

# Annual Report

2010-2011



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

# Acknowledgement Of Country

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

## *Images – courtesy of the North Central CMA:*

Front cover: Clockwise (main image) Loddon River at Bridgewater, 15 January 2011; Dja Dja Wurrung project crew member Sam Kerr at the official launch of the project, June 2011; Levee breach at Benjeroop, February 2011; York Plains in flood, September 2010

Inside back cover: Regional map indicating North Central CMA works under the 2010-2011 Headline themes

Back cover: Loddon floodplain, January 2011; Second North Central Regional Soils Forum, April 2011; Avoca River flood runner (north of Charlton), September 2010.

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# Foreword

## Joint report from the Chairman and CEO

In a dynamic operating environment, the North Central Catchment Management Authority (CMA) strives to be a benchmark organisation working in partnership with our community to deliver enduring natural resource management outcomes for the region.

Extreme events are driving the condition of our catchments. After 12 years of drought, spring and summer 2010-11 delivered record-breaking rainfall and floods to the Campaspe, Loddon, Avoca and Avon-Richardson catchments. While flooding is a vital ecological process that maintains catchment integrity, we acknowledge that floods of this magnitude cause significant financial loss and emotional strain to communities.

The North Central CMA's active response under our statutory responsibilities was the largest, most sustained and most demanding flood response in the history of CMAs. We will continue to provide leadership in the flood recovery process with works delivered through various means. Further information on the 2010-11 floods can be found within this report.

It was timely that in November 2010 we held the *Seventh Biennial Victorian Flood Conference* in Bendigo. The conference attracted participants from the private and public sectors, including researchers; consultants; all tiers of government; floodplain managers; urban planners; emergency and community services personnel; engineers; and catchment and natural resource managers. Research and innovation, together with issues confronting floodplain managers, communities and the environment, were key themes at the two-day event.

In June 2011, the Victorian Government confirmed \$2.7 million to implement the *Flood Recovery Employment Program*, a major initiative for this region. Funding outcomes from our submission to the Australian Government's *Natural Disaster Relief and Recovery Arrangements* will determine our ongoing flood recovery works.

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

We are also committed to increasing our understanding of the needs of our community and our investors. The process for renewing the North Central Regional Catchment Strategy is underway. We will continue to apply our targeted asset-based investment approach to maximise effectiveness and efficiencies, and ensure enduring value for our investors and communities. Our approach has been refined through the adoption of the Investment Framework for Environmental Resources (INFFER) method.

Like the natural environment, our communities are dynamic. There is a growing demand for natural resource management (NRM) knowledge among our increasingly sophisticated and informed communities. Our Natural Resource Management Committee plays a key role in providing a local perspective to our business and remains fundamental to the success of, and our ability to create value for, our communities.

We recognise the importance of supporting and working with local community groups. The North Central CMA region has over 160 Landcare groups, with 8,000 members, and a number of community-based natural resource management groups. We deliver the Victorian Government's *Victorian Landcare Grants* to enable community groups to protect, enhance and restore the landscape. Our Waterwatch program engages 77 community monitors and encompasses 156 sites across the region. We have 40 schools participating in the *River Detectives Program*.

We hosted the *Second North Central Regional Soils Forum* in April 2011 as part of our *Farming for Sustainable Soils* project. The successful forum provided an opportunity for landholders, local farmers, scientists, NRM policy makers and the broader community to discuss how we secure the productive and environmental values of our soils in North Central Victoria.

Furthermore, the work undertaken by the North Central CMA is a natural fit in partnering with Aboriginal groups to work on country. One of our key business objectives is "in consultation with local Aboriginal communities, expand our 'Working on Country' Aboriginal engagement program". We have an Aboriginal works crew working as part of the *Enhancing the Kerang and Gunbower Wetlands* project. The project aims to reduce the risk of pest plants and animals on the natural environment and significant cultural heritage sites.

We are also proud to host the Dja Dja Wurrung Clans Aboriginal Corporation partnership project which is a 'first of its kind' between a CMA and an Aboriginal Corporation. As the host agency for a two-year period, the project's objective is to establish a commercially viable natural resource and cultural heritage management organisation, fully owned and operated by the corporation by December 2012.

Of course, our achievements would not be possible without the commitment, enthusiasm and knowledge of our biggest asset – our people. With clear direction from the Board and advice from our Natural Resource Management Committee, our dedicated and professional staff have delivered outstanding value for the organisation and for the region.

In accordance with the *Financial Management Act 1994*, we are pleased to present the North Central Catchment Management Authority's annual report for the year ending 30 June 2011.



Mr David Clark  
North Central CMA  
Chairman



Mr Damian Wells  
North Central CMA  
Chief Executive Officer

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# Year in review

## North Central Catchment Management Authority

The North Central Catchment Management Authority (CMA) works to protect and improve rivers and the natural environment in North Central Victoria an area that covers 13% of the state. This involves:

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

### Our purpose

We will protect and enhance the integrity of our catchments.

### Our vision

We will be a benchmark organisation working in partnership with our community to deliver enduring natural resource management outcomes.

### Our values

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

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

### Our trademark in business

#### *Innovative, knowledgeable and reliable*

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

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

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

## Objectives, functions, powers and duties

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

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

- › coordinating the management of land, biodiversity and water resources through the development of the Regional Catchment Strategy (RCS)
- › enabling the regional community to provide local input to the planning and implementation of the RCS
- › formulating and delivering targeted interventions to protect the region's land, biodiversity and water assets.

The caretaker of river health function includes:

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

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

The North Central CMA has two types of business:

a) Direct service delivery, involving:

- › waterway management (river health)
- › water quality and biodiversity coordination
- › floodplain management
- › catchment planning (corporate functions).

b) Partnerships, involving:

- › sustainable agriculture and land management (particularly with reference to irrigation and dryland salinity)
- › water savings and water-use efficiency
- › biodiversity protection (including vegetation management and private forestry)
- › Landcare support
- › invasive plant and animal management.

## Manner of establishment and responsible Ministers

The North Central CMA is established under Victoria's CaLP Act. The responsible Ministers during 2010-11 were Gavin Jennings MLC, Minister for Environment and Climate Change for the period from 1 July 2010 to 1 December 2010 and Ryan Smith MLA, Minister for Environment and Climate Change, and Peter Walsh MLA, Minister for Water from 2 December 2010 to 30 June 2011.

## The year at a glance

### 2010-11 Floods

The rains that saturated north central Victoria in 2010-11 were of a scale and magnitude not seen for over a century, causing extensive and prolonged flooding. Consequently, the North Central CMA officially activated its *Flood Response Action Plan* for the first time since formation.

#### Area inundated during January 2011 floods

- › More than 20% of Victoria.
- › Approximately 25% (780,000 ha) of the North Central CMA region.
- › The Loddon River flood extended over 48 km wide and 90 km long across the floodplain.

In some areas, flooding extended over three months through to April 2011 due to the inability of flood waters to drain away.

#### Flood peak

The January 2011 floods were the highest, or near the highest, floods on record for **all** river systems in the North Central CMA region.

- › On 14 January 2011, Laanecoorie Reservoir recorded its second highest outflow of 194,000 ML per day the highest since the reservoir failed in 1909.
- › At Rochester Syphon gauge, the Campaspe River peaked at a record flood level of 9.17 metres (the recognised 'major flood level' is 9.1 metres).
- › The secondary spillway at Lake Eppalock was activated for the first time as flood waters made their way down the Campaspe River.

#### Rainfall

January 2011 was the wettest January on record. During this month, Victoria received almost three times its average rainfall.

- › In 2010, Victoria recorded its wettest year since 1974 and the fifth wettest year on record.

Rainfall totals for January 2011 included:

- › Kyneton 284.2 mm (January average 52 mm)
- › Maryborough 240.7 mm (January average 31 mm)
- › Charlton 184.2 mm (January average 33 mm)

#### Flood recovery

- › 6,795 hours of staff time was spent on flood recovery from January 2011 to 30 June 2011
- › 1,100 detailed flood damage site assessments have been completed
- › 100 levee breaches have been identified. Of these, 64 have been addressed and 36 will be actioned

- › 135 flood debris blockages were reported by community members. Of these, 99 were actioned as necessary and 36 will be actioned
- › The following works are required:
  - 190 erosion control sites to be repaired/replaced
  - 15 water quality monitoring sites to be repaired
  - 109 km riparian fencing to be repaired
  - 94 km riparian fencing to be replaced
  - 97 ha revegetation to be replanted
  - 29 km weed removal and 200 km silt removal along the Bullock Creek Improvement Trust Drainage System.

### July 2010

- › National Aboriginal and Islander Day Observance (NAIDOC) week activities were held in partnership with other regional agencies.
- › Construction of a fishway at Thompson Weir commenced between Cohuna and Gunbower, opening up 55 km of unimpeded passage for native fish in Gunbower Creek.

### August 2010

- › Some waterways in the North Central CMA region commenced flowing for the first time in many years.
- › A meeting was held with representatives from the Dja Dja Wurrung community to discuss opportunities for their participation in the Loddon Stressed River project.
- › A meeting was held with representatives from the Barapa Barapa community to discuss their continued participation, engagement and employment through the Enhancing Ramsar Wetlands (Gunbower and Kerang) projects.
- › Bi-monthly meetings to engage the region's Landcare networks commenced to enhance communication between Landcare and the North Central CMA.

### September 2010

- › The first of several significant flood events occurred across North Central Victoria.
- › The North Central CMA initiated its *Flood Response Action Plan* on 3 September with the appointment of an internal incident controller to liaise with the Victorian State Emergency Service (VicSES).
- › Loddon Shire Council coordinated a Loddon Nature Tourism Festival, in partnership with the regional community and agencies including the North Central CMA.
- › Lake Cullen, a wetland of international significance in the Kerang Lakes Ramsar site, received 8,479 ML of environmental water during September–October 2010.
- › McDonalds Swamp, east of Kerang, received up to 957 ML of environmental water during September, October and December 2010.

## October 2010

- › The Murray–Darling Basin Authority released the 'Guide to the Proposed Basin Plan' for community discussion and feedback. A joint session between the North Central CMA Board and the Natural Resource Management Committee was held to discuss the Guide.
- › The Draft North Central Invasive Plants and Animal Strategy was released for public comment.
- › A 'Fish of the Loddon River' workshop was held, focusing on the status of native fish in the lower Loddon River.

## November 2010

- › Initial funding of \$1.21 million was provided by the Victorian Government to assist landholders affected by the September 2010 flood event.
- › The North Central CMA hosted the Seventh Biennial Flood Conference in Bendigo.
- › A Children's Environmental Literacy event was held in partnership with the Northern United Forestry Group, attracting 200 local school children.

## December 2010

- › The Caring for our Country-funded component of the Community Delivering Sustainable NRM project concluded. Through this project, funding was provided to 30 landholders to protect the critically endangered Box-Gum Grassy Woodlands.
- › The Box-Gum Grassy Woodlands project grants panel met and approved funding for 20 sites.
- › The Box-Gum Grassy Woodlands brochure was published to assist landholders to identify these trees on their properties.

## January 2011

- › Widespread flooding occurred across most of North Central Victoria.
- › Intensive media and community engagement activities were undertaken in response to the flood event.

## February 2011

- › In conjunction with the Hepburn Shire Council, the North Central CMA welcomed the Victorian Government's announcement to provide \$150,000 for a Creswick Flood Mitigation and Urban Drainage Plan.
- › Community input into 2011-12 project development was obtained through the Natural Resource Management Committee, which provides advice to the Board.

## March 2011

- › A community meeting was held in Creswick to gather local knowledge to inform the development of the local Flood Mitigation and Urban Drainage Plan.

## April 2011

- › The Second North Central Regional Soils Forum was held in Bendigo as part of the Farming for Sustainable Soils project.
- › The 'draft' Loddon Campaspe Irrigation Region Land and Water Management Plan was recommended to DSE for comment.

- › A consortium of Loddon, Gannawarra and Campaspe shire councils, La Trobe University (Bendigo) and the North Central CMA signed a Memorandum of Understanding to undertake an Innovative Farming Implementation Plan project.
- › The North Central CMA participated in the Northern United Forestry Group's Farm Forestry and Firewood Machinery Expo.

## May 2011

- › A proposal seeking \$10.58 million for flood recovery works was submitted to the Australian Government's Natural Disaster Relief and Recovery Arrangements.
- › The North Central CMA Corporate Plan '2011-12 to 2015-16: Next Generation Catchment Management' was recommended to DSE.
- › North Central CMA participated in the Campaspe Water Technology Cluster Irrigation Expo in Echuca.
- › A 'Small Landholders Information Night' was held in partnership with the Department of Primary Industries, Department of Sustainability and Environment, Trust for Nature and the City of Greater Bendigo, attended by 50 people.
- › York Plains' landholders in the region's west signed on to protect and improve wetlands and remnant vegetation on their properties, agreeing to covenant over 400 ha of land.

## June 2011

- › Victorian Government funding of \$2.7 million was confirmed to implement the region's Flood Recovery Employment Program.
- › An allocation of Commonwealth Environmental Water was provided to the Loddon River following successful negotiations with the Commonwealth Environmental Water holder and other stakeholders.
- › The North Central CMA Board endorsed the Loddon Campaspe Irrigation Region Land and Water Management Plan.
- › A community and landholder mentoring group was established through the Adopting Sustainable Farming Practices project to encourage, support and facilitate leadership amongst the local farming community.
- › The Regional Waterwatch Program, Indigenous Facilitator, Dja Dja Wurrung project crew and Box-Gum Grassy Woodlands project joined 60 school children at Marong for an Indigenous engagement and Landcare event as part of Reconciliation Week and World Environment Day.

## Management and catchment overview

To fulfill the statutory requirements of section 19B of the CaLP Act, information in this annual report is presented under the following headline themes:

- › *Biodiversity*
- › *Marine Ecosystems*
- › *Inland Aquatic Ecosystems*
- › *Land Health*
- › *Environmental Stewardship*
- › *Community Capacity*.

## Management summary

The 2010-11 reporting period presented a challenging year for delivery of natural resource management activities across the North Central CMA region.

Of the 24 projects undertaken by the North Central CMA most were confronted with considerable challenges due to three significant flood events that impacted the entire North Central CMA region.

Following advice from the Victorian government, the following projects had funding and resources redirected for immediate flood response and recovery activities:

- › Upper Loddon and Campaspe Priority Reaches
- › Improving the Health of Avoca Reach 7
- › Loddon Stressed River
- › River Health Maintenance

Of the \$2.64 million of funding assigned to these four projects \$1.04 million was redirected to immediate flood response and recovery activities.

## Biodiversity

*What were the main activities and what was achieved?*

All outcomes linking to the biodiversity headline theme were achieved in this financial year, with 2,214 ha of additional habitat improved for biodiversity and the risk of extinction reduced for threatened species with the completion of priority actions at high priority sites.

The North Central CMA implemented 12 projects that contributed to the outcomes reported against the Biodiversity headline theme, **Northern Plains Conservation, Upper Loddon and Campaspe Priority Reaches, Box-Gum Grassy Woodlands, Goldfields Threatened Species, Kooyoorra Connections, Protection of the York Plains Wetlands, Permanent Protection and Stewardship, Connecting Country, River Health Maintenance, Enhancing the Values of the Gunbower Ramsar Site, Enhancing the Values of the Kerang Ramsar site and Loddon Stressed River.**

The **Box-Gum Grassy Woodlands** project made a significant contribution to the protection of the critically endangered White Box, Yellow Box and Blakely's Red Gum Grassy Woodland and Derived Native Grassland communities on private land in the North Central CMA region. Key outcomes included 130 ha of remnant vegetation protected and improved at 20 sites and 25 ha of revegetation. These activities will lead to enhanced connectivity, protection and awareness of nationally listed Box-Gum Grassy Woodland and Grey Box Grassy Woodland ecological communities.

The **Permanent Protection and Stewardship** project, delivered by Trust for Nature, has placed legal covenants on Land Titles of an additional 25 properties during the reporting period, with a combined area of 575 ha now protected permanently. The project also continued to build on a significant network of private land reserved for conservation in north central Victoria. The creation of these covenants will lead to the permanent protection and improved management of priority threatened vegetation communities

The **Northern Plains Conservation** project continued to implement priority actions from the Actions for Biodiversity Conservation database for a range of threatened species including the Arching Flax-lily, Northern Golden Moths, Slender Darling-pea, Red Swainson-pea, Oat Kangaroo Grass and Plains Wanderer.

A monitoring program for the Hooded Scaly-foot within three key North Central Victorian Reserves, including Terrick Terrick National Park, was also developed. These activities contributed significantly to reducing the risk of extinction for these threatened species.

The **Goldfields Threatened species** project implemented actions to protect populations of two threatened fauna, 10 threatened flora and 11 threatened orchid species. A total of 251 actions from the Actions for Biodiversity Conservation database were achieved.

### *Key challenges*

The delivery of on-ground works through the **Northern Plains Conservation** project was severely hampered by the 2010-11 floods. Many properties were inaccessible for months and a large number of Conservation Management Network (CMN) landholders were directly affected. Formal project communication and activities were delayed for several months.

Improved assessment to identify Box-Gum remnants in the **Box-Gum Grassy Woodlands** project would have benefited the project at inception. The assessment process is being addressed in 2011-12, which will result in further targeted on-ground activities.

## Inland Aquatic Ecosystems

An area of 120 ha of riparian land has been improved for biodiversity under the Inland Aquatic Ecosystems headline theme. Furthermore an area of 309 ha of wetland habitat has been improved for biodiversity.

### *What were the main activities and what was achieved?*

During the reporting period; the North Central CMA implemented eight projects which contributed to the outcomes reported against the Inland Aquatic Ecosystems headline theme **Protection of the York Plains Wetlands, Permanent Protection and Stewardship, Upper Loddon and Campaspe Priority Reaches, Enhancing the Values of the Gunbower Ramsar Site, Environmental Reserve Manager, Enhancing the Values of Avoca Reach 7, River Health Maintenance and Loddon Stressed River**

Many of the Inland Aquatic Ecosystem focused projects are part of the North Central's asset-based portfolio, and implement priorities from existing catchment action plans for the Upper Loddon, Campaspe and Avoca River catchments. In addition to the priority asset projects, there has been a focus on maintaining previous investment in river health and undertaking flood recovery works.

The Gunbower Forest is listed under the Ramsar Convention as a wetland of international significance. The **Enhancing the values of the Gunbower Ramsar site** project provides an integrated approach to protect the ecological character of the Gunbower Ramsar site and has made a major contribution towards outputs for this theme. Outputs for this project have been achieved through targeted on-ground pest plant and animal management with the priority being on the protection of high value areas of the Forest. Fencing and revegetation of riparian zones along key reaches of the adjoining Gunbower Creek have also been undertaken.

