 gigalitres of consumptive water delivered for the environment where we were advised of appropriate flow regimes.
- In October our partnership with the Murray-Darling Basin Authority, the Victorian Government and Goulburn-Murray Water was recognised when the \$13.5 million Hipwell Road channel construction project won the "Outstanding Waterway Management Project" at the 2015 River Basin Management Society Awards. The channel allows for the efficient delivery of environmental water to our internationally important wetlands in Gunbower Forest.

We are extremely proud of our achievements over the past 12 months and in particular the benefits to our regional community. In accordance with the Financial Management Act 1994, I am pleased to present the North Central Catchment Management Authority's annual report for the year ending 30 June 2016.



David Clark

Chairman
North Central Catchment
Management Authority
25 August 2016

Vision, Mission, Values

Our vision

We will be a benchmark organisation

Our mission

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

Our values

- Leadership: actively implementing, promoting and supporting the values
- Accountability: accepting responsibility for decisions and actions
- Respect: treating others fairly and objectively
- Human rights: respecting, promoting and supporting human rights
- Responsiveness: providing best standards of service and advice
- Impartiality: acting objectively
- Integrity: earning and sustaining public trust.

The North Central Catchment Management Authority (CMA) is committed to high levels of performance that are underpinned by agreed values and behaviours.

Manner of Establishment and Responsible Ministers

The North Central CMA is established under the *Catchment and Land Protection Act 1994*. The responsible Ministers for the 2015-16 reporting period were:

- from 1 July 2015 to 22 May 2016, the Hon Lisa Neville MP, Minister for Environment, Climate Change and Water; and
- from 23 May 2016 to 30 June 2016, the Hon Lisa Neville MP, Minister for Water and the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

Nature and range of services provided

The North Central CMA works to achieve a healthy natural environment in north central Victoria, an area that covers 13 per cent of the state. We do this by adopting the following approach:

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

The North Central CMA business strategy is to protect the region's highest-value environmental assets while also supporting the community in their local natural resource management goals. We coordinate the capacity of the region to ensure that environmental investment achieves the best possible results. This is accomplished through developing high performing partnerships with other agencies, landholders, non-government organisations and researchers. Our balanced project portfolio includes investment in iconic rivers, grasslands and native forests as well as investment in projects that assist landholders in moving towards more sustainable land management practices.

In addition to our statutory functions around catchment management, waterway and floodplain management, water quality and biodiversity we also partner with other government agencies and the community in projects involving sustainable agriculture and land management, invasive plant and animal management, Landcare support and biodiversity protection.

Objectives, Functions, Powers and Duties

The principal statutory obligations of the North Central CMA are prescribed in the *Victorian Catchment and Land Protection Act 1994* (CaLP Act) and *Water Act 1989*. These Acts constitute the major enabling legislation for CMAs.

The core business of the North Central CMA delivers on CaLP Act and Water Act accountabilities, which primarily include:

- coordinating the management of land, biodiversity and water resources through the development and implementation of the North Central RCS
- enabling the regional community to provide local input to the planning and implementation of the North Central RCS
- formulating and delivering targeted interventions to protect the region's land, biodiversity and water assets.
- undertaking projects to restore river health
- overseeing the delivery of environmental water to improve the region's rivers and wetlands
- investing in biodiversity improvement along rivers and other sites with high environmental value
- reporting on catchment condition
- compliance monitoring and reporting to government relating to the organisation's obligations.

Performance against objectives, functions, powers and duties

Key Initiatives and Projects

July 2015

North Central Waterwatch Annual Salinity Snapshot Report on salinity levels at 100 sites distributed to over 600 community members.

North Central CMA's River Detectives program now involves 34 schools/groups (up from 14 in 2014 and just 7 in 2013).

Memorandum of Understanding signed with VR Fish.

The North Central CMA recognises NAIDOC week on social media and via staff email signatures.

North Central CMA hosts a visit by the Murray Darling Basin Authority to Gunbower.

Juvenile brolga sighting at Lake Murphy.

The North Central CMA commences the delivery of 20GL of environmental water into Gunbower Forest.

August 2015

The North Central CMA holds a series of public forums (Pyramid Hill, Charlton, Trentham, St Arnaud and Castlemaine) to discuss the Draft North Central Region Climate Change Adaptation and Mitigation Plan and the Draft Regional Sustainable Agriculture Strategy.

North Central CMA and the City of Greater Bendigo Council co-host a Climate Change and Sustainable Agriculture forum.

100 farmers participate in a series of livestock nutrition workshops with Sam Jolly (Productive Nutrition) around the region as part of the Farming for Sustainable Soils program.

A landholder summary of a research report on the social drivers of natural resource management in north central Victoria was produced and distributed to Councils/Shires, participants and key stakeholders.

Environmental watering commences to improve the health of the Central Murray Wetlands. Lake Elizabeth receives 2,500 ML, Wirra-Lo Wetland Complex receives 700 ML, Round Lake receives 600 ML, Richardson's Lagoon receives 2,000 ML and Johnson Swamp receives 4,400 ML.

A freshening flow of 450 ML/day of environmental water is released to the Loddon River, between Cairn Curran and Kerang Weir, including Tullaroop Creek.

Community feedback is sought on vegetation management works proposed along Deep and McCallums creeks to reduce the future flood risk to the town as part of the Carisbrook Flood Management Plan.

September 2015

89 community based organisations share in \$196,400 as part of the 2015-16 Community Grants Program.

25 people participate in a Sub Soil Manuring Field Day at Kamarooka hosted by the North Central CMA in partnership with DEDJTR.

27 facilitators attend training events as part of the River Detectives professional development program at three locations across the region.

The Barapa Barapa 'Water for Country' Project wins a Victorian Landcare Award.

The North Central CMA signs a Memorandum of Understanding with Coliban Water.

The North Central CMA joined with the Northern Plains Conservation Management Network to showcase and celebrate 10 years of works undertaken through the Remnant Grassy Ecosystem project.

The North Central CMA host an accredited 1080 course for landholders in the Kerang wetlands area.

The North Central CMA hosts Dr Tarnya Cox (Invasive Animals CRC) to present the 2015 Rabbit Buster Roadshow at Amphitheatre, Swan Hill, Ravenswood and Donald.

The North Central CMA hosts an Innovation in Cropping Field Day at Charlton focusing on subsoil manuring and controlled traffic farming.

October 2015

New Board and Community Consultative Committee members appointed to governance roles with the North Central CMA.

The North Central CMA's Gunbower Project wins the "Outstanding Waterway Management Project" at the 2015 River Basin Management Society Awards.

The Hon Anthony Carbines MP, Victoria's Parliamentary Secretary for the Environment, launches the new River Detectives website at the Axedale Reserve on the Campaspe River.

100 students from Epsom and Kangaroo Flat Primary Schools and Kalianna School gathered together at the Bendigo Botanical Gardens to celebrate National Water Week. This annual event is a partnership between the North Central CMA, the City of Greater Bendigo and Coliban Water.

Remote camera captures rare footage of the birth of a Brolga in a North Central wetland.

The North Central CMA supports the Wedderburn CMN and the Mt Korong Eco Watch on a one day walk from Mt Korong to Mt Kooyoora, to reflect upon the unique features in the Kooyoora Connections project area.

Community Consultative Committee members and staff join the local Farming for Sustainable Soils (FSS) group to tour the Donald area with a focus on FSS trial sites and the Donald Flood Management Plan.

The North Central CMA presents its Native Fish Recovery Plan to the Native Fish Recovery Scientific forum, Cohuna Bowling Club.

The North Central CMA hosts photography and bird watching workshops in Gunbower Forest.

The North Central CMA displays at the Elmore Field Days with the theme 'Supporting Victorian Agriculture'.

November 2015

Over 300 people take part in the North Central CMA's 'Campaspe Carp Catch' event at five hubs located on the Campaspe River from Axedale to Echuca. VR Fish funding secured for this partnership event with Echuca Moama Landcare, Strathallan Landcare, Rochester Angling Club, Dja Dja Wurrung, and the Caring for the Campaspe Project.

The North Central CMA hosts a 'Kids Carp Catch' event and a tour of Gunbower Forest as part of the Big Cohuna Forest Festival.

North Central Waterwatch hosts two waterbug workshops – one specifically for Traditional Owner Groups.

Over 140 women participate in the third annual 'Chicks in the Sticks' event at Degraes Mill, Carlsruhe.

The North Central Waterwatch Coordinator visits 49 community volunteers and over 100 monitoring sites as part of an auditing program.

North Central CMA staff meet with Yorta Yorta Council of Elders on Country to discuss CMA projects.

50 people participate in 'Welcoming the Waders' and 'Breakfast with the Birds' at Ramsar wetlands.

Flood Eye – the North Central CMA's online flood information tool - is officially launched at an Emergency Management Forum in Bendigo.

Mt Alexander Shire Council officially adopts the Castlemaine and District Flood Management Plan.

North Central CMA hosts a Victorian Wetland Working Group visit to Gunbower.

December 2015

The North Central CMA, in partnership with the Victorian Environmental Water Holder promote a YouTube video highlighting the importance of environmental water, with a focus on healthy habitat for platypus.

January 2016

Over 250 community members affected by drought participate in the North Central CMA supported 'Look over your farm gate' fishing event in Donald.

Over 50 farmers affected by drought participate in the North Central CMA supported Watchem community event.

Twelve people employed in two work crews based in Charlton and St Arnaud with another two people as a specialist fencing crew as part of the Drought Employment Program.

Drought Program Stock Containment Area Grants rolled out across the region.

Platypus sighting in the Campaspe River at Goornong.

The Central Murray Wetlands Environmental Water Advisory Group members tour Johnson Swamp and the Wirra-Lo wetland complex followed by the first meeting of the group.

February 2016

The North Central CMA uses social media to celebrate World Wetlands Day.

The North Central CMA supports the Ravenswood Valley Landcare Group to host on-site demonstrations at North Harcourt as part of Rabbit Buster month.

The North Central CMA holds one-on-one meetings with community members to discuss the Draft Bridgewater Flood Management Plan.

March 2016

A publication of three Inspiring Women in Agriculture case studies is complete and hard copies distributed.

The Drought Employment Program continues with crews undertaking works that includes fencing along the Avon-Richardson River, helping control wheel cactus at Mt Buckrabanyule, cleaning up along the Avoca River in Charlton, undertaking works at Lake Wooronook Recreational Reserve, and controlling weeds at Stuart Mill and the Lower Teddington Reservoir, bordering the Kara Kara National Park.

Rob Loats, a Donald farmer, Waterwatch monitor and North Central CMA Community Consultative Committee member, awarded '20 years of Waterwatch award' for his commitment to the program.

115 people attend a Carp Forum in Kerang where the North Central CMA's Native Fish Recovery Plan is explained.

The North Central CMA supports the Timor West Landcare Group's Farm Field Day at Dunluce where manure subsoiling and soil aeration and fracturing are demonstrated.

North Central Waterwatch displays the River Detectives Program at the Bendigo Easter Fair.

April 2016

Over 130 farmers participate in the North Central CMA's 2016 Future Farming Expo in Swan Hill. The Expo centred on agribusiness and free trade agreements, encouraging farmers to look at the business side of their farms and focus on financial sustainability and dealing with long-term climate variability.

The North Central CMA hosted a visit and tour with the Hon Lisa Chester MP (Federal Member for Bendigo) visiting a Farming for Sustainable Soils site and the Campaspe River.

May 2016

On World Fish Migration day the North Central CMA hosted site visits to fishways and barriers in the lower Loddon/Gunbower system - part of the Native Fish Recovery Plan.

The North Central CMA hosted a 'Regroup session' for past participants in the 'Inspiring Women in Agriculture' short course. Val Lang, Board Director Australian Women in Agriculture, was the guest speaker.

Feedback from the Bridgewater community results in the removal of levee recommendations from the town's new flood plan.

June 2016

40 people attended the North Central Waterwatch fourth annual Water Science Forum and NatureBlitz App launch at La Trobe University, Bendigo. John Cable, Community Consultative Committee member chaired the event.

45 people participated in a North Central Climate Change Adaptation and Mitigation Forum in Bendigo. Presenters included Graeme Anderson from Agriculture Victoria and Associate Professor Andrew Western, University of Melbourne.

North Central CMA Social media: Facebook now has 733 likes (up from 440 twelve months ago), Twitter has 1037 followers (up from 715 twelve months ago).

Management Summary

This year has seen a range of events from which we have learned a great deal and which will lead us to diversify our delivery models in future years. The ten Catchment Management Authorities and the Department of Environment, Land, Water and Planning (DELWP) worked together to address recommendations arising from the Victorian Auditor General's Office 2014 performance audit into the 'Effectiveness of Catchment Management Authorities'. This saw the development and implementation of a revised Catchment Condition Reporting approach, and the Victorian Government announced \$22 million funding over four years to implement 'the Our Catchments, Our Communities' Strategy - Victoria's first integrated catchment management strategy. We look forward to contributing to the implementation of the strategy across our region.

The Victorian Government also released the Water for Victoria discussion paper, a draft biodiversity strategy (*Protecting Victoria's Environment – Biodiversity 2036*) and tangible actions towards a state-wide climate change plan.

Working more collaboratively across the region and with key partners has been a significant focus this year and will continue as we diversify our delivery models in future years. This is shown by a number of projects and activities. North Central CMA has had a focus on contributing to the delivery of programs to support the regions farmers through drought; by assisting in the delivery of stock containment fencing grants, by coordinating the running of drought employment works crews and by running a number of support events, in places as diverse as Donald and Watchem.

We have continued the delivery of seven important National Landcare Programme (NLP) funded projects - Kerang Priority Wetlands; Gunbower Forest Protection; Kooyoora Connections; Protecting Remnant Grassy Ecosystems in the Northern Plains; Farming for Sustainable Soils; the Regional Landcare Facilitator; and Empowering Traditional Owners.

We continued our focus on working with women, especially those in agriculture, with our annual Chick in the Sticks event and continued working with the Inspiring Women in Agriculture course participants to understand the amazing projects they have delivered since last year's course. This year saw the signing of a Partnership Statement between North Central CMA and the Dja Dja Wurrung Aboriginal Corporation, formalising a long working relationship.

Over the financial year the following projects were delivered against the themes. Each project appears only once in the list; against its main theme.

Waterways

Action Plan for Kerang Wetlands, Native Fish Recovery Plan, Environmental Water Reserve Officers, The Living Murray Gunbower Forest, Central Murray Wetlands, Caring for the Campaspe, Kamarooka Wetlands Protection, Kerang Priority Wetlands, Gunbower Forest Protection Project, River Maintenance, Birch's Creek and Upper Coliban Priority Waterways, SDL Gunbower National Park and Guttrum Benwell.

Biodiversity

Northern Eco-connections, Kooyoora Connections, Protecting Remnant Grassy Ecosystems in the Northern Plains, Protecting and Enhancing Kyneton Woodlands, Winged Peppercreep Recovery.

Land

Reporting and Accounting for Salinity, Healthy Productive Irrigated Landscapes, Farming for Sustainable Soils, Regional Landcare Facilitator, Action on the Ground.

Community

North Central Carbon Action Plan, Project RENEW, Carisbrook Flood Management Plan Implementation, Barapa Barapa Water for Country, Statutory Functions, Regional Floodplain Strategy, North Central Community Grants, Regional Landcare Coordinator, Empowering Traditional Owners, North Central Waterwatch, Drought Employment Package, Stock Containment Grants.

Catchment condition statement

This year is the trial of a revised, state-wide, consistent approach for Catchment Condition reporting. The approach has been developed by the CMAs in response to the Victorian Auditor General's report on the Effectiveness of Catchment Management Authorities.

In 2010 the National NRM Chairs agreed to undertake a proof of concept trial of the Wentworth Group of Concerned Scientist's Accounting for Nature model. The trial produced a number of accounts, which are consistent with the recently approved System for Environmental-Economic Accounts (SEEA). The SEEA is an internationally agreed standard (by the United Nations Statistical Division). The SEEA comprises standard concepts, definitions, classifications, accounting rules and tables for producing internationally comparable statistics on the environment and its relationship with the economy. The SEEA is similar to the System of National Accounts. Most countries use the System of National Accounts to record and analyse their national financial information, such as Gross Domestic Product (GDP). The trial, to our knowledge, is the first substantial attempt to undertake environmental accounting at a national scale. Data availability and collection frequency make reporting catchment condition annually very difficult. Indicators or data for aspects of the catchment condition statement are currently not available.

The trial used a common measure to enable comparison of assets and condition across the nation, called an *Econd*. An *Econd* is a scientifically accredited measure, metric or model which reflects the condition of an environmental asset, and is created by combining (where appropriate) condition scores of environmental indicators against a reference condition benchmark.

The reference condition benchmark is a scientific estimate of the natural or potential condition of an ecosystem in the absence of significant human, post-industrial alteration. Current condition is compared against the reference condition benchmark. This gives us a relative condition of any environmental asset, at any scale, irrespective of the unit of measure of each indicator, out of a scale of 100.

Waterways

The condition of waterways in North Central region

The Waterways Theme reports on the overall condition of the region's key streams, wetlands and estuaries. The management of waterways focused on improving riparian and wetland vegetation, in-stream habitat and land management and flow regimes.

Part 1. Overall benchmark condition statement

Overall condition: Poor to moderate

Trend: Unknown (assumed stable)

The rivers Econd uses DELWP's Index of Stream Condition (ISC). This was collected in 1999, 2004 and 2010. The 2010 data was released last financial year and has been included in this analysis. ISC data was collected for five indicators hydrology (water quantity and flow timing), physical form (bank stability, woody debris and artificial barriers), streamside zone (native vegetation extent and condition and weeds), water quality and aquatic life (macroinvertebrates, or large bugs). These were collected through field sampling and data modelling in 1999 and 2004. In 2010 field sampling was used for hydrology, water quality and aquatic life, while remote sensing - LiDAR) was used to fully map the full length of every reach for physical form and streamside zone. The method used to calculate the ISC score changed with each iteration, so the data is not strictly comparable over time. Continuation of the program and more consistency in method would make this significant dataset even more valuable.

