

Annual Report

2020/21





Acknowledgment of Country

The North Central Catchment Management Authority acknowledges Traditional Owners within the region, their rich culture and spiritual connection to Country. We also acknowledge the contribution and interest of Aboriginal and Torres Strait Islander people and organisations in land and natural resource management, and pay respects to Elders past, present and emerging.

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Cover Image

Culturally important aquatic plants missing from the wetland have been reinstated and protected in Reed Bed Swamp, Guttrum Forest



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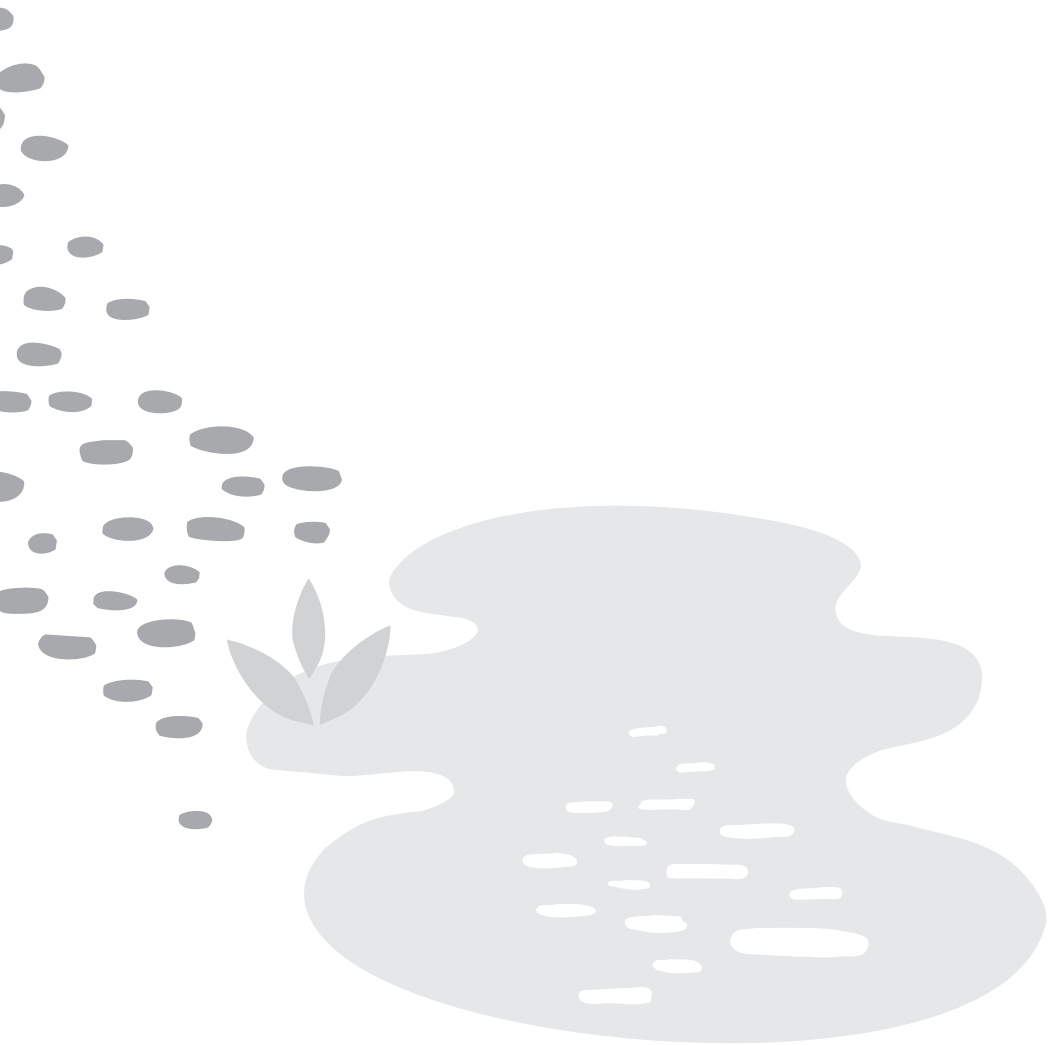
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Responsible Body Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the North Central Catchment Management Authority's (CMA) Annual Report for the year ending 30 June 2021.



Julie Miller Markoff
Chair
North Central CMA
5 October 2021



PART 1: YEAR IN REVIEW

Foreword from the Chair

As Chair of an organisation that demonstrates courage, care and connection, I am delighted and proud of what we have achieved during 2020-21 to deliver lasting catchment change across our region. Overall, in a COVID year of disrupted action and restrictions, we delivered all of the expected outcomes of our programs, and then some.

A key focus during the reporting period was undertaking renewal of our flagship piece of thinking and direction setting - the North Central Regional Catchment Strategy (RCS). The 2021-27 strategy is the overarching document for all involved in land, water, and biodiversity management within the north central region. Through its vision - 'working in partnership for a healthy catchment' - it provides a roadmap for our collective efforts to care for our catchments over the next six years.

I'm grateful to the team who have continued to be adaptive in the way we connect to and work with our diverse communities, partners, and Traditional Owners to tap into their deep knowledge about the values, challenges and opportunities that exist in the region. Collectively, we now have clear priorities for action in the renewed RCS that are essential to securing the health of our four river catchments.

The renewed RCS, like never before, has a focus on partnering with Traditional Owners and aligning with their self-determined participation and leadership to care for Country. Climate change is also in focus as it is placing pressure on our natural resources and communities. All projections point to this pressure increasing. We recognise that we must consider all our actions through a climate change lens, and we must act with urgency and courage. To enable this, the RCS identifies likely climate change impacts on our natural resources and provides direction that will support their protection in a hotter and drier future.

The many achievements outlined in this annual report demonstrate our commitment to delivering for the Victorian and Australian governments through initiatives such as **Victoria's Water for Victoria; Our Catchments, Our Communities; Protecting Victoria's Environment - Biodiversity 2037; and Australia's National Landcare Program**. The outcomes achieved are a result of the trust our investors, partners, communities, and Traditional Owners have in us to "get the job done".

We strive to make a difference to the environment and our communities and this year, like so many others, we have done just that. As part of the Victorian government's \$2.7 billion Building Works package, to build the projects that matter to Victoria - and create the jobs that matter to Victorians, we received funding through the **Working for Victoria Initiative** and the **Building Works Capital Stimulus package 2020 - Waterway Environmental Works component**.

I am particularly proud of our involvement in the Working for Victoria initiative. Through it we employed local community members needing work to help with natural resource management initiatives across the catchment. Fifteen people were employed for a total of 291 work weeks from September 2020 to June 2021 to support public and individual land managers with revegetation, fencing and pest plant and animal control. The on-ground achievements can be read within this report but it's also the social benefits that can't be underestimated. Team Leader Wendy Campbell said, 'Coming from a TAFE background, having completed my Diploma [in Conservation and Land Management], the Working for Victoria program with the North Central CMA has provided me with practical industry experience, which will be beneficial for my further career'.

We received \$7.1 million to undertake improvements to fish passage within the Gunbower and lower Loddon systems through the Waterway Environmental Works component of the Victorian Government's stimulus package. These works deliver our flagship Native Fish Recovery Plan, to restore native fish populations. We continue to take an integrated management approach by working with our partners and seeking advice from our Traditional Owners to progress project activities.

The funding has enabled the construction of a new fishway at Koondrook Weir this year, and in the near future will go toward installing irrigation screens to stop fish being lost to irrigation channels and addressing further barriers to fish passage. These works create tourism and recreational opportunities that will benefit the local economy and reset the trajectory of native fish populations that have decreased by 90% across the Murray Darling Basin since early European settlement.

In accordance with the *Financial Management Act 1994*, I am pleased to present the North Central Catchment Management Authority's Annual Report for the year ending 30 June 2021.



Julie Miller Markoff
Chair



1.1 Our Vision, Our Mission, Our Approach, Our Culture

The North Central CMA’s strategic direction creates a clear, purposeful, and enabling path for the organisation. It is developed by the Board to ensure the delivery of the best possible value for our communities, government and interested stakeholders. The ‘Our Culture’ component of the strategic direction has been refined in consultation with staff to better reflect the organisation’s appetite towards new challenges, innovation, and collaboration.

Our Vision

Sustainably managed land, water and biodiversity resources that support productive and prosperous communities in a changing climate.



Our Mission

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



Our Approach

Connecting natural resource management activities

- Delivering water for the environment and improving waterway habitats.
- Promoting sustainable agricultural land management.
- Securing and linking habitats and species.
- Adapting landscapes to a changing climate.



Enabling active communities

- Encouraging and supporting community action for the environment.
- Supporting Traditional Owner and Aboriginal self-determination, cultural values, and economic inclusion.
- Partnering with government, industry, and community.

Supporting sound decisions with knowledge

- Identifying regional natural resource management priorities.
- Gathering and sharing knowledge from Traditional Owner, local and scientific sources.
- Providing information to prepare and protect the community from flooding.

Our Culture

As a public-sector entity we behave in-line with the seven core values of the Victorian Public Sector: Responsiveness; Integrity; Impartiality; Accountability; Respect; Leadership and Human Rights.



In addition to the Public Sector values, we have our unique set of values: *Care, Courage and Connection*. Jointly developed by the Board and staff and endorsed by the Board in early 2021, our values and supporting behaviours, represent what our communities, stakeholders, partners and investors can expect from us and also guide our internal interactions.

Care

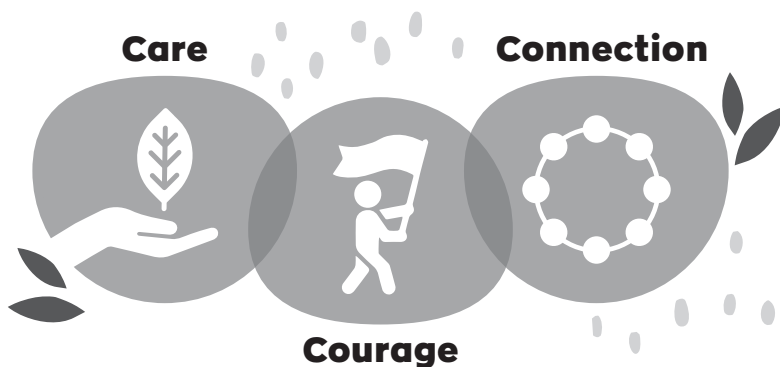
- Respecting the values and differences of others.
- Supporting each other to achieve our best.
- Providing an inclusive and safe space for everyone.
- Making a positive difference for the region’s communities and natural resources.

Courage

- Backing ourselves to make bold decisions.
- Showing up and being present even when it’s hard to do.
- Adapting, seeking innovative solutions, and taking considered risks.
- Remaining true to our vision, values, and knowledge.

Connection

- Creating and maintaining lasting partnerships.
- Working across the organisation to utilise our collective knowledge.
- Bringing together and sharing local, scientific and Traditional Owner knowledge.
- Taking an integrated approach to care for the catchment.



1.2 Manner of Establishment and Responsible Ministers

The North Central Catchment Management Authority is established under the *Catchment and Land Protection Act 1994 (CaLP Act)* and also has powers and functions under the *Water Act 1989 (Water Act)*.

The responsible Ministers for the period from 1 July 2020 to 30 June 2021 were the Hon Lisa Neville MP, Minister for Water, the Hon Richard Wynne as Acting Minister for Water from 15 February 2021 to 30 June 2021, and the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

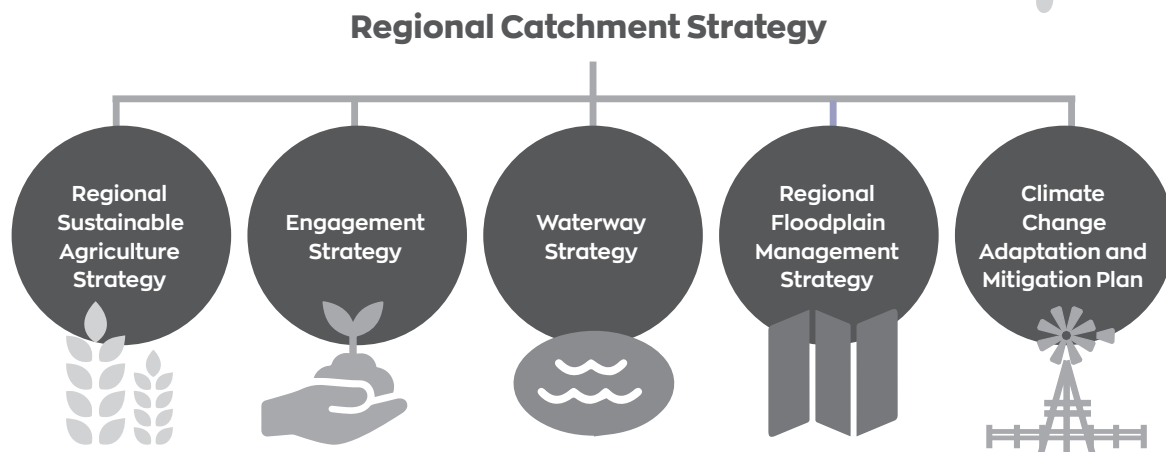


Figure 1 **Sub-strategies of the Regional Catchment Strategy**

1.3 Nature and Range of Services Provided

The North Central Catchment Management Authority (CMA) is principally responsible for protecting and improving the health of the region's natural resources in-line with the North Central Regional Catchment Strategy (RCS) that's underpinned by supporting regional sub-strategies (Figure 1).

Responsibilities also include delivering on statutory obligations for waterway, rural drainage, and floodplain management.

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

The core programs of the North Central CMA are:

Environmental Assets: The Environmental Asset program is responsible for delivering a broad range of projects aimed at improving the health of waterways, wetlands, and biodiversity within our region. The program delivers on the priorities identified within the North Central Regional Catchment Strategy, the North Central Waterway Strategy, and a range of national and international environmental obligations.

The program also works closely with the broader north central Victorian community and key Traditional Owner groups to help build capacity for delivering shared benefits across the region.

Water for the Environment: The core business of the Environmental Water program is to deliver against the North Central CMA's statutory responsibilities to manage the environmental water reserve in our region pursuant to the *Water Act 1989*.

This includes long-term and annual planning, adaptively managing delivery, event-based monitoring and extensive community and Traditional Owner engagement. The program also includes management of works and measures that support environmental watering objectives such as infrastructure to deliver water to a site.

Sustainable Agriculture: The Sustainable Agriculture program works with communities, Traditional Owners, agricultural industries, and partner agencies to achieve productive farming while protecting the natural resource base.

It delivers regional priorities identified in the North Central Regional Sustainable Agriculture Strategy that supports agriculture across north central Victoria.

Strategy and Partnerships: The Strategy and Partnerships program provides support and leadership across community focused projects and programs.

A key part of the program is supporting Landcare Networks and Groups, administration of Victorian Government's Landcare grants, delivering the citizen science Waterwatch program, coordinating the North Central CMA Indigenous Program and implementing the CMA's Engagement Strategy.

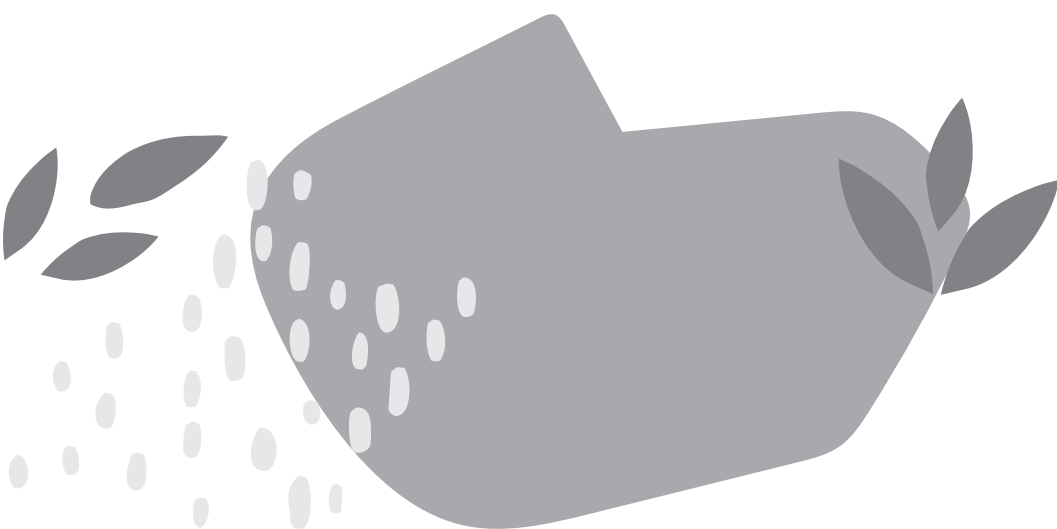
Statutory Functions: The Statutory Functions and Floodplain Management program provides flood information and support to the Victorian State Emergency Service, local government, and the community. This contributes to the communities understanding of their flood risk while also ensuring that infrastructure development considers flood hazard and waterway health to minimise growth in flood risk and to protect and enhance waterway health.

The 2017-18 Regional Floodplain Strategy provides a work plan prioritising actions across the region to manage the risk of flooding and improve flood resilience of our communities into the future. North Central CMA delivers on actions in the work plan while also supporting partner agencies with technical assistance to deliver actions. North Central CMA will continue to support the delivery of priority actions, while also working with partner agencies to secure further funding for priority actions that contribute to meeting the objectives of the strategy.

Major Projects: The Victorian Murray Floodplain Restoration Project (VMFRP) aims to enhance the highly valued floodplains and consists of nine distinct project sites on the Murray River in Victoria. Works will generally involve construction of weirs, regulators, pump stations, and improvements to existing and new flood levees and access tracks, so that a more natural environmental watering regime can be achieved.

The North Central CMA is contracted by Lower Murray Water via a service level agreement (SLA) to deliver project management and support services for the Eastern Package (Guttrum-Benwell and Gunbower) of the VMFRP.

The Fish Passage Stimulus Package has been funded by the Victorian Government (\$7.1 million) to address the key threats to native fish populations in northern Victoria by enabling fish movement throughout the Gunbower and lower Loddon system. The stimulus package funding addresses the highest priority remaining barriers to fish passage in the organisation's *Native Fish Recovery Plan – Gunbower and lower Loddon*.



1.4 Objectives, Functions, Powers and Duties

The principal statutory obligations of the North Central CMA are prescribed in the *Catchment and Land Protection Act 1994* and *Water Act 1989*.

The core functions of the North Central CMA deliver on the *Catchment and Land Protection Act* and *Water Act* accountabilities, which primarily include:

- Regional planning, coordination, and delivery.
- Statutory functions under Part 10 of the *Water Act 1989*.
- Statutory functions under Part 11 of the *Water Act 1989*

In 2018 the Victorian Government developed an Outcomes Framework (Figure 2). The outcomes-based approach for government focuses on actual results achieved, rather than inputs and outputs. A focus on outcomes provides a clear line of sight from investment through to success. In response, the North Central CMA developed a Business Outcomes Framework (Table 2) to demonstrate how the CMA will achieve the top two tiers of the Victorian Government's Outcomes Framework and how we will measure success against our vision, mission, and approach.

Our performance against the Business Outcome Framework is detailed in the Performance Against Objectives, Functions, Powers and Duties section of this report (Table 2).

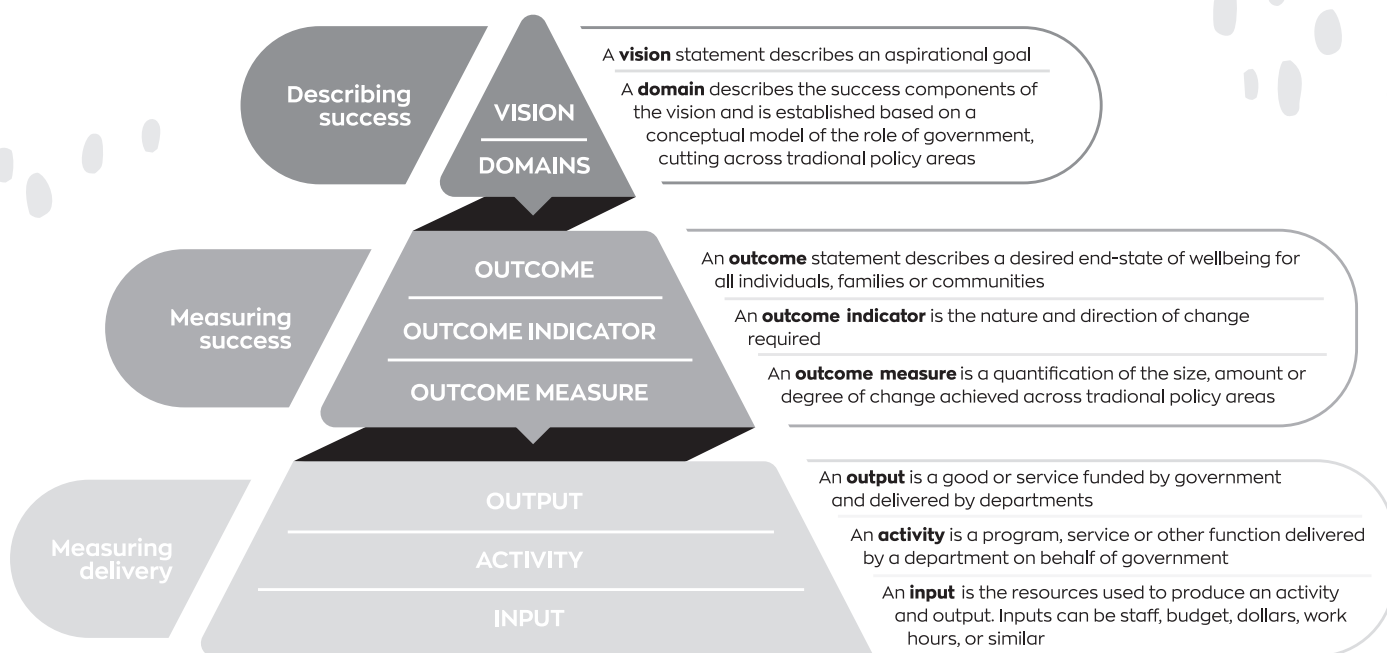


Figure 2 **Victorian Government Outcome Framework Diagram**

1.5 Performance Against Objectives, Functions, Powers and Duties

This section of the report addresses our achievements and operational performance against key areas in our 2020-21 Corporate Plan and legislative reporting requirements, including:

- 1.5.1 2020 Minister's Letter of Expectations Priority Areas
- 1.5.2 North Central CMA Business Outcomes Framework
- 1.5.3 Organisational Performance Framework.
- 1.5.4 Catchment Condition Statement
- 1.5.5 DELWP Standard Outputs
- 1.5.6 Key Initiatives and Projects
- 1.5.7 Business Improvement

1.5.1 Minister's Letter of Expectations Priority Areas

In March 2020 the Minister for Water issued a Letter of Expectations to the North Central CMA outlining expectation and performance priorities that align with nine Victorian government policy priorities:

- Improved Performance and Demonstrating Outcomes
- Climate Change
- Waterway and Catchment Health
- Water for Agriculture
- Community Engagement and Partnerships
- Recognise and Support Aboriginal Cultural Values and Economic Inclusion in the Water Sector
- Recognise Recreational Values
- Resilient and Liveable Cities and Towns
- Leadership, Diversity and Culture

The following table provides a high-level performance statement against each Victorian government priority policy area appropriate to the North Central CMA's functions and duties.

Additional narrative on our performance can be read in the Key Initiatives and Project Performance (1.5.6) section of this report.

Table 1 **Performance against Ministerial priority areas**

Priority Area	Outcome Indicator(s)	Performance statement
<p>1. Improved Performance and Demonstrating Outcomes</p>	<p>PE1 Improved performance and demonstrated results against outcomes</p>	<p>Contributing to the updated DELWP led Standard Output V3 and submission of the 2020-21 Year 3 assessment of riparian sites via the capture, storage, and provision of information under the new Riparian Works Review Standard.</p> <p>Riparian outcomes and case studies demonstrating investment in waterway and catchment health submitted to DELWP via the 2020-21 Regional Riparian Action Plan and Budget Paper 3 reporting.</p> <p>North Central CEO and Chairperson are members of the Vic. Catchments Forum that has a focus on performance and demonstrated outcomes from across the state. In addition, CMA's reports performance and identifies case studies annually through the Statewide Actions and Achievements Report and promotes the findings at a local and regional scale through various platforms. The North Central CMA is coordinating the 2020-21 report.</p> <p>At a local-scale, signatory members of the North Central Catchment Partnership Agreement meet quarterly. The Forum's purpose is to strengthen the coordination, collaboration, and accountability between key catchment management partners with a focus on opportunities to deliver the draft North Central Regional Catchment Strategy 2021-27.</p>
<p>2. Climate Change</p>	<p>E4 Active investigation into new opportunities that sequester carbon</p>	<p>The North Central CMA Board endorsed Climate Change Commitment Action Plan underpins our commitment to addressing the threats and creating opportunities for the region to cope with a changing climate.</p> <p>The draft North Central Regional Catchment Strategy 2021-27 (RCS) has a focus on climate change recognising the challenges and opportunities to our natural assets and for our communities.</p> <p>The North Central Climate Change Adaptation and Mitigation Plan 2015 remains a relevant guide for climate action with regards to NRM in our region. The Plan describes the implications of climate change for our region's land, water and biodiversity resources and maps the relative vulnerability of waterways and remnant native vegetation across the region and also carbon potential. A range of adaptation and mitigation actions are also identified in the Plan. An RCS priority direction has been developed to renew this plan by 2023.</p> <p>We are also continuing to work with partners to explore the barriers and opportunities to deliver local carbon offsets aligned with the North Central Climate Change Adaptation and Mitigation Plan to achieve environmental outcomes including ongoing discussions with Coliban Water about how local carbon offsets can help achieve objectives in Coliban Water's 2030 Strategy.</p> <p>We continue to work alongside our Traditional Owners in support of the statewide Carbon Abatement Partnership Opportunities.</p>

Table 1 **Performance against Ministerial priority areas**

Priority Area	Outcome Indicator(s)	Performance statement
<p>3. Waterway and Catchment Health</p>	<p>CH2 Improved catchment health and resilience</p>	<p>Working with our partners and the community to develop the draft North Central Regional Catchment Strategy 2021-27 (RCS). A key theme in the renewed RCS is integrated catchment management and opportunities to improve its health across the catchment.</p> <p>The 2020-21 area of improved catchment health and resilience through the North Central CMA’s Waterway Health programs delivered more than 1,689 ha of vegetation works improving the environmental condition of 25 reaches/wetlands.</p> <p>In addition to this, the Our Catchments Our Communities initiatives contributed to 68 ha of active environmental stewardship for catchment health and resilience.</p> <p>These activities were delivered through Victorian Governments EC4 (residual) and EC5 (Supply Bill) funding.</p>
<p>4. Water for Agriculture</p>	<p>WA1 A productive and profitable irrigation sector and vibrant and resilient regional communities</p>	<p>The draft Loddon Campaspe Irrigation Region Land and Water Management Plan’s vision over the next ten years is ‘Using water for healthy, productive, sustainable, irrigated food and fibre.’ The draft plan includes actions for a productive and profitable irrigation sector and vibrant and resilient regional communities.</p> <p>The North Central CMA contributes to the implementation of the Basin Salinity Management 2030 Strategy.</p> <p>Manages accountable actions for Basin Salinity Management 2030 Strategy Register entries within the north central Victoria.</p> <p>Contributes to the annual report prepared by Victoria for the Murray Darling Basin Salinity Management 2030 Strategy.</p> <p>The agriculture sector is supported through the CMA’s Regenerative Agriculture program and the Regional Agriculture Landcare Facilitator with funding from the Australian Government’s National Landcare Program.</p> <p>The program works with five community groups and during the reporting period hosted 23 events with 504 landholders managing approx. 105,840 ha, engaged and cooperated with 25 industry leaders and generated 26 communication materials. Project progress shared with at least eight industry/ community organisations.</p> <p>Our Regional Agriculture Landcare Facilitator works with Landcare groups to provide updates on upcoming events, funding opportunities and relevant information. Social media is used frequently to inform the farming community about workshops, field days, webinars, research, and publications. More than 40 agricultural social media posts with a reach of more than 50,000 people during the reporting period.</p>

Priority Area	Outcome Indicator(s)	Performance statement
<p>5. Community Engagement and Partnerships</p>	<p>CE1 A strong community engagement focus that is a cornerstone of all CMA's functions</p>	<p>COVID-19 restrictions have continued to impact our traditional engagement method however we have adapted our engagement approach to online and face-to-face when we could to ensure the community is at the cornerstone of our activities.</p> <p>During the reporting period, the North Central CMA held more than 273 engagement events using traditional and online methods engaging more than 3,900 participants. While the participation rate is slightly lower than previous years the number of events remains consistent. This outcome demonstrates our ongoing commitment to engagement and our ability to be adaptive, creative, and innovative in our engagement approach.</p> <p>We have used a range of communication tools to stay connected with Traditional Owners, landholders, community groups and industry leaders, using social media channels, print media and up-to-date information available on our website.</p> <p>Traditional Owner engagement remains a focus through our Reconciliation Action Plan. We engaged the seven Traditional Owner groups to renew the North Central Regional Catchment Strategy with each providing their perspectives on what Country means to them and how we can work together to care for it.</p> <p>We are proud to support 160 Landcare groups and/or networks across the region.</p> <p>We are also reviewing and renewing our Engagement Strategy during 2021-22 to ensure we remain relevant to the engagement needs and expectations of our community and partners.</p>
<p>6. Recognise and Support Aboriginal Cultural Values and Economic Inclusion in the Water Sector</p>	<p>AC1 Effective engagement of Traditional Owners</p>	<p>Traditional Owner engagement and their self-determination is at the heart of our work, we work in partnership with Traditional Owners in several ways largely guided by the organisation's Reconciliation Action plan.</p> <p>Our Reconciliation Action Plan working group includes six Aboriginal people. Three workshops to renew and review the plan were delivered and hosted by two Aboriginal facilitators.</p> <p>We employ three young Aboriginal trainees, through a School-based Aboriginal Trainee program which is aimed at providing pathways for students into natural resource management.</p> <p>We have developed a Cultural Safety guide for the organisation created with a working group of Traditional Owners, CMA staff and the Aboriginal trainees.</p> <p>Traditional Owners actively participate in our on-ground works projects and engagement events. This participation includes revegetation and weed control works, meetings (facilitation, catering, attendance) and cultural services e.g., Welcome to Country etc. Traditional Owner engagement facilitates knowledge exchange, monitoring and reporting through a number of our projects including Barapa Wamba Water for Country; Our Catchments, Our Communities Dja Dja Wurrung Boort-Kinypanial project; Environmental Water Program; Caring for the Campaspe project Steering committee membership;</p>