The upper catchments of the Loddon and Campaspe Rivers, in the Daylesford area, are recognised as containing some of the healthiest rivers and creeks in north central Victoria. They support intact and important streamside vegetation, deliver good quality water to downstream users, and provide important habitat for aquatic and terrestrial species. Delivery of the **Upper Loddon and Campaspe and Priority Reaches** project targets the enhancement of relatively intact riparian areas within this important area through improving and protecting vegetation, managing weeds of national significance (gorse, willow and blackberry) and involving the community in river health management.



### *Key challenges*

The main challenge encountered in the delivery of activities under the Inland Aquatic Ecosystems headline theme was the impact from flooding. In particular, the **Loddon Stressed River, Loddon and Campaspe Priority Reaches, Improving the Health of Avoca Reach 7, and River Health Maintenance** projects were significantly impacted due to the redirection of funds and resources for flood response and recovery activities. Therefore many activities planned to be undertaken through these projects were ceased in early 2011 when the major flooding began.

As a result of the flooding, many activities and outputs planned for the **River Health Maintenance** project were not implemented. Activities did include minor weed management and revegetation at sites of previous investment.

The **Enhancing the values of the Gunbower Ramsar site** project was also affected by the floods, with access to works sites prevented by flooding. The unseasonably wet weather following a ten-year drought also had a major impact on the fencing and revegetation works planned for the project. Preparation for revegetation works was regularly interrupted and sites that had been ripped, rotary hoed and sprayed often had to be re-worked due to compaction following heavy rain. The **Enhancing the value of the Gunbower Ramsar site** project was however able to deliver all of its outputs on time and to budget.

### **Land Health**

Under the Land Health headline theme 1,401 ha has been inspected for high risk established invasive plants and animals. An area of 7,625 ha has been treated for target species thus protecting significant biodiversity and other natural resource assets.

An additional 400 ha of area has been serviced by surface water management systems to reduce the risk of salinity on land and water assets within the North Central CMA region. An area of 443 ha has been treated to improve or maintain soil health. Furthermore 11 km of waterway has been stabilised (includes dams, river and wetlands) to improve or maintain soil health.

#### *What were the main activities and what was achieved?*

During the reporting period; the North Central CMA implemented 14 projects which contributed to the outcomes reported against the Land Health headline theme **Farming for Sustainable Soils, Protection of the York Plains Wetlands, Northern Plains Conservation, Permanent Protection and Stewardship, Upper Loddon and Campaspe Priority Reaches, Connecting Country, Box Gum Grassy Woodlands, Enhancing the Values of the Gunbower Ramsar Site, Enhancing the Values of the Kerang Ramsar site, Enhancing the Values of Avoca Reach 7, Kooyoora Connections, River Health Maintenance and the Healthy Productive Irrigated Landscapes.**

The **Farming for Sustainable Soils** project recognises the link between soil and land health. The project has advanced a program of soil protection to mitigate wind erosion in north central Victoria by working collaboratively with regional farming communities through an adaptive, community-based learning approach. The focus of the work is on improving soil structure through increasing soil carbon to mitigate wind erosion in times of reduced rainfall and much greater seasonal climatic variability. Since September 2009 six community groups have developed local soil protection plans and are now implementing practice change.

**Connecting Country** is a unique landscape-scale project which aims to restore and enhance biodiversity across the Mount Alexander Shire. The project is led by the community and involves a wide range of groups and agencies. It involves a mix of on-ground actions to improve woodland habitat quality and connectivity, community education and awareness raising and strategic community-based monitoring. **Connecting Country's** vegetation enhancement works have gained real momentum in this period with expressions of interest being regularly received. Landholders and Landcare groups continue to be supported with detailed site assessments and management plans, workshops and referrals to professional technical guidance.

**Protection of the York Plains Wetlands** project is working with landholders to protect a series of wetlands on private property, west of St. Arnaud. Over the last two years, agreements have been signed with the landholders to protect and enhance these special places. Over 33 km of fencing is being constructed to protect them and control grazing, 840 ha of perennial pasture is being planted to control rising water tables, buffer strips and biolinks are being planted and most importantly over 400 ha will be covenanted to ensure they are permanently protected. Flooding in 2010 and 2011 has done little to dampen the landholders' enthusiasm for the project and has brought new life to the wetlands after a prolonged dry period.

### *Key challenges*

As with many projects, the floods of 2010-11 presented several challenges for the **Protection of the York Plains** project. Its location along the Avon River meant that the project area was subject to flooding, with many areas being inundated three times. Two landholders decided to withdraw from the project due to effects of the floods. Additional sites for on-ground works have been identified to make up for the two landholders that withdrew from the project and further discussions regarding these sites will occur in 2011-12.

The **Healthy Productive Irrigated Landscapes** project had some setbacks in the 2010-11 year mainly due to flooding. Following a wet summer in 2010-11 that led to extensive flooding across Northern Victoria including the area within the Murray River which maintained high flows over a prolonged period, delaying the construction of the Benwell Surface Water Management System outfall and connection to the Murray River.

In addition, many landholders were forced to temporarily cease works relating to irrigation modernisation and improved land and water management.

### **Environmental Stewardship**

#### *What were the main activities and what was achieved?*

Under the Environmental Stewardship headline theme 143 ha of riparian habitat has been protected for biodiversity with three management agreements in place. A further 644 ha of wetland habitat and 644 ha of terrestrial habitat has also been protected for biodiversity under management agreement.

An additional area of 69 ha of riparian habitat, 309 ha of terrestrial habitat and 309 ha of wetland habitat have been permanently protected for biodiversity.

During the reporting period, the North Central CMA implemented four projects which contributed to the outcomes reported against the Environmental Stewardship headline theme **Kooyoora Connections, Protection of the York Plains Wetlands, Connecting Country** and the **Permanent Protection and Stewardship** project.

The **Permanent Protection and Stewardship** project is a Trust for Nature delivered project focused on the permanent protection of high priority environmental assets on private land. The project continues to deliver protective covenants through engaging with landholders with high-value conservation land. The project improved 1,341 ha of habitat for biodiversity, permanently protected 258 ha and protected 57 ha through management agreements. The project focuses on securing high priority areas of native vegetation in partnership with other funded environmental protection projects.

The **Kooyoora Connections** project has had a successful year and has in the most part, delivered on its targets, despite the project area being severely impacted by regional flooding. Although the floods interrupted the project in 2010-11, it has made up much of this ground in the last three months of the year to deliver most of the on-ground outputs. As a result, 110 ha (of the 140 ha target) of Box-Gum Grassy Woodland was protected and enhanced through the delivery of 11 km of fencing and 20 ha of direct seeding. These outputs involved numerous properties and negotiations with five landholders. Despite falling short of the target, the project has generated considerable interest amongst local landholders who are seeking to become involved in 2011-12, in which all targets should be achieved.

#### *Key Challenges to Management*

The floods that occurred during late 2010 and early 2011 had a significant impact on landowners within the **Connecting Country** project area. The floods damaged many fence lines and revegetation projects in floodplains and near waterways, driving some landholders to reconsider undertaking activities within these areas. Floodplains and waterways coincide with many of the areas of Yellow Box communities in the Mt Alexander shire, therefore potentially reducing the amount of area available to undertake these on-ground activities. Landholder interest and participation has also been a challenge post floods.

Providing timely and up-to-date information to interested community members and groups on the **Connecting Country** project and other matters has been an on-going challenge for those with limited access to computers and/or lower levels of computer literacy. Hard copy versions of key documents are in preparation for mailing and greater use of other media sources (e.g. newspapers) is being made.

## **Community Capacity**

The North Central CMA's Natural Resource Management Committee is a community advisory committee that provides a community perspective to the North Central CMA Board and has input into the investment process by making investment recommendations to the North Central CMA Board.

The North Central CMA has delivered approximately \$19 million of environmental investment throughout 2010-11, resulting in many positive environmental outcomes. This level of achievement would not have been possible without the assistance of our major agency and community partners. In particular, Conservation Management Networks and Landcare groups and networks feature prominently in our programs as proponents and service providers. The capacity to deliver this volume of projects has been built over the past six years through investments in our people and our systems, and remains a key regional asset.

There have been plans developed or implemented to support community groups across 5,000 ha of the region. In the reporting period, \$7,400 of corporate and philanthropic funding has been secured to support NRM community groups. Furthermore, an additional \$58,605 of community in-kind support has contributed to NRM works across the North Central CMA region.

The North Central CMA has supported 315 community NRM groups with 185 project/activities/events held to increase community capacity and to contribute to cultural heritage outcomes.

Land managers in the North Central CMA region are managing 47,062 ha of land sustainably with over 900 projects/activities/events held to increase land managers capacity to manage natural resources sustainably.

Over 1,680 activities have been held to increase or maintain institutional capacity of regional agencies to implement the Regional Catchment Strategy (RCS). There have been 10 projects/activities/events held to increase social and human capital of regional agencies to implement the RCS.

Our achievements are made possible through the coordination, development and implementation of key onground programs in partnership with our communities, which continue to be the cornerstone of what we do. This is undertaken either directly or through our partnerships with DPI, DSE, TfN, local government, MDBA, water corporations, educational institutions, research bodies, the private sector and the regional community. These important relationships allow the North Central CMA to continue to successfully deliver natural resource management projects that have received meaningful stakeholder and community input.

#### *What were the main activities and what was achieved?*

During the reporting period, the North Central CMA implemented 21 projects which contributed to the outcomes reported against the Community Capacity headline theme **Protection of the York Plains Wetlands, Northern Plains Conservation, Permanent Protection and Stewardship, Upper Loddon and Campaspe Priority Reaches, Connecting Country, Box Gum Grassy Woodlands, Enhancing the Values of the Gunbower Ramsar Site, Enhancing the Values of the Kerang Ramsar site, Environmental Reserve Manager, Enhancing the Values of Avoca Reach 7, River Health Maintenance, Administration of Stat Functions, Farming for Sustainable Soils, North Central Water Watch Program, Loddon Stressed River, Healthy Productive Irrigated Landscapes, Reporting and Accounting for Salinity, Second Generation Landcare Grants, Regional Landcare Coordinator, Farm Plan 21 and the Loddon Stressed River.**

In the 2010-11 year, the **North Central Waterwatch program** actively supported and engaged over 3,500 community participants through awareness raising and community events. In addition, the program continued to enhance relationships with regional stakeholders. Water quality data was provided to DSE's Index of Stream Condition and information was gathered on Platypus distribution throughout North Central Victoria for the Australian Platypus Conservancy. A key achievement was the collaboration with NRM projects to deliver outcomes across the region.

During the 2010-11 period, the **Regional Landcare Coordinator** worked with more than 160 Landcare and community natural resource management groups and networks across North Central Victoria to address local issues that contribute to landscape change.

The **Second Generation Landcare grants** program was over subscribed by more than \$500,000. The over subscription highlights the commitment from groups within the North Central CMA region to undertake works towards natural resource management. The quality of the applications was high, with most projects attempting to address local issues while contributing to landscape change.

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Despite the impact of flooding, the **Loddon Stressed River** project delivered 14 community engagement activities. A key achievement was the engagement with the Dja Dja Wurrung Aboriginal Clans Board and the Dja Dja Wurrung works crew. The main focus has been the development of interpretive signage for installation at key public access sites along the Loddon River. The project team has worked with Dja Dja Wurrung representatives to identify locations and develop layout and key messages for the signs, which will acknowledge the value of the Loddon River to the Dja Dja Wurrung and the partnership between the North Central CMA and the Dja Dja Wurrung.

A specific focus of both the **Kerang and Gunbower Ramsar Enhancement** projects has been engagement with Traditional Owners (Barapa Barapa Nation) in the planning and implementation of the project, including the employment of an Indigenous works crew to deliver works on-ground. The project's Wetlands Enhancement Crew has been operating for 16 months (as of 30 June 2011). In 2010-11, crew members completed a Certificate II in Conservation and Land Management and are currently enrolled and completing a Certificate IV in Conservation and Land Management. They have played a major role in delivering on-ground works for both the **Kerang and Gunbower** projects, including cultural heritage assessment, rabbit warren mapping and destruction, a broad range of weed management activities, fencing, and liaising with contractors to raise awareness of Indigenous cultural heritage. While ongoing engagement with the Traditional Owner group has presented challenges throughout the year, issues have been resolved and a much closer working relationship is expected in 2011-12.

#### *Key challenges*

The key challenges to management encountered by projects delivering outcomes that contributed to the Community Capacity theme include the decline in community involvement and interest due to flood recovery works and lack of funding and resources.

The **Kooyoora Connections** project encountered challenges due to the unusually wet season with flooding affecting a large part of the project area and its outputs.

The **North Central Waterwatch** program is currently delivered by the Waterwatch Coordinator. There is considerable demand for Waterwatch services within the region, particularly the River Detectives program. An increasing number of schools are seeking to participate in this program. This will be a continuing challenge into the future based on current resourcing levels.

## Catchment condition statement 2010-11

Theme	Statement
<b>Biodiversity</b>	<p><b>Overall condition: Poor to moderate</b></p> <p><b>Trend: Declining</b></p> <p>The 2010-11 period resulted in a reprieve for an otherwise declining biodiversity condition. Substantial flooding over spring and summer (discussed further under 'inland aquatic ecosystems') led to a range of observed biodiversity improvements. Many species bred in the post-flooding conditions including aquatic plants, native fish (e.g. Murray Hardyhead) and native birds (e.g. Great Egrets and Magpie Geese).</p> <p>Improvements were also observed in the native vegetation communities. Flood dependent vegetation re-established in areas where they had been displaced during the drought. New canopy growth is evident on River Red Gum and Box communities in flooded areas.</p> <p>Also, an additional 2,214 ha of habitat improved for biodiversity and 311 ha of habitat protected by agreements for biodiversity in the 2010-11 period, have contributed to a localised increase in condition. We continue to monitor the biodiversity benefits of our activities.</p> <p>While the 2010-11 period has been positive for biodiversity, there is a larger underlying trend that continues to be the focus of our future management efforts. A large proportion of the native vegetation and habitat remaining in the North Central CMA region remains degraded and fragmented. The recent VEAC Remnant Native Vegetation Investigation (2010) found that the bioregional landscapes within the North Central CMA region contain predominantly 'fragmented' native vegetation with very little, if any, 'largely-intact'. Consequently, a large number of the region's species are threatened. Of the (approximate) 130 threatened flora species, 52 are nationally threatened and 41 are listed under the <i>Flora and Fauna Guarantee Act 1988</i>. There are also many threatened fauna species. Of the (approximately) 101 species, 13 are nationally threatened and 48 are listed under the (FFG Act).</p> <p>While significant, targeted works have been undertaken to protect and enhance various types of native vegetation and threatened species habitat to improve condition, the overall regional trend in native vegetation is still declining. This trend is mirrored in the VEAC investigation, which found that vegetation condition is now the main ongoing cause of vegetation decline across Victoria. The scale and investment needed to affect landscape-scale change is far beyond current levels of government resourcing.</p> <p>While there is detailed information on the state and condition of specific species and communities, overall there is insufficient information throughout the region to make an assessment of condition to a high confidence rating.</p> <p>The principle of needing at least 30% cover has long been recognised; and modelling suggests that without this, there will be an ongoing decline in biodiversity (i.e. loss of habitat, ecosystem function and species). Without a shift in the current resourcing paradigm of State and Federal governments, we can only realistically expect to achieve short-term, localised gains while the remaining assets and areas continue to decline.</p>

Theme	Statement
<b>Inland Aquatic Ecosystems</b>	<p><b>Overall condition: Poor to moderate</b></p> <p><b>Trend: Stable</b></p> <p>Record rainfall and flooding has been the major influence on local aquatic environments in North Central Victoria during 2010-11. Moderate to major flooding was experienced in September and late November 2010 across the Campaspe, Loddon, Avoca and Avon-Richardson systems. A third (and larger) flood event occurred in January 2011, after several locations experienced their highest January daily rainfall on record. The Avoca, Loddon and Campaspe River systems again had major flooding which affected several towns including Creswick, Clunes, Carisbrook, Rochester and Charlton. Many waterways in the region experienced their highest river heights on record. It is currently estimated that over 25% (780,000 ha) of the North Central Region was inundated following the January event. In some areas, such as Benjeroop, inundations extended through to the end of April 2011 due to the inability of flood waters to drain away.</p> <p>Regarding waterways, environmental water was released before and after flood events to alleviate low flows. The Tullaroop Creek, Loddon and Campaspe Rivers all received some allocations. The combination of environmental water and flood water resulted in Blackfish populations being maintained in Tullaroop Creek and the Loddon River flowing downstream of the Loddon Weir for the first time in three years.</p> <p>Waterwatch data (up to 2011) suggests water quality in the region's rivers varied from good to poor, with turbidity and electrical conductivity being the main concerns. The September and November flooding did not appear to greatly alter the parameters measured through Waterwatch, however, turbidity in particular was observed to greatly increase during the floods and total phosphorus is also predicted to have increased. Blackwater events occurred along the River Murray due to the floods.</p> <p>As expected from natural flood events, there were instances of instream bed and bank erosion and the destruction of instream habitat through scouring and flood debris. North Central CMA and others have begun repairing riparian fencing, river structures and water quality monitoring gauges.</p> <p>While the condition of waterways in the region remains poor to moderate (based on available Index of Stream Condition data), it is expected that changes in condition will be detected in the post-flooding environment. In addition, the existence of well developed plans, strategies and ongoing management, will aim to maximise any positive condition changes and address any new issues arising from the floods.</p> <p>Wetlands also benefited from the combination of environmental water and floods. High priority wetlands in the Torrumbarry and Boort systems received environmental flows prior to the January floods. Both Magpie Geese and Murray Hardyhead have successfully bred. Other threatened waterbird species have been observed at various wetlands.</p> <p>Gunbower Forest was inundated over 9,000 ha due to River Murray overflows. This one in ten year event resulted in breeding for Great Egrets, cormorants, ducks, ibis and swans. Many wetland plant species have flowered and set seed, while the flood dependent understorey flora is re-establishing. Higher flows in the River Murray from September 2010 to July 2011 have resulted in much of the wetland area, surrounding floodplain and flood runners remaining full or with some through-flow for ten months. Unexpectedly, native fish populations have remained stable despite the flood events. Carp, Redfin and mosquitofish numbers have increased following the floods.</p> <p>Outside flood periods, the availability of good information and indicators on condition and trends over time for lakes and wetlands remains limited. However, the Index of Wetland Condition Assessment (2010) has been applied to over 60 sites across the North Central CMA region and will continue to be a useful monitoring tool.</p>

Theme	Statement
<b>Land Health</b>	<p><b>Overall condition: Poor to moderate</b></p> <p><b>Trend: Stable</b></p> <p>While soils within the North Central CMA region have moderate to high susceptibility to wind erosion, the likelihood under current management practices is largely low to moderate, with a few localised high risk areas. Much of the soils of the North Central region have a very high susceptibility to soil structure decline with a high likelihood of occurrence under current land management practices.</p> <p>To help address these (and other) land management problems, the Farming for Sustainable Soils Project helps 180 landholders over 240,000 ha implement sustainable practices. Baseline soil information is collected, so farmers can see the difference their changed practices are making. During 2010-11, the farmers participating in the program appreciated the need to maintain soil cover as a means of avoiding soil loss. The project has encouraged and motivated farmers to work with their peers to become sustainable.</p> <p>During 2010-11, 443 ha of land was treated for erosion through various North Central CMA activities.</p> <p>From an irrigation land perspective, drought in recent years has resulted in regional groundwater levels falling and low overall salt loads leaving the catchments due to low stream flows. This has resulted in the region's salinity issues being somewhat negated and the overall condition of local irrigation land improving.</p> <p>A sample of the latest groundwater hydrographs from across the region shows groundwater levels have increased in response to the floods. The majority of levels appear to remain more than two metres below the soil surface, with the exception of the Laanecoorie-Serpentine zone in the mid-Loddon Groundwater Management Area. There is a risk that continuing groundwater rise may cause salinity impacts once more. This will be monitored in the coming months and management initiatives implemented, where possible, to mitigate the impact on the local communities and environment.</p> <p>It should be noted however, that another outcome from the floods – the increased water allocation for irrigation – may help mitigate some salinity impacts through flushing salt that had accumulated in the soil column during periods of reduced water allocations. Irrigation allocations in the Campaspe and Loddon systems started at zero per cent at the start of the season and by 15 November 2010 had risen to 100% for the remainder of the season.</p> <p>In terms of salt load export from the catchment, the region's floods resulted in higher flows within streams but are expected to have diluted stream salinity concentrations. Whether this has resulted in a change to the overall salt load export remains to be seen, but will be closely monitored for future reporting.</p> <p>Flooding damaged some land through water erosion, particularly at several existing erosion control structures, which are now being repaired. Multiple periods of inundation destroyed crops, killed perennial pastures and stock and tore down fences. This had a financial and emotional impact on farmers.</p> <p>Despite the extreme climatic changes (drought followed by flooding) experienced across the region, the overall condition of land in North Central Victoria remains stable.</p>

Theme	Statement
<b>Environmental Stewardship</b>	<p><b>Overall condition: Moderate</b></p> <p><b>Trend: Improving</b></p> <p>Approximately 13% of the North Central CMA region is public land, a substantial proportion of which has been set aside for nature conservation. The major reserves include the Terrick Terrick, Greater Bendigo, Castlemaine Diggings Heritage, St Arnaud Range, Gunbower and Heathcote-Graytown National Parks. Together with State and Regional Parks and other types of reserves, around 100,000 ha of public land has been set aside for nature conservation and compatible land practices.</p> <p>In addition to environmental stewardship on public land, there is an upward trend continuing in the extent of private land being actively managed for environmental outcomes in North Central Victoria.</p> <p>For example, Trust for Nature has now registered 173 covenants in North Central Victoria, protecting 7,535 ha. The Trust has also entered into negotiations with another 13 covenants during 2010-11 that cover almost 800 ha. Management plans for about 25 of these properties have been created in consultation with the landholders through the Trust's stewardship program. The covenants permanently protect threatened vegetation communities and reduce the risk of extinction for threatened species. They work towards improving connectivity within the fragmented Goldfields Bioregion.</p> <p>A further example is the York Plains wetlands where most landholders owning and managing land on the Yorks Plains have signed contracts to undertake protection and enhancement works over the coming five years. These works include: establishing covenants on 400 ha of the most significant remnant areas to provide permanent protection; protecting another 98 ha of vegetation through stock control fencing and revegetation; and establishing 840 ha of perennial pasture to help manage groundwater recharge and salinity impacts on the wetlands.</p> <p>Landcare is an important mechanism for environmental stewardship in the region. It is discussed further under community capacity.</p>
<b>Community Capacity</b>	<p><b>Overall condition: Moderate</b></p> <p><b>Trend: Stable</b></p> <p>North Central Victoria continues to undergo significant transformation, which has implications for the capacity of local community members to participate in natural resource management.</p> <p>The 2010-2011 floods caused substantial damage in several locations and resulted in affected communities spending considerable resources implementing flood recovery efforts for their homes and businesses. Many from these areas, who would otherwise have participated in environmental management activities, have been unable to do so due to emotional and financial strain. In response, the North Central CMA's Flood Recovery Employment Program will employ work crews to help repair flood damage by delivering on-ground environmental projects including fencing, pest plant and animal control, revegetation, seed collection, debris and waste removal and environmental monitoring.</p> <p>Work has continued on the Murray-Darling Basin Authority's Basin Plan, which will provide a framework to manage the water resources of the Murray-Darling Basin. Consultation has identified that most of the irrigation communities to the north of the region are at risk from reduced water availability under the Plan, as they are both small in scale and highly dependent on agriculture.</p> <p>Furthermore, the North Central CMA region is subject to climate change predictions released by the International Panel on Climate Change, with scenario modelling predicting a future with less water availability. Irrigators and regional communities are actively seeking options to improve efficiency, productivity and sustainability.</p> <p>However, environmental pressures remain in the region through significant urban growth in the south and demographic changes in the north.</p> <p>The community helps respond to these pressures through the 160 Landcare and community NRM groups in the North Central CMA region, providing about 80% coverage of the region. Sixty-five of these groups belong to one of the six networks in the region. The Kara Kara Conservation Management Network was formed in late 2010 and aims to protect and enhance habitat critical to the survival of woodland birds and other species, mainly through the creation and maintenance of biolinks.</p> <p>The Indigenous community in North Central Victoria continues to play an important role in linking natural resource management with cultural heritage management. For example, the Kerang Indigenous Wetland Enhancement Crew has held tours with Landcare volunteers to highlight cultural heritage values associated with Landcare sites and the importance of Aboriginal Heritage legislation.</p> <p>Waterwatch remains an active and important part of community-based NRM in North Central Victoria. During 2010-11 over 3,500 community members, primary school students and Waterwatch monitors participated in the program. The number of water quality monitors has been increased, which enables further data collection across the region and a better understanding of waterway condition.</p> <p>The North Central CMA supported 314 community groups to help maintain or improve their capacity to contribute to NRM and cultural heritage outcomes.</p>

## Operational and budgetary objectives

### Delivering on statewide key performance indicators and targets

The North Central CMA reports against the statewide key performance indicators and targets as prescribed by the Victorian Government for all Victorian CMA's as follows:

Performance Area	Performance Indicators	Target	Achievement reporting
<b>Governance</b>			
Board performance	Complete and submit an annual board performance assessment report, according to any Ministerial guidelines issued	By 31 August annually	The annual Board performance report was submitted on 27 August 2010
	Participation by board members in development activities	All board members participate in development activities	All Board members attended training workshops in June 2010 and March 2011
Board charter	Develop and implement a board charter that as a minimum: <ul style="list-style-type: none"> <li>› includes a requirement for the regular review of the board's effectiveness</li> <li>› establishes appropriate board committees including a risk and compliance committee</li> <li>› features a provision that the board will comply with Ministerial guidelines requires the board to monitor the CMA's financial, social and environmental performance</li> </ul>	A board charter with these features is established by 31 August 2010	The Board's charter and operating protocols were reviewed and endorsed on 7 December 2010
Risk and financial management	Compliance to risk management plans for each program	All programs have risk management plans in place Nil non-compliances with risk management plan	100% compliant
	Annual review of governance policies and procedures	Review all governance policies and procedures by 30 June annually	All governance policies reviewed
<b>Efficiency and Organisation Performance</b>			
Expenditure versus budget	Variation of actual to budgeted expenditure for the CMA	Total actual expenditure is less than or equal to budgeted expenditure For each program, actual expenditure is within +/- 10% of the budgeted expenditure	Total actual expenditure against budgeted expenditure 2.3% variance overall All program variances were above/below 10% with the exception of the Strategy program which had a 10.9% variance from budget. A result due to expenditure paid ahead of forecast
Grant management	Administration costs of grants are minimised	10% or less of grant funds is spent on administration	Compliant.
	Minimise time taken to determine grant applications	Grant applications are determined within one month of being received	The North Central CMA Standing Grants Panel met three times to consider Grant applications for a) Victorian Landcare Grants, b) Farming for Sustainable Soils Grants and c) Box Gum Grassy Woodland environmental protection Grants  On two occasions the time taken to determine the application outcomes was less than 28 days after the final date of lodgement. On one occasion the time taken was greater than 28 days to allow revision of projects with applicants



Performance Area	Performance Indicators	Target	Achievement reporting
Regulatory waterway/ water functions	Number of days to process works on waterways permits	Not more than 20 working days	<p>Average number of working days to process referrals: <b>15.5 calendar days</b></p> <p>Number of referrals that took more than 20 working days to process: <b>1</b></p> <p>Extensive flooding in the North Central region significantly hindered North Central CMA's ability to respond to all referrals within Statutory timeframes. Staff responsible for responding to these referrals was directly involved in North Central CMA's flood response including staffing the Incident Control Centre and organising flood data capture</p>
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	<p>Average number of working days to process referrals: <b>15.3 calendar days</b></p> <p>Number of referrals that took more than 20 working days to process: <b>3</b></p> <p>Extensive flooding in the North Central region significantly hindered North Central CMA's ability to respond to all referrals within Statutory timeframes. Staff responsible for responding to these referrals was directly involved in North Central CMA's flood response including staffing the Incident Control Centre and organising flood data capture</p>
	Number of days to process enquiries from local government and the community on flooding	Not more than 20 working days	<p>Average number of working days to process referrals: <b>14.8 calendar days</b></p> <p>Number of referrals that took more than 20 working days to process: <b>45</b></p> <p>Extensive flooding in the North Central region significantly hindered North Central CMA's ability to respond to all referrals within Statutory timeframes. Staff responsible for responding to these referrals was directly involved in North Central CMA's flood response including staffing the Incident Control Centre and organising flood data capture</p> <p>North Central CMA focused its efforts and stretched resources on responding to the statutory referrals in preference to general flood level requests</p>
	Number of days to process referrals for Water Use Licences that don't meet the standard water-use conditions	Not more than 20 working days	<p>Average number of working days to process referrals: <b>0 days</b></p> <p>Number of referrals that took more than 20 working days to process: <b>not applicable</b></p> <p><b>No applications received in 2010-11</b></p>
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans and seasonal adjustments to annual use limits	Not more than 20 working days	<p>Average number of working days to process referrals: <b>0 days</b></p> <p>Number of referrals that took more than 20 working days to process: <b>not applicable</b></p> <p><b>No applications received in 2010-11</b></p>

Performance Area	Performance Indicators	Target	Achievement reporting
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences	Not more than 20 working days	Average number of working days to process referrals: <b>0 days</b> Number of referrals that took more than 20 working days to process: <b>not applicable</b> <b>No applications received in 2010-11</b>
<b>Effectiveness and Environmental Outcomes</b>			
Integrated River Health Management	Revise Regional River Health Strategy to plan for waterways in relation to their economic, social and environmental values	Regional River Health Strategy revised every six years	The data collection phase for the Regional Strategy for Healthy Rivers and Wetlands has commenced. Development of the strategy is pending finalisation of the guidelines from DSE
	Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the environmental water reserve in accordance with objectives	Environmental Operating Strategies developed or revised every five years Annual Watering Plans approved for all Environmental Entitlements	Environmental Operating Strategy for the Loddon Environmental Entitlement developed and endorsed in 2006 and due for revision in 2011 2010-11 Annual Watering Plan for the Loddon Environmental Entitlement approved on 17 August 2010
	Implement annual river health programs and activities to improve environmental values and health of water ecosystems	All annual river health targets and works programs achieved	During the reporting period, the North Central CMA implemented 28 River Health projects which contributed to the outcomes and milestones reported within the Inland Aquatic Ecosystems theme. Delivery of these projects was impacted by extensive regional flooding. Resources were redirected to flood response and recovery efforts
Regional Catchment Strategy (RCS) implementation	Percentage of RCS annual actions implemented	All RCS annual actions implemented	Final RCS guidelines were released by the VCMC in 2011. Funding has been allocated by DSE for the development of the RCS prior to June 2012
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	Clarification on the revision of Native Vegetation Plans is required from DSE
Invasive plant and animal management	Regional Invasive Plant and Animal Strategies incorporating related priorities in all land tenures in the region	Invasive Plant and Animal Strategies revised by 30 June every five years	The North Central CMA Invasive Plants and Animals Strategy was endorsed by the North Central CMA Board in 2011
Regional and statutory planning	Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body	100% of referral responses provided for each issue	Advice provided as required
Salinity management	Implementation and periodic review of Regional Salinity Management Plans (RSMP) and Land and Water Management Plans (LWMP)	RSMP and LWMP completed RSMP and LWMP periodically reviewed RSMP and LWMP include annual actions to be implemented	The revised Loddon Campaspe Irrigation Region Land and Water Management Plan was endorsed by the North Central CMA Board in June 2011
	Progress against annual action targets	All annual RSMP and LWMP actions and targets achieved	The North Central CMA provided input and contributed to the Victorian Basin Salinity Management Strategy Annual Report

Performance Area	Performance Indicators	Target	Achievement reporting
	Develop regional salinity targets and corresponding works programs in accordance with the Murray-Darling Basin Salinity Agreement (for applicable CMAs only)	All annual salinity targets and works programs achieved	The North Central CMA provided input and contributed to the Victorian Basin Salinity Management Strategy Annual Report. This included the Five Year Review for the Barr Creek Catchment Strategy and Tragowel Plains Drains at 2002 Levels, and commencement of the Register B Five Year Review
	Annual report on the allocation and update of salt disposal entitlements submitted to the responsible Minister	By 31 July annually or as otherwise requested by the responsible Minister	The North Central CMA provided input and contributed to the Victorian Basin Salinity Management Strategy Annual Report
Regional Landcare groups, networks and other community groups	Deliver the Regional Landcare Support Strategy, including coordination of Landcare at a regional scale	Evaluate and revise the strategy every five years	The Regional Landcare Support Strategy was reviewed in December 2010. Activities within the strategy, have been built into the Landcare Coordinators Program for 2011-12

## Summary of financial results

### Five Year Financial Summary

	2010/2011	2009/2010	2008/2009	2007/2008	2006/2007
State Government	15,304,551	12,488,153	11,764,317	14,270,468	10,633,266
Commonwealth Government	4,018,000	3,556,689	5,039,410	5,940,040	6,402,110
Other revenue	3,137,767	3,758,889	3,283,239	3,063,111	1,917,925
<b>Total revenue</b>	<b>22,460,318</b>	<b>19,803,731</b>	<b>20,086,966</b>	<b>23,273,619</b>	<b>18,953,301</b>
Administration expenditure	2,403,317	2,221,582	2,605,611	1,859,985	1,754,091
Corporate expenditure	1,138,366	1,025,231	841,041	848,435	993,821
Project expenditure	14,800,741	16,623,119	21,568,957	18,900,042	17,351,074
<b>Total expenditure</b>	<b>18,342,423</b>	<b>19,869,931</b>	<b>25,015,609</b>	<b>21,608,462</b>	<b>20,098,986</b>
<b>Total surplus/deficit</b>	<b>4,117,895</b>	<b>-66,200</b>	<b>-4,928,643</b>	<b>1,665,157</b>	<b>-1,145,685</b>
Current assets	12,720,635	9,629,823	10,846,306	13,637,514	11,689,086
Non-current assets	3,105,234	2,294,297	2,205,310	1,826,126	1,746,632
<b>Total assets</b>	<b>15,825,869</b>	<b>11,924,120</b>	<b>13,051,616</b>	<b>15,463,640</b>	<b>13,435,718</b>
Current liabilities	2,692,357	3,537,461	5,625,642	3,252,275	2,931,894
Non-current liabilities	121,927	118,976	83,769	62,764	20,380
<b>Total liabilities</b>	<b>2,814,284</b>	<b>3,656,437</b>	<b>5,709,411</b>	<b>3,315,039</b>	<b>2,952,274</b>

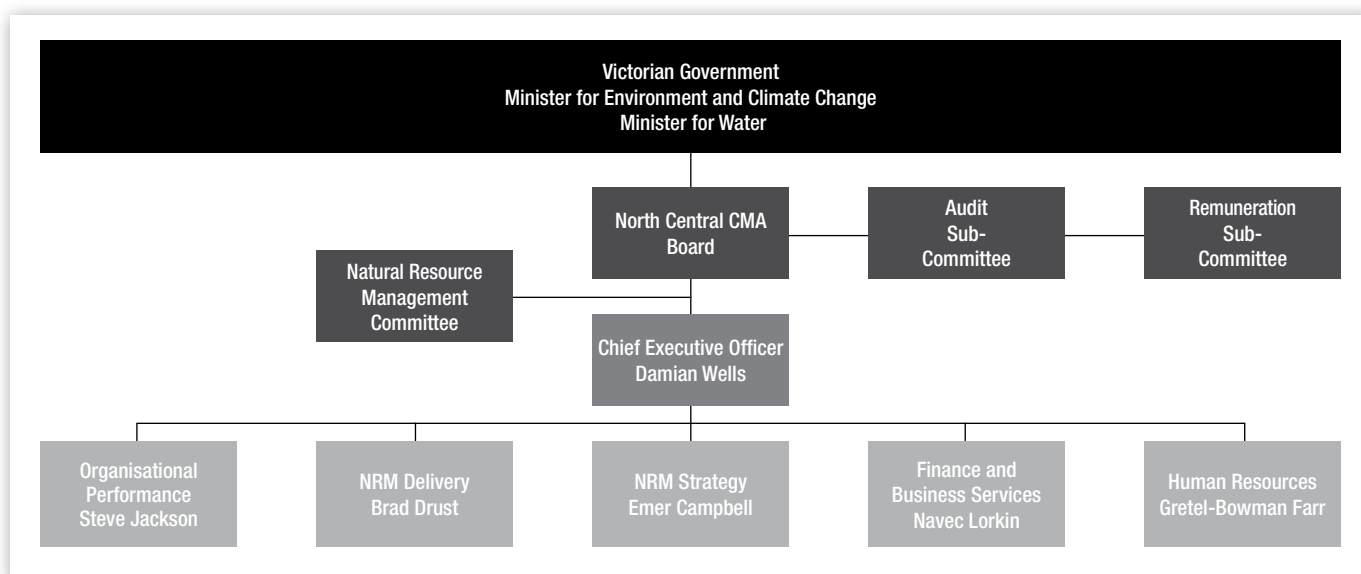
During the financial year ending 30 June 2011, the North Central CMA recorded a \$4,117,895 surplus from operating activities. The financial result was attributed to the following:

Total expenditure decreased by 8% from the 2009-10 financial year and revenue increased by 13% due to funding received for flood related programs. Funding received included \$2.4 million from Natural Disaster and Recovery Arrangement and \$1.2 million for a Flood Recovery Employment Program. This funding is to be expended in 2010-11.

