

2009-10 Annual Report



NORTH CENTRAL
Catchment Management Authority
Connecting Rivers, Landscapes, People

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Front cover photo: Coliban River, downstream of Malmsbury Common. Image shows a 'summer fresh' environmental water delivery to the Coliban River in March 2010. Photo: Imagine Pictures, Bendigo.

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ISSN: 1837 – 0810 (print)

ISSN: 1837 – 0829 (online)

Published: September 2010

North Central Catchment Management Authority
628–634 Midland Highway
Huntly, Victoria 3551

Copies of this annual report can be downloaded from www.nccma.vic.gov.au

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OUR ORGANISATION

The 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 per cent 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 its activities to achieve the best results for investment

Our Vision

A well-informed, resourced and actively committed community protecting and improving the natural resources for the environmental, social and economic benefit of our region.

Our Mission

Leading, coordinating and integrating sustainable natural resource management for the benefit of our rivers and the communities that depend on them.

Our Values

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 trademark 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

FOREWORD

Joint Report from the Chair and CEO

The North Central Catchment Management Authority (CMA) has continued to provide leadership in natural resource management through a period of rapid change and reform this year. While water availability and reform continues to challenge us, we have enhanced our role as biodiversity conservationists, environmental water managers and community engagement leaders.

In December 2009, the Victorian Government released its White Paper, *Securing Our Natural Future*, which recommends a range of natural resource management initiatives. These include institutional reform, which will rationalise natural resource management authorities to increase the effectiveness of environmental protection activities across the state. While recognising that these changes will not take effect until July 2011, it is important that they are acknowledged in our business planning.

The relationship between CMAs and local government is becoming increasingly important following the release of *Securing Our Natural Future* and the need for effective integration between land-use planning and natural resource management. In May 2010, we held a Local Government forum to promote information sharing and provoke discussion between regional policy makers and planners with respect to the 'big picture' long term challenges for North Central Victoria. The importance of working closely with Local Government will only intensify in the coming years.

We have continued our regional leadership in environmental water management through our role in developing Environmental Watering Plans for the Northern Victoria Irrigation Renewal Project (NVIRP). We have also managed the delivery of environmental water to priority sites, including the Campaspe and Coliban rivers, Lake Yando, McDonald Swamp, Little Lake Boort and Lake Leaghur.

In addition, our role as project managers for the Gunbower Forest, *The Living Murray* icon site, reached a crucial point with the submission of an investment proposal to the Murray-Darling Basin Authority in April 2010. This proposal seeks funds to undertake large-scale infrastructure works next year which will provide crucial environmental water to the internationally-significant Gunbower Forest.

Following last year's review of the Regional Catchment Strategy (RCS), we took the first steps in renewing this document by working with our local community and partner agencies to identify the region's priority environmental assets. In light of forthcoming institutional changes, our RCS will now be part of a broader strategy to take in the Northern Rivers region. Importantly, community information obtained to date, such as the list of environmental assets, will be a key component of this.

The process for identifying the region's environmental assets was supported by the Investment Framework for Environmental Resources (INFFER). The North Central CMA continues to take a lead in the application of this tool to help target our investment in the landscape. The inclusion of this approach in *Securing Our Natural Future* leaves the North Central CMA well positioned to implement emerging government policy.

Our role in administering community grants has expanded, enabling us to support a large number of community-driven works activities throughout the region. In addition to the Second Generation Landcare Grants program, we distributed devolved grants through the Box-Gum Grassy Woodland and Farming for Sustainable Soils projects. Our increased focus on soil health was demonstrated through a Regional Soils Forum in March 2010, which attracted expert speakers and 150 attendees.

Our community engagement activities continue to underpin our planning and onground works. The Natural Resource Management Committee (NRMCM) has provided us with a local perspective on our investment proposals and projects, which has enabled us to achieve quality and relevant projects.

We would also like to acknowledge our region's winners in the 2009 Victorian Landcare Awards, announced in September 2009. The Drought Employment Program's Indigenous crew, comprising 12 community members of the Barapa Barapa Nation, was recognised for its work undertaking site assessments and environmental works along the Loddon River near Kerang.

Of course, none of our achievements would be possible without the passion, expertise and commitment of our staff. This team of dedicated professionals has contributed to outstanding results for the organisation and for the region, led by the Executive Team.

In accordance with the *Financial Management Act 1994*, we are pleased to present the North Central CMA's Annual Report for 2009–10.