Table 1 **Performance against Ministerial priority areas**

Priority Area	Outcome Indicator(s)	Performance statement
		<p>The Living Murray Program; Barapa Wamba Water for Economic Development project; and the North Central Regional Catchment Strategy renewal process.</p> <p>A Conversation Circle, facilitated by three Aboriginal people, was part of the CMA's Catchment Partners Forum to promote cultural values of water and discuss further opportunities for collaboration in regional NRM programs and projects.</p> <p>Taungurung and Dja Dja Wurrung delivered our annual cultural competency training program, online and face-to-face, to increase staff cultural competency. Dja Dja Wurrung also undertook a survey and analysis of the organisation's cultural awareness and our Reconciliation Action Plan impact.</p> <p>NAIDOC and Reconciliation Week are recognised by the CMA and celebrated each year with events promoted on our social media platforms and support provided to other organisations to host events.</p>
<p>7. Recognise Recreational Values</p>	<p>RV1 Water services that explicitly consider recreational values, within existing frameworks</p> <p>RV2 Engagement with the community to identify and prioritise opportunities to deliver recreational objectives relating to the management of water and waterways</p> <p>RV3 Accessible and user friendly information for recreational users about waterway conditions to help community members plan their recreational activities</p> <p>RV4 Collaboration with other organisations and government agencies to explore and progress opportunities to support recreational values</p>	<p>Recreational values are considered in the Seasonal Watering Proposals as well as the environmental and economic benefits with assistance from the community reference group and local knowledge.</p> <p>We have a strategic approach to developing and sharing online information through the North Central CMA's Social Media Policy that also informs content on other communication platforms. The CMA's website includes content such as river and waterway condition and information regarding the delivery of water for the environment to help community members' plan their recreational activities.</p> <p>The CMA is part of a vibrant community who values recreational activities aligned to healthy waterways.</p> <p>During the reporting period the CMA worked with the Campaspe Shire and the local community to build the first all abilities kayaking and fishing platform for the Campaspe River. The platform and walking tracks are an initiative of the CMA's flagship Caring for the Campaspe project.</p> <p>We are continuing our partnership work with Goulburn-Murray Water to finish building fishways at Cohuna and Koondrook Weirs enabling the movement of native fish up and down Gunbower Creek and to the open water of the Murray River. The fishways are part of the CMA's Native Fish Recovery Plan which aims to recover native fish populations with the help of water for the environment and other works, such as the establishment of habitat, in the lower Loddon area. The recovery of native fish populations to the area will create recreational activities that will support regional economies and communities.</p>

Priority Area	Outcome Indicator(s)	Performance statement
8. Resilient and Liveable Cities and Towns	LC1 Healthy communities and supporting resilient environments	<p>An integrated catchment management approach through A Healthy Coliban Catchment and Kyneton Offsets projects, in partnership with Coliban Water, Landcare, communities, and Dja Dja Wurrung are in their third year of implementation.</p> <p>A Healthy Coliban Catchment and Kyneton Offsets projects are examples of the development and implementation of integrated water management plans, particularly through prioritising works and measures to enhance waterway values.</p> <p>The North Central CMA, Central Highlands Water, Dja Dja Wurrung and Goulburn Murray Water are developing an Integrated Catchment Plan for the Tullaroop catchment.</p> <p>Partnership with City of Greater Bendigo to implement the Reimagining Bendigo Creek project with a focus on citizen science continues. We are also a key partner in the City's Water Sensitive Bendigo initiative to ensure the health of our water resources is linked to the future social, cultural, and economic wellbeing of our communities.</p>
9. Leadership, Diversity and Culture	G1 Diversity and inclusion	<p>North Central CMA values the differences between people and the contribution these differences make in the workplace.</p> <p>Our Leadership team is gender balanced with 45% male and 55% female membership.</p> <p>The continued implementation of our Diversity and Inclusion Plan 2017–2022. The plan encapsulates four key objectives to focus activities that will continue to cultivate a diverse and inclusive culture within the CMA.</p> <p>North Central CMA participated in the October 2020 (postponed from May due to COVIDI-19) People Matter Survey Wellbeing Check with results driving staff wellbeing and inclusion initiatives during 2021.</p>



1.5.2 Business Outcomes Framework

The Business Outcomes Framework demonstrates how the CMA will achieve the top two tiers of the 2018 Victorian Government's Business Outcomes Framework - describing domains, outcomes and outcome indicators and how to measure success, our value to the community and our investors.

The outcomes and outcome indicators closely align with the Victorian government's nine key policy priorities areas and our project and program delivery with commentary on performance detailed in the Key Initiatives and Program Performance (1.5.6) section of this report.

Table 2 **Performance against Business Outcomes Framework**

Framework

Outcomes	Outcome Indicators	Measure
Domain – Healthy Environment		
Priority waterways and associated riparian zones are providing enhanced social, economic and environmental services to the community	Increased waterway protection and/or improved management	Hectares; number of systems with seasonally correct environmental flows
Priority wetlands and associated riparian zones are providing enhanced social, economic and environmental services to the community	Increased wetland protection and/ or improved management	Hectares
Planning guidelines, advice and agencies are reducing the costs and impacts of flooding to property and asset owners, while maintaining floodplain connectivity and flow paths	Reduced flood risk	Hectares/ number of properties
Priority ecosystems are providing enhanced social, economic and environmental services to the community and protecting threatened species for future generations	Increased biodiversity protection and/or improved management	Hectares
Appropriate land use and management practices are enabling economic profit for farmers, while minimising social and environmental impacts for the community	Improved agricultural management	Hectares
Domain – Knowledgeable and Active Communities		
The community is aware, knowledgeable, skilled and resourced to actively participate in environment and agricultural management	Maintain Landcare Group health Increased participants knowledge, awareness, skills and/or attitude (KASA)	Group Health Score; percentage of respondents with increase in KASA
Traditional Owners are aware, knowledgeable, skilled and resourced to actively participate in managing Country	Increased number of projects with Traditional Owner participation in decision- making about design and delivery	Count of projects

Key to result:

- ✓ = performance target achieved or exceeded or expected to be achieved
- = performance target not achieved – exceeds 5% variance
- = performance target not achieved – within 5% variance

Performance

	Output	Business Unit Alignment	Target	Actual	Result
	Fence, vegetation, weed control, pest control, water, grazing, management agreement, engagement event, approval and advice, partnership	Environmental Assets, Water for the Environment, Strategy and Partnerships, Statutory Functions and Floodplain Management	1,371 ha 8	2,399 ha 8	✓ ✓
	Fence, vegetation, weed control, pest control, water, grazing, management agreement, engagement event, partnership	Environmental Assets, Water for the Environment, Strategy and Partnerships	3,505 ha	5,498 ha	✓
	Approval and advice, partnership, measurement station assessment, engagement event	Statutory Functions and Floodplain Management	500 properties 24,081 ha	748 properties 40,678 ha	✓ ✓
	Waterway structure, fence, vegetation, weed control, pest control, water, grazing, management agreement, engagement event	Environmental Assets, Water for the Environment, Strategy and Partnerships	2,852 ha	4,399 ha	✓
	Fence vegetation, soil treatment, grazing, agricultural practice, assessment, engagement events, partnership and plans	Sustainable Agriculture	18,400 ha	•8,508 ha	■
	Fence, vegetation, weed control, pest control, engagement event, partnership	Strategy and Partnerships, Sustainable Agriculture	70%	76%	✓
	Fence, vegetation, weed control, pest control, engagement event, partnership	Environmental Assets, Water for the Environment, Strategy and Partnerships, Major Projects	8	8	✓

• Additional participants said they were likely to adopt new practices but were unsure of how many hectares this would relate to at the time of the survey.

1.5.3 Organisational Performance Framework

The CMA developed the Organisational Performance Framework (Figure 3) to understand performance and inform ongoing activities. It provides a set of fifteen mid-term measures (2-9 years) to track performance against and between different organisational functional levels, from governance to people and knowledge development.

Many of the measures in the Organisational Performance Firework align with the Business Outcomes Framework (Table 2) and places the North Central CMA in a sound position to further report on outcomes in alignment with Victorian government key policy areas and initiatives.

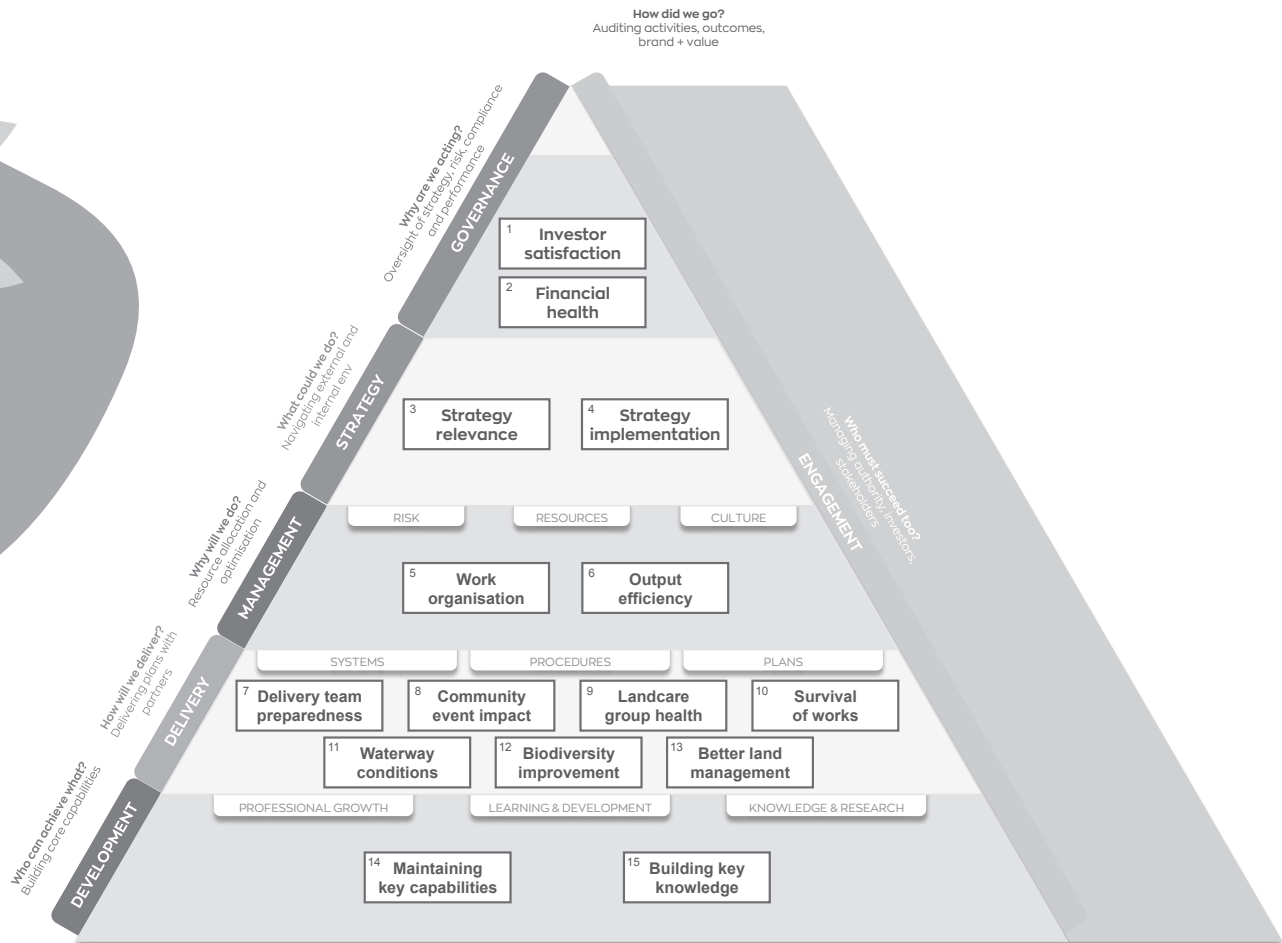








Figure 3 **Organisational Performance Framework**

Table 3 **Organisational Performance Framework commentary**

	Measure	Trend	Comment
Governance	Financial health		Funding requirements for the 2021-22 year are secure and establish a solid base for organisation planning and sustainability. While core services funding remains static, the support services continue to operate efficiently with limitations on in-person activity due to COVID-19 restrictions providing short term cash benefits.
Strategy	Strategy implementation		The draft North Central Regional Catchment Strategy 2021-27 has been endorsed by the North Central CMA Board and is now awaiting approval from the Minister. Developed in partnership, the strategy provides clear guidance on collective efforts to protect the region's natural resources over the next six years. Land and Water Management Plan Loddon Campaspe Irrigation Area has been drafted with extensive community consultation and awaiting final DELWP endorsement.
Management	Work organisation		Staff continue to maintain a good understanding of the organisation's direction and strategy. Staff have contributed significantly to the development of a new set of values: Care, Courage and Connection and have clarity over their work group and individual roles.
Delivery	Delivery team preparedness		Data has not been collected during 2020-21 due to COVID-19 although staff are now working within the new project lifecycle system.
	Community event impact		Number of events has remained stable, however participation in events is down. Participation levels are most likely due to changing environment, and capabilities to use/access online forums. The North Central CMA has adapted to online engagement approaches to successfully engage with communities, partners, and stakeholders.
	Landcare group health		Landcare Group health is relatively stable although there were reduced numbers of Landcare groups completing the annual survey which could be attributed to the COVID-19 disruption that also continues to impact Landcare group activities.
	Survival of works		NRM Audit assessments were completed in 2020-21. This year's surveys identified that we generally deliver the right types of works, to the right standard in the right place; trending towards intended outcomes at a site scale. Engagement, negotiation, and delivery of our projects is done well, is well received by landholders and as a result contributes towards lasting change through community ownership of our environmental works.
	Better Land management		Participation in our Regenerative Agriculture program is strong with participants trialing new practices in response to a changing environment to maximise productivity outcomes while increasing soil health.
Development	Maintaining key capabilities		Results from a recent staff capability survey, part of the CMA's Pursue your Potential initiative, indicate staff feel their capabilities meet, or are above, what is required to perform their role. It has been identified that staff would benefit from training in engagement approaches which is a key recommendation from the recent Engagement Strategy review.

1.5.4 2019-20 Standard Outputs

The table below summaries North Central CMA outputs delivered against Department of Environment, Land, Water and Planning standard outputs for the reporting period.

Table 4 **DELWP standard outputs**

Category	Output	Actual 2020-21	Actual 2019-20	Measure
Structural works	Channel	1.47	0	kilometres
	Water storage	13	66	number
	Pump	6	5	number
	Waterway structure	15	24	number
	Terrestrial structure	0	0	number
	Terrestrial feature	0	47	number
	Monitoring structure	0	2	number
	Fence	57	60	kilometres
	Visitor facility	72	0	number
Environmental works	Vegetation	1,464	721	hectares
	Weed control	4,046	2,160	hectares
	Pest animal control	8,228	17,739	hectares
	Threatened species response	7	0	number
	Soil treatment	0	0	hectares
	Earth works	0	3	number
	Rubbish removal	2,518	0	hectares
Management services	Grazing regime	75	94	hectares
	Agricultural practices	8,508	26,364	hectares
	Water regime	47	51	number
	Fire	0	132	number
Planning and regulation	Approval and advice	3,903	3,291	number
	Management agreement	22	35	number
	Assessment	840	1,244	number
	Engagement events	4,503	5,421	participants
	Partnership	53	35	number
	Plan	58	71	number
	Publication	109	172	number
	Information management system	3	0	number

***Explanatory note:** Variances between years could be due to project funding cycles i.e. some projects were in the initial planning phase during the reporting period or this is the first year we have reported on an output.

1.5.5 Catchment Condition Statement

The catchment condition section of the report provides an assessment of the region's catchment condition under the following themes: Waterways, Biodiversity, Land and Community. A key purpose of monitoring and assessing catchment condition is to help identify opportunities for adapting the way the environment is managed.

The assessment includes a reflection on the likely impact of annual scale actions, events and observed change.





Each theme includes:

- Regional context
- Benchmark conditions and key indicators
- Annual assessment

- Assessment explanation
- Key data gaps or areas for future focus
- A supporting case study









The catchment condition assessment for each theme describes the level of confidence or concern that catchment managers have about the future of the region's environment. The assessment is based on available science and expert advice as well as evidence gained during the reporting period and uses the criteria detailed in Table 5 with overall results noted in Table 6. A positive assessment indicates a level of optimism about future direction and a concerned or highly concerned assessment indicates a more pessimistic view of the direction of the environmental condition.

Table 5 **Catchment condition assessment criteria**

Assessment Criteria		
1. Positive		An optimistic future with evidence that events during the year will have a positive impact on the longer-term.
2. Neutral		A largely neutral state, where events during the year may have been significant but are within expected variation and will have little impact in the longer-term.
3. Concerned		A level of concern that significant events during the year may have an adverse impact in the longer-term.
4. Highly concerned		A high level of concern that significant events during the year are likely to have an adverse impact in the longer-term.

Additional note: The Commissioner for Environmental Sustainability Victoria released the State of the Environment Report 2018 (<https://www.ces.vic.gov.au/reports/state-environment-2018>). The report is the first to include a proposal that the government environment sector aligns with both the United Nations' System for Environmental and Economic Accounts and the Sustainable Development Goals. Several recommendations also seek further improvements to the collection and management of environmental data by the Victorian government. Results from the report align closely with the North Central CMA's regional reporting.

Table 6 **Summary catchment condition assessment**

Theme	Longer term assessment	Annual assessment	Summary condition assessment
Waterways			Water for the environment deliveries to rivers and wetlands, natural inflows and additional protection and restoration works build on more than 20 years of activity that is addressing historical degradation.
Biodiversity			Medium-scale protection and restoration works continue to incrementally address a long history of degradation.
Land			Additional protection and restoration work, building momentum of good management practices were offset by hotter and drier conditions, fractionally reducing soil moisture and ground cover.
Community			The community continues to participate in natural resource management activities, building its capacity, resilience, and support of the region's assets. Since late March 2020, the CMA's ability to deliver face-to-face activities has been disrupted by the COVID-19 pandemic but we are adapting and adopting online techniques to keep communities, partners and stakeholders engaged.

Waterways

Regional context

The North Central CMA region includes four inland river catchments, the Campaspe, Loddon, Avoca and Avon-Richardson, that rise on the northern slopes of the Great Dividing Range and flow northward emerging onto the wide, flat riverine plains of northern Victoria.

The catchments all form part of the Murray-Darling Basin, however average rainfall and streamflow is greater in the east of the region and declines across the basins moving from east to west. This influences the shape of the rivers and their floodplains, and the degree to which each river interacts with the mid-Murray River and its floodplain.

The region's waterways, which include more than 100,000 km of streams and 1,600 wetlands, have economic, environmental, cultural and social importance to Traditional Owners and regional communities.

Waterways and the plants and animals they support provide benefits to communities such as water for drinking, irrigation and industry, as well as being a focal point for many recreation activities which in turn support tourism.

Victoria's Water Plan, *Water for Victoria*, provides a framework to manage water for shared benefits - recognising social (including recreational), cultural, economic and environmental values. The draft North Central Regional Catchment Strategy 2021-27 builds on these frameworks and further reflects an integrated approach to manage shared benefits.

Benchmark conditions

Key indicators:

Index of Stream Condition for water flows (hydrology), water quality, riparian vegetation (streamside zone), bank stability (physical form) and aquatic life.

- Waterwatch water quality data.
- Index of Wetland Condition data for water flows (hydrology), plant and animal life (biota), extent (physical form), soils, water properties and adjacent land use and buffers (wetland catchment).
- Annual rainfall for inflows.
- Project delivery and local knowledge.

Based on the most recent State-wide Index of Stream Condition assessment (2010), the majority of our regions waterways were in moderate or poor condition:

- 0% waterways in excellent condition
- 1% waterways in good condition (in Campaspe basin)

- 46% waterways in moderate condition
- 30% waterways in poor condition
- 21% waterways in very poor condition

The north central region includes some significant wetlands, including the internationally recognised (Ramsar listed) Kerang and Gunbower Forest wetlands. Based on Index of Wetland conditions assessments:

- 16 wetlands assessed within the Ramsar listed Kerang Wetlands are in moderate condition with two in poor condition.
- In Gunbower Forest, 50% of plots assessed were in good condition, 30% in moderate condition and 10% in poor condition.

The assessments were undertaken at the end of thirteen years of below average rainfall (1996 to 2009) which indicates wetlands have evolved under a variable climate and have a degree of resilience. It is also important to note that the wetlands assessed in the North Central CMA region only represent a small percentage of the high-value wetlands identified in the North Central Waterway Strategy 2014.

Other data supporting the waterway condition assessment include rainfall and annual river inflow (Figure 4). The Australian average financial year total rainfall was 10% above the 1961-90 climatological averaging period, at 515.2 mm, however rainfall totals for north central Victoria were recorded as average during 2020-21 (bom.vic.gov.au).

Climate change is also a major threat to the region's waterways, wetlands and water resources. For example, in the past 20 to 30 years, there has been reduced average rainfall, with all river basins experiencing a significant decrease in average annual streamflow since the 1980s and 90s.

Twenty years of Waterwatch data report indicates water quality across the region is in moderate condition. The upper catchments, (southern end of the region) tend to be in better condition compared to the lower (northern) or western parts. With the Campaspe, Upper and Lower Loddon, Loddon Western tributaries and Upper Avoca faring better than Gunbower, Loddon Eastern tributaries and Avon-Richardson.



Annual Assessment – Waterways



A largely neutral state. Events during the year have been significant but are within expected variation and will have only a small impact in the long-term.

Assessment explained:

Investment in riparian, wetland and riverine protection encouraged activity in the North Central CMA region through the following projects: Our Catchments, Our Communities (Upper Coliban and Long Swamp); Priority Waterways (Birch's Creek and Upper Coliban catchments); Caring for the Campaspe (a Victorian government Flagship Waterway project); Environmental Water program; The Living Murray; Gunbower and Kerang Ramsar (various); Victorian Murray Floodplain Restoration project planning for Gunbower and Guttrum-Benwell; the recovery of the Southern pygmy perch (refer to case study); Kyneton Offsets; and the Native Fish Recovery Plan.

These waterway project works protected more than 20,700 ha through fencing, weed and pest control works, fencing of riparian zones, grazing management to provide enhanced social, economic and environmental services to the community.

The North Central CMA managed the delivery of 46,000 ML of water for the environment to numerous sites across the region including the major systems of the Campaspe and Loddon rivers and their tributaries, the Boort and Loddon Murray district wetlands.

Through the Living Murray project, we delivered 10.4 GL in Gunbower Creek and 2.57 GL for the Gunbower Forest.

The current activities for creating in-stream and riparian habitat, as part of the Native Fish Recovery Plan in the northern parts of the catchment, are working to enhance stream health and create opportunities for recreational fishers, by using water for multiple purposes.

No new significant threatening processes were identified and with continued investment in waterway health activities delivered by the North Central CMA in partnership with a range of partners and landholders, the overall condition can be maintained or improved into the future.

Due to average rainfall across the catchment compared to 2019-20, annual river inflows have increased (Figure 4) that contribute to waterway health and support our managed water for the environment deliveries.

Annual river inflow

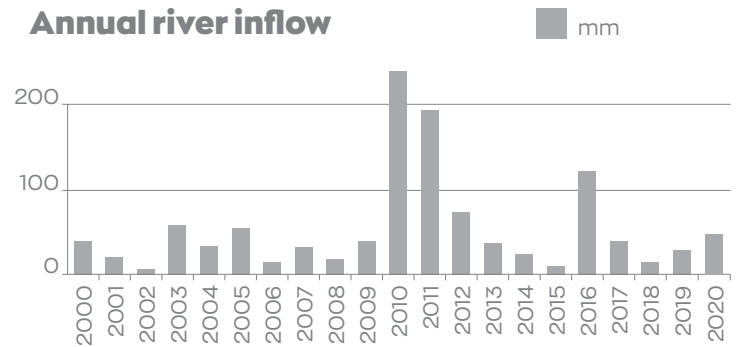


Figure 4 Annual river inflow

Source: *Australia's Environment in 2020*: National-scale, comprehensive information on the condition and trajectory of our environment. Developed by Australian National University – Fenner School of the Environment and Society.

Key data gaps or areas for future focus:

- Long-term funding and regular monitoring programs in place for key data collection such as the Index of Stream Condition or Index of Wetland Condition.
- Ensure RCS partners, Traditional Owners, and community work together to address the threats facing our waterways.
- Climate change will continue to be a key threat to the region's waterways and water resources. Our efforts to protect and improve riparian zones and wetlands, to exclude stock and revegetate, have many benefits including to improve climate resilience.
- Delivery of water for the environment in systems where this is possible, and when the water is available.
- Supporting Traditional Owners right to self-determination and their specific aspirations around water and waterways will be important focus for government partners.



Case study **Back from the Brink**

Victoria's zombie fish is back from the dead, and there are plans underway to return the species to its former range throughout the Murray Corridor.

The southern purple spotted gudgeon (*Mogurnda adspersa*) is a small, colourful, and native floodplain specialist fish. Once widespread in wetlands, lakes, billabongs, and slow flowing river habitats, by the 1970s, the species had all but disappeared from the southern Murray Darling Basin. The decline is likely due to a range of factors including altered flows and loss of permanent floodplain wetlands, poor water quality and habitat, and competition with, and predation by alien fish species. Before the turn of the century, they were considered extinct in the wild in Victoria, with the last record being from the Cardross lakes in 1998.

In late 2019 two of them were captured during a survey of Third Reedy Lake near Kerang, as part of a plan to generate water savings for the environment.

After the discovery, the Southern Purple Spotted Gudgeon Advisory Group was set up to develop a plan that worked towards the long-term survival of the species, while enabling the reinstatement of Third Reedy Lake to a more natural state.

The drawdown of Third Reedy was put on hold, water for the environment was delivered to keep the water level stable, and fieldwork commenced to investigate the distribution and abundance of fish in Third Reedy and other nearby waterways. This included sampling using fyke nets and bait traps, and collection of eDNA samples at about 70 sites throughout the lower Loddon catchment, including the Kerang lakes.

Southern purple gudgeon was soon discovered at Third Reedy, three were found at Kangaroo Lake, eight at Racecourse Lake and 66 at Middle Reedy Lake, next door to the original find.

Another group of 'zombie fish enthusiasts', including North Central CMA staff, Austral Research and Consulting, Native Fish Australia and Australia New Guinea Fishes Association worked to secure the species by starting a captive breeding program and creating insurance populations (aka surrogate habitats). This work was funded through a DELWP Icon Species grant.

The group collected 30 broodstock from Third and Middle Reedy lakes, and breeding commenced with specialist breeders at Middle Creek Farm and Aquasave. The breeding program has been successful, with production of around 1000 juvenile fish, expected to be ready for release by the end of 2021.

Fin clips taken from the Kerang population are currently being analysed, and this will help inform future breeding and release plans (e.g., mixing with individuals from South Australia to improve genetic diversity).

Meanwhile North Central CMA's 'Working for Victoria' crews, City of Greater Bendigo Council, and landholders have been busily preparing potential release sites, by planting out aquatic and riparian vegetation, and installing woody habitat.

Final assessment and selection of 2-3 local reintroduction sites will occur over the coming months, with baby zombies due to be released in November 2021, and follow-up monitoring of their establishment shortly thereafter.

The Mid-Murray Recovery Reach Program, established as part of the MDB Native Fish Recovery Strategy, aims to recover floodplain specialist fish in the Murray Corridor. The Program will continue to fund the breeding program, and prepare and maintain additional surrogate sites, such as the Deniliquin Lagoons which have been earmarked for reintroduction of the zombie fish in 2022.



Biodiversity

Regional context

Biodiversity underpins a healthy natural environment. It is fundamental to our economy, our physical and mental wellbeing. Native plants and animals also have intrinsic value, a right to exist. For the region's Traditional Owners certain species have cultural or spiritual value, and biodiversity is important for Country to be healthy.

The region includes forests of the Great Dividing Range in the south, through the Box-Ironbark Forests and Woodlands, the Riverine Grasslands, to the river red gum forests along the Murray River corridor in the north.

However, the region has been extensively cleared for agriculture, particularly on the flatter more fertile plains, where there is less than 30 per cent native vegetation cover.

Remnant native vegetation is subject to ongoing loss and degradation, particularly where it is already fragmented. Our changing climate is putting increased pressure on the region's natural environment. Significant changes in species distribution are predicted with local extinctions likely. Protecting what we have, building ecosystem resilience and connectivity, will be priorities for the next six years and beyond.

While development has resulted in a productive and vibrant regional economy it is now crucial to protect and rebuild biodiversity assets for the future - a key focus in the draft North Central Regional Catchment Strategy 2021-27.

Benchmark conditions

Key indicators:

- Land cover <https://www.environment.vic.gov.au/biodiversity/Victorias-Land-Cover-Time-Series>
- Project delivery and local knowledge.

North central Victoria is home to scattered areas of high biodiversity value (source: NaturePrint V3). While most of the high value areas are captured in existing parks and reserves, narrow bands along major streams illustrate the importance of riparian zones for the protection of biodiversity across the region. There is a relatively steady long-term incremental decline in areas affected by land clearing, livestock grazing, inappropriate land uses, invasive pest species and predicted increases in climate variability (draft North Central Regional Catchment Strategy 2021-27).

Annual Assessment - Biodiversity



A largely neutral state. Events during the year have been significant but are within expected variation and will have only a small impact in the long-term.

Assessment explained:

Native vegetation and habitat in the region have undergone a dramatic decline in extent and quality since colonisation. The bioregions with the smallest proportion of native vegetation are the more fertile plains which have been favoured and cleared for agriculture (e.g., Murray Mallee, Wimmera). Conversely the bioregions with a higher proportion of native vegetation, are those with steeper terrain and poorer soils, less favoured for agriculture (e.g., Bendigo Goldfields area).

The Victorian Land Cover Time Series 1985-2019 shows trends over time for different land cover classes, including five classes of native vegetation. As shown in graph below, over the past 34 years (between the first epoch 1985-90 and the last 2015-19) there has been a net loss of native vegetation in the north central region (Figure 5). The 'Native grass herb' and 'Native scattered trees' classes account for most of the losses. 'Native shrub' and 'Natural low cover' (environments with naturally low to negligible vegetation such as saline lake beds and rocky outcrops) have also declined somewhat - but make up a relatively small proportion overall. 'Native trees' is the only class that has increased in area.

These native vegetation classes do not account for quality, and it is noted that the relatively large area of 'Native Grass Herb' includes grasslands that have been derived through the clearing of trees and/or shrub cover and likely includes large areas of degraded native pastures. This data will be used to track extent of native vegetation over time and progress towards related targets.

Native Vegetation Cover North Central Region

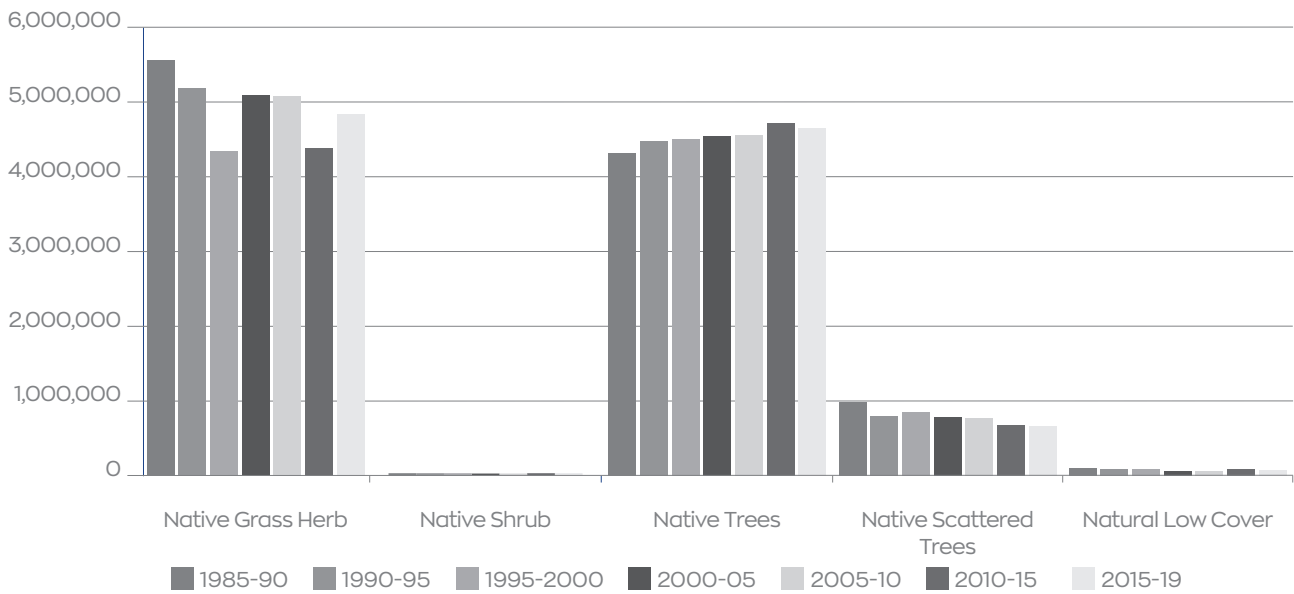


Figure 5 **Native Vegetation cover North Central Region**

Investment in biodiversity protection encouraged activity in the North Central CMA region through the Bringing Back the Bittern and Plains for Wanderers projects. Outcomes from these projects continue to build on a smaller, but steady program of CMA and partner-led biodiversity focused projects across the region.

Key data gaps or areas for future focus:

- Long-term funding to protect and enhance biodiversity and regular monitoring programs in place to collect data to further understand vegetation extent and condition.
- A clear understanding of the extent and populations of threatened and important native species (both plant and animal).
- The priorities in Protecting Victoria's Environment – Biodiversity 2037, together with challenges and opportunities identified through engagement for the draft North Central Regional Catchment Strategy 2021-27 renewal will inform priority directions for biodiversity.



Case study **The Bittern at Wirra-Lo**

In 2018, for the first time in north central Victoria's history, the North Central CMA restored two wetlands (Bittern East and Bittern West) from scratch, this included excavating a total of 6 hectares of private property located in Murrabit West.

In 2013-14, landholders Ken and Jill Hooper, whom in 2006-07 had their wetland complex placed under a Nature Conservation Covenant, approached the North Central CMA to discuss water management opportunities. Under the Bringing Back the Bittern project, the Hoopers agreed to undertaking remediation works to rehabilitate two wetlands to add to the ecological value of the pre-existing wetland complex, which already consisted of 66 ha temporary freshwater swamps, marshes, and meadows, and to increase opportunities for *EPBC Act* listed Australasian Bittern and growling grass frog to feed, breed and forage.

The two wetlands have been designed with the habitat requirements of Australasian bittern in mind, the new wetlands have depth and variability which includes connecting creeks to allow for the delivery of water for the environment to the constructed reed beds.

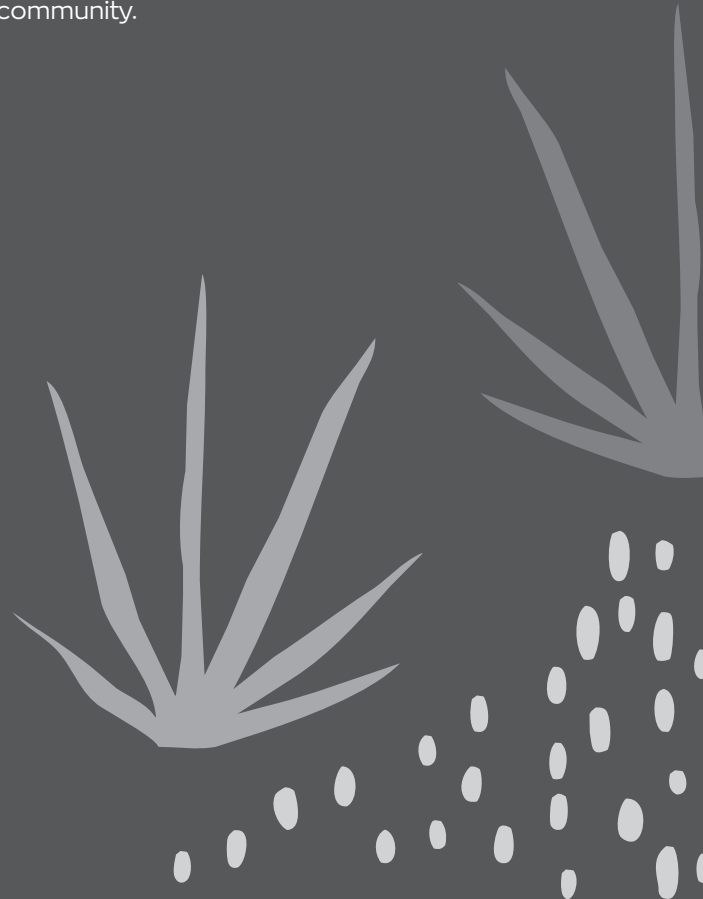
Growling grass frogs were recorded regularly at Wirra-Lo up until 2003 during the millennial drought. Due to improved habitat and an adequate watering regime since 2014, growling grass frogs have returned to the wetland complex and were recorded in 2020 and again in early 2021. The diversity of wetland habitat within the Wirra-Lo Wetland Complex is providing refuge for a high abundance and diversity of waterbirds. 99 species of birds have been recorded on the property between 2018-21, including DELWP's vulnerable listed Ballion's Crake and Hardhead.

The North Central CMA monitored the changes in condition of Bittern East and West before and 12 months after the first delivery of environmental water. Monitoring results indicated a drastic improvement in ecological condition, both wetlands increased from poor to moderate, and have continue to improve and provide ecological benefits. Due to COVID-19 restrictions, however, follow-up condition assessments have not yet been undertaken at this point.

The Hooper's have been strong community advocates for the Bringing Back the Bittern project and encouraged their adjacent property owners to become involved in the program resulting in the rehabilitation of two more wetlands under the Bringing Back the Bittern project and increasing the refuge available for target species. The Hooper's have been extremely valuable to the North Central CMA to promote the ecological outcomes of the project, 'We [Hooper's] are very proud and consider it [Wirra-lo] a special place'.

During the reporting period the Bringing Back the Bittern project worked to improve habitat for the Threatened Australasian bittern and growling grass frog by installing 3.4 km fencing to protect riparian vegetation, implementing rabbit control measures over 35 ha, and increasing the extent of habitat by nearly 70 ha through revegetation of tall marsh habitat favored by the species. Fox controlled was undertaken across 2,704 ha to reduce predation on the species at critical breeding times. The project worked to raise awareness of the species through events which engaged 164 community members and partners.

The Bringing Back the Bittern is funded by the Australian Government's National Landcare Program and undertaken in partnership with the community.



Land and soils

Regional context

The north central region has been extensively cleared for agriculture, particularly on the flatter more fertile plains, where less than 30% native vegetation remains (refer Biodiversity theme page for more information). Eighty-seven per cent of land in the region is privately owned and much of it used for agriculture.

The region comprises a variety of land and soil types that sustain a diverse range of agricultural enterprises. In the steeper terrain of the uplands, land is mostly used for livestock grazing, however further north in the gentler more undulating foothills of the Campaspe, Loddon, Avoca and Avon-Richardson River basins, cropping is common, alongside mixed farming enterprises. Irrigated agriculture is concentrated within the Goulburn Murray Irrigation District (GMID), in the north of the region on the Riverine Plains.

With Victorian and Australian government support, conservation and community groups in north central Victoria are working together to protect the region's significant natural capital while also maintaining long-term agricultural productivity, access and opportunities for recreation and protection of important cultural values. Managing and improving soil health on private land is a key focus for sustainable agriculture. While protection and improved management through agreements, covenants and management plans are important, parks and reserves are key components of a long-term approach for landscape scale management.

Benchmark conditions

Key indicators:

- Land managed for conservation (Table 6), to understand permanently protected parts of the landscape, managed for natural values. This includes areas under private covenant.
- Percentage of exposed soil, to understand the area of the region at higher risk of wind and water erosion.
- DustWatch information.
- Project delivery and local knowledge.

Land that is permanently protected for natural values is quantified (Table 6), as this demonstrates the amount of the region that is secure. From an agricultural perspective, soil health would be an ideal dataset but is not currently available.

As wind and water erosion are key risks for the region, exposed soil is used as a surrogate to understand the likely risk of large-scale erosion events, while DustWatch tracks the hours per month with above threshold particulates in the air; these could be caused by smoke or dust.

Land under permanent protection continues to rise over time with additional covenants placed on title through Trust for Nature (Figure 6).

Table 7 Land managed for conservation

Protection type	Area covered (ha)	Additional area this year (ha)
*National parks	52,577 hectares	0 hectares
*State parks	13,467 hectares	3 hectares
Trust for Nature covenants (Figure 5)	13,176 hectares	561.72 hectares
**Other	361,547 hectares	0 hectares

*Source: Public Lands Management spatial dataset <http://services.land.vic.gov.au/SpatialDatamart/dataSearchViewMetadata.html?anzlicid=ANZVIO803003978&extractionProvider=1>

**Other' includes: Community Use Area, Earth Resources, Historic and Cultural Features Reserves, Land not required for Public Purposes, Mineral Spring, National Heritage Park, Natural Features Reserve, Nature Conservation Reserve, Plantation, Regional Park, Services and Utilities, State Forest, Uncategorised Public Land, Water Production.

Hectares covenanted per year

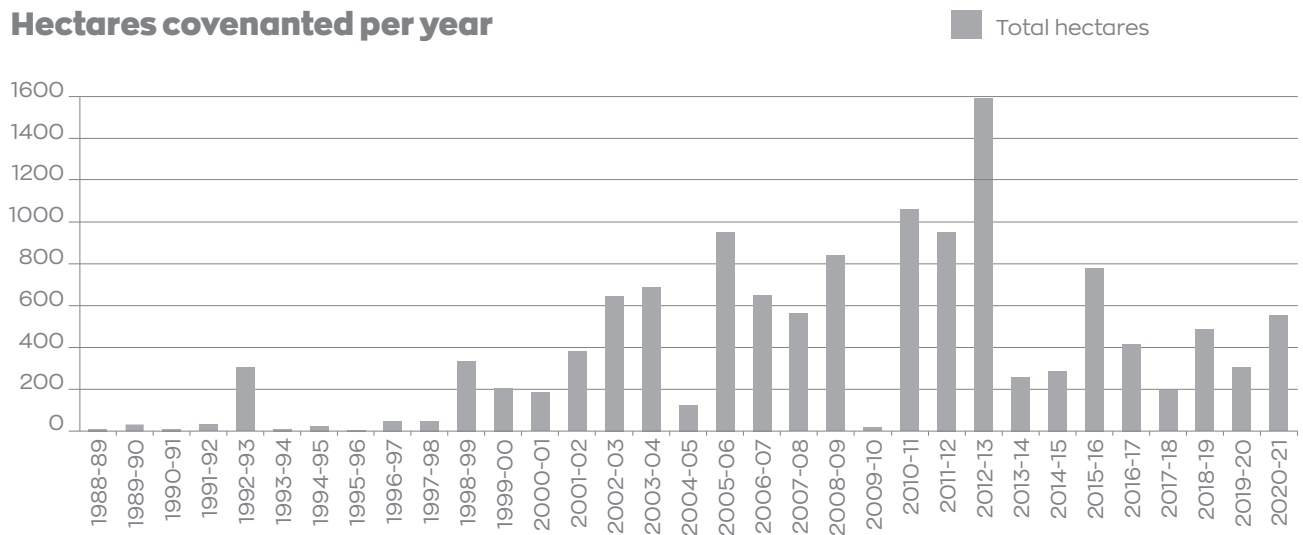


Figure 6 Annual hectares of Trust for Nature covenants, over time.

Source: <https://www.trustfornature.org.au/>

Land cover

Research presented in the Australian National University's 'Australia's Environment Explorer' report indicates the annual percentage of soil that is unprotected by living vegetation - i.e., exposed to wind and water erosion (source: Australia's Environment in 2019: National-scale, comprehensive information on the condition

and trajectory of our environment. Developed by Australian National University - Fenner School of the Environment & Society) - in the North Central CMA region has fluctuated between 15 and 20 per cent since 2000 (Figure 7). The dry year has seen an increase in bare soil, increasing the likelihood of wind and water erosion.

Percentage Exposed Soil (annual average) North Central Region

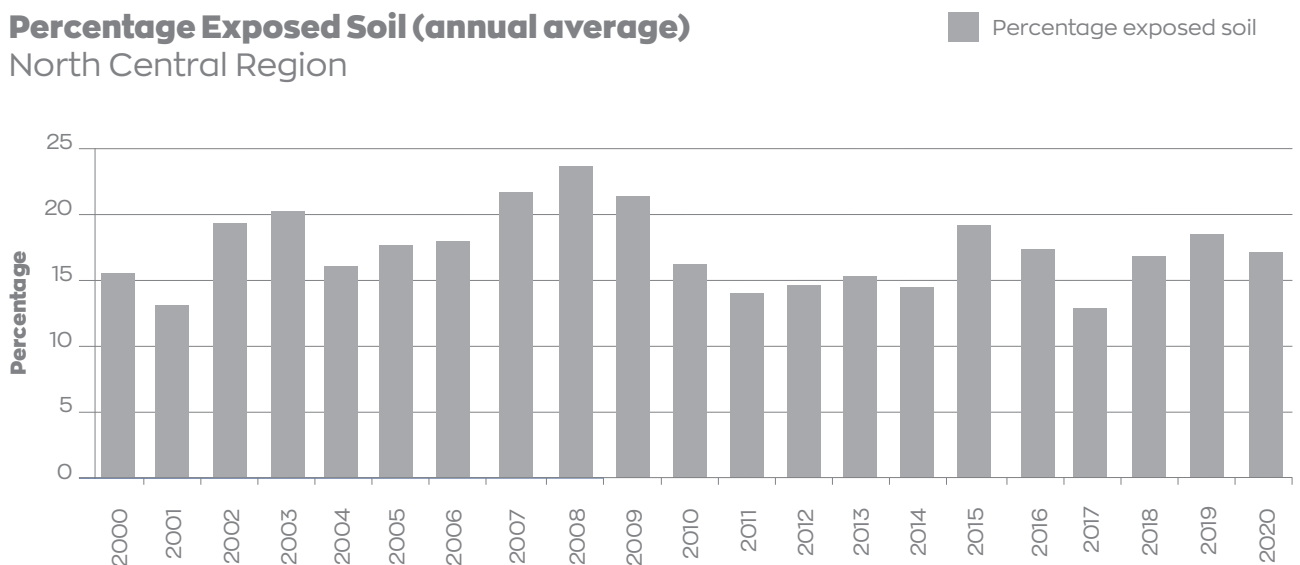


Figure 7 Percentage of exposed soil

Source: Van Dijk, Albert. I.J.M., Summers, David (2016) Australia's Environment Explorer, The Australian National University (<https://wenfo.org/aer>) DOI: 10.4225/41/5934faf27397

Annual Assessment – Land and Soils



A largely neutral state. Events during the year have been significant but are within expected variation and will have only a small impact in the long-term.

Assessment explained:

Investment in land and soil protection encouraged project activities in the North Central CMA region: Healthy Productive Irrigated Landscapes; Loddon Campaspe Irrigation Region Land and Water

Management Plan Renewal; Reporting and Accounting for Salinity; Regenerative Agriculture in north central Victoria; Plan2Farm; and the Regional Landcare Facilitator.

Exposed soil cover (Figure 7) remains highly variable due to a combination of climatic conditions and average soil water availability (Figure 8) is relatively stable, indicating a recovery from loss of carbon matter content during the Millennium Drought.

Average soil water availability

mm

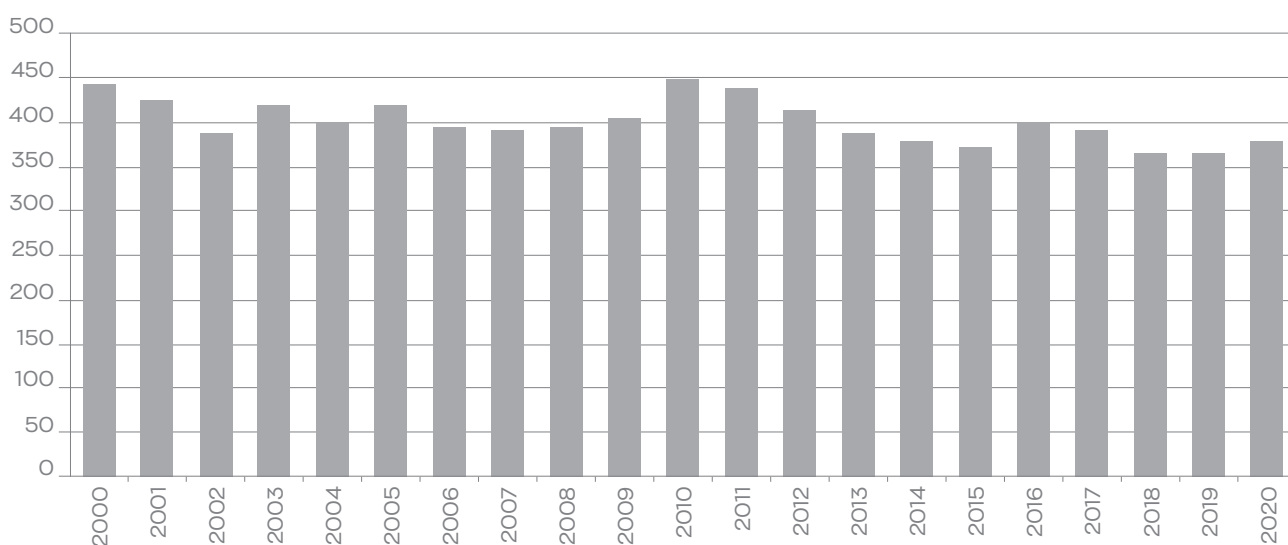


Figure 8 **Average soil water availability**

Average amount of water stored in the soil profile during the year as estimated by the OzWALD model-data fusion system.

Source: Australia's Environment in 2018: National-scale, comprehensive information on the condition and trajectory of our environment. Developed by Australian National University – Fenner School of the Environment and Society.

Key data gaps or areas for future focus:

Long-term funding and a regular monitoring program in place for soil health data collection (physical, chemical and biological) is a critical long-term management gap.

Implementation of the draft North Central Regional Catchment Strategy 2021-27 focuses on opportunities to respond to soil and land health that have been impacted by climate change and land-use practices (change).

Key focus areas include:

- Practices that increase soil organic carbon, have multiple benefits (including to sequester carbon), improve agricultural productivity and overall soil health.
- Revegetation on-farm to prevent erosion, provide shelter for livestock from adverse weather conditions, sequester carbon, and provide habitat for wildlife.
- Catchment stewardship recognises the efforts of landholders who provide benefits beyond agricultural productivity, using best practice management to improve the condition of soils, waterways and biodiversity.
- A community-based participatory approach. This involves supporting groups of landholders to work together and bringing in others to share skills and knowledge.

Case study **Farming for the Future**

The North Central CMA's Regenerative Agriculture program works with farmers, industries and communities to protect soil, biodiversity and vegetation on-farm, as well as increasing the capacity of agriculture systems to adapt to changes in climate and market demands for information on food production.

Fraser Lourie is a member of the Raywood Regenerative Farming group. The family property is located west of Raywood.

Fraser works on the family farm with his parents Geoff and Marcia and has been actively involved on the farm since 2012 after a career in accountancy. The 1,700-ha property is predominately dryland, with 150 ha that can be irrigated using two transportable centre pivot irrigators. The property is mixed cropping and sheep, running 2,300 self-replacing merino ewes, lambing twice a year in autumn and spring. Dryland pastures are lucerne based. Paddocks are kept in pasture for several years and are brought into cropping when lucerne plant density is depleted. Cropping is currently undertaken on a four-year rotation of canola, wheat, barley then back to canola, which is generally under sown with lucerne and clover. Although with experiencing cereal root disease in recent years this rotation may change.

"The soils on the property are generally healthy, but we are always looking for ways to improve them especially in relation to phosphorus and nitrogen levels. The regenerative agriculture project has provided some opportunities to explore cover crops, which may assist as a break crop between our wheat and barley crops," Fraser said.

"The multi-species cover crop trial we planted with the project, consisted of 13 different species including cereals, legumes, safflower, canola, and tillage radish. The trial paddock has had some issues with water logging and compaction in the past, the trial will allow us to monitor for any paddock improvements going into the cropping phase. The plant growth of the cover crop had been enormous."

Even though the trial experienced a heavy infestation of red legged earth mite (RLEM) Fraser said they still had very good germination and excellent plant growth that provided exceptional sheep feed and hopefully improved soil health (soil tests are in progress).

"We did not spray any insecticide and the RLEM had no impact on any plant species in the cover crop. In the future we hope to include the multi-species cover crops on our property to serve a dual purpose - incorporate into cropping rotation program to combat root disease and improve nitrogen levels and provide additional sheep feed over winter months," Fraser said.

"We are always looking at other plant options that will complement our farming system and lucerne pastures. This could include other cropping or pasture legumes, tillage radish and forage brassica that have a strong taproot that can assist with penetrating the compaction layer and increasing nitrogen levels."

"We are also interested in the incorporation of animal manures into our farming system to improve soil health. We have spread plenty of chicken manure in recent years but have not closely monitored for any benefits. This is an area of our farming system that we need to better understand and possibly expand."

Involvement in the Regenerative Agriculture project has allowed Fraser to visit other properties, observe and discuss different farming practices and experiences, and be encouraged to experiment with trials on their farm.

The Regenerative Agriculture project is funded by the Australian Government's National Landcare Program.



Community

An estimated 250,000 people call the north central region home with almost half the population located in the City of Greater Bendigo, which is among the fastest growing regional Local Government Areas in Victoria. A large survey of rural landholders (with properties >10 ha) was conducted in 2014 and repeated in 2019, to better understand the demographics, values and beliefs of the regional community. Agriculture remains the dominant land use, however primary production is not the focus for many rural landowners, with 51% considering themselves part-time, hobby or non-farmers. That said, full-time farmers remain the largest farmer identity group (49%) of those surveyed and manage around 80% of the land.

Generally speaking, the ageing population and trend toward larger/corporate farms in the north and west is leading to population decline and associated socio-economic impacts, including a reduced volunteer base. While in the south and east of the region there is strong growth, including in rural residential development which is increasing pressure on natural resources and introducing new landholders.

Benchmark conditions

Key indicators:

- Community participation (Table 8) to understand the number of people involved in NRM events and activities.
- Landcare Group Health scores (Figure 9).
- Project delivery and local knowledge.

Table 8 **Annual and previous year community participation**

Activity	Participation in 2020—21	Participation in 2019—20
Attending skills and training events	487	283
Taking part in awareness raising activities	1,467	2,888
Working as collaborators in planning in decision making	1,114	1,613
Being consulted to help determine appropriate action	1,435	567

Average group health report

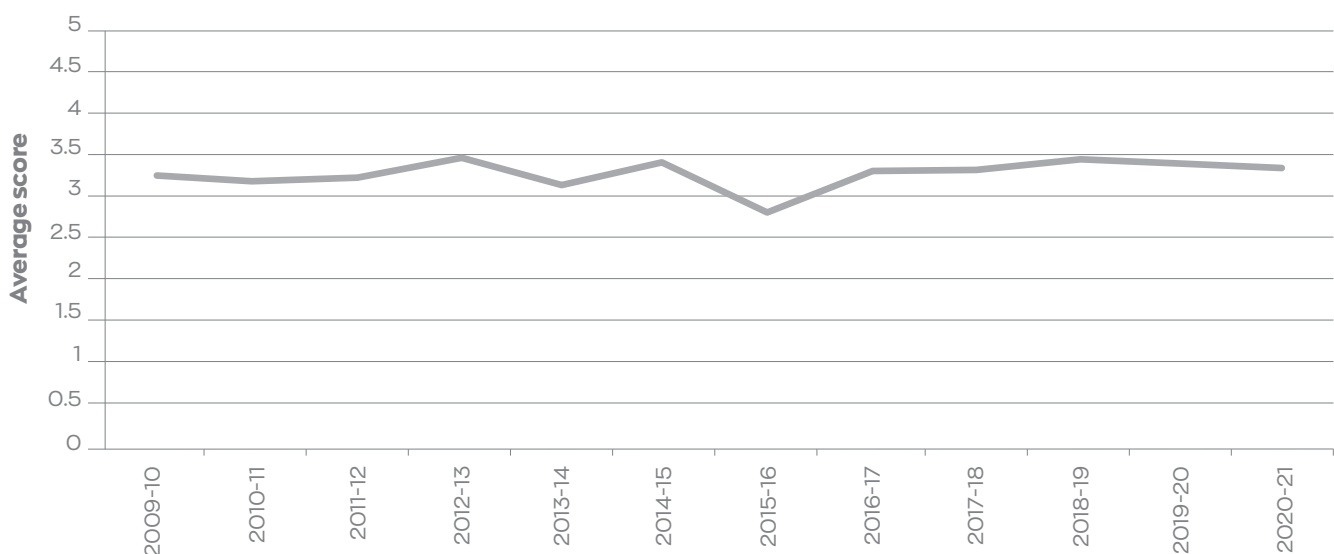


Figure 9 **Landcare group health score**

Annual Assessment – Community



A largely neutral state. Events during the year have been significant but are within expected variation and will have only a small impact in the long-term.

Assessment explained:

North Central CMA projects contributing to the assessment under the community theme include Victorian Landcare Grants; Regional Landcare Coordinator; Protecting Investment, increasing Capacity; Regional Agricultural Landcare Facilitator; North Central Waterwatch Program; River Detectives Program; Our Catchment, Our Communities and various water for Indigenous projects including The Living Murray, Barapa Wamba Water for Country and Environmental Water Shared Benefits.

A neutral assessment score is, for the most part, responding to the coronavirus (COVID-19) pandemic and the subsequent government measures to stop its spread, such as social distancing, restrictions on social gatherings and advice for CMA staff to work from home. These measures impacted our business direction and planned activities, particularly face-to-face engagement to increase community NRM awareness, knowledge and capacity.

North Central CMA overall participation rates in NRM engagement events were slightly down (15%) from last year, with 4,503 participants compared with 5,351 in 2019-20. This decline is most likely due to COVID-19 restrictions on social gatherings which impacted our traditional engagement methods. It can be assumed the trajectory for participation rates will increase as we seek more opportunities to engage online and with the return of face-to-face engagement when we can.

Despite the challenges to the normal way we do business, we are finding new and innovative ways to engage with our communities to deliver natural resource management partnerships and programs that deliver lasting change. Over recent months our projects and programs have engaged our communities and partners online. An example is the use of webinars to reach our agriculture community on a range of topics through the Regenerative Agriculture project.

The CMA supports more than 160 Landcare Groups and each year, Landcare groups are invited to complete a Landcare Group Health Survey. The survey captures group perceptions of their current health and activity levels. The most recent survey results indicate a slight decrease in self-assessed health but a marked increase in 'moving forward' which is encouraging given the disruption of COVID-19 to group activities during the reporting period.

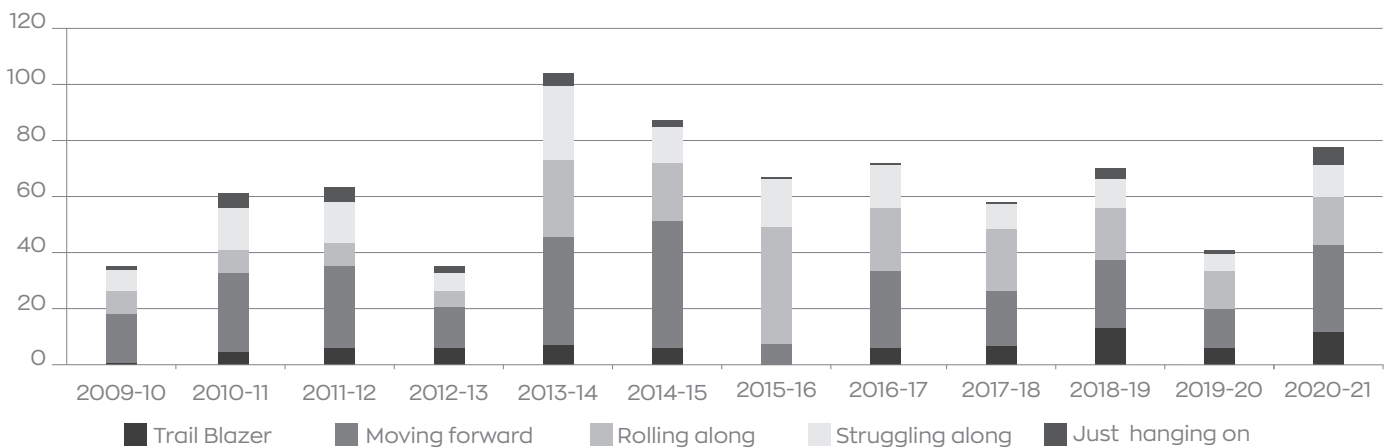


Figure 10 Landcare group health survey results

Key data gaps or areas for future focus:

- Implementation of the renewed Engagement Strategy.
- In 2019 a repeat of the 2014 Social Drivers of Natural Resource Management landholder survey was undertaken. Survey data will continue to inform engagement approaches and a better understanding of the differences in landholder identity, beliefs, attitudes and issues in relation to natural resource management.
- The use of event evaluation data to establish the number of participants who have increased their NRM skills, knowledge or awareness as well as those who intend to change management practices as a result of the increase.
- Understanding and tracking Traditional Owner social and environmental values over time would be an advantage particularly as more groups gain recognition and settlement agreements are in place.

Case study **Working for Victoria**

The \$500 million Working for Victoria initiative helps Victorians, including those who have lost their jobs as a result of coronavirus (COVID-19), find paid work that supports our community.

The Working for Victoria initiative is part of the Victorian Government's \$1.7 billion Economic Survival Package designed to connect workers with new opportunities that will help our community and contribute to Victoria's ability to respond to the pandemic.

As part of the initiative, the North Central CMA received \$607,806 (ex GST), to employ local community members to work on natural resource management initiatives across the catchment. Work included activities to improve waterway health and land management through pest plant and animal control, native revegetation, and fencing.

Fifteen individuals were employed through the program from September 2020 to June 2021, for a combined total of 11,058 hours (291 weeks). This translates to 11.19 FTE (0.69 greater than our target of 10.5).

The Working for Victoria project supported private landholders and philanthropic organisations with manual labour tasks such as revegetation works and weed control. During COVID-19 restrictions this support helped considerably as these organisations could not operate as they usually would.

Working for Victoria staff assisted partner agencies such as Trust for Nature and local Councils/ Shires to deliver quality environmental outcomes, which will continue to have flow on benefits to the broader community for years to come.

Activities undertaken included revegetation, fence maintenance and weed control. This assistance allowed partner agencies to focus on delivering other priorities which will see increased benefits to local communities through improved amenities and land management.

Materials, tools and equipment procured to deliver on-ground works were purchased through local suppliers providing crucial financial support and subsequent flow on benefits to the local community during the reporting period.

The outstanding activities delivered by Working for Victoria staff have resulted in enduring environmental and social benefits including:

- 531 ha of woody and non-woody weed control
- 45 ha of native revegetation equating to more than 10,000 plantings
- 0.5 km fence maintained
- 13.45km fence removed

- 1.85 ha of rubbish removal
- 11 exclusion plots constructed to protect native revegetation

More than 530 ha of weed control targeted highly invasive species including African boxthorn, horehound, blackberry and gorse. These weeds pose significant challenges for farmers throughout our region, their removal through the WFV program will reduce the burden on neighbouring properties for many years to come.

Native vegetation was established through revegetation across 45 ha of both private and public land. Revegetation will work to reduce sediment loads and improve the health of priority waterways in the region including the Loddon River. Revegetation will also capture carbon, and work to increase the resilience of the landscape in predicted warmer and drier climates.

Private and public wetlands were rehabilitated through the project by planting aquatic and semi aquatic vegetation, and associated construction of fenced and netted exclusion plots to reduce damage by waterbirds during vegetation establishment. It is hoped these wetlands will support a range of threatened species including the Australasian bittern and growling grass frog.

Janie Jackson, a farmer from Muckleford said, 'The team were great, they just helped so much. They were instrumental in planting 2,000 aquatic and semi-aquatic vegetation around the dam. It's something that I'd had in mind, but I knew that it was going to take me forever to do all of this work on my own. It was a really nice opportunity to have that number of person hours to get in and get the job done. I mean those guys just worked like crazy. And they were a joy to have on the place, they were silly as, it was wonderful!'

The Working for Victoria program has resulted in project staff being more employable due to their on-ground experience, OH&S training, knowledge of weed control techniques (use of chemicals and machinery) and native revegetation, as well as skills in leadership and project management. Team Leader Wendy Campbell said, 'Coming from a TAFE background, having completed my diploma [in Conservation and Land Management], the Working for Victoria program with North Central CMA has provided me with practical industry experience, which will be beneficial for my further career'.

1.5.6 Key Initiatives and Project Performance

Delivery Program key initiatives in the North Central CMA's 2020-21 Corporate Plan provide the direction, focus and activities for the reporting period to meet state, federal, regional and local priorities.

The following tables provide an overview of North Central CMA's Delivery Program's key initiatives and performance and any significant deviations for the reporting period. Business units that contribute directly to the Delivery Program are:

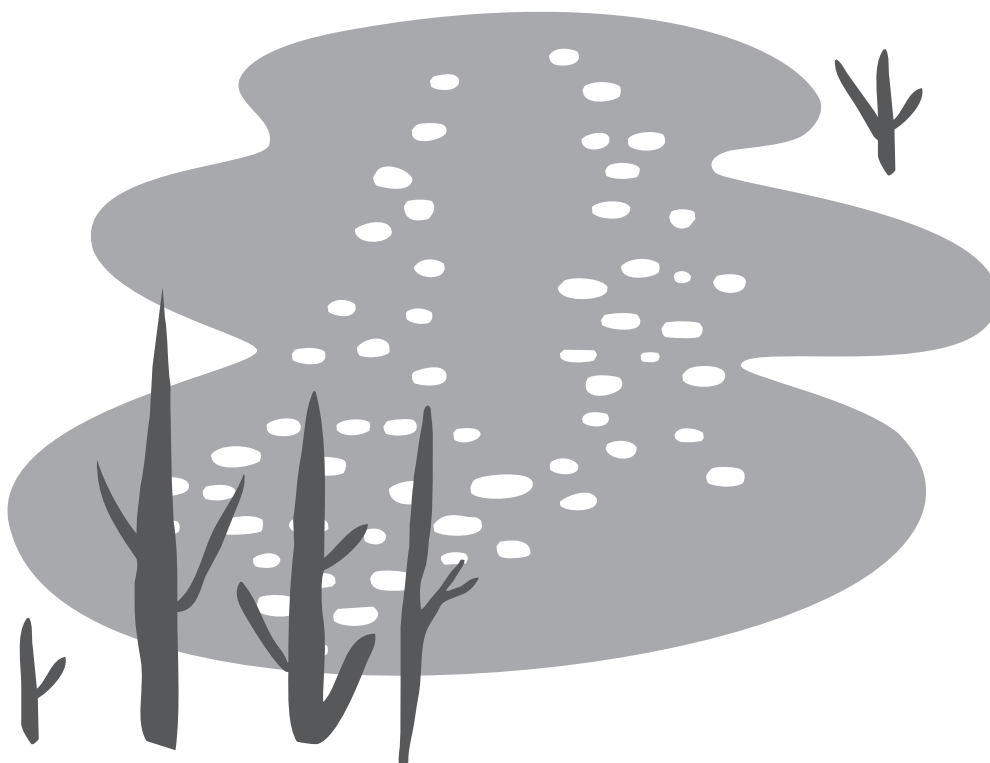
- Environmental Assets
- Water for the Environment
- Sustainable Agriculture
- Strategy and Partnerships
- Major Projects
- Statutory Functions and Floodplain Management



Environmental Assets

Projects	CMA Strategy	External Strategy	Performance commentary
Waterway Health On-ground Works and Community Engagement			
<ul style="list-style-type: none"> • Delivers a range of activities to improve waterway health, build capacity and support our community. • Delivers large-scale river restoration projects (Caring for the Campaspe). • Restores native fish populations through the Murray and Loddon Floodplain Native Fish Recovery project. • Continues sharing of ideas, transferring knowledge, and collaborating on initiatives with Traditional Owners. • Improves riparian conditions and management of Birch's Creek and the Upper Coliban waterways using traditional waterway management approaches and strategic partnerships and initiatives. • Supports Landcare initiatives on riparian land as part of the annual Community Grants program. 	<ul style="list-style-type: none"> • North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> • Water for Victoria • Regional Riparian Action Plan • Victorian Waterway Management Strategy 	<p>Through our Caring for the Campaspe, Murray and Loddon Floodplain Native Fish Recovery, Healthy Coliban Catchment and Tullaroop Catchment restoration projects we engaged 278 community members in field days and events to increase skills and knowledge about our unique north central landscapes.</p> <p>Project works installed 10 km of fencing and off-stream watering points to protect riparian vegetation, controlled invasive weeds such as willow, blackberry and boxthorn across more than 175 ha. Works also increased the extent of native vegetation by revegetating almost 120 ha and improved fish habitat with the installation of five large snag complexes in the lower Loddon.</p>
Protecting Investment and Building Capacity			
<ul style="list-style-type: none"> • Enhance river health outcomes achieved throughout the catchment by ensuring previous works are being maintained and where possible improved by landholders. 	<ul style="list-style-type: none"> • North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> • Victorian Waterway Management Strategy 	<p>Re-engaged 13 landholders to assess the condition of previously funded works to ensure environmental outcomes endure.</p>
Threatened Species			
<ul style="list-style-type: none"> • Increases the extent and quality of wetland habitats to contribute to the recovery of the Australasian bittern and growling grass frog. 	<ul style="list-style-type: none"> • North Central Regional Catchment Strategy 2013-19 	<ul style="list-style-type: none"> • Victorian Waterway Management Strategy • Australian Government Threatened Species Strategy • Australia's Biodiversity Strategy 	<p>The Bringing Back the Bittern project worked to improve habitat for the Threatened Australasian bittern and growling grass frog by installing 3.4 km of fencing to protect riparian vegetation, implementing rabbit control measures over 35 ha, and increasing the extent of habitat by nearly 70 ha through revegetation of tall marsh habitat favored by the species. Fox control was undertaken across 2,704 ha to reduce predation on the species at critical breeding times. The project worked to raise awareness of the species through events which engaged 164 community members and partners.</p>

Projects	CMA Strategy	External Strategy	Performance commentary
Ramsar Site Management			
<ul style="list-style-type: none"> Improves the ecological character of the Kerang Wetlands and the Gunbower Forest through traditional on-ground works such as revegetation and pest control. Strengthen regional partnerships around monitoring and management. 	<ul style="list-style-type: none"> North Central Regional Catchment Strategy 2013-19 	<ul style="list-style-type: none"> Victorian Waterway Management Strategy Australia's Biodiversity Strategy Australian Pest Animal Strategy 	<p>Weed control was undertaken across 2,332 ha to protect the Gunbower Forest and Kerang Wetlands Ramsar sites, including more than 70 ha of Gunbower Creek treated to control the highly invasive pale yellow water lily.</p> <p>Fox control was undertaken across 4,250 ha to reduce predation on wetland birds and other biota, and more than 100 ha was targeted for rabbit control to reduce impacts on native vegetation.</p>
Grasslands			
<ul style="list-style-type: none"> Protects and enhances high quality plains wanderer grassland habitat on private land in partnership with public land managers. 	<ul style="list-style-type: none"> North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> Australian Government Threatened Species Strategy Australia's Biodiversity Strategy 	<p>The Plains for Wanderer project has partnered with agencies and private landholders to permanently protect more than 100 ha of Northern Plains Grassland, one of the last few strongholds for the evolutionary unique and nationally Threatened plains wanderer. Other actions include 6 km fencing to protect native vegetation, 100 ha weed control, 82 ha rabbit control and almost 65 ha of grassland revegetation. Events to improve the awareness and knowledge about this important species engaged 286 people.</p>



Water for the Environment

Projects	CMA Strategy	External Strategy	Performance commentary
The Living Murray 'Flooding for Life'			
<ul style="list-style-type: none"> Provides environmental flows to Gunbower Creek and restores regular flooding to Gunbower Forest through a combination of environmental watering, engineering works, monitoring, Indigenous partnership programs and community engagement. 	<ul style="list-style-type: none"> North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> Water for Victoria Victorian Waterway Management Strategy Murray Darling Basin Plan Gunbower Forest EWMP (MDBA produced) 	<p>Approximately 10.4 GL of water for the environment was delivered to Gunbower Creek to support aquatic biota including native fish. An additional 2.57 GL was delivered to high priority wetlands in Gunbower Forest to provide habitat for waterbirds, fish, turtles, and frogs and support the growth of wetland vegetation.</p> <p>Cultural values and Traditional Owner aspirations for management of water on Country were also supported through these deliveries.</p>
Environmental Water Management			
<ul style="list-style-type: none"> Manages specific Victorian Environmental Water Holder entitlements for the Campaspe River (including the Coliban River), Loddon River System (including Tullaroop, Serpentine and Pyramid creeks) and 16 Central Murray and Mid Loddon wetlands, and seven Wimmera Mallee Pipeline wetlands. Collaborates with key partners, provide input to water policy, deliver technical investigations. Ensures shared benefits for Traditional Owner Groups cultural values, key recreational users and the regional economy. Manage flow related issues in unregulated catchments as required. 	<ul style="list-style-type: none"> North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> Water for Victoria Victorian Waterway Management Strategy Murray Darling Basin Plan 	<p>Worked closely with key stakeholders and community in the development of the Seasonal Watering Proposals.</p> <p>The project delivered 46,000 ML (excluding unregulated flows and consumptive water deliveries) to wetlands and waterways across the region.</p> <p>These environmental and consumptive flows helped improve the environmental condition for target native species providing significant benefits to the water dependent values on the region's rivers and wetlands.</p>
Environmental Works and Measures			
<ul style="list-style-type: none"> Undertakes investigations, planning and works to improve the management of environmental water and/or enhance its outcomes as funding allows. 	<ul style="list-style-type: none"> North Central Regional Catchment Strategy 2013-19 	<ul style="list-style-type: none"> Water for Victoria Victorian Waterway Management Strategy 	<p>The Fish Passage Stimulus Package has been funded by the Victorian Government (\$7.1 million) to address the key threats to native fish populations in northern Victoria by enabling fish movement throughout the Gunbower and lower Loddon system.</p> <p>The stimulus package funding addresses the highest priority remaining barriers to fish passage in the organisation's Native Fish Recovery Plan - Gunbower and lower Loddon with two fishways at Cohuna and Koondrook, constructed in partnership with Goulburn Murray Water almost complete.</p>

Sustainable Agriculture

Projects	CMA Strategy	External Strategy	Performance commentary
Regenerative Agriculture			
<ul style="list-style-type: none"> Increases the capacity of north central Victorian agricultural communities to achieve practice change adoption for soil, biodiversity and vegetation improvements. 	<ul style="list-style-type: none"> North Central Victoria Regional Sustainable Agriculture Strategy 	<ul style="list-style-type: none"> National Soil R,D & E Strategy Victorian Soil Health Strategy Australia's Biodiversity Strategy 	<p>Five community groups hosted 23 events with 504 landholders managing approx. 105,840 ha. Engaged and cooperated with 25 industry leaders and generated 26 supporting communication materials. Project progress was shared with at least eight industry/ community organisations in an effort to promote learnings.</p> <p>88% of participants have trialled new practices. There has been an increase in knowledge of best practice natural resource management of up to 30%. Up to 77% of participants will continue to trial or adopt practices to support NRM outcomes.</p> <p>Social media is a key communication and engagement tool with 965+ followers on Central Vic Regen Farmers Facebook page.</p> <p>The Barapa Wamba Water for Economic Development Project Steering Committee (Barapa Wamba) were supported to develop a business case which considers the cultural, environmental, agricultural, economic benefits within a First Nations cultural framework that may be achievable through regenerative agriculture.</p>
Plan2Farm			
<ul style="list-style-type: none"> Refine and trial a revised farm business planning program based on learnings from the Plan2Farm pilot project to support farming families to develop strategic plans with appropriate enterprise goals and make informed, confident and more timely farming decisions around farm layout and design; irrigation upgrades; infrastructure optimisation; water entitlements and tariffs; land area and configuration; agriculture type and scale; the people involved (family and labour); and if necessary, to exit farming with dignity. 	<ul style="list-style-type: none"> Loddon Campaspe Irrigation Region Land and Water Management Plan North Central Victoria Regional Sustainable Agriculture Strategy 	<ul style="list-style-type: none"> Water for Victoria 	<p>A final report evaluating the four-year Plan2Farm project found the following:</p> <ul style="list-style-type: none"> The economic analysis showed the net present value of the workbooks for the farmer is \$9,000 per workbook, with a benefit cost ratio (BCR) of 1.5 (this calculation includes the cost of the on-farm investment made by the farmer). The net present value of the workbooks for the region is \$30,000 per workbook (BCR 2.7) when on-farm capital investment costs are not included. <p>Successful in receiving funds for Plan2Farm project 3 through NRM Resilience Fund \$198,500.00.</p> <p>The Plan2Farm tool has been refined to allow farmers to make water wise decisions and take into consideration reconfiguration to dryland, opportunistic irrigation or core irrigated areas.</p>

Sustainable Agriculture

Projects	CMA Strategy	External Strategy	Performance commentary
Regional Agricultural Landcare Facilitator			
<ul style="list-style-type: none"> • Directly supports rural, regional and urban communities, including Indigenous Australians to improve ecological conditions, farm sustainability and build resilience around changing climate and market demands. 	<ul style="list-style-type: none"> • North Central CMA Landcare Support Plan 2018-23 • North Central Victoria Regional Sustainable Agriculture Strategy 	<ul style="list-style-type: none"> • Australian Pest Animal Strategy • Australian Weeds Strategy • Australian Framework for Landcare • Community Call for Action • Threatened Species Strategy • EPBC Act 	<p>The Regional Agriculture Landcare Facilitator (RALF) has facilitated four meetings with the Regional Sustainable Agriculture Steering committee, participated in three meetings with the City of Greater Bendigo, Farming and Agribusiness Advisory Committee.</p> <p>The RALF provides a monthly email update to farmers, industry, and government, which is received by more than 350 recipients.</p> <p>Supporting and engaging with the regenerative agriculture project farmer groups to see them evolve in developing new knowledge and skills is key to the project, a comment from a participant, “the content of the sessions and quality of the presenters has been excellent, and the mix of theory and on-farm workshops is great” .</p> <p>RALF has contributed six articles to the North Central Chat newsletter, which is distributed to more than 1,500 recipients and has interviewed and wrote six landholder stories. In addition, the RALF provided support to the Buloke and Northern Grampians Landcare network with their Smart Farms Small Grants Round 4 application, which was successful in gaining almost \$100,000.</p>
Healthy Productive Irrigated Landscapes			
<ul style="list-style-type: none"> • Complete the renewal of the Loddon Campaspe Irrigation Region Land and Water Management Plan. • Implement the renewal of the Loddon Campaspe Irrigation Region Land and Water Management Plan. • Implement the Surface Water Engagement Plan for the North Central CMA drains and private drains. • Groundwater Monitoring Network - Understand and communicate the impacts of irrigating with saline groundwater, including the offsite impacts involving neighbouring farms and environmental assets. • Supports the development and management of water-use licences and associated Ministerial determinations. 	<ul style="list-style-type: none"> • Loddon Campaspe Irrigation Region Land and Water Management Plan 	<ul style="list-style-type: none"> • Murray Darling Basin Salinity Management Strategy 2030 • Murray Darling Basin Plan • Water for Victoria 	<p>Draft Loddon Campaspe Irrigation Land and Water Management Plan submitted to DELWP for endorsement.</p> <p>North Central CMA continues to foster a strong relationship with Goulburn Broken CMA and Goulburn Murray Water through the collaboration and development of the GMID Drainage Strategy, the renewal of the Northern Victoria Irrigation Development Guidelines, (IDG) the Agriculture Redevelopment Coordinator (ARC) role and support the Goulburn Murray Water’s Water Efficiency Project (WEP).</p> <p>North Central CMA continues to participate in co-operative working relationships with special-interest groups such as the Goulburn Murray Irrigation District (GMID) Leadership Advisory Working Group (GMRAWG) to facilitate and raise awareness of the sustainable irrigation program.</p>

Projects	CMA Strategy	External Strategy	Performance commentary
Healthy Productive Irrigated Landscapes			
<ul style="list-style-type: none"> • Takes responsibility for changes to Water-Use Objectives and Standard Conditions (including section 51 licence amendments). • Develops and implement Irrigation Development Guidelines. • Convenes and coordinate State Environment Protection Policy obligations for surface drainage to reduce river impacts. 			<p>Strengthening inter-agency partnerships with local government and industry partners; preparing and adapting to climate change by planning for future water market scenarios and working with local farmers to build rough resilience into their farming businesses are focus areas for the project.</p> <p>Contributed to the Northern Victoria Irrigation Development Guidelines that are with DELWP for endorsement and approval via Goulburn Broken CMA.</p> <p>Monitor water table elevation and groundwater conditions in response to environmental watering of the Murray River floodplain within the Gunbower and Guttrum Benwell forests through digital groundwater loggers and field-based measurements.</p> <p>Significant contribution to the development of the Goulburn Murray Irrigation District Drainage Management Strategy through a coordination group. Work has also commenced to review the draft Loddon Murray Irrigation Region Surface Water Management Strategy.</p>



Sustainable Agriculture

Projects	CMA Strategy	External Strategy	Performance commentary
Reporting and Accounting for Salinity			
<ul style="list-style-type: none"> • Contributes to the implementation of the Murray Darling Basin Salinity Management Strategy (BSM2030). • Manages accountable actions for MD BSM2030 Salinity Register entries within the north central Victoria. • Contributes to Victoria's Annual Murray Darling Basin Salinity Management Strategy Report. 	<ul style="list-style-type: none"> • Loddon Campaspe Irrigation Region Land and Water Management Plan 	<ul style="list-style-type: none"> • Murray Darling Basin Salinity Management Strategy 2030 • Murray Darling Basin Plan • Water for Victoria 	<p>Progress towards the development of an improved landscape salinity model incorporating the understanding of surface water and groundwater interactions active in the generation of salt exports from the Barr Creek and the Tragowel Plains in northern Victoria.</p> <p>Provided input to the review of the Pyramid Creek Salt Interception Scheme and Church's Cut decommissioning.</p> <p>Provide support to the Goulburn Murray Water - Connections project steering committee.</p> <p>Monitor surface water flows and salinity to enable the calculation of the salt load exports from the outflows to rivers and streams.</p> <p>Monitor groundwater and water table behaviour in support of the completion of the five yearly assessment of the Barr Creek and Tragowel Plains.</p> <p>Monitor surface water behaviour in support of the completion of the five yearly assessment of the Barr Creek and Tragowel Plains.</p> <p>Participate in the Victorian Salt Disposal Working Group (VSDWG) (peak state policy group) for salinity management in Victoria (quarterly meetings).</p> <p>Co-ordinate regional steering committee and technical working group for supporting CMA compliance in meeting obligations to BSM2030 (quarterly meetings).</p>



Strategy and Partnerships

Projects	CMA Strategy	External Strategy	Performance commentary
Victorian Landcare Grants & Regional Landcare Coordinator			
<ul style="list-style-type: none"> • A rigorous process enables funding through the Victorian Landcare grants to local Landcare groups. • Supports Landcare groups and Landcare networks to undertake local NRM activities. 	<ul style="list-style-type: none"> • North Central Regional Catchment Strategy 2013-19 • North Central CMA Landcare Support Plan 2018-23 	<ul style="list-style-type: none"> • Victorian Landcare Program Review Action Plan • Australian Pest Animal Strategy • Australian Weeds Strategy • Australian Framework for Landcare • Community Call for Action • Threatened Species Strategy • EPBC Act 	<p>This year was heavily disrupted by ongoing COVID-19 restrictions, which meant the delivery of Landcare support moved online, direct to community delivery or was postponed until in-person engagement can return. Nevertheless, we achieved some fantastic engagement outcomes.</p> <p>16 of the 18 funded 2019-20 projects have successfully acquitted their projects as at June 30 2021 and all reports are accessible to the VLT. In summary the 2019-20 North Central region VLG program devolved \$214,449 to 18 Landcare projects. which achieved the following outputs</p> <ul style="list-style-type: none"> • 7.5 ha direct seeded • 165 ha tubestock plantings • 150 ha treated for weed control • 4.4 km fencing installed protecting 29 ha • 4 Flora and 1 Fauna Assessments • 65 nest boxes built and installed • 19 engagement events involving 708 participants
Waterwatch			
<ul style="list-style-type: none"> • Works with community volunteers and schools to monitor waterways across the region. 	<ul style="list-style-type: none"> • North Central Regional Waterway Strategy 2014-22 • North Central Waterwatch and Citizen Science Action Plan 2020 - 2025 	<ul style="list-style-type: none"> • Water for Victoria • Victorian Waterway Management Strategy 	<p>Citizen scientists are playing an important role in helping natural resource managers make more informed decisions about the management of waterways. The local community are spread far and wide. Being dedicated to monitoring a particular site, they become more connected to and tuned in to potential changes in sensitive aquatic environments.</p> <p>There has been a downturn of water quality monitoring activity due to the COVID-19 pandemic but when restrictions are eased, volunteers continue to monitor water quality. The program has been adapted with a focus on planning for improved future engagement and program effectiveness over the coming year including the development of a Volunteer Group Health survey.</p> <p>The following reports have also been produced:</p> <ul style="list-style-type: none"> • North Central Waterwatch River Health Snapshot Report: Castlemaine Urban Waterway Citizen Science Project 2019

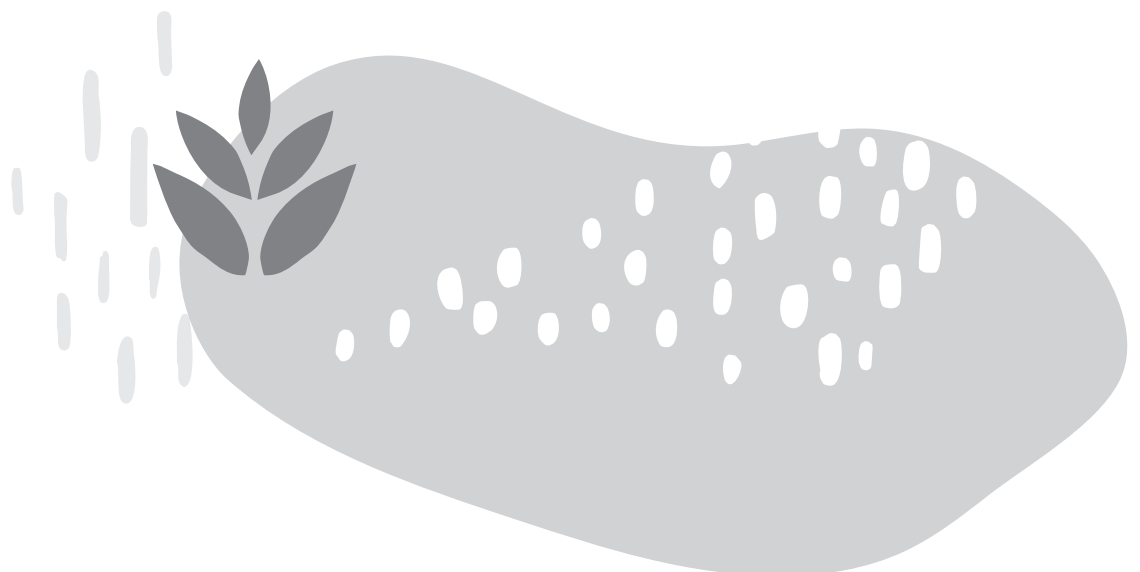
Strategy and Partnerships

Projects	CMA Strategy	External Strategy	Performance commentary
Waterwatch			
			<ul style="list-style-type: none"> • North Central Waterwatch River Health Snapshot Report: RiverScan Citizen Science Project 2019 • North Central Waterwatch River Health Snapshot Report: Healthy Coliban Catchment Citizen Science Project 2019 <p>Monitoring and Methods Manual has been developed to help guide volunteers through the variety of opportunities that North Central National Water week was celebrated in partnership with Coliban Water through an online festival.</p> <p>In summary:</p> <ul style="list-style-type: none"> • 4,195 people have been involved in our programs. • 1,563 participants at field days and engagement events. • 684 participants attended training events. • 65 publications produced. • 249 participants at workshops. • 528 water quality assessments completed. • 3 management systems maintained.
River Detectives Program			
<ul style="list-style-type: none"> • Works with primary schools to improve environmental understanding of our waterways. 	<ul style="list-style-type: none"> • North Central Regional Waterway Strategy 2014-22 • North Central Waterwatch and Citizen Science Action Plan 2020 - 2025 	<ul style="list-style-type: none"> • Water for Victoria • Victorian Waterway Management Strategy 	<p>River Detectives went online during the COVID-19 pandemic to help support teachers to continue engaging their students through our program. The usual program was adapted to support teaching and learning remotely, and later in the classroom.</p> <p>River Detectives is a highly regarded program for environmental education across the state. In recent years, the program has expanded from supporting around 20 schools in the North Central CMA region in 2016 to about 80 schools across five regions, with interest from other regions also being received.</p> <p>The River Detectives program was encouraged to put forward an application for the Environmental Contribution levy funding through DELWP's Healthy Waterways program.</p>

Projects	CMA Strategy	External Strategy	Performance commentary
Our Catchment, Our Communities			
<ul style="list-style-type: none"> • Works with the community, government agencies and stakeholders to deliver integrated catchment management outcomes that align to the Regional Catchment Strategy. • Includes the renewal of the Regional Catchment Strategy. 	<ul style="list-style-type: none"> • North Central Regional Catchment Strategy 2013-19 	<ul style="list-style-type: none"> • Our Catchments, Our Communities Integrated Catchment Management in Victoria 2016-19 	<p>The North Central Our Catchments, Our Communities (OCOC) program has delivered project outcomes including on-ground works targeting Regional Catchment Strategy assets, improved regional NRM governance and partnerships, and involved more partners and communities in natural resource management planning.</p> <p>A collaborative approach is key to partnerships, and this continues in the way we work across the region with a focus on self-determination of Traditional Owners. There has been a united approach to engaging with Traditional Owners to deliver Cultural Awareness training on Taungurung Country and Conversation Circles on Dja Dja Wurrung Country.</p> <p>Extensive online and face-to-face engagement with community. Traditional Owners and partners to renew the North Central Regional Catchment Strategy continued during the reporting period. The draft North Central Regional Catchment Strategy 2021-27 was endorsed by the CMA Board in July 2021. The strategy provides an integrated planning framework for the management of land, water and biodiversity in Victoria over the next six years with a focus on climate change and Traditional Owner involvement in its delivery.</p>
Water for Country			
<ul style="list-style-type: none"> • Works with Traditional Owners to improve participation in the Victorian water planning and management frameworks, plus leverage opportunities for economic development from water, through consultative structures that address the rights and interests of Victorian Traditional Owners. 	<ul style="list-style-type: none"> • North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> • Water for Victoria • National Water Initiative • The Living Murray 	<p>Our Reconciliation Action plan working group includes six Aboriginal people. Three workshops to renew and review the plan were delivered and hosted by two Aboriginal facilitators. The plan supports three young Aboriginal trainees, aimed to build pathways into natural resource management. A Cultural Safety guide for the organisation was created with a working group of Traditional Owners CMA staff and the Aboriginal trainees.</p>

Strategy and Partnerships

Projects	CMA Strategy	External Strategy	Performance commentary
Water for Country			
			<p>Traditional Owners actively participated in projects and services were procured in the delivery of on-ground works (revegetation and weed control), meetings (facilitation, catering, attendance) and cultural services (Welcomes, music, arts, consulting).</p> <p>Traditional Owners attended two workshops to develop a Barapa Wamba business case investigating the cultural, environmental, and economic benefits that may achieve through Regenerative Agriculture.</p> <p>Conversation Circle were hosted for Catchment Partners Forum to discuss cultural values of water, co-hosted by three Aboriginal people and support networking day was held for Aboriginal staff.</p> <p>The 'Wandering Together on Country family day' showcased eight Aboriginal enterprises. Taungurung and Dja Dja Wurrung delivered our annual cultural competency learning program with online and face-to-face training to increase staff cultural competency. Dja Dja Wurrung undertook a survey and analysis of the organisation's cultural awareness and RecAP impact. NAIDOC (Nov) and Reconciliation Week (May) were celebrated with Aboriginal catering, and 3 Aboriginal guest speakers.</p>



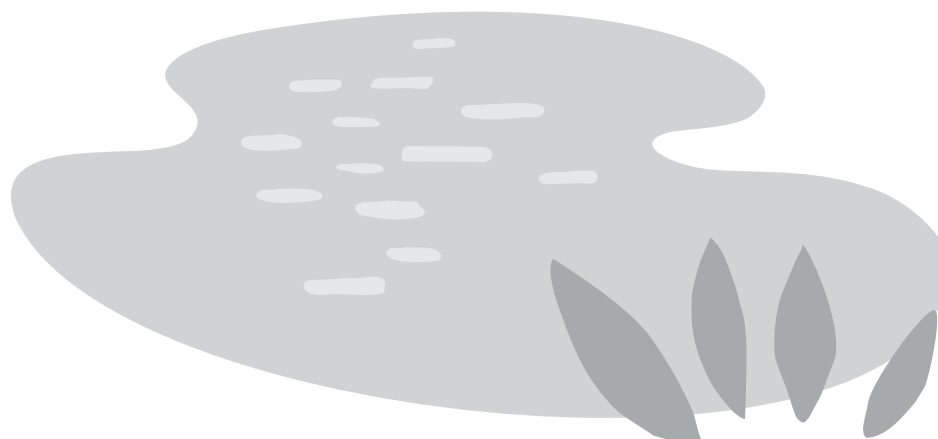
Major Projects

Projects	CMA Strategy	External Strategy	Performance commentary
Guttrum Benwell Forest Floodplain Restoration Project			
<ul style="list-style-type: none"> Reinstates a more natural flooding regime for the forest, particularly to address the reduced frequency and duration of floods by delivering water for the environment to the forest and semi-permanent wetlands via pump stations and levees to contain water on the floodplain. 	<ul style="list-style-type: none"> North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> Water for Victoria Victorian Waterway Management Strategy Murray Darling Basin Plan 	<p>On 6 December 2020, the Minister for Planning decided that an environment report is required to be prepared (in lieu of an EES) under the <i>Environment Effects Act 1978</i> to assess and manage specific potentially significant environmental effects of the project.</p> <p>The project is currently developing infrastructure designs to enable the effective and efficient delivery of water for the environment to the project area; undertaking specialist investigations into potential environmental effects; working with Barapa-Wamba First Nations People to develop a cultural heritage management plan; and preparing an environment report. Traditional Owner engagement will also explore a broader range of opportunities for them to be directly involved in caring for their Country. Community engagement is continuing to be undertaken with the local community and partner agencies.</p>
Gunbower Forest Floodplain Restoration Project			
<ul style="list-style-type: none"> Enables the delivery of environmental water to the wetlands and forest of the Gunbower National Park to mimic a natural flood event, including delivering water to almost half of the permanent and temporary wetlands and river red gums with flood dependent understorey. Provision of infrastructure to enable the deployment of water to land that can currently not be watered by any other infrastructure. 	<ul style="list-style-type: none"> North Central Regional Waterway Strategy 2014-22 	<ul style="list-style-type: none"> Water for Victoria Victorian Waterway Management Strategy Murray Darling Basin Plan 	<p>On 6 December 2020, the Minister for Planning decided that an environment report is required to be prepared (in lieu of an EES) under the <i>Environment Effects Act 1978</i> to assess and manage specific potentially significant environmental effects of the project.</p> <p>The project is currently developing infrastructure designs to enable the effective and efficient delivery of water for the environment to the project area; undertaking specialist investigations into potential environmental effects; working with Yorta Yorta First Nations People to develop a cultural heritage management plan; and preparing an environment report. Traditional Owner engagement will also explore a broader range of opportunities for them to be directly involved in caring for their Country. Community engagement is continuing to be undertaken with the local community and partner agencies.</p>



Statutory Functions and Floodplain Management

Projects	CMA Strategy	External Strategy	Performance commentary
Administration of Statutory Functions			
<ul style="list-style-type: none"> • Provide advice to the community, development industry and local government about the potential impacts of flooding. • Protect waterways from the impacts of third party. • works through the Works on Waterway Permit Scheme. 	<ul style="list-style-type: none"> • North Central Regional Floodplain Management Strategy 	<ul style="list-style-type: none"> • Victorian Floodplain Management Strategy 	<p>Compliant with statutory obligations regarding approving works on waterways permits and floodplain referrals.</p> <p>The team responded to:</p> <ul style="list-style-type: none"> • 748 formal planning referrals • 699 direct flood advice requests and • processed 94 works on waterways applications.
Regional Floodplain Management Strategy Implementation			
<ul style="list-style-type: none"> • Support local government, DELWP, VicSES and the community to implement the priorities of the Regional Floodplain Management Strategy (RFMS). 	<ul style="list-style-type: none"> • North Central Regional Floodplain Management Strategy 	<ul style="list-style-type: none"> • Victorian Floodplain Management Strategy 	<p>The Regional Floodplain Management Strategy is in its fourth year of implementation.</p> <p>Significant funding was secured by the CMA and/or local government to deliver key actions and priorities. 22% of the 193 actions of the RFMS actions are now complete with a further 16% underway.</p>
Natural Disaster Resilience Grants Scheme Project Delivery			
<ul style="list-style-type: none"> • Support lead agencies to secure funding to deliver priority actions of the Regional Floodplain Management Strategy (RFMS). • Projects to improve the flood resilience of communities, specifically: • Community flood education signage boards 	<ul style="list-style-type: none"> • North Central Regional Floodplain Management Strategy 	<ul style="list-style-type: none"> • Victorian Floodplain Management Strategy 	<p>A total of 15 applications were submitted for the North Central CMA region. Each submission is directly linked to high priority actions in the RFMS and if successful, would bring up to \$6 million into the region.</p>



1.5.7 Business Improvement Program

With a commitment to continual improvement and organisational development, the North Central CMA identifies and delivers a targeted suite of business improvement (Table 8) initiatives each year, some of which are the focus of effort over multiple years and some of which are shorter term. The implementation of the program ensures we continue to make significant progress against identified business improvement opportunities.

The initiatives below, as documented in our 2020-21 Corporate Plan, focus on the people and culture, the processes and systems and the approaches and strategies that support our NRM activities. The initiatives are informed by various sources including the Minister's Letter of Expectations and an external Organisational Performance Excellence review completed in 2017.

Our 2021-22 to 2025-26 Corporate Plan now includes a section regarding foundational initiatives, some of which are identified below, that are an ongoing focus rather than a specific timeframe that support our strategic direction.



Table 9 **Business improvement initiatives performance**

Actions	Timeframe	Performance commentary
Adaptation		
<p>The North Central CMA's operating environment changes continuously in response to many pressures and drivers and the work we do needs to take account of these changes. While the most notable and pervasive macro driver is climate change there are many more in operation. To ensure that our activities adapt to these changes we will:</p> <ul style="list-style-type: none"> • Embed our Climate Change Commitment and Action Plan into our operations. • Develop an adaptation approach that applies more broadly to the organisation's activities. 	2020-21	<p>Dedicated resources have been allocated to drive the implementation of the CMA's Climate Change Commitment and Action Plan. A consultant has been engaged to undertake a Carbon Audit of the organisation.</p> <p>An internal working group will further support embedding climate change actions into CMA operations.</p>
Shared value		
<p>In creating positive change for the region's natural resources, the North Central CMA also supports a range of social and economic outcomes. With obligations relating to the consideration of recreational and cultural values in water management recently introduced we will review our approaches to identifying and creating shared value across our programs to ensure that these opportunities are maximized through our work.</p>	2020-21	<p>Our focus in this area is ongoing. Across the year we have identified and pursued shared value opportunities through a range of our programs, in particular our environmental water program which contributes to broader outcomes (e.g. planned water deliveries to Lake Meran).</p>

Table 9 **Business improvement initiatives performance**

Actions	Timeframe	Performance commentary
Reconciliation Action Plan		
The North Central CMA is committed to partnering with our Traditional Owners and Aboriginal stakeholders and supporting their self-determination. This program includes the ongoing implementation of actions in our Reconciliation Action Plan and a cultural competency assessment and development program.	Ongoing	All 80 actions in the Reconciliation Action Plan complete. Significant action included cultural competency program for staff, updating CMA policy with a cultural lens and supporting activities in Reconciliation week and NAIDOC week. Development of a Reconciliation Australia Stretch Reconciliation Action Plan is underway.
Culture		
<ul style="list-style-type: none"> The North Central CMA values the difference between people and contribution these differences make to our work and our communities. We will continue to implement our Diversity and Inclusion strategy 2017-2022 and incorporate additional activities in relation to supporting gender equity and cultural diversity in our workplace. The 'our culture' component of the North Central CMA's strategic direction will be refined in consultation with staff over the coming year to better reflect the organisation's appetite towards new challenges, innovation and collaboration. 	<p>Ongoing</p> <p>2020-21</p>	<p>Founding and ongoing member of the City of Greater Bendigo's Coalition for Gender Equity.</p> <p>A peer support network for women within the organisation is established to coach and support each other, and to share experiences in the achievement of their career and leadership goals.</p> <p>We will continue to embed our Pursue Your Potential Program to foster talent and develop leadership capabilities across all levels the organisation.</p> <p>The Our Culture component of the North Central CMA's strategic direction was refined during the reporting period with the updated values and supporting behaviours better reflecting the Board's appetite towards new challenges, innovation and collaboration.</p>
MERI Improvement		
Continue to improve our Monitoring, Evaluation, Reporting and Improvement approach to support evidence-based development and delivery of strategies and projects, enable better communication of outcomes and prioritise future investments in research and development. This includes implementation of an organisational Science Panel.	2020-21	<p>The CMA's Performance Reporting framework (MERI) is used to evaluate our programs, plans and strategies with continual improvements made to report against key government priorities and to support meaningful reporting.</p> <p>COVID-19 restrictions have delayed the establishment of a Science Panel however work has progressed to ensure there is a clear purpose and focus for the panel work once established.</p>
Systems Improvement		
<ul style="list-style-type: none"> Transition to Microsoft Teams for all internal and external communications and decommission old systems. GIS Improvement with a focus on improving external access to spatial information. Implementation of Project Lifecycle Management and budget management packs in TechnologyOne. 	2020-21	<p>Core systems improvements during the reporting period include:</p> <ul style="list-style-type: none"> Implementation of Project Lifecycle Management. Budget systems improved. Upgrades to GIS systems including system and mapping upgrades to latest available versions, output dashboard implemented and remote access infrastructure in place. <p>Transition of core systems to off-premise infrastructure close to completion.</p>

1.6 Five Year Financial Review Performance

The below table provides a comparative summary of the CMA's financial results for the reporting year and the previous four years.

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2015
	\$	\$	\$	\$	\$
Total revenue	21,801,717	15,086,885	13,514,080	15,738,716	16,521,389
Total expenditure	20,746,796	16,241,980	14,646,901	15,856,021	16,368,980
Total surplus/(deficit)	1,054,921	(1,155,095)	(1,132,821)	(117,305)	152,409
Current assets	9,578,771	7,737,932	7,851,134	8,912,328	9,402,291
Non-current assets	2,600,717	2,009,371	2,255,524	2,198,738	2,269,506
Total assets	12,179,488	9,746,763	10,106,658	11,111,066	11,671,797
Current liabilities	2,671,848	1,902,486	2,228,817	2,126,870	2,637,500
Non-current liabilities	125,979	137,054	106,737	98,751	93,547
Total liabilities	2,797,827	2,039,543	2,335,554	2,225,621	2,731,047

Current Year Financial Review

As of 30 June 2021, the North Central CMA recorded a \$1.05 million surplus from operating activities compared with a \$1.16 million deficit from operating activities in 2019–20.

In 2020–21, service delivery expenditure was \$20.7 million compared to \$16.2 million in 2019-20. The increase can be attributed to expenses relating to the Victorian Government's Working for Victoria initiative and the constructions of fishways at Cohuna and Koondrook noting Goulburn Murray Water constructed the fishways (North Central CMA were a conduit for funds).

At 30 June 2021, the North Central CMA held \$4.54 million in contracts representing works yet to be completed under funding contracts and has \$0.59 million of contract assets, representing works completed for which funding is to be received from investors.

Corporate services and project support delivered in-line with budget expectations and cost recovery principles.

Significant Changes or Factors Affecting Performance

The COVID-19 global health pandemic has resulted in a number of directions from Government; the Authority has considered this and with the assistance of funders, delivery of works impacted by restrictions has been amended with mutual agreement. Our workforce has adopted a safe working approach to ensure continuity of all essential services and obligations. There were no other significant changes or factors which affected the North Central CMA's performance during the reporting period.

Capital Projects

The North Central CMA does not manage any capital projects.

Disclosure of Grants and Transfer Payments

Nil for the reporting period.

Explanatory note: The 2020-21 Victorian Landcare Grants (VLG) are aligned to funding announcements in the Victoria Government State Budget that was deferred during the reporting period.

The 2019-20 bushfires and impacts of coronavirus (COVID-19) also meant the delivery of many activities funded through the previous round of the VLG have been postponed, along with planning for the 2020-21 grants process. A later start to the 2020-21 VLG will allow the previous year's VLGs to be completed and the required planning to take place once public health measures permit.

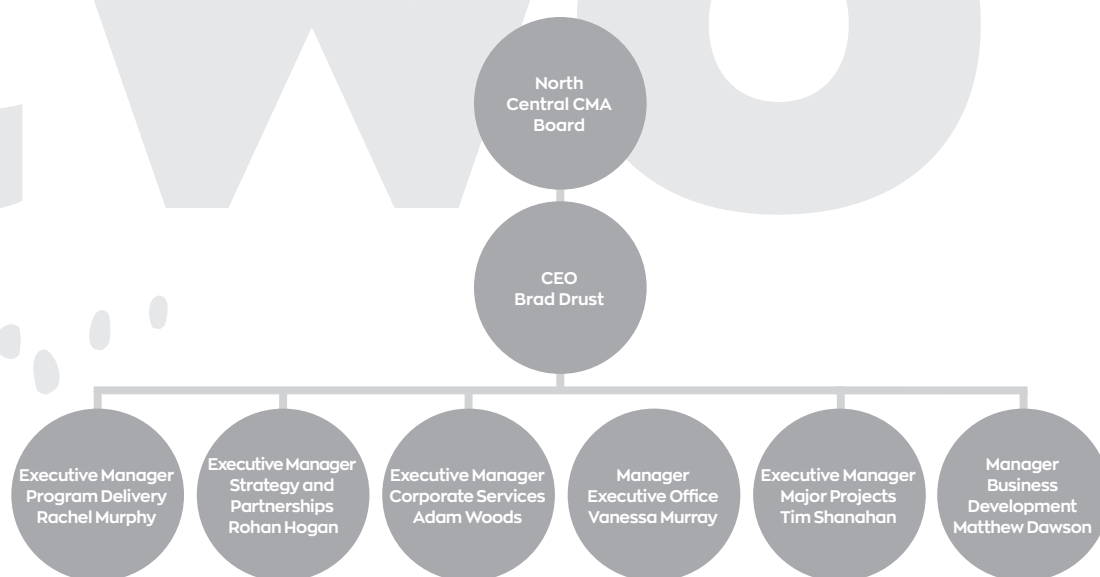
Subsequent Events

The COVID-19 global health pandemic has resulted in a number of directions from Government; the Authority has considered this and with the assistance of funders, delivery of works impacted by restrictions has been amended with mutual agreement. Our workforce has adopted a safe working approach to ensure continuity of all essential services and obligations. No additional matters or circumstances have arisen since the end of the reporting period which further significantly affects 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.

PART 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

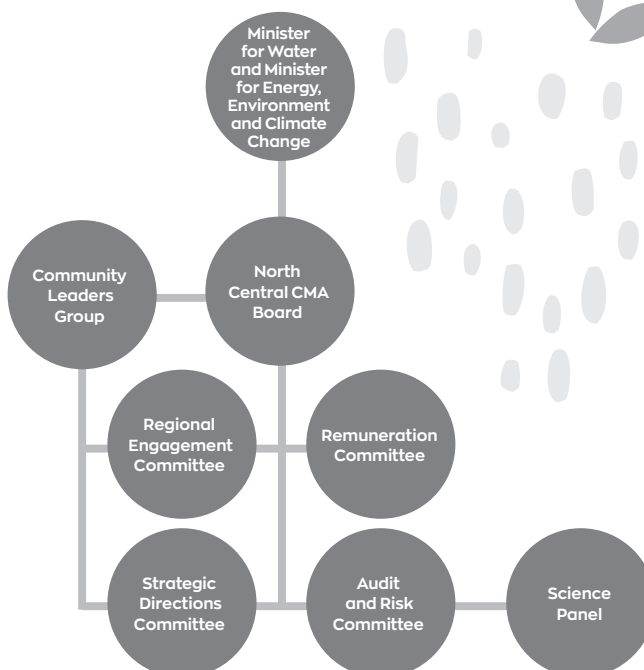
2.1 Organisational Structure and Corporate Governance Arrangements

The North Central CMA organisation structure is underpinned by six key business units with a senior manager of each unit reporting directly to the CEO.



Board and committees

The Victorian Government appoints diverse Boards of up to nine members to govern CMA's based on their skills and background relevant to natural resource management. Board members also have a valuable connection to their local community and represent community values and priorities when considering strategic issues relating to the protection and improvement of the region's natural resources. The Board has six standing committees each chaired by a Board member, complemented by a range of project specific committees.



2.2 Governing Board

Julie Miller Markoff (Chair)

CASTLEMAINE

Julie is a non-executive Director, transformational change and systems architect and implementer, and advocate for regional prosperity.

Since moving to central Victoria, and with extensive experience in facilitating and managing complex business transformation, her focus has evolved to working with resilience strategies, place-based innovation and transitions for better community outcomes in environmental, social and economic development. Her expertise is combining strong governance with progressive systems thinking and collaborative practice and leadership to create a collective impact.

Julie was appointed Chairperson in October 2017. A Director since 2013, she has chaired the Audit and Risk subcommittee and the advisory Community Consultative Committee.

She is currently co-founder and Chair of the bHive co-operative (Australia's first platform co-operative), and previous Board Chair of Heathcote Health. Julie has a Master's Degree in Applied Science (Innovation), is an Advanced Analytic Network Leadership Coach (2019), and is a member of the Australian Institute of Company Directors.

Julie is committed to making sustainable, climate responsive investments in natural resource management, creating shared benefits from water use, and broadening and deepening stewardship of catchments through community partnerships.

Charlie Gillingham

LAKE CHARM

Charlie is an irrigation/dryland farmer from Lake Charm, the former Chair of the Natural Resource Management Committee and has been involved with the CMA in an advisory role since 2004. He has strong links within the irrigation industry and is an active contributor in local irrigation issues.

Charlie is enthusiastic about encouraging greater community awareness and participation in all natural resource management issues. He believes we live in a wonderful region full of exceptional environmental assets that need to be maintained and enhanced for future generations to enjoy.

Charlie is Mayor of the Gannawarra Shire and is also involved in numerous local community groups.

Richard Carter

NEWLYN

Richard operates a rural water consultancy and water brokering business, which he combines with a small berry farm from his property at Newlyn. He is an active member of his local Landcare group, as well as various other community organisations.

He has spent many years involved in natural resource management, predominantly in the water industry. From this springs his interest in the health of the rivers and waterways of the area, as well as the groundwater resources below us. As a part-time primary producer he is also passionate about sustainable agriculture and the vital role it plays in the economic life of central Victoria and Australia.

Richard is currently a member of the Goulburn Murray Water Loddon Campaspe Regional Water Service Committee and was previously a member of our Natural Resource Management Committee. He is also an executive member of the Australian Water Brokers Association.

Graham Atkinson

DJA DJA WURRUNG

Graham is a Dja Dja Wurrung Traditional Owner and Yorta Yorta man. He gained a Bachelor of Social Work and Arts degree from the University of Melbourne in the 1970s and an MBA from RMIT University in the early 1990s. He is a graduate of the Australian Institute of Company Directors good governance program (2013) and is an accredited mediator under the National Mediation Association (2013). He is Principal Consultant of Atkinson Consulting Group with nearly 30 years consulting with government and Indigenous communities on land justice, native title, natural resource management, cultural heritage and economic development issues.

Graham is a former Director of Native Title Service Victoria and the Federation of Victorian Traditional Owners Corporation (FVTOC). He is currently Chair of Federation Enterprises Pty Ltd, the economic development arm of FVTOC, and also Chairs its subsidiary, Barpa Constructions Pty Ltd, which is a joint venture with ICON Constructions. He is a founding member and Director on Dja Dja Wurrung Clans Aboriginal Corporation and Director on Dja Dja Wurrung Enterprises Pty Ltd.

He is Chair of Dhelkunya Dja Land Management Board established in 2014 under the Recognition and Settlement Agreement between the Corporation and State Government. He served on the national board of the Indigenous Land Corporation (ILC) from 2011-2015 including as director on its subsidiaries, the National Indigenous Pastoral Enterprise (NIPE) and National Centre for Indigenous Excellence.

In 2017 he was appointed to the newly established Board for the Judicial Commission of Victoria as a non-Judicial Community Member. In 2021 he was appointed to the Victorian Aboriginal Employment and Economic Council is a board member on the Melbourne Academic Centre for Health.



Mary Bignell

Mary is a partner in a family broadacre cropping business in the Wimmera in north-west Victoria. She has been a Non-Executive Director of Grampians Wimmera Mallee Water from 2010 to 2019. In 2018 she was appointed to the Barwon Southwest Waste Resource Recovery Group as a Non-Executive Director for 4 years.

With qualifications in agricultural science, Mary has experience working in governance, natural resource management, emergency management, agribusiness, community development and primary production.

Mary was appointed to the Board in September 2019.

Susan Jackson

ST ARNAUD

Susan and her husband operate a broad acre grain and hay enterprise in the west of the catchment.

She has a background in teaching, with more than 20 years' experience in education, training and leadership.

Susan has written and published a series of children's farm books, promoting agriculture through education. She also has experience in community capacity building, community consultation and project work. She is focussed on actively encouraging community voice and the participation of youth.

Susan holds a Bachelor of Education (Primary) and a Master of Education and was appointed to our board in 2017.

Trish Kevin

BLAMPIED

Trish has a background as a community engagement manager and has extensive experience in catchment and land protection.

She has worked for almost 30 years in various roles including hydrogeological research, biodiversity enhancement, revegetation and private forestry extension, nursery and seed bank management.

She also has had roles in Landcare education, waste mitigation and energy efficiency across central and western Victoria.

Trish is passionate about sound catchment management and ensuring that rural communities have opportunities to participate in catchment protection issues and programs. She has a Bachelor of Forest Science, Graduate Certificate of Farm Forestry, Certificate IV Workplace Training and Assessment and was a Churchill Fellow in 2006.

Trish was appointed to the board in 2017.

Efim Tkatchew

ASHBOURNE

Efim is a finance executive with global experience in funds management and banking including investing in infrastructure such as water assets.

He and his wife are involved in small-scale mixed agriculture, and are committed to balancing environmental, social and economic benefits for rural communities.

Efim holds a Bachelor Degree in Commerce, a Masters of Business Administration (Exec.), is a member of the Institute of Chartered Accountants and a graduate of the Australian Institute of Company Directors.

Sally Mitchell

Sally has lived and worked on her families irrigated farms for most of her life located in the Northern end of the catchment. Recent changes in direction have seen her family undergo a "hill" change and they have relocated to Samaria in Victoria's North East. Sally remains committed to the protection and enhancement of the North Central CMA and its communities.

Sally has a strong interest in involving young people in community projects, so that the bank of knowledge built up over many years can be passed on and that new and innovative ways can be incorporated. She believes that communities need good leadership to thrive in times of change. A keystone in her beliefs is that good natural resource management goes hand in hand with sustainable farming practices.

Board membership and meeting attendance

Board Member	Full Board meetings	Out-of-session
Julie Miller Markoff	10 of 10	3 of 3
Graham Atkinson	10 of 10	3 of 3
Mary Bignell	10 of 10	3 of 3
Richard Carter	10 of 10	3 of 3
Charlie Gillingham	9 of 10	2 of 3
Susan Jackson	9 of 10	1 of 3
Patricia Kevin	10 of 10	3 of 3
Sally Mitchell	9 of 10	2 of 3
Efim Tkatchew	10 of 10	3 of 3

Notes:

All Board absences were approved by the Board. There were no meetings held in October 2020.

2.3 Board Committees

The Board has six subcommittees – Audit and Risk Committee; Remuneration Committee; Regional Engagement Committee; Strategic Directions Committee (formerly the Strategic Implementation Committee), Science Panel and the Community Leaders Group.

2.3.1 Audit and Risk Committee Membership and Roles

The main responsibilities of the audit committee are to:

- Review and report independently to the Board on the Annual Report and all other financial information published by the North Central CMA.
- Assist the Board in reviewing the effectiveness of North Central CMA’s internal control environment
- e.g. effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations.

- Determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors.
- Maintain effective communication with external auditors, consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised.
- Oversee the effective operation of the organisation’s risk management framework.
- Members are appointed by the Board, usually for a three-year term, and are subject to the committee’s Terms of Reference.
- An external member was appointed during 2020-21.
- Meetings are generally held bi-monthly and at any other time on request of a committee member or the internal or external auditor. In 2020–21 the committee met five times.

Audit and Risk Committee membership and meeting attendance

Name		Term	Attended	Eligible to attend
Richard Carter (Chair)	Independent	1 July 2020 to 30 June 2021	5	5
Julie Miller Markoff		1 July 2020 to 30 June 2021	5	5
Mary Bignell	Independent	1 July 2020 to 30 June 2021	4	5
Shamiso Mtenje	Independent External Member	20 August 2020 to 30 June 2021	5	5

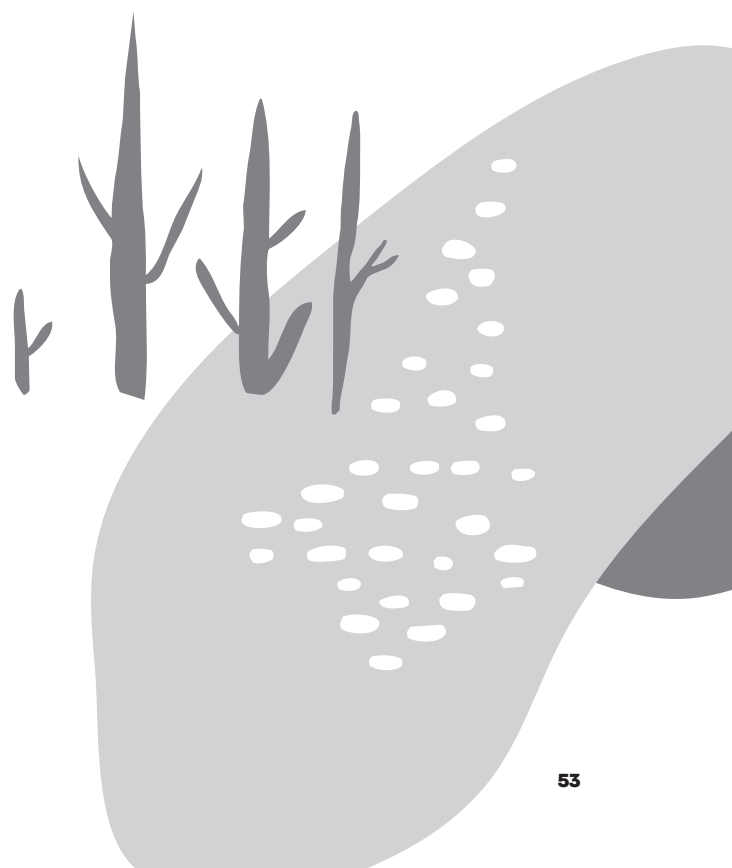
2.3.2 Remuneration Committee

The purpose of the committee is to:

- Oversee the remuneration and incentive policies for the CEO and to ensure they meet GSERP rules and guidelines.
- Oversee the CEO’s work plan and annual performance appraisal.
- Develop a succession plan for the CEO role.
- Other matters as requested by the Board.

Remuneration Committee membership and meeting attendance

Julie Miller Markoff	2 of 2
Charlie Gillingham (Chair)	2 of 2
Efim Tkatchew	2 of 2



2.3.3 Regional Engagement Committee

The purpose of the committee is to:

- Oversee the review and renewal of the North Central CMA Engagement Strategy and monitor its implementation.
- Strategically analyse, develop, monitor and coordinate approaches and practices in relation to the way the CMA engages with its partners, stakeholders and the general community.

Regional Engagement Committee membership and meeting attendance

Board members	Total
Sally Mitchell (Chair)	4 of 4
Susan Jackson	4 of 4
Graham Atkinson	4 of 4
CLG members	Total
Ted Gretgrix	3 of 4
Adam Campbell	4 of 4
Gabby Gamble	3 of 4

2.3.4 Strategic Directions Committee

The purpose of the committee is to support the North Central CMA to deliver on the strategic direction of the North Central RCS and sub-strategies.

Strategic Directions Committee membership and meeting attendance

Board members	Total
Efim Tkatchew	5 of 5
Charlie Gillingham	5 of 5
Patricia Kevin	5 of 5
CLG members	Total
Colin Smith	4 of 5
Ellen White	4 of 5

2.3.5 Community Leaders Group (CLG)

Community leaders have specific appointed roles as chair of project/program committees and/or participating in strategy initiatives e.g. membership on Board sub-committees. These projects and programs have a significant community interface with members bringing local knowledge and expertise to the committees.

The CLG's purpose is to share knowledge from their project and program committees' involvement and to highlight community issues or concerns relevant to the work of the CMA.

The group is chaired by a North Central CMA Board member and overseen by an Executive Manager.

The CLG met four times during the reporting period with membership and meeting attendance noted below.

CLG membership and meeting attendance

Patricia Kevin (Board member)	4 of 4
Faye Bail	4 of 4
Di Bowles	2 of 4
Adam Campbell	3 of 4
Ken Coates	3 of 4
Ron Cosgrave	3 of 4
Alan Denehey	3 of 4
Aunty Gabby Gamble	2 of 4
Ted Gretgrix	4 of 4
Rob Loats	4 of 4
Colin Smith	3 of 4
Ellen White	4 of 4

2.3.6 Science Panel

The Science Panel stewards long-term, evidence-based knowledge management and ensures that this is embedded into our strategies and projects as well as undertaking key tactical tasks to respond to challenging or contested areas of science. It is chaired by a Board member and will be made up of recognised academic or industry experts relevant to the work of the North Central CMA.

Due to COVID-19 restrictions during the reporting period, membership recruitment has been postponed. An internal process has identified suitable candidates with the panel meeting for the first time in the second-half of 2021.

2.4 Occupational Health and Safety

The North Central CMA is committed to ensuring the safety and welfare of its employees, contractors, volunteers and visitors. This is achieved through maintaining workplaces that are safe and without risk to health, adhering to risk control documents and integration of Occupational Health and Safety (OH&S) in all aspects of the business. People engaged at the CMA premises are inducted and monitored to ensure they are familiar with the health and safety policies and emergency procedures.

The CMA procurement process ensures suppliers engaged to perform work have fit for purpose risk control documents and appropriate insurances, regular audits confirm compliance with these requirements.

OH&S policies and procedures are in place and regularly updated. OH&S training is provided to all employees with any WorkSafe incidents reported under the *Accident Compensation Act 1985*.

During the past year there has been limited staff training opportunities due to COVID-19 restrictions. However, the Work for Victoria North Central CMA employees received training in first aid, driver and four-wheel driver training, Manual Handling and Health and Safety supervisor training. Contractor worksites have pre-start assessment and interim inspections to ensure OH&S compliance, these Risk Management performance measures are reported monthly to the North Central CMA Board.

The Staff Consultative Committee administers the Wellbeing program which includes a wide range of amenities, flu vaccinations, health checks, information sessions on mental health and wellbeing, and activities to support workplace wellbeing and connectedness.

Results from the 2021 People Matter Survey include: my organisation consults employees on health and safety matters, 93% agree/strongly agree; my organisation provides a physically safe work environment, 98%.

Measure	Key performance indicator	2020-21 Target ¹	2020-21	2019-20 Target ¹	2019-2020	2018-19 Target ¹	2018-19
Hazards reported	No. of hazards	N/A	3	N/A	3	N/A	2
Incidents	No. of Incidents	N/A	24	N/A	11	N/A	28
	Rate per 100 FTE	N/A	32	N/A	24	N/A	53
	No. requiring first aid and or further treatment	0	11	0	NIL		4
Claims	No. of standard claims	0	1	0	NIL	0	NIL
	Rate per 100 FTE	N/A	0.6	N/A	(O)	N/A	(O)
	No. of lost time claims	N/A	1.3	N/A	NIL	N/A	NIL
	Rate per 100 FTE	N/A	0.6	N/A	(O)	N/A	(O)
	No. of claims exceeding 13 weeks	N/A	1	N/A	NIL	N/A	NIL
	Rate per 100 FTE	N/A	0.6	N/A	(O)	N/A	(O)
Fatalities	Fatality claims	N/A	NIL	N/A	NIL	N/A	NIL
Claim Costs	Average cost per standard claim	N/A	\$6,308	N/A	(O)	N/A	\$0
Return to work	Percentage of claims with RTW plan < 30 days	N/A	100%	N/A	N/A	N/A	N/A
Management commitment	Evidence of OH&S policy statement, objectives, and regular reporting to senior management; and OH&S plans (signed by CEO or equivalent)	Compliant	Compliant	Compliant	Met	Compliant	Met
	Evidence of OH&S criteria(s) in purchasing guidelines (incl. goods, services & personnel)	Compliant	Compliant	Compliant	Met	Compliant	Met
Consultation and participation	Evidence of agreed structure of designated work groups, health and safety representation, and issue resolution procedures	Compliant	Compliant	Compliant	Met	Compliant	Met
	Compliance with agreed structure	Compliant	Met	Compliant	Met	Compliant	Met
	No. of quarterly OHS Committee meetings	4	2	4	3	4	4
Risk Management	Percentage of internal audits/ site safety plans, site inspections conducted as planned	100%	100%	100%	100%	100%	100%

Measure	Key performance indicator	2020-21 Target ¹	2020-21	2019-10 Target ¹	2019-2020	2018-19 Target ¹	2018-19
Risk Management	Percentage of reported incidents reviewed/ investigated	100%	100%	100%	100%	100%	100%
	No. of WorkSafe Improvement Notices	N/A	NIL	N/A	NIL	N/A	NIL
	Percentage of issues identified and actioned arising from: <ul style="list-style-type: none"> • Internal audits; • HSR improvement notices; and • WorkSafe notices. 	100%	100%	100%	100%	100%	100%
Training	Percentage of managers and staff that have received OH&S training: <ul style="list-style-type: none"> • induction; • management training; and • contractors and temps 	100% 100% 100%	100% 100% 100%	100% 100% 100%	100% 100% 100%	100% 100% 100%	100% 100% 100%
	Percentage of HSR'S trained: <ul style="list-style-type: none"> • upon acceptance of role (initial) • retraining (annual refresher) 	100%	100%	100%	100%	100%	100%
Safety Investment as a % of payroll	PPE, equipment and other safety items	0.1%	0.3%	0.1%	0.2%	0.1%	0.3%
	Training	0.3%	0.2%	0.3%	0.23%	0.3%	0.23%
Wellbeing investment	Cost as a % of payroll	0.22%	0.64%	0.8%	0.68%	0.8%	0.68%
	Events, initiatives and ongoing programs	2	32	2	4	N/A	16
	Trained Mental Health First Aiders	N/A	26	N/A	7	N/A	2
	Employee Opportunity Officers/Peer Support	N/A	4	N/A	4	N/A	4

Note: ¹ Incidents and Hazards are now reported separately. Increase in incident/hazard reporting is a result of increased promotion and education on the importance of incident/hazard reporting. It is not an indication of an actual increase in incidents. Removal of targets for incident/hazard reporting was to encourage reporting and remove the perception that reporting of incidents or hazards was a negative behavior.

2.5 Employment and Conduct Principles

The North Central CMA is committed to applying merit and equity principles when appointing staff. Our selection processes ensure applicants are assessed and evaluated fairly and equitably based on the key selection criteria and other accountabilities without discrimination.

PART 3: WORK FORCE DATA

3.1 Public Sector Values and Employment Principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The North Central CMA introduced policies and practices that are consistent with the VPSC's employment standards and provided for fair treatment, career opportunities and the early resolution of workplace issues. The North Central CMA advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Our people

North Central CMA consider our people to be our greatest asset and we strive to provide an inclusive workplace that embraces diversity, is built on respect and is adaptive and agile. Embedded in our culture is teamwork, collaboration, continuous learning, and individual leadership.

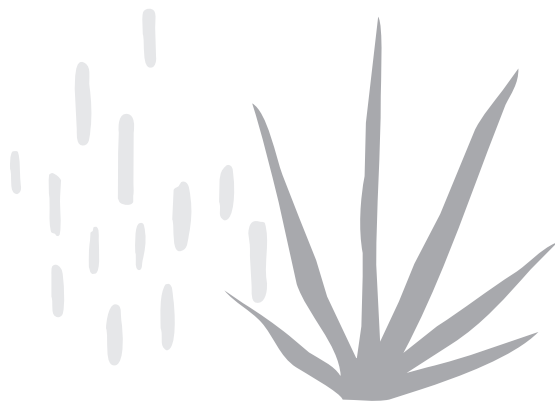
The North Central CMA's aim is to be an employer of choice. To achieve this the CMA is focused on providing current and prospective employees with competitive terms and conditions of employment, and a positive and collaborative work culture that promotes the public-sector values of respect, leadership, human rights, integrity, accountability, impartiality, and responsiveness.

Learning and development

The North Central CMA's people are our most important asset. Through our Pursue your Potential Capability and Development Framework we continue to build organisational capability by fostering talent and developing leadership capabilities across all levels the organisation. The framework describes leadership capabilities across all levels and roles and supports individuals in identifying their core capabilities, assessing their development needs, and supporting the formation of a customised development program to further develop staff capabilities.

We continue to promote the personal and professional development to achieve a mobile and agile public sector workforce responsive to our community while creating satisfying career paths for our people.

Professional development programs undertaken by employees during the reporting period included a range of leadership development programs such as; Compass Resilience Masterclass; Future Women Leadership Summit; Loddon Murray Community Leadership Program; WELA Leadership Development Program; Aboriginal and Torres Strait Islander cultural competency course; coaching and mentoring courses. Technical and safety- based programs included: Construction Induction; Food Safety; Driver training; HSR training; Mad Bad Sad Tears Abuse and Threats (Dealing with difficult people); Manager and Supervisor Health and Safety Awareness; First Aid; Resilience in the Workplace. Employees have also developed their skills and knowledge by attending training and educational seminars covering a range of topics including; Applying behavioral science to create change, 8 Practical Ways to Reduce Stress; Ecosystem Function and Management Webinar Series; Evaluating Systems Change and Place-Based Approaches; Job Analysis And Job Redesign; River Health NRM Webinar Series.



3.2 Comparative Workforce Data

As of 30 June 2021, the North Central CMA employed the full-time equivalent of 55.2 people compared to the full-time equivalent of 52.4 people in 2020-21. The breakdown of staff is as follows:

	June 2021						June 2020					
	Gender											
	All employees		Ongoing		Fixed Term, Casual		All employees		Ongoing		Fixed Term, Casual	
	Number (Head-count)	FTE	Number (Head-count)	FTE	Number (Head-count)	FTE	Number (Head-count)	FTE	Number (Head-count)	FTE	Number (Head-count)	FTE
Women	34	28.42	20	17.92	14	10.5	32	28.31	21	18.72	11	9.59
Men	28	25.78	18	17.42	10	8.36	26	24.11	17	16.39	9	7.71
Self-described	1	1.00	0	0.00	1	1.00	0	0				
Age												
15-24	0	0	0	0	0	0	0	0.00				
25-34	10	9.24	5	4.9	5	4.34	10	9.90	6	5.90	4	4.00
35-44	25	22.29	16	14.65	9	7.64	26	22.67	18	15.69	8	6.98
45-54	20	16.73	11	10.27	9	6.46	15	13.45	9	8.63	6	4.82
55-64	6	5.05	4	3.63	2	1.42	5	4.50	3	3.00	2	1.50
65+	2	1.89	2	1.89	0	0	2	1.89	2	1.89	0	0.00
Classification Data												
Band 4	3	2.26	2	1.84	1	0.42	3	2.80	1	1.00	2	1.80
Band 5	4	2.6	1	1	3	1.6	3	3.00	1	1.00	2	2.00
Band 6	16	14.34	8	8.26	8	6.08	13	12.00	8	7.32	5	4.68
Band 7	16	14.23	10	9.63	6	4.6	16	14.03	11	10.23	5	3.80
Band 8	13	11.09	10	8.67	3	2.42	11	9.26	9	8.24	2	1.02
Manager ¹	6	5.68	4	3.68	2	2	7	6.33	5	4.33	2	2.00
Senior Manager ²	4	4	2	2	2	2	4	4.00	2	2.00	2	2.00
Chief Executive Officer	1	1	1	1	0	0	1	1.00	1	1.00	0	0.00

All figures reflect employment levels at the last full pay period in June of each year.

Excluded are external contractors/consultants and temporary staff employed by an employment agency.

Ongoing employees include employees engaged on an open-ended contract of employment and executives engaged on a standard executive's contract who were active in the last full pay period of June.

FTE is the proportional total number of paid hours, i.e. FTE of 1.0 is equivalent to 38 hours per week.

¹ Executive Officers who oversee the operation and directions of a significant part of the business or delivery program, and may report to a Senior Manager or to the CEO.

² Senior Executive Officers who oversee the operation and directions of the business, and report to the CEO.

3.3 Workforce Inclusion Policy

The North Central CMA values the differences between people and the contribution these differences make in the workplace. The CMA believes in the inherent value of a diverse workforce reflective of the communities in which it operates and is committed to ensuring that all people are treated with respect and dignity.

The North Central CMA has continued to implement our Diversity and Inclusion Plan 2017–2022 and are progressing toward implementation of a Gender Equality Plan consistent with the principles of the *Gender Equality Act 2020*. The plan encapsulates four key objectives to focus activities that will continue to cultivate a diverse and inclusive culture within the CMA.

Diversity and Inclusion Plan 2017–2022 Progress	Actions completed	Actions in progress
Embed diversity and inclusion in the way we work	75% (9)	25% (3)
Foster Indigenous partnerships	100% (5)	0%
Champion gender representation	100% (9)	0%
Cultivate wellbeing and resilience	100% (4)	0%
Total	90% (27)	10% (3)

Some of our key achievements to date include:

Our Reconciliation Action Plan, a guide for reconciliation that recognises Aboriginal and Torres Strait Islander peoples’ connection to Country, commits us to tangible actions, including:

- Cultural awareness sessions delivered and facilitated by Dja Dja Wurrung and Taungurung Traditional Owners on Country.
- Traineeship programs supporting development and career pathways for Aboriginal and Torres Strait Islander students into NRM and working on Country.
- Key partnership projects such as the River Tour with Dja Dja Wurrung, Barapa Barapa, Wamba Wamba and Taungurung Traditional Owners, Wandering Together event in partnership with Barapa Barapa and Wamba Wamba Traditional Owners.
- Conversation Circles facilitated by Dja Dja Wurrung, and Taungurung Traditional Owners on Country.

The North Central CMA’s commitment to gender representation is evidenced by the balance of genders within the workplace.

- Structuring our workplace to enable 85% of staff to access flexible working arrangements, including part-time hours, flexible start and finish times, remote working and other arrangements.
- Continued participation as a founding member of the City of Greater Bendigo’s Coalition for Gender Equity and signatory to the gender equity strategy.
- Continuing to embed our peer support network for women within the organisation to coach and support each other, and to share experiences in the achievement of their career and leadership goals.
- More than 80% of our team have completed online diversity and inclusion training modules in Disability and Gender (see compliance training section below for more detail).

The CMA also encourages female participation in senior roles within the water sector by proactively providing leadership development opportunities that support and encourage women. These opportunities include programs such as the Compass Resilience Masterclass; Future Women Leadership Summit; WELA Leadership Development Program, as well as secondment roles within the CMA.

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. In addition, 30 CMA staff are certified in Mental Health First Aid, with four undertaking a tailored program for Aboriginal and Torres Strait Islander mental health.

During 2020-21, the organisation encouraged staff to participate in a wellbeing program, planned and managed by the Staff Consultative Committee. The program involves a range of work sponsored activities focusing on staff health and wellbeing. Activities included flu vaccinations, workplace resilience workshops, information sessions and support for mental wellbeing. Additionally, we have a Reward and Recognition program to enable employees across the organisation to directly acknowledge their colleagues. The program is designed to be inclusive and recognise individual preferences in how they are rewarded and acknowledged.

Diversity profile	Jun-21	Jun-20	Jun-19
	Gender (M/W/O)	(M/W)	(M/W)
Board	44/56/0%	44/56%	44/56%
Executive ¹	45/55/0%	45/55%	70/30%
People managers ²	36/64/0%	32/68%	47/53%
All staff	44/53/3%	45/55%	47/53%
Age			
Youth cohort ³	15%	17%	20%
Mature cohort ⁴	9%	12%	8%
Cultural			
Aboriginal or Torres Strait Islander ⁵	5%	3%	3%
Staff born overseas	2%	*	2%
LOTE at home ⁶	2%	*	4%
Notes to Diversity Profile:			
* The full People Matters survey was not conducted in 2020 due to COVID-19 disruptions therefore some data is not available for the reporting period.			
¹ Executive Officers are senior personnel who oversee the operation and directions of the business or significant part of the business.			
² Managers with People Management responsibilities (inclusive of Executive Officers)			
³ Aged 35 years and under			
⁴ Aged 55 years and over			
⁵ Staff who have identified as Aboriginal or Torres Strait Islander			
⁶ Language other than English			
⁷ Bachelor level and above			
Staff with a disability			
7%	2%	4%	
Staff with a modified work arrangement			
85%	83%	44%	
Staff with Tertiary Qualifications ⁷			
75%	*	70%	

3.4 Executive Officer Disclosure

An Executive Officer is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government’s Public Entity Executive Remuneration Policy applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

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.

PART 4: OTHER DISCLOSURES

4.1 Local Jobs First - Victorian Industry Participation Policy

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

During 2020-21 the North Central CMA had no procurement activities valued at \$1 million or more.

4.2 Social Procurement Framework

The North Central CMA is committed to supporting the Government's directions under the Social Procurement Framework (SPF) and we recognise that we play a key role in advancing social and sustainable outcomes for Victorians.

Our Social and Sustainable Procurement Strategy enables a strategic and clear approach as to how we will deliver social and sustainable outcomes through our procurement in accordance with the SPF and beyond.

Furthermore, social procurement and sustainable procurement (also referred to as socially responsible procurement, social buying, or ethical purchasing) refers to procurements which:

- Result in progressive improvements in the lives of people who contribute to the CMA's supply chain and are impacted by supply chain decisions.
- Help achieve the CMA's organisational objectives towards delivering broader social benefits, through the procurement of goods or services that can provide superior social benefits.

The CMA is advancing social and sustainable objectives through procurement in accordance with the SPF and indeed, social procurement initiatives have been undertaken by the organisation prior to the introduction of the SPF e.g., developing opportunities for Victorian Aboriginal people through our Reconciliation Action Plan and project and program development and implementation including engaging local Indigenous entities as primary subcontractors to assist in delivering key activities.

The CMA's strategy prioritises SPF procurement objectives under social and sustainable headlines. The objectives are detailed in the table below and includes type of procurement and focus areas. These SPF objectives were chosen based on their high degree of alignment with the CMA's strategic direction and values as well as being best positioned to advance our identified social procurement opportunities.

Social Procurement Framework objectives and focus areas

SPF Objective	Type of procurement	Focus areas
Social Procurement Objectives		
1. Opportunities for Victorian Aboriginal people	Contractors Consultants Service providers	<ul style="list-style-type: none"> To achieve the outcome of buying from Aboriginal businesses, North Central CMA will continue to foster relationships with our partners e.g. as part of the NLP2 submissions, the CMA has engaged local Indigenous entities as key subcontractors to assist in delivering key activities. Identify and explore opportunities with other Victorian Aboriginal businesses as part of procurement planning.
2. Women's equality and safety	Contractors Consultants Service providers	<ul style="list-style-type: none"> Adoption of family violence leave by Victorian Government suppliers. Gender equality within Victorian Government suppliers.
3. Sustainable Victorian regions	Contractors Service providers	<ul style="list-style-type: none"> To achieve the outcome of reducing the entrenched disadvantage associated with youth unemployment in rural regions the CMA will focus on employment throughout the region and identify and explore opportunities as part of category procurement and individual procurement activity planning e.g., use of regional based contractors used for community consultation activities in relation to weed control and feral animal control.
4. Sustainable Victorian social enterprise and Aboriginal business sectors	Contractors Service providers	<ul style="list-style-type: none"> The CMA will also focus on opportunities for Victorian Aboriginal people and opportunities for Victorians with disabilities.
5. Opportunities for Victorians with disability	Various	<ul style="list-style-type: none"> The CMA will identify and incorporate opportunities into meeting the sustainable Victorian region's objective.
6. Opportunities for disadvantaged Victorians	Various	<ul style="list-style-type: none"> The CMA will identify and incorporate opportunities for meeting the sustainable Victorian region's objective.
7. Supporting safe and fair workplaces	Various	<ul style="list-style-type: none"> Included as an Appendix within the SPF Guide to individual procurement activity.
Sustainable Procurement Objectives		
8. Environmentally sustainable outputs	Public Construction	<ul style="list-style-type: none"> Will incorporate into construction work tender requirements.
9. Environmentally sustainable business practices	Public Construction	<ul style="list-style-type: none"> Will incorporate into construction work tender requirements as a request to demonstrate the use of waste reduction protocols. It is noteworthy that the CMA's core day-to-day business operations already support the achievement of this objective e.g. pursuit of better on-farm sustainable practices.
10. Implementation of the Climate Change Policy objectives	Grants and Incentives	<ul style="list-style-type: none"> Ensure project planning and application requirements address Climate Change Policy objectives as guided by our Climate Change Action Plan and focus of the draft 2021-27 North Central Regional Catchment Strategy.

4.3 Government Advertising Expenditure

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

4.4 Consultancy Expenditure

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

In 2020–21 there were two consultancies where the total fees payable was \$10,000 or greater. The total expenditure incurred during 2020–21 in relation to these consultancies was \$141,992 (excl. GST).

Consultant	Purpose of consultancy	\$		
		Total approved project fee (excl. GST)	Expenditure 2020-21 (excl. GST)	Future expenditure (excl. GST)
Niltech Consulting Pty Ltd	Technology One consulting	127,592	127,592	-
Australian Workplace Strategies	Industrial Relations consultant (retainer)	14,400	14,400	-

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

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

In 2020–21 there were three consultancies engaged where the total fees payable was less than \$10,000. The total expenditure incurred during 2020–21 in relation to these consultancies was \$4,725 (excl. GST).

4.5 Information and Communication Technology (ICT) Expenditure

For the 2020–21 reporting period the North Central CMA had a total ICT expenditure of \$914,902 shown below:

(\$ thousand)

All operational ICT expenditure	ICT expenditure relating to projects to create or enhance ICT capabilities		
Business As Usual (BAU) ICT expenditure	Non Business As Usual (non BAU) ICT expenditure	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
(Total)	(Total = Operational expenditure and Capital Expenditure)		
915		850	65

Notes:

- ICT expenditure refers to North Central CMA's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.
- Non-BAU ICT expenditure relates to extending or enhancing North Central Catchment Management Authority's current ICT capabilities.
- BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.



4.6 Major Contracts

The North Central CMA did not award any major contracts (valued at \$10 million or more) during 2020–21.

4.7 Freedom of Information

Application and operation of the Freedom of Information Act 1982

The North Central CMA is considered a Government Agency under the *Freedom of Information Act 1982*. The purpose of the *Act* is to extend as far as possible the right of the community to access information held by government departments, local councils,

Ministers and other bodies subject to the *Act*. As such an applicant has a right to apply for access to documents held by an Agency. This comprises documents created by or supplied to the Agency, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the North Central CMA is available on our website under its Part II Information Statement.

The *Act* allows for the refusal of access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to an Agency in-confidence.

From 1 September 2017, the *Act* was amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times.

If an applicant is not satisfied by a decision made by the Department, under section 49A of the *Act*, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

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*. An application fee of \$30.10 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought. Requests for documents in the possession of the North Central CMA should be addressed to the FOI Officer:

By mail: Freedom of Information Officer, North Central CMA, PO Box 18 Huntly Vic 3551

By email: foi@nccma.vic.gov.au

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

FOI statistics/timeliness

During the reporting period the North Central CMA received no FOI application requests under the *Freedom of Information Act 1982*.

Further information

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

4.8 Compliance with Building Act 1993

The North Central CMA owns one building located at 628 – 634 Midland Highway, Huntly, Victoria and is required to include a statement on its compliance with the building and maintenance provision of the *Building Act 1993* in relation to that building.

North Central CMA requires that appropriately qualified contractors are engaged for all proposed works on land controlled by the CMA and that their work and services comply with current building standards. All such contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*.

In relation to existing buildings the Corporate Services Unit is responsible for mandatory testing of emergency and exit lighting in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and annual fire service audits. These inspections then inform the works program which is delivered annually through existing maintenance contracts.

Number of major works projects undertaken greater than \$50,000	0
Number of building permits or certificate of final inspection issued in relation to the building owned by North Central CMA	0
Number of emergency orders and building orders issued in relation to buildings	0
Number of buildings that have been brought into conformity with building standards during the reporting period	0

4.9 Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be reviewed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provided government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provisions of service.

The North Central CMA is working to ensure Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

4.10 Public Interest Disclosures Act 2012

The North Central CMA is a public body subject to the *Public Interest Disclosures Act 2012*. The purpose of the *Act* is to enable and facilitate the making of disclosures of improper conduct or corruption by public officers and public bodies, including the North Central CMA, its staff, members and employees.

The North Central CMA does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. The North Central CMA will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

How to make a disclosure

Public interest complaints of improper conduct or detrimental action by the North Central CMA or any of its employees may be made to the Independent Broad-based Anti-Corruption Commission (IBAC). Public interest complaints may be made anonymously, in writing, or orally, by contacting IBAC by phone or via their secure website:

Phone: 1300 735 135

Website: www.ibac.vic.gov.au

The North Central CMA is not permitted to receive public interest complaints made under the *Public Interest Disclosures Act*. If the North Central CMA believes a complaint may be a public interest complaint, it will ask that it be made directly to IBAC.

More information and contact details

As required under the *Act*, the North Central CMA has established procedures to facilitate and encourage the making of public interest complaints, and how the North Central CMA will manage the welfare of employees connected with public interest disclosures.

The North Central CMA's Public Interest Disclosure Procedures are available on our website.

For more information about public interest disclosures or the Victorian integrity system visit www.ibac.vic.gov.au/reporting-corruption

4.11 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.

4.12 Compliance with *Establishing Act*

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.
- Annually, prepare and submit a Corporate Plan to the responsible Minister(s).
- 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.
- (d) Provide opportunities for community engagement in the integrated management of catchments and natural assets, including land, biodiversity and water resources.
- (e) Develop strategic partnerships with relevant stakeholders including public authorities and government agencies.

- (f) Promote and apply a risk management approach that seeks to protect, enhance and restore natural assets and reduce the impact of climate change.
- (g) Promote and adopt an adaptive approach to integrated catchment management, including continuous review, innovation and improvement.
- (h) 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 flood prone area.
- Responding to applications for flood levels, flood risk reports and flood information before development.
- Flood planning information and advice to councils, state emergency services, developers and others.
- Flood response action plans, including collection of flood information during and after a flood, and assistance with emergency planning and flood warning.
- Flood data management compliance with the Statement of Obligations.

2020-21 actual results

Unit	Target	Actual
No. of permits exempted	25	21
No. of permits issued	75	34
No. of permits rejected	0	0
No. of complaints investigated for unauthorised works	0	15
No. of formal planning referrals	500	748

The North Central CMA is compliant with its statutory obligations under the *Water Act 1989*.

4.13 Office-based Environmental Impacts

The North Central CMA is committed to reducing the impact of its day-to-day operations on the environment. The CMA strives to reduce negative environmental impacts by using fuel efficient vehicles, purchasing green power electricity together in addition to our 50 kW solar panels, and using paper sourced from sustainable forest practices.

Objectives:

- reducing the amount of waste and maximizing amount of materials reused and recycled
- purchasing green power

- separating office waste into reusable, recyclable, compost and true waste parts
- reducing passenger vehicle fleet emissions
- ensuring new capital works incorporate environmental sustainability principles
- making environmentally sound purchasing decisions for capital items and consumables
- communicating environmental performance through regular reporting
- encouraging staff to reduce environmental impacts.



Energy

North Central CMA consumes energy primarily for office facilities.

The data represented below was collected through Powercor.

Targets

The following target was set for 2020-21

- five per cent reduction of total energy by 2021

Explanatory notes

Energy consumption has decreased as employees continued to work from home under COVID-19 restrictions. North Central CMA switched to Red Energy in July 2020 who provide fully renewable power.

We hope to continue our reduction efforts in 2021-22 through the following initiatives:

- continued sourcing of low energy and more efficient computing and lighting solutions; and
- promoting a paper-light office which requires less energy usage on printing and scanning.

Indicator	2020-21				2019-20			
	Electricity	Natural gas	Green power	Total	Electricity	Natural gas	Green power	Total
Total energy usage segmented by primary source (MJ)	42,693		14,231	56,924	49,277		16,426	65,703
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO ₂ -e)	47			47	54			54
Percentage of electricity purchased as green power	25			25	25			25
Units of energy used per FTE (MJ/FTE)	1,086			1,086	1,254			1,254
Units of energy used per unit of office area (MJ/m ²)	67			67	78			78



Waste

The waste generated by processes within North Central CMA is divided into three general classes: landfill, compost and recycling.

Targets

The following targets were set for 2020-21:

- reduce rubbish that is cleared by landfill; and
- increase the amount of waste cleared to compost.

Explanatory notes

North Central CMA has less than 100 employees. All employees actively compost their food waste and where possible use reusable containers.

Waste units are based on high level estimates associated with waste collection services and likely overestimate waste generation. Improvements in waste measurement are planned for 2021-22.

Indicator	2020-21				2019-20			
	Landfill	Commingled recycling	Compost	Total	Landfill	Commingled recycling	Compost	Total
Total units of waste disposed of by destination (kg/yr)	1,904	7,322	476	9,702	2,720	10,460	680	13,860
Units of waste disposed of per FTE by destinations (kg/FTE)	34	133	9	176	52	200	13	265
Recycling rate (percentage of total waste)				75%				75%
Greenhouse gas emissions associated with waste disposal (t CO ₂ -e)	2	18	1	21	3	25	1	29



Paper

North Central CMA is becoming more efficient in relation to paper use by promoting a paper-light culture in the office.

Targets

The following targets were set for 2020-21:

- reduction in total units of A4 equivalent copy paper used (reams) from previous year
- reduction in units of A4 equivalent copy paper used per FTE (reams per FTE) from previous year.

Explanatory notes

All paper purchased from our supplier is certified. Where possible documents are viewed on screen and newsletters and publications are electronically distributed. Software is installed on all printers to reduce the number of abandoned print jobs.

Indicator	2020-21	2019-20	2018-19
Total units of copy paper used (reams)	117	157	282
Units of copy paper used per FTE (reams/FTE)	2.12	3	5.32
Percentage of 75-100% recycled content copy paper purchased	0	0	0
Percentage of 50-74% recycled content copy paper purchased	0	0	0
Percentage of 0-49% recycled content copy paper purchased	100	100	100

Carbon neutral under the National Carbon Offset Standard (NCOS) Carbon Neutral Program.



Water

The data in the table below is based on water meter readings at the Huntly office.

Indicator	2020-21	2019-20	2018-19
Total units of metered water consumed by usage types (kilolitres)	31	137	188
Units of metered water consumed in offices per FTE (kilolitres/FTE)	0.56	2.61	3.55
Units of metered water consumed in offices per unit of office area (kilolitres/m ²)	0.04	0.16	0.22

Targets

The following target was set for 2020-21:

- reduction in water consumption (litres per FTE) by 30 June 2021.

Explanatory notes

Staff working remotely during the reporting period due to the COVID-19 pandemic has been a contributing factor to the reduction in water consumption during the year.



Transport

North Central CMA's fleet comprises 21 vehicles.

Targets

The following target was set for 2020-21:

- reduction of consumption of unleaded petrol used by the North Central CMA passenger vehicle fleet

Explanatory notes

As more plug-in vehicle options become available, the fleet will be progressively transfer to electric vehicles and fueled with renewable energy in place of fossil fuels. An increase in fuel consumption was noticed due to the type of vehicles being used for the Working for Victoria initiative.

Operational vehicles	2020-21					2019-20				
	Unleaded	Ethanol	Diesel	Electric	Total	Unleaded	Ethanol	Diesel	Electric	Total
Total energy consumption by vehicles (MJ)	181,057		1,313,452		1,494,509	397,601		1,016,840		1,414,441
Total vehicle travel associated with entity operations (km)	73,287		327,650	5,568	406,505	153,247		281,139		434,386
Total greenhouse gas emissions from vehicle fleet (t CO ₂ -e)	12		93		105	27		72		99
Greenhouse gas emissions from vehicle fleet per 1000km travelled (t CO ₂ -e)	0.17		0.28		0.45	0.18		0.26		0.44



Greenhouse gas emissions

The emissions disclosed in the section below are taken from the previous sections and consolidated to show the North Central CMA’s greenhouse footprint.

Targets

North Central CMA’s carbon footprint goal is to be at net zero by 2030.

Indicator	2020 -21	2019 -20	2018 -19
Total greenhouse gas emissions associated with energy use (t CO ₂ -e)	47	54	59
Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ -e)	105	99	122
Total greenhouse gas emissions associated with air travel (t CO ₂ -e)	0	8	2
Total greenhouse gas emissions associated with waste production (t CO ₂ -e)	21	29	40
Greenhouse gas emissions offsets purchased (t CO ₂ -e)	0	0	0

Other information

The North Central CMA Procurement Policy complies with the Government’s Environmental Purchasing Policy. While value for money is the core principle governing North Central CMA’s procurement activities, environmental considerations are also included in the procurement planning stage, tender specifications and tender evaluation criteria, where applicable.



4.14 Statement of Availability of Other Information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the Authority and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

A statement that declarations of pecuniary interests have been duly completed by relevant officers of the North Central CMA.

- 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.

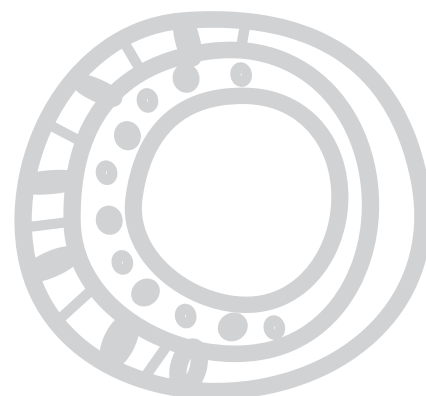
The information is available on request from:

Freedom of Information Officer
foi@nccma.vic.gov.au
(03) 5448 7124

4.15 Compliance with DataVic Access Policy

The information used to generate the catchment condition report in the North Central CM's 2020- 21 Annual Report has come from DataVic. In the reporting period the North Central CMA has not supplied any data directly to DataVic.

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



4.16 Asset Management Accountability Framework (AMAF) maturity assessment

Category Areas	Assessment of Performance	Rating	Target
1. Leadership & Accountability	Competent resources are consistently applying the system	3	3
2. Planning	Monitoring and reporting performance aligns to business objectives	3	3
3. Acquisition	Ongoing review and aligned with organisational improvement	3	3
4. Operation	Desired outcomes to support business objectives achieved	3	3
5. Disposal	Systems and processes fully in place	3	3
Rating Scale 1 Awareness 2 Developing 3 Competence 4 Optimising		Overall Assessment	Competence

North Central CMA have the following assets under the Asset Management Framework:

- Buildings
- Fleet Vehicles

The Authority utilises the following North Central CMA documents, policies, procedures, work instructions and systems to manage our assets in accordance with the Asset Management Framework:

- Asset Management Framework
- Asset Management Strategy
- Asset Management Policy
- Financial Code of Practice
- Financial Management Compliance attestation
- Risk Register, Management Policies, Framework
- Operational Performance Reports
- Instrument of Delegations, Financial Delegations Policy

- Impairment of Assets
- Asset Disposal Policy
- TechnologyOne Asset Module and Register
- Fraud, Corruption & Other Losses Prevention Policies, Procedures
- IT Strategy, Disaster Recovery Plan
- IT Policies and Procedures
- Procurement Policy
- Strategic Planning documents
- Corporate and Business plans
- Business Continuity Plan
- Fixed Assets Month End Procedures
- Maintenance register/calendar
- Motor Vehicle reports
- Resourcing of skilled staff
- AMAF Maturity assessment

4.17 Financial Management Compliance Attestation

North Central Catchment Management Authority Financial Management Compliance Attestation Statement

I, Julie Miller Markoff on behalf of the Responsible Body, certify that the North Central Catchment Management Authority has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Julie Miller Markoff
Chair
North Central CMA
5 October 2021

Independent Auditor's Report

To the Board of North Central Catchment Management Authority

Opinion	<p>I have audited the financial report of North Central Catchment Management Authority (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2021• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor-General's report

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
5 October 2021



Paul Martin
as delegate for the Auditor-General of Victoria

PART 5: FINANCIAL STATEMENTS

How this report is structured

The North Central Catchment Management Authority has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about the Authority's stewardship of resource entrusted to it.

Financial statements

Comprehensive Operating Statement
Balance Sheet

Statement of Changes in Equity
Cash Flow Statement

Notes to the financial statements

1. About this report

The basis on which the financial statements have been prepared and compliance with reporting regulations

2. Funding delivery of our services

Revenue recognised in respect of Government contributions and other income sources

- 2.1 Summary of income that funds the delivery of our service
- 2.2 Revenue and income from transactions
- 2.3 Contract Assets

3. The cost of delivering services

Operating expenses of the Authority

- 3.1 Summary of expenses incurred in delivery of services
- 3.2 Employee benefits in the comprehensive operating statement
- 3.3 Materials, maintenance, grants, contracts and consultancies
- 3.4 Other operating expenses

4. Key assets available to support output delivery

Land, buildings, works assets, plant and equipment, office furniture and equipment, motor vehicles, and intangible assets

- 4.1 Total property, plant and equipment
- 4.2 Fair value determination

5. Other assets and liabilities

Other key assets and liabilities

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other non-financial assets

6. Financing our operations

Cash flow information, commitments for expenditure

- 6.1 Borrowings
- 6.2 Cash flow information and balances
- 6.3 Commitments for expenditure
- 6.4 Carry forward project funding

7. Risks, contingencies and valuation judgements

Financial risk management, contingent assets and liabilities as well as fair value determination

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities

8. Other disclosures

- 8.1 Ex-gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Reserves
- 8.4 Responsible persons
- 8.5 Remuneration of executive officers
- 8.6 Related parties
- 8.7 Remuneration of auditors
- 8.8 Subsequent events
- 8.9 Australian Accounting Standards issued that are not yet effective
- 8.10 Economic Dependency

5.1 Declaration in the Financial Statements

The attached financial statements for the North Central Catchment Management Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under 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 2021 and financial position of the Authority at 30 June 2021.

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 5 October 2021.



Julie Miller Markoff
Chairperson
5 October 2021



Brad Drust
CEO and Accountable Officer
5 October 2021



Adam Woods
Chief Financial Officer
5 October 2021

Comprehensive Operating Statement for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue and income from transactions			
Government governance contribution	2.2.1	843,200	843,200
Government investor contributions	2.2.1	19,005,625	11,733,748
Revenue from other investors	2.2.3	1,916,436	2,391,168
Interest	2.2.2	26,325	83,062
Other income	2.2.4	9,931	24,268
Net gain on non financial assets	8.2	200	11,439
Total revenue and income from transactions		21,801,717	15,086,885
Expenses from transactions			
Employee expenses	3.2.1	7,373,004	6,353,897
Depreciation	4.1.1	216,801	199,205
Materials, maintenance, grants, contracts and consultancies	3.3	11,522,685	8,061,859
Other operating expenses	3.4	1,634,306	1,627,019
Total expenses from transactions		20,746,796	16,241,980
Net result from transactions (net operating b:		1,054,921	(1,155,095)
Other comprehensive income - Items that wil reclassified to net result			
Changes in physical asset revaluation surplus	8.3	619,520	-
Comprehensive Result		1,674,441	(1,155,095)

The accompanying notes form part of these financial statements.

Note:

- (i) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.
- (ii) Net gain/(loss) on non-financial assets includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

Balance Sheet as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Financial assets			
Cash and deposits	6.2	7,784,901	6,253,152
Prepayments	5.3	191,946	213,869
Receivables	5.1	1,013,036	117,253
Contract Assets	5.1.2	588,888	1,153,118
Total financial assets		9,578,771	7,737,392
Non-financial assets			
Property, plant and equipment	4.1	2,600,717	2,009,371
Total non-financial assets		2,600,717	2,009,371
TOTAL ASSETS		12,179,488	9,746,763
LIABILITIES			
Liabilities			
Payables	5.2	1,056,103	407,389
Lease Liabilities	6.1 (d)	22,377	30,740
Employee related provisions	3.2.2	1,719,347	1,601,414
Total liabilities		2,797,827	2,039,543
NET ASSETS		9,381,661	7,707,220
EQUITY			
Contributed capital		8,755,693	8,755,693
Physical asset revaluation surplus	8.3	1,467,519	847,999
Accumulated deficit		(841,551)	(1,896,472)
TOTAL EQUITY		9,381,661	7,707,220

The accompanying notes form part of these financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Statement of Changes in Equity for the financial year ended 30 June 2021

	Notes	Accumulated Deficit	Contributed Capital	Reserves	Total
		\$	\$	\$	\$
Balance at 30 June 2019		(741,377)	8,755,693	847,999	8,862,315
Net result for the year		(1,155,095)	-	-	(1,155,095)
balance at 30 June 2020		<u>(1,896,472)</u>	<u>8,755,693</u>	<u>847,999</u>	<u>7,707,220</u>
Net result for the year	8.3	1,054,921	-	619,520	1,674,441
Balance at 30 June 2021		<u>(841,551)</u>	<u>8,755,693</u>	<u>1,467,519</u>	<u>9,381,661</u>

The accompanying notes form part of these financial statements.

Note:

- (i) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.
- (ii) The amounts transferred from accumulated surplus to committed funds reserve consists of carry forward project funding that has been set aside for the purpose of funding specific projects.

Cash Flow Statement for the financial year ended 30 June 2021

	Notes	2021 \$	2020 \$
Receipts			
Receipts from Government and other investors		22,200,656	15,164,359
Interest received		26,325	83,062
Goods and services tax received from the ATO		40,877	211,772
Other receipts		-	121,209
Total receipts		<u>22,267,858</u>	<u>15,580,402</u>
Payments			
Payments to suppliers and employees		(20,539,319)	(16,605,560)
Total payments		<u>(20,539,319)</u>	<u>(16,605,560)</u>
Net cash flows from operating activities	6.2.1	<u>1,728,539</u>	<u>(1,025,158)</u>
Cash flows from financing activities			
Repayment of principal portion of lease liabilities	6.1 (d)	(8,363)	(8,468)
Net cash used in financing activities		<u>(8,363)</u>	<u>(8,468)</u>
Cash flows from investing activities			
Purchase of non-financial assets	4.1.2	(203,882)	(199,139)
Proceeds from sale of non-financial assets	8.2	15,455	107,127
Proceeds from disposal of investments		-	500,000
Net cash outflow from investing activities		<u>(188,427)</u>	<u>407,988</u>
Net increase in cash and cash equivalents		<u>1,531,749</u>	<u>(625,638)</u>
Cash and cash equivalents at beginning of financial year		<u>6,253,152</u>	<u>6,878,790</u>
Cash and cash equivalents at end of financial year	6.2	<u>7,784,901</u>	<u>6,253,152</u>

The accompanying notes form part of these financial statements.

Note:

- (i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.
- (ii) GST received from the Australian Taxation Office is presented on a net basis.
- (iii) The Authority has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for interest portion as operating activities consistent with the presentation of interest payments and shortterm lease payments for leases and low-value assets as operating activities.

Notes to the Financial Statements

for the year ended 30 June 2021

1. About this report

The North Central Catchment Management Authority is a government authority of the State of Victoria, established on 1 July 1997 by the state government.

Its principal address is:

North Central Catchment Management Authority
628-634 Midland Highway
Huntly Vic 3551

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, 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.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements and are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates', and relate to:

- employee benefit provisions (Note 3.2.1);
- estimation of useful life (note 4.1.1);
- accrued revenue (Note 5.1);
- accrued expenses (Note 5.2);
- operating lease commitments (Note 6.3.1);
- fair value measurements of assets and liabilities (Note 4.2);
- determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within
- the timing of satisfaction of performance obligations (Notes 2.1, 2.2); and
- determining transaction price and amounts allocated to performance obligations (Notes 2.1, 2.2).

Rounding

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

Coronavirus (COVID-19) pandemic and the impact on the financial statements

During 2020-21 reporting period, a viral pneumonia caused by a previously unknown pathogen emerged internationally. The pathogen was identified as a novel coronavirus subsequently named Severe Acute Respiratory Syndrome Coronavirus 2 (SARSCoV-2), more commonly known simply as Coronavirus, which causes the illness known as Coronavirus disease 2019 (COVID-19).

The effects of COVID-19 are pervasive, and has impacted all industries, with infection numbers surging globally.

Responses by the Government included travel restrictions, both nationally and internationally, social distancing guidelines, declarations of State of Emergency across the nation, and implementation of long-term and snap lock-downs across the State. During this time, the Government also implemented various initiatives to limit the financial impact of COVID-19, including:

- business financial assistance packages;
- JobSeeker and JobKeeper policies;
- moratorium on rental evictions as well as rental relief grants; and
- essential workers receiving free childcare during the crisis.

The Victorian Government also encouraged Departments and Agencies, including the Authority, to ensure that suppliers receive payments within five days of invoices where possible.

While the Authority has been affected by COVID-19, the effects have been limited to date. The Authority was well placed to transition to working remotely, and as such the closure of our offices had minimal affect on our activities. The Authority has utilised a number of initiatives to attempt to combat the effects on the staff and the community by COVID-19 and its accompanying restrictions, which to date have showed some success. The Authority has also been able to maintain its existing staffing levels throughout the crisis.

From a financial perspective, as the Authority's funding is predominantly through State and Commonwealth Government Contributions, and the majority of the Authority's dealings are with other Government Departments and Agencies, management does not currently consider COVID-19 to have a material affect on any judgements or assumptions applied in the preparation of these financial statements.

Through unprecedented challenges present in Victoria during 2020/21, the North Central CMA was able to provide support to displaced and impacted workers due to the COVID-19 pandemic with funding of \$1.3M received via the Working for Victoria program.

Compliance Information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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.

2. Funding Delivery of Our Services

Introduction

The Authority's overall objective is for the co-ordinated control of natural resource management within the broader catchments of North Central Victoria. The role of the Authority is to ensure effective implementation of the Regional Catchment Strategy, strategic planning and advice to Government.

To enable the Authority to deliver on its objectives, it receives revenue and income predominately through State and Commonwealth Government Contributions.

Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Income from transactions
- 2.3 Contract Assets

2.1 Summary of revenue and income that funds the delivery of our services

Significant judgement: Grants revenue

The Authority has made judgements that the amounts received in government contributions should be recognised either under AASB 15 if they contain sufficiently specific performance obligations or under AASB 1058 if they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15 and is recognised when the Authority satisfies the performance obligation by providing the relevant goods and services. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

	Note	2021 \$	2020 \$
Government governance contribution	2.2.1	843,200	843,200
Government investor contributions	2.2.1	19,005,625	11,733,748
		<u>19,848,825</u>	<u>12,576,948</u>
Interest	2.2.2	26,325	83,062
Revenue from other investors	2.2.3	1,916,436	2,391,168
Miscellaneous	2.2.4	9,931	24,268
Net gain on non financial assets	8.2	200	11,439
		<u>1,952,892</u>	<u>2,509,937</u>
Total revenue and income from transactions		<u>21,801,717</u>	<u>15,086,885</u>

Revenue and income that funds delivery of the Authority's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2 Revenue and income from transactions

2.2.1 Government contributions

	2021	2020
	\$	\$
Income recognised as income of a not- for-profit entity - AASB 1058		
State Government		
Government governance contribution	843,200	843,200
Investor Contributions		
Victorian River and Wetland Management	8,444,494	3,948,343
Victorian Landcare Program	419,365	299,504
Our Catchments, Our Communities	253,000	391,000
Disaster Recovery Program	1,129,365	-
Dryland Salinity Monitoring Program	50,000	50,000
Victorian Sustainable Irrigation Program	854,500	1,475,000
Victorian Environmental Water Holder	3,530,128	146,503
Floodplain Management	368,628	1,707,600
Victorian State Common Funding	440,474	564,321
Total State Government Contributions	15,489,954	8,582,271
Commonwealth Government		
The Living Murray	1,381,384	1,339,586
Murray Darling Basin Plan	355,000	-
NRM Drought Resilience Program	29,775	-
Total Commonwealth Government Contributions	1,766,159	1,339,586
Revenue recognised as revenue from contracts with customers - AASB 15		
Commonwealth Government		
National Landcare Programme - Sustainable Agriculture	259,090	446,057
National Landcare Programme - Sustainable Environment	1,490,422	1,365,834
Total Commonwealth Government Contributions	1,749,512	1,811,891
Total Investor contributions	19,005,625	11,733,748
Total Government contributions	19,848,825	12,576,948

Grants recognised under AASB 1058

The Authority has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Authority has unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the assets, the Authority recognises any increase in liabilities, decrease in assets, and revenue ('related amount') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Grants recognised under AASB 15

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. These grants relate to the National Landcare Program and Victorian Murray Floodplain Restoration Project. Revenue is recognised when the Authority satisfies the performance obligation by providing the relevant services to the relevant stakeholders (e.g., kms of fencing, hectares revegetated, hectares of pest control, service hours to deliver project). This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received shortly after the relevant obligation is satisfied. The value of services provided but not invoiced as at 30 June 2021 is included as a contract asset as disclosed at Note 5.1.2.

The balance of grant funds received under AASB 1058 for which future program expenditure commitments are not recognised as liabilities due to no clear performance obligations is \$5.83M as at 30 June 2021 (note 6.4).

2.2.2 Interest

	2021 \$	2020 \$
Interest on bank deposits	<u>26,325</u>	<u>83,062</u>

Interest income includes interest received on bank deposits. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

2.2.3 Revenue from Other Investors

	2021 \$	2020 \$
Other investors	<u>1,916,436</u>	<u>2,391,168</u>

Other investors consist of funds received from organisations as partners in funding of not-for-profit major projects. The Authority has determined that these contributions are recognised as income of not-for-profit entities in accordance with AASB 1058 as contracts are not enforceable or do not have sufficiently specific performance obligations.

2.2.4 Miscellaneous

	2021 \$	2020 \$
Miscellaneous	<u>9,931</u>	<u>24,268</u>

Miscellaneous includes Freedom of Information fees, contributions by management for salary sacrificed motor vehicle use and small adhoc payments from non-investment entities.

2.3 Contract Assets

The following table provides information about contract assets from contracts with customers.

	2021 Contract assets \$	2020 Contract assets \$
Opening balance	1,153,118	1,091,211
Less: Cash received for revenue recognised in prior period	(1,153,118)	(1,091,211)
Plus: Revenue recognised based on the measure of progress during the year	588,888	1,153,118
Closing balance	<u>588,888</u>	<u>1,153,118</u>

The contract assets primarily relate to the Authority's rights to consideration for work completed but not billed as at the reporting date on government works contracts. The contract assets are transferred to receivables when the rights become unconditional (i.e. when the Authority issues an invoice).

3. The Cost of Delivering Services

Introduction

This section provides an account of the expenses incurred by the Authority in delivering services. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with the provision of services are recorded.

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Employee benefits
- 3.3 Materials, maintenance, contracts and consultancies
- 3.4 Other operating expenses

3.1 Expenses incurred in delivery of services

	Notes	2021 \$	2020 \$
Employee expenses	3.2	7,373,004	6,353,897
Materials, maintenance, contracts and consultancies	3.3	11,522,685	8,061,859
Other operating expenses	3.4	1,634,306	1,627,019
Total expenses incurred in the delivery of service		20,529,995	16,042,775

3.2 Employee benefits

3.2.1 Employee benefits in the Comprehensive Operating Statement

	2021 \$	2020 \$
Salaries and wages	5,695,117	4,831,043
Annual leave	509,905	382,292
Long service leave	24,922	54,516
Other leave	435,117	409,540
Superannuation	635,070	497,118
Other employee expenses	72,873	179,388
Total employee benefit expenses	7,373,004	6,353,897

Employee expenses include all costs related to employment including wages and salaries, payroll tax, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

3.2.2 Employee benefits in the balance sheet

Significant judgement: Employee benefit provisions

In measuring employee benefits, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using a single weighted average discount rate based on market yields of national government bonds in Australia that reflects the estimated timing and amount of benefit payment.

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2021 \$	2020 \$
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	296,574	258,780
Unconditional and expected to settle after 12 months	98,858	86,260
Purchased Leave		
Unconditional and expected to settle within 12 months	33,596	28,369
Time in Lieu and rostered days off		
Unconditional and expected to settle within 12 months	84,268	57,052
Long service leave		
Unconditional and expected to settle within 12 months	217,202	128,150
Unconditional and expected to settle after 12 months	657,205	711,517
Provision for on-costs		
Unconditional and expected to settle within 12 months	92,751	71,280
Unconditional and expected to settle after 12 months	112,914	122,952
Total current provisions for employee benefits	<u>1,593,368</u>	<u>1,464,360</u>
Non-current provisions		
Long service leave		
Conditional and expected to be settled after 12 months	109,550	118,695
Provision for on-costs		
Conditional and expected to be settled after 12 months	16,429	18,359
Total non-current provisions for employee benefits	<u>125,979</u>	<u>137,054</u>
Total provisions for employee benefits	<u>1,719,347</u>	<u>1,601,414</u>
Reconciliation of movement in on-cost provision		2021
		\$
Opening balance		212,591
Additional provisions recognised		106,686
Reductions arising from payments		(62,500)
Reductions resulting from settlement without cost		(27,100)
Unwind of discount and effect of changes in the discount rate		(7,583)
Closing balance		222,094
Current		205,665
Non-current		16,429

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Authority does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Authority expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is nonvesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Long service leave (LSL)

Unconditional LSL is disclosed as a current liability; even where the Authority does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if the Authority expects to wholly settle within 12 months; or
- present value – if the Authority does not expect to wholly settle within 12 months.

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.2.3 Superannuation contributions

Employees of the Authority are entitled to receive superannuation benefits and the Authority contributes to defined contribution plans. The Authority has no employees that are members of a defined benefit plan.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Authority are as follows:

	2021 \$	2020 \$
Defined contribution plans		
Vision super	215,940	184,032
Vic super	76,871	58,208
Other private schemes	323,523	254,877
Total	616,334	497,117

(i) The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.3 Materials, maintenance, contracts and consultancies

	2021 \$	2020 \$
Materials	375,310	536,972
Repairs and maintenance	63,495	43,535
Consultants	150,815	333,052
Contractors	10,208,648	5,891,392
Grants paid	724,417	1,256,908
Total materials, maintenance, grants, contracts and consultancies	11,522,685	8,061,859

Materials, grants, contracts and consultancies are recognised as an expense in the reporting period in which they are incurred.

3.4 Other operating expenses

	2021 \$	2020 \$
Information and communications technology	826,810	753,904
Conferences, seminars and related travel costs	88,074	105,154
Advertising	22,387	30,609
Audits costs - internal and external	30,938	45,931
Motor vehicle costs	73,443	80,529
Insurance (general)	55,081	53,696
Meeting expenses	99,665	172,548
Minor Capital Purchases	85,309	23,552
Promotions and public relations	93,640	101,951
Training and education	81,085	107,294
Utilities	16,243	14,692
Uniforms and staff facilities	43,932	50,633
Leases - Low Value items **	36,520	42,393
Other operating expenses *	81,179	44,133
Total other operating expenses	1,634,306	1,627,019

* Other operating expenses represent the day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are paid or payable.

** Leases of IT equipment are leases of low-value items.

4. Key Assets available to Support Output Delivery

Introduction

The Authority controls property and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Authority to be utilised for delivery of those outputs.

Significant judgement: Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 4.2 in connection with how those fair values were determined.

Structure

- 4.1 Property, plant and equipment
- 4.2 Fair Value Determination

4.1 Property, plant and equipment

	Notes	2021 \$	2020 \$
Land			
At fair value	4.1.2	800,000	480,480
Buildings			
At fair value		1,325,000	1,025,000
Accumulated depreciation	4.1.2	(133,773)	(104,251)
Plant and equipment			
At fair value		570,039	553,766
Accumulated depreciation	4.1.2	(507,867)	(499,276)
Furniture and office equipment			
At fair value	4.1(a)	849,368	846,775
Right-of-use office equipment		30,740	39,317
Accumulated depreciation	4.1.2	(833,254)	(828,467)
Motor vehicles			
At fair value		885,687	725,618
Accumulated depreciation	4.1.2	(385,223)	(229,591)
		500,464	496,027
Net carrying amount		2,600,717	2,009,371

Note:
(i) AASB 16 Leases has been applied for the first time from 1 July 2019

4.1(a) Total right-of-use assets: office equipment

	2021 \$	2021 \$	2021 \$	2020 \$	2020 \$	2020 \$
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Office Equipment	30,740	(8,580)	22,160	39,317	(8,577)	30,740
Net carrying amount	30,740	(8,580)	22,160	39,317	(8,577)	30,740
					Office Equipment	
					\$	
Opening balance - July 2019 (a)					39,317	
Depreciation					(8,577)	
Closing balance - 30 June 2020					30,740	
Opening balance - July 2020					30,740	
Depreciation					(8,580)	
Closing balance - 30 June 2021					22,160	

(a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 to right-of-use assets (recognised under AASB 16 at 1 July 2019).

Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent measurement

Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Right-of-use asset acquired by lessees - Initial measurement

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset - Subsequent measurement

The Authority depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Revaluation of property

In compliance with FRD 103I, the Authority's Land and buildings were independently assessed at fair value as at 18 May 2021 for the financial year ending 30 June 2021.

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 103I Non-Financial Physical Assets (FRD 103I). The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Authority to conduct these scheduled revaluations.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103I. The Authority in conjunction with VGV, monitors changes in the fair value of each asset class through relevant data sources, in order to determine whether a revaluation is required.

The Authority's assets relating to land and buildings were independently valued by the VGV as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

Accounting for revaluation of movements

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

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

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

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

4.1.1 Depreciation and impairment

	2021 \$	2020 \$
Charge for the period		
Buildings	29,522	23,525
Plant and equipment	8,590	8,195
Right-of-Use of Assets Office Equipment	8,580	-
Furniture and office equipment	7,298	15,459
Motor vehicles	162,811	152,026
Total depreciation	216,801	199,205

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under assets held for sale, land and investment properties.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the next table.

Asset	Useful Life
Buildings	40 years
Works assets	20 years
Plant and equipment	3 - 20 years
Furniture & office equipment (including right-of-use asse	3 - 10 years
Motor vehicles	5 years
Intangible assets	2.5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Land which is considered to have an indefinite life and is not depreciated.

Impairment

Non-financial assets, including items of Property, Plant and Equipment, are tested for impairment whenever there is an indication that the assets may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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.

4.1.2 Reconciliation of movements in carrying values of property, plant and equipment

	Land	Buildings	Plant and equipment	Furniture and office equipment	Motor vehicles	Right-of-Use of Assets Office Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying Amount							
Balance at 1 July 2019	480,480	944,274	49,984	34,885	564,763	39,317	2,113,702
Additions	-	-	12,700	7,460	178,979	-	199,139
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	(95,689)	-	(95,689)
Depreciation	-	(23,525)	(8,195)	(15,459)	(152,026)	(8,577)	(207,782)
Balance as at 1 July 2020	480,480	920,749	54,489	26,886	496,027	30,740	2,009,371
Additions	-	-	16,273	5,106	182,503	-	203,882
Revaluation	319,520	300,000	-	-	-	-	619,520
Disposals	-	-	-	-	(15,255)	-	(15,255)
Depreciation	-	(29,522)	(8,590)	(7,298)	(162,811)	(8,580)	(216,801)
Balance as at 30 June 2021	800,000	1,191,227	62,172	24,694	500,464	22,160	2,600,717

4.2 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Authority.