There were no events occurring after the reporting period which may significantly affect the North Central CMA's operations in subsequent reporting periods.

# Governance and organisational structure

## Organisational Structure



### North Central CMA Board

The North Central CMA is led by a Board appointed by the Victorian Government Minister for Environment and Climate Change and Minister for Water. It sets priorities for environmental protection, in partnership with local communities and other agencies, and promotes sustainable land and water management practices for the benefit of river health and local communities.

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

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

#### David Clark, Chair 1 July 2011-

Appointed to the Board as Chair on 1 July 2011, David has qualifications in agriculture and rural development. David is self-employed owner/manager of a 500 ha farm in central Victoria and project manager for several Landcare groups. David is a Councillor on the Pyrenees Shire and Board member of Conservation Volunteers Australia.

#### Geoff Williams, Chair 2009-30 June 2011 (Tyntynder)

Appointed to the Board as Chair in 2009 until 30 June 2011, Geoff brings a wealth of knowledge and experience to the North Central CMA, having been extensively involved in water issues and community engagement over the past 15 years. This includes three years as Chair of the Torrumbarry Reconfiguration and Asset Modernisation Strategy and six years as Chair of Goulburn–Murray Water's Torrumbarry Water Services Committee.

#### Jenny Williams, Deputy Chair (Echuca)

Jenny holds qualifications in secondary teaching and is employed part-time as a school teacher. She is also a Director/Bookseller at Echuca's Tangled Garden Bookshop. Jenny has been a Board member since 2006.

#### Jane Holt (St Arnaud)

Jane holds qualifications in Applied Science (including winemaking) and is a graduate of the Australian Institute of Company Directors. Jane is employed part-time as a viticulturalist, winemaker and manager at Berrys Bridge Vineyard & Winery and is a self-employed bookkeeper. She has been a Board member since 2006.

#### Jock Leishman (Ullina)

Jock has been a self-employed owner/operator of his family farm for 35 years, consisting of large-scale wool production, meat production, agro forestry, seed and cereal grain production. Jock has extensive experience in land and natural resource management, and primary industry. Jock has been a Board member since 2006.

#### Melanie McCarthy (Bendigo)

Melanie holds qualifications in the arts and engineering, and is the Manager at AGD Operations Pty Ltd. She is a graduate of the Australian Institute of Company Directors and has extensive experience in land, environment and natural resource management, primary industry as well as strategic and business planning. She manages land near Bendigo, where she is committed to sustainable practices and environmental improvement. Melanie was appointed to the Board in 2009.

#### Stuart McLean (Wycheproof)

Stuart has been a farmer in the North Central CMA region for more than 40 years and is a Buloke Shire Councillor. Stuart has experience in land, waterway and natural resources management, primary industry, business planning and financial management. Stuart has been a Board member since 2000.

#### Don Naunton (Bendigo)

Don holds qualifications in agricultural science and is an agricultural consultant. Don has extensive experience in land and water resource management, as well as the water and primary industries. Don was appointed to the Board in 2009.

### Christine Brooke (Pyramid Hill)

Christine has extensive experience in land and water resource management and primary industry. She is self-employed, running her own irrigation farming enterprise, and is a Loddon Shire Councillor. Christine was appointed to the Board in 2009 and is particularly interested in improving communication with the community and partner agencies.

### John Learmonth (Gisborne)

John is self-employed as managing partner of Mt Gisborne Cherries and was appointed to the Board in 2009. He resigned from the Board on 31 August 2010.

Board members	Meeting attendance
Christine Brooke (Pyramid Hill)	11 of 11
Jane Holt (St Arnaud)	11 of 11
John Learmonth (Gisborne)	1 of 2
Jock Leishman (Ullina)	11 of 11
Melanie McCarthy (Bendigo)	8 of 11
Stuart McLean (Wycheproof)	9 of 11
Don Naunton (Bendigo)	11 of 11
Geoff Williams, Chair (Tyntynder)	10 of 11
Jenny Williams, Deputy Chair (Echuca)	11 of 11

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

## Audit Committee

An active and effective Audit Committee serves the Board in its governance responsibilities.

The Audit Committee consists of six Board members. Using an enterprise-wide, risk-based approach, the Committee focuses on corporate risks and business and financial performance.

Independent internal audit services, rigorous project management monitoring, and the development of corporate risk management are key tasks of the Committee.

The Audit committee met 10 times during the reporting year.

Board members	Meeting attendance
* Jane Holt (Chair)	10 of 10
Jock Leishman	7 of 10
Melanie McCarthy	9 of 10
Don Naunton	8 of 10
Geoff Williams	5 of 10
* Jenny Williams	8 of 10

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

## Natural Resource Management Committee

The Natural Resource Management Committee (NRMC), appointed through a public process with membership endorsed by the Board, is a community advisory group to the North Central CMA Board. The Committee provides a local community perspective to the North Central CMA on its planning, community engagement activities and works.

The NRMC advises on:

- › appropriate engagement mechanisms for projects
- › direction and focus for the North Central Regional Catchment Strategy
- › identifying annual priorities for investment
- › reviewing the community engagement aspects of projects
- › developing and implementing a Community Engagement Strategy.

NRMC members reflect a broad geographic spread from across North Central Victoria, incorporating a wide range of skills and experience. The current membership provides the North Central CMA with strong links into community networks including farming groups, small businesses, environmental and sustainability groups, local government, water services committees, recreational fishing, as well as Landcare and Waterwatch networks.

The NRMC meets monthly, with the Committee visiting project areas to gain a better understanding of projects and site-specific issues. An investment meeting is held each year for the Committee to provide input to projects developed through the investment process.

Many North Central CMA projects and issues require a more specific level of community input. Fifteen sub-committees exist, where appropriately skilled NRMC members provide advice and participate in focused community engagement activities.

In 2010-11, the NRMC met 12 times and participated in three project site visits.

NRMC member	Meeting attendance
Mal Brown, Chair (Leichardt)	10 of 12
Di Bunnett (Bridgewater)	10 of 12
Ken Coates (Natte Yallock)	11 of 12
Ron Cosgrave (Smeaton)	11 of 12
Charlie Gillingham (Lake Charm)	11 of 12
David Jones (Sedgwick)	10 of 12
Marie Jones (Castlemaine)	11 of 12
John Knight (Quambatook)	11 of 12
Rob Loats (Donald)	10 of 12
Laurie Maxted (Durham Ox)	10 of 12
Ron Murray (Castlemaine)	8 of 12
Brien Nelson (Summerfield)	6 of 12
Shane O'Loughlin, Deputy Chair (Laanecoorie)	12 of 12
* John Storey (Wycheproof)	3 of 3
Ian Whatley (Echuca)	12 of 12

\* Resigned in September 2010 following relocation to another region.

## Occupational Health and Safety

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

Occupational Health and Safety (OHS) training is provided to employees. During the past year, staff have received first aid training, driver training, four wheel drive training, and OHS training for supervisors and managers. Work crews have received additional training in basic OHS, chainsaw operation and the use of agricultural chemicals.

Worksites and premises are randomly assessed for OHS compliance and key performance measures are reported to the Board each month.

*WorkCover* incidents are reported under the *Accident Compensation Act 1985*. The North Central CMA had six *WorkCover* claims during the reporting period.

Annual OHS Key Performance Report 2010-11		
Key performance indicator	Annual target	Actuals
Audits of worksites	16	26
Audits of premises	8	9
Audits of field days/events	4	2
Injury – no time lost	0	10
Injury – time lost	0	3
Incidents reported	20	21
WorkCover claims submitted	0	6
All compulsory OHS training completed	in accordance with staff training calendar	6
Staff OHS induction completed for all new staff	within 5 days of commencing	Compliant
OHS Committee meetings held	4	5
OHS meetings with field staff	4	8
Emergency evacuations conducted	2	3
Meetings held with emergency response team	2	2
Incident/hear-miss investigations completed	All completed within one month	Compliant

## Our people

The North Central CMA is very proud of its greatest asset – its people and is committed to building a workplace culture that emphasises teamwork, continuous learning, efficiency, integrity and individual leadership.

The North Central CMA aims to be an employer of choice and is focused on providing current and prospective employees with competitive terms and conditions of employment, and a positive and friendly work culture that promotes the following behaviours:

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

## Employment and Conduct Principles

North Central CMA staff are appointed following a comprehensive selection and recruitment process. Our processes are in accordance with the *Public Administration Act 2004* whereby appointments are made on the basis of merit, and a commitment is maintained to the principles of the *Equal Opportunity Act 1985*.

## Managing workplace diversity

The North Central CMA promotes diversity within the workplace. Our commitment is evidenced by the balance of genders within the workplace, where 44% of staff are female and 56% are male. Furthermore, the organisation has structured the workplace to enable over 17% of the workforce to work part-time. Coupled with our policies surrounding equal employment opportunity and the flexible work arrangements contained in the Collective Agreement, the North Central CMA is committed to maintaining and improving its workplace diversity.

To focus on raising the cultural awareness within and beyond the organisation, North Central CMA has employed an Indigenous Facilitator to assist in educating staff and engaging the community on Indigenous matters. Furthermore, in 2010-11 the North Central CMA commenced a partnership project with the Dja Dja Wurrung Clans Aboriginal Corporation and employed five Indigenous people.

## Learning and development

The North Central CMA promotes the personal and professional development of its people to continuously improve service delivery and to create satisfying career paths for staff members.

This year, the North Central CMA supported employees to increase their knowledge and experience in a range of areas by attending training programs, conferences and seminars throughout the year. Professional development undertaken included a range of leadership development programs. Technical and safety-based programs were also undertaken such as scientific writing skills, first aid and driver training. Some staff commenced the Certificate III in Land Management and Conservation, whilst others undertook postgraduate studies including the Graduate Certificate in River Health Management and Masters of Environment. Employees have also developed their skills and knowledge by attending training and seminars covering local government, sustainability development, ground and surface water, wetland management and community engagement.

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## **Industrial relations**

During 2010-11, the North Central CMA negotiated and successfully implemented a new Collective Agreement. The agreement continues to provide employees with competitive and flexible working arrangements.

## **Staff wellbeing**

The North Central CMA understands the importance of a healthy workforce and is committed to ensuring the health and wellbeing of staff. During 2010-11, the organisation encouraged staff to participate in a Wellbeing program that involved a range of work-sponsored activities focusing on health promotion and wellbeing. Activities included health checks, flu vaccinations and a range of sporting activities and educational seminars.

In addition to the Wellbeing program, the North Central CMA continues to offer the services of an employee assistance program. The program provides employees and their immediate family members with access to professional and confidential counselling services for both work-related and non-work-related matters.

## **Staff Consultative Committee**

The Staff Consultative Committee assists with the implementation of the Collective Agreement, plans and manages the Wellbeing program, and seeks opportunities to improve communication between staff and management. The Committee's contribution in 2010-11 included improving the Equal Employment Opportunity framework, impacting policy and developing Contact Officer Support roles.

## ***Public Administration Act 2004***

The North Central CMA's current employment and recruitment policies, in compliance with the *Public Administration Act 2004*, ensure:

- employment decisions are based on merit
- › employees are treated fairly and reasonably
- › equal employment opportunity is provided
- › reasonable avenues of redress against unfair or unreasonable treatment
- › employees act with impartiality
- › employees display integrity, including avoiding real or apparent conflicts of interest
- › employees show accountability for actions
- › employees provide responsive service.



# Workforce data

## Multicultural Victoria Act 2004

The North Central CMA is committed to workplace diversity. During 2010-11, the North Central CMA did not receive any requests for the use of language services for communication in languages other than English.

During 2010-11, the North Central CMA employed an Indigenous facilitator to meet identified Indigenous engagement needs and employed five Indigenous employees through a partnership project with the Dja Dja Wurrung Clans Aboriginal Corporation. The NRMC also included two Indigenous representatives this year.

## Community inclusiveness

More than 44% of North Central CMA's employees are women, reflecting the organisation's continued commitment to equal opportunity principles.

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

The North Central CMA is committed to working closely with local Indigenous groups and continues to employ an Indigenous Facilitator. There are also two Indigenous NRMC members.

The North Central CMA employed five Indigenous people in 2010-11 when it commenced a partnership project with the Dja Dja Wurrung Clans Aboriginal Corporation. One position is a Works Crew Supervisor and the other four are Works Crew Trainees. The partnership program is the first of its kind in Victoria between a CMA and an Aboriginal Corporation. It aims to equip traditional land owners with the necessary skills and tools to build upon their inherent knowledge of the region and establish a successful natural resource management business.

The North Central CMA also continues to work with the Barapa Barapa Nation as part of the Enhancing Kerang Wetlands project. This project employs and trains an Indigenous Works Crew currently comprising five Indigenous people. The project enables the Crew to gain technical skills through the delivery of a broad range of natural resource management activities and to work towards TAFE qualifications. The Crew has played an important role in assisting other government agencies and natural resource management contractors to better understand and appreciate Indigenous cultural heritage.

## Statement of workforce data (two years)

The North Central CMA employed the full-time equivalent of 72 people in 2010-11 compared to 59 people in 2009-10. The breakdown of staff is as follows.

	2010-11 (full-time equivalent)	2009-10 (full-time equivalent)
Executive officers	1	1
Senior management	6	6
Project officers	56	43
Administration staff	9	9
Total	72	59
Male	40	30
Female	32	29
Total	72	59

## Executive officer disclosures

Executive officers are those persons employed as a public service body head or other executive under Part 3, Division 5 of the *Public Administration Act 2004*.

During the reporting period, the North Central CMA had one employee classified as an executive officer. This was the Chief Executive Officer (CEO) who is male.

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

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

# Other disclosures

## ***Victorian Industry Participation Policy Act 2003***

The North Central CMA had one tender over \$1 million during the financial year.

## **Consultancies and Major Contracts**

The North Central CMA was involved with 163 consultancy firms during the 2010-11 financial year. The total cost of consultants was \$4,284,335 (GST exclusive).

The total number of consultants valued at less than \$100,000 was 150, with a total of \$ 1,612,549.

There were no major contracts over \$10 million.

The consultancies engaged that exceeded \$100,000 are detailed in the following schedule:

<b>Consultants Engaged over \$100,000</b>	<b>Summary of Projects</b>	<b>Total Cost \$ (ex GST)</b>	<b>Expenditure \$ for Reporting Period</b>	<b>Future Commitments</b>
Australian Ecosystems Pty Ltd	Sentinel Wetland and Understorey 2011 Contract 2010030	160,183	142,111	18,072
Connecting Country (Mount Alexander Region Inc)	Connecting Country Contract 2010011	137,178	-	137,178
D & R Hines	David Hines 3rd 4th and 5th Year York Plains Agreement	112,965	-	112,965
Dept of Primary Industries	10/11 DPI SLA (Contract No 2010005) for delivery of cost-share incentives under Sustainable Agriculture sub-project (Activity 3). This include Whole Farm Plans and Saline Soil Rehabilitation	194,428	8,182	186,246
Dept of Sustainability and Environment	Aerial Photography for the September 2010 Flood, Lower Loddon fish capture & PIT tagging - field work. 2nd payment, LIDAR and Aerial Photography for the Bendigo Urban Flood Study	338,925	240,295	98,630
GHD Pty Ltd	Flood damage assesments, Works and measures project	131,919	131,919	-
Goulburn Broken CMA	EWR Coordinator - Geoff Earl	136,744	136,744	-
Goulburn-Murray Water	Review of BSMS Register B as per as per 10/11 SLA variation. Payment for construction of primary drain for Benwell Surface Water Management System as per 10/11 SLA variation to Contract 2009057 (also known as 2007025) (June)	434,984	164,984	270,000
La Trobe University	Innovative Farming Implementation Plan	126,364	36,364	90,000
Sinclair Knight Merz	Technical Inestigations and Reports	489,548	488,548	1,000
Thiess Services	Gunbower Forest ground water maintenance works at 13 groundwater bores, Milestone 1 of Contract 2010015 for Flow Modelling Project	150,118	150,118	-
Tomkinson Group	Flood Surveys	104,367	104,367	-
Water Technologies	Interpretating 3D modelling of surface level readings for innudation modelling for Gunbower Forest	154,065	90,675	63,390

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

The North Central CMA is considered to be a 'Government Agency' under the *Freedom of Information Act 1982* and is required to comply with the procedures that have been prescribed under which members of the public may gain access to information held by agencies. A decision to release information is made by an Authorised Officer. The North CMA has determined that its Authorised Officer is Trevor Marshall, (03) 5440 1804.

An application fee of \$24.40 applies from 1 July 2011.

In 2010-11, there were two requests for information under the Freedom of Information Act. Both applicants were lawyers.

Both requests for information were granted. In one case, full access was granted to 471 pages of information and three discs of audio material. In the other case, full access was granted to 716 pages of information and one disc of audio material. In both cases, full access was denied to some documents as per Section 33 of the Freedom of Information Act 1982 (disclosure of the identity of third parties). Total research time fees charged were \$280, and charges of \$240.60 were levied for printing (20 c per page) and \$8 for discs (\$2 each). Neither request has gone to internal review or appeal hearing.

## Making a request

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

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

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

Mr Trevor Marshall  
P O Box 18  
Huntly Vic 3551

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

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

Further information regarding Freedom of Information can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au)

## Compliance with *Building Act 1993*

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

## National Competition Policy (NCP)

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

## Whistleblowers Protection Act 2001

The *Whistleblowers Protection Act 2001* came into effect on 1 January 2002. The Act is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector. Equally it provides a framework for the investigation of these matters.

In support of the Act, the North Central CMA maintains a system of reporting disclosures of any improper conduct of detrimental action by the North Central CMA or its employees. No disclosures were made to the North Central CMA and no disclosures were referred to the Ombudsman in 2010-11.

However, one disclosure was made directly to the Ombudsman and referred to North Central CMA.

Disclosures of improper conduct or detrimental action by the North Central CMA or its employees may be made to the following officers:

The protected disclosure coordinator: (03) 5440 1804

A protected disclosure officer: (03) 5440 1804

All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator. Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, they can call the relevant officer and request a meeting in a discreet location away from the workplace.

For a full copy of the North Central CMA Whistleblower Policy, refer to Appendix 1.

## Compliance with establishing enabling legislation

### *Catchment and Land Protection (CaLP) Act 1994*

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

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

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

- a) facilitate and coordinate the management of catchments in an integrated and sustainable manner, including as it relates to land, biodiversity and water resources
- b) take a sustainable approach by balancing social, economic and environmental outcomes

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

### **Water Act 1989**

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

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

### **2010-11 actual results**

Unit	Target	Actual
No. of permits exempted	12	9
No. of permits issued	54	84
No. of permits rejected	0	0
Enforcement action for illegal works	0	0
Planning referrals	804	1173

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

### **Office-based environmental impacts**

The North Central CMA is committed to reducing environmental impacts through adopting an environmental policy, setting key objectives and targets, developing an environmental management strategy to achieve its goals and monitoring and reporting achievements.

Key objectives of the North Central CMA 2010-12 ResourceSmart Strategy for business operations include:

Aspect	Objectives
Electricity consumption	To remain carbon neutral, while reducing greenhouse gas emissions by 20% by 2015 (based on 2007/08 audit levels)
Waste generation (general and office operations) biodegradable and non-biodegradable	To minimise North Central CMA landfill waste generated
Work related travel (car, rail and air)	Greenhouse gas emissions associated with North Central CMA's vehicle fleet to be reduced by 5% of the 2006/07 consumption by June 2011
Water Consumption	With the water saving initiatives already implemented the objective is to keep water consumption at current levels

## Energy

The data represented below was collected through energy retailer billing information and represents three North Central CMA office sites.

Indicator	2010-11		2009-10	
	Electricity	Green Power	Electricity	Green Power
Total energy usage segmented by primary source (MJ)	337,392*	112,464*	414,774	138,258
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO2 e)	123*	0*	151	0
Percentage of electricity purchased as Green Power	25% (Wind)		25% (Wind)	
Units of energy used per FTE (MJ/FTE)	6,520*		9,188	
Units of energy used per unit of office space (MJ/m <sup>2</sup> )	430*		529	

### Actions undertaken

No actions were undertaken during the reporting period.

\* Average daily consumption for May and June 2011 at the Bendigo site.

## Targets

The following targets for electricity consumption are set in the North Central CMA 2010-12 ResourceSmart Strategy:

- annual reduction in greenhouse gas emissions by 3%.
- offset remaining greenhouse gas emissions with 25% GreenPower.

This target has been exceeded in 2010-11 with an 18.5% annual reduction in greenhouse gas emissions.

## Paper

The North Central CMA is becoming more efficient with paper use per FTE and increasing the recycled content of paper purchased.

Indicator	2010-11	2009-10
Total units of A4 equivalent copy paper used (reams)	667	759
Units of A4 equivalent copy paper used per FTE (reams/FTE)	10	13
Percentage of 75-100% recycled content copy paper purchased (%)	75%	24%
Percentage of 50-75% recycled content copy paper purchased (%)	14%	13%
Percentage of 0-50% recycled content copy paper purchased (%)	10%	64%

### Actions undertaken

No actions were undertaken during the reporting period.

## Targets

No targets have been set for the procurement or consumption of paper. This will be addressed in the 2011-12 financial year.

## Water

The data in the table below is based on water meter readings at two North Central CMA sites.

Indicator	2010-11*	2009-10
Total units of metered water consumption by water source (kilolitres)	204	199
Units of metered water consumed in offices per FTE (litres/FTE)	2,954	3,306
Units of metered water consumed in offices per unit of office space (litres/m <sup>2</sup> )	195	190
<b>Actions undertaken</b>		
Waterless urinals	Waterless urinals in operation at sites with greater than 50 FTEs	

\* Average daily consumption for the month of June 2011.

## Targets

The following target for water consumption is set in the North Central CMA 2010-12 ResourceSmart Strategy:

➤ keep water consumption at current levels following the implementation of water saving initiatives.

This target has been exceeded in 2010-11 with a 10.6% annual reduction in water consumption per full time employee.

## Transport

The North Central CMA fleet comprises 44 vehicles, 86% of which are operational vehicles used for business purposes. Of the operational fleet, 82% are diesel and 18% unleaded.

Operational vehicles	2010-11		2009-10	
	Diesel	Unleaded	Diesel	Unleaded
Total energy consumption by operational vehicles (MJ)	2,547,233	284,478	2,257,021	365,847
Total vehicle travel associated with entity operations (km)	688,342	92,243	610,138	159,561
Total greenhouse gas emissions associated with operational vehicle fleet (t CO <sub>2</sub> e)	4,606	557	4,081	717
Greenhouse gas emissions from operational vehicle fleet per 1,000 km travelled (t CO <sub>2</sub> e/1,000 km)	6.69	6.04	6.69	4.49
Total distance travelled by aeroplane (km)	Unable to access this data at time of publication		Unable to access this data at time of publication	

	2010-11		
	CBD	Metro	Regional
Percentage of employees regularly (>75% of work attendance days) using public transport, cycling, walking or car pooling to and from work or working from home, by locality type.	N/A	N/A	7%

## Targets

The following target for work related travel is set in the North Central CMA 2010-12 ResourceSmart Strategy:

➤ reduce fuel consumption per full time employee by 5% by June 2011.

This target has been met in 2010-11 with a 5.8% reduction in fuel consumption per full time employee.

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## Greenhouse gas emissions

The emissions disclosed in the section below are taken from the previous sections and brought together here to show the North Central CMA footprint.

Indicator	2010-11	2009-10
Total greenhouse gas emissions associated with energy use (t CO2 e)	123	151
Total greenhouse gas emissions from vehicle fleet (t CO2 e)	5,163	4,798
Total greenhouse gas emissions from air travel (t CO2 e)	Unable to access this data at time of publication	Unable to access this data at time of publication
Total greenhouse gas emissions associated with waste disposal (t CO2 e)	Unable to access this data at time of publication	Unable to access this data at time of publication
Greenhouse gas emissions offsets purchased (t CO2 e)	Unable to access this data at time of publication	Unable to access this data at time of publication

### Actions undertaken

Actions undertaken in the energy, water and transport sectors will help to reduce the CMA's impacts.

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## Information kept

The North Central CMA has prepared and made available to the relevant Minister, Members of Parliament and public on request the following documents as specified in the *Financial Management Act 1994*:

- › declarations of pecuniary interest duly completed by relevant officers
- › Board members' indemnity declarations
- › inwards and outwards correspondence
- › publications produced by the Authority and places where the publications can be obtained
- › Occupational Health and Safety guidelines.

## Statement of availability of other information

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

- › A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- › Details of shares held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary.
- › Details of publications produced by the agency about itself, and how these can be obtained.
- › 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.
- › Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- › A general statement on industrial relations within the agency, and details of time lost through industrial accidents and disputes.
- › A list of the agency's major committees; the purposes of each committee; and the extent to which the purposes have been achieved.

## Risk management attestation

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

The Audit Committee verifies this assurance and that the risk profile of the North Central Catchment Management Authority has been critically reviewed within the reporting period of July 2010-June 2011.



Mr David Clark  
Chair  
North Central Catchment Management Authority  
August 2011




# Financial statements

## Declaration

In accordance with a resolution of the North Central Catchment Management Authority, we the undersigned:

- a) certify that in our opinion the accompanying financial report comprising Operating Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to and forming part of the Financial Statements of the North Central Catchment Management Authority presents fairly the financial transactions during the year ended 30 June 2011 and financial position as at 30 June 2011
- b) are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
- c) state that, in our opinion, the financial statements have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Australian Accounting Standards Interpretations, and other mandatory professional reporting requirements.

Signed at Huntly on the 19th day of August 2011 on behalf of the Board



Mr David Clark  
Chairman  
North Central Catchment Management Authority



Mr Damian Wells  
Chief Executive Officer  
North Central Catchment Management Authority



Mr Chris Phillips  
Finance and Corporate Services Manager  
North Central Catchment Management Authority

# Auditor-General's Report

## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

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

##### *The Financial Report*

The accompanying financial report for the year ended 30 June 2011 of the North Central Catchment Management Authority which comprises the operating statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration has been audited.

##### *The Board Members' Responsibility for the Financial Report*

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

##### *Auditor's Responsibility*

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

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

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

##### *Independence*

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

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

Auditing in the Public Interest

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the North Central Catchment Management Authority as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

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

This auditor's report relates to the financial report of the North Central Catchment Management Authority for the year ended 30 June 2011 included both in the North Central Catchment Management Authority's annual report and on the website. The Board Members of the North Central Catchment Management Authority are responsible for the integrity of the North Central Catchment Management Authority's website. I have not been engaged to report on the integrity of the North Central Catchment Management Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
24 August 2011

*for* T. D. Pearson  
D D R Pearson  
Auditor-General

## NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY

### OPERATING STATEMENT

For the reporting period ended 30 June 2011

	Notes	2011	2010
		\$	\$
<b>Revenue from operating activities</b>			
Government contributions			
State Government	1(d) 3(a)	15,304,551	12,488,153
Commonwealth Government	1(d) 3(b)	4,018,000	3,556,689
		<u>19,322,551</u>	<u>16,044,842</u>
<b>Revenue from non-operating activities</b>			
Interest		384,962	328,678
Regional contributions		937,009	2,767,469
Other Income		1,815,796	662,742
		<u>3,137,767</u>	<u>3,758,889</u>
<b>Total revenue</b>		<u>22,460,318</u>	<u>19,803,731</u>
<b>Expenses from operating activities</b>			
Works expenditure	4(a)	14,800,741	16,623,117
Administration expenditure	4(b)	2,399,847	2,191,120
Corporate expenditure	4(c)	1,138,366	1,025,231
Net loss on disposal of non-financial assets	4(d)	3,470	30,463
<b>Total expenses</b>		<u>18,342,423</u>	<u>19,869,931</u>
<b>Net result for the period</b>		<u>4,117,895</u>	<u>(66,200)</u>

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

## NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME

For the reporting period ended 30 June 2011

	Notes	2011	2010
		\$	\$
<b>Net result for the period</b>		4,117,895	(66,200)
<b>Other comprehensive income</b>			
Net gain/(loss) on revaluation of property, plant and equipment		626,006	-
<b>Other comprehensive income for the period</b>		626,006	-
<b>Total comprehensive income for the period</b>		<u>4,743,901</u>	<u>(66,200)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY

### BALANCE SHEET

As at 30 June 2011

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1(h) 5	11,306,956	7,255,792
Receivables	1(i) 6	1,364,591	2,328,125
Other non-financial assets		49,088	45,906
<b>Total current assets</b>		<b>12,720,635</b>	<b>9,629,823</b>
<b>Non-current assets</b>			
Property, plant and equipment	1(e) 7	2,932,893	2,064,659
Intangible assets	1(j) 8	172,341	229,638
<b>Total non-current assets</b>		<b>3,105,234</b>	<b>2,294,297</b>
<b>TOTAL ASSETS</b>		<b>15,825,869</b>	<b>11,924,120</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	1(k) 9	1,830,686	2,829,144
Employee benefits	1(m) 10	861,671	708,317
<b>Total current liabilities</b>		<b>2,692,357</b>	<b>3,537,461</b>
<b>Non-current liabilities</b>			
Employee benefits	1(m) 10	121,927	118,976
<b>Total non-current liabilities</b>		<b>121,927</b>	<b>118,976</b>
<b>TOTAL LIABILITIES</b>		<b>2,814,284</b>	<b>3,656,437</b>
<b>NET ASSETS</b>		<b>13,011,585</b>	<b>8,267,683</b>
<b>EQUITY</b>			
Contributed capital	11	8,755,693	8,755,693
Reserves	12	848,854	222,848
Accumulated funds	13	3,407,038	(710,858)
<b>TOTAL EQUITY</b>		<b>13,011,585</b>	<b>8,267,683</b>

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

## NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY

### STATEMENT OF CHANGES IN EQUITY

For the reporting period ended 30 June 2011

	Notes	Contributions by owners \$	Reserves \$	Accumulated Funds \$	Total \$
Balance at 1 July 2009		8,755,693	222,848	(644,658)	8,333,883
Net result for the period		-	-	(66,200)	(66,200)
Balance at 30 June 2010		8,755,693	222,848	(710,858)	8,267,683
Balance at 1 July 2010		8,755,693	222,848	(710,858)	8,267,683
Net result for the period		-	-	4,117,895	4,117,895
Other comprehensive income for the period		-	626,006	-	626,006
Balance at 30 June 2011		8,755,693	848,854	3,407,037	13,011,584

## NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY

### CASH FLOW STATEMENT

For the reporting period ended 30 June 2011

	Notes	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Receipts from government grants		20,322,478	15,223,090
Receipts from other sources		2,966,296	4,617,239
Interest received		326,574	330,816
Payments to suppliers and employees		(20,130,249)	(21,769,814)
GST received from/(paid to) the ATO		1,121,275	1,041,877
<b>Net cash (outflow) / inflow from operating activities</b>	17	4,606,374	(556,792)
<b>Cash flows from investing activities</b>			
Payments for the purchase of property, plant and equipment	7(b)	(768,157)	(415,279)
Payments for the purchase of intangible assets	8	-	(64,730)
Proceeds on disposal of property, plant and equipment	4(d)	212,947	402,427
<b>Net cash (outflow) / inflow from investing activities</b>		(555,210)	(77,582)
<b>Net increase / (decrease) in cash and cash equivalents</b>		4,051,164	(634,374)
Cash and cash equivalents at the beginning of the financial year		7,255,792	7,890,166
<b>Cash and cash equivalents at the end of the financial year</b>	5(a)	11,306,956	7,255,792

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

# Notes to the financial report

For the reporting period ended 30 June 2011

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

#### *General*

The financial report includes separate financial statements for North Central Catchment Management Authority as an individual reporting entity. This financial report is a general purpose financial report that consists of an Operating Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes accompanying these statements. The general purpose financial report complies with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions.

This financial report has been prepared on an accrual and going concern basis.

The annual financial statements were authorised for issue by the Finance and Business Support Manager on 19 August 2011.

#### *Accounting Policies*

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

#### *Functional and Presentation Currency*

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

#### *Classification between current and non-current*

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

#### *Rounding*

Unless otherwise stated, amounts in the report have been rounded to the nearest dollar.

#### *Historical cost convention*

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

#### *Critical accounting estimates*

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

#### *Financial statement presentation*

The entity has applied the revised AASB101 *Presentation of Financial Statements* which became effective for reporting periods beginning on or after 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the entity had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

### (b) Changes in Accounting Policy

The accounting policies are consistent with those of the previous year, unless stated otherwise.

### (c) Comparative Amounts

Where necessary, figures for the previous year have been reclassified to facilitate comparison.

### (d) Revenue Recognition

#### *Government contributions*

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

#### *Interest*

Interest is recognised as revenue when earned.

## **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(e) Recognition and Measurement of Assets**

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

#### *Acquisition*

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

#### *Repairs and maintenance*

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

#### *Measurement of non-current physical assets*

All non-current physical assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of Financial Reporting Direction (FRD) 103D. Revaluations are conducted in accordance with FRD 103D. Scheduled revaluation is undertaken every five years with an annual assessment of fair value to determine if it is materially different to carrying value. If the difference to carrying value is greater than 10 per cent, a management revaluation is undertaken while a movement greater than 40 per cent will normally involve an Approved Valuer (usually the Valuer General of Victoria) perform detailed assessment of the fair value. If the movement in fair value since the last revaluation is less than or equal to 10 per cent, then no change is made to carrying amounts.

Plant, equipment and motor vehicles are measured at fair value.

For the plant, equipment and vehicles asset class, where the Authority is able to demonstrate that there is no evidence that a reliable market-based fair value (or other fair value indicators) exist for these assets, depreciated replacement cost is used to represent a reasonable approximation of fair value.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the operating statement. When revalued assets are sold, it is the Authority's policy to transfer the amounts included in the asset revaluation reserve in respect of those assets to accumulated funds.

#### *Revaluation of non-current physical assets*

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as 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 revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

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

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

#### *Impairment of assets*

All assets are assessed annually for indicators of impairment.

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

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

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



**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)****(f) Depreciation and Amortisation of Non-current Assets**

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

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

Intangible assets with finite useful lives are amortised as an expense on a systematic basis (typically diminishing value) commencing from the time the asset is available for use. The amortisation periods are reviewed and adjusted if appropriate at each balance date. Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually as outlined in Note 1(e).

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

Asset	Rates
Buildings	2.50%
Plant & equipment	8% to 40%
Motor vehicles	20%
Intangible assets	20%

**(g) Leased assets***Finance leases*

The Authority has no finance leases.

*Operating leases*

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

**(h) Cash and Cash Equivalent Assets**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(i) Receivables**

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

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

**(j) Intangibles**

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

A summary of the policies applied to the Authority's intangible assets is as follows:

	Patents and Licences	Development Costs
Useful lives	Indefinite	Finite
Amortisation method used	Not amortised or revalued	Diminishing balance
Internally generated / acquired	Acquired	Internally generated
Impairment test / Recoverable amount testing	Annually and where an indicator of impairment exists	Amortisation method reviewed at each financial year end; Reviewed annually for indicators of impairment.

## **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(k) Trade and Other Payables**

Payables consist predominantly of trade and sundry creditors. These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year, which are unpaid at financial year end. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

### **(l) Financial Instruments**

#### *Recognition*

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

#### *Loans and receivables*

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

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and it is the Authority's intention to hold these investments to maturity. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets. Any held-to-maturity investments held by the Authority are stated at cost.

#### *Impairment of financial assets*

At each reporting date, the Authority assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Operating Statement.

### **(m) Employee Benefits**

#### *Wages and salaries and annual leave*

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

#### *Long service leave (LSL)*

**Current liability - unconditional LSL** (representing 7 or more years of continuous service) is disclosed as a current liability even where the Authority does not expect to settle the liability within 12 months because it does 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:

- > Present value - component that the Authority does not expect to settle within 12 months; and
- > Nominal value - component that the Authority expects to settle within 12 months.

**Non-Current liability - conditional LSL** (representing less than 7 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

In calculating present value, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Superannuation*

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

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Employee Benefit On-Costs*

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

*Performance payments*

Performance payments for the Authority's Executive Officers are based on a percentage of the annual salary package provided under their contract(s) of employment. No liability is recognised at balance date due to the amounts being paid prior to year end.

**(n) Goods and Services Tax**

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

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

**(o) New Accounting Standards and Interpretations issued that are not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. As at 30 June 2011, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2011. The Authority has not and does not intend to adopt these standards early.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on or after</i>	<i>Impact on financial statements</i>
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	AASB 9 <i>Financial Instruments</i> addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The derecognition rules have been transferred from AASB 139 <i>Financial Instruments: Recognition and Measurement</i> and have not been changed. The group has not yet decided when to adopt AASB 9.	1 January 2013	The authority is yet to assess its full impact. However, initial indications are that it may affect the authority's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.
Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards	In December 2009 the AASB issued a revised AASB 124 <i>Related Party Disclosures</i> . It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.	1 January 2011	The authority will apply the amended standard from 1 July 2011. When the amendments are applied, the authority will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements. These amendments are not expected to have any significant impact on the authority's disclosures.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project.	1 January 2011	These amendments are not expected to have any significant impact on the authority's disclosures.

## **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(p) Natural Resource Management Sector Reform**

In the 2009/10 Annual Report it was noted there was to be a commitment to restructure Victoria's natural resource management bodies and the associated legislation. Following a change in government, due to the November 2010 State Election, the proposed reforms will not be adopted and the alignment of Natural Resource & Catchment Authorities will not take place.

### **(q) Treatment of Commitments**

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable.

## **NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Authority's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. This note presents information about the Authority's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

The Authority's Board has the overall responsibility for the establishment and oversight of the Authority's risk management framework. The Authority's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Authority. The Authority uses sensitivity analysis in the case of interest rate risks.

Risk management is carried out by management under policies approved by the Board of Directors. The Finance department identifies, evaluates and hedges financial risks in close co-operation with the Authority's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

### **2.1 Risk Exposures**

The main risks the Authority is exposed to through its financial instruments are as follows:

#### **(a) Market risk**

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Authority's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Authority's exposure to market risk is primarily through interest rate risk, there is no exposure to foreign exchange risk and insignificant exposure to other price risks.

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

##### *(i) Interest Rate Risk*

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

##### *(ii) Foreign Exchange Risk*

The Authority has no exposure to foreign exchange risk.

##### *(iii) Other Price Risk*

The Authority has no significant exposure to other price risk.

**NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Market Risk Sensitivity Analysis**

The following table summarises the sensitivity of the Authority's financial assets and financial liabilities to interest rate risk:

30 June 2011	Carrying amount \$	Interest rate risk			
		-1%		+1%	
		Result \$	Equity \$	Result \$	Equity \$
<i>Financial Assets</i>					
Cash	11,306,956	(113,070)	(113,070)	113,070	113,070
Receivables	1,364,591	-	-	-	-
<i>Financial Liabilities</i>					
Payables	(1,830,686)	-	-	-	-
<i>Total increase / (decrease)</i>	10,840,861	(113,070)	(113,070)	113,070	113,070

30 June 2010	Carrying amount \$	Interest rate risk			
		-1%		+1%	
		Result \$	Equity \$	Result \$	Equity \$
<i>Financial Assets</i>					
Cash	7,255,792	(72,558)	(72,558)	72,558	72,558
Receivables	2,328,125	-	-	-	-
<i>Financial Liabilities</i>					
Payables	(2,829,144)	-	-	-	-
<i>Total increase / (decrease)</i>	6,754,773	(72,558)	(72,558)	72,558	72,558

**(b) Credit Risk**

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

The Authority's exposure to credit risk is influenced by the individual characteristics of each customer. The receivable balance consists of business customers which are spread across a diverse range of industries. Receivable balances are monitored on an on-going basis to ensure that exposure to bad debts is not significant. The Authority has in place a policy and procedure for the collection of overdue receivables.

An analysis of the ageing of the Authority's receivables at reporting date has been provided in Note 6.

**(c) Liquidity Risk**

Liquidity Risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's policy is to settle financial obligations within 30 days and in the event of dispute make payments within 30 days from the date of resolution.

The Authority manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

**2.2 Fair Value Measurements**

The carrying amounts of trade receivables and payables are assumed to approximate their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Authority for similar financial assets.

The carrying amounts and aggregate net fair values of financial assets and financial liabilities at balance date have been provided in Note 19.

## NOTES TO THE FINANCIAL REPORT

For the reporting period ended 30 June 2011

	2011	2010
	\$	\$
<b>NOTE 3: OPERATING STATEMENT - DISCLOSURES OF INCOME</b>		
<b>Revenue from Operating Activities</b>		
<b>(a) State Government</b>		
<i>Catchment Planning</i>		
Landcare	492,546	483,000
Governance	1,536,448	993,480
<i>Sustainable Landscapes</i>		
Sustainable land management	-	1,190,000
<i>Sustainable Irrigation</i>		
Water Smart Farms - Our Water Our Future	421,000	529,000
Service agreements and government service contracts	-	20,000
Salinity infrastructure	1,301,930	1,748,000
Sustainable irrigated agriculture and land management	535,900	1,237,000
<i>River Health</i>		
Healthy waterways	1,017,000	1,430,000
Weeds management	20,000	-
Environmental flows and stressed rivers	-	450,000
Large scale river restoration - Our Water Our Future	1,245,993	1,100,000
Water statutory function	353,000	384,000
Environmental water reserve officers	205,000	199,000
<i>National Resource Investment Program</i>		
Natural Resource Investment Program [NRIP]	3,432,000	1,916,000
<i>Other State Revenue</i>		
Bushfire recovery funding	62,000	5,278
Water for growth	-	803,395
Natural disaster funding	3,676,734	-
Flood employment	720,000	-
Urban levies assessment	285,000	-
	15,304,551	12,488,153
<b>(b) Commonwealth Government</b>		
<i>Caring for Our Country - core and transitional</i>	3,514,000	3,484,000
<i>Caring for Our Country - competitive</i>	444,000	72,689
<i>National Landcare Program</i>	60,000	-
	4,018,000	3,556,689
<b>Total Government Contributions</b>	19,322,551	16,044,842

## NOTES TO THE FINANCIAL REPORT

For the reporting period ended 30 June 2011

Notes

2011

2010

\$

\$

### NOTE 4: OPERATING STATEMENT - DISCLOSURES OF EXPENDITURE

#### (a) Works Expenditure

Works programs salaries and oncosts	4,287,302	3,622,991
Consultancy costs	2,349,463	5,893,457
Contractors	5,442,890	4,148,737
Materials	200,560	329,264
Incentives paid	772,144	741,856
Other Expenses	1,748,382	1,886,812
	<u>14,800,741</u>	<u>16,623,117</u>

#### (b) Administration Expenditure

Administration salaries and oncosts	1,253,904	1,119,830
Contract employment	22,279	31,565
Office supplies and stationery	27,539	18,860
Computer and office equipment	343,452	384,668
Photocopiers and printing	47,971	33,638
Building costs	159,586	99,281
Telephone and facsimile	133,417	124,831
Meetings	44,952	7,530
Advertising	21,990	635
Consultancy costs	158,605	235,745
Travel expenses	30,610	17,693
Memberships and subscriptions	9,617	4,588
Motor Vehicle	145,925	112,256
	<u>2,399,847</u>	<u>2,191,120</u>

#### (c) Corporate Expenditure

Corporate governance costs		
Board members remuneration	104,709	118,316
Board operational costs	25,351	44,010
Natural Resource Committees remuneration	95,227	102,574
Natural Resource Committees operational costs	21,850	24,665
Depreciation and amortisation expense	366,808	377,887
Bank charges	1,676	1,303
Insurance	76,567	38,631
Audit fees internal	54,693	45,637
Auditor-General external audit	10,250	10,100
Payroll tax	245,220	218,190
Fringe benefits tax	1,069	18,057
Corporate training	134,946	25,861
	<u>1,138,366</u>	<u>1,025,231</u>

#### (d) Loss on Sale of Assets

Proceeds on sale of assets		(212,947)	(402,427)
Written down value of assets sold (1)		216,417	432,890
		<u>3,470</u>	<u>30,463</u>
(1) Made up of:			
Property, plant and equipment	7(b)	216,417	432,890
Intangibles	8	-	-
		<u>216,417</u>	<u>432,890</u>

**NOTES TO THE FINANCIAL REPORT**

For the reporting period ended 30 June 2011

	2011	2010
	\$	\$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	500	500
Cash at bank	546,970	755,292
Deposits at call	10,759,486	6,500,000
<b>Total cash and cash equivalents</b>	<b>11,306,956</b>	<b>7,255,792</b>

**(a) Reconciliation to cash at the end of year**

The above figures are reconciled to cash at the end of the financial year as shown in the Cash Flow Statement, as follows:

Balance as above	11,306,956	7,255,792
Balance as per Cash Flow Statement	<u>11,306,956</u>	<u>7,255,792</u>

**(b) Cash at bank and on hand**

These are non-interest bearing

	500	500
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**(c) Deposits at call**

Deposits at call bear interest rates of 4.75% (2010: n/a)

	259,486	-
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The term deposits bear fixed interest rates as follows:

Term Deposit			
Term Deposit 1	4.50%	-	1,000,000
Term Deposit 2	4.50%	-	1,000,000
Term Deposit 3	4.73%	-	1,000,000
Term Deposit 4	4.72%	-	1,000,000
Term Deposit 5	4.71%	-	1,000,000
Term Deposit 6	4.76%	-	1,000,000
Term Deposit 7	4.82%	-	500,000
Term Deposit 8	4.98%	1,000,000	-
Term Deposit 9	4.87%	1,000,000	-
Term Deposit 10	4.95%	1,000,000	-
Term Deposit 11	4.97%	500,000	-
Term Deposit 12	4.93%	500,000	-
Term Deposit 13	5.03%	500,000	-
Term Deposit 14	5.05%	1,000,000	-
Term Deposit 15	5.07%	1,000,000	-
Term Deposit 16	5.09%	1,500,000	-
Term Deposit 17	5.11%	500,000	-
Term Deposit 18	6.05%	1,000,000	-
Term Deposit 19	6.13%	1,000,000	-
		<u>10,500,000</u>	<u>6,500,000</u>

\$11,182,731 of \$11,306,956 cash and cash equivalents held at balance date are committed to specific projects for which funding has been provided to the Authority. Refer Note 20 for details of programs with funds committed at balance date.

**NOTE 6: RECEIVABLES***Current Receivables*

Trade receivables	1,287,341	2,309,263
Other receivables	77,250	18,862
<b>Total receivables</b>	<b>1,364,591</b>	<b>2,328,125</b>

The ageing of trade receivables is as follows:

0 to 3 months	1,287,341	2,309,263
3 to 6 months	-	-
Over 6 months	-	-
	<u>1,287,341</u>	<u>2,309,263</u>

**(a) Provision for impaired receivables**

As at 30 June 2011, current receivables of the Authority with a nominal value of \$nil (2010: \$nil) were impaired.

**(b) Past due not impaired receivables**

As at 30 June 2011, trade receivables of \$nil (2010: \$nil) were past due but not impaired.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.



**NOTES TO THE FINANCIAL REPORT**

**For the reporting period ended 30 June 2011**

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) Classes of Property, Plant and Equipment</b>		
<i>Land</i>		
At fair value	219,000	169,599
	<u>219,000</u>	<u>169,599</u>
<i>Buildings</i>		
At fair value	1,268,000	751,249
Less: accumulated depreciation	-	(81,997)
	<u>1,268,000</u>	<u>669,252</u>
<i>Buildings</i>		
At cost	-	42,799
Less: accumulated depreciation	-	(2,867)
	<u>-</u>	<u>39,932</u>
<i>Motor Vehicles</i>		
At fair value	1,280,866	927,589
Less: accumulated depreciation	(274,773)	(229,231)
	<u>1,006,093</u>	<u>698,358</u>
<i>Plant and Equipment</i>		
At fair value	1,144,285	1,068,560
Less: accumulated depreciation	(704,485)	(581,042)
	<u>439,800</u>	<u>487,518</u>
<b>Total Property, Plant and Equipment</b>	<u>2,932,893</u>	<u>2,064,659</u>

Land was valued at 30 June 2011 by Egan National Valuers (Vic) - Malcolm Ashby, AAPI Certified Practising Valuer.

Buildings were valued at 30 June 2011 by Egan National Valuers (Vic) - Malcolm Ashby, AAPI Certified Practising Valuer.

Valuations were independently carried out with consideration for local values and conditions.

**(b) Movements During the Reporting Period**

<b>2010-2011</b>	Opening WDV \$	Additions \$	Disposals \$	Revaluations \$	Impairment \$	Depreciation \$	Closing WDV \$
Land	169,599	-	-	49,401	-	-	219,000
Buildings	709,184	-	-	576,605	-	(17,789)	1,268,000
Motor vehicles	698,358	690,631	(215,589)	-	-	(167,307)	1,006,093
Plant & Equipment	487,518	77,526	(828)	-	-	(124,416)	439,800
<b>Totals</b>	<u>2,064,659</u>	<u>768,157</u>	<u>(216,417)</u>	<u>626,006</u>	<u>-</u>	<u>(309,512)</u>	<u>2,932,893</u>
<b>2009-2010</b>	Opening WDV \$	Additions \$	Disposals \$	Revaluations \$	Impairment \$	Depreciation \$	Closing WDV \$
Land	169,599	-	-	-	-	-	169,599
Buildings	716,854	10,810	-	-	-	(18,480)	709,184
Motor vehicles	1,035,880	218,844	(392,802)	-	-	(163,564)	698,358
Plant & Equipment	486,734	185,625	(40,088)	-	-	(144,753)	487,518
<b>Totals</b>	<u>2,409,067</u>	<u>415,279</u>	<u>(432,890)</u>	<u>-</u>	<u>-</u>	<u>(326,797)</u>	<u>2,064,659</u>

## NOTES TO THE FINANCIAL REPORT

For the reporting period ended 30 June 2011

	2011	2010
	\$	\$
<b>NOTE 8: INTANGIBLE ASSETS</b>		
Intangible Assets at cost	392,587	392,587
Accumulated amortisation	(220,246)	(162,949)
<b>Total intangible assets</b>	<b>172,341</b>	<b>229,638</b>

	Development Costs \$	Software & Licences \$	Total \$
<b>Year ended 30 June 2011</b>			
At 1 July 2010, net of accumulated amortisation	105,954	123,682	229,636
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Amortisation	(21,191)	(36,104)	(57,295)
At 30 June 2011, net of accumulated amortisation	<b>84,763</b>	<b>87,578</b>	<b>172,341</b>

	Development Costs \$	Software & Licences \$	Total \$
<b>Year ended 30 June 2010</b>			
At 1 July 2009, net of accumulated amortisation	132,442	83,554	215,996
Additions	-	64,730	64,730
Disposals	-	-	-
Impairment	-	-	-
Amortisation	(26,488)	(24,602)	(51,090)
At 30 June 2010, net of accumulated amortisation	<b>105,954</b>	<b>123,682</b>	<b>229,636</b>

## NOTE 9: PAYABLES

### Current Payables

Trade payables	988,932	1,226,068
Accrued expenses	841,754	1,603,076
<b>Total Payables</b>	<b>1,830,686</b>	<b>2,829,144</b>

## NOTE 10: EMPLOYEE BENEFITS

### Current

Annual leave and unconditional long service leave entitlements, representing 7 years of continuous service:

- employee benefits expected to be settled within 12 months, measured at nominal value.	390,713	299,912
- employee benefits expected to be settled within 12 months, measured at present value.	470,958	408,405
<b>Total Current</b>	<b>861,671</b>	<b>708,317</b>

### Non Current

Conditional long service leave, measured at present value	121,927	118,976
<b>Total Non-Current</b>	<b>121,927</b>	<b>118,976</b>

<b>Total Employee Benefits</b>	<b>983,598</b>	<b>827,293</b>
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The following assumptions were adopted in measuring the present value of long service leave entitlements:

Weighted average increase in employee costs	4.60%	4.48%
Weighted average discount rates	5.28%	5.16%
Weighted average settlement period	7 years	7 years

The Authority made no ex-gratia payments during the financial year.

## NOTE 11: CONTRIBUTED CAPITAL

Opening balance at 1 July	8,755,693	8,755,693
Capital contributions in the year	-	-
Closing balance at 30 June	<b>8,755,693</b>	<b>8,755,693</b>

**NOTES TO THE FINANCIAL REPORT**

For the reporting period ended 30 June 2011

	2011	2010
	\$	\$
<b>NOTE 12: RESERVES</b>		
<i>Composition of reserves</i>		
Asset revaluation reserve	848,854	222,848
<b>Total Reserves</b>	<b>848,854</b>	<b>222,848</b>

*Movements in reserves*

Asset revaluation reserve		
Balance 1 July	222,848	222,848
Revaluation increment/(decrement) on non-current assets	626,006	-
Balance 30 June	<b>848,854</b>	<b>222,848</b>

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

**NOTE 13: ACCUMULATED FUNDS**

Opening balance at 1 July	(710,858)	(644,658)
Net result for the period	4,117,896	(66,200)
Closing balance at 30 June	<b>3,407,038</b>	<b>(710,858)</b>

**NOTE 14: COMMITMENTS****Operating lease commitments**

At 30 June 2011, the Authority had the following operating lease commitments:

Lease of photocopiers.

Outstanding lease commitments are to be paid as follows:

within one year	4,670	28,020
one to five years	-	4,670
over five years	-	-
	<b>4,670</b>	<b>32,690</b>

## NOTES TO THE FINANCIAL REPORT

For the reporting period ended 30 June 2011

2011

2010

\$

\$

### NOTE 15: SUPERANNUATION

The Authority makes employer superannuation contributions in respect of most employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

The Fund's accumulation category, Vision Super, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the Fund.

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

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

Superannuation Name	Type of Scheme	Rate		
AMP Life Limited	Accumulated Contribution	9.0%	11,631	10,021
AMP Flexible Lifetime Super	Accumulated Contribution	9.0%	3,236	7,360
ANZ Super Advantage	Accumulated Contribution	9.0%	9,206	12,643
Australian Catholic Superannuation & Retirement Fund	Accumulated Contribution	9.0%	7,611	-
Australian Super	Accumulated Contribution	9.0%	37,289	29,065
Aviva Australia Ltd	Accumulated Contribution	9.0%	-	1,528
Care Super	Accumulated Contribution	9.0%	6,284	14,547
Emergency Services Super	Accumulated Contribution	9.0%	5,094	4,813
First Choice Employer Super	Accumulated Contribution	9.0%	6,381	4,312
IIML ACF Life Track Application	Accumulated Contribution	9.0%	6,063	5,685
IPAC iAccess Super	Accumulated Contribution	9.0%	10,867	8,757
IOOF Superannuation Fund	Accumulated Contribution	9.0%	10,433	3,635
Mercantile Mutual Life Insurance	Accumulated Contribution	9.0%	10,011	8,534
Mercer Wealth Solutions Super Trust	Accumulated Contribution	9.0%	9,212	-
MLC Masterkey Super	Accumulated Contribution	9.0%	5,437	10,950
Prime Super	Accumulated Contribution	9.0%	6,235	-
Recruitment Super	Accumulated Contribution	9.0%	7,447	5,404
Sandhurst Trustees Ltd	Accumulated Contribution	9.0%	2,616	2,356
SuperWRAP	Accumulated Contribution	9.0%	5,893	-
Vanguard Investments Australia Ltd	Accumulated Contribution	9.0%	-	3,468
Vision Super	Accumulated Contribution	9.0%	201,275	176,331
Victorian Superannuation Board	Accumulated Contribution	9.0%	76,569	62,416
Other Superannuation Funds	Accumulated Contribution	9.0%	14,238	21,691
			<u>453,028</u>	<u>393,516</u>

As at the reporting date, there was \$nil (2010: \$35,232) of outstanding contributions payable to the above funds.

As at the reporting date, there were no loans to or from the Authority to any of the above funds.

## NOTES TO THE FINANCIAL REPORT

For the reporting period ended 30 June 2011

2011

2010

\$

\$

### NOTE 16: RESPONSIBLE PERSONS RELATED PARTY DISCLOSURES

#### (a) Responsible persons

The names of persons who were responsible persons at any time during the financial year were:

Persons Name	Position	Period	
Hon Gavin Jennings, MLC	Minister for Environment and Climate Change	01 Jul 2010	to 01 Dec 2010
Hon Peter Walsh, MP	Minister for Water and Agriculture	02 Dec 2010	to 30 Jun 2011
Hon Ryan Smith, MP	Minister for Environment and Climate Change	02 Dec 2010	to 30 Jun 2011
Geoff Williams	Board Chair	01 Jul 2010	to 30 Jun 2011
Christine Brooke	Board Member	01 Jul 2010	to 30 Jun 2011
Jane Holt	Board Member	01 Jul 2010	to 30 Jun 2011
John Leishman	Board Member	01 Jul 2010	to 30 Jun 2011
Stuart McLean	Board Member	01 Jul 2010	to 30 Jun 2011
Jenette Williams	Board Member	01 Jul 2010	to 30 Jun 2011
Melanie McCarthy	Board Member	01 Jul 2010	to 30 Jun 2011
John Learmonth	Board Member	01 Jul 2010	to 16 Sep 2010
Donald Naunton	Board Member	01 Jul 2010	to 30 Jun 2011
Damian Wells	Chief Executive Officer	01 Jul 2010	to 30 Jun 2011
Brad Drust	Acting Chief Executive Officer	13 Aug 2010	to 20 Aug 2010
Emer Campbell	Acting Chief Executive Officer	27 May 2011	to 03 June 2011

#### Remuneration of responsible persons

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

Remuneration received, or due and receivable from the Authority in connection with the management of the Authority (includes termination payments and bonuses paid at the end of contracts).

283,567      287,406

The number of responsible persons whose remuneration from the Authority was within the specified bands were as follows:

Income band (\$)	No.	No.
0 - 9,999	2	-
10,000 - 19,999	7	9
160,000 - 169,999	-	1
170,000 - 179,999	1	-

#### Retirement benefits of responsible persons

The were no retirement benefits paid by the Authority in connection with the retirement of responsible persons.

#### Other related party transactions

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

Name of Related Parties	Responsible Person		
ESE Consulting	Damian Wells	62,104	163,881
Amounts payable to related parties at 30 June			
ESE Consulting		-	5,244

Transactions between related parties were based on established objective criteria and were on no more favourable terms than those available to other parties unless otherwise stated.

There were no other transactions between the Authority and responsible persons and their related parties during the financial year.

**NOTES TO THE FINANCIAL REPORT**

For the reporting period ended 30 June 2011

**2011****2010**

\$

\$

**NOTE 16: RESPONSIBLE PERSONS RELATED DISCLOSURES (continued)****(b) Executive officers' remuneration**

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

Income band (\$)	Total Remuneration		Base Remuneration	
	2011 No.	2010 No.	2011 No.	2010 No.
100,000 - 109,999	1	5	5	4
110,000 - 119,999	4	1	2	-
120,000 - 129,999	4	1	-	-
130,000 - 139,999	2	1	-	-
140,000 - 149,999	1	-	-	-
<b>Total Numbers</b>	<b>12</b>	<b>8</b>	<b>7</b>	<b>4</b>
<b>Total Amount</b>	<b>\$1,477,694</b>	<b>\$894,800</b>	<b>\$762,867</b>	<b>\$430,565</b>

Total remuneration includes bonuses paid to executive officers. Bonuses are excluded from base remuneration resulting in fewer executive officers with base remuneration greater than \$100,000.

**NOTE 17: RECONCILIATION OF PROFIT / (LOSS) FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Net result for the period</b>	4,117,895	(66,200)
<b>Add /(less) non-cash flows in net result</b>		
(Profit)/loss on disposal of non-current assets	3,470	30,463
Depreciation and amortisation	366,810	377,887
	<b>4,488,175</b>	<b>342,150</b>
<b>Changes in assets and liabilities</b>		
Decrease / (increase) in trade receivables	960,352	(40,951)
(Decrease) / increase in payables	(998,459)	(1,047,364)
(Decrease) / increase in provisions	156,306	189,373
<b>Net cash flows from operating activities</b>	<b>4,606,374</b>	<b>(556,792)</b>

**NOTE 18: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

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

## NOTES TO THE FINANCIAL REPORT

For the reporting period ended 30 June 2011

### NOTE 19: FINANCIAL INSTRUMENTS

#### Interest rate risk exposures

The following table sets out the Authority's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods. Exposures arise predominately from liabilities bearing variable interest rates as the Authority intends to hold fixed rate liabilities to maturity.

2010-2011	Weighted Av	Floating	Fixed Interest Rate Maturing			Non-interest
	Interest Rate	Interest Rate	1 year or less	1 to 5 years	Over 5 years	Bearing
	%	\$	\$	\$	\$	\$
<i>Financial Assets</i>						
Cash	5.09	806,456	10,500,000	-	-	500
Receivables	n/a	-	-	-	-	1,364,591
<b>Total Financial Assets</b>		<b>806,456</b>	<b>10,500,000</b>	<b>-</b>	<b>-</b>	<b>1,365,091</b>
<i>Financial Liabilities</i>						
Payables	n/a	-	-	-	-	1,830,686
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,830,686</b>
<b>Net financial liabilities</b>		<b>806,456</b>	<b>10,500,000</b>	<b>-</b>	<b>-</b>	<b>(465,595)</b>
2009-2010	Weighted Av	Floating	Fixed Interest Rate Maturing			Non-interest
	Interest Rate	Interest Rate	1 year or less	1 to 5 years	Over 5 years	Bearing
	%	\$	\$	\$	\$	\$
<i>Financial Assets</i>						
Cash	4.67	755,292	6,500,000	-	-	500
Receivables	n/a	-	-	-	-	2,328,125
<b>Total Financial Assets</b>		<b>755,292</b>	<b>6,500,000</b>	<b>-</b>	<b>-</b>	<b>2,328,625</b>
<i>Financial Liabilities</i>						
Payables	n/a	-	-	-	-	2,829,144
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,829,144</b>
<b>Net financial liabilities</b>		<b>755,292</b>	<b>6,500,000</b>	<b>-</b>	<b>-</b>	<b>(500,519)</b>

#### Fair value

The carrying amounts and fair values of financial assets and financial liabilities at balance date are:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
<i>Financial Assets</i>				
Cash	11,306,956	11,306,956	7,255,792	7,255,792
Receivables	1,364,591	1,364,591	2,328,125	2,328,125
<b>Total Financial Assets</b>	<b>12,671,547</b>	<b>12,671,547</b>	<b>9,583,917</b>	<b>9,583,917</b>
<i>Financial Liabilities</i>				
Payables	1,830,686	1,830,686	2,829,144	2,829,144
<b>Total Financial Liabilities</b>	<b>1,830,686</b>	<b>1,830,686</b>	<b>2,829,144</b>	<b>2,829,144</b>

Cash, cash equivalents and non-interest bearing financial assets and financial liabilities are carried at cost which approximates their fair value. The fair value of other financial assets and financial liabilities is based upon market prices, where a market exists or by discounting the expected future cash flows at current interest rates. All deposits are held at call with Australian authorised deposit-taking institutions.

## NOTES TO THE FINANCIAL REPORT

For the reporting period ended 30 June 2011

### NOTE 20: CONTRIBUTIONS SUBJECT TO RESTRICTIONS

The Authority receives funding for specific projects. Such funding is allocated to, and must be expended on those projects. The following table displays monies held and committed at the end of the year in respect to projects currently in progress.

Funding Categories - 2010/11	Balance	Contributions	Year to Date	Balance	Committed	Uncommitted
Category	1 July 2010	Received	Expenditure	30 June 2011	Funds	Funds
Biodiversity	62,864	1,827,427	1,765,043	125,248	125,248	-
Climate	15,263	-	15,263	-	-	-
Community	77,284	770,546	757,609	90,221	90,221	-
Dryland	650,473	891,112	1,494,428	47,157	47,157	-
Infrastructure	-	-	(167,824)	167,824	167,824	-
Irrigated land	525,332	2,563,000	1,675,918	1,412,414	1,412,414	-
Waterways & wetlands	5,105,822	11,897,322	10,362,990	6,640,154	6,640,154	-
Corporate services	1,607,797	4,510,911	2,438,995	3,679,713	2,699,713	980,000
<b>Total</b>	<b>8,044,835</b>	<b>22,460,318</b>	<b>18,342,422</b>	<b>12,162,731</b>	<b>11,182,731</b>	<b>980,000</b>

Funding Categories - 2009/10	Balance	Contributions	Year to Date	Balance	Committed	Uncommitted
Category	1 July 2009	Received	Expenditure	30 June 2010	Funds	Funds
Biodiversity	167,614	1,578,467	1,683,217	62,864	62,864	-
Climate	30,414	-	15,151	15,263	15,263	-
Community	261,650	1,020,557	1,204,923	77,284	77,284	-
Dryland	311,487	2,096,033	1,757,047	650,473	650,473	-
Irrigated land	193,310	3,129,136	2,797,114	525,332	525,332	-
Water resources	203,854	-	203,854	-	-	-
Waterways & wetlands	5,132,614	10,092,813	10,119,605	5,105,822	5,105,822	-
Corporate services	1,810,093	1,886,725	2,089,021	1,607,797	392,798	1,215,000
<b>Total</b>	<b>8,111,036</b>	<b>19,803,731</b>	<b>19,869,932</b>	<b>8,044,835</b>	<b>6,829,836</b>	<b>1,215,000</b>

Funds committed as at 30 June are anticipated to be expended as follows:

	2011	2010
	\$	\$
Within one year	8,692,993	3,978,294
Later than one year but within five years	2,489,738	2,851,542
Later than five years	-	-
<b>Total</b>	<b>11,182,731</b>	<b>6,829,836</b>

Committed funds for the financial year ending 30 June are funds committed to specific projects reportable to investors.

### NOTE 21: ECONOMIC DEPENDENCE

The Authority's role in implementing the goals contained in the Regional Catchment Strategy remains dependent upon future funding by the State and Commonwealth governments.

### NOTE 22: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the time of preparing the accounts an unresolved claim exists between the Authority and an insurer. It is unknown if this claim will have a financial impact on the North Central CMA and is currently being investigated by the Authority's insurer. No other matters have arisen since the end of the reporting period which significantly affect 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.



# Appendices

## Appendix 1: North Central CMA Whistleblowers Policy

Policy Number:	HR009
Effective Date:	October 2007
Purpose:	<p>These procedures establish a system for reporting disclosures of improper conduct or detrimental action by the North Central CMA or its employees. The system enables such disclosures to be made to the protected disclosure coordinator or to one of the nominated Protected disclosure officers. Disclosures may be made by employees or by members of the public.</p> <p>These procedures are designed to complement normal communication channels between supervisors and employees.</p> <p>Employees are encouraged to continue to raise appropriate matters at any time with their supervisors. As an alternative, employees may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.</p>
Scope:	All staff, Board members, Natural Resource Management Committee members, employment providers and members of other committees and practitioner bodies of the North Central CMA.
Training Assumptions:	
Legislative Context (if relevant):	<i>Whistleblowers Protection Act 2001</i>
References:	
Approved by:	
Next Review Date:	
Documents superseded by this document	
Relevant forms:	
Key Words:	<i>Whistleblowers Protection Act 2001</i>

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## Introduction and objectives

The *Whistleblowers Protection Act 2001* (the Act) commenced operation on 1 January 2002. The main objective of the Act is to encourage and facilitate the making of disclosures of improper conduct or detrimental action by public officers and public bodies. The Act provides protection to whistleblowers that make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken.

## Statement of support to whistleblowers

The North Central CMA is committed to the aims and objectives of the Act. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The North Central CMA recognises the value of 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 Authority will take all reasonable steps to protect people who make such disclosures from any detrimental action or reprisal for making the disclosure. It will also take all necessary measures to afford natural justice to the person who is the subject of the disclosure.

## Definitions of key terms

Three key concepts in the reporting system are: improper conduct, corrupt conduct and detrimental action. Definitions of these terms are as follows.

### Public bodies include:

All Government Departments and administrative offices; Statutory Authorities; Municipal Councils; Government-appointed Boards and Committees; Government-owned companies; Universities; TAFE Colleges; Public Hospitals; State-funded Residential Care Services; Health Services contractors; and Correctional Services contractors.

### Public officers include:

Members of Parliament; Councillors; Council employees; Public Servants; University employees; Police Officers; Protective Services Officers; Administrative Staff of the Chief Commissioner of Police; Teachers; and Office holders appointed by Governor in Council or a Minister.

## Improper conduct

A disclosure may be made about improper conduct by a public body or public official.

Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety, or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

Examples:

- › to avoid closure of a town's only industry, an environmental health officer ignores or conceals evidence of illegal dumping of waste

- › an agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock
- › a building inspector tolerates poor practices and structural defects in the work of a leading local builder.

## Corrupt conduct

### Corrupt conduct means:

- › conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions
- › the performance of a public officer's functions dishonestly or with inappropriate partiality
- › conduct of a public officer, former public officer or a public body that amounts to a breach of public trust
- › conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions
- › a conspiracy or attempt to engage in the above conduct.

### Examples:

- › a public officer takes a bribe or receives a payment other than his or her wages or salary in exchange for the discharge of a public duty
- › a public officer favours unmeritorious applications for jobs or permits by friends and relatives
- › a public officer sells confidential information.

## Detrimental action

**The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. Detrimental action includes:**

- › action causing injury, loss or damage
  - › intimidation or harassment
  - › discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.
- Examples:**
- › a public body refuses a deserved promotion of a person who makes a disclosure
  - › a public body demotes, transfers, isolates in the workplace, or changes the duties of a whistleblower due to the making of a disclosure
  - › a person threatens abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his or her family or friends
  - › a public body discriminates against the whistleblower or his or her family and associates in subsequent applications for jobs, permits or tenders.

## The reporting system:

### Contact persons within the North Central CMA

Disclosures of improper conduct or detrimental action by the North Central CMA, or its employees, may be made to the following officers:

The protected disclosure coordinator:

Trevor Marshall  
03 5440 1804

A protected disclosure officer:

Trevor Marshall  
03 5440 1804

- › All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.
- › Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

### Alternative contact persons

A disclosure about improper conduct or detrimental action by the North Central CMA, or its employees, may also be made directly to the Ombudsman:

The Ombudsman Victoria  
Level 9, 459 Collins Street  
Melbourne VIC 3000 (DX 210174)  
Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au); email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au); tel: (03) 9613 6222  
Toll Free: 1800 806 314

The following table sets out where disclosures about persons other than employees of North Central CMA should be made.

Person who is the subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a public body	That public body or the Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Councillor	The Ombudsman
Chief Commissioner of Police	The Ombudsman or Deputy Ombudsman
Member of the police force	The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

### Roles and responsibilities: Employees

Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures.

All North Central CMA employees have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure.

Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

### Protected disclosure officers

Protected disclosure officers will:

- › be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action
- › make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace
- › receive any disclosure made orally or in writing (from internal and external whistleblowers).
- › Commit to writing any disclosure made orally
- › impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, a protected disclosure)
- › take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
- › forward all disclosures and supporting evidence to the protected disclosure coordinator.

### Protected disclosure coordinator

The protected disclosure coordinator has a central clearinghouse role in the internal reporting system. He or she will:

- › receive all disclosures forwarded from the protected disclosure officers
- › receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure
- › impartially assess each disclosure to determine whether it is a public interest disclosure
- › refer all public interest disclosures to the Ombudsman
- › be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the public body by the Ombudsman
- › be responsible for overseeing and coordinating an investigation where an investigator has been appointed
- › appoint a welfare manager to support the whistleblower and to protect him or her from any reprisals
- › advise the whistleblower of the progress of an investigation into the disclosed matter
- › establish and manage a confidential filing system
- › collate and publish statistics on disclosures made
- › take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
- › liaise with the Chief Executive Officer of the public body.

### Investigator

The investigator will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the public body. An investigator may be a person from within an organisation or a consultant engaged for that purpose.

## Welfare manager

The welfare manager is responsible for looking after the general welfare of the whistleblower. The welfare manager will:

- › examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment
- › advise the whistleblower of the legislative and administrative protections available to him or her
- › listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure
- › ensure the expectations of the whistleblower are realistic.

## Confidentiality

The North Central CMA will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure not to disclose that information except in certain limited circumstances. Disclosure of information in breach of section 22 of the Act constitutes an offence that is punishable by a maximum fine of 60 penalty units (\$6,000) or six months imprisonment, or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- › where exercising the functions of the public body under the Act
- › when making a report or recommendation under the Act
- › when publishing statistics in the annual report of a public body
- › in criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that is likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars including in an annual report.

The Authority will ensure all files, whether paper or electronic, are kept in a secure room and can only be accessed by the protected disclosure coordinator, protected disclosure officer, the investigator or welfare manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging of information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on floppy disc or CDR. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

The North Central CMA will not email documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.

## Collating and publishing statistics

The protected disclosure coordinator will establish a secure register to record the information required to be published in the annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

The register will contain the following information:

- › The number and types of disclosures made to public bodies during the year.
- › The number of disclosures referred to the Ombudsman to determine whether they are public interest disclosures.
- › The number and types of disclosed matters referred to the public body by the Ombudsman for investigation.
- › The number and types of disclosures referred by the public body to the Ombudsman for investigation.
- › The number and types of investigations taken over from the public body by the Ombudsman.
- › The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body.
- › The number and types of disclosed matters that the public body has declined to investigate.
- › The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation.
- › Any recommendations made by the Ombudsman that relate to the public body.

## Receiving and assessing disclosures:

### Has the disclosure been made in accordance with Part 2 of the Act?

Where a disclosure has been received by the protected disclosure officer or by the protected disclosure coordinator, he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

### Has the disclosure been made to the appropriate person?

For the disclosure to be responded to by the North CMA, it must concern an employee, member or officer of the North Central CMA. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed (see the table in 5.2). If the disclosure has been made anonymously, it should be referred to the Ombudsman.

### Does the disclosure contain the essential elements of a protected disclosure?

To be a protected disclosure, a disclosure must satisfy the following criteria.

- › Did a natural person (that is, an individual person rather than a corporation) make the disclosure?
- › Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- › Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- › Does the person making a disclosure have reasonable grounds for believing the alleged conduct has occurred?

Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator. The protected disclosure coordinator will determine whether the disclosure is a public interest disclosure.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure officer will decide how the matter should be responded to in consultation with the protected disclosure coordinator.

### Is the disclosure a public interest disclosure?

Where the protected disclosure officer or coordinator has received a disclosure that has been assessed to be a protected disclosure, the protected disclosure coordinator will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure.

In reaching a conclusion as to whether a protected disclosure is a public interest disclosure, the protected disclosure coordinator will consider whether the disclosure shows, or tends to show, that the public officer to whom the disclosure relates.

- › Has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer?
- › Has taken, is taking or proposes to take detrimental action in reprisal for the making of the protected disclosure?
- › Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest disclosure, he or she will
- › Notify the person who made the disclosure of that conclusion
- › Refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a public interest disclosure, he or she will:

- › notify the person who made the disclosure of that conclusion
- › advise that person that he or she may request the public body to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will make the notification and the referral within 14 days of the conclusion being reached by the public body. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

### Investigations

Where the Ombudsman refers a protected disclosure to the North Central CMA for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.

The objectives of an investigation will be to:

- › collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment
- › consider the information collected and draw conclusions objectively and impartially
- › maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure
- › make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

### Terms of reference

Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference and obtain authorisation for those terms from the Chief Executive Officer. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress.

### Investigation plan

The investigator will prepare an investigation plan for approval by the protected disclosure coordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- › What is being alleged?
- › What are the possible findings or offences?
- › What are the facts in issue?
- › How is the inquiry to be conducted?
- › What resources are required?

At the commencement of the investigation, the whistleblower should be:

- › notified by the investigator that he or she has been appointed to conduct the investigation
- › asked to clarify any matters
- › provide any additional material he or she might have.

The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

### Natural justice

The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

The North Central CMA will have regard to the following issues in ensuring procedural fairness:

The person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond. (This does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced):

- › if the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person's defence should be fairly set out in the report
- › all relevant parties to a matter should be heard and all submissions should be considered
- › a decision should not be made until all reasonable inquiries have been made

- the investigator or any decision-maker should not have a personal or direct interest in the matter being investigated
- all proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process
- the investigator must be impartial in assessing the credibility of the whistleblowers and any witnesses. Where appropriate, conclusions as to credibility should be included in the investigation report.

### Conduct of the investigation

The investigator will make contemporaneous notes of all discussions and phone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower.

Where disclosure of the identity of the whistleblower cannot be avoided due to the nature of the allegations, the investigator will warn the whistleblower and his or her welfare manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

### Referral of an investigation to the Ombudsman

The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- the investigation is being obstructed by, for example, the non-cooperation of key witnesses
- the investigation has revealed conduct that may constitute a criminal offence.

### Reporting requirements

The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

### Action taken after an investigator's final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the protected disclosure coordinator. The report will contain:

- the allegation/s
- an account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed
- the conclusions reached and the basis for them
- any recommendations arising from the conclusions.

Where the investigator has found that the conduct disclosed by the

whistleblower has occurred, recommendations made by the investigator will include:

- the steps that need to be taken by the North Central CMA to prevent the conduct from continuing or occurring in the future
- any action that should be taken by the North Central CMA to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.

The report will be accompanied by:

- the transcript or other record of any oral evidence taken, including tape recordings
- all documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

Where the investigator's report is to include an adverse comment against any person, that person will be given the opportunity to respond and his or her defence will be fairly included in the report. The report will not disclose particulars likely to lead to the identification of the whistleblower.

### Action to be taken

If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the Chief Executive Officer the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The protected disclosure coordinator will provide a written report to the Minister for Environment and Climate Change, the Ombudsman and the whistleblower setting out the investigation findings and any remedial steps taken.

Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

### Managing the welfare of the whistleblower:

#### Commitment to protecting whistleblowers

The North Central CMA is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures.

The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment
- advise the whistleblower of the legislative and administrative protections available to him or her
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure

- › keep an updated record of all aspects of the case management of the whistleblower, including all contact and follow-up action
- › ensure the expectations of the whistleblower are realistic.

All employees will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units (\$24,000) or two years imprisonment, or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

Detrimental action includes:

- › causing injury, loss or damage
- › intimidation or harassment
- › discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business (including the taking of disciplinary action).

### Keeping the whistleblower informed

The protected disclosure coordinator will ensure the whistleblower is kept informed of action taken in relation to his or her disclosure, and the timeframes that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation, and the steps taken by the North Central CMA to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by the North Central CMA in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

### Occurrence of detrimental action

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- › record details of the incident
- › advise the whistleblower of his or her rights under the Act
- › advise the protected disclosure coordinator or Chief Executive Officer of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act. Where the protected disclosure coordinator is satisfied that the disclosure is a public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

### Whistleblowers implicated in improper conduct

Where a person who makes a disclosure is implicated in misconduct, the North Central CMA will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures. The Authority acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct.

Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under

the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action

The Chief Executive Officer will make the final decision on the advice of the protected disclosure coordinator as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

In all cases where disciplinary or other action is being contemplated, the Chief Executive Officer must be satisfied that it has been clearly demonstrated that:

- › the intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information)
- › there are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances
- › there are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The protected disclosure coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The protected disclosure coordinator will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.

### Management of the person against whom a disclosure has been made

The North Central CMA recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures.

The North Central CMA will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

The protected disclosure coordinator will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body is:

- › informed as to the substance of the allegations
- › given the opportunity to answer the allegations before a final decision is made
- › informed as to the substance of any adverse comment that may be included in any report arising from the investigation
- › his or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

The North Central CMA will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the Chief Executive Officer will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.



## Criminal offences

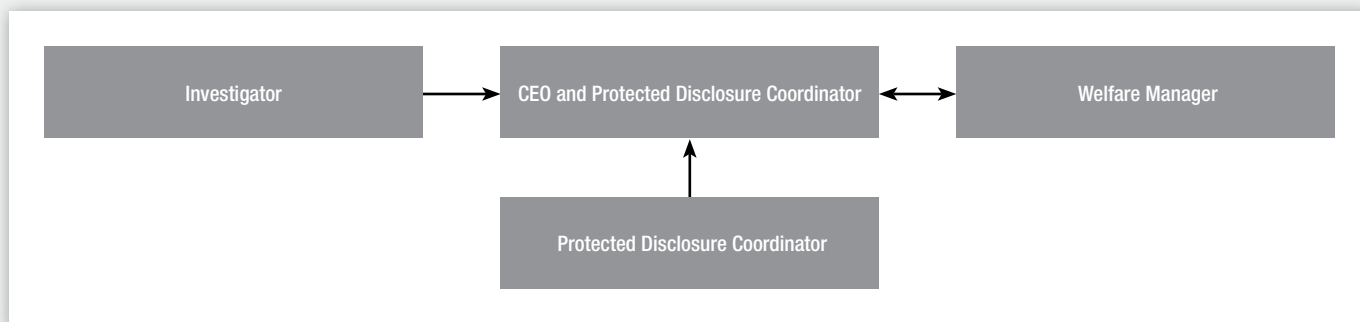
The North Central CMA will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act.

- It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment, or both.
- It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6,000) or six months imprisonment, or both.
- It is an offence for a person to obstruct the Ombudsman in performing his/her responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment, or both.
- It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment, or both.

## Review

These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

## Annexure A – North Central CMA reporting structures



## Annexure B – Model register

Date disclosure received  
Type of disclosure  
Is disclosure a public interest disclosure?  
Date above determination made  
Date WB\* informed of determination  
Date disclosure referred to the Ombudsman  
Determination made by Ombudsman  
Was the investigation referred back to the Ombudsman?  
Did the Ombudsman take over the investigation?  
Did the WB request the Ombudsman to take over the investigation?  
Findings of the public body  
Recommendations made by the Ombudsman  
Date reporting requirements satisfied.

\* WB refers to Whistleblower

## Appendix 2: Disclosure index

The North Central CMA 2010–11 Annual Report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

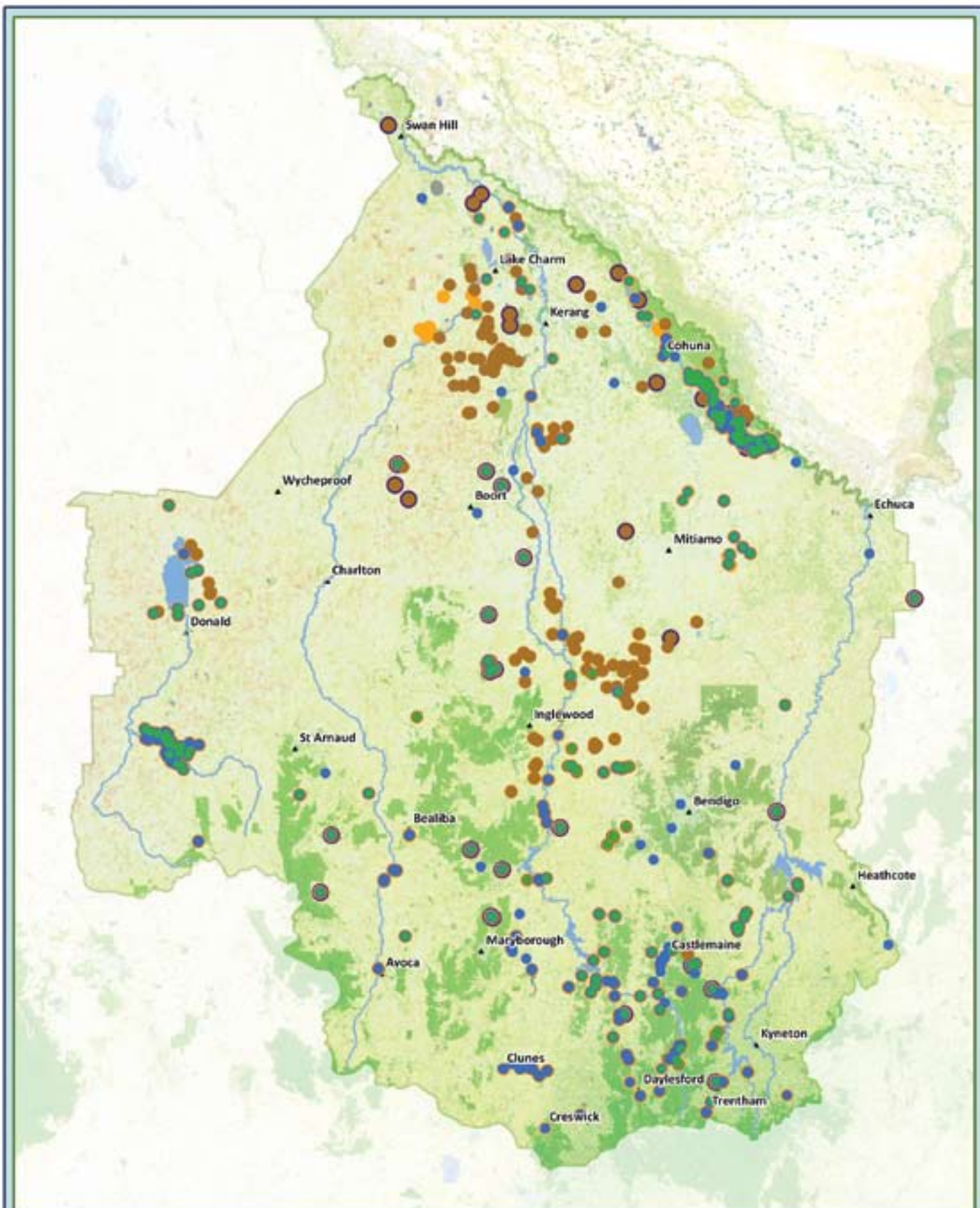
Legislation	Requirement	Page reference
<b>Ministerial Directions</b>		
<b>Report of Operations – FRD Guidance</b>		
<b>Charter and Purpose</b>		
FRD 22B	Manner of establishment and the relevant Ministers	4
FRD 22B	Objectives, functions, powers and duties	3
FRD 22B	Nature and range of services provided	3
<b>Management and Structure</b>		
FRD 22B	Organisational structure	19
<b>Financial and Other Information</b>		
FRD 10	Disclosure index	64
FRD 12A	Disclosure of major contracts	24
FRD 15B	Executive officer disclosures	23
FRD 22B, SD 4.2(k)	Operational and budgetary objectives, and performance against objectives	14-17
FRD 22B	Employment and conduct principles	21
FRD 22B	Occupational health and safety policy	21
FRD 22B	Summary of the financial results for the year	18
FRD 22B	Significant changes in financial position during the year	18
FRD 22B	Major changes or factors affecting performance	18
FRD 22B	Subsequent events	52
FRD 22B	Application and operation of <i>Freedom of Information Act 1982</i>	25
FRD 22B	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	25
FRD 22B	Statement on National Competition Policy	25
FRD 22B	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	25
FRD 22B	Details of consultancies over \$100 000	24
FRD 22B	Details of consultancies under \$100 000	24
FRD 22B	Statement of availability of other information	30
FRD 24C	Reporting of office based environmental impacts	26-29
FRD 25	Victorian Industry Participation Policy disclosures	24
SD 4.5.5	Risk management compliance attestation	30
SD 4.2(g)	General information requirements	31
SD 4.2(j)	Sign-off requirements	1, 30 & 31
<b>Financial statements required under Part 7 of the FMA</b>		
SD4.2(a)	Statement of changes in equity	36
SD4.2(b)	Operating statement	34
SD4.2(b)	Balance sheet	35
SD4.2(b)	Cash flow statement	36
SD4.2(b)	Notes to the financial statements	37-54

<b>Legislation</b>	<b>Requirement</b>	<b>Page reference</b>
<b>Other requirements under Standing Directions 4.2</b>		
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	31
SD4.2(c)	Compliance with Ministerial directions	31
SD4.2(d)	Rounding of amounts	37
SD4.2(c)	Accountable officer's declaration	31
SD4.2(f)	Compliance with Model Financial Report	31
<b>Other disclosures as required by FRDs in notes to the financial statements</b>		
FRD 9A	Departmental disclosure of administered assets and liabilities	N/A
FRD 11	Disclosure of ex-gratia payments	N/A
FRD 13	Disclosure of parliamentary appropriations	N/A
FRD 21A	Responsible person and executive officer disclosures	23
FRD 102	Inventories	N/A
FRD 103D	Non-current physical assets	35
FRD 104	Foreign currency	N/A
FRD 106	Impairment of assets	38
FRD 109	Intangible assets	48
FRD 107	Investment properties	N/A
FRD 110	Cash flow statements	36
FRD 112B	Defined benefit superannuation obligations	50
FRD 113	Investments in subsidiaries, jointly controlled entities and associates	N/A
FRD 114A	Financial Instruments – General Government Entities and public non-financial corporations	N/A
FRD 119	Contributions by owners	36









**2010/11  
Headline Themes**



- Biodiversity
- Inland Aquatic Ecosystems
- Land Health
- Environmental Stewardship
- Community Capacity
- Main Watercourses
- Main Waterbodies
- Main Towns
- Tree Cover
- North Central CMA





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Monday to Friday  
(excluding public holidays).

[www.nccma.vic.gov.au](http://www.nccma.vic.gov.au)

## Our Staff

The following staff were employed by the North Central CMA for all or part of the 2010-11 reporting period:

Darren	Bain	Rebecca	Lillie
Gregory	Barber	Navec	Lorkin
Melissa	Barras	Michelle	Maher
Adrian	Bathgate	Adrian	Martins
Julie	Bennett	James	Marshall
Joshua	Berick	Trevor	Marshall
Ashley	Beven	Richard	Mazurek
Grete	Bowman-Farr	Maree	McKinley
Nicole	Bullen	Robyn	McKay
Emer	Campbell	Peter	McRostie
Anna	Chatfield	Glenn	Merrick
Laura	Chant	Shaun	Morgan
Mark	Costello	Daniel	Mudford
April	Curatolo	Vanessa	Murray
Cassandra	Davis	Jemma	Nesbit-Sackville
Lang	Dowdell	Paul	Nelson
Bradley	Drust	Jodie	Ogders
Harley	Dunolly-Lee	Geoffrey	Park
Philip	Dyson	Mark	Pietzsch
Kane	Ellis	Ross	Pittaway
Colin	Francis	Sally	Pitson
Trent	Gibson	Sonia	Robinson
Angela	Gladman	Timothy	Shanahan
Benjamin	Goonan	Wendy	Shea
Carl	Gray	Philip	Slessar
Britt	Gregory	Joel	Spry
Tess	Grievs	Kathryn	Stanislawski
Graham	Hall	Sarah	Stanaway
John	Hammat	Christine	Taylor
Tanya	Hardiman	Melanie	Tranter
Ian	Higgins	Melissa	Tylee
Rohan	Hogan	Domenico	Uljanic
Rebecca	Horsburgh	Bridie	Velik-Lord
Stephen	Jackson	Sandra	Volk
Boadan	Kerr	Melanie	Watts
Jason	Kerr	Damian	Wells
Samuel	Kerr	Breanna	Whittingstall
Heidi	Kleinert	Camille	White
Nicholas	Layne	Darren	White
Jon	Leevers	Janelle	Williams
Rhonda	Leed	Emma	Wolters



**NORTH CENTRAL**

Catchment Management Authority

*Connecting Rivers, Landscapes, People*