Geoff Williams
Chair 2009–10



Damian Wells
Chief Executive Officer

ABOUT THE NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY (CMA)

Manner of Establishment and Responsible Minister

The North Central CMA is a statutory authority established under the *Catchment and Land Protection (CaLP) Act 1994* (Vic). The responsible Minister for the 2009–10 period was Gavin Jennings MLC, Minister for Environment and Climate Change.

Objectives, Functions, Powers and Duties

The principal statutory obligations of the Authority are prescribed in the *CaLP Act* and the *Water Act 1989* (Vic.). These Acts constitute the major enabling legislation for catchment management authorities.

The core business of the North Central CMA delivers on the *CaLP Act* and the *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
- caretaker of river health including:
 - waterway management
 - water quality management
 - floodplain and regional drainage management
 - reporting on the condition of the catchment
 - 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 (NRM) goals. We coordinate the capacity of the region to ensure that environmental investment achieves the best possible results. This is achieved 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, namely:

a) Direct service delivery, involving:

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

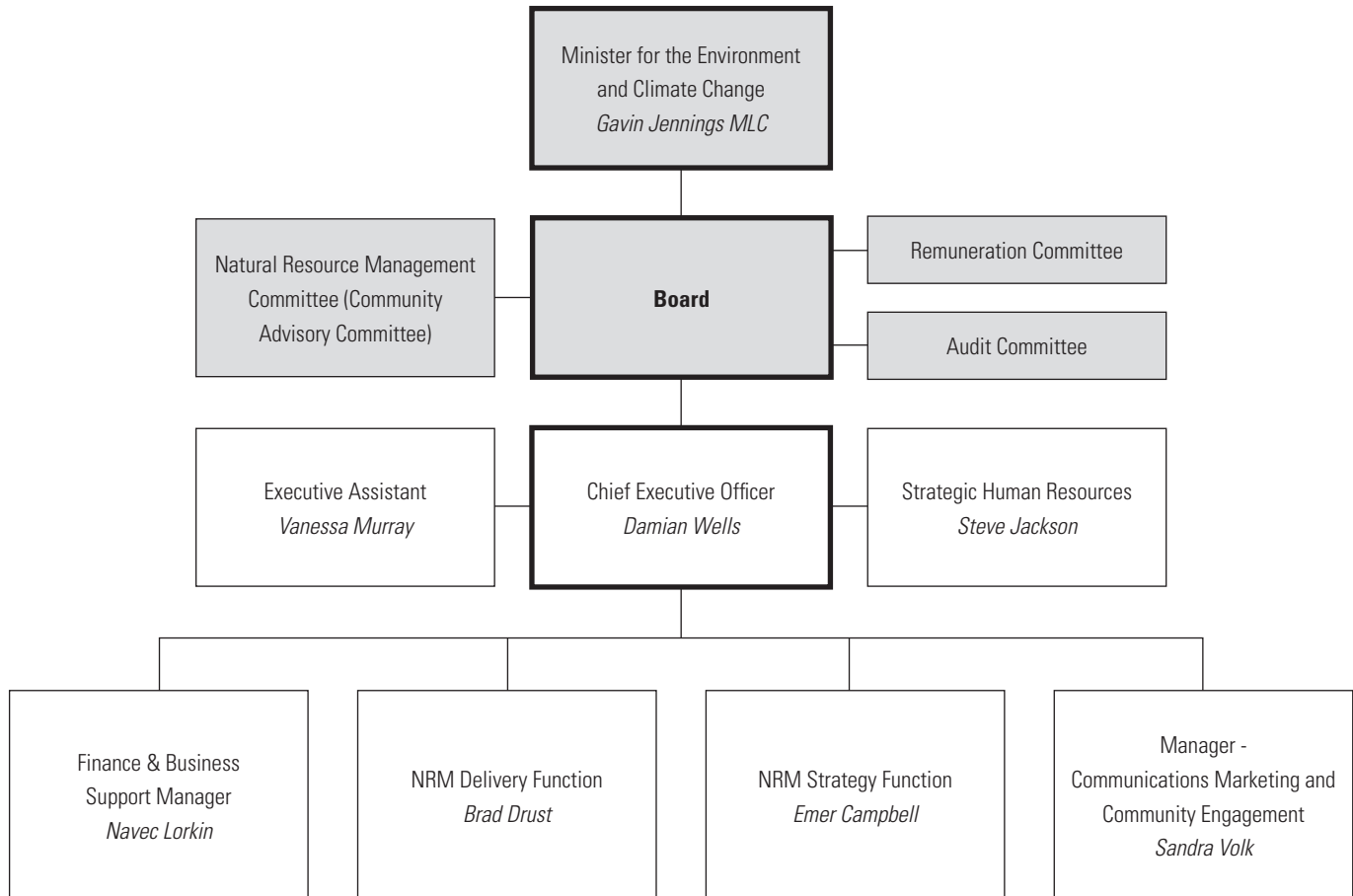
b) Partnerships, involving:

- 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

In 2009–10, the North Central CMA received \$19,803 million of funding from the Federal Government, the Victorian Government and other sources, in addition to the vast contribution of in-kind support from our community, to manage the region's natural resources.

ABOUT THE NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY (CMA)

Organisational Structure



The Board

The North Central CMA is led by a Board appointed by the Victorian Government Minister for Environment and Climate Change. 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
- deciding priorities and evaluating results
- approving and monitoring the financial performance of the organisation

Geoff Williams, Chair (Tyntynder)

Appointed to the Board, as Chair, in 2009, 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. Jenny is Director/Bookseller at Tangled Garden Bookshop and is employed part-time as a school teacher. 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. Jane has been a Board member since 2006.

John Learmonth (Gisborne)

John has extensive experience in land, waterway, and natural resources management, primary industry and economics. John is self-employed as managing partner of Mt Gisborne Cherries and was appointed to the Board in 2009. He would like to see the North Central CMA continue to take account of climate change in managing our natural resources sustainably for all sectors of our communities.

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 resources management and primary industry. Jock has been a Board member since 2006.

Melanie McCarthy (Bendigo)

Melanie holds qualifications in the arts, engineering and a Masters in engineering science (industry management). She is also a graduate of the Australian Institute of Company Directors. Melanie is the Manager at AGD Operations Pty Ltd and has extensive experience in land, environment and natural resources 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 has a strong interest in preserving and protecting the natural environment for future generations, and considers that the North Central CMA plays a pivotal role in doing this. Melanie was appointed to the Board in 2009.

Stuart McLean (Wycheproof)

Stuart has been a farmer in the North Central 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. Christine is self-employed, running her own irrigation farming enterprise, and is a Loddon Shire Councillor. Christine was appointed to the Board in 2009 and looks forward to being involved in policy-making and setting the direction of the North Central CMA during her term. She is particularly interested in improving communication with the community and partner agencies.

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

* Denotes 75 per cent attendance or less approved by the Board

ABOUT THE NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY (CMA)

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.

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

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

Natural Resource Management Committee (NRMC)

The Natural Resource Management Committee (NRMC) 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 and works. Appointment to the Committee is through a public process, with membership endorsed by the Board.

The NRMC advises on:

- appropriate engagement mechanisms for projects
- direction and focus for the Regional Catchment Strategy (RCS)
- 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. For the first time, the NRMC has Indigenous representation with the North Central CMA Board's 2009 appointment of two Indigenous members to the Committee.

The NRMC meets monthly, with some additional meetings occurring for specific purposes, such as input to the investment process. In 2009–10, the Committee met 11 times and participated in four tours of project areas.

Many North Central CMA projects and issues require a more specific level of community input. Fifteen portfolio groups exist, where appropriately skilled committee members provide advice and focused community engagement activities. These activities are communicated to the broader NRMC.

NRMC members	Meeting attendance
Mal Brown, Chair (Leichardt)	10 of 10
Shane O'Loughlin, Deputy Chair (Laanecoorie)	10 of 10
Rob Loats (Donald)	10 of 10
Laurie Maxted (Durham Ox)	10 of 10
John Storey (Wycheproof)	9 of 10
John Knight (Quambatook)	7 of 10
Di Bunnett (Wedderburn)	7 of 10
Ron Cosgrave (Smeaton)	8 of 10
Marie Jones (Castlemaine)	9 of 10
Charlie Gillingham (Lake Charm)	10 of 10
David Jones (Sedgwick)	8 of 10
Ken Coates (Natte Yallock)	8 of 10
Ian Whatley (Echuca)	6 of 6
* Ron Murray (Castlemaine)	3 of 6
* Brien Nelson (Summerfield)	5 of 6

* Denotes NRMC Indigenous Representatives.

Five Year Financial Overview

	2009-10	2008-09	2007-08	2006-07	2005-06
State Government	12,488,153	12,268,478	11,764,317	14,270,468	10,633,266
Commonwealth Government	3,556,689	4,389,506	5,039,410	5,940,040	6,402,110
Other revenue	3,758,889	3,269,519	3,283,239	3,063,111	1,917,925
Total revenue	19,803,731	19,927,503	20,086,966	23,273,619	18,953,301
Administration expenditure	2,203,889	2,413,341	2,605,611	1,859,985	1,754,091
Corporate expenditure	1,025,231	1,127,672	841,041	848,435	993,821
Project expenditure	16,640,812	15,408,413	21,568,957	18,900,042	17,351,074
Total expenditure	19,869,931	18,949,426	25,015,609	21,608,462	20,098,986
Total surplus/(deficit)	(66,200)	978,077	(4,928,643)	1,665,157	(1,145,685)
Current assets	9,629,823	10,223,246	10,846,306	13,637,514	11,689,086
Non-current assets	2,294,297	2,625,063	2,205,310	1,826,126	1,746,632
Total assets	11,924,120	12,848,309	13,051,616	15,463,640	13,435,718
Current liabilities	3,537,461	4,410,246	5,625,642	3,252,275	2,931,894
Non-current liabilities	118,976	104,180	83,769	62,764	20,380
Total liabilities	3,656,437	4,514,426	5,709,411	3,315,039	2,952,274

Financial Summary

During the financial year ending 30 June 2010, the North Central CMA recorded a \$66,200 deficit from operating activities. The financial result was attributed to the following:

Total expenditure increased by 5% from the 2008-09 financial year. This variance is explained by the delivery of a number of carry forward projects.

There were no significant matters which changed our financial position during the reporting period and there were no changes or factors which changed our performance during the reporting period.

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

ABOUT THE NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY (CMA)

Our People

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

At the North Central CMA, it is our aim to be an employer of choice. To achieve this, we are focused on providing our current and prospective employees with competitive terms and conditions of employment, and a positive and friendly work culture that promotes the following behaviours:

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

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

Employment Principles

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

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 60 per cent of staff are female and 40 per cent male. Furthermore, the organisation has structured the workplace to enable approximately a quarter 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.

Learning and Development

The North Central CMA promotes the personal and professional development of its people in order to achieve ongoing improvements in service delivery and to create satisfying career paths for staff members.

This year, the North Central CMA supported employees to increase their knowledge and experience in a range of areas by attending training programs, conferences and seminars throughout the year. Professional development undertaken included technical and safety-based programs such as first aid, driver training and extensive supervisor occupational health and safety certification as well as postgraduate courses such as the Graduate Certificate in River Health and Masters of Environment. Employees have also developed their skills and knowledge through attendance at training opportunities covering local government, sustainability development, irrigation and drainage, vegetation management and community engagement.

People Matter Survey

The *People Matter Survey* collects staff perceptions across the Victorian Public Sector. It measures a range of employee climate and satisfaction dimensions relating to employment principles, the work environment, job satisfaction and how well the organisation is applying the public sector values.

In 2009–10, North Central CMA staff undertook the survey resulting in a strong response rate, with 85 per cent of staff taking part. This survey confirmed the impact of organisational development initiatives undertaken over recent years.

The organisation's commitment to open communication and adherence to values and behaviours was reflected in the *People Matter Survey* results. Some of the areas where the North Central CMA scored well above the industry benchmark were leadership, change management, rewarding and acknowledging behaviour consistent with values, and commitment to human rights. A vast majority of respondents also viewed the water industry as an employer of choice.

Industrial Relations

The North Central CMA continued to effectively implement the Collective Agreement throughout 2009–10.

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 2009–10, 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 function of the Staff Consultative Committee is to assist with the implementation of the Collective Agreement, to plan and manage the Wellbeing program, and to seek opportunities to improve communication between staff and management. The Committee's contribution in 2009–10 included improving the Equal Employment Opportunity framework, impacting policy and developing Contact Officer support roles.

Statement of Workforce Data (Two Years)

The North Central CMA employed 59 people in 2009–10 compared to 62 people in 2008–09. The breakdown of staff is as follows.

	2009–10	2008–09
	(full-time equivalent)	(full-time equivalent)
Executive officers	7	7
Project officers	43	52
Administration staff	9	3
Total	59	62
Male	30	24
Female	29	38
Total	59	62

2009-10 PERFORMANCE

The Year at a Glance

July 2009

- The new North Central CMA Board commenced its term guiding natural resource management (NRM) in the region during a time of significant challenge and opportunity
- National Aboriginal and Islander Day Observance Committee (NAIDOC) week activities were held in partnership with other NRM agencies
- Winter environmental water delivered to Tullaroop Creek (50 ML)

August 2009

- Investment Framework for Environmental Resources (INFFER) won the Eureka Prize. The North Central CMA is a key partner in the development and use of this tool
- Environmental water delivered to Tullaroop Creek (30 ML)

September 2009

- Twelve Indigenous men from the Barapa Barapa Nation, employed through the North Central CMA's Drought Employment Program were presented with the prestigious *2009 Victorian Indigenous Landcare Award*. North Central CMA staff member Geoff Park was awarded the *Sidney Plowmann Award*, while Kamarooka farmer Andy Hay won the *DPI Sustainable Farming Award* for North Central Victoria, part of the *State Landcare Awards*
- The Index of Wetland Condition (IWC) project commenced
- Environmental water delivered to Tullaroop Creek (30 ML)

¹ Environmental Water delivered to Coliban and Campaspe rivers began with a summer base flow in November 2009 with summer freshes (higher flows to mimic a summer storm) delivered until April 2010

² Campaspe River flows consist of environmental water and consumptive water enroute to the Murray system, in partnership with G-MW

³ Environmental water delivery to Richardsons Lagoon commenced in the 2009-10 reporting period (230 ML) with the remainder delivered through spring 2010

October 2009

- Funding was received through the Federal Government's Caring for our Country (CfoC) recovery program to assist communities and landholders repair and restore environmental assets impacted by the February 2009 Black Saturday fires
- Several North Central CMA staff delivered presentations at the Irrigation Australia conference
- Launch of the organisational stakeholder database, ACE2
- Numerous community events held, including *Elmore Field Days*, *Spring in the Bendigo Bush* and *National Water Week* activities
- The Victorian Catchment Management Council (VCMC) visited North Central Victoria as part of a series of regional tours
- Environmental water delivery commenced to Gunbower Creek (500 ML)
- Environmental water delivered to Tullaroop Creek (30 ML)

November 2009

- Two Indigenous representatives joined the Natural Resource Management Committee (NRMC)
- Nine community meetings held to identify the region's most valued environmental assets is completed
- Environmental water delivered to McDonald Swamp (150 ML), Lake Yando (750 ML), Gunbower Forest (2,500 ML), Round Lake (50 ML), Tullaroop Creek (80 ML)
- Environmental water delivery commenced to Coliban River (1150 ML¹) and Campaspe River (4955 ML^{1,2})

December 2009

- *North Central Victoria: A golden era – a changed ecosystem forever* symposium held in Bendigo
- The Victorian Government released its Land and Biodiversity White Paper, *Securing Our Natural Future*
- The Northern Sustainable Water Strategy (NSWS) was released
- Summer environmental water delivered to Little Lake Boort (250 ML), McDonald Swamp (150 ML), Round Lake (80 ML), Tullaroop Creek (70 ML)
- North Central CMA hosted a stakeholder meeting in Bendigo regarding the *Sustainable Diversion Limits* Discussion Paper released as part of the Murray Darling Basin Authority *Basin Plan* development
- A stakeholder workshop for the North Central CMA's 2010–11 investment process, held at the Capital Theatre, Bendigo

January 2010

- Environmental water delivered to Little Lake Boort (150 ML), Gunbower Forest (200 ML), Round Lake (65 ML), Tullaroop Creek (90 ML)

February 2010

- A regional workshop considering strategic directions was held for the New Dryland project
- *World Wetlands Day* was celebrated at the Kerang Lakes through community events providing information about local projects in the area
- Environmental water delivered to Round Lake (65 ML), Tullaroop Creek (85 ML)

March 2010

- North Central CMA becomes part of a Goulburn-Murray Irrigation District consortium that secured \$25.8 million through the Australian Government's \$300 million On-Farm Efficiency Program
- North Central Regional Soils Forum held at Bendigo, engaging 150 people from throughout the region
- Second Generation Landcare Grants distributed for 2009–10
- Deputy Secretary and General Manager of the National Water Commission visited the region
- Environmental water delivered to Tullaroop Creek (90 ML)

April 2010

- Western Sustainable Water Strategy (WSWS) released for public comment, with a community forum held in St Arnaud
- Environmental water delivery commenced to Lake Leaghur (700 ML)
- Environmental water delivered to Tullaroop Creek (80 ML)

May 2010

- The Loddon Stressed River project entered into the 2010 International and National RiverPrize
- North Central CMA 2010–11 investment package submitted to investors
- People, Policy & Planning – The Long View local government forum held in Bendigo, attracting 55 participants
- Gunbower Forest investment proposal submitted to the Murray-Darling Basin Authority
- Development of 11 draft Environmental Watering Plans produced by North Central CMA for the Northern Victoria Irrigation Renewal Project (NVIRP)
- Environmental water delivered to Tullaroop Creek (80 ML)

June 2010

- Environmental water delivery commenced to Richardsons Lagoon (2,000 ML³)
- Environmental water delivered to Tullaroop Creek (80 ML)
- Board members and senior management representatives attended an *Institutional Change Conference* as part of the Department of Sustainability and Environment's transition process

Delivering on Statewide Key Performance Indicators and Targets

In early 2010 communication was received from Minister Jennings' office outlining a new format for reporting on Statewide Key Performance Indicators and Targets across all Victorian CMAs. This new form was first used in the 2010–11 Corporate Plan, submitted in April 2010, and was indicated at the time to be followed for any future corporate and annual reports.

The new form will lead to consistency in reporting across all CMAs and incorporates an efficiency and effectiveness model consistent with new directions in accountability of public finance sector finance practices and legislation. Whilst the 2009–10 Corporate Plan targets and indicators do not directly align with this new format, the content remains fundamentally the same and will help with uniformity in reporting across all authorities.

For Statewide Key Performance Indicators and Targets, see Appendix B.

2009-10 PERFORMANCE

Occupational Health and Safety Policy

Occupational Health and Safety Act 1985

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

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

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

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

Annual OH&S Key Performance Report 2009-10

Key performance indicator	Annual target	Ytd actuals
Audits of worksites	16	16
Audits of Premises	8	11
Audits of Field Days/Events	4	4
Injury - No Time Lost	0	4
Injury - Time Lost	0	2
Incidents reported	20	19
<i>WorkCover</i> claims submitted	0	1
All compulsory OH&S training completed	in accordance with staff training calendar	4
Staff OH&S induction completed for all new staff	within 5 days of commencing	Compliant
OH&S Committee Meetings held	4	4
OH&S meetings with field staff	4	15
Emergency Evacuations Conducted	2	1
Incident/near-miss investigations completed	All completed within 1 month	Compliant

FINANCIAL STATEMENTS

Disclosure Index

The annual report of the North Central CMA is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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FRD 11	Disclosure of ex-gratia payments	N/A
FRD 13	Disclosure of parliamentary appropriations	N/A
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FRD 114A	Financial Instruments – General Government Entities and public non-financial corporations	N/A
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Legislation

Freedom of Information Act 1982

Building Act 1983

Whistleblowers Protection Act 2001

Victorian Industry Participation Policy Act 2003

Financial Management Act 1994

Multicultural Victoria Act 2004

Statutory Certification

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 2010 and financial position as at 30 June 2010;
- (b) are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
- (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 and other mandatory professional reporting requirements.


Signed at Huntly on the 27th Day of August 2010 on behalf of the Board.



Mr Geoff Williams
Board Chair
North Central Catchment Management Authority



Mr Damian Wells
Chief Executive Officer
North Central Catchment Management Authority



Ms Navec Lorkin
Finance and Business Support Manager
North Central Catchment Management Authority

FINANCIAL STATEMENTS

Operating Statement

For the reporting period ended 30 June 2010

	Notes	2010 \$	2009 \$
Revenue from operating activities			
Government contributions			
State Government	1(b) 3(a)	12,488,153	12,268,478
Commonwealth Government	1(b) 3(b)	3,556,689	4,389,506
		<u>16,044,842</u>	<u>16,657,984</u>
Revenue from non-operating activities			
Interest		328,678	492,633
Regional contributions		2,767,469	2,583,418
Other Income		662,742	193,468
		<u>3,758,889</u>	<u>3,269,519</u>
Total revenue		<u>19,803,731</u>	<u>19,927,503</u>
Expenses from operating activities			
Works expenditure	4(a)	16,640,812	15,408,413
Administration expenditure	4(b)	2,173,427	2,374,431
Corporate expenditure	4(c)	1,025,231	1,127,672
Net loss on disposal of non-financial assets	4(d)	30,463	38,910
Total expenses		<u>19,869,931</u>	<u>18,949,426</u>
Net result for the period		<u>(66,200)</u>	<u>978,077</u>

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

Statement of Comprehensive Income

For the reporting period ended 30 June 2010

	2010	2009
	\$	\$
Net result for the period	(66,200)	978,077
Other comprehensive income		
Net gain/(loss) on revaluation of property, plant and equipment	-	13,601
Other comprehensive income for the period	-	13,601
Total comprehensive income for the period	(66,200)	991,678

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

FINANCIAL STATEMENTS

Balance Sheet

As at 30 June 2010	Notes	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	1(f) 5	7,255,792	7,890,166
Receivables	1(g) 6	2,328,125	2,333,080
Other non-financial assets		45,906	-
Total current assets		9,629,823	10,223,246
Non-current assets			
Property, plant and equipment	1(c) 7	2,064,659	2,409,067
Intangible assets	1(m) 8	229,638	215,996
Total non-current assets		2,294,297	2,625,063
TOTAL ASSETS		11,924,120	12,848,309
LIABILITIES			
Current liabilities			
Payables	1(h) 9	2,829,144	3,876,507
Employee benefits	1(i) 10	708,317	533,739
Total current liabilities		3,537,461	4,410,246
Non-current liabilities			
Employee benefits	1(i) 10	118,976	104,180
Total non-current liabilities		118,976	104,180
TOTAL LIABILITIES		3,656,437	4,514,426
NET ASSETS		8,267,683	8,333,883
EQUITY			
Contributed capital	11	8,755,693	8,755,693
Reserves	12	222,848	222,848
Accumulated funds	13	(710,858)	(644,658)
TOTAL EQUITY		8,267,683	8,333,883

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

Statement of Changes in Equity

For the reporting period ended 30 June 2010

	Contributions by owners	Reserves	Accumulated Funds	Total \$
Balance at 1 July 2008	8,755,693	209,247	(1,622,735)	7,342,205
Total comprehensive income for the period	-	13,601	978,077	991,678
Contributions by owners	-	-	-	-
Balance at 30 June 2009	8,755,693	222,848	(644,658)	8,333,883
Balance at 1 July 2009	8,755,693	222,848	(644,658)	8,333,883
Total comprehensive income for the period	-	-	(66,200)	(66,200)
Contributions by owners	-	-	-	-
Balance at 30 June 2010	8,755,693	222,848	(710,858)	8,267,683

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

FINANCIAL STATEMENTS

Cash Flow Statement

For the reporting period ended 30 June 2010	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from government grants		15,223,090	16,388,161
Receipts from other sources		4,617,239	2,850,907
Interest received		330,816	533,199
Payments to suppliers and employees		(21,769,813)	(21,161,307)
GST received from/(paid to) the ATO		1,041,877	1,273,570
Net cash (outflow) / inflow from operating activities	17	(556,792)	(115,470)
Cash flows from investing activities			
Payments for the purchase of property, plant and equipment	7(b)	(415,279)	(1,279,417)
Payments for the purchase of intangible assets	8	(64,730)	(191,419)
Proceeds on disposal of property, plant and equipment	4(d)	402,427	600,937
Net cash (outflow) / inflow from investing activities		(77,582)	(869,899)
Net increase / (decrease) in cash and cash equivalents		(634,374)	(985,369)
Cash and cash equivalents at the beginning of the financial year		7,890,166	8,875,535
Cash and cash equivalents at the end of the financial year	5(a)	7,255,792	7,890,166

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

NOTES TO THE FINANCIAL REPORT

For the reporting period ending 30 June 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

General

This financial report of North Central Catchment Management Authority 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, 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.

Accounting Policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes to comparatives.

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 the 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 1(i) 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 on 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) Revenue Recognition

Government contributions

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, 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.

(c) Recognition and Measurement of Assets

Property, plant and equipment represent non-current 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 exchange plus costs directly attributable to the acquisition.

NOTES TO THE FINANCIAL REPORT

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 using management expertise and are classified as a managerial revaluation. Plant, equipment and motor vehicles are measured at fair value.

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

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

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

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 statements.

(d) 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(c).

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

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

(e) Leased assets

Finance leases

The Authority has no finance leases.

Operating leases

Leasing in which a significant proportion of the risks and rewards or 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.

(f) Cash and Cash Equivalent Assets

Cash and cash equivalents include cash on hand, deposits held at call with Australian authorised deposit-taking institutions and 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.

(g) 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.

(h) 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.

(i) 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.

The Authority does not recognise any defined benefit liability in respect of the superannuation plan because the Authority has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial report.

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.

NOTES TO THE FINANCIAL REPORT

(j) Changes in Accounting Policy

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

(k) 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.

(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.

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

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) 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.

(n) Comparative Amounts

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

(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 2010 reporting period. As at 30 June 2010, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2010. The Authority has not and does not intend to adopt these standards early:

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
"AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]"	In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards. The entity will apply the revised standards from 1 July 2010.	Beginning 1 Jan 2010	The entity does not expect that any adjustments will be necessary as a result of applying the revised rules.
AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the entity's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.	Beginning 1 Jan 2013	The entity is yet to assess its full impact. However, initial indications are that it may affect the entity'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. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.
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 Related Party Disclosures. 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.	Beginning 1 Jan 2011	When the amendments are applied, the entity and the parent will need to disclose any transactions between its subsidiaries and its associates. However, it has yet to put systems into place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.
AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19	AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.	Beginning 1 Jul 2010	It is not expected to have any impact on the entity's financial statements since it is only retrospectively applied from the beginning of the earliest period presented (1 July 2009) and the entity has not entered into any debt for equity swaps since that date.
AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement	In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements.	Beginning 1 Jan 2011	The entity does not make any such prepayments. The amendment is therefore not expected to have any impact on the entity's financial statements.

NOTES TO THE FINANCIAL REPORT

(p) Natural Resource Management Sector Reform

In December 2009, the State Government released, *Securing our Natural Future – a White Paper for land and biodiversity at a time of climate change*. Included in the document was a commitment to restructure Victoria's natural resource management bodies and the associated legislation.

The Government has determined that structural reform of key delivery organisations in Victoria's natural resource management sector – principally the Catchment Management Authorities, Regional Coastal Boards and associated peak bodies is required.

The White Paper foreshadows the establishment of Natural Resource and Catchment Authorities (NRCAs) by June 2011.

Alignment of new Natural Resource & Catchment Authorities

New Authority	Current Bodies
Melbourne Water & Catchment Authority	Melbourne Water Port Phillip & Western Port CMA Central Coastal Board
Gippsland NRCA	East Gippsland CMA West Gippsland CMA Gippsland Coastal Board Gippsland Lakes Taskforce
Western Districts NRCA	Glenelg Hopkins CMA Corangamite CMA Western Coastal Board
Wimmera–Mallee NRCA	Wimmera CMA Mallee CMA
Northern Rivers NRCA	North Central CMA Goulburn Broken CMA North East CMA

The financial impact of the reform cannot be reliably measured as at balance date.

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 a risk management committee 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.

(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.

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 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)	-	-	-	-
Total increase / (decrease)	6,754,773	(72,558)	(72,558)	72,558	72,558

30 June 2009	Carrying amount \$	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
		\$	\$	\$	\$
<i>Financial Assets</i>					
Cash	7,890,166	(78,902)	(78,902)	78,902	78,902
Receivables	2,333,080	-	-	-	-
<i>Financial Liabilities</i>					
Payables	(3,876,507)	-	-	-	-
Total increase / (decrease)	6,346,739	(78,902)	(78,902)	78,902	78,902

(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

NOTE 3: OPERATING STATEMENT - DISCLOSURES OF INCOME

For the reporting period ended 30 June 2010	2010	2009
	\$	\$
Revenue from Operating Activities		
(a) State Government		
<i>Catchment Planning</i>		
Landcare	483,000	504,100
Governance	993,480	968,750
Land statutory funding	-	5,250
<i>Water Asset Investment and Evaluation</i>		
Victorian Water Trust Healthy Rivers Initiative	-	491,000
<i>Sustainable Landscapes</i>		
Sustainable land management	1,190,000	-
<i>Sustainable Irrigation</i>		
Water Smart Farms - Our Water Our Future	529,000	-
Service agreements and government service contracts	20,000	112,000
Salinity infrastructure	1,748,000	-
Sustainable irrigated agriculture and land management	1,237,000	1,231,000
<i>River Health</i>		
Healthy waterways	1,430,000	1,334,900
Environmental flows and stressed rivers	450,000	180,798
Large scale river restoration - Our Water Our Future	1,100,000	750,000
Water statutory function	384,000	336,000
Environmental water reserve officers	199,000	364,490
<i>Natural Resource Investment Program</i>		
Natural Resource Investment Program [NRIP]	1,916,000	3,014,000
<i>Other State Revenue</i>		
Drought relief assistance	-	2,500,000
Bushfire recovