

# Annual Report

2013  
2014



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



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# community engagement ment

## 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.

Images – courtesy of the North Central CMA:  
Front cover: Northern Grasslands image courtesy of Nick Layne, North Central CMA's Remnant Grassy Eco-systems project manager. The Remnant Grassy Eco-systems project is funded by the Australian Government.

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# Joint Foreword from the Chairman and CEO

The North Central Catchment Management Authority (CMA) strives to be a benchmark organisation. We are pleased to report that in 2013-14 we delivered \$19.3 million of investment resulting in enduring environmental outcomes for north central Victoria.

In 2013-14 we met all our statutory obligations and ramped up a large-scale river restoration project for the Campaspe River to ensure the river becomes a healthier, better-flowing system. We worked diligently to protect and enhance endangered native flora and fauna, finalised our flood recovery commitments – including putting the finishing touches to our tenth flood management plan - and completed critical works and measures infrastructure to enable the efficient delivery of environmental water to our internationally important wetlands.

This is the first year we have reported a comprehensive outputs summary for North Central CMA delivered activities, across all funding sources and delivered in this financial year. Our outputs for the year include structural works (27 km of channel modification, 103 waterway structures, 57 monitoring structures, and 93 km of fencing); environmental works (646 ha of revegetation, 9,482 ha of weed control and 19,686 ha of pest animal control); management services (316 ha of modified grazing land); approval or advice on 1571 planning and regulatory issues and 7,270 people engaged in our events throughout the year.

In partnership with the Murray-Darling Basin Authority, the Victorian Government and Goulburn-Murray Water we completed construction of the \$13.5 million Hipwell Road Channel in the Gunbower Forest. We commissioned the works in May 2014 commencing the efficient delivery of vital environmental water into the forest to secure enduring protection of the River Red Gum forest and wetlands on Gunbower Island as part of The Living Murray program.

Following the Victorian Government's endorsement of our 2013-19 Regional Catchment Strategy, the reporting period marks the first 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 strategy sets a visible foundation for our work over the coming years to achieve enduring landscape change and strengthen the links between rivers, landscapes and people in our region.

We acknowledge the important role played by our partners - including the Australian and Victorian Governments and their agencies, local government, rural and urban water corporations, Traditional Owners, local communities, landholders and Landcare groups. During the year we signed a Regional Operating Agreement with Parks Victoria and the Department of Environment and Primary Industries in order to improve the services we provide to the community.

Throughout the year we developed and released a five year Regional Landcare Support Plan to guide our continued provision of strategic support and direction to our regional Landcare movement. The support plan acknowledges the important partnership we have with the region's 164 Landcare groups and nine Landcare Networks along with the on-going commitment and resilience of our community NRM volunteers.

Effective partnerships are critical to achieving our purpose of enhancing the integrity of our catchments. The level of achievement reached in 2013-14 is not possible without the assistance of major agency and community partnerships and the efforts of our dedicated staff. The capacity to deliver so many projects has been built over the past eight years through the investments we have made in both systems and people.

Our people remain a key asset, not only through their skills and knowledge but also their extensive networks and - most importantly - their passion and commitment to delivering enduring environmental change.

During the year our work involved increasing the capacity of communities to actively participate in natural resource management - particularly through our Landcare, Waterwatch and Indigenous engagement programs; maintaining productive agricultural land - through projects such as FarmWater, Farming for Sustainable Soils and Healthy and Productive Irrigated Landscapes and meeting all our statutory obligations under the relevant Acts.

We are extremely proud of our achievements over the past 12 months.

In accordance with the *Financial Management Act 1994*, we are pleased to present the North Central Catchment Management Authority's annual report for the year ending 30 June 2014.



Mr David Clark  
Chairman  
North Central CMA



Mr Damian Wells  
Chief Executive Officer  
North Central CMA

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# Year in Review

## Year in Review – Overview

### August 2013

30 Langley Primary school students plant 200 plants beside the Campaspe River as part of the Kyneton Woodlands project

North Central CMA's 2010-11 Flood Response and Recovery wins the River Basin Society's Award in the Catastrophic Event Response Category

North Central CMA's Loddon Stressed River project wins the River Basin Society's Award in the Working with Community Category

The number of Twitter followers following the North Central CMA reaches 176

85 people now like the North Central CMA's Facebook page

### September 2013

Bill and Gwen Twigg receive the North Central Landcare Award for Sustainable Agriculture at a ceremony held at Government House, Melbourne

Delivery of environmental water commences through Gunbower Creek, to continue through until June 2014 to improve the health of large bodied fish, encourage fish movement and maintain habitat and access to food resources.

Environmental water delivered to the Campaspe River, downstream from Lake Eppalock

19 people attend Wanderers Plains Field Day

50 people attend Kyneton Woodlands project 'Find out more about your local reptiles' seminar in partnership with Baynton Sidonia Landcare Group

### October 2013

50 people participate in a 'Catch-a-Carp' fishing competition held as part of the Cohuna Festival

135 Strathfieldsaye Primary School students participate in River Detectives - Macroinvertebrate Studies

125 Bendigo Primary School students participate in National Water Week activities in partnership with Coliban Water and the City of Greater Bendigo

150 people participate in a tree planting day and native bird workshop

### November 2013

Waterwatch celebrates turning twenty

### December 2013

32 people participate in a 'Future Farming Options' Field Day, Mystic Park

100 women attend the Chicks in the Sticks event on Gunbower Island

### January 2014

Environmental water delivered to Loddon River between Loddon Weir and Kerang Weir.

### February 2014

75 people participate in a World Wetlands Day 'Breakfast with the Birds' event at Hird Swamp

45 people participate in a World Wetlands Day bus tour to three wetlands along Gunbower Creek

Extensive media coverage of the community consultation for the Bendigo Urban Flood Study

Expressions of Interest called for participation in the Northern Eco-Connections Project

400 ML delivered to Hipwell Road construction site to test infrastructure

North Central CMA and Barapa Barapa Traditional Owners take part in cultural heritage mapping in Gunbower Forest

### March 2014

Community consultation regarding results of the Bendigo Urban Flood Study continues

New Farming for Sustainable Soils Group forms at Paradise

75 land managers participate in the 2014 Future Farming Expo, Maryborough

30 land managers participate in an On-Farm Composting Field Day, Yarrowalla

North Central CMA hosts a visit by the Victorian Catchment Management Council to the region

Castlemaine floor level surveys completed to inform flood mitigation and urban drainage plan

Caring for the Campaspe project staff hold a 'willow removal information session' in Kyneton

Public consultation commences for the North Central Waterway Strategy

30 farmers participate in a Wycheproof Farming for Sustainable Soils Field Day

Control of Pale Yellow Water Lily continues in Gunbower Creek

Environmental water delivered to Loddon River between Loddon Weir and Kerang Weir

### April 2014

Community consultation regarding results of the Bendigo Urban Flood Study continues

First catfish caught in five years in Cockatoo Lagoon (fish monitoring program)

40 people participated in a 'Fish Tales event' on Gunbower Island. Fishing, fish ecology and culture were the 'shared interest' amongst Indigenous and non-Indigenous participants

1850 ML of environmental water delivered to Lake Meran

Environmental water pulse delivered to Loddon River between Loddon Weir and Kerang Weir

Works commence to construct a fishway at the Echuca Weir

North Central CMA hosts MDBA visit to Hipwell Road construction site

### May 2014

Community consultation regarding results of the Bendigo Urban Flood Study continues

Delivery of environmental water to the Loddon River commences with flows of 100ML/day to last until October

Delivery of environmental water into Gunbower Forest commences using Hipwell Rd infrastructure

North Central Waterwatch Waterbirds Field Guide launched

55 people participate in the North Central Waterwatch Annual Water Science Forum, Koondrook

Saltwatch activities delivered to over 400 primary school students across the region

Launch of the North Central Waterwatch Short Film featuring Waterwatch volunteers

More than 180 people participate in a 'Campfire and Culture event' – a Reconciliation partnership event between the North Central CMA and the Kerang Local Aboriginal Network

Construction of a state-of-the-art fishway at the Echuca Weir is complete

North Central CMA hosts an aquatic weed identification workshop

North Central CMA's Caring for the Campaspe project hosts a visit by 30 Masters' students from Melbourne University's School of Land and Environment

Environmental water delivered to Wimmera wetlands within the region. This is the first time environmental water has been delivered to these wetlands to benefit the terrestrial fauna, turtles, frogs and waterbirds

Social benchmarking landholder survey being conducted by Charles Sturt University is rolled out

#### June 2014

The North Central CMA signs a Regional Operating Agreement with PV and DEPI to improve the services we provide to the community

Minister Walsh joined partner representatives and community members to inspect levee works at Pentland Island

Community consultation regarding results of the Bendigo Urban Flood Study continues

80 people attend pasture cropping and grazing management events in Maryborough and St Arnaud

A Knowledge Sharing Day is held in Koondrook to present Barapa people with the results of the cultural mapping fieldwork - a celebration and recognition of learning on country

Cultural Heritage Advisors appointed for Gunbower, Guttrum and Benwell SDL's Project

North Central CMA hosts a series of forums with regional Landcare networks/consortiums regarding the preparation of network plans

229 people have participated in the Farming for Sustainable Soils (FSS) program (Phase 2) over the past 12 months, bringing the total number of participants over the life of FSS to almost 800

During 2013-14 the North Central CMSA delivered approximately 50,000 ML of environmental water

Twitter followers following the North Central CMA reaches 352 (double the number in July 2013)

178 people now like the North Central CMA's Facebook page (double the number in July 2013).

## Objectives and functions

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 of the Regional Catchment Strategy (RCS)

- enabling the regional community to provide local input to the planning and implementation of the RCS
- formulating and delivering targeted interventions to protect the region's land, biodiversity and water assets.

The caretaker of river health function includes:

- waterway management
- water quality management
- floodplain and regional drainage management
- reporting on catchment condition
- compliance monitoring and reporting to government relating to the organisation's obligations.

## Vision, Mission, Values

### Our vision

We will be a benchmark organisation

### Our mission

We will enhance the integrity of our catchments

### 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 CMA is committed to high levels of performance that are underpinned by agreed values and behaviours.

### Our trademark in business

#### *Knowledgeable, reliable and engaging*

Staff have committed to organisational expectations relating to our behaviour in business. Through this process, staff adopted a team trademark of knowledgeable, reliable and engaging. The trademark articulates how we would like to be described by others and guides the actions we take in business.

The trademark is underpinned by the following behaviours to which staff have committed:

- seek to understand – embrace challenges and seek solutions
- be honest and take responsibility – do what you say you will do
- see something, do something
- show respect
- actively engage.

## 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 period from 1 July 2013 to 30 June 2014 were

- the Hon. Ryan Smith MP, Minister for Environment and Climate Change; and
- the Hon. Peter Walsh MLA, Minister for Water.

## Nature and range of services provided

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.

The North Central Catchment Management Authority (CMA) works to achieve a healthy natural environment in north central Victoria, an area that covers 13 per cent of the state. This involves:

- undertaking projects to restore river health
- funding on-ground works to protect and improve the environment
- overseeing the use of environmental water to improve the region's rivers and wetlands
- using the best available science in all projects
- investing in biodiversity improvement along rivers and other sites with high environmental value
- monitoring the effectiveness of activities to achieve the best results for investment.

## Management and catchment overview

The 2013-14 reporting period presented a number of challenges and opportunities for natural resource management activities across the North Central CMA region. The flood recovery programs are all but complete and other programs throughout the region were delivered as normal.

A total of 68 projects were undertaken across the region to support ongoing flood recovery requirements, environmental water delivery, waterway and wetland restoration and protection, community participation in natural resource management, endangered species protection, floodplain management, sustainable land management practices and the protection and enhancement of biodiversity values. Funding for projects was received from the Victorian Water Group Investment Framework, Caring for our Country Initiative, the Carbon Farming Initiative, The Living Murray Program, Natural Disaster Resilience Grants Scheme, NDRRA, Recreational Fishing Grants, along with other sources.

The North Central CMA has continued our commitment to developing and maintaining regional partnership to achieve enduring environmental change for the region's highest priority natural resource assets. Key project implementation partners were the Department of Environment and Primary Industries, Parks Victoria, Goulburn-Murray Water, Goulburn Broken and North East Catchment Management Authorities, Trust for Nature, Dja Dja Wurrung Clans Aboriginal Corporation, Conservation Management Networks, Landcare groups, local government and local land managers.

Additionally this year saw the introduction of a new approach to mapping of outputs (goods and services; see Table 1 for the list delivered this year) developed in partnership with DEPI, the other CMA's and other agencies. The new approach has significantly

improved our confidence in mapping of works. However, further work is required to consistently and reliably quantify the outcomes (impact) of those works. This work is a crucial step in being able to clearly communicate achievements delivered by CMA's (and our funders and partners).

### Biodiversity

The North Central CMA and partners implemented 17 projects contributing to outcomes reported against the Biodiversity headline theme. These projects were Northern Eco-Connections, The Living Murray Gunbower Forest projects (various), Kooyoora Connections, Protecting Remnant Grassy Ecosystems, Victorian Landcare Grants, Caring for the Campaspe, Gunbower Forest Key Asset Protection, Kerang Wetlands Protection, Protecting and Enhancing Kyneton Woodlands and NDRRA.

### Inland Aquatic Ecosystems

The North Central CMA and partners implemented 19 projects contributing to outcomes reported against the Inland Aquatic Ecosystems headline theme. The projects were Caring for the Campaspe, Echuca Fishway, Administration of Statutory Functions, Environmental Water Reserve Officers, NDRRA, Protecting and Enhancing Priority Wetlands, Protection of York Plains Wetlands, The Living Murray Gunbower Forest projects (various), Sustainable Diversion Limits Gunbower, Guttrum and Benwell Forests, North Central Waterwatch, River Maintenance and Northern Native Fisheries. Works were undertaken along 250 kilometres of regional waterways.

### Land Health

The North Central CMA and partners implemented five projects contributing to outcomes reported against the Land Health headline theme. The projects were Healthy Productive Irrigated Landscapes, Reporting and Accounting for Salinity, Farming for Sustainable Soils 2, Project RENEW and Action on the Ground Reducing Nitrogen Oxide.

### Community Capacity

The North Central CMA and partners implemented 20 projects contributing to outcomes reported against the Community Capacity headline theme. The projects were Bendigo, Castlemaine, Creswick, Charlton and Donald Flood Studies, Victorian Landcare Grants, Regional Landcare Facilitator, Regional Landcare Coordinator, Regional Indigenous Engagement, Regional Sustainable Agriculture, North Central Waterwatch, North Central CMA Social Benchmarking Study, Administration of Statutory Functions, Environmental Water Reserve Officers, 25th Anniversary of Landcare, Carbon Farming Initiative Communications, Farming for Sustainable Soils 2, North Central Carbon Action Plan, North Central Regional Catchment Strategy and North Central Regional Waterway Strategy,

The North Central CMA and partners continue to recognise and value the contribution of local community groups and members to support the implementation of regional natural resource management strategies and the delivery of on-ground works. This includes the regions 165 formal NRM groups and many individual landholders.

### Environmental Stewardship

The North Central CMA and partners implemented two projects contributing to outcomes reported against the Environmental Stewardship headline theme. The projects are Protecting Remnant Grassy Ecosystems and Kooyoora Connections.

## Catchment condition statement

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.

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. North Central CMA was one of ten regional natural resource management organisations to participate in the trial. The trial was undertaken with no additional resources. North Central CMA would like to thank the Department of Environment and Primary Industries (DEPI) for their significant contribution to the development of our account, in terms of data, expertise and assistance.

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 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.

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.

A number of new datasets were made available this year and they have been analysed and the results and brief summaries are included below.

Summary table						
Class	Asset	Econd				
		1999	2004	2005	2010	2013
LAND	Native Vegetation			14		20
FRESHWATER	Rivers	48	35		46	
	Wetlands			66		

**Biodiversity**

Overall condition: Poor

Trend: Unknown (assumed improving)

The biodiversity Econd was calculated using the DEPI 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
<b>Econd TOTAL</b>				<b>14</b>	<b>20</b>
Grassy Woodland	Vegetation condition model	Score	100	16	20
Riparian Woodland	Vegetation condition model	Score	100	9	16
Plains Grassy Woodland	Vegetation condition model	Score	100	5	9
Plains Grassy Wetland	Vegetation condition model	Score	100	9	15

**Inland Aquatic Ecosystems**

Overall condition: Poor to moderate

Trend: Unknown (assumed stable)

The inland aquatic ecosystems account was developed for two assets; rivers and wetlands. The rivers Econd uses DEPI's Index of Stream Condition (ISC). This was collected in 1999, 2004 and 2010. The 2010 data was released this 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	
<b>Econd TOTAL (regional)</b>				<b>48</b>	<b>35</b>	<b>46</b>
Campaspe River	Index of Stream Condition	Score	100	51	41	58
Mount Pleasant Creek	Index of Stream Condition	Score	100	53	48	56
Forest Creek	Index of Stream Condition	Score	100	52	29	49
Axe Creek	Index of Stream Condition	Score	100	64	30	55



The wetlands Econd used DEPI'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. Despite this the method is considered very sound and North Central would like to see more data collected for more wetlands to allow a complete dataset and trends over time to be understood.

The summary of the wetlands dataset is shown below.

Wetlands				1994
	Indicator	Unit of Measure	Reference Condition Benchmark	Econd
Econd TOTAL				<b>66</b>
Extent	Area	Ha	100	74
Condition	Index of Wetland Condition	Score	100	57

**Land Health**

Overall condition: Unknown (assumed poor to moderate)

Trend: Unknown (assumed stable)

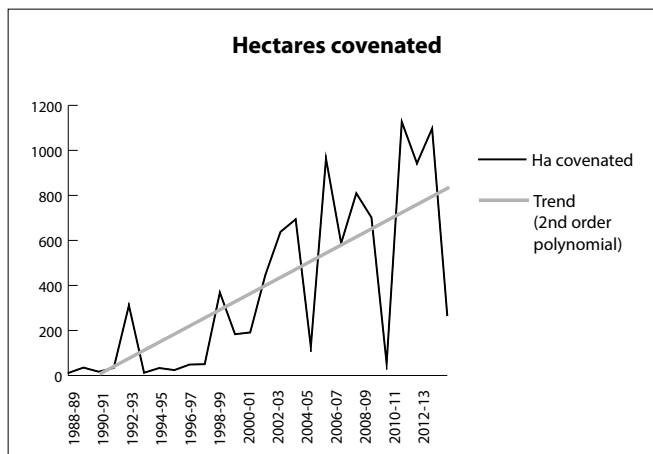
Little soils data is available for the North Central region. Soil/landform mapping is only available through the 1:250,000 geomorphological units of Victoria data from 2011. A piece of work this financial year was to improve the mapping of soils data to 1:100,000 for the region, which was completed. Condition data is still not available.

**Environmental Stewardship**

Overall condition: Moderate

Trend: Improving

Stewardship figures in the region are generally trending upwards, as can be shown by the total hectares under covenant or ownership through Trust for Nature (TFN). This year saw a significant drop off in covenants, through TFN. However, the previous three years have seen the area covenanted through TFN at around 1000 ha per annum (1165.3 in 2012-13, 960.2 in 2011-12 and 1040.8 in 2010-11). With some exceptions the last fifteen years have shown increasing growth in permanent protection of private land, as is shown in the graph above.



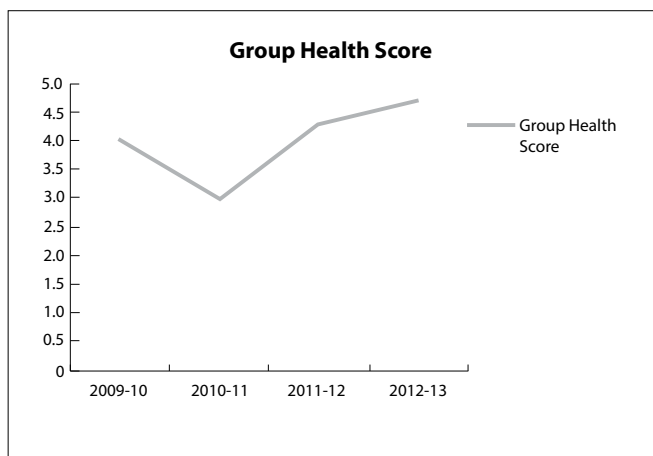
**Community Capacity**

Overall condition: Moderate

Trend: Stable

Landcare group health scores are one indicator of community capacity. A group health assessment was not undertaken in 2013-14 as it was intended to be undertaken statewide and deadlines were missed. The 2012-13 regional average score was 4.69, up slightly from the 2011-12 average of 4.33. The number of groups responding to the survey reduced significantly, which skewed the result slightly.

Category/Year	2011-12	2012-13
Average score	4.3	4.7
Trail Blazers	6	6
Thriving	9	5
Rolling Along	20	10
Stable	8	6
Struggling a Little	10	4
Surviving	5	2
Barely Hanging On	5	2
Total responses	63	35



This financial year saw the signing of a partnership with Charles Sturt University to undertake and analyse a regional social benchmarking survey of rural landholders. Surveys have been sent (and returned by landholders) and analysis of the data to establish the baseline will be completed in early 2014-15.

**Table 1 – 2013-14 outputs**

This is the first year we have reported a comprehensive outputs summary for North Central CMA delivered activities, across all funding sources and delivered in this financial year.

Works and services	Output	Description	Actual
Structural works - are outputs associated with the management of man-made structures.	Channel	This output records the length of channels and drains which have been installed, maintained, modified or removed.	27 km
	Water storage	This output records the number of structures intended to store water (e.g. dams, troughs, constructed wetlands and weirs) that have been installed, modified, maintained or removed.	5
	Pump	This output records the number of pumps and associated infrastructure (i.e. pump housing), that have been installed, maintained, modified, removed or replaced.	1
	Waterway structure	This output records the number of waterway structures (e.g. chutes, pile fields and fishways) that have been installed, replaced, modified, removed or maintained.	103
	Monitoring structure	This output records the number of monitoring structures that have been installed, maintained, modified or removed.	57
	Fence	This output records the length of fences and bollards installed, replaced (i.e. full replacement of wire and posts), modified, removed or maintained (e.g. rewiring).	93 km
	Visitor facility	This output records the number visitor facilities (e.g. boat ramp or interpretative signage) that have been installed, maintained, modified, removed or replaced.	3
Environmental Works – are a mixture of goods and services outputs involving the modification of environmental characteristics (e.g. soil, water, vegetation).	Vegetation	This output records the area where vegetation has been established (e.g. revegetation, buffers), modified (e.g. supplementary planting) or maintained (e.g. thinning, slashing or mulching).	646 ha
	Weed control	This output records the area where weeds were controlled by removing or restricting them.	9,482 ha
	Pest animal control	This output records the area where pest animals were controlled by removing or restricting them.	19,686 ha
	Soil treatment	This output records the area where soil has been treated through application or removal of a chemical, biological or temperate related input.	219
	Earth works	This output records the length of earth that has been altered through the establishment, maintenance, modification or removal of earth (soil, sand, silt and rocks) such as levees.	6 km
Management services - involve the modification of land management, generally described as behaviour or regime change.  Often associated with a management agreement such changes may be delivered immediately (e.g. planned burning) or across the year (e.g. controlled grazing).	Grazing regime	This output records the area where grazing management regimes have been established, maintained, modified or removed.	316 ha
	Water regime	This output records the number of sites where the water regime has been changed through delivery or dewatering.	41
Planning and Regulation - are a mixture of goods and services outputs related to the information needs of planning and regulation.	Approval and Advice	This output records the number of decisions made in regard to permits, licenses, leases and planning referrals as well as notable advice provided to another agency or individual.	1,571
	Management Agreement	This output records the number of agreements that have been developed or reviewed in relation to the management of a specific location (e.g. landholder property).	125
	Assessment	This output records the application of assessments of social, land, water and biodiversity characteristics.	758
	Engagement events	This output records the number of participants of engagement events held with members of the community and/or agency staff which were coordinated, attended, established, sponsored or where displays were presented.	7,270 participants
	Partnership	This output records the number of partnerships established between organisations and/or individuals that are established, maintained or modified.	10
	Plan	This output records the number of plans or strategies (e.g. management plan, strategy, engagement) which have been developed or reviewed.	90
	Publication	This output records the number of publications established or modified (e.g. standards, flyers, newsletters).	59
	Information management system	This output records the number of information management systems or applications that are established, maintained or modified.	3

## Regional Catchment Strategy Implementation

In May 2013 the Victorian Government endorsed our 2013-19 Regional Catchment Strategy. The reporting period marks the first 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 strategy sets a visible foundation for our work over the coming years to achieve enduring landscape change and strengthen the links between rivers, landscapes and people in our region. We have developed SMART targets for the majority of our priority assets and will report annually on how we are tracking towards each target (see Table 2).