A sample of the rivers data is shown below, with yearly comparisons by waterway.

Rivers				1999	2004	2010
	Indicator	Unit of Measure	Reference Condition Benchmark	Econd	Econd	Econd
Econd TOTAL (regional)				48	35	46
Avoca River	Index of Stream Condition	Score	100	59	38	46
Campaspe River	Index of Stream Condition	Score	100	51	41	58
Gunbower Creek	Index of Stream Condition	Score	100	44	38	27
Loddon River	Index of Stream Condition	Score	100	39	31	60

The wetlands Econd used DELWP's Index of Wetland Condition (IWC). The IWC data uses six indicators to measure the wetland condition; wetland catchment (surrounding native vegetation and intensity of adjacent land use), physical form (current wetland area compared to historical area and degree of human alteration), hydrology (water availability and regime timing e.g. flood timing), water properties (nutrient enrichment and salinity), soil (disturbance) and biota (vegetation quality). These are collected through field sampling and data modelling. This was combined with the current extent (compared to pre settlement extent) to calculate the Econd. The dataset is not representative, as the majority of the surveys to date have been undertaken on high value, publically managed wetlands. Nevertheless, the methodology is sound and the North Central CMA would like more data collected from more wetlands so as to achieve a complete dataset and to help explain trends over time.

The summary of the wetlands dataset is shown below.


Wetlands				1994
	Indicator	Unit of Measure	Reference Condition Benchmark	Econd
Econd TOTAL (regional)				66
Extent	Area	Ha	100	74
Condition	Index of Wetland Condition	Score	100	57

Part 2. Assembling the annual evidence

Potential evidence for assessment of the Waterways Theme
– Drought was causing lower natural flows and has the potential to reduce environmental flow allocations in 2016-17
– Works and measures programs at State and Federal levels are investigating options and installing infrastructure to save water and improve environmental condition.
– Levels of investment in waterways improved in 2015-16, with the introduction of the Victorian Regional Riparian Action Plan and associated investment, as well as state additional funding into Ramsar wetlands
– Trialling and establishment of the Rivers2040 framework to communicate the long-term nature of river restoration activities
– Improved understanding of the benefits of riparian works to landholders - formalised through research

Part 3. The annual assessment:

The overall assessment of the region's waterways is neutral.

Annual Assessment – Waterways		
1. Optimistic future with little evidence of significant negative changes to waterways condition	▲	 Overall Assessment
2. Largely neutral state of waterways condition where positive and negative evidence over the year mostly cancel each other out	➡	
3. Evidence of poor condition of waterways during the year outweighs the evidence for positive change in condition	▼	
4. Pessimistic future, where evidence for negative condition of waterways is substantial and not balanced by significant positive change	▼	

Biodiversity

The condition of native habitat and health of native species in the North Central region

The Biodiversity Theme reports on the overall condition of native habitat and the health of native species across terrestrial, marine and freshwater environments. The management of biodiversity aims to improve and maintain the area of native vegetation and to improve and stabilise targeted populations.

Part 1. Overall benchmark condition statement

Overall condition: Poor

Trend: Unknown (assumed improving)

Little species level information could be gathered to use in developing the environmental accounts, as such vegetation extent and quality can be used as a summary of potential habitat.

The biodiversity Econd was calculated using the DELWP vegetation condition data, as little consistent fauna data is available. Two periods of data have been released, 2005 and 2013. It uses three key indicators to calculate vegetation condition; extent, composition and condition. Extent data was calculated using satellite imagery to map remaining vegetation. The composition data is modelled using vegetation extent and measures of patch size, patch shape, landscape connectivity and proximity. The 2005 condition information was modelled, using neural-network analysis, from 1931 field observation sites, using Habitat Hectares. Little technical information could be found about the 2013 data analysis. Habitat Hectares collects information in the field, against a pre-European benchmark, on key aspects of vegetation condition (large trees, tree canopy cover, understorey, weeds, recruitment, organic litter and logs). The method requires using accredited assessors. Comparisons between the two data sets are assumed to be reasonable as from the available information the analysis method appears to have been similar.

North Central CMA considers the development of the data to be nationally significant, as to our knowledge no similar work has been undertaken in Australia at a similar scale. The data has some issues around methodology and assessor variation; however, it is considered fit for purpose. Continuation of data collection and analysis using this type of framework is critical for catchment condition reporting.

A sample of the data, by Ecological Vegetation Class (EVC), is below.


Vegetation				2005	2013
	Indicator	Unit of Measure	Reference Condition Benchmark	Econd	Econd
Econd TOTAL				14	20
Eucalypt Open Forests	Vegetation condition model	Score	100	37	56
Eucalypt Woodlands	Vegetation condition model	Score	100	9	15
Plains Grassy Woodland	Vegetation condition model	Score	100	5	9
Tussock Grasslands	Vegetation condition model	Score	100	10	9

Part 2. Assembling the annual evidence

Potential evidence for assessment of the Biodiversity Theme
– 381 ha of habitat was enhanced due to direct government investment through the CMA; a similar amount to the previous year.
– A draft Victorian Biodiversity Strategy (<i>Protecting Victoria's Environment - Biodiversity 2036</i>) was released for comment. Additionally the native vegetation clearing regulations and the <i>Flora and Fauna Guarantee Act 1988</i> were reviewed this year. While funding did not increase substantially, it is hoped additional funding will be delivered in the near future to deliver against these approaches.

Part 3. The annual assessment:

The overall assessment of the region's biodiversity is neutral.

Annual Assessment – Biodiversity		
1. Optimistic future with little evidence of significant negative changes to native vegetation	△	 Overall Assessment
2. Largely neutral state of native vegetation where positive and negative evidence over the year mostly cancel each other out	➡	
3. Evidence of poor condition of native vegetation during the year outweighs the evidence for positive change in condition	▽	
4. Pessimistic future, where evidence for negative condition of native vegetation is substantial and not balanced by significant positive change	▼	

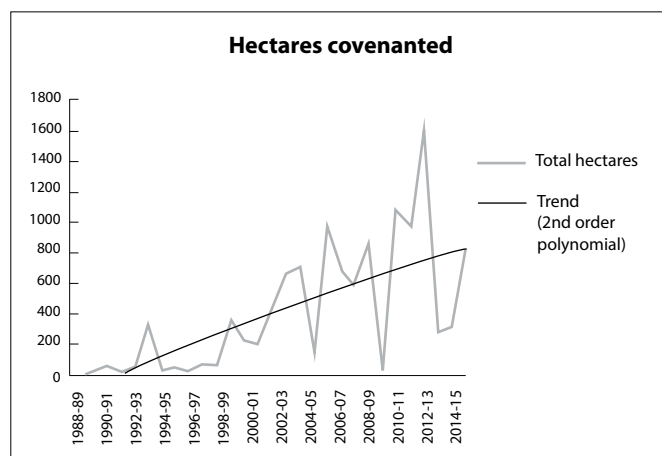
Land

The management of environment and long term productivity

The Land Theme reports on how government and the community are working together to protect the state's significant natural capital while also maintaining long term agricultural productivity, access and opportunities for recreation and protection of important cultural values. The management of Victoria's public and private land focuses on the protection of natural capital through agreements, covenants, management plans and parks and reserves.

Part 1. Overall benchmark condition statement

Land Managed for Conservation		
Protection type	Area covered	Additional area this year
National parks	47,902 hectares	0 hectares
State parks	80,740 hectares	0 hectares
Trust for nature covenants	11,186 hectares	788 hectares



The benchmark for land management in Victoria is still in development. Victoria's land resources are part of multi-use, multi thematic landscapes that do not lend themselves to simple quality statements. It is hoped that over the next twelve months DELWP will lead the development of a dataset that shows the extent of Victoria covered by formal mechanisms for protection of our environmental assets.

Land Cover

The distribution of exposed soil, based on the Australian National University 'Australia's Environment in 2015', data shows a slight increase in 2015. Between 2010 and 2014, exposed soil was around 16%; while it has moved up to 19% for the region in 2015. This is likely due to returning drought conditions. Information sourced from <http://wenfo.org/aus-env/#/>.

Part 2. Assembling the annual evidence

Potential evidence for assessment of the Land Theme
– Area reported as large scale bare ground or other significant land cover change – Landsat / MODIS, and National DustWatch wind erosion monitoring
– Launch of the North Central Climate Change Adaption and Mitigation Plan
– Renewed focus by the State Government on climate change
– 787 hectares of new covenants from programs such as Trust for Nature
– Community-based soil group implementing planning and works
– The drought this year has been quite significant in areas to the north-west and west of the region. Several local government areas were drought declared. The state government funded a drought response package, including drought employment work crews and stock containment fencing.
– The Lancefield fires in September 2015 burnt over 3,000 hectares and will change future fire management for controlled burns
– Industry issues, e.g. increasing milk prices are generally adverse for farming enterprises

Part 3. The annual assessment:

The overall assessment of the region's land management is neutral.

Annual Assessment – Land		
1. Optimistic future with little evidence of significant negative changes to land management practices	▲	 Overall Assessment
2. Largely neutral state of land management practice where positive and negative evidence over the year mostly cancel each other out	➡	
3. Evidence of poor land management practice during the year outweighs the evidence for positive change in condition	▼	
4. Pessimistic future, where evidence for poor land management practice is substantial and not balanced by significant positive change	▼	

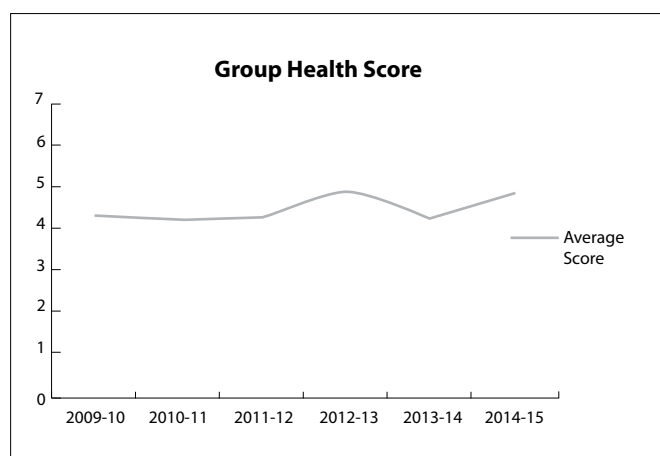
Community

The benefits that flow from community participation

The Community Theme reports on the level of community contribution to environmental management and environment-based recreational activities. The table below breaks down the overall event participants into four categories describing what type of event they participated in.

Part 1. Overall benchmark statement

Current level of community participation		
Activity	Number of participants	Approximate hours
Contributing to on-ground works	238 properties	unknown
Attending skills and training events	1256	240
Taking part in awareness raising activities	5826	493
Working as collaborators in planning and decision making	255	65
Being consulted to help determine appropriate action	658	166



The group health scores are sourced from the 'Supporting Landcare in the North Central CMA region Annual Landcare group survey'. The results indicate a significant increase in the participation of CMA-led engagement events and a slight increase in the health score of the region's community NRM groups.

Category/Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Trail Blazers	1	5	6	6	7	6
Thriving	5	9	9	5	18	20
Rolling Along	12	19	20	10	20	25
Stable	8	8	8	6	28	20
Struggling a Little	6	10	10	4	18	3
Surviving	2	5	5	2	8	10
Barely Hanging On	1	5	5	2	5	3
Total responses	35	61	63	35	104	87
Average score	4.34	4.28	4.33	4.69	4.27	4.59

Part 2. Assembling the annual evidence

Potential evidence for assessment of the Community Theme
– A significant increase in the participation of CMA led engagement events; including training, collaborative planning awareness raising
– A slight increase in the health score of the region's community NRM groups (e.g. Landcare, Friends of, etc.)
– Additional social research study into the towns adjacent to Gunbower Forest and Creek

Part 3. The annual assessment:

The overall assessment of the region's community participation is optimistic.

Annual Assessment – Community		
1. Optimistic future with little evidence of significant negative changes in community participation	▲	 Overall Assessment
2. Largely neutral state of community participation where increases and decreases over the year mostly cancel each other out	➤	
3. Evidence of declining levels of community participation during the year outweighs the evidence for increases	▼	
4. Pessimistic future, where evidence of declining levels of community participation is substantial and not balanced by significant increases	▼	

2015-16 Outputs

This table summarises the work that North Central CMA has delivered during the reporting period against DELWP standard outputs. All the outputs are mapped by project staff as evidence of delivery.

Table 1 – 2015-16 Outputs

Category	Output	Actual 2015-16	Actual 2014-15	Measure
Structural works	Channel	2.84	5.3	Kilometres
	Water storage	29	9	Of
	Pump	0	0	Of
	Waterway structure	1	7	Of
	Monitoring structure	0	5	Of
	Fence	139.74	64.7	Kilometres
	Visitor facility	25	0	Of
Environmental Works	Vegetation	381.3	308	Hectares
	Weed control	8,031.58	7,686.9	Hectares
	Pest animal control	23,457.39	44,412.2	Hectares
	Soil treatment	1.68	477.4	Hectares
	Earth works	0	0	Of
	Rubbish removal	159.64	0	Hectares
Management services	Grazing regime	64.68	323	Hectares
	Water regime	64	52	Of
Planning and Regulation	Approval and Advice	2,142	1,410	Of
	Management agreement	7	0	Of
	Assessment	1,240	453	Of
	Engagement event	7,995	3,475	Participants
	Partnership	20	13	Of
	Plan	39	49	Of
	Publication	62	40	Of
	Information management system	1	0	Of

Regional Catchment Strategy Implementation

The reporting period marks the third year of implementing a six-year plan that provides direction for the natural resource management work we undertake in conjunction with our partners. Implementing our renewed 2013-19 North Central Regional Catchment Strategy (RCS) will help to achieve enduring landscape change and strengthen the links between rivers, landscapes and people in our region. We have developed SMART targets for the majority of our priority assets and Table 2 indicates how we are tracking towards each target.

Table 2 – RCS Implementation Plan progress 2015-16

Legend				
Symbol	SMART Target	Progress towards target	Partnerships in place	Funding adequacy to meet target
●	SMART target determined and validated	Excellent progress being made towards target	All partners involved and actively cooperating	Adequate funding available to achieve target
◐	SMART target determined with a high level of confidence	Very good progress being made towards target	Most partners involved and actively cooperating	Funding allows for good progress towards target
◑	SMART target determined with a medium level of confidence	Good progress being made towards target	Half of the partners involved and actively cooperating	Some funding available to achieve target
◒	SMART target at concept level only	Limited progress being made towards target	Less than half of the partners involved and actively cooperating	Limited funding available to achieve target
○	NO SMART target determined	No progress being made towards target	No partnerships formed	No funding secured

Asset	SMART Target determined	Progress towards target	Partnerships in place	Funding adequacy to meet target
Lower Avoca River	◑	◑	◑	◑
Upper Avoca River	◑	◑	◒	◒
Lower Campaspe River	●	◑	◑	◑
Lower Loddon River	◑	◑	◑	◑
Upper Loddon River	◑	◑	◑	◒
Coliban River	◑	◒	◑	◑
Gunbower Creek	◑	◑	◑	◑
Gunbower Forest (Ramsar)	●	◑	◑	◑
Avoca Marshes	◑	◒	◑	◒
Kamarooka Wetlands Complex	◑	◒	◑	◒
Central Murray Wetlands (Kerang Lakes)	◑	◑	◑	◑
Mid-Loddon Wetlands	◑	◑	◑	◒
York Plains	◑	◑	●	◑
Moolort Plains	◑	◑	●	◑
Patho Plains	◑	◑	●	◑
Pyramid Hill	○	○	○	○
Wandella	○	○	○	○
Bunguluke	◑	◒	◑	◑
Bael Bael (Lower Avoca Grasslands)	◑	◑	●	◑
Northern Plains Woodlands	○	○	○	○
Kamarooka	◒	◒	◒	◒
Wellsford	◑	◒	◒	◒
Eppalock	◑	◒	◒	◒
Wedderburn/Wychitella	◑	◑	●	◑
Muckleford	◑	◑	◑	◑
Kara Kara-Carapooee	◒	◒	◑	◒
Moliagul	○	○	○	○
Maryborough-Paddy Ranges	○	○	○	○
Tottington	○	○	○	○
Inglewood-Rheola (Kooyoora)	◒	◑	◑	◑
Mid Loddon	○	○	○	○
Bealiba-Dalyenong	◑	◒	◒	○
Upper Loddon	◒	◒	◒	◒

Asset	SMART Target determined	Progress towards target	Partnerships in place	Funding adequate to meet target
York Plains				
Daylesford-Wombat				
Upper Avoca				
Gunbower				
Dartagook				
Lake Buloke				
Kyneton Woodlands				
Soils – Dryland				
Soils – Irrigated				

Table 3 – Operational and budgetary objectives and performance against objectives

The North Central CMA reports against the state-wide key performance indicators and targets as prescribed by the Victorian Government for all Victorian CMAs as follows:

Performance Area	Performance target	Achievement commentary
Business Management and Governance	Submit annually a Board performance assessment report, according to any guidelines issued	A Board performance assessment report was submitted on 31 August 2015 and was compliant with DELWP guidelines.
	A risk management strategy approved by the Board and being implemented	At 30 June 2016 the North Central CMA had an approved risk management strategy in place which has since been superseded by an amended risk management framework endorsed by the Board in August 2016. This framework will be fully implemented by 30 June 2017.
	100% of the CMA's policies and procedures reviewed every three years	100% of North Central CMA policies and procedures are reviewed every 3 years
	Full compliance with all applicable Standing Directions under the Financial Management Compliance Framework Checklist.	The North Central CMA has complied with all Ministerial Standing Directions with the exception of partial compliance against Direction 4.5.5. Partial compliance relates to some amendments required to the North Central CMA risk management framework and application which was endorsed by the Board in August 2016 and will be rolled out to the business by 30 June 2017.
Regional Planning and Coordination	A Regional Catchment Strategy approved by the Minister	At 30 June 2016 the 2013-19 Regional Catchment Strategy, which was gazetted by the Victorian Government on 16 May 2013, was in its third year of implementation.
	A Stakeholder and Community Engagement Framework approved by the Board	At 30 June 2016 the Board has an approved Stakeholder and Community Engagement Framework which will be renewed in 2016-17.
	A Regional Landcare Support Plan approved by the Board	At 30 June 2016 the endorsed 2014-18 North Central Regional Landcare Support Plan was in its second year of implementation.
	A Regional Waterway Strategy approved by the Board	At 30 June 2016 the 2014-22 North Central Regional Waterway Strategy was in its second year of implementation.
	A Regional Floodplain Strategy approved by the Board	Following the release of the Victorian Strategy and guidelines from DELWP a North Central Regional Floodplain Strategy will be developed in 2016-17.
	Land and Water Management Plans (LWMP) in designated irrigation areas (or equivalent) approved by the Board	LWMP status: the Loddon Campaspe Irrigation Region LWMP was endorsed by the Board in 2011 as a 15 year Plan under the North Central RCS and will be reviewed in 2016 against the State government guidelines for irrigated LWMPs.
	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.	The North Central CMA complied with its Basin Salinity Management Strategy (BSMS) obligations by providing the 2014-15 annual report on time and has managed salinity credits for the region within our allocation. The BSMS annual report was provided to DELWP in October 2015 and presented to the independent auditors in November 2015.
Regional Delivery	Progress with implementation of the RCS (and its major sub-strategies) is reviewed by the board annually.	On behalf of the Board, the Board's Strategy Implementation Sub-committee reviewed progress with implementation of the North Central RCS on 7 June 2016.
	Projects / activities to implement the RCS are delivered and reported according to associated funding agreements.	All North Central RCS annual actions implemented. The protection of 32 of 42 priority assets was progressed during the reporting period and all activities were reported according to associated funding agreements.
	Projects / activities to implement the Regional Waterway Strategy and the Regional Floodplain Management Strategy are delivered and reported according to associated funding agreements.	All projects / activities to implement the North Central Regional Waterway Strategy were delivered and reported according to associated funding agreements. Following the release of the Victorian Strategy and guidelines from DELWP a North Central Regional Floodplain Strategy will be developed in 2016-17.
	Projects / activities to implement the LWMP are delivered and reported according to associated funding agreements.	LWMP projects have been delivered and reported on according to DELWP funding agreements (Healthy, Productive Irrigated Landscapes and Regional Sustainable Agriculture Strategy)
Statutory functions under Part 10 of the Water Act	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated with waterway and floodplain management are responded to within the prescribed period.	More than ninety per cent of statutory requirements associated with waterway and floodplain management were responded to within the prescribed period.
Statutory functions under Part 11 of the Water Act	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated with irrigation management are responded to within the prescribed period.	Nil referrals received

Five year financial review

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Total revenue	15,454,535	18,911,129	21,801,185	21,095,511	19,893,721
Total expenditure	16,087,706	18,782,744	19,239,889	23,305,858	23,976,098
Total surplus/deficit	-633,171	128,385	2,561,296	-2,210,347	-4,082,377
Current assets	9,870,785	9,775,097	9,009,131	6,488,790	9,764,605
Non-current assets	2,424,134	2,256,762	2,612,017	3,149,791	3,054,414
Total assets	12,294,919	12,031,859	11,621,148	9,638,581	12,819,019
Current liabilities	3,348,813	2,511,452	2,232,409	2,769,407	3,745,525
Non-current liabilities	157,765	111,865	108,582	150,313	144,286
Total liabilities	3,506,578	2,623,317	2,340,991	2,919,720	3,889,811

Current year financial review

During the financial year ended 30 June 2016, the North Central CMA recorded a \$0.6 million deficit from operating activities compared with a \$0.1 million surplus in 2014-15.

The financial result for 2015-16 was driven by project expenditure exceeding revenue in the year as carry forward projects were delivered. Significant receivables were recognised in 2014-15 that were subsequently received in July 2015 and expended in the 2015-16 year. In addition to this, unexpected funding received in June 2016 resulted in higher revenue reported in the year and an increase in the cash balance at year end.

Significant changes in financial position during the year

There was a significant increase in the cash balance due to timing of funding received as described above.

Significant changes or factors affecting performance

There were no significant changes or factors which affected our performance during the reporting period.

Significant grants and transfer payments

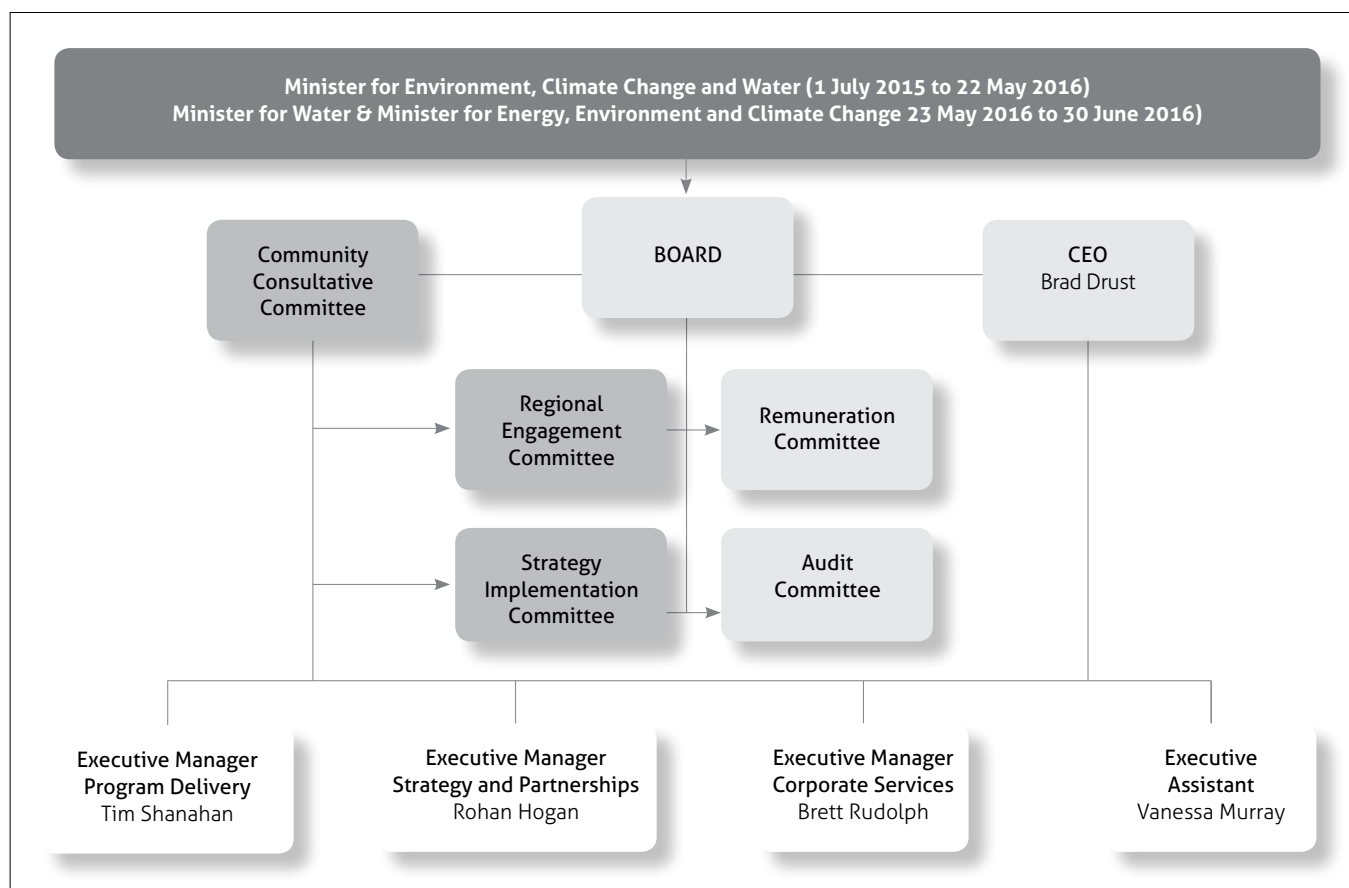
In the 2015-16 reporting period the North Central CMA has provided grants totalling over \$196,400 to 89 community groups as part of the Victorian Landcare Grants Program, which the Department of Environment, Land Water and Planning is responsible for administering (see Appendix 3 for details).

Subsequent events

There have been no subsequent events since the end of the 2015-16 financial year.

Governance and Organisational Structure

Organisational structure and corporate governance arrangements



North Central CMA Board

The North Central CMA is led by a Board appointed by the Victorian Government's Minister for Environment, Climate Change and Water.

It sets priorities for environmental protection, in partnership with local communities and other agencies, and promotes sustainable land and water management practices for the benefit of river health and local communities.

The Board's responsibilities include, but are not limited to:

- setting the strategic direction of the organisation
- establishing vision and direction for integrated natural resource management
- setting priorities and evaluating results
- approving and monitoring the organisation's financial performance.

David Clark (Waubra), Chair

David has qualifications in agriculture and rural development. He operates a diverse 500 hectare property at the headwaters of the Bet Bet Creek and works as coordinator for two Landcare Networks. Currently a Pyrenees Shire Councillor and Board member of Conservation Volunteers, David was an inaugural Board member of the North Central CMA and the Victorian Catchment Management Council. David was appointed to the Board as Chair in July 2011.

Melanie McCarthy (Goornong)

Melanie has over eighteen years' experience in the resources industry where she works full time as a senior manager. Melanie holds bachelor qualifications in Arts, Engineering, a Masters in Engineering Science and is a Graduate Member of the Australian Institute of Company Directors. With her partner she manages a 540 Ha mixed irrigation and dryland farming operation at Avonmore and Fairley, and is committed to sustainable practices and environmental improvement. Melanie was appointed to the Board in 2009.

Dianne Bowles (Mead)

Dianne is a dairy farmer and irrigator with a long history of community and dairy industry engagement. She has a passion for the dairy industry and is keen for everyone, particularly women, to have their say in the future of the region. Dianne was appointed to the Board in October 2013 after two years on the NRMC and is also a Murray Dairy board member, and Deputy Chair of Community Leadership Loddon Murray Inc. She is involved in many off-farm pursuits and is a member of the Victorian Murray-Darling Basin Authority Plan Group, a community representative to the Gannawarra Shire regarding flood recovery and is an advisor to the Australian Dairy Farmers on Natural Resource Management. Dianne has also successfully completed the Loddon Murray and Dairy Australia and Murray Goulburn Suppliers Leadership Programs.

Julie Slater (Corack East)

Julie Slater is a partner in her family farming enterprise at Corack East which specialises in dryland crop and lamb production. She is also the part-time Executive Officer of Community Leadership Loddon Murray Inc. Julie is an experienced Company Director with positions on a number of Boards including Women's Health Loddon Mallee (Deputy Chair), Buloke Community Enterprises, Community Leadership Australia (Treasurer), Victorian Regional Community Leadership Programs, and St Mary's Primary School, Donald. Julie was appointed to the Board in 2011 and is passionate about achieving balance between environmental, social and economic values for our rural communities and Australian Agriculture.

Julie Miller Markoff (Castlemaine)

Julie became aware of the strategic and community needs of natural resource management through managing the implementation of the Loddon Mallee Regional Strategic Plans, and as a senior executive investing in services for the dairy industry through Dairy Australia. As an experienced director, change leader and regional advocate Julie is committed to developing the partnerships necessary to ensure the sustainability of natural resource management within a healthy catchment, fostering the capacity for informed community action, and ensuring the organisation responds with innovation to its changing environment. Julie was appointed to the Board in October 2013.

Prue Milgate [nee Addlem] (Serpentine)

Prue holds qualifications in business and agriculture and has completed the Australian Rural Leadership Program. She has a history of being heavily involved in working with government to promote agriculture to the next generation on various advisory positions, has recently sat on selection panels for the Victorian Women's Honour Role, and the Victorian Rural Woman of the Year, and is currently involved in the Serpentine Recreation Reserve Committee of Management. She has also recently been appointed to the Department of Economic Development, Jobs, Transport & Resources Institutional Biosafety Committee.

Prue was appointed to the board in 2011 and as a primary producer and irrigator operating along the banks of the Loddon River is passionate about catchment health, and ensuring the North Central CMA region's environment is enhanced and improved for future generations.

Graham Atkinson

Graham is a Dja Dja Wurrung Traditional Owner and Yorta Yorta man. He gained a Bachelor of Social Work and Arts degree from the University of Melbourne in the 1970s and an MBA from RMIT University in the early 1990s. He is a graduate of the Australian Institute of Company Directors good governance program (2013) and is an accredited mediator under the National Mediation Association (2013). He is Principal Consultant of Atkinson Consulting Group with nearly 30 years consulting with government and Indigenous communities on land justice, native title, natural resource management, cultural heritage and economic development issues. Graham is currently a Director on Native Title Service Victoria, a Director on the Victorian Federation of Traditional Owners Corporation and chairs its subsidiary, Barpa Pty Ltd, which is a joint venture with Cockram Constructions; is a Director on Dja Dja Wurrung Clans Aboriginal Corporation, Director on Djandak Enterprises Pty Ltd. He is Chair of Dhelkunya Dja Land Management Board established in 2014 under the Recognition and Settlement Agreement between the Corporation and State Government. He served on the national board of the Indigenous Land Corporation (ILC) from 2011-2015 including as director on its subsidiaries, the National Indigenous Pastoral Enterprise (NIPE) and National Centre for Indigenous Excellence.

Richard Carter (Newlyn)

Richard operates a rural water consultancy and water brokering business, which he combines with a small berry farm from his property at Newlyn. He is an active member of his local Landcare group, as well as various other community organisations. He has spent many years involved in natural resource management, predominantly in the water industry. From this springs his interest in the health of the rivers and waterways of the area, as well as the groundwater resources below us. As a part-time primary producer he is also passionate about sustainable agriculture and the vital role it plays in the economic life of central Victoria and Australia. Richard is currently a member of the Victorian Mineral Water Committee, as well as the Goulburn-Murray Water Loddon-Campaspe Regional Water Service Committee and was previously a member of our Natural Resource Management Committee. He is also an executive member of the Australian Water Brokers Association.

Charlie Gillingham (Lake Charm)

Charlie is an irrigation/dryland farmer from Lake Charm. He is the former Chair of the Natural Resource Management Committee and has been involved with the North Central CMA in an advisory role since 2004. He has strong links within the irrigation industry and is an active contributor in local irrigation issues. Charlie is enthusiastic about encouraging greater community awareness and participation in all natural resource management issues. He believes we live in a wonderful region full of exceptional environmental assets that need to be maintained and enhanced for future generations to enjoy. Charlie is also involved in numerous local community groups.

James Williams (Bendigo)

James has a range of experience in natural resource management, including farming, local government, Landcare and farm forestry. James is a City of Greater Bendigo Councillor and VASPMAC member. He has a strong interest in the environment and the wellbeing of the communities in north central Victoria. James was appointed to the Board in October 2011. His term ended on 30 September 2015.

Stuart McLean (Wycheproof)

Stuart has been a farmer in this region for more than 40 years and is a Buloke Shire Councillor. Stuart has experience in land, waterway and natural resources management, primary industry, business planning and financial management. He is involved in state and national organisations relating to primary production and regional development. Stuart was appointed to the Board in July 2000. His term ended on 30 September 2015.

Laurie Maxted (Durham Ox)

Laurie has spent two terms with the Natural Resource Management Committee (NRMCM) and joined the Board to further progress his involvement with the North Central CMA. He is involved in many community groups, including the CFA, Loddon Plains Landcare Network and Durham Ox Hall committee. Laurie was appointed to the Board in October 2011. His term ended on 30 September 2015.

Board meeting attendance July 2015 to June 2016

Board member	Full Board meetings	Out-of-session
Dianne Bowles	9 of 9	2 of 3
David Clark (Chair)	9 of 9	3 of 3
Julie Miller Markoff	7 of 9	2 of 3
Laurie Maxted	3 of 3	0 of 1
Melanie McCarthy	7 of 9	3 of 3
Stuart McLean	3 of 3	1 of 1
Prue Milgate	7 of 9	0 of 3
Julie Slater	9 of 9	3 of 3
James Williams	3 of 3	0 of 1
Graham Atkinson	6 of 6	1 of 2
Richard Carter	6 of 6	2 of 2
Charlie Gillingham	6 of 6	1 of 2

Notes:

No meetings held in October 2015 and January 2016.

Full Board meeting was replaced with an out-of-session meeting in May 2016.

Board meeting 205, which would normally have been held on 7 June, was rescheduled to 31 May due to other commitments.

Laurie Maxted, Stuart McLean and James Williams' terms finished 30 September 2015.

Graham Atkinson, Richard Carter and Charlie Gillingham's terms commenced 27 October 2015.

Melanie McCarthy was an apology in March 2016 as she chairs the Community Consultative Committee (sub-committee of the Board) which was also held that day.

The Board approved a leave of absence for Prue Milgate from 23 May to 30 June 2016.

Audit Committee membership and roles

An active and effective Audit Committee serves the Board in its governance responsibilities. The Audit committee consists of three board members. Using an enterprise-wide, risk-based approach, the committee focuses on corporate risks and business and financial performance. Independent internal audit services, rigorous project management monitoring, and the development of corporate risk management are key tasks of the Committee.

The audit committee met nine times during the reporting year. Melanie McCarthy ceased membership mid-way through the reporting year and was replaced by Graham Atkinson.

Board Member	Meeting attendance (2015-16)
David Clark	9 of 9
** Julie Miller Markoff	8 of 9
** Melanie McCarthy	3 of 4
** Graham Atkinson	4 of 5

** Denotes independent Audit Committee members as required under the *Financial Management Act 1994*

Remuneration Committee

The Remuneration Committee consists of three Board members who meet to review the CEO's performance. Julie Slater and Dianne Bowles replaced Prue Milgate and James Williams mid-way through the reporting period. The Remuneration Committee met three times during the reporting year.

Board Member	Meeting attendance (2015-16)
David Clark	3 of 3
Julie Slater	2 of 2
Dianne Bowles	1 of 2
Prue Milgate	1 of 1
James Williams	1 of 1

Other Board sub-committees

The Regional Engagement Committee – which strategically analyses, develops, monitors and coordinates approaches and practices in relation to the way we engage with our partners, stakeholders and the general community - met on two occasions during the reporting period.

The Strategy Implementation Committee – which supports the North Central CMA to deliver on the strategic direction of the North Central RCS and sub-strategies - met on one occasion during the reporting period.

The Community Consultative Committee - which provides a community and local perspective to the strategic and operational work undertaken in the region by the North Central CMA - met on three occasions during the reporting period.

Board Member	Meeting attendance Regional Engagement Committee (2015-16)	Meeting attendance Strategy Implementation Committee (2015-16)	Meeting attendance Community Consultative Committee (2015-16)
Prue Milgate (Chair)	1 of 2		
Graham Atkinson	1 of 1		
Charlie Gillingham	2 of 2		
Julie Slater (Chair)		1 of 1	
Dianne Bowles		1 of 1	
Richard Carter		1 of 1	
Melanie McCarthy (Chair)			3 of 3

Community Consultative Committee

The Community Consultative Committee (CCC), formerly known as the Natural Resource Management Committee (NRM), is a twelve member committee independently chaired by a North Central CMA Board member. The CCC provides a community perspective to North Central CMA projects and works as a whole and through membership, according to member and project location, on smaller project committees.

The North Central CMA undertook a Board endorsed recruitment process during September–December 2015. Some of the NRM members did not re-elect or were not re-appointed as part of the CCC recruitment process. During the reporting period the NRM toured a project area near Donald. The CCC held a joint session with the Board which is not included in the meeting attendance records.

CCC member	Location	Meeting attendance (2015-16)
John Cable	Glenlyon	7 of 8
* Richard Carter	Newlyn	3 of 3
Ken Coates	Natte Yallock	8 of 8
Ron Cosgrave	Smeaton	8 of 8
***Alan Denehey	Woodend	4 of 4
Rebecca Edwards - Deputy NRM Chair	Harcourt	8 of 8
* Charlie Gillingham	Kerang	3 of 3
Ted Gretgrix	Strathfieldsaye	6 of 8
***Ron Kelly	Kerang	4 of 4
Rob Loats	Donald	8 of 8
***Melanie McCarthy - Board member/CCC Chair	Goornong	4 of 4
** Ron Murray	Campbells Creek	3 of 4
John Nelson	Boort	7 of 8
** Shane O'Loughlin	Laanecoorie	4 of 4
***Krista Patterson-Majoer	Woodend	4 of 4
Colin Smith - Deputy CCC Chair	Junortoun	6 of 8
** Denis Watts	Yeungroon	2 of 4
Deborah Webster	Sailors Gully	8 of 8
** Peter Williams	Echuca	3 of 4

Notes:

* Appointed to the Board on 27 October 2015.

** Member's term expired 31 December 2015.

*** New members appointed – effective 31 December 2015.

Performance against Occupational Health and Safety management measures

The North Central CMA is committed to ensuring the safety and welfare of our employees, contractors, volunteers and visitors. We do this by adhering to strict safe work practices and by providing a workplace that is safe and healthy. People engaged at our worksites and premises are inducted to ensure they are familiar with our health and safety policies and emergency procedures.

Occupational Health and Safety (OH&S) policies are in place and regularly updated. OH&S training is provided to all employees. During the past year staff have received first aid training, driver and four-wheel driver training and OH&S training for supervisors and managers. Worksites and premises are randomly assessed for OH&S compliance and key performance measures are reported to the Board each month.

WorkCover incidents are reported under the *Accident Compensation Act 1985*. The North Central CMA had no WorkCover claims during the reporting period.

OH&S Key Performance Report 2015-16

Key performance indicator	2015-16 Target	2015-16	2014-15	2013-14
Total staff FTEs		56	52	55
Audits of worksites	20	16	20	
Audits of premises	8	7	9	
Audits of Field Days/Events	10	10	10	
Permits to work issued	All works at premises	34	50	
Injury – No time lost	0	0	1	0
Injury – Time lost (more than one whole shift). Actual (per 100 FTE)	0	0	1 (2)	0
Incidents reported Actual (per 100 FTE)	20 (36)	11 (20)	20 (40)	18 (36)
WorkCover claims submitted. Actual (per 100 FTE)	0	0	1 (2)	0
Average cost per claim Actual (per 100 FTE)	\$0		\$940.88 (\$1882)	
Compulsory OH&S training completed	As per staff training calendar	71	51	
Staff OH&S induction completed for all new staff	within 5 days of start	25	12	
OH&S Committee meetings held	4	11	4	
OH&S meetings with field staff	4	4		
OH&S team/ department meetings (2 per department)	10	12	12	
Joint OH&S Committee and Emergency Response Team meetings	2	3	3	
Emergency evacuations conducted	2	2	2	

Workforce Data

Public Administration employment and conduct principles

Our people

The North Central CMA is very proud of its greatest asset – our people. We are committed to building a workplace culture that emphasises teamwork, continuous learning, efficiency, integrity and individual leadership. Our trademark is Knowledgeable, Engaging and Reliable. At the North Central CMA, it is our aim to be an employer of choice. To achieve this, we are focused on providing our current and prospective employees with competitive terms and conditions of employment, and a positive and friendly work culture that promotes the following behaviours:

- seek to understand
- be honest and take responsibility
- see something do something
- show respect
- actively engage.

Our people are the organisation's key strength and, to demonstrate the continued focus on our people, we are pleased to report a number of standards we work by and initiatives that have been realised over the past year.

Managing Workplace Diversity

The North Central CMA promotes diversity within the workplace. Our commitment is evidenced by the balance of genders within the workplace, where 52 per cent of staff are female and 48 per cent male. Furthermore, the organisation has structured the workplace to enable over 30 per cent of the workforce to work part-time. Coupled with our policies surrounding equal employment opportunity and the flexible work arrangements contained in the Collective Agreement, the North Central CMA is committed to maintaining and improving its workplace diversity.

The North Central CMA continues to employ an Indigenous Facilitator to assist in educating staff and engaging the community on Indigenous matters and casually employed an Indigenous Project Officer for a period over the year. The North Central CMA also engaged two Indigenous colleagues during the year through a partnership secondment initiative with Dja Dja Wurrung group.

Learning and Development

The North Central CMA promotes the personal and professional development of its people in order to achieve ongoing improvements in service delivery and to create satisfying career paths for staff members. This year, the North Central CMA supported employees to increase their knowledge and experience in a range of areas by attending training programs, conferences and seminars throughout the year.

Professional development undertaken included completion of leadership development programs; technical and safety-based programs, including construction induction, health and safety representative training, and first aid training. During the year, a number of staff continued tertiary studies including Masters of Environment, Diploma of Spatial Information Services, Masters of Business Administration and Graduate Certificate in Catchment and Waterways Management.

Employees have also developed their skills and knowledge through attendance at training and educational seminars covering a range of areas such as floodplain ecology, geographical information systems, project management, people management and a range of business systems. In our continuing efforts to be a best practice organisation, we have continued to develop our capability in the areas of technology, legislation and industry practices, through employee attendance at training and conferences in areas such as natural resource management, taxation, industrial relations and occupational health and safety.

Staff Wellbeing

The North Central CMA understands the importance of a healthy workforce and is committed to ensuring the health and wellbeing of staff. During 2015-16, the organisation encouraged staff to participate in a Wellbeing program that involved a range of work sponsored activities focusing on health promotion and wellbeing. Activities included health checks, flu vaccinations and support to lead an active and healthy lifestyle. In addition to the Wellbeing program, the North Central CMA continues to offer the services of an employee assistance program. The program provides employees and their immediate family members with access to professional and confidential counselling services for both work-related and non-work-related matters.

Staff Consultative Committee

The purpose of the Staff Consultative Committee is to assist with and encourage open communication between management and staff. The role of the Committee is to undertake a range of activities that include the planning and management of the Wellbeing program, assistance in the development and review of human resources policies and involvement in building and developing a positive organisational culture.

Employment Principles

North Central CMA staff are appointed following a comprehensive selection and recruitment process. Our processes are in accordance with the Public Administration Act 2004 whereby appointments are made on the basis of merit, and a commitment is maintained to the principles of the *Equal Opportunity Act 2010*.

Other Disclosures

Comparative Workforce Data

The North Central CMA employed the full-time equivalent of 56 people in 2015-16 compared to a full-time equivalent of 52 people in 2014-15. The breakdown of staff is as follows.

	2015-16 (total persons)	2015-16 (full-time equivalent)	2014-15 (full-time equivalent)
Chief Executive Officers	1	1	1
Senior Managers	5	4.5	5
Field (Project) Staff	50	45.2	41
Administration Staff	6	5.3	5
Total (FTE)	62	56	52
Male	30	27.1	24
Female	32	28.9	28

All employees defined as 'Executive officers and other personnel' in Note 18 of the Financial Statements were annualised full-time equivalents.

Executive Officer Disclosures

Executive Officers are those persons employed as a public service body head or other executive under Part 3, Division 5 of the *Public Administration Act 2004*. During the reporting period, the North Central CMA had one employee classified as an executive officer. This was the Chief Executive Officer (CEO) who is male.

There were no vacancies or special project executives employed during the reporting period.

In the previous reporting period one person met the definition of executive officer. This person was the CEO who is male.

Implementation of the Victorian Industry Participation Policy Act 2003

During 2015-16 the North Central CMA had no procurement activities valued at \$1 million or more.

Consultancy expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2015-16, there were sixteen consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2015-16 in relation to these consultancies is \$1.65 million (excl. GST). (see Table 4)

Details of individual consultancies are outlined on the North Central CMA's website, at www.nccma.vic.gov.au

Details of consultancies (valued at less than \$10,000)

In 2015-16, there were 42 consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10 000. The total expenditure incurred during 2015-16 in relation to these consultancies was \$119,038 (excl. GST).

Major contracts

The North Central CMA did not award any major contracts (valued at \$10 million or more) during 2015-16.

Table 4 – Consultancy expenditure greater than \$10,000 (2015-16)

Consultants engaged over \$10,000	Summary of Projects	Total cost (\$) Ex GST
Jacobs Group (Aust) Pty Ltd	Reconceptualisation of Barr Creek Catchment Benwell SWMS Salinity Impact Assessment Echuca Fishway - Pyramid Creek Fish Survey (variation) Review of Tragowel Plains Salinity Management Plan	96,602 15,000 20,000 27,545
Goulburn Murray Water - Tatura	Professional services for Sustainable Diversion Limits Professional services for Detailed Design & Vegetation Offsets – Lake Lyndger Reporting & Accounting for Salinity 2015-16	169,552 13,000 75,000
GHD Pty Ltd	Gunbower Forest Advanced Concept Designs Meran Lakes – Salt & Water Balance	153,006 79,266
AECOM Services Formally URS	Koondrook Fishway - Proposal & concept design Campaspe River Barnadown Weir Fishway - concept & design	93,793 30,000
Spatial Vision Innovations P/L	Development of Software - Capturing our Story Better	120,000
Charles Sturt University	Social Benchmarking Study - Gunbower Island	100,000
First Person Consulting	Organisational MERI review	12,900
Natural Decisions Pty Ltd	Landcare Grants Efficiency Review	12,000
William McKenzie Consulting	OHS consulting and retainer fee	12,758
Total		\$1,650,000

Other personnel, i.e. Contractors with significant management responsibilities

The number of contractors charged with significant management responsibilities is disclosed within the \$10,000 expense band. These contractors are responsible for planning, directing or controlling, directly or indirectly, the entity's activities.

The total expenses for the 2015 to 2016 reporting period was driven by the secondment of a Manager to the entity during the 2016 reporting period.

Expense Band	Total expenses (exclusive of GST)	
	2016 No.	2015 No.
\$140,000 - \$149,999	–	–
\$150,000 - \$159,999	1	–
Total expenses (exclusive of GST)	\$ 154,840.77	\$ –

Information and Communication Technology (ICT) expenditure

"ICT expenditure" comprises Business As Usual (BAU) ICT expenditure and Non Business As Usual (Non BAU) ICT expenditure. For the 2015-16 reporting period, the North Central CMA had a total ICT expenditure of \$460,000, with the details shown below.

Details of ICT Expenditure			
(\$ million)			
BAU ICT expenditure Total	BAU ICT expenditure Total = A + B	Operational Expenditure A	Capital Expenditure B
0.46	0.46	0.46	0

Capital Projects

The North Central CMA does not manage any capital projects.

Government advertising expenditure

The North Central CMA's expenditure in the 2015-16 reporting period on government campaign expenditure did not exceed \$100,000.

Freedom of Information

Application and operation of the *Freedom of Information Act 1982*

The North Central CMA is considered to be a 'Government Agency' under the *Freedom of Information Act 1982* and is required to comply with the procedures that have been prescribed under which members of the public may gain access to information held by agencies. A decision to release information is made by an Authorised Officer. The North CMA has determined that its Authorised Officer is Trephina Marek, (03) 5448 7124.

An application fee of \$27.90 applies from 1 July 2016.

In 2015-16, there was one request for information under the Freedom of Information Act. Full and diligent searches were completed to determine requests. As at 30 June 2016, there are no current requests.

Making a request

Access to documents may be obtained through written request to the Authorised Officer, and as detailed in s17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

- it should be in writing;
- it should identify as clearly as possible which document is being requested; and
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of the North Central CMA should be addressed to the Authorised Officer:

Ms Trephina Marek
Freedom of Information Officer
PO Box 18
Huntly Vic 3551

Requests can also be lodged online at www.foi.vic.gov.au

Access charges may also apply once documents have been processed and a decision on access is made; for example photocopying and search and retrieval charges.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au.

Compliance with *Building Act 1993*

The North Central CMA has met its obligations under the *Building Act 1993*. No building approvals were applicable to the North Central CMA during the reporting period.

National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. The North Central CMA continues to implement and apply this principle in its business undertakings.

Compliance with the *Protected Disclosure Act 2012 (PD Act)*

The PD Act was part of a package of integrity reforms introduced by the Victorian Government, which also established the Independent Broad-based Anti-corruption Commission (IBAC).

The PD Act enables people to make disclosures about improper conduct within the public sector without fear of reprisal. It aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'protected disclosure'?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. North Central CMA is a "public body" for the purposes of the Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

- mismanagement of public resources; or
- risk to public health or safety or the environment; or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a 'Protected Disclosure'?

The North Central CMA is not able to receive protected disclosures. You can make a protected disclosure about the North Central CMA or its board members, officers or employees by contacting IBAC on the contact details provided below.

How can I access North Central CMA's procedures for the protection of persons from detrimental action?

The North Central CMA has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about North Central CMA or its employees.

You can access North Central CMA's procedures on its website at: www.nccma.vic.gov.au

Contact:

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3001.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: see the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Disclosures under the *Whistleblowers Protection Act 2001* (up to 9 February 2013)

The archived procedures established under the *Whistleblowers Protection Act 2001* are available upon request.

Compliance with establishing/enabling legislation

Catchment and Land Protection (CaLP) Act 1994

The responsibilities of the North Central CMA as they relate to the CaLP Act are as follows:

- prepare, coordinate, monitor and review the Regional Catchment Strategy
- prepare and submit an annual report on the condition and management of land and water resources in the region
- prepare and submit a corporate plan to the Minister by 30 April each year
- comply with the Statement of Obligations.

In performing its functions and providing its services an authority shall, in a manner consistent with relevant government policies, frameworks, strategies, plans and guidelines:

- a) facilitate and coordinate the management of catchments in an integrated and sustainable manner, including as it relates to land, biodiversity and water resources
- b) take a sustainable approach by balancing social, economic and environmental outcomes
- c) plan and make decisions within an integrated catchment management context:
 - recognising the integral relationship between rivers, their catchments, coastal systems, and estuary and marine environments
 - recognising the integral relationship between the land – its soil, water, vegetation and fauna – and associated natural ecosystems
 - recognising the need to foster the resilience of natural assets, including land, biodiversity and water resources, to climate change
 - using the best available scientific information
 - targeting investment to address priorities and deliver maximum improvement in resource condition of catchments, land, biodiversity and water resources.
- e) provide opportunities for community engagement in the integrated management of catchments and natural assets, including land, biodiversity and water resources
- f) develop strategic partnerships with relevant stakeholders including public authorities and government agencies
- g) promote and apply a risk management approach that seeks to protect, enhance and restore natural assets and reduce the impact of climate change
- h) promote and adopt an adaptive approach to integrated catchment management, including continuous review, innovation and improvement
- i) manage business operations in a prudent, efficient and responsible manner.

Water Act 1989

Under the *Water Act 1989*, the North Central CMA aims to reduce the impact of flood damage to new buildings, help conserve and preserve flora, fauna and habitat in designated waterways, and to reduce water quality decline. This is done by providing:

- permits to construct and operate works on a waterway, compliance and community education
- resources to planning permit referrals for developments within a floodprone area
- responses to applications for flood levels, flood risk reports and flood information before development
- flood planning information and advice to councils, state emergency services, developers and others
- flood response action plans, including collection of flood information during and after a flood, and assistance with emergency planning and flood warning
- flood data management
- compliance with the Statement of Obligations.

2015-16 Actual Results

Unit	Target	Actual
No. of permits exempted	20	28
No. of permits issued	65	88
No. of permits rejected	0	0
Enforcement action for illegal works	0	4
Town Planning referrals	1324	1196
FloodEye Reports (Nov 2015 – 30 June 2016)	0	801

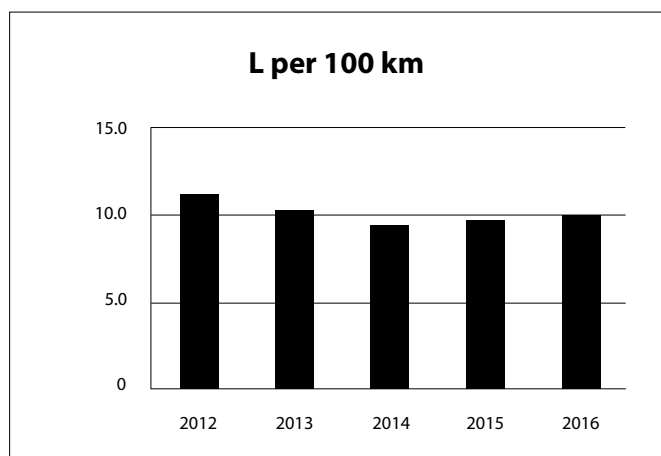
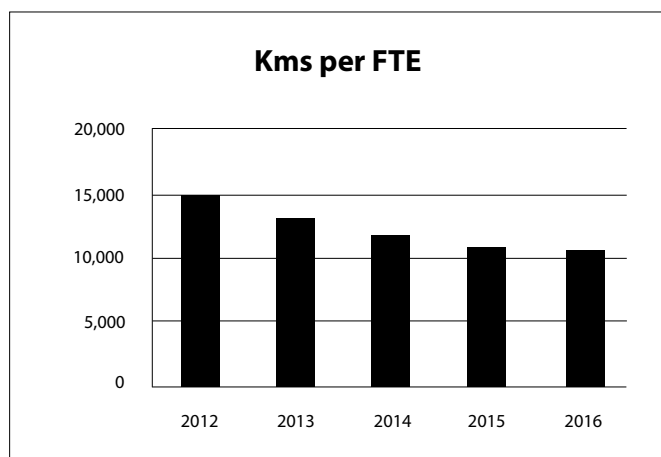
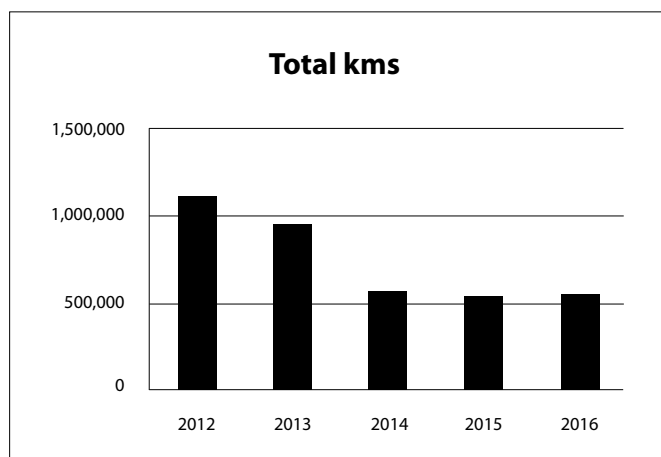
The North Central CMA achieved its statutory obligations under the *Water Act*.

Office-based environmental impacts

The North Central CMA is committed to reducing the impact of our day-to-day operations on the environment. We endeavour to reduce negative impacts by using fuel efficient vehicles, purchasing Green Power electricity, using paper sourced from sustainable forest practices and installing water saving devices.

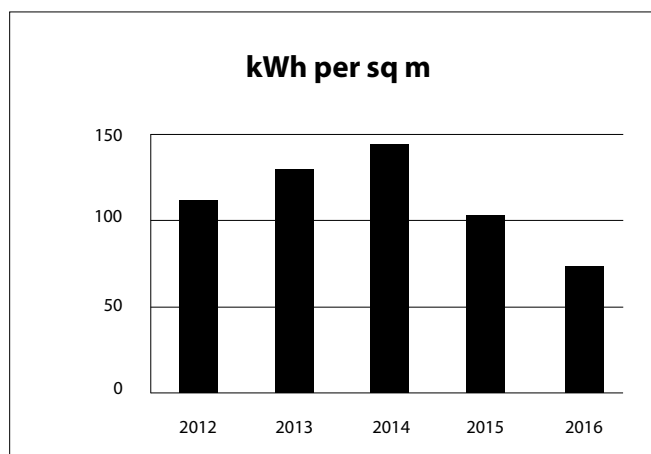
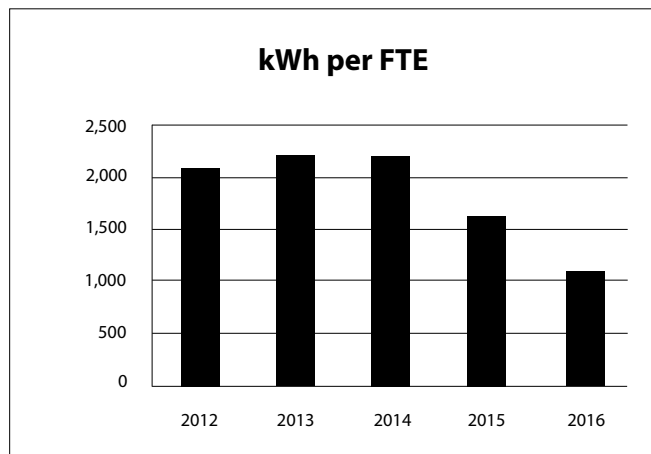
Transport

Total vehicle kms and kms per FTE is largely in line with 2015 following a similar staff and project profile as the previous year.



Energy

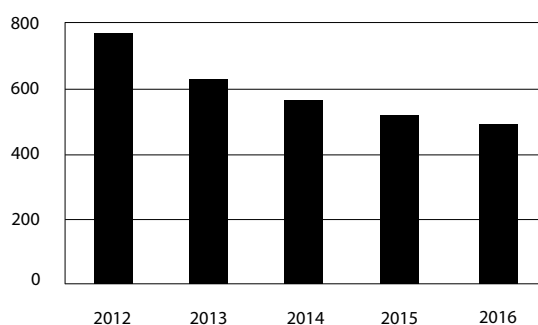
Solar panels were installed on the roof of our Huntly offices in November 2014, greatly reducing energy consumption.



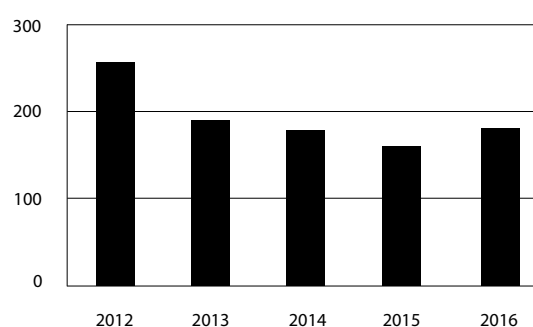
Paper

Following an organisational push to become a paperless office, paper usage has reduced from the previous year. CO₂ usage has reduced as Australian Sustainable Forestry paper is now purchased.

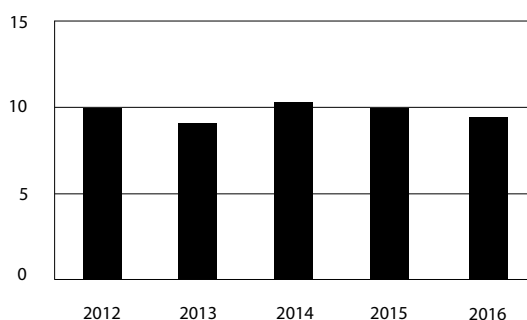
Total Reams Used



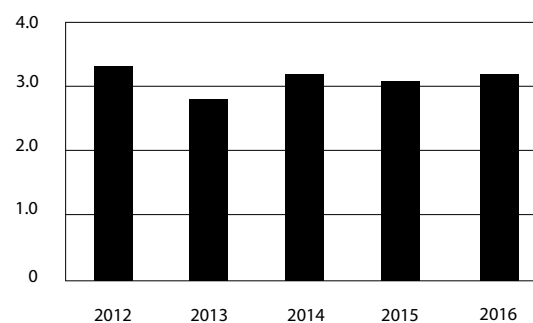
Total kLs consumed



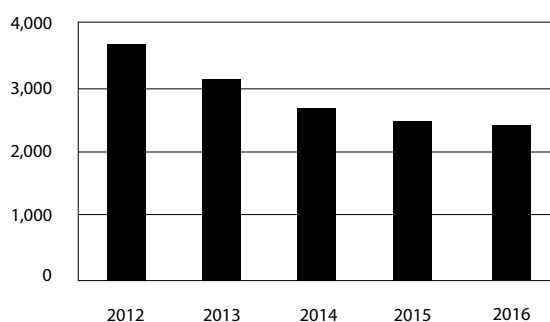
Total Reams per FTE



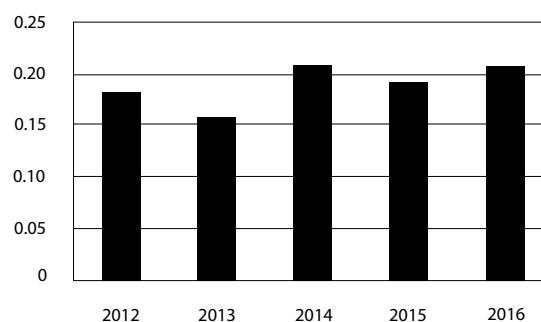
kL per FTE



Total CO₂ Used



kL per sq m



Compliance with DataVic Access Policy

The information used to generate the catchment condition report in the North Central CMA's 2015-16 Annual Report has come from DataVic. In the reporting period the North Central CMA has not supplied any data directly to DataVic.

The North Central CMA has been consistent with the DataVic Access Policy by accessing the data, using it for day-to-day operations, and giving appropriate recognition to DataVic on all published maps.

Additional information available on request

Information relating to the requirements of the Financial Reporting Direction 22B of the *Financial Management Act 1994* is held at the North Central CMA's Huntly office and, subject to the *Freedom of Information Act 1982*, is available on request. This includes:

- Declarations of pecuniary interest duly completed by relevant officers
- Board members' indemnity declarations
- Inwards and outwards correspondence
- Details of publications produced by the agency about itself, and how these can be obtained.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- Details of changes in prices, fees, charges, rates and levies charged by the agency.
- Details of any major external reviews carried out on the agency.
- Details of major research and development activities undertaken by the agency.
- Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by the agency to develop community awareness of the entity and its services.
- A general statement on industrial relations within the agency, and details of time lost through industrial accidents and disputes.
- A list of the agency's major committees; the purposes of each committee; and the extent to which the purposes have been achieved.

Risk Management Attestation

Statement of Attestation

I, David Clark certify that the North Central Catchment Management Authority (CMA) has complied with Ministerial Standing Direction 4.5.5 – Risk Management Framework and processes with the exception of partial compliance of the 4 requirements listed below.

- the agency has a risk management framework in place consistent with AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines;
- the risk management processes are effective in managing risks to a satisfactory level;
- inter-agency risks are addressed and the agency contributes to the management of shared risks across government, as appropriate;
- the agency contributes to the identification and management of state significant risks, as appropriate;

A revised risk management framework and process has been developed that will achieve compliance in the above areas. The revised framework and process will embed risk management throughout the organisation with improved tools, guidance, training and monitoring. The revised framework specifically addresses the approach to inter-agency and state significant risks and the North Central CMA has begun discussions with other agencies in addressing this requirement.

This revised risk management framework was endorsed by the Board in August 2016 and will be rolled out to the organisation by 30 June 2017.



David Clark
Chairman
North Central Catchment Management Authority

25 August 2016

Financial Statements

North Central Catchment Management Authority Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial report for the North Central Catchment Management Authority has been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2016 and financial position of the North Central CMA as at 30 June 2016.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 August 2016.



David Clark
Chairperson



Brad Drust
CEO and Accountable Officer



Brett Rudolph
Finance and Governance Manager



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, North Central Catchment Management Authority

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the North Central Catchment Management Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration.

The Board Members' Responsibility for the Financial Report

The board members of the North Central Catchment Management Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the board members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.


Independent Auditor's Report (continued)*Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates have complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the North Central Catchment Management Authority as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
2 September 2016


for Dr Peter Frost
Acting Auditor-General

Comprehensive Operating Statement for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Income from Operating Activities			
Government governance contribution	3(a)	987,205	802,331
Government investor contributions	3(b)	13,591,122	17,682,339
Revenue from other investors	3(c)	614,821	131,779
		<u>15,193,148</u>	<u>18,616,449</u>
Income from Non-Operating Activities			
Interest	3(c)	183,047	177,105
Other income	3(c)	74,426	76,157
Net gain from disposal of non financial assets	3(c)	3,914	41,418
		<u>261,387</u>	<u>294,680</u>
Total Income		<u>15,454,535</u>	<u>18,911,129</u>
Expenses from Operating Activities			
Employee Benefits	4	6,011,977	6,121,612
Depreciation	9(b)	303,591	321,660
Amortisation	10	82,060	162,060
Materials, Maintenance, Grants, Contracts and Consultancies	5	8,281,001	10,785,284
Other expenses		<u>1,409,077</u>	<u>1,392,128</u>
Total Expenses from Operating Activities		<u>16,087,706</u>	<u>18,782,744</u>
Net Result for the year		<u>(633,171)</u>	<u>128,385</u>
Other comprehensive income	13 (b)	12,970	0
Total Comprehensive Result for the year		<u>(620,201)</u>	<u>128,385</u>

The Comprehensive Operating Statement should be read in conjunction with the notes to the financial statements.

Balance Sheet as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	9,453,266	7,985,638
Receivables	8	316,923	1,702,167
Prepayments	8	89,929	77,030
Accrued Revenue	8	10,667	10,262
Total current assets		9,870,785	9,775,097
Non-current assets			
Property, plant and equipment	9	2,423,776	2,174,343
Intangible assets	10	358	82,419
Total non-current assets		2,424,134	2,256,762
TOTAL ASSETS		12,294,919	12,031,859
LIABILITIES			
Current liabilities			
Payables	11	2,120,012	1,416,937
Employee benefits	12	1,228,801	1,094,515
Total current liabilities		3,348,813	2,511,452
Non-current liabilities			
Employee benefits	12	157,765	111,865
Total non-current liabilities		157,765	111,865
TOTAL LIABILITIES		3,506,578	2,623,317
NET ASSETS		8,788,341	9,408,542
EQUITY			
Contributed capital	13(a)	8,755,693	8,755,693
Reserves	13(b)	767,519	754,549
Accumulated deficit		(734,871)	(101,700)
TOTAL EQUITY / NET WORTH		8,788,341	9,408,542
Commitments	14		
Contingent liabilities and assets	16		

The Balance Sheet should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity for the financial year ended 30 June 2016

		Accumulated Deficit	Contributed Capital	Reserves	Total
	Note	\$	\$	\$	\$
Balance at 30 June 2014	13	(230,085)	8,755,693	754,549	9,280,157
Net result for the period	13	128,385	0	0	128,385
Balance at 30 June 2015	13	<u>(101,700)</u>	<u>8,755,693</u>	<u>754,549</u>	<u>9,408,542</u>
Net result for the period	13	(633,171)	0	0	(633,171)
Other comprehensive income		0	0	12,970	12,970
Balance at 30 June 2016	13	<u>(734,871)</u>	<u>8,755,693</u>	<u>767,519</u>	<u>8,788,341</u>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Cash Flow Statement for the financial year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts			
Interest received		182,642	180,131
Net GST received from the Australian Taxation Office		810,964	1,004,687
Other income		74,426	76,157
Receipts from Government and other investors		<u>16,578,391</u>	<u>19,518,526</u>
		<u>17,646,423</u>	<u>20,779,500</u>
Payments			
Payments to suppliers		(9,810,864)	(13,004,715)
Payments to employees		<u>(5,831,791)</u>	<u>(6,041,861)</u>
		<u>(15,642,655)</u>	<u>(19,046,575)</u>
Net cash inflow from operating activities	19	<u>2,003,768</u>	<u>1,732,925</u>
Cash Flows from Investing Activities			
Payments for property, plant & equipment	9	(749,362)	(355,253)
Proceeds from sale of non-current assets		<u>213,222</u>	<u>268,206</u>
Net cash outflow from investing activities		<u>(536,140)</u>	<u>(87,047)</u>
Net increase in cash held and cash equivalents		<u>1,467,628</u>	<u>1,645,878</u>
Cash and cash equivalents at the beginning of the financial year		<u>7,985,638</u>	<u>6,339,760</u>
Cash and cash equivalents at the end of the financial year	7	<u>9,453,266</u>	<u>7,985,638</u>

The Cash Flow Statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Report for the year ended 30 June 2016

Note 1 Summary of significant accounting policies

(a) Basis of Accounting

(i) General/Statement of Compliance

This financial report of the North Central CMA is a general purpose financial report that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements for the period ending 30 June 2016. The general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions. The North Central CMA is a not for-profit entity for the purpose of preparing the financial report.

Where appropriate, those AAS's paragraphs applicable to not-for-profit entities have been applied.

The accrual basis of accounting has been applied in the preparation of this financial report whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The annual financial report was authorised for issue by the North Central CMA's Board on 25 August 2016.

(ii) Accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

(iii) Functional and presentation currency

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

(iv) Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the North Central CMA's operational cycle - see 1(k) for a variation in relation to employee benefits.

(v) Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest dollar. Figures in the financial report may not equate due to rounding.

(vi) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and certain classes of property, plant and equipment.

(vii) Accounting estimates

The preparation of financial statements in conformity with AAS's requires the use of certain accounting estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

(viii) Financial statement presentation

The North Central CMA has applied the revised AASB 101 *Presentation of Financial Statements* which became effective for reporting periods beginning, on or after, 1 July 2014, and AASB 1054 *Australian Additional Disclosures* which became effective for reporting periods beginning on, or after, 1 July 2014.

(b) Changes in accounting policies

Subsequent to the 2015-16 reporting period, there are no new Standards required to have been adopted in the current period by the North Central CMA.

(c) Scope and presentation of financial statements

(i) Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'income from operating activities', 'income from non-operating activities' and 'expenses from operating activities'. The sum of the above represent the comprehensive result for the year.

The comprehensive result is equivalent to profit or loss derived in accordance with AASs.

(ii) Balance sheet

Assets and liabilities are presented in liquidity order and aggregated into current and non-current.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if the Department does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

(iii) Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

(iv) Statement of changes in equity

The statement of changes in equity presents reconciliations of accumulated funds, contributed capital and reserves from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period.

(d) Revenue Recognition

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

(i) Government grants and contributions

Government grants and contributions are recognised as operating revenue on receipt or when the entity obtains control of the contribution and meets certain other criteria as outlined by AASB 1004 *Contributions*, whichever is the sooner, and disclosed in the Comprehensive Operating Statement as government grants and contributions. However, grants and contributions received from the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Water have indicated are in the nature

of owners' contributions, are accounted for as Equity – Contributions by Owners in accordance with FRD 119A *Transfers through Contributed Capital*.

(i) *Interest*

Interest income is recognised using the effective interest rate method, in the period in which it is incurred.

(e) Recognition and Measurement of non-current physical assets

Property, plant and equipment represents non-current assets comprising land, buildings, plant and equipment, furniture and office equipment and motor vehicles, used by the North Central CMA in its operations. Items with a cost or value in excess of \$1,000 and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

(i) *Acquisition*

The purchase method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration by the North Central CMA are recognised at fair value at the date of acquisition.

(ii) *Operating Leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the comprehensive operating statement on a straight-line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(iii) *Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over an 8 year period.

(iv) *Measurement of non-current physical assets*

All non-current physical assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of Financial Reporting Direction (FRD) 103E *Non-current Physical Assets*.

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

Revaluations are conducted in accordance with FRD 103F. Scheduled revaluation is undertaken every five years with an annual assessment of fair value to determine if it is materially different to carrying value. If the difference to the carrying value is greater than 10 per cent, a management revaluation is undertaken while a movement greater than 40 per cent will normally involve an Approved Valuer (usually the Valuer General of Victoria) to perform detailed assessment of the fair value. If the movement in fair value since the last revaluation is less than or equal to 10 per cent, then no change is made to carrying amounts.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the comprehensive operating statement.

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

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

(v) *Revaluation of non-current physical assets*

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every five years (a revaluation of land and buildings was completed for the year ending 30 June 2016 and is reflected in the financial statements). Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

Revaluation increments are credited directly to equity in the asset revaluation reserve surplus/(deficit), except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in determining the net result, the increment is recognised as revenue in determining the net result.

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

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

Revaluation reserves are not transferred to accumulated surplus/(deficit) on derecognition of the relevant asset.

(vi) *Impairment of Assets*

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount. All other assets are assessed annually for indications of impairment.

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

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

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

(f) Expenses, depreciation and amortisation of non-current assets

(i) *Non-current assets*

All non-current physical assets that have a limited useful life are depreciated. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The assets residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Intangible assets with finite useful lives are amortised as an expense on a systematic basis (typically straight-line), commencing from the time the asset is available for use. The amortisation periods are reviewed and adjusted if appropriate at each balance date.

Depreciation rates within each class are consistent with previous year and fall within the following ranges.

	2016 %	2015 %
Buildings	2.50%	2.50%
Plant and equipment	8% to 40%	8% to 40%
Furniture & office equipment	8% to 40%	8% to 40%
Motor vehicles	20%	20%

(ii) Employee Benefits

These benefits include all costs related to employment (other than superannuation, which is accounted for separately) including wages and salaries, fringe benefit tax, leave entitlements, redundancy payments and WorkCover premiums.

(iii) Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by North Central CMA to the relevant superannuation plans in respect to the services of North Central Management Authority's staff (both past and present). Superannuation contributions are made to plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that North Central CMA is required to comply with.

(iv) Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

(v) Other expenses

Supplies and services costs are recognised as an expense in the reporting period in which they are incurred.

(g) Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the North Central CMA.

Intangible assets consist of software and licences. These assets are amortised over 2 1/2 years.

(h) Cash and Cash Equivalents

Cash and deposits recognised on the Balance Sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

For Cash Flow Statement presentation purposes, cash and cash equivalents include bank overdrafts.

(i) Receivables

Receivables consist of:

- Contractual receivables, such as debtors in relation to goods and services, loans to third parties and accrued investment income.
- Statutory receivables, such as amounts owing from the Victorian Government and Goods Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables.

Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments because they do not arise from a contract.

Contractual receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impaired receivables. Trade and other receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of contractual receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the North Central CMA will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amounts credited to the provision are recognised as an expense in the comprehensive operating statement.

(j) Prepayments

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(k) Trade and Other Payables

Payables consist of:

- Contractual payables, such as accounts payable and unearned income including deferred income. Accounts payable represent liabilities for goods and services provided to the North Central CMA prior to the end of the financial year that are unpaid and arise when the North Central CMA becomes obliged to make future payments in respect of the purchase of those goods and services; and
- Statutory payables, such as goods and services tax and fringe benefits tax payables

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost because they do not arise from a contract.

The contractual payables are unsecured and are usually paid within 30 days of recognition.

(l) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date.

(i) Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave, are all recognised in the provision for employee benefits as 'current liabilities', because the North Central CMA does not have an unconditional right to defer settlements of these liabilities.

Depends on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- nominal value if the North Central CMA expects to wholly settle within 12 months; or
- present value if the North Central CMA does not expect to wholly settle within 12 months.

(ii) Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the North Central CMA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value if the North Central CMA expects to wholly settle within 12 months; and
- present value if the North Central CMA does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non current LSL liability is recognised in the net result from transactions.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The North Central CMA recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) On-Costs

Provisions for on costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

(v) Performance payments

Performance payments for the North Central CMA's Executive Officers, if applicable, are based on a percentage of the annual salary package provided under their contract(s) of employment. A liability is recognised and is measured as the aggregate of the amounts accrued under the terms of the contract to balance date.

(m) Provisions

Provisions are recognised when the North Central CMA has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(n) Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

(o) Asset revaluation reserve

The asset revaluation reserve is used to record asset revaluation increments and decrements in the value of non-current physical assets.

(p) Financial Assets

(i) Recognition

Financial instruments are initially measured at fair value, plus in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured as set out below:

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables and other receivables in the balance sheet. Loans and receivables are recorded at amortised cost less impairment.

(q) Fair value

Fair value is determined based on current bid prices for all quoted investments.

Consistent with AASB 13 *Fair Value Measurement*, the North Central CMA determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non-recurring fair value measurements such as assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the North Central CMA has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the North Central CMA determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer General Victoria (VGV) is the North Central CMA's independent valuation agency in relation to valuation of property plant and equipment.

The North Central CMA, in connection with VGV (and other external valuers, if applicable), monitors changes in the fair value of property through relevant data sources to determine whether revaluation is required.

(r) Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables on the Balance Sheet. Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis – i.e., inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(s) Taxation

The North Central CMA is not liable for Income Tax.

(t) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of notes (refer to Note 14 & Note 15) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(u) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 16) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(v) Objective and funding

The North Central CMA is responsible for the coordinated control of natural resource management within the broader catchments of North Central Victoria. The role of the North Central CMA is to ensure effective implementation of the Regional Catchment Strategy. Associated with this role the North Central CMA carries out strategic planning and advises Government.

(w) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. DTF assesses the impact of all these new standards and advises the Authority of their applicability and early adoption where applicable.

Standard / Interpretation	Key Requirements	Effective Date	Impact on financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1-Jan-18	The changes in revenue recognition requirements in AASB15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from grants that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 Amendments to Australian Accounting Standards (Part E Financial Instruments)	Amends various AASBs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements	1-Jan-18	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to – establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefit of an asset – prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1-Jan-16	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

Standard / Interpretation	Key Requirements	Effective Date	Impact on financial statements
AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1-Jan-16	The amending standard will result in extended disclosures on the entity's key management personnel (KMP) and the related party transactions.
AASB 9 Financial Instruments	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1-Jan-19	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> – the change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and – other fair value changes are presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1-Jan-18	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> – the entity's right to receive payment of the dividend is established; – it is probable that the economic benefits associated with the dividend will flow to the entity; and – the amount can be measured reliably. 	1 January 2017, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]	Amends AASB 10 and AASB 128 to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: <ul style="list-style-type: none"> – a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and – a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary 	1-Jan-16	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASBs to incorporate the consequential amendments arising from the issuance of AASB 9.	1-Jan-18	The assessment has indicated there will be no significant impact for the public sector.

Standard / Interpretation	Key Requirements	Effective Date	Impact on financial statements
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1-Jan-16	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.
AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and timing of recognising revenue from granting a licence. The amendments require: <ul style="list-style-type: none"> – A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate obligation; – For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and – For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over times (right to use) or at a point in time (right to access). 	1-Jan-18	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.
AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1-Jan-18	The amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 14 Regulatory Deferral Accounts	AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP.	1-Jan-16	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for no-for-profit entities.	1-Jan-17	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]	Amends the methods of disposal in AASB 5 Non current assets held for sale and discontinued operations. Amends AASB 7 Financial Instruments by including further guidance on servicing contracts.	1-Jan-16	The assessment has indicated that when an asset (or disposal group) is reclassified from 'held to sale' to 'held for distribution', or vice versa, the asset does not have to be reinstated in the financial statements. Entities will be required to disclose all types of continuing involvement the entity still has when transferring a financial asset to a third party under conditions which allow it to derecognise the asset.

Note 2 Financial risk management objectives and policies

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

(a) Market risk

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

Objectives, policies and processes used to manage these risks are disclosed in the paragraphs below:

(i) Interest Rate Risk

The North Central CMA has minimal exposure to interest rate risk through its holding of cash assets and other financial assets. The North Central CMA manages its interest rate risk by maintaining a diversified investment portfolio.

(ii) Foreign Exchange Risk

The North Central CMA has no exposure to changes in the foreign exchange rate.

(iii) Other Price Risk

The North Central CMA has no significant exposure to Other Price Risk.

Market Risk Sensitivity Analysis

The following table summarises the sensitivity of the North Central CMA's financial assets and financial liabilities to interest rate risk. A change of 1% in interest rates would have increased/(decreased) the net result by the amounts detailed below. The analysis assumes that all other variables remain constant.

	Carrying amount		Interest rate risk		Interest rate risk	
	\$		+1% Profit	+ 1% Equity	-1% Profit	- 1% Equity
Cash and Cash Equivalents	2016	9,453,266	94,533	94,533	(994,533)	(94,533)
	2015	7,985,638	79,856	79,856	(79,856)	(79,856)

(b) Credit risk

Credit risk is the risk of financial loss to the North Central CMA as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk principally arises from the North Central CMA's receivables. The North Central CMA has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The North Central CMA measures credit risk on a fair value basis.

The North Central CMA does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than the Government. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Federal Government created in 2008-09 the Guarantee scheme which guarantee's the security of funds held. As at February 2012, the guarantee is for the first \$250,000 held in requisite banking institutions.

Most term deposit investments are held with the Treasury Authority of Victoria with a maximum of \$2,000,000 with requisite banking institutions.

(c) Liquidity risk

Liquidity risk is the risk that the North Central CMA will not be able to meet its financial obligations as they fall due. The North Central CMA manages its liquidity risk by maintaining adequate cash reserves and continually monitoring the North Central CMA's expenditure, commitments and cash flow needs.

(d) Fair Value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Refer to Note 1(p) for accounting policy relating to disclosure of fair value measurement hierarchy.

Refer to Note 9(b) for information on the entity's financial assets and financial liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2016.

Note 3 Revenue

	2016	2015
	\$	\$
(a) Government Governance Contributions		
State Government		
Governance	987,205	802,331
(b) Government Investor Contributions		
Contributions to operations:		
State Government		
Victorian River and Wetland Management	4,992,298	4,042,449
Victorian Landcare Grants	316,000	204,000
Victorian Landcare Program	142,000	270,039
Victorian Land Health Program	74,085	(74,085)
VEFMAP	157,000	0
National Disaster Resilience Grants Scheme (NDGRS)	89,000	216,273
Recreational Fishing Grants	55,208	15,010
Victorian Sustainable Irrigation Program	1,718,091	1,587,773
Victorian Environmental Protection Program	(37,895)	2,059,589
VEWH	175,975	107,500
VIF - VAGO report implementation	0	250,000
Victorian Catchment Management Authorities (CMAs)	823	16,489
Other State funding	879,048	102,588
Total State Government Contributions	8,561,633	8,797,625
Commonwealth Government		
The Living Murray	1,062,637	916,766
Murray Darling Basin Plan	469,445	3,976,205
Caring for our Country Program - Sustainable Agriculture	6,580	514,154
Caring for our Country Program - Sustainable Environment	0	1,424,231
National Landcare Program - Sustainable Agriculture	771,396	399,249
National Landcare Program - Sustainable Environment	1,938,217	950,148
Department of Environment - Land Sector	467,137	513,650
Department of Agriculture - Carbon Farming Futures	170,040	190,311
Other Commonwealth	144,037	0
Total Commonwealth Government Contributions	5,029,489	8,884,714
Total Government Investor contributions	13,591,122	17,682,339
Total Government contributions	14,578,327	18,484,670
<i>Conditional grants</i>		
The Authority has recognised as revenue several grants received from the Government where the full project has not yet been completed.		
(c) Other revenues		
Contributions to operations:		
Other Investors		
Water Authorities	182,952	3,464
Miscellaneous	431,869	128,315
Total other investor contributions	614,821	131,779
Non-Operating Revenue		
Interest	183,047	177,105
Other not project related	74,426	76,157
Total other investor contributions	257,474	253,262
Total other revenues	872,294	385,041
Net gain from disposal of non-financial assets	3,914	41,418
Total revenue	15,454,535	18,911,129

Note 4 Employee Benefits

	2016 \$	2015 \$
Salaries & Wages	4,397,269	4,507,530
Annual Leave	336,214	374,977
Long Service Leave	176,276	131,525
Other Leave	342,937	324,175
Salary on-costs	291,418	301,548
Superannuation	467,863	481,857
	6,011,977	6,121,612

Note 5 Expenses - Materials, Maintenance, Grants, Contracts, Consultancies, Depreciation and Result on Asset Disposal

	2016 \$	2015 \$
Materials	708,221	353,113
Repairs and Maintenance	49,808	63,719
Consultants	757,003	1,494,597
Contractors	5,813,502	8,010,240
Grants Paid	952,467	863,615
	8,281,001	10,785,284
Depreciation charge for the year		
Buildings	32,736	34,112
Plant & equipment	49,159	74,603
Furniture & office equipment	68,244	79,477
Motor vehicles	153,452	133,468
	303,591	321,660
Amortisation of Intangibles	82,060	162,060
Profit and/or loss on sale of non-current assets		
Proceeds from sale of fixed assets	213,223	268,206
Less written down value	(209,309)	(226,788)
Net profit/(loss) on disposal	3,914	41,418

Note 6 Remuneration of Auditors

	2016 \$	2015 \$
Victorian Auditor General Office (VAGO)	12,300	12,000
Non VAGO internal services	15,150	15,880
<i>(amounts are exclusive of GST)</i>	27,450	27,880

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Authority's financial report and to internal auditors for various services.

Note 7 Cash and Cash Equivalent Assets

	2016 \$	2015 \$
Cash and cash equivalents		
Cash on hand	88	500
Cash at bank	1,453,102	735,062
Investments		
Term Deposits - Treasury Authority of Victoria	7,500,000	6,500,000
Term Deposits - non Treasury Authority of Victoria	500,076	750,076
	9,453,266	7,985,638

The cash and investments total above includes funds held for restricted purposes as explained in Note 15. A closing balance of (project carry forward \$) is subject to contractual or service level agreements and will be spent in future accounting periods.

Note 8 Receivables & Prepayments

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Current				
Contractual trade debtors	117,100	117,100	1,615,637	1,615,637
Statutory receivables (GST)	199,823	199,823	86,530	86,530
Prepayments	89,929	89,929	77,030	77,030
Accrued Interest on term deposits	10,667	10,667	10,262	10,262
Total receivables and prepayments	417,519	417,519	1,789,459	1,789,459

These amounts generally arise from the usual operating activities of the North Central CMA. The ageing of the Trade Debtors were raised within the previous 3 months and are expected to be paid in full.

Due to the short term nature of the current receivables, their carrying value is assumed to approximate fair value.

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The North Central CMA does not hold any collateral as security. Refer to Note 2 for more information of the risk management policy of the North Central CMA.

Past due but not impaired trade receivables.

As at 30 June 2016 there were no trade receivables that were past due. The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

Note 9 Property Plant & Equipment

	Public Safety and Environment	
	2016	2015
	\$	\$
(a) Classification by 'purpose groups' - carrying amounts		
Land		
At fair value	400,000	202,000
	<u>400,000</u>	<u>202,000</u>
Buildings		
At fair value	1,025,000	1,364,486
Accumulated depreciation	(3,851)	(125,571)
	<u>1,021,149</u>	<u>1,238,915</u>
Plant and equipment		
At fair value	552,858	547,916
Accumulated depreciation	(446,129)	(402,470)
	<u>106,729</u>	<u>145,446</u>
Furniture and office equipment		
At fair value	900,532	901,403
Accumulated depreciation	(716,263)	(785,153)
	<u>184,269</u>	<u>116,250</u>
Motor vehicles		
At fair value	875,950	606,144
Accumulated depreciation	(164,321)	(134,412)
	<u>711,629</u>	<u>471,732</u>
Net carrying amount of property, plant and equipment (PPE)	<u>2,423,776</u>	<u>2,174,343</u>

Basis of valuation

Land and buildings were independently valued as at 7 January 2016 by the Valuer-General Victoria. Land and buildings have been revalued to fair value as assessed.

(b) Movements in carrying amounts for all purpose groups

	Land	Buildings	Plant & equipment	Furniture and office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
Carrying Amount						
Balance as at 1 July 2014	202,000	1,273,026	137,347	150,342	604,823	2,367,538
Additions	0	0	78,591	56,210	220,452	355,253
Disposals	0	0	(6,336)	0	(220,452)	(226,788)
Depreciation	0	(34,112)	(64,155)	(90,302)	(133,091)	(321,660)
Balance as at 1 July 2015	<u>202,000</u>	<u>1,238,914</u>	<u>145,447</u>	<u>116,250</u>	<u>471,732</u>	<u>2,174,343</u>
Additions			10,441	141,264	597,658	749,363
Revaluation	198,000	(185,030)				12,970
Disposals				(5,000)	(204,309)	(209,309)
Depreciation		(32,735)	(49,159)	(68,244)	(153,453)	(303,591)
Balance as at 30 June 2016	<u>400,000</u>	<u>1,021,149</u>	<u>106,729</u>	<u>184,269</u>	<u>711,629</u>	<u>2,423,776</u>

Refer Note 1 for the accounting policy relating to disclosure of the fair value measurement hierarchy.

The North Central CMA has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

The fair value measurement hierarchy for assets as at 30 June 2016 is presented below.

Fair value measurement hierarchy as at 30 June 2016

	Carrying Amount as at 30 June 2016	Fair value measurement at end of reporting period using;		
		Level 1	Level 2	Level 3
Land at fair value				
Non-specialised land	400,000		400,000	
Total of land at fair value	400,000	0	400,000	0
Buildings at fair value				
Non-specialised buildings	1,021,149		1,021,149	
Total of buildings at fair value	1,021,149	0	1,021,149	0
Plant, equipment and vehicles at fair value				
Vehicles	711,629			711,629
Plant and equipment	290,998			290,998
Total of plant, equipment and vehicles at fair value	1,002,627	0	0	1,002,627

Fair value measurement hierarchy as at 30 June 2015

	Carrying Amount as at 30 June 2015	Fair value measurement at end of reporting period using;		
		Level 1	Level 2	Level 3
Land at fair value				
Non-specialised land	202,000		202,000	
Total of land at fair value	202,000	0	202,000	0
Buildings at fair value				
Non-specialised buildings	1,238,914		1,238,914	
Total of buildings at fair value	1,238,914	0	1,238,914	0
Plant, equipment and vehicles at fair value				
Vehicles	471,732			471,732
Plant and equipment	261,697			261,697
Total of plant, equipment and vehicles at fair value	733,429	0	0	733,429

There have been no transfers between levels during the period. For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value**2016**

	Specialised buildings	Vehicles	Plant and equipment
Opening Balance	1,238,914	471,732	261,697
Net Purchases (Sales)	0	389,436	146,613
Transfers in (out) of Level 3	0	0	0
Gains or (Losses) recognised in net result	0	3,914	91
Depreciations	(32,735)	(153,453)	(117,403)
Subtotal	(32,735)	239,897	29,301
Revaluation	(185,030)	0	0
Subtotal	(185,030)	0	0
Closing Balance	1,021,149	711,629	290,998
Unrealised gains (losses) on non financial assets	0	0	0

Reconciliation of Level 3 fair value**2015**

	Specialised buildings	Vehicles	Plant and equipment
Opening Balance	1,273,026	604,823	287,689
Net Purchases (Sales)	0	(47,528)	134,801
Transfers in (out) of Level 3	0	0	0
Gains or Losses recognised in net result	0	47,528	(6,336)
Depreciations	(34,112)	(133,091)	(131,695)
Impairment Loss	0	0	(22,762)
Subtotal	(34,112)	(133,091)	(25,992)
Revaluation	0	0	0
Subtotal	0	0	0
Closing Balance	1,238,914	471,732	261,697
Unrealised gains (losses) on non financial assets	0	0	0

Description of significant unobservable inputs to Level 3 valuation at 30 June 2016

	Valuation technique	Significant unobservable inputs
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Vehicles	Depreciated replacement cost	Cost per unit Useful life of motor vehicles

Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no improvement value.

For non specialised land and non-specialised buildings, an independent valuation was performed by independent valuers Egan National Valuers on behalf of the Valuer General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2016.

To the extent that non specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Vehicles

Vehicles are valued using the depreciated replacement cost method. The North Central CMA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the North Central CMA who set relevant depreciation rates during use to reflect the utilisation of the vehicles. As a result, the fair value does not differ materially from the carrying amount (depreciation cost).

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the exiting carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2016.

For all assets measured at fair value, the current use is considered the highest and best use.

Note 10 Intangible Assets**Intangibles - Software and Licences**

At cost

Accumulated amortisation

2016	2015
\$	\$
419,563	419,564
(419,205)	(337,145)
358	82,419

Movements during the reporting period

Opening Balance	82,418	244,479
Additions	0	0
Disposal	0	0
Amortisation	(82,060)	(162,060)
Closing Balance	358	82,419

The amortisation of intangibles is based on a useful life of 2 ½ years or 40% (2015 40%)

Note 11 Payables

	2016 \$	2015 \$
Current Payables		
Trade payables	1,556,491	832,914
Accrued expenses	563,521	584,023
Total Payables	2,120,012	1,416,937

Due to the short term nature of the current payables their carrying amount is assumed to approximate to their fair value

The ageing of trade payables is as follows:

0 to 3 months	1,556,491	832,914
3 to 6 months	0	0
over 6 months	0	0
	1,556,491	832,914

Note 12 Provisions and Employee Benefits

	2016 \$	2015 \$
Current provisions		
Employee benefits (Note 1(k))		
Annual leave (Note 1(k)):		
Unconditional and expected to settle within 12 months	301,802	392,110
Unconditional and expected to settle after 12 months	100,601	0
Time in Lieu and rostered days off	66,776	68,640
Long service leave(Note 1(k)):		
Unconditional and expected to settle within 12 months	40,627	0
Unconditional and expected to settle after 12 months	718,996	633,765
Total current provisions	1,228,801	1,094,515
Non-current provisions		
Employee Benefits (Note 1(k)):	157,765	111,865
Total non-current provisions	157,765	111,865
Total provisions	1,386,566	1,206,380

(a) Employee benefits and on-costs

Current employee benefits		
Annual Leave	349,915	340,965
Time in Lieu	58,066	59,687
Long Service Leave	660,542	551,100
Non-current employee benefits		
Long Service Leave	137,187	97,274
Total employee benefits	1,205,710	1,049,026
Current on-costs	160,278	142,763
Non-current on-costs	20,578	14,591
Total on-costs	180,856	157,354
Total employee benefits and on-costs	1,386,566	1,206,380

Note 13 Contributed Capital, Reserves and Accumulated funds

	2016 \$	2015 \$
(a) Contributed capital		
Balance at beginning of year	8,755,693	8,755,693
Capital contributions	0	0
Balance at end of year	8,755,693	8,755,693
(b) Reserves		
Asset revaluation reserve		
Balance at beginning of year	754,549	754,549
Revaluation during the year	12,970	0
Balance at end of year	767,519	754,549
(c) Accumulated funds		
Balance at beginning of year	(101,700)	(230,085)
Net result for the period	(633,171)	128,385
Balance at end of year	(734,870)	(101,700)

Note 14 Commitments

Operating leases	2016	2015
Non-cancellable operating lease commitments incl. GST	\$	\$
As at 30 June 2016 the Authority had leases for photocopiers		
Within one year	13,110	13,110
Later than one year but not later than five years	19,665	32,773
Later than five years	0	0
	32,775	45,883

Note 15 Carry Forward Project Funding

Catchment Management Authorities are responsible for the facilitation and coordination of catchments in an integrated and sustainable manner. This is achieved by undertaking projects funded by State and Federal Government programs. The North Central CMA receives funding for specific projects which are guided by the Regional Catchment Strategy and delivered in line with the North Central CMA's Corporate Plan approved by the Minister for Water.

The projects funded by the State and Commonwealth Governments can be undertaken over multiple financial years and funding is received at various stages of the project life based on contractual agreements. At the end of the financial year there are some projects that have not reached completion but will be completed within the contractual terms in future financial periods. At balance date the North Central CMA has significant cash and cash equivalents that will be utilised to complete these projects in future financial years. Refer Note 7 - Cash and Cash Equivalent for balances on hand.

Note 16 Contingent Liabilities and contingent assets

The North Central CMA has no contingent liabilities or contingent assets.

Note 17 Superannuation

The North Central CMA makes its employer superannuation contributions in respect of its employees to various nominated funds chosen by its employees. Obligations for contributions to these funds are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

The North Central CMA contributes in respect of its employees to the following superannuation schemes:

Fund	Type of Scheme	Rate	2016	2015
		%	\$	\$
AMP Life	Accumulation	9.5%	0	13,824
AMP Flexible Lifetime Super	Accumulation	9.5%	3,842	3,433
AMP National Mutual Retirement Fund	Accumulation	9.5%	7,088	0
AMP Retirement Savings Account	Accumulation	9.5%	4,044	0
AMP Retirement Trust	Accumulation	9.5%	4,334	0
ANZ Superleader Plan	Accumulation	9.5%	9,136	0
ANZ Super Advantage	Accumulation	9.5%	0	6,994
Sandhurst Trustees Ltd	Accumulation	9.5%	0	6,489
AssetLink Super	Accumulation	9.5%	9,344	9,143
Australian Catholic Super	Accumulation	9.5%	8,981	10,327
Australian Super	Accumulation	9.5%	90,092	86,672
AXA Super	Accumulation	9.5%	10,898	8,437
Bendigo Smart Start Super	Accumulation	9.5%	6,599	0
BT Lifetime Super	Accumulation	9.5%	4,405	0
Cruelty Free Super	Accumulation	9.5%	9,542	8,938
ESS Super	Accumulation	9.5%	11,836	35,519
First State Super	Accumulation	9.5%	21,365	15,896
IIML ACF Life Track Application	Accumulation	9.5%	0	28,446
IOOF Super	Accumulation	9.5%	6,314	0
KINETIC Super	Accumulation	9.5%	13,492	9,639
Macquarie Super	Accumulation	9.5%	2,636	6,910
Mentor Super Master Trust	Accumulation	9.5%	5,134	0
Mercantile Mutual Life Insurance	Accumulation	9.5%	2,980	15,673
Mercer Wealth Solutions Super Trust	Accumulation	9.5%	740	9,419
National Mutual Retirement Fund	Accumulation	9.5%	0	12,069
One Path Super	Accumulation	9.5%	6,610	0
Prime Super	Accumulation	9.5%	0	560
Q Super	Accumulation	9.5%	5,217	0
REST Superannuation	Accumulation	9.5%	24,331	26,920
Uni Super	Accumulation	9.5%	16,301	13,932
Victorian Superannuation Board	Accumulation	9.5%	71,360	50,548
Vision Super	Accumulation	9.5%	174,932	176,527
Other Superannuation Funds	Accumulation	9.5%	13,850	17,062
Total contributions to all funds			545,403	573,377

As at balance date there were no contributions payable to the above funds.

No balances were repayable in respect of loans made to the North Central CMA from any fund.

The North Central CMA makes the majority of its employer superannuation contributions in respect of its employees to the Vision Super Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% required under Superannuation Guarantee legislation (for 2014-15, this was 9.5%)).

Defined Benefit

The North Central CMA does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of North Central CMA in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

The North Central CMA makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2015 and it was determined that the vested benefit index (VBI) of the defined benefit category of which North Central CMA is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

- Net investment returns 7.00% pa
- Salary information 4.25% pa
- Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at March 2016 was 102.4%

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, North Central CMA makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

In addition, North Central CMA reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the defined benefit category is in an unsatisfactory financial position at actuarial investigation or the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including North Central CMA) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which North Central CMA is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The North Central CMA was notified of the results of the actuarial investigation during August 2015.

Superannuation contributions

Contributions by North Central CMA (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2016 are detailed below:

Scheme	Type of scheme	Rate	2016 \$'000	2015 \$'000
Vision Super	Defined benefits	9.50%	\$6,247	\$5,473
Vision Super	Accumulated	9.50%	\$457,949	\$567,904

There were no contributions outstanding to the above schemes as at 30 June 2016 (2015-16 \$Nil).

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2017 is \$nil.

Note 18 Responsible persons related disclosures

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

The persons who were responsible persons at anytime during the financial year were:

		From	To
Hon Lisa Neville, MP	Minister for Environment, Climate Change & Water	1 Jul 2015	22 May 2016
Hon Lisa Neville, MP	Minister for Water	23 May 2016	30 Jun 2016
Hon Lilliana (Lily) D'Ambrosio, MP	Minister for Energy, Environment and Climate Change	23 May 2016	30 Jun 2016
David Clark	Board Chair	1 Jul 2015	30 Jun 2016
Diane Bowles	Board Member	1 Jul 2015	30 Jun 2016
Prue Milgate (nee Addlem)	Board Member	1 Jul 2015	30 Jun 2016
Julie Slater	Board Member	1 Jul 2015	30 Jun 2016
Stuart McLean	Board Member	1 Jul 2015	30 Sep 2015
James Williams	Board Member	1 Jul 2015	30 Sep 2015
Melanie McCarthy	Board Member	1 Jul 2015	30 Jun 2016
Julie Miller Markoff	Board Member	1 Jul 2015	30 Jun 2016
Laurie Maxted	Board Member	1 Jul 2015	30 Sep 2015
Charles Gillingham	Board Member	27 Oct 2015	30 Jun 2016
Graham Atkinson	Board Member	27 Oct 2015	30 Jun 2016
Richard Carter	Board Member	27 Oct 2015	30 Jun 2016
Brad Drust	Chief Executive Officer	1 Jul 2015	30 Jun 2016
Rohan Hogan	Acting Chief Executive Officer	21 Mar 2016	29 Mar 2016
Rohan Hogan	Acting Chief Executive Officer	12 May 2016	20 May 2016

Remuneration of responsible persons

Remuneration paid to Ministers is reported in the Annual Report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests which each member of the Parliament completes.

Remuneration received or receivable from the North Central CMA in connection with the management of the North Central CMA during the reporting period was:

Band	2016	2015
0 - 9,999	3	0
10,000 - 19,999	8	8
20,000 - 29,999	0	1
30,000 - 39,999	1	1
170,000 - 179,999	1	0
220,000 - 229,999	0	1
Total Remuneration \$	332,726	388,654

Other transactions

Responsible Persons

The partner of the former CEO is a Director and Shareholder of a Company which was a preferred supplier of recruitment services and temporary staff. All delegations relating to procurement of Human Resource related services were delegated to the Human Resource Manager. The Human Resource Manager reported directly to the Chairman for these accountabilities.

Name of Related Parties	Responsible Person	2016	2015
ESE Consulting	Damian Wells	0	41,311

Amount for 2015 is only for the period when CEO Damian Wells was employed (1/7/14 – 2/3/15).

Remuneration of executive officers and other personnel

The number of executive officers, other than responsible persons, whose total remuneration falls within the specified bands above \$100,000 are as follows:

Band	Total Remuneration		Base Remuneration	
	2016	2015	2016	2015
100,000 - 109,999	1	2	0	3
110,000 - 119,999	0	3	1	3
120,000 - 129,999	2	4	3	2
130,000 - 139,999	2	1	0	1
140,000 - 149,999	0	0	0	0
Total number of Executive Officers	5	10	4	9
Total Annualised Employee Equivalent (*)	5.0	9.5	4.0	8.5
Total Remuneration \$	614,329	1,190,195	496,063	1,046,768

(*) Annualised Employee Equivalent is based on working 38 ordinary hours per week over the reporting period

The number of executive officers and other personnel, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the first two columns in the table above in their relevant income bands. The base remuneration is shown in the third and fourth columns. Base remuneration is inclusive of superannuation but excludes bonus payments and retrenchments. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

A number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

Note 19 Reconciliation of net result for the period to net cash flows from operating activities

Net result for the period

Add/(less) Non-Cash Flows in Net Result

(Profit)/loss on disposal of non-current assets
Depreciation and amortisation

Changes in Assets and Liabilities

Decrease/(increase) in receivables
Decrease/(increase) in prepayments
Decrease/(increase) in accrued interest
(Decrease)/Increase in payables
(Decrease)/Increase in accrued expenses
(Decrease)/increase in employee benefits

Net Cash flows from Operating Activities

	2016 \$	2015 \$
	(633,171)	128,385
	(3,914)	(41,418)
	385,651	483,720
	(251,434)	570,687
	1,385,243	902,078
	(12,899)	(25,192)
	(405)	3,026
	723,577	253,527
	(20,500)	(50,952)
	180,186	79,751
	2,003,768	1,732,925

Note 20 Events occurring after the balance date

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

Note 21 Economic dependency

The North Central CMA's role in implementing the goals contained in the Regional Catchment Strategy remains dependent upon future funding by the State and Commonwealth Governments.

Appendices

Appendix 1: Policy No. HR016 North Central CMA Protected Disclosure Policy established under s 58 of the *Protected Disclosure Act 2012*

Policy Title:	Protected Disclosure Policy established under s 58 of the <i>Protected Disclosure Act 2012</i>	
Policy Number:	HR 016 NCCMA-72-292	Effective Date: 10/08/2014
Purpose:	The North Central Catchment Management Authority (North Central CMA) is required to establish a Policy under s 58 of the <i>Protected Disclosure Act 2012</i> ("Act"). The North Central CMA is required to ensure this policy is readily available to members of the public as well as internally to all employees, staff and members of the North Central CMA.	
Scope:	All staff, Board Members, Community Consultative Committee Members, employment providers and members of other committees and practitioner bodies of the North Central CMA.	
Training Assumptions:		
Legislative Context (if relevant):	<i>Protected Disclosure Act 2012</i>	
References:	<i>Protected Disclosure Act 2012</i> Independent Broad-based Anti-corruption Commission Act 2011 Protected Disclosure Regulations 2013 IBAC's Guidelines issued under s 57 of the <i>Protected Disclosure Act 2012</i> , June 2013 IBAC Website: www.ibac.vic.gov.au <i>Freedom of Information Act 1982</i> <i>Information Privacy Act 2000</i> <i>Charter of Human Rights and Responsibilities Act 2006</i> HR017 – Protected Disclosures Procedures	
Approved by:	Interim approval by Executive Manager – Human Resources Chairperson of the North Central CMA Board	
Next Review Date:	1 July 2017	
Documents superseded by this document	HR009 – Whistle-blowers' Policy	
Relevant forms:		
Key Words:	<i>Protected Disclosure Act 2012</i>	

1. Introduction

The North Central CMA is a public body subject to the *Protected Disclosure Act 2012* ("Act"). The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies, including the North Central CMA, its staff, members and employees.

The North Central CMA is committed to the aims and objectives of the Act. It recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal improper conduct. It does not tolerate improper conduct by the organisation, its employees, officers or members, nor the taking of detrimental action in reprisal against those who come forward to disclose such conduct.

2. What can disclosures be made about?

Disclosures may be made about "improper conduct" on the part of a public body or its staff, employees and members. Disclosures may also be made about "detrimental action" taken (or suspected may be taken) in reprisal or in connection with a disclosure made about improper conduct.

The conduct or action being disclosed may have taken place, still be occurring, or is believed will occur or be engaged in.

The Act provides definitions about improper conduct and detrimental action. For more information about what those terms mean, see the North Central CMA's Protected Disclosure Procedures (see below about how to access or obtain a copy of those procedures).

3. Who can make a disclosure?

Any individual natural person (e.g., not organisation or company) may make a disclosure under the Act. The individual could be a person within the organisation, or any member of the public externally.

Disclosures may be made in a number of ways set out in the Act, including anonymously, in writing or orally. A discloser need not identify the person or body about whom the disclosure is made.

4. How to make a disclosure

According to the Independent Broad-based Anti-corruption Commission ("IBAC"), the North Central CMA is not permitted to receive disclosures made under the Act. Therefore, if you wish to make a disclosure about the North Central CMA, its officers, members or employees, you will need to make that disclosure directly to the IBAC. If the North Central CMA believes a disclosure may be a protected disclosure made in accordance with the Act, it will ask you to make that disclosure to the IBAC. The IBAC will deal with the disclosure.

5. Role of the North Central CMA

It is important to note that the IBAC is not required to contact the North Central CMA about any disclosure you make so you should not discuss with the North Central CMA any disclosure you make to the IBAC unless you have first obtained the permission of the IBAC to do so, or unless the IBAC has directed you to do so, or the IBAC has contacted the North Central CMA to provide it with information in order to allow the North Central CMA to provide you with any necessary welfare and support.

As required under the Act, the North Central CMA has established procedures to facilitate and encourage the making of disclosures under the Act, and how the North Central CMA will manage the welfare of persons connected with protected disclosures ("Protected Disclosure Procedures"). The North Central CMA's Protected Disclosure Procedures are available at *Protected Disclosure Act 2012* or by inspection during normal office hours of the North Central CMA at 628 – 634 Midland Highway, Huntly, Victoria, 3551.

If you are not able to access an online copy or would like a copy sent to you, please contact the North Central CMA's Protected Disclosure Officer by email at Trepina.Marek@nccma.vic.gov.au or call 03 5448 7124 so we can provide you with a copy of our Protected Disclosure Procedures.

6. Confidentiality

The North Central CMA takes its obligations under the Act seriously. This includes the requirement to protect the identity of the discloser and the matters disclosed by a discloser. Maintaining confidentiality in relation to protected disclosure matters is crucial, among other things, in ensuring reprisals are not made against a discloser. It is a criminal offence under the Act to disclose information connected with a disclosure made in accordance with the Act, including the identity of the discloser. The penalties for breaching confidentiality obligations include financial penalties and imprisonment.

7. For more information

For more information about protected disclosures or the Victorian integrity system generally, also see <http://www.ibac.vic.gov.au/report-corruption-or-misconduct/protected-disclosure>.

Appendix 2: Disclosure index

The North Central CMA 2015-16 Annual Report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions		
Report of Operations – FRD Guidance		
<i>Charter and Purpose</i>		
FRD 22G	Key Initiatives and Projects	2, 4, 5
FRD 22G	Performance against objectives, functions, powers and duties	2, 4 – 13
FRD 22G	Manner of establishment and the relevant Ministers	3
FRD 22G	Objectives, functions, powers and duties	3
FRD 22G	Nature and range of services provided	3
FRD 22G, SD 4.2 (k)	Operational and budgetary objectives, and performance against objectives	4 – 14
FRD 22G	Five year financial summary	14
FRD 22G	Current year financial review	14
FRD 22G	Subsequent events	14
Governance and Organisational Structure		
FRD 22G	Organisational structure and corporate governance arrangements	15
FRD 22G, SD 2.2 (f) & (g)	Audit Committee and membership roles	17
FRD 22G	Performance against Occupational Health and Safety measures	18
FRD 22G	Employment and conduct principles	19
FRD 22G	Human Resource Management	19
FRD 22G	Public Administration values and employment principles	19
FRD 22G, FRD 29A	Comparative Workforce Data	20
Other Disclosures		
FRD 10A	Disclosure index	53
FRD 12A	Major Contracts	20
FRD 15C	Executive Officer disclosures	20

Legislation	Requirement	Page reference
Ministerial Directions		
FRD 22G	Consultancy expenditure	20
FRD 22G	Government advertising expenditure	22
FRD 22G	Application and operation of <i>Freedom of Information Act 1982</i>	22
FRD 22G	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	22
FRD 22G	Statement on National Competition Policy	22
FRD 22G, PD Act	Compliance with the <i>Protected Disclosure Act 2012</i>	22
FRD 22G	ICT expenditure	21
MRO	Capital projects	22
FRD 24C	Office-based environmental impacts	24
FRD 25B	Implementation of the <i>Victorian Industry Participation Policy at 2003</i>	20
FRD 22G	Statement of availability of additional information available on request	26
Financial and Other Information		
MRO	Disclosure of grants and transfer payments	14, 55
FRD 22G	Significant changes in financial position during the year	14
FRD 22G	Major changes or factors affecting performance	14
FRD 22G	Standard Disclosure in Report of Operation	2, 14, 27
FRD 27C	Presentation and Reporting of Performance Information	4
FRD 30C	Standard requirements for the design and print of annual reports	inside cover
SD 4.5.5	Statement of attestation	26
SD 4.2(g)	General information requirements	26
SD 4.2(j)	Sign-off requirements	27
Financial statements required under Part 7 of the FMA		
SD4.2(a)	Statement of changes in equity	32
SD4.2(b)	Operating statement	30
SD4.2(b)	Balance sheet	31
SD4.2(b)	Cash flow statement	33
SD4.2(b)	Notes to the financial statements	34
Other requirements under Standing Directions 4.2		
SD4.2(c) & FRD 120H	Compliance with Australian accounting standards and other authoritative pronouncements	27
SD4.2(c)	Compliance with Ministerial directions	27
SD4.2(d)	Rounding of amounts	34
SD4.2(c)	Accountable officer's declaration	27
SD4.2(f)	Compliance with Model Financial Report	27
Other disclosures as required by FRDs in notes to the financial statements		
FRD 11A	Disclosure of ex-gratia payments	53
FRD 21B	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities)	20, 21, 50
FRD 103F	Non-current physical assets	31
FRD 106	Impairment of assets	31, 35
FRD 109	Intangible assets	31, 36
FRD 112D	Defined benefit superannuation obligations	49
FRD 119A	Transfer through contributed capital	48
FRD 120I	Accounting and reporting pronouncements applicable to the 2015-16 Reporting Period.	30
FRD 7B	Early Adoption of Authoritative Accounting Pronouncements	27
FRD 8D	Consistency of Budget and Departmental Reporting	27

Appendix 3 – 2015-16 Grants and transfer payments

The North Central CMA has provided grants to Landcare groups and other natural resource management (NRM) groups in the region as part of the 2015-16 Victorian Landcare Grants Program, which the Department of Environment, Land, Water and Planning is responsible for administering. Grants provided to the region's Landcare and other NRM groups in 2015-16 for the purposes of protecting and enhancing the natural environment were as follows:

Project Grants (15)						
Name of Project	Applicant	Amount approved (ex GST)	Brief description	Location	Project start	Project completion (estimated)
Axedale River Reserve Habitat Enhancement	Longlea and District Landcare Group	\$7,479	Enhancement of the native habitat along the Campaspe River at Axedale. The focus of this project is to address the sweet briar infestation along the river, a regionally controlled weed in the North Central region.	Axedale	September 2015	October 2016
Kow Swamp revegetation project	Gunbower Landcare Group	\$9,720	The Kow Swamp Revegetation Project will protect and enhance the riparian zone at this culturally significant wetland. Two sites have been identified that include private and public land. Both landholders have endorsed the project.	Leitchville	September 2015	October 2016
Welcome to Muckeleford - Community engagement program for new landholders	Muckeleford Catchment Landcare Inc	\$2,090	This project aims to engage new landholders in the Muckeleford catchment through a comprehensive introduction to the geology, landscape, vegetation and environmental history of the valley.	Castlemaine	September 2015	October 2016
2016 Wheel Cactus Offensive	Tarrangower Cactus Control Group	\$4,980	This project will hold eight community field days and a four-day student event, as well as work with DELWP on compliance issues. The project will undertake 70ha of wheel cactus control. The project will also continue the community awareness of the program through newspaper articles, Cactus Warriors website and participation in community events.	Maldon	September 2015	October 2016
Enhancing an ongoing threatened species monitoring program	Upper Spring Creek Landcare Group	\$5,329	This ongoing project is about community education and increasing environmental knowledge and appreciation of local threatened and endangered flora and fauna by encouraging the community to become involved in hands-on monitoring projects.	Lockwood South/ Shelbourne	September 2015	October 2016
Winjallock Community Grants 2015-16	Winjallock Landcare Group	\$9,850	The project will continue and complement previous work undertaken by the group and will include land protection, revegetation, weed and rabbit control. The project will provide on-ground work opportunities that will continue the long and productive relationship the group has enjoyed with Donald High School's Green week Program	Winjallock	September 2015	October 2016
Protecting woodland bird habitat and supporting sustainable farming production	Baringhup Landcare Group	\$3,880	The project has been designed to show the local community that with a concerted effort from landholders and group members, the current relentless march of wheel cactus can be halted. 7ha of Wheel Cactus will be controlled in this project.	Baringhup	September 2015	October 2016
Promoting the Eddington Red Gum Forest Vegetation	Eddington Landcare Group	\$675	This project will raise community awareness about local Red Gum Forest and its natural values through community workshops and development of a brochure.	Eddington	September 2015	October 2016
Trees for Mum 2016	Woodend Landcare Inc	\$1,750	This project is a continuation of previous years' success with the national series of tree planting days which engages the local community in planting trees for mum on Mother's Day 2016	Woodend	September 2015	October 2016
Bendigo Creek Habitat Restoration Stage 5	Northern Bendigo Landcare Group	\$9,939	Restoring the riparian values of the Bendigo Creek between Epsom and Huntly through revegetation and pest plant and animal control. The project trials best-practice revegetation techniques and monitoring of the trials.	Huntly	September 2015	October 2016
Campbells Creek corridor - Lewis Drive Precinct Restoration Project	Friends of Campbells Creek Landcare Group	\$7,212	Undertake weed control and revegetation along Campbells Creek while encouraging greater awareness and participation from the local community.	Campbells Creek	September 2015	October 2016
Fairley Ripping into Rabbits	Fairley Bael Bael Sandhill Lake Landcare Group	\$7,711	Working together to reduce pest plant and animal control on private land next to a Ramsar wetland. These works will be undertaken in consultation with Aboriginal approval.	Kerang	September 2015	October 2016

Project Grants (15) (cont.)						
Name of Project	Applicant	Amount approved (ex GST)	Brief description	Location	Project start	Project completion (estimated)
Riparian Rehabilitation - Little Coliban River	Tylden Landcare Group	\$9,760	Weed control and revegetation work as follow up on extensive willow removal in past years.	Tylden	September 2015	October 2016
Campaspe River banks rehabilitation through weed control and community led revegetation.	Campaspe River and Land Management Group	\$9,890	Undertake indigenous revegetation works along the river where extensive willow removal has been undertaken previously. Focussed on establishing a population of the threatened hairy anchor plant	Kyneton	September 2015	October 2016
Box Thorn Eradication	Loddon Vale Landcare Group	\$2,620	Removal of boxthorns from the Loddon Vale Landcare region including encouraging farmers with extensive infestations.	Yarrowalla/ Durham Ox	September 2015	October 2016

Maintenance Grants (53)	
Newham & District Landcare Group	\$500
Avoca & District Landcare Group	\$500
St Arnaud Field Naturalists Club Inc	\$500
Quambatook Landcare Group	\$500
Woosang Landcare Group	\$500
Sandy Creek Catchment Landcare	\$500
Friends of Terrick Terrick National Park Inc	\$400
Elphinstone Land Management Assoc	\$500
Metcalfe Landcare Group	\$500
Strathallan Family Landcare	\$500
Friends of Kooyoor Inc	\$500
Baynton Sidonia Landcare Group	\$500
Kooreh Landcare Group	\$500
Friends of Smeaton	\$500
Nuggetty Land Protection Group	\$500
Maldon Urban Landcare Inc	\$500
Donald and District Landcare Group	\$500
Ravenswood Valley Landcare Group	\$500
Castlemaine Landcare Group	\$500
Blampied Kooroocheang Landcare Group	\$500
Birchip Landcare Group	\$500
Avon Plains Banyena Landcare Group	\$500
Ullina Landcare Group	\$500
Teddywaddy Rabbit Action Group	\$500
Friends of Black Hill	\$500
Lockington & District Landcare Group	\$500
Friends of the Box Ironbark Forests	\$500
Post Office Hill Action Group	\$500
Kerang Landcare Group	\$500
Wattle Flat-Pootilla Landcare Group	\$500
Strathfieldsaye Landcare Network	\$500

McKenzie Hill Action & Landcare Group	\$500
Yawong Conservation Group	\$500
Donald Music, Literature and Arts Society and Natural History Group	\$500
Junortoun Community Action Group	\$500
Upper Loddon and Avoca Landcare Network	\$500
McCallums Creek Landcare Group	\$500
Northern United Forestry Group	\$500
Lexton Landcare Group Inc	\$500
Wedderburn Conservation Management Network	\$500
Natte Yallock Landcare Group	\$500
Emu Landcare Group	\$500
Mt Bolton-Beckworth Landcare Group	\$500
Campaspe Valley Landcare Group	\$500
Buloke and Northern Grampians Landcare Network	\$500
Carapooee Landcare Group	\$500
St Arnaud Hills Landcare Group	\$500
Echuca Moama Landcare	\$500
Tresco Action Group	\$500
Friends of Hanging Rock Inc	\$500
Mt Pleasant Creek Catchment Landcare Group	\$500
Barkers Creek Landcare & Wildlife Group	\$500
Wychitella District Landcare Group	\$500
Sheepwash Creek Landcare Group	\$500

Start Up Grant (1)	
Friends of Bald Hill Reserve	\$500
Landcare Network Grants (5)	
Upper Loddon Catchment Landcare Consortium	\$15,000
Upper Campaspe Landcare Network	\$15,000
Mid-Loddon Sub-Catchment Management Group	\$15,000
Loddon Plains Landcare Network	\$15,000
Connecting Country (Mount Alexander Region) Inc	\$14,715

“The signing of a Memorandum of Understanding with the Dja Dja Wurrung people is a significant example of what can be achieved. The partnership helps provide a formal framework from which to deliver mutual outcomes and move together towards recognition and healing.”

*David Clark, Chairman,
North Central CMA.*





NORTH CENTRAL
Catchment Management Authority
Connecting Rivers, Landscapes, People

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