In compliance with FRD 103I, the Authority's land and buildings were independently assessed at fair value as at 18 May 2021 for the financial year ending 30 June 2021 by the Valuer-General Victoria.

The Authority's property, plant and equipment are carried at fair value.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

The Authority determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

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

The Authority determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

4.2.1 Fair value determination of financial assets and liabilities

The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020-21 reporting period.

These financial instruments include:

Financial assets

Cash and deposits

Receivables:

- Contractual receivables
- Accrued revenue

Financial liabilities

Payables:

- Contractual payables
- Accrued expenses
- Other payables
- Lease liabilities

4.2.2 Fair value determination: Non-financial physical assets

Land and buildings were independently assessed at fair value as at 18 May 2021 for the financial year ending 30 June 2021 by the Valuer-General Victoria.

Fair value measurement hierarchy as at 30 June 2021

	Carrying Amount as at 30 June 2021	Fair value measurement at end of reporting period using;		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
	\$	\$	\$	\$
Land at fair value				
Non-specialised land	800,000	-	800,000	-
Total of land at fair value	800,000	-	800,000	-
Buildings at fair value				
Specialised buildings	1,191,227	-	-	1,191,227
Total of buildings at fair value	1,191,227	-	-	1,191,227
Vehicles	500,464	-	-	500,464
Plant and equipment	62,172	-	-	62,172
Office furniture and equipment	24,694	-	-	24,694
Right-of-Use Assets	22,160	-	-	22,160
Total of plant, equipment and vehicles at fair value	609,490	-	-	609,490

Fair value measurement hierarchy as at 30 June 2020

	Carrying Amount as at 30 June 2020	Fair value measurement at end of reporting period using;		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
	\$	\$	\$	\$
Land at fair value				
Non-specialised land	480,480	-	480,480	-
Total of land at fair value	480,480	-	480,480	-
Buildings at fair value				
Specialised buildings	920,749	-	-	920,749
Total of buildings at fair value	920,749	-	-	920,749
Vehicles	496,027	-	-	496,027
Plant and equipment	54,489	-	-	54,489
Office furniture and equipment	26,886	-	-	26,886
Right-of-Use Assets	30,740	-	-	30,740
Total of plant, equipment and vehicles at fair value	608,142	-	-	608,142

Note:

- Classified in accordance with the fair value hierarchy, see Note 4.2. There have been no transfers between levels during the period. For all assets measured at fair value, the current use is considered the highest and best use.
- The above tables are inclusive of Right-of-Use of Assets.
- There has been no transfers between levels during the 2020 or 2021 period.

4.2.3 Reconciliation of Level 3 fair value

2021	Specialised buildings \$	Vehicles \$	Plant and equipment \$	Office furniture and equipment \$
Opening Balance	920,749	496,027	54,489	57,626
Net Purchases (Sales)	-	182,503	16,273	5,106
Transfers in (out) of Level 3	-	-	-	-
Gains or (Losses) recognised in net result	-	(15,255)	-	-
Depreciation	(29,522)	(162,811)	(8,590)	(15,878)
Impairment Loss	-	-	-	-
Subtotal	(29,522)	4,437	7,683	(10,772)
Revaluation	300,000	-	-	-
Subtotal	270,478	4,437	7,683	(10,772)
Closing Balance	1,191,227	500,464	62,172	46,854
Unrealised gains (losses) on non-financial assets	-	-	-	-
Reconciliation of Level 3 fair value				
2020	Specialised buildings \$	Vehicles \$	Plant and equipment \$	Office furniture and equipment \$
Opening Balance	944,274	564,763	49,984	34,885
Recognition of Right of Use - Assets	-	-	-	39,317
Purchases (Sales)	-	71,851	12,700	7,460
Transfers in (out) of Level 3	-	-	-	-
Gains or Losses recognised in net result	-	11,439	-	-
Depreciation	(23,525)	(152,026)	(8,195)	(24,036)
Impairment Loss	-	-	-	-
Subtotal	(23,525)	(68,736)	4,505	22,741
Revaluation	-	-	-	-
Subtotal	(23,525)	(68,736)	4,505	22,741
Closing Balance	920,749	496,027	54,489	57,626
Unrealised gains (losses) on non-financial assets	-	-	-	-

Note: The above tables are inclusive of Right-of-Use of Assets.

Description of significant unobservable inputs to Level 3 valuation at 30 June 2021 and 30 June 2020.

	Valuation technique	Significant unobservable
Specialised buildings	Current Replacement cost	Direct cost per square metre
		Useful life of specialised buildings
Plant and equipment	Current Replacement cost	Cost per unit
		Useful life of plant and equipment
Office furniture and equipment	Current Replacement cost	Cost per unit
		Useful life of plant and equipment
Vehicles	Current Replacement cost	Cost per unit
		Useful life of motor vehicles

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Non-specialised land

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

Land was independently assessed at fair value as at 18 May 2021 for the financial year ending 30 June 2021 by the Valuer-General Victoria.

To the extent that non-specialised land does 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 current 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.

In compliance with FRD 103I, the Authority's buildings were independently assessed at fair value as at 18 May 2021 for the financial year ending 30 June 2021 by the Valuer-General Victoria.

Significant valuation uncertainty

The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

Plant and equipment

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

Office furniture and equipment

Office furniture and equipment is held at fair value. When office furniture 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 existing carrying value. The North Central CMA leases two photocopies which have been recognised under AASB16 *Leases*.

There were no changes in valuation techniques throughout the period to 30 June 2021.

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

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the Authority's operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Other financial assets

5.1 Receivables

	2021 \$	2020 \$
Current receivables		
Contractual		
Receivables	690,572	1,065
	<u>690,572</u>	<u>1,065</u>
Statutory		
GST input tax credits recoverable	322,464	116,188
Total current receivables	<u>1,013,036</u>	<u>117,253</u>

Receivables consist of:

Contractual receivables, which are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Authority applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details about the Authority's impairment policies, the Authority's exposure to credit risk, and the calculation of the loss allowance are set out in Note 7.1.

5.1.1 Ageing analysis of contractual receivables

	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired - less than 1 month \$
Contractual receivables	690,572	480,773	209,799
Total	690,572	480,773	209,799
2020			
Receivables:			
Contractual receivables	1,065	1,065	-
Total	1,065	1,065	-

Contractual and other receivables are due for settlement 30 days from the from the end of the month that they were invoiced. There are no material financial assets that are individually determined to be impaired.

5.1.2 Contract assets

	2021 \$	2020 \$
Contract assets		
Opening balance brought forward	1,153,118	1,091,211
Less Transfer to revenue recognition	(1,153,118)	1,091,211
Plus: Revenue recognised based on the measure of progress during the year	588,888	1,153,118
Total Contract assets	588,888	1,153,118
<i>represented by</i>		
Current contract assets	588,888	1,153,118
Non-current contract assets	-	-

Contract assets relate to the Authority's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. This usually occurs when the Authority issues an invoice to the customer. The balance of the contract assets at 30 June 2021 was impacted by timing of the works completed by contractors and is not billable at this stage. The works are expected to be completed and recovered early next year.

5.2 Payables

Significant judgement: Accrued expenses

Accrued expenses represent goods or services that have been received or supplied but have not been invoiced by the supplier. In estimating the amount of an accrued expense, consideration is given to the stage of completion of the services being performed.

	2021 \$	2020 \$
Contractual		
Trade payables	34,266	7,191
Accrued expenses	1,021,837	400,198
Total current payables	1,056,103	407,389

Contractual payables are classified as financial instruments and categorised as 'financial liabilities at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, that are measured at amortised cost.

5.2.1 Maturity analysis of contractual payables

	Maturity dates			
	Carrying amount \$	Less than 1 month \$	1-3 months \$	3-6 months \$
2021				
Payables:				
Supplies and services	34,266	27,757	1,225	5,284
Accrued expenses	1,021,837	1,021,837	-	-
Total	1,056,103	1,049,594	1,225	5,284
	Maturity dates			
	Carrying amount \$	Less than 1 month \$	1-3 months \$	3-6 months \$
2020				
Payables:				
Supplies and services	7,191	7,191	-	-
Accrued expenses	400,198	400,198	-	-
Total	407,389	407,389	-	-

Payables for supplies and services between March 2020 to March 2021, due to COVID-19, payables for supplies and services were reduced to an average credit period of 7 days. From March 2021 terms for payables increased to an average of 30 days.

5.3 Other financial assets

	2021 \$	2020 \$
Prepayments	191,946	213,869

Other non-financial assets include prepayments which 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.

6. How we finance our operations

This section provides information on the sources of finance utilised by the Authority during its operations and other information related to financing activities of the Authority.

This section includes disclosures of balances that are financial instruments, such as cash balances. Note 7.1 provides additional, specific financial instrument disclosures.

Structure

- 6.1 Borrowings
- 6.2 Cash flow information and balances
- 6.3 Commitments for expenditure
- 6.4 Carry forward project funding

6.1 Borrowings

Lease liabilities included in the Balance Sheet at 30 June:						
	Notes	2021 \$	2020 \$			
Current borrowings						
Lease Liabilities	6.1(d)	8,522	8,522			
Total current borrowings		8,522	8,522			
Non-current borrowings						
Lease Liabilities	6.1(d)	13,855	22,218			
Total non-current borrowings		13,855	22,218			
Maturity analysis of Leases under AASB16						
	Carrying amount \$	Nominal amount \$	less than 1 month \$	1-3 months \$	3 months - 1 year \$	1-5 years \$
2021						
Lease Liability	13,855	22,377	710	2,131	5,898	13,638
TOTAL	13,855	22,377	710	2,131	5,898	13,638
2020						
Lease Liability	30,740	30,740	710	2,131	5,681	22,218
TOTAL	30,740	30,740	710	2,131	5,681	22,218

The Authority's leasing activities

The Authority leases photocopiers and the lease contracts are typically made for fixed periods of 5 years with an no option to renew the lease after that date.

6.1 (a) Right-of-use Asset

Right-of-use assets are presented in note 4.1(a).

6.1 (b) Amounts recognised in the Statement of Comprehensive Statement

The following amounts are recognised in the Statement of Comprehensive Operating Statement relating to leases:

	2021 \$	2020 \$
Interest expense on lease liabilities	105	42
Expenses relating to leases of low-value assets	36,520	42,393
Total amount recognised in the Statement of Comprehensive Statement	36,625	42,435

6.1 (c) Amounts recognised in the Statement of Cashflows

The following amounts is recognised in the Statement of Cashflows for the year ending 30 June 2021 relating to leases.

	2021 \$	2020 \$
Total cash outflow for leases	44,988	42,435

6.1 (d) Lease liabilities included in the Balance Sheet:

<i>Right-of-Use assets</i>	Furniture and Office equipment	
		Total
	\$	\$
Balance at 1 July 2019	39,236	39,236
Depreciation charge	(8,496)	(8,496)
Balance at 30 June 2020	<u>30,740</u>	<u>30,740</u>
Balance at 1 July 2020	30,740	30,740
Depreciation charge	(8,363)	(8,363)
Balance at 30 June 2021	<u>22,377</u>	<u>22,377</u>

Recognition and measurement of leases as a lessee

For any new contracts entered into, the Authority considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Authority assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority and for which the supplier does not have substantive substitution rights;
- Whether the Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Authority has the right to direct the use of the identified asset throughout the period of use; and
- Whether the Authority has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Lease Liability - initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Authority's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability - subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Leases of low-value assets

The Authority elected to account for leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these were recognised as an expense in profit or loss on a straight-line basis over the lease term. These low-value leases were finalised during 2021.

The Authority has no "Peppercorn" leases.

Presentation of right-of-use assets and lease liabilities

The Authority presents right-of-use assets as 'furniture and office equipment'. Lease liabilities are represented in the balance sheet.

6.2 Cash flow information and balances

Cash and deposits, including cash equivalents, 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 which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2021 \$	2020 \$
Cash at bank	7,784,901	6,253,152
Balance as per cash flow statement	7,784,901	6,253,152

Of the total cash balance, \$5.83M represents grant funds received for specific future program expenditure commitments (note 6.4) and is not otherwise available for working capital purposes.

6.2.1 Reconciliation of net result to cash flow from operating activities

	2021 \$	2020 \$
Net result for the period	1,054,921	(1,155,095)
Non-cash movements		
(Gain)/loss on disposal of non-financial assets	(200)	(11,439)
Depreciation of non-financial assets	216,801	199,205
AASB 15 Standard Changes	-	1,091,212
	216,601	1,278,978
Movements in assets and liabilities		
Decrease/(increase) in receivables	(895,783)	309,119
Decrease/(increase) in prepayments	21,923	(32,731)
Decrease/(increase) in accrued revenue	564,230	(1,107,146)
(Decrease)/Increase in payables	27,075	(445,931)
(Decrease)/Increase in accrued expenses	621,639	126,586
(Decrease)/increase in employee benefits	117,933	1,062
	1,728,539	(1,025,158)
Net Cash flows from/(used in) operating activities	1,728,539	(1,025,158)

6.3 Commitments for expenditure

Commitments for future expenditure include operating and external program commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable

	2021 \$	2020 \$
Short term lease commitments payable		
Less than 1 year	9,315	23,316
1 to 5 years	15,524	-
Total commitments (inclusive of GST)	24,839	23,316
Less GST recoverable	2,258	2,120
Total commitments (exclusive of GST)	22,581	21,196

The Authority leases photocopiers and the lease contracts are typically made for fixed periods of 5 years with an 'no option to renew the lease' after that date.

6.4 Carry forward project funding

Catchment Management Authorities are responsible for the facilitation and coordination of catchments in an integrated and sustainable manner. This is achieved by undertaking projects funded by Victorian and Australian Government programs. The Authority received 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 Water.

The projects funded by the State and Commonwealth Governments can be undertaken over multiple financial years and 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 cash and cash equivalents of \$5.83M that will be utilised to complete these projects in future financial years. The value of commitment for future program expenditure under contracts that do not meet the specific performance obligation requirements of AASB15, as such funds received are recorded through AASB1058 through the comprehensive operating statement and the balance of funds is retained in equity.

Where COVID-19 restrictions have impacted delivery of contracts, agreement has been made with funders to amend contract terms to ensure business continuity and service delivery as restrictions ease.

7. Risks, contingencies and valuation judgements

Introduction

The Authority is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied. The Authority's judgement with respect to Fair Value of its assets are disclosed at Note 4.

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities

7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Authority to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Contractual receivables at amortised cost

The Authority applies AASB 9 simplified approach for all contractual receivables to measure the expected credit losses using a lifetime expected loss allowance based on the assumptions about the risk of default and the expected loss rates. The Authority has grouped contractual receivables on shared credit risk characteristics and days past due, and select the credit loss rate based on the Authority's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

The Authority recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

The expected loss rate for the year ending 30 June 2021 has been calculated at 0%, and as such no loss allowance has been recognised. The Authority has a low expected loss rate due to the majority of funding sourced from State and Federal government. On this basis, the Authority determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial year as follows:

	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
2021						
Expected Loss rate (%)	0%	0%	0%	0%	0%	0%
Gross carrying amount of contractual receivables	480,773	-	209,799	-	-	690,572
Loss allowance	-	-	-	-	-	-
2020						
Expected Loss rate (%)	0%	0%	0%	0%	0%	0%
Gross carrying amount of contractual receivables	1,065	-	-	-	-	1,065
Loss allowance	-	-	-	-	-	-

Statutory receivables at amortised cost

The Authority's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

As at 30 June 2021, the Authority had no Statutory Receivables.

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Authority recognises payables and lease liabilities (excluding statutory payables) in this category.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised

- the rights to receive cash flows from the asset have expired; or
- the Authority retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Authority has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

7.1.1 Financial Instruments: Categorisation

	Contractual financial assets at amortised cost \$	Contractual financial liabilities at amortised cost \$	Total \$
2021			
Contractual financial assets			
Cash and deposits equivalents	7,784,901	-	7,784,901
Contractual receivables (i)	690,572	-	690,572
Total contractual financial assets	8,475,473	-	8,475,473
Contractual financial liabilities			
Contractual payables	-	1,056,103	1,056,103
Lease Liabilities	-	22,377	22,377
Total contractual financial liabilities	-	1,078,480	1,078,480

	Contractual financial assets at amortised cost \$	Contractual financial liabilities at amortised cost \$	Total \$
2020			
Contractual financial assets			
Cash and deposits equivalents	6,253,152	-	6,253,152
Contractual receivables (i)	1,065	-	1,065
Total contractual financial assets	6,254,217	-	6,254,217
Contractual financial liabilities			
Contractual payables	-	407,389	407,389
Lease Liabilities	-	30,740	30,740
Total contractual financial liabilities	-	438,129	438,129

(i) The total amounts disclosed here exclude statutory amounts.

7.1.2 Financial risk management objectives and policies

The Authority's main financial risks include credit risk, liquidity risk and interest rate risk. The Authority manages these financial risks in accordance with its financial risk management policy.

The Authority uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Board of the Authority.

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Authority's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Authority. Credit risk is measured at fair value and is monitored on a regular basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Authority's sensitivity to interest rate risk are set out in the table that follows.

Credit risk associated with the Authority's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the Authority has adopted a policy of only dealing with creditworthy counter parties and obtaining sufficient collateral where appropriate. For cash assets, the Authority's policy is to only deal with banks with high credit-ratings assigned by international credit-rating agencies. All cash and deposits are held with the National Australia Bank and the Westpac Banking Corporation.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Authority operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Under direction of Government, financial obligations have been requested to be paid within 5 business days wherever possible to support businesses during COVID-19 restrictions, which is within the 30 day obligation.

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The Authority has one lease for photocopiers and maintains high levels of cash and deposits readily available to meet its financial obligations. The Authority manages its liquidity risk by maintaining adequate cash reserves and continually monitoring the Authority's expenditure commitments and cash flow needs.

Financial instruments: Market risk

The Authority's exposure to market risk is primarily through interest rate risk with surplus funds held in accounts with deposits at a call. The Authority has no exposure to foreign exchange risk or other price risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority manages its cash flow interest rate risks by investing surplus funds into the State of Victoria Cash and Banking Services financial instruments. Management has concluded for cash at bank and deposits at call as financial assets that can be left at floating rate without necessarily exposing the Authority to significant risk. Management monitors movements in interest rates regularly.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Authority's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instruments

	Weighted average interest rate %	Weighted average interest rate %	Interest rate exposure			
			Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
2021						
Financial assets						
Cash and cash equivalents		0.47	7,784,901	-	7,784,901	-
Contractual receivables			690,572	-	-	690,572
Total financial assets			8,475,473	-	7,784,901	690,572
Financial liabilities						
Contractual payables			1,056,103	-	-	1,056,103
Lease Liabilities		0.65	22,377	22,377	-	-
Total financial liabilities			1,078,480	22,377	-	1,056,103
2020						
Financial assets						
Cash and cash equivalents		0.99	6,253,152	-	6,253,152	-
Contractual receivables			1,065	-	-	1,065
Total financial assets			6,254,217	-	6,253,152	1,065
Financial liabilities						
Contractual payables			407,389	-	-	407,389
Lease Liabilities		0.65	30,740	30,740	-	-
Total financial liabilities			438,129	30,740	-	407,389

Interest rate risk sensitivity

The sensitivity analysis below shows the impact on the Authority's net result and equity for a movement of 50 basis points up and down in market interest rates.

	Carrying amount \$	Interest rate			
		-50 basis points		+50 basis points	
		Net result \$	Equity \$	Net result \$	Equity \$
2021					
Cash and cash equivalents	7,784,901	(38,925)	(38,925)	38,925	38,925
2020					
Cash and cash equivalents	6,253,153	(31,266)	(31,266)	31,266	31,266

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

As at 30 June 2021, the Authority has no known contingent assets or liabilities.

8. Other disclosures

Introduction

This section provides additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

8.1 Ex-gratia expenses	8.7 Remuneration of auditors
8.2 Other economic flows included in net result	8.8 Subsequent events
8.3 Reserves	8.9 Australian Accounting Standards issued that are not yet effective
8.4 Responsible persons	8.10 Economic Dependency
8.5 Remuneration of executive officers	
8.6 Related parties	

8.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

The Authority had no ex gratia expenses for the year ending 30 June 2021 (2020 \$0).

8.2 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

	2021 \$	2020 \$
Net gain/(loss) on disposal of non-financial assets		
Proceeds from sale of non-financial assets	15,455	107,128
Less written down value	(15,255)	(95,689)
Total net gain/(loss) on disposal of non-financial assets	200	11,439

Notes:
(i) Net gain/(loss) on non-financial assets includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

8.3 Reserves

	2021 \$	2020 \$
Physical asset revaluation surplus:(i)		
Balance at beginning of year	847,999	847,999
Revaluation during the year	619,520	-
Balance at end of year	1,467,519	847,999

Notes:
(i) The physical assets revaluation surplus arises on the revaluation of land and buildings assets.

8.4 Responsible persons

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

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

		From	To
Hon Lisa Neville, MP	Minister for Water	1-Jul-20	30-Jun-21
Hon Richard Wynne, MP	Acting Minister for Water	15-Feb-21	30-Jun-21
Hon Liliana (Lily) D'Ambrosio MP	Minister for Energy, Environment and Climate Change	1-Jul-20	30-Jun-21
Julie Miller Markoff	Board Chair	1-Jul-20	30-Jun-21
Charles Andrew Gillingham	Board Member	1-Jul-20	30-Jun-21
Graham John Atkinson	Board Member	1-Jul-20	30-Jun-21
Richard John Carter	Board Member	1-Jul-20	30-Jun-21
Susan Margaret Jackson	Board Member	1-Jul-20	30-Jun-21
Patricia Mary Kevin	Board Member	1-Jul-20	30-Jun-21
Sally Dene Mitchell	Board Member	1-Jul-20	30-Jun-21
Mary Bignell	Board Member	1-Jul-20	30-Jun-21
Efim James Tkatchew	Board Member	1-Jul-20	30-Jun-21
Brad Drust	Chief Executive Officer	1-Jul-20	30-Jun-21

Remuneration of responsible persons

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

	2021	2020
Income Band		
10,000 - 19,999	8	6
20,000 - 29,999	-	2
30,000 - 39,999	1	1
210,000 - 219,999	1	1
Total number of responsible persons	10	10
Total Remuneration	\$ 442,232	\$ 432,819

The compensation detailed above excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

8.5 Remuneration of executive officers

North Central CMA did not have any executive officers, other than the CEO, to whom the Victorian Government's Public Entity Executive Remuneration (PEER) Policy applies. The CEO is an accountable officer and therefore disclosed under Note 8.4 and Note 8.6.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Remuneration

	2021	2020
	\$	\$
Short-term employee benefits	-	1,037,939
Post-employment benefits	-	96,180
Other long-term benefits	-	278,482
Total remuneration	-	1,412,601
Total number of executives (i)	-	10
Total annualised employee equivalents (ii)	-	8

Note:

- (i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.6)
- (ii) In the previous period, the executive officers disclosed included senior managers that held contracts under the previous Victorian Public Sector Commission's (VPSC) Government Sector Executive Remuneration Panel (GSERP). With the commencement of the Victorian PEER contracts in the 2020 reporting year, the senior managers no longer meet the PEER policy definition and are no longer reported as executive officers in 2021.
- (iii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.6 Related parties

The Authority is a wholly owned and controlled entity of the State of Victoria. Related parties of the Authority include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled are consolidated into the whole of state consolidated financial statements.

All related transactions have been entered into on an arm's length basis.

North Central CMA is a wholly owned and controlled entity of the state of Victoria. During the year, the Authority received significant funding from the following government-related entities:

Entity	2021 \$ Funding received	2020 \$ Funding received
Department of Environment, Land, Water and Planning	15,130,986	10,032,186
During the year, the Authority made significant payments to the following government-related entities:		
Entity	2021 \$ Payments made	2020 \$ Payments made
Department of Environment, Land, Water and Planning	490,345	476,987

Key management personnel of the Authority includes all Responsible persons as listed in Note 8.4, and all members of the executive team which includes:

Mr Tim Shanahan	Major Projects Manager
Mr Rohan Hogan	Statutory and Partnerships Manager
Ms Rachel Murphy	Program Delivery Manager
Mr Adam Woods	Corporate Services Manager

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs

	2021 \$	2020 \$
Short-term employee benefits	944,252	898,519
Post-employment benefits	87,868	82,643
Other long-term benefits	229,328	213,151
Total	1,261,448	1,194,313
Note:		
(i) For 2020 some KMP's are also reported in the disclosure of remuneration of executive officers.		

During the year, a company of which Board Member Graham Atkinson is a Director (Dja Dja Wurrung) was awarded various contracts totalling \$148,920 under the Authority's procurement process. Transactions involved included NRM works on various properties. A company of which the brother of Timothy Shanahan, (Executive Manager of North Central CMA), is a principal (RM Consulting Group) was awarded various contracts totalling \$157,814 under the Authority's procurement process. Transactions involved included Environmental Water Program Management support, Plan2Farm mid-term review and workbooks, and facilitation of various community workshops.

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Authority's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

8.7 Remuneration of auditors

	2021 \$	2020 \$
Victorian Auditor General Office (VAGO) for audit of financial statements:	15,000	13,600
Internal audit costs	15,938	32,331
<i>Total remuneration of auditors</i>	30,938	45,931

8.8 Subsequent events

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.

The continuing COVID-19 Health Pandemic is not expected to significantly affect the operations, the results of those operations, or the state of affairs of the Authority in future financial years.

8.9 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2021 Financial Year. These accounting standards have not been applied to the Financial Statements. The Authority is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

AASB 2020-1 Amendments to Australia Accounting Standards - Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted, however the AASB has recently issued AASB 2021-1 Amendments to Australian Accounting Standards -Classification of Liabilities as Current or Non- Current - Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. The Authority will not early adopt the Standard.

The Authority is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Other Amending Standards

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Authority's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit Tier 2 Entities*.
- AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*.
- AASB 2020-7 *Amendments to Australian Accounting Standards - Covid-19-Rent Related Concessions: Tier 2 Disclosures*.
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2*.
- AASB 2020-9 *Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.

8.10 Economic Dependency

North Central CMA is dependent on the Department of Environment, Land, Water and Planning for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department of Environment, Land, Water and Planning will not continue to support the North Central CMA.

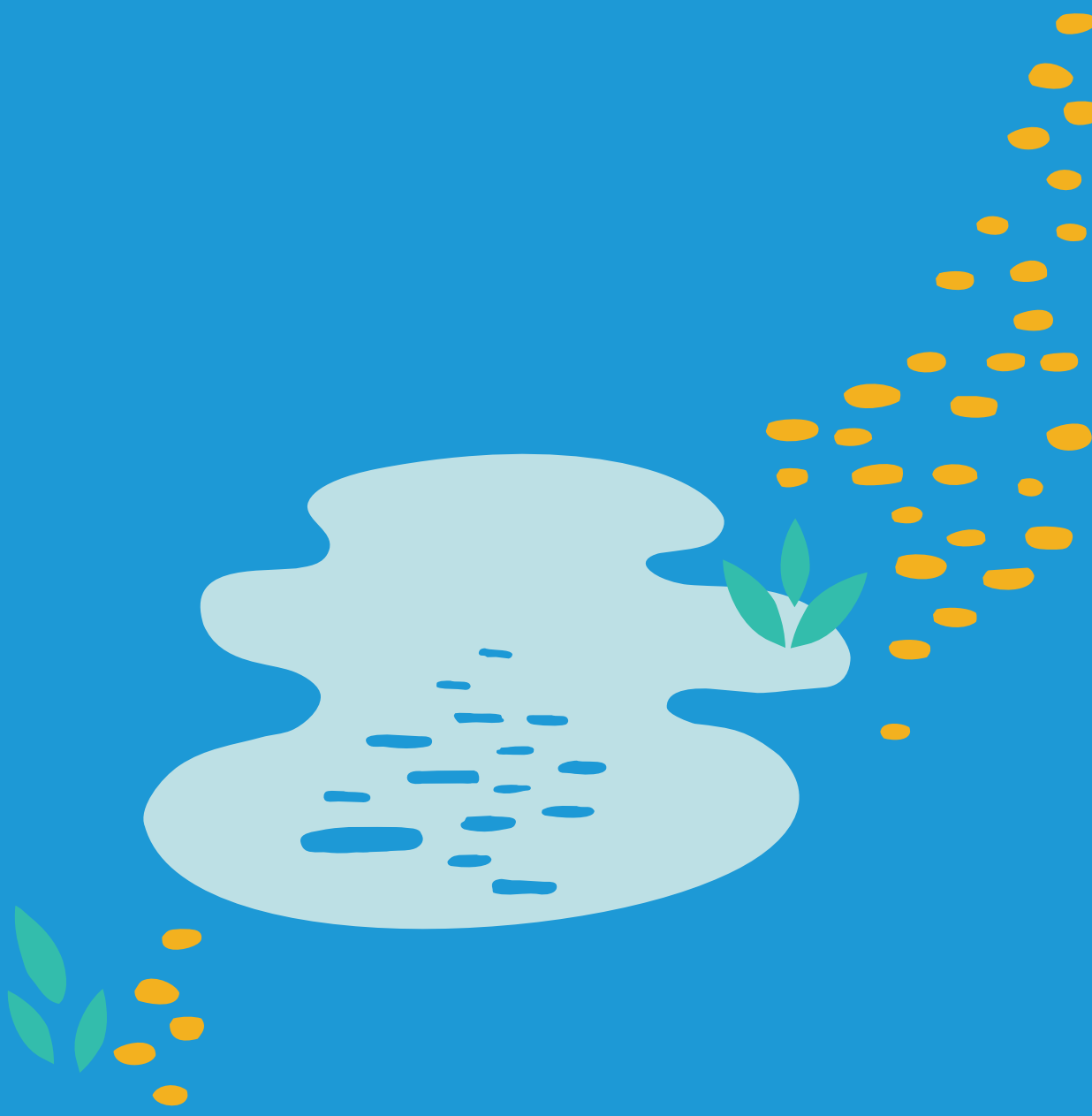
APPENDICES

Appendix 1: Disclosure Index

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

Legislation	Requirement	Page reference
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