**Table 2 – RCS Implementation Plan progress 2013-14**

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	◒	◒	◐	◒
Mid Loddon	○	○	○	○

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

## Operational and budgetary objectives and performance against objectives

### Delivering on state-wide key performance indicators and targets

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 Indicators	Targets	Notes / Actions
<b>Governance</b>			
Board performance	Complete and submit an annual Board performance assessment report, according to any ministerial guidelines issued	By 31 August annually	Submitted 31 August 2013.
	Participation by Board members in development activities	All Board members participate in development activities	All Board members have participated in development activities.
Board Charter	Develop and implement a Board Charter	The Board Charter is reviewed (and if necessary, amended,) by 30 June annually	The Board Charter was reviewed at Board meeting 176, May 2013.
Risk and financial management	Compliance to risk management plans for each program	All programs have risk management plans in place	100% of programs have risk management plans in place.
		Nil non-compliances with risk management plan	Nil non-compliance.
Policies and procedures	Regular review of policies and procedures	Each policy and procedure is reviewed at least every five years	51% of policies and procedures were reviewed in the reporting period.
<b>Efficiency and organisational performance</b>			
Grant management	Administration costs of grants are minimised	10% or less of grant funds is spent on administration	4% of grant funds was spent on administration. Nil grants incurred administration costs greater than 10%.
	Minimise time taken to determine grant applications	Grant applications are determined within one month of being received	The Standing Grants Panel determined grant applications within two months of being received.
Regulatory waterway/water functions	Number of days to process works on waterways permits	Not more than 20 working days	Average = 13.5 working days. Nine applications for permits took more than 20 working days to process.
	Number of days to process referrals for any works on or in relation to a dam	Not more than 20 working days	Nil referrals received.
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	Average = 12.2 working days. Eleven referrals took more than 20 working days to process.

Regulatory waterway/water functions	Number of days to process enquiries from local government and community on flooding	Not more than 20 working days	Average = 9.2 working days.  64 enquiries were responded to outside the 20 working day objective. First priority of resources is given to achieving the Statutory obligation of A1-18 above. 93% of the total number of enquiries were responded to within the 20 working day objective.
	Number of days to process referrals for Water Use Licenses that don't meet the standard water-use conditions	Not more than 20 working days	Nil Referrals received
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans, and seasonal adjustments to annual use limits	Not more than 20 working days	Nil referrals received
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use licences	Not more than 20 working days	Nil referrals received
<b>Effectiveness and Environmental outcomes</b>			
Integrated River Health Management	Revise North Central Waterway Management Strategy to plan for waterways in relation to their economic, social and environmental values	North Central Waterway Management Strategy revised every eight years	The 2014-22 North Central Waterway Strategy was completed during the reporting period and submitted to the Victorian Government by 30 June 2014.
	Develop and revise Environmental Operating Strategies and Seasonal Watering Proposals to manage the environmental water reserve in accordance with objectives	Environmental Operating Strategies developed or revised every five years	Environmental Operating Strategies have been replaced by Environmental Water Management Plans (EWMPs). During 2013-14 work continued on developing EWMPs for the Campaspe River and a number of wetlands.
		Seasonal Watering Proposals approved for all Environmental Entitlements	All 2013-14 Seasonal Watering Proposals for the region's priority waterways and wetlands were approved by the Board on 7 May 2013.
	Implement annual river health programs and activities to improve environmental values and health of water ecosystems	All annual river health targets and works programs achieved	The North Central CMA and its partners implemented 19 projects contributing to the health of water ecosystems. The majority of targets were met or exceeded. Any variations were agreed with funders. Some historic projects were also delivered (e.g. Echuca Fishway) due to successful negotiations with community or land managers.
Regional Catchment Strategy (RCS) implementation	Complete and submit the developed or revised RCS according to any guidelines, standards and related information issued	Submit the developed or revised RCS by the due date as required in any guidelines, standards and related information issued	2013-14 marked the first year of implementation of the revised and endorsed 2013-19 RCS. The RCS was gazetted by the Victorian Government on 16 May 2013.
	Percentage RCS annual actions implemented	All RCS annual actions implemented	An RCS Implementation Plan was developed during the reporting period.
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	The RNVP was developed in 2005. Implementation of the plan has lapsed due to a lack of funding.
Invasive plants and animals management	Regional Invasive Plants and Animals Strategies incorporating related priorities in all land tenures in the region	Invasive Plants and Animals Strategies revised by 30 June every five years	The region's 2010-15 Invasive Plant and Animal Strategy is due to be revised in 2015.
Regional and Statutory Planning	Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body	10% of referral responses provided for each issue	Nil referrals received.
Salinity management	Implementation and periodic review of Regional Salinity Management Plans (RSMP) and the Loddon Campaspe Irrigation Region Land and Water Management Plans (LCIRLWMP)	RSMP and LWMP completed	RSMP and LWMP completed.
		RSMP and LWMP periodically reviewed	The revised LCIRLWMP is currently being implemented.
		RSMP and LWMP include annual actions to be implemented	The North Central CMA is fully compliant in meeting its statutory responsibilities regarding managing, reporting and accounting for salinity impacts to the Victorian Government and the Murray-Darling Basin Authority.  208 farmers supported and 43 Whole Farm Plans completed as part of the LCIRLWMP during 2013-14.
Regional Landcare groups, networks and other community groups	Deliver the Regional Landcare Support Strategy, including coordination of Landcare at a regional scale	Evaluate and revise strategy as per Victorian Government directive.	2014-19 Regional Landcare Support Strategy endorsed by the North Central CMA Board and launched during the reporting period.

## Five year financial review

	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
<b>Total revenue</b>	21,801,185	21,095,511	19,893,721	22,460,318	19,803,731	20,086,966
<b>Total expenditure</b>	19,239,889	23,305,858	23,976,098	18,342,423	19,869,931	25,015,609
<b>Total surplus/deficit</b>	2,561,296	-2,210,347	-4,082,377	4,117,895	-66,200	-4,928,643
Current assets	9,009,131	6,488,790	9,764,605	12,720,635	9,629,823	10,846,306
Non-current assets	2,612,017	3,149,791	3,054,414	3,105,234	2,294,297	2,205,310
<b>Total assets</b>	11,621,148	9,638,581	12,819,019	15,825,869	11,924,120	13,051,616
Current liabilities	2,232,409	2,769,407	3,745,525	2,692,357	3,537,461	5,625,642
Non-current liabilities	108,582	150,313	144,286	121,927	118,976	83,769
<b>Total liabilities</b>	2,340,991	2,919,720	3,889,811	2,814,284	3,656,437	5,709,411

## Current year financial review

During the financial year ended 30 June 2014, the North Central CMA recorded a \$2.6 million surplus from operating activities compared with a \$2.2 million deficit in 2012-13.

The financial result has been due to project revenue being received that will be expended in the 2014-15 financial year. This also led to an increase in current assets, notably cash.

### Disclosure on significant changes in financial position during the year

The issues described above resulted in significant change in cash balance as prior years' revenue was expended.

## Capital projects

No capital projects were undertaken in the 2013-14 financial year.

## Disclosure regarding grants and transfer payments

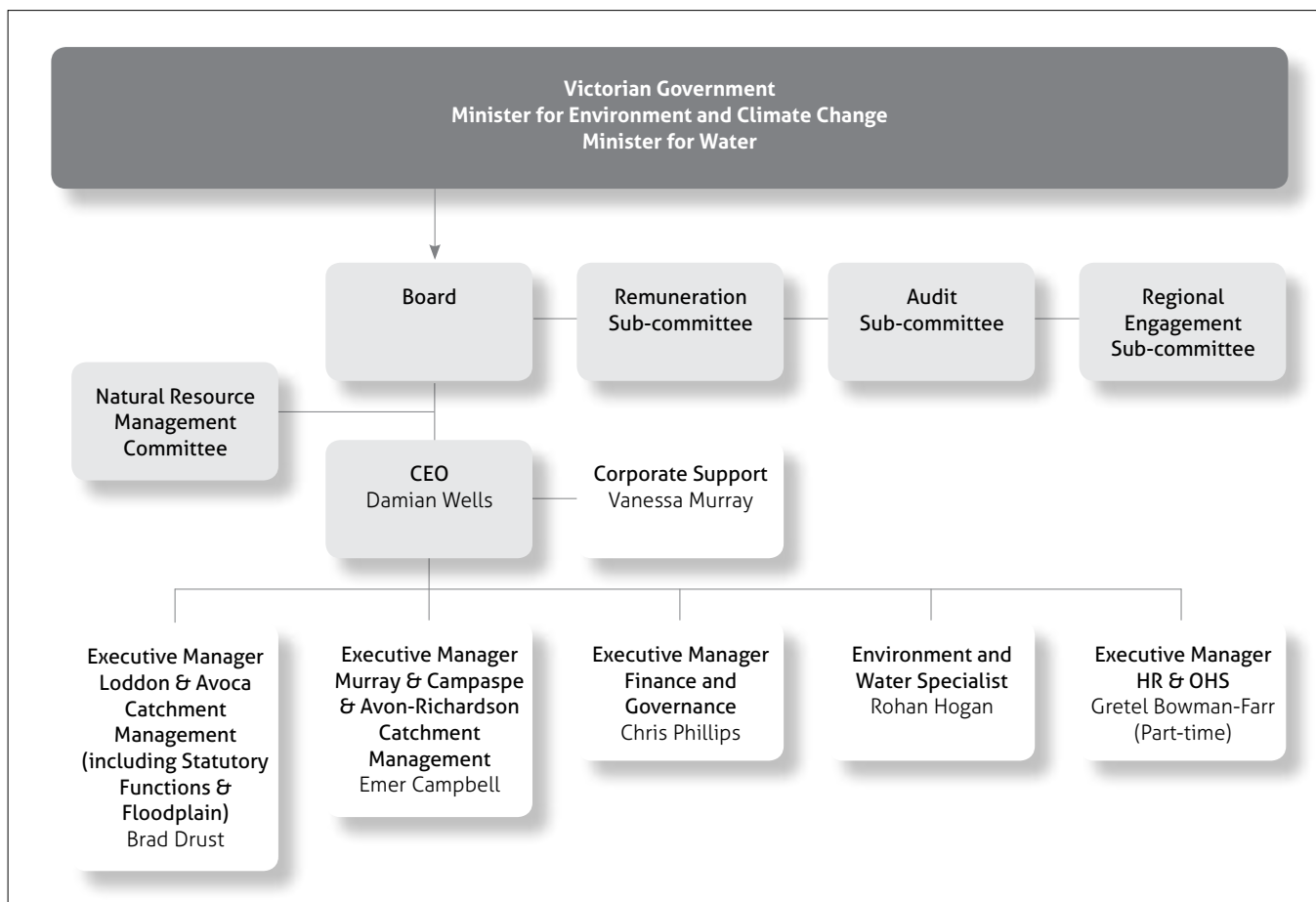
On behalf of the Victorian Government, the North Central CMA distributed \$263,000 in Victorian Landcare Grants to community-based NRM groups during the reporting period.

## Subsequent events

There have been no subsequent events since the end of the 2013-14 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 and Climate Change and Minister for 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.

#### 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 and hopes to provide leadership in the issues of farm forestry, water and biodiversity. James chairs the Remuneration Committee.

#### Melanie McCarthy (Bendigo)

Melanie holds qualifications in engineering and arts. She also manages land near Bendigo where she is committed to sustainable practices and environmental improvement. She has 15 years' experience in the primary resources industry and business management. Melanie was appointed to the Board in October 2009.

#### 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 currently involved in state and national organisations relating to primary production and regional development. Stuart has been a Board member since July 2000.

**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 serving two years as a member on the North Central CMA's Natural Resource Management Committee. Dianne is involved in many off-farm pursuits and is a member of the Victorian Murray-Darling Basin Authority Plan Advisory Group, a community representative to the Gannawarra Shire regarding flood recovery and is an advisor to the Australian Dairy Farmers on Natural Resources and People and Human Capacity. 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. and is Chair of the Victorian Regional Community Leadership Program Secretariat. Julie is an experienced Company Director with positions on a number of Boards including Women's Health Loddon Mallee, Buloke Community Enterprises, Community Leadership Australia, and St Mary's Primary School, Donald. Julie was appointed to the Board in October 2011 and is interested in sharing the voice of local landholders and parents who wish to ensure a sustainable environment for future generations.

**Julie 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 Addlem (Serpentine)**

Prue holds qualifications in business and agriculture and has completed the Australian Rural Leadership Program. She is involved in the Serpentine Recreation Reserve Committee of Management as well as Victorian Farmers Federation Young Agribusiness Professionals. Prue was appointed to the Board in October 2011 and has a particular interest in representing the community from a young and passionate sustainable agriculture perspective.

**Laurie Maxted (Durham Ox)**

Laurie has spent two terms with the Natural Resource Management Committee (NRMC) and has joined the Board to further progress his involvement with the North Central CMA. He is involved in many community groups such as CFA, Loddon Plains Landcare Network and Durham Ox Hall committee. Laurie was appointed to the Board in October 2011 and has a strong interest in community consultation, and achieving the best environmental outcomes possible.

**Christine Brooke (Faraday)**

Christine has extensive experience in land and water management and primary industry. She is self-employed, and formerly ran her own irrigation farming enterprise. She is a former Loddon Shire Councillor who served two terms as Mayor, and is former Chair of the Goldfields Library Corporation. Christine was a Board member from October 2009 to October 2013.

**Donald Naunton (Bendigo)**

Don holds qualifications in agricultural science and is an agricultural consultant. Don has extensive experience in land and water resources management, water industry and primary industry. Don was a Board member from October 2009 to October 2013.

Board members	Meeting attendance (2013-14)
David Clark (Chair)	11 of 11
Christine Brooke	4 of 4
Dianne Bowles	7 of 7
Donald Naunton	4 of 4
James Williams	10 of 11
Julie Markoff	6 of 7
Julie Slater	11 of 11
Laurie Maxted	10 of 11
Melanie McCarthy	9 of 11
Prue Addlem	9 of 11
Stuart McLean	9 of 11

Note: All Board member absences were approved by the Board.

## 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 ten times during the reporting year.

Board Members	Meeting attendance (2013-14)
** Melanie McCarthy	10 of 10
David Clark	10 of 10
** Julie Slater	4 of 5
** Julie Markoff	5 of 5
** Don Naunton	3 of 4

\*\* 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. The Remuneration Committee met once during the reporting year.

Board Members	Meeting attendance (2013-14)
James Williams (Chair)	1 of 1
David Clark	1 of 1
Prue Addlem	1 of 1



## Natural Resource Management Committee

The fundamental role of the Natural Resource Management Committee (NRMC) is to provide a community and local perspective to the work of the North Central CMA in the regional community.

The NRMC also supports the organisation and provides advice to the North Central CMA Board on both project activity and community engagement at the strategic and operational level, as well as participating in local natural resource management activities.

Within this context, the role of the NRMC is to provide advice on:

- community engagement aspects of projects
- appropriate community engagement mechanisms
- the direction and focus of the Regional Catchment Strategy and other key documents
- reviewing and validating priorities for natural resource management investment in the region
- evaluation of project delivery and performance

The NRMC is appointed through a public process with membership endorsed by the North Central CMA Board. In October 2013 a recruitment process commenced to appoint up to six new members. Following a stringent selection and interview process six new members were endorsed by the Board in November 2013. The NRMC has sixteen members and reflects a broad geographic spread from across north central Victoria, incorporating a wide range of skills and experience.

The committee is governed by a Board-endorsed Charter and Operating Protocols. During the 2013-14 financial year the committee met on ten occasions.

Many North Central CMA projects and issues require a more specific level of community input. To address this need, portfolio groups are established allowing appropriately skilled committee members to collaborate with project staff and other stakeholders to provide advice on community engagement activities.

NRMC member	Meeting attendance (2013-14)
Charlie Gillingham, Chairman (Lake Charm)	9 of 10
**Dianne Bowles (Mead)	3 of 4
+Diane Bunnett (Derby)	1 of 1
*John Cable (Glenlyon)	4 of 4
Richard Carter (Newlyn)	10 of 10
Ken Coates (Natte Yallock)	10 of 10
Ron Cosgrave (Smeaton)	9 of 10
*Rebecca Edwards (Harcourt)	4 of 4
*Ted Gretgrix (Junortoun)	2 of 4
Rob Loats (Donald)	10 of 10
Allison Long (Carlsruhe)	7 of 10
Ron Murray (Castlemaine)	8 of 10
*John Nelson (Boort)	4 of 4
Shane O'Loughlin (Laanecoorie)	10 of 10
Colin Smith (Junortoun)	9 of 10
Denis Watts (Yeungroon)	5 of 10
*Deborah Webster (Sailors Gully)	4 of 4
*Peter Williams (Echuca)	3 of 4

\* Membership commenced in January 2014 with the new committee meeting for the first time in February 2014.

+ Resigned August 2013

\*\* Resigned November 2013

## North Central CMA's 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 did not have any WorkCover claims during the reporting period.

### OH&S Key Performance Report 2013-14

Key performance indicator	Annual target	Actuals
Audits of worksites	20	18
Audits of premises	8	10
Audits of field days/events	10	10
Permits to work	All works at premises	30
Injury – no time lost	0	0
Injury – time lost (more than one whole shift)	0	0
Incidents reported	20	20
WorkCover claims submitted	0	0
All compulsory OH&S training completed	As per staff training calendar	Compliant (40)
Staff OH&S induction completed for all new staff	Within five days of start	Compliant (11)
OH&S Committee meetings held	4	10
OH&S meetings with field staff	4	5
OH&S team meetings (2 per department)	10	10
Emergency evacuations conducted	2	2
Meetings held with emergency response team	2	2

## 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.

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 – embrace challenges and seek solutions
- be honest and take responsibility – do what you say you will do
- 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 24 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. Strong partnerships exist with the region's Traditional Owners.

### 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 and technical and safety-based programs including first aid, four-wheel drive and fire warden training. During the year, a number of staff continued tertiary studies including Masters of Environment and Masters of Business Administration. Employees have also developed their skills and knowledge through attendance at training and educational seminars covering a range of areas such as wetland ecology, urban flood investigations, business systems and management of engagement and events. 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 2013-14, 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.

# Workforce Data

## Multicultural Victoria Act 2004

The North Central CMA is committed to workplace diversity. During 2013-14, the North Central CMA did not receive any requests for the use of language services for communication in languages other than English.

During 2013-14, the North Central CMA employed an Indigenous Facilitator to meet identified Indigenous engagement needs of the organisation. An Indigenous Project Officer was also employed as part of the team and the NRM included two Indigenous representatives. The North Central CMA also provided leadership and governance opportunities to members of the Aboriginal community through the Barapa Barapa Cultural heritage mapping project.

## 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 1985.

## Community inclusiveness

Over fifty per cent of North Central CMA's employees are women, reflecting the organisation's continued commitment to equal opportunity principles.

The Regional Waterwatch program continued during the reporting period, providing education and training opportunities for the region's youth. The program engages young people in meaningful environmental issues by developing their ability to be actively involved in natural resource management.

The North Central CMA also supports the community through the 162 Landcare groups across the region. By developing partnerships with industry and government, the North Central CMA is able to successfully deliver strategic support to Landcare groups, resulting in a sustained growth in community awareness, on-ground action and increased community capacity.

The North Central CMA is committed to working closely with local Indigenous groups and continues to employ an Indigenous Facilitator and Indigenous Project Officer. There NRM also includes two Indigenous members.

During the reporting period the North Central CMA continued to work with the Barapa Barapa Community as part of the Barapa Barapa Cultural heritage mapping of Lower Gunbower Forest project. This project provided short term employment for 15 people on the Barapa Culture team, building skills and opportunities for traditional owners in natural resource management on country.

The Living Murray Indigenous partnership project provided engagement for Yorta Yorta and Barapa Barapa traditional owners within the Gunbower Forest Icon site, and the Regional Aboriginal Capacity Building project continued to work with Taungurung, Dja Dja Wurrung, Barapa Barapa and Yorta Yorta communities to develop skills and opportunities for traditional owners to be involved in natural resource management on country.

During the reporting year the North Central CMA worked with the community and partner agencies in the development of flood mitigation plans for the townships of Carisbrook, Castlemaine, Charlton, Clunes, Creswick, Donald, Dunolly, Quambatook and Rochester. Following the completion of the Bendigo Urban Flood Study, the North Central CMA undertook the largest community engagement exercise in its history to ensure residents in the Bendigo

municipality understood the results of the study and how it may affect them. It involved 9217 letters to residents, 12 community engagement events, and phone responses to inquiries from residents.

## Statement of workforce data (two years)

The North Central CMA employed the full-time equivalent of 55 people in 2013-14 compared to 72 people in 2012-13. The breakdown of staff is as follows.

	2013-14 (full-time equivalent)	2012-13 (full-time equivalent)
Executive officers	1	1
Management officers	5	6
Project officers	38	56
Administration staff	11	9
Total (FTE)	55	72
Male	26	38
Female	28	34
Total employees for reporting period	55	72

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.

# Other Disclosures

## Implementation of the Victorian Industry Participation Policy Act 2003

During the reporting period the North Central CMA had no contracts over \$1 million.

## Consultancies

The North Central CMA was involved with 56 consultancy firms during the 2013-14 financial year. The total cost of consultants was \$1,264,488 (GST exclusive). The total number of consultants valued at less than \$10,000 was 36, with a total of \$146,980. The consultancies engaged that exceeded \$10,000 are detailed in the following schedule:

Consultants engaged over \$10,000	Summary of Projects	Total cost (\$) ex GST
Jacobs Group (previously SKM)	Pyramid & Serpentine Creeks Environmental FLOWS studies Fish Surveys Crest Recorder Survey Pyramid Creek Hydraulic Modelling Consultancy support services for the North Central Water Strategy	307,315.70
Trust for Nature	2013-14 SLA for Long Swamp	169,000.00
Charles Sturt University	Social Benchmarking studies, Data Analysis for Loddon River Gunbower Project's Social Science Surveys	95,000.00
GHD Pty Ltd	Flood Management Plans – Calibration of Hydraulic Modelling	61,000.00
Water Technology	Flood studies for Dunolly	53,448.40
Rakali Ecological	Wetland Surveys	51,420.00
Dept of Environment & Primary Industries	Wimmera Turtle, Frog and Macroinvertebrates study	48,647.00
GMW-Tatura	SDL project services for April, May and June	41,172.77
Price Merrett Consultants	Survey and design Ring Levee, Compaction testing & levee certification, draft design Pental Island levee, Bathymetry survey of Lake Elizabeth	34,602.00
Corangamite CMA	North Central CMA Spatial Identification of Climate Change Impacts	30,000.00
Benchmark Heritage Management Pty Ltd	SDL Gunbower NP Aboriginal Cultural Heritage Survey & Assessment	27,826.77
Grist Archaeology Heritage Management	Cultural Heritage mapping for Pental Island levee	26,193.82
Biosis Research Pty Ltd	SDL Flora and Fauna survey - Gunbower National Park	25,305.55
URS Australia Pty Ltd	Concept designs, Geotech Investigation for Gunbower National Park	25,050.00
CPS Environmental Research	Annual Fish Monitoring	25,000.00
RM Consulting Group	Review of trials for project – Enhancing Farm Decision making - Connections Project in the Loddon Valley Innovative Farming Program Bamawn Extension Advice and preparation of RCS Implementation Plan	24,992.87
Scarlet Consulting	Communications support	20,853.18
Optum Health and Technology (Aust) Pty Ltd	Employee Assistance Program, critical incident counselling due to organisational restructure	17,875.00
Riverness Pty Ltd	Review of North Central CMA Regional Waterway Strategy (RWS Phase 2)	17,875.00
Alluvium Consulting	Engineering consultancy	14,930.00
<b>36 below \$10,000</b>	Various	146,980.03
<b>Total</b>		<b>1,264,488.09</b>

## Disclosure of major contracts

During the reporting period the North Central CMA had no contracts over \$10 million.

## 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 Joanne McLachlan (03) 5448 7124.

An application fee of \$26.50 applies from 1 July 2014.

In 2013-14, there were four requests for information under the Freedom of Information Act. In two requests the applicants were lawyers. The other two applicants were private citizens.

In one case, full access was granted to 60 pages of information. In the other case, the applicant did not proceed with the request. Two cases are not yet finalised and carry over to 2014-15. Total research time fees charged were \$160, and charges of \$11.80 were levied for printing (20 cents per page). No request has gone to internal review or appeal hearing.

### 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:

Mrs Joanne McLachlan  
P O Box 18  
Huntly Vic 3551

Requests can also be lodged online at [www.foi.vic.gov.au](http://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](http://www.foi.vic.gov.au)

## Compliance with *Building Act 1993*

The Authority has met its obligations under the Building Act 1993. No building approvals were applicable to the Authority 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 2013 (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?

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](http://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 3000

Internet: [www.ibac.vic.gov.au](http://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.

#### 2013-14 actual results

Unit	Target	Actual
No. of permits exempted	12	33
No. of permits issued	54	106
No. of permits rejected	0	0
Enforcement action for illegal works	0	2
Planning referrals	1150	1571

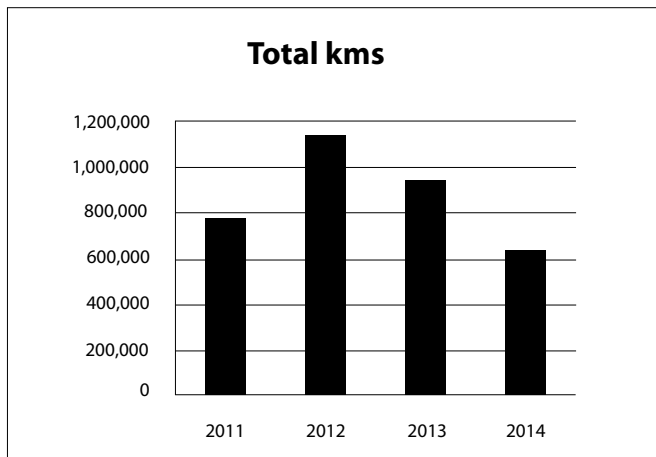
The North Central CMA achieved its statutory obligations under the Water Act.

### 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.

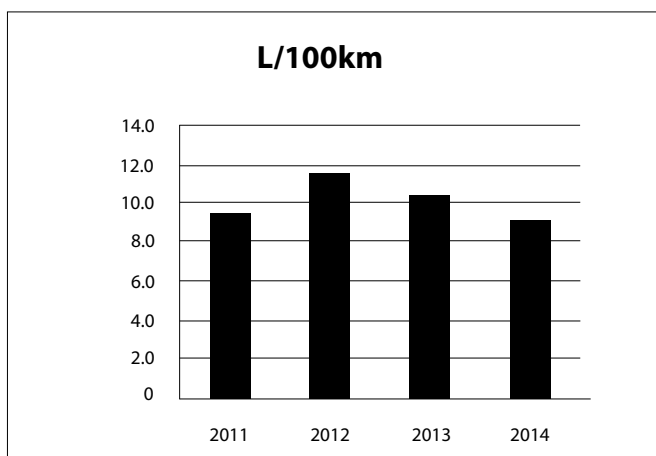
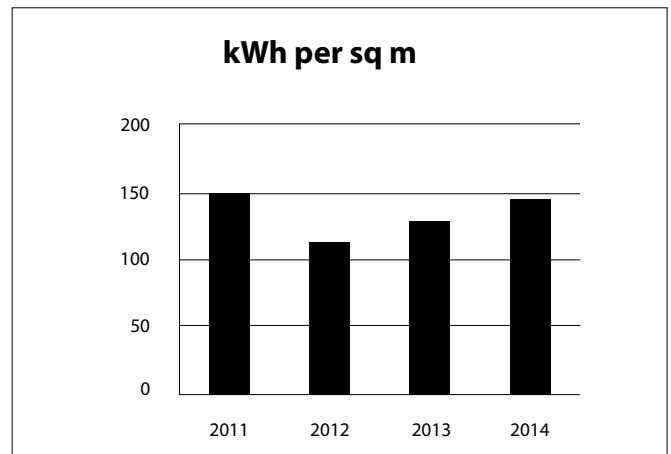
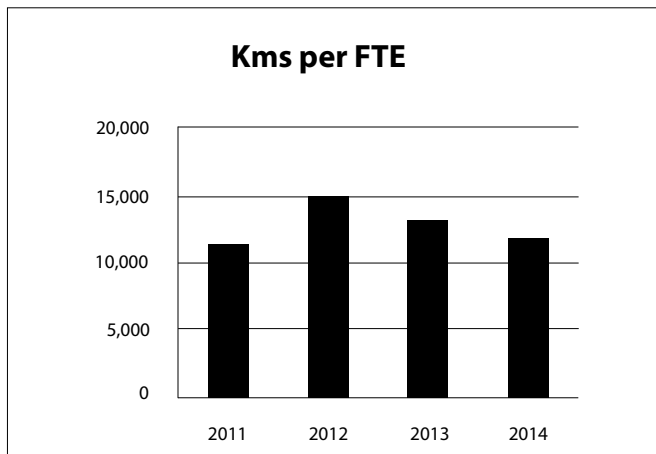
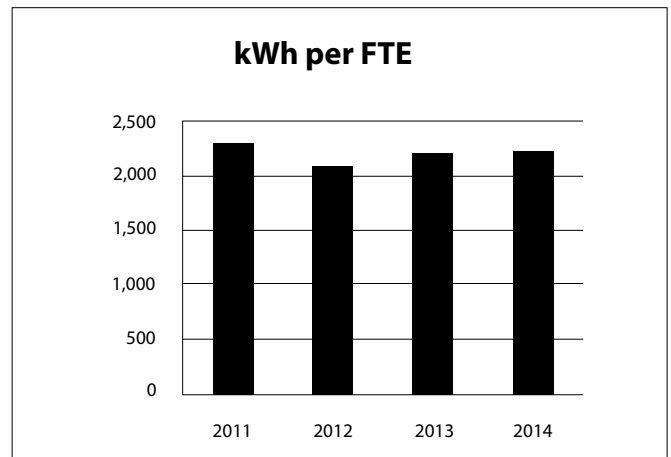
### Fuel

Total vehicle kilometres and kilometres per FTE increased in 2012 and 2013 due to flood recovery and natural disaster recovery activity which increased FTEs and involved higher vehicle use requirements. Fuel economy has improved since 2012 through updating the vehicle fleet. Following an organisational restructure, FTEs were reduced in the financial year 2013-14.



### Energy

Total office space reduced following the closure of Bull Street Office in 2012 and the Bridge Street office in 2013. All operations and staff are now housed in our Huntly office. Following an organisational restructure, FTEs were reduced in the financial year 2013-14.

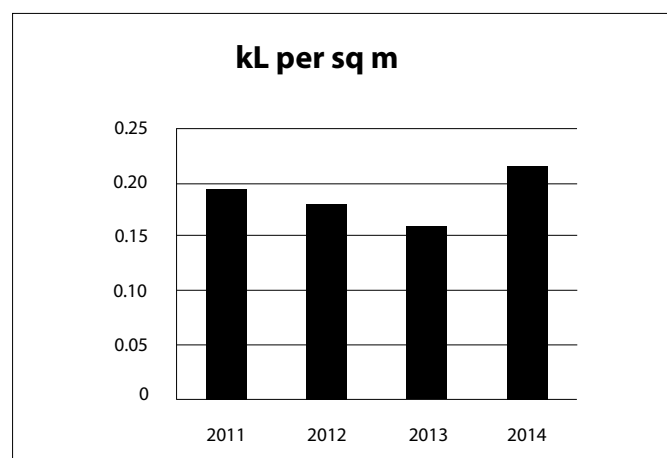
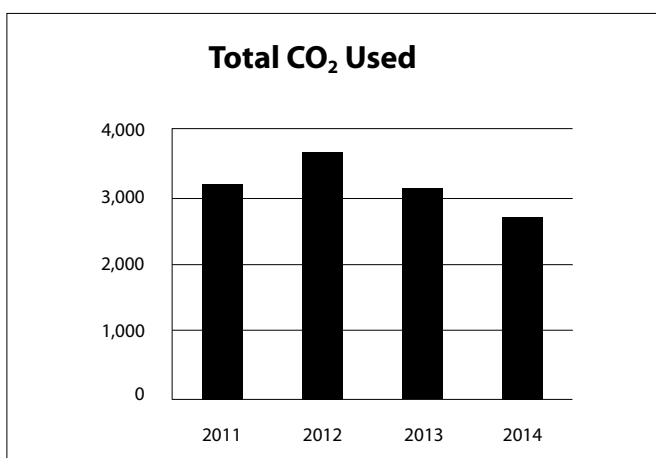
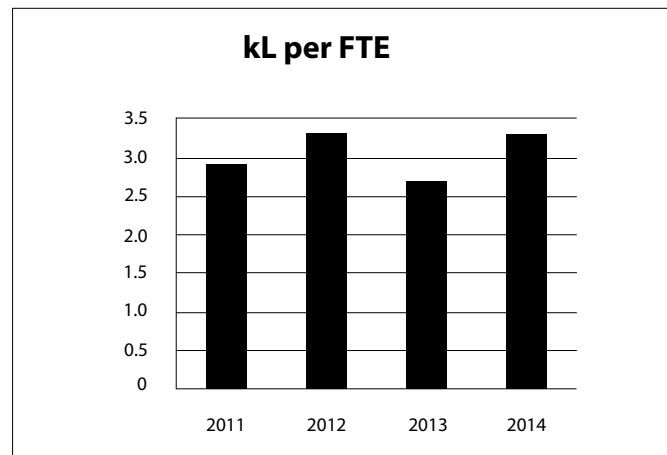
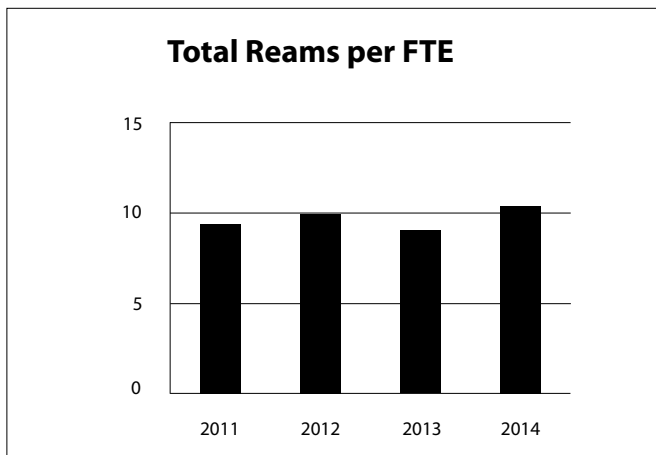
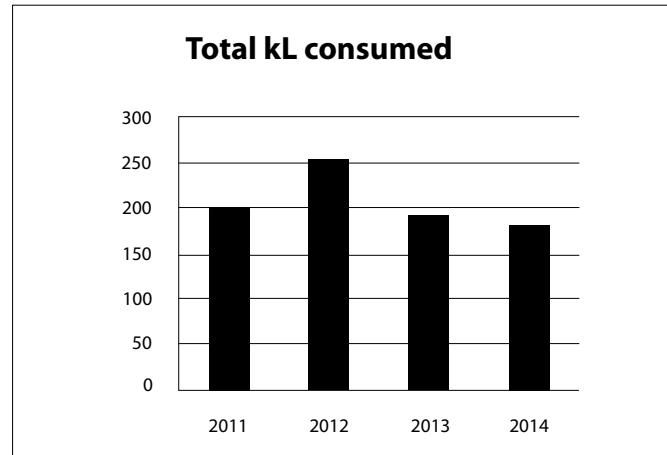
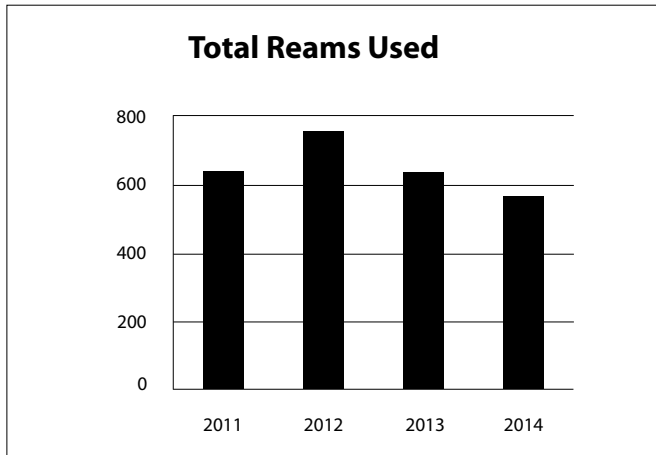


### Paper

Following an organisational push to become a paperless office, paper usage reduced by 69 reams from the previous year. Total paper use per FTE is in line with the reduction of FTEs in 2013-14 following an organisational restructure.

### Water

Total office space reduced following the closure of Bull Street Office in 2012 and the Bridge Street office in 2013. All operations and staff are now housed in our Huntly office. Following an organisational restructure, FTEs were reduced in the financial year 2013-14.





# Risk management attestation

## Additional information available on request

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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.

## Attestation for compliance with the Australian/New Zealand Risk Management Standard

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I, David Clark certify that the North Central Catchment Management Authority has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009 and that an internal control system is in place that enables the Executive to understand, manage and satisfactorily control risk exposure.

The Audit Committee verifies this assurance and that the risk profile of the North Central Catchment Management Authority has been critically reviewed within the reporting period of July 2013 to June 2014.



Mr David Clark  
Chair  
North Central Catchment Management Authority  
August 2014

## Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

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I, Damian Wells certify that the North Central Catchment Management Authority has complied with Ministerial Direction 4.5.5.1 – Insurance.



Mr Damian Wells  
Chief Executive Officer  
North Central Catchment Management Authority  
August 2014

# Financial Statements

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

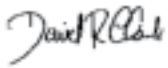
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The attached financial report for the North Central Catchment Management Authority has been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting 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 2014 and financial position of the Authority as at 30 June 2014.

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 28 August 2014



David Clark  
Chairperson



Damian Wells  
CEO and Accountable Officer



Chris Phillips  
Finance and Governance Manager

**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, North Central Catchment Management Authority

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2014 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 has been audited.

#### *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, the Auditor-General, his staff and delegates 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 2014 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*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of the North Central Catchment Management Authority for the year ended 30 June 2014 included both in the North Central Catchment Management Authority's annual report and on the website. The Board Members of the North Central Catchment Management Authority are responsible for the integrity of the North Central Catchment Management Authority's website. I have not been engaged to report on the integrity of the North Central Catchment Management Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
1 September 2014



John Doyle  
Auditor-General

## Comprehensive Operating Statement for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>Income from Operating Activities</b>			
Government governance contribution	3(a)	905,482	966,567
Government investor contributions	3(b)	19,181,012	17,916,384
Revenue from other investors	3(c)	1,339,913	1,747,143
		<u>21,426,407</u>	<u>20,630,094</u>
<b>Income from Non-Operating Activities</b>			
Interest	3(c)	171,416	278,872
Other income	3(c)	194,242	186,545
Net gain from disposal of non financial assets	3(c)	9,120	0
		<u>374,778</u>	<u>465,417</u>
<b>Total Income</b>		<b><u>21,801,185</u></b>	<b><u>21,095,511</u></b>
<b>Expenses from Operating Activities</b>			
Employee Costs	4	6,100,344	7,427,930
Depreciation	9(b)	399,165	356,396
Amortisation	10	163,229	30,303
Materials, Maintenance, Grants, Contracts and Consultancies	5	11,010,459	13,621,290
Net loss from disposal of non financial assets	3(b)	0	115,621
Other expenses		1,566,692	1,754,318
		<u>19,239,889</u>	<u>23,305,858</u>
<b>Total Expenses from Operating Activities</b>		<b><u>19,239,889</u></b>	<b><u>23,305,858</u></b>
<b>Net Result from Operating Activities for the year</b>		<b><u>2,561,296</u></b>	<b><u>(2,210,347)</u></b>
<b>Total Comprehensive Result for the year</b>		<b><u>2,561,296</u></b>	<b><u>(2,210,347)</u></b>

The comprehensive operating statement should be read in conjunction with the accompanying notes.

**Balance Sheet as at 30 June 2014**

	<i>Notes</i>	<b>2014</b> \$	<b>2013</b> \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	6,339,760	3,562,468
Receivables	8	2,604,245	2,873,544
Prepayments	8	51,838	26,479
Accrued Revenue	8	<u>13,288</u>	<u>26,299</u>
<b>Total current assets</b>		<b><u>9,009,131</u></b>	<b><u>6,488,790</u></b>
<b>Non-current assets</b>			
Property, plant and equipment	9	2,367,538	2,747,233
Intangible assets	10	<u>244,479</u>	<u>402,558</u>
<b>Total non-current assets</b>		<b><u>2,612,017</u></b>	<b><u>3,149,791</u></b>
<b>TOTAL ASSETS</b>		<b><u>11,621,148</u></b>	<b><u>9,638,581</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	11	1,214,362	1,795,102
Employee benefits	12	<u>1,018,047</u>	<u>974,305</u>
<b>Total current liabilities</b>		<b><u>2,232,409</u></b>	<b><u>2,769,407</u></b>
<b>Non-current liabilities</b>			
Employee benefits	12	<u>108,582</u>	<u>150,313</u>
<b>Total non-current liabilities</b>		<b><u>108,582</u></b>	<b><u>150,313</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>2,340,991</u></b>	<b><u>2,919,720</u></b>
<b>NET ASSETS</b>		<b><u>9,280,157</u></b>	<b><u>6,718,861</u></b>
<b>EQUITY</b>			
Contributed capital	13(a)	8,755,693	8,755,693
Reserves	13(b)	754,549	754,549
Accumulated deficit	13(c)	<u>(230,085)</u>	<u>(2,791,381)</u>
<b>TOTAL EQUITY</b>		<b><u>9,280,157</u></b>	<b><u>6,718,861</u></b>

The balance sheet should be read in conjunction with the accompanying notes.

### Statement of Changes in Equity for the year ended 30 June 2014

	Accumulated Funds deficit	Contributed Capital	Reserves	Total
	\$	\$	\$	\$
	(581,034)	8,755,693	754,549	8,929,208
Net result for the period	(2,210,347)	0	0	(2,210,347)
<b>Balance at 30 June 2013</b>	<b>(2,791,381)</b>	<b>8,755,693</b>	<b>754,549</b>	<b>6,718,861</b>
Net result for the period	2,561,296	0	0	2,561,296
<b>Balance at 30 June 2014</b>	<b>(230,085)</b>	<b>8,755,693</b>	<b>754,549</b>	<b>9,280,157</b>

The statement of changes in equity should be read in conjunction with the accompanying notes.

## Cash Flow Statement for the year ended 30 June 2014

	<i>Notes</i>	2014 \$	2013 \$
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Interest received		184,428	294,665
Net GST received from the Australian Taxation Office		1,019,631	1,112,751
Other income		194,242	186,545
Receipts from Government and other investors		<u>21,695,704</u>	<u>18,331,461</u>
		<u>23,094,005</u>	<u>19,925,422</u>
<b>Payments</b>			
Payments to suppliers		(14,202,880)	(17,363,512)
Payments to employees and on costs		<u>(6,098,333)</u>	<u>(7,549,349)</u>
		<u>(20,301,213)</u>	<u>(24,912,861)</u>
<b>Net cash (outflow) inflow from operating activities</b>	19	<u><b>2,792,792</b></u>	<u><b>(4,987,439)</b></u>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant & equipment	9	(447,770)	(603,436)
Proceeds from sale of non-current assets		437,420	405,740
Payment for intangible assets	10	<u>(5,150)</u>	<u>(400,000)</u>
<b>Net cash (outflow) from investing activities</b>		<u><b>(15,500)</b></u>	<u><b>(597,696)</b></u>
<b>Net increase / (decrease) in cash held and cash equivalents</b>		<u><b>2,777,292</b></u>	<u><b>(5,585,135)</b></u>
Cash and cash equivalents at the beginning of the financial year		3,562,468	9,147,603
<b>Cash and cash equivalents at the end of the financial year</b>	7	<u><b>6,339,760</b></u>	<u><b>3,562,468</b></u>

The cash flow statement should be read in conjunction with the accompanying notes.



## Notes to the Financial Report for the year ended 30 June 2014

### Note 1 Summary of significant accounting policies

#### (a) Basis of Accounting

##### (i) General

This financial report of the North Central Catchment Management Authority (Authority) 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 2014. The general purpose financial report complies 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 Authority is a not for-profit entity for the purpose of preparing the financial report.

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

The annual financial report was authorised for issue by the Authority's Board on 28 August 2014

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.

##### (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 Authority operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Authority'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 Authority'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.

- \* estimation of useful lives;
- \* the impairment of assets;
- \* provisions;
- \* employee benefits, and
- \* accruals.

##### (viii) Financial statement presentation

The Authority has applied the revised AASB 101 Presentation of Financial Statements which became effective for reporting periods beginning, on or after, 1 July 2013, and AASB 1054 Australian Additional Disclosures which became effective for reporting periods beginning on, or after, 1 July 2013.

#### (b) Changes in accounting policies

Subsequent to the 2012-13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

##### AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when an Authority is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Authority has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. In light of AASB 13, the Authority has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Authority. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 Financial Instruments: Disclosures.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012 13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 Financial Instruments: Disclosures.

**AASB 119 Employee benefits**

In 2013/14, the Authority has applied AASB 119 Employee Benefits (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets, which NCCMA does not currently have.

The revised standard also changes the definition of short term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Authority as short term employee benefits that no longer meet this definition and are classified as long term employee benefits.

North Central CMA considers the change in classification has not materially altered its measurement of the annual leave provision.

**(c) Revenue Recognition***(i) Fees and Charges*

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

*(ii) 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.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions.

*(iii) Interest*

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

**(d) Recognition and Measurement of non-current physical assets**

Property, plant and equipment represents non-current assets comprising land, buildings, infrastructure, plant and equipment, furniture and office equipment and motor vehicles, used by the Authority 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 Authority are recognised at fair value at the date of acquisition.

*(ii) 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.

*(iii) 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.

*(iv) 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.

*(v) 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 Authority 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 103E. 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 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. When revalued assets are sold, it is the Authority's policy to transfer the amounts included in other reserves in respect of those assets to accumulated funds.

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.

*(vi) 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. (The next valuation is due in 2015-16). 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 revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as 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 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.

*(vii) 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 operating statement, a reversal of that impairment loss is also recognised in the comprehensive operating statement.

**(e) Depreciation and amortisation of non-current assets**

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. All assets classes except land changed from declining balance depreciation in 2012-13 to straight line method in 2013-14.

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. Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually as outlined in Note 1 (d)(vii).

Major depreciation periods used are listed below and are consistent with the prior year, unless otherwise stated:

	2014 %	2013 %
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%

**(f) Intangibles**

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

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

**(g) 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 the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(h) Receivables**

Trade Receivables are measured at the fair value of the consideration received or receivable. Amounts disclosed as trade receivables are net of returns, trade allowances and duties and taxes paid. Trade 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 trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impaired receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance 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 allowance are recognised as an expense in the comprehensive operating statement.

**(i) 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.

**(j) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year, which are unpaid at financial year end. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

**(k) Employee Benefits***(i) Wages and salaries and annual leave*

Liabilities for wages and salaries and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in employee benefit liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are wholly settled, at their nominal values. Employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity, in respect of services rendered by employees up to the reporting date. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

*(ii) Long Service Leave*

The liability for long service leave is recognised in the provision for employee benefits and measured at nominal values for the component expected to settle within the next 12 months and at the present value for the component not expected to settle within the next 12 months. In calculating the Present Value, consideration is

given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave are classified as a current liability, where the employee has a present entitlement to the benefit. The non-current liability represents long service leave entitlements accrued for employees with less than 7 years of continuous service.

*(iii) Superannuation*

The amount charged to the comprehensive operating statement in respect of superannuation represents the contributions made by the Authority to the superannuation plan in respect to the current services of Authority staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

*(iv) Employee Benefit On-Costs*

Employee benefit on-costs, including payroll tax and worker's compensation are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

*(v) Performance payments*

Performance payments for the Authority's Executive Officers are based on a percentage of the annual salary package provided under the 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.

*(vi) Termination benefits*

Liabilities for termination benefits are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in accrued expenses unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

Liabilities for termination benefits expected to be settled within 12 months are measured at the amounts expected to be paid when they are settled. Amounts expected to be settled more than 12 months from the reporting date are measured as the estimated cash outflows, discounted using market yields at the reporting date on national government bonds with terms to maturity that match as closely as possible, the estimated future cash outflows.

**(l) Provisions**

Provisions are recognised when the Authority 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.

**(m) 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.

*(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.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Consistent with AASB 13 Fair Value Measurement, the Authority 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
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value

For the purpose of fair value disclosures, the Authority 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 Authority 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 Authority's independent valuation agency.

The Authority monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

**(n) 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. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in 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.

**(o) Taxation**

The Authority is not liable for Income Tax.

**(p) 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.

**(q) 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.

**(r) Objective and funding**

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

**(s) New Accounting Standards and Interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period. As at 30 June 2014, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2014. The Authority has not, and does not intend to, adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 January 2017	The preliminary 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 1056 Superannuation Entities	AASB 1056 replaces AAS 25 Financial Reporting by Superannuation Plans. The standard was developed in light of changes in recent years, developments in the superannuation industry and Australia's adoption of IFRS.	1 July 2016	The standard was issued in June 2014. While preliminary assessment has not identified any material impact arising from AASB 1056, further work to assess the impact of this standard will be undertaken.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2013-14 reporting period and is considered to have insignificant impacts on public sector reporting.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)

2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements

2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements

2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments

## Note 2 Financial risk management objectives and policies

The Authority'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 Authority. They monitor these risks through monthly board meetings where monthly management reports are presented and analysed. The Authority 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 Authority's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Authority's exposure to market risk is primarily through interest rate risk with significant surplus funds held in term deposits and deposits at a call. The Authority 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 Authority has minimal exposure to interest rate risk through its holding of cash assets and other financial assets. The Authority manages its interest rate risk by maintaining a diversified investment portfolio.

#### (ii) Foreign Exchange Risk

The Authority has no exposure to changes in the foreign exchange rate.

#### (iii) Other Price Risk

The Authority has no significant exposure to Other Price Risk.

### Market Risk Sensitivity Analysis

The following table summarises the sensitivity of the Authority'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	2014	6,339,760	63,398	63,398	(63,398)	(63,398)
	2013	3,562,468	35,625	35,625	(35,625)	(35,625)

### (b) Credit risk

Credit risk is the risk of financial loss to the Authority as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk principally arises from the Authority's receivables. The Authority 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 Authority measures credit risk on a fair value basis.

The Authority 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 Authority will not be able to meet its financial obligations as they fall due. The Authority manages its liquidity risk by maintaining adequate cash reserves and continually monitoring the Authority'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(n) 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 2014 and 2013.

**Note 3 Revenue**

	2014 \$	2013 \$
<b>(a) Government Governance Contributions</b>		
State Government Governance	905,482	966,567
<b>(b) Government Investor Contributions</b>		
Contributions to operations:		
<b>State Government</b>		
Victorian River and Wetland Management	2,998,397	2,004,300
Victorian Landcare Program	541,243	587,005
Victorian Land Health Program	197,000	138,000
VEFMAP	317,000	272,613
National Disaster Resilience Grants Scheme (NDGRS)	502,727	349,665
Recreational Fishing Grants	2,531	667,280
Natural Disaster Relief and Recovery Arrangements (NDRRA)	2,938,127	4,741,255
Victorian Sustainable Irrigation Program	1,027,000	1,051,387
Natural Resource Investment Program (NRIP)	0	1,246,000
Office of Water	2,583,839	518,527
Victorian Catchment Management Authorities (CMAs)	16,897	189,186
Other State funding	161,036	197,846
Total State Government Contributions	11,285,797	11,963,064
<b>Commonwealth Government</b>		
The Living Murray	2,274,342	1,122,981
Murray Darling Basin Plan	810,000	229,114
National Landcare Program - Sustainable Agriculture	797,169	1,187,000
National Landcare Program - Sustainable Environment	2,372,561	2,921,274
Department of Environment - Land Sector	1,129,710	87,840
Department of Agriculture - Carbon Farming Futures	261,432	39,784
Department of Environment - Bioregional Assessment Program	100,000	0
Department of Environment - Indigenous Heritage Program	0	90,000
Other Commonwealth	150,000	275,327
Total Commonwealth Government Contributions	7,895,215	5,953,320
<b>Total Government Investor contributions</b>	<b>19,181,012</b>	<b>17,916,384</b>
<b>Total Government contributions</b>	<b>20,086,494</b>	<b>18,882,951</b>
<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.		
<b>(c) Other revenues</b>		
Contributions to operations:		
<b>Other Investors</b>		
Water Authorities	1,251,781	898,308
Miscellaneous	88,133	848,835
<b>Total other investor contributions</b>	<b>1,339,913</b>	<b>1,747,143</b>
<b>Non Operating Revenue</b>		
Interest	171,416	278,872
Other not project related	194,242	186,545
<b>Total other investor contributions</b>	<b>365,658</b>	<b>465,417</b>
<b>Total other revenues</b>	<b>1,705,571</b>	<b>2,212,560</b>
Net gain from disposal of non financial assets	9,120	0
<b>Total revenue</b>	<b>21,801,185</b>	<b>21,095,511</b>



**Note 4 Employee Costs**

	2014 \$	2013 \$
Salaries & Wages	4,578,663	5,498,940
Annual Leave	360,562	478,864
Long Service Leave	19,134	154,643
Other Leave	383,896	458,757
Salary On Costs	758,089	836,726
	<u>6,100,344</u>	<u>7,427,930</u>

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

	2014 \$	2013 \$
Materials	719,637	1,795,233
Repairs and Maintenance	63,782	72,168
Consultants	1,264,488	1,677,538
Contractors	7,683,661	8,243,103
Grants Paid	<u>1,278,891</u>	<u>1,833,248</u>
	<u>11,010,459</u>	<u>13,621,290</u>
Depreciation charge for the year		
Buildings	34,036	28,348
Plant & equipment	91,477	32,902
Furniture & office equipment	113,602	81,136
Motor vehicles	<u>160,050</u>	<u>214,010</u>
	<u>399,165</u>	<u>356,396</u>
Amortisation of Intangibles	<u>163,229</u>	<u>30,303</u>
Profit and/or loss on sale of non-current assets		
Proceeds from sale of fixed assets	437,420	405,740
Less written down value	<u>(428,300)</u>	<u>(423,169)</u>
<b>Net profit/(loss) on disposal</b>	<u>9,120</u>	<u>(17,429)</u>
Profit and/or loss on sale of intangibles		
Proceeds from sale of intangibles	0	0
Less written down value	<u>0</u>	<u>(98,192)</u>
<b>Net profit/(loss) on disposal</b>	<u>0</u>	<u>(98,192)</u>

**Note 6 Remuneration of Auditors**

	2014 \$	2013 \$
Victorian Auditor General Office (VAGO)	11,800	11,000
Non VAGO internal services	<u>17,997</u>	<u>23,058</u>
<i>(amounts are exclusive of GST)</i>	<u>29,797</u>	<u>34,058</u>

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

	2014 \$	2013 \$
<b>Cash and cash equivalents</b>		
Cash on hand	500	500
Cash at bank	839,184	149,266
<b>Investments</b>		
Term Deposits - Treasury Authority of Victoria	4,500,000	2,000,000
Term Deposits - non Treasury Authority of Victoria	1,000,076	1,412,702
	<u>6,339,760</u>	<u>3,562,468</u>

The cash and investments total above includes funds held for restricted purposes as explained in Note 15. A closing balance of \$6,940,056 is subject to Contractual or Service Level Agreements and will be spent in future accounting periods. The amount subject to Service Level Agreement exceeds the cash and cash equivalents due to relatively high accounts receivable at 30 June 2014

## Note 8 Receivables & Prepayments

	2014		2013	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Current				
Trade debtors	2,604,245	2,604,245	2,873,544	2,873,544
Prepayments	51,838	51,838	26,479	26,479
Accrued Interest on Term Deposits	13,288	13,288	26,299	26,299
<b>Total receivables and prepayments</b>	<u>2,669,371</u>	<u>2,669,371</u>	<u>2,926,322</u>	<u>2,926,322</u>

These amounts generally arise from the usual operating activities of the Authority. 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 their 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 Authority does not hold any collateral as security. Refer to Note 2 for more information of the risk management policy of the Authority.

### (a) Past due but not impaired trade receivables

As at 30 June 2014 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

	2014 \$	2013 \$
<b>(a) Classes of property, plant and equipment</b>		
<b>Land</b>		
At valuation fair value	202,000	202,000
	<u>202,000</u>	<u>202,000</u>
<b>Buildings</b>		
At valuation fair value	1,163,000	1,164,912
At fair value	201,486	201,486
Accumulated depreciation	<u>(91,459)</u>	<u>(59,336)</u>
	<u>1,273,027</u>	<u>1,307,062</u>
<b>Plant and equipment</b>		
At fair value	477,416	389,484
Accumulated depreciation	<u>(340,070)</u>	<u>(219,735)</u>
	<u>137,346</u>	<u>169,749</u>
<b>Furniture and office equipment</b>		
At fair value	910,806	946,430
Accumulated depreciation	<u>(760,464)</u>	<u>(685,268)</u>
	<u>150,342</u>	<u>261,162</u>
<b>Motor vehicles</b>		
At fair value	781,213	1,081,266
Accumulated depreciation	<u>(176,390)</u>	<u>(274,006)</u>
	<u>604,823</u>	<u>807,260</u>
<b>Total property, plant and equipment</b>	<b><u>2,367,538</u></b>	<b><u>2,747,233</u></b>

### Basis of valuation

Land and buildings were independently valued as at 30 June 2011 by the Valuer-General Victoria. Land was valued at market value. Buildings were valued based on depreciated replacement cost. Since the last valuation fair value of land and buildings assessed against the VGV indices, which has not resulted in a material movement in the carrying value.

### (b) Movements during the reporting periods

	Land \$	Buildings \$	Plant, Furniture and Office Equipment \$	Motor Vehicles \$	Total \$
<b>Carrying Amount</b>					
Balance as at 1 July 2012	202,000	1,133,925	460,230	1,127,207	2,923,362
Additions	0	201,485	92,732	309,219	603,436
Disposals	0	0	(8,010)	(415,159)	(423,169)
Write-Offs	0	0	0	0	0
Depreciation	0	(28,348)	(114,041)	(214,007)	(356,396)
Balance as at 1 July 2013	<u>202,000</u>	<u>1,307,062</u>	<u>430,911</u>	<u>807,260</u>	<u>2,747,233</u>
Additions	0	0	62,080	385,690	447,770
Disposals	0	0	(223)	(428,077)	(428,300)
Depreciation	0	(34,036)	(205,079)	(160,050)	(399,165)
<b>Balance as at 30 June 2014</b>	<b><u>202,000</u></b>	<b><u>1,273,026</u></b>	<b><u>287,689</u></b>	<b><u>604,823</u></b>	<b><u>2,367,538</u></b>

## Fair value measurement hierarchy as at 30 June 2014

	Carrying Amount as at 30 June 2014	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	
<b>Total of land at fair value</b>	<b>202,000</b>	<b>0</b>	<b>202,000</b>	<b>0</b>
Buildings at fair value				
Specialised buildings	1,273,026			1,273,026
<b>Total of buildings at fair value</b>	<b>1,273,026</b>	<b>0</b>	<b>0</b>	<b>1,273,026</b>
Plant, equipment and vehicles at fair value				
Vehicles	604,823			604,823
Plant and equipment	287,689			287,689
<b>Total of plant, equipment and vehicles at fair value</b>	<b>892,512</b>	<b>0</b>	<b>0</b>	<b>892,512</b>

## Reconciliation of Level 3 fair value

2014	Specialised buildings	Vehicles	Plant and equipment
<b>Opening Balance</b>	<b>1,307,062</b>	<b>807,260</b>	<b>430,911</b>
Purchases (Sales)	0	(51,507)	61,857
Transfers in (out) of Level 3	0	0	0
Gains or Losses recognised in net result	0	9,120	0
Depreciations	(34,036)	(160,050)	(205,079)
Impairment Loss	0	0	0
<b>Subtotal</b>	<b>(34,036)</b>	<b>(202,437)</b>	<b>(143,222)</b>
Revaluation	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing Balance</b>	<b>1,273,026</b>	<b>604,823</b>	<b>287,689</b>
Unrealised gains (losses) on non financial assets	0	0	0

## Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Specialised buildings</b>	Depreciated replacement cost	Direct cost per square metre	\$1,500 m <sup>2</sup> (\$1,500)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	40 years (40 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Plant and equipment</b>	Depreciated replacement cost	Cost per unit	\$1,000 - \$38,000 (\$5,000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of plant and equipment	2.5 to 7 years (5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Vehicles</b>	Depreciated replacement cost	Cost per unit	\$12,400 to \$40,000 (\$27,400 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of motor vehicles	5 years (5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

## Non-specialised land

For non-specialised land, 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 2011.

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

## Specialised buildings

For the Catchment Management Authority's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Catchment Management Authority's specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the depreciation replacement cost method. The effective date of the valuation is 30 June 2011.

## Vehicles

Vehicles are valued using the depreciated replacement cost method. The Authority 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 Authority 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 carrying value (depreciated cost). 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 2014. For all assets measured at fair value, the current use is considered the highest and best use.

**Note 10 Intangible Assets**

	2014 \$	2013 \$
Intangibles - Software and Licences		
At cost	419,564	414,414
Accumulated amortisation	<u>(175,085)</u>	<u>(11,856)</u>
	<u>244,479</u>	<u>402,558</u>
<b>Movements during the reporting period</b>		
Opening Balance	402,558	131,053
Additions	5,150	400,000
Disposal	0	(98,192)
Amortisation	(163,229)	(30,303)
<b>Closing Balance</b>	<u><u>244,479</u></u>	<u><u>402,558</u></u>

The amortisation of intangibles is based on a useful life of 2 ½ years or 40% (2013 40%)

**Note 11 Payables**

	2014 \$	2013 \$
<b>Current Payables</b>		
Trade payables	579,387	276,911
Accrued expenses	634,975	1,518,191
<b>Total Payables</b>	<u><u>1,214,362</u></u>	<u><u>1,795,102</u></u>

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	579,387	276,911
3 to 6 months	0	0
over 6 months	0	0
	<u>579,387</u>	<u>276,911</u>

**Note 12 Provisions and Employee Benefits**

	2014 \$	2013 \$
<b>Current provisions</b>		
Employee benefits (Note 1(k))		
Annual leave (Note 1(k)):		
Unconditional and expected to settle within 12 months	367,828	424,121
Unconditional and expected to settle after 12 months	0	0
Time in Lieu and rostered days off	102,043	74,358
Long service leave(Note 1(k)):		
Unconditional and expected to settle within 12 months	0	0
Unconditional and expected to settle after 12 months	548,176	475,826
<b>Total current provisions</b>	<u><u>1,018,047</u></u>	<u><u>974,305</u></u>
<b>Non-current provisions</b>		
Employee Benefits (Note 1(k))	108,582	150,313
<b>Total non-current provisions</b>	<u><u>108,582</u></u>	<u><u>150,313</u></u>
<b>Total provisions</b>	<u><u>1,126,629</u></u>	<u><u>1,124,618</u></u>

**(a) Employee benefits and on costs**

<b>Current employee benefits</b>		
Annual Leave	319,850	368,801
Time in Lieu	88,733	64,659
Long Service Leave	476,675	413,762
<b>Non-current employee benefits</b>		
Long Service Leave	94,419	130,707
<b>Total employee benefits</b>	<u><u>979,677</u></u>	<u><u>977,929</u></u>
Current on-costs	132,789	127,083
Non-current on-costs	14,163	19,606
<b>Total on-costs</b>	<u><u>146,952</u></u>	<u><u>146,689</u></u>
<b>Total employee benefits and on-costs</b>	<u><u>1,126,629</u></u>	<u><u>1,124,618</u></u>

**Note 13 Contributed Capital, Reserves and Accumulated funds**

	2014 \$	2013 \$
<b>(a) Contributed capital</b>		
Balance at beginning of year	8,755,693	8,755,693
Capital contributions	0	0
<b>Balance at end of year</b>	<b><u>8,755,693</u></b>	<b><u>8,755,693</u></b>
<b>(b) Reserves</b>		
<b>Asset revaluation reserve</b>		
Balance at beginning of year	754,549	754,549
<b>Balance at end of year</b>	<b><u>754,549</u></b>	<b><u>754,549</u></b>
<b>(c) Accumulated funds</b>		
Balance at beginning of year	(2,791,381)	(581,034)
Net result for the period	2,561,296	(2,210,347)
<b>Balance at end of year</b>	<b><u>(230,085)</u></b>	<b><u>(2,791,381)</u></b>

**Note 14 Commitments**

	2014 \$	2013 \$
<b>Operating leases</b>		
<b>Non-cancellable operating lease commitments incl. GST</b>		
As at 30 June 2014 the Authority had leases for photocopiers		
Within one year	7,304	28,779
Later than one year but not later than five years	0	43,824
Later than five years	0	0
	<b><u>7,304</u></b>	<b><u>72,603</u></b>

**Note 15 Carry Forward Project Funding**

Catchment Management Authority's 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 Authority receives funding for specific projects which are guided by the Regional Catchment Strategy and delivered in line with the Authority's Corporate Plan approved by the Minister for Environment and Climate Change and 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 Authority 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 Authority has no contingent liabilities or contingent assets.

## Note 17 Superannuation

The Authority does not make employer contributions to the defined benefit category of the Fund.

The Authority contributes in respect of its employees to the following superannuation schemes:

Fund	Type of Scheme	Rate %	2014 \$	2013 \$
AMP Life	Accumulation	9.25%	12,033	11,644
AMP Flexible Lifetime Super	Accumulation	9.25%	3,246	3,020
ANZ Super Advantage	Accumulation	9.25%	8,311	6,936
Australian Catholic Super	Accumulation	9.25%	7,930	7,433
Australian Super	Accumulation	9.25%	79,832	55,345
AXA Super	Accumulation	9.25%	8,180	0
Care Super	Accumulation	9.25%	5,415	7,331
Colonial First State	Accumulation	9.25%	0	146
Cruelty Free Super	Accumulation	9.25%	8,351	0
ESS Super	Accumulation	9.25%	25,056	12,217
First State Super	Accumulation	9.25%	8,615	7,993
IIML ACF Life Track Application	Accumulation	9.25%	5,624	5,472
ING Corporate Super	Accumulation	9.25%	0	2,166
ING Direct Living Super	Accumulation	9.25%	3,194	1,594
ING Masterfund	Accumulation	9.25%	2,539	10,047
iPAC iAccess	Accumulation	9.25%	1,210	10,869
KINETIC Super	Accumulation	9.25%	6,678	0
Local Govt Super Scheme	Accumulation	9.25%	0	3,181
Mercantile Mutual Life Insurance	Accumulation	9.25%	15,018	9,901
Mercer Wealth Solutions Super Trust	Accumulation	9.25%	15,461	14,024
National Mutual Retirement Fund	Accumulation	9.25%	11,745	11,117
PLUM Superannuation Fund	Accumulation	9.25%	0	1,059
Prime Super	Accumulation	9.25%	7,591	7,210
Recruitment Super	Accumulation	9.25%	0	6,650
REST Superannuation	Accumulation	9.25%	11,556	5,434
Sandhurst Trustees Ltd	Accumulation	9.25%	6,033	3,899
SuperWRAP	Accumulation	9.25%	0	6,697
Uni Super	Accumulation	9.25%	9,721	7,913
Victorian Superannuation Board	Accumulation	9.25%	63,845	72,533
Vision Super	Accumulation	9.25%	209,451	235,586
Other Superannuation Funds	Accumulation	9.25%	17,320	9,427
<b>Total contributions to all funds</b>			<b>553,955</b>	<b>536,842</b>

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

No balances were repayable in respect of loans made to the Authority from any fund.

All funds are accumulation funds. Employer contributions are normally based on a percentage of employee earnings (as at 30 June 2014 it is 9.25% (2013 9%) under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.

## 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:

Hon Peter Walsh, MLA	Minister for Water and Agriculture	1 Jul 2013 to 30 Jun 2014
Hon Ryan Smith, MP	Minister for Environment and Climate Change	1 Jul 2013 to 30 Jun 2014
David Clark	Board Chair	1 Jul 2013 to 30 Jun 2014
Dianne Bowles	Board Member	14 Oct 2013 to 30 Jun 2014
Christine Brooke	Board Member	1 Jul 2013 to 14 Oct 2013
Prue Addlem	Board Member	1 Jul 2013 to 30 Jun 2014
Julie Slater	Board Member	1 Jul 2013 to 30 Jun 2014
Stuart McLean	Board Member	1 Jul 2013 to 30 Jun 2014
James Williams	Board Member	1 Jul 2013 to 30 Jun 2014
Melanie McCarthy	Board Member	1 Jul 2013 to 30 Jun 2014
Julie Markoff	Board Member	14 Oct 2013 to 30 Jun 2014
Laurie Maxted	Board Member	1 Jul 2013 to 30 Jun 2014
Donald Naunton	Board Member	1 Jul 2013 to 14 Oct 2013
Damian Wells	Chief Executive Officer	1 Jul 2013 to 30 Jun 2014
Brad Drust	Acting Chief Executive Officer	6 Nov 2013 to 16 Nov 2013
Gretel Bowman-Farr	Acting Chief Executive Officer	23 Dec 2013 to 13 Jan 2014

### 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 Authority in connection with the management of the Authority during the reporting period was:

Band	2014	2013
0 - 9999	2	0
10000 - 19999	8	8
20000 - 29999	1	1
180000 - 189999	0	1
190000 - 199999	1	0
Total Remuneration \$	<b>329,291</b>	<b>314,733</b>

### Other transactions

#### Responsible Persons

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

Name of Related Parties	Responsible Person	2014	2013
ESE Consulting	Damian Wells	19,913	4,474

### 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	
	2014	2013	2014	2013
100000 - 109999	5	2	3	4
110000 - 119999	3	4	3	3
120000 - 129999	3	3	2	2
130000 - 139999	2	2	0	0
140000 - 149999	2	0	0	0
Total number of Executive Officers	15	11	8	9
Total Annualised Employee Equivalent (*)	13.4	11.0	7.7	9.0
Total Remuneration \$	<b>1,801,097</b>	<b>1,318,357</b>	<b>893,605</b>	<b>1,016,256</b>

(\*) 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 exclusive of superannuation, bonus payments and retrenchments. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.



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

	2014 \$	2013 \$
<b>Net result for the period</b>	<b>2,561,296</b>	<b>(2,210,347)</b>
<b>Add/(less) Non-Cash Flows in Net Result</b>		
(Profit) / loss on disposal of non-current assets	(9,120)	115,621
Depreciation and amortisation	562,394	386,699
	<u>3,114,570</u>	<u>(1,708,027)</u>
<b>Changes in Assets and Liabilities</b>		
Decrease/(increase) in trade receivables	269,299	(2,298,636)
Decrease/(increase) in prepayments	(25,359)	(26,479)
Decrease/(increase) in accrued interest	13,011	15,794
(Decrease)/Increase in payables	302,476	(1,236,985)
(Decrease)/Increase in accrued expenses	(883,216)	388,313
(Decrease)/increase in employee benefits	2,011	(121,419)
	<u>2,792,792</u>	<u>(4,987,439)</u>
<b>Net Cash flows from Operating Activities</b>	<b>2,792,792</b>	<b>(4,987,439)</b>

## 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 authority, the results of those operations, or the state of affairs of the authority in future financial years.

## Note 21 Economic dependency

The Authority'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 2013*

<b>Policy Title:</b>	<b>Protected Disclosure Policy established under s 58 of the <i>Protected Disclosure Act 2013</i></b>		
<b>Policy Number:</b>	<b>HR 016 NCCMA-72-292</b>	<b>Effective Date:</b>	<b>1/07/2013</b>
Purpose:	The North Central Catchment Management North Central CMA (North Central CMA) is required to establish a Policy under s 58 of the <i>Protected Disclosure Act 2013</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, Natural Resources Management 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 2013</i>		
References:	<i>Protected Disclosure Act 2013</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 2013</i> , June 2013 <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 2015		
Documents superseded by this document	HR009 – Whistle-blowers' Policy		
Relevant forms:			
Key Words:	<i>Protected Disclosure Act 2013</i>		

## 1. Introduction

The North Central Catchment Management North Central CMA) is a public body subject to the *Protected Disclosure Act 2013* ("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 further 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 2013 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 Coordinator on 03 5448 7124 or by email at [joanne.mclachlan@nccma.vic.gov.au](mailto:joanne.mclachlan@nccma.vic.gov.au) 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 2013-14 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.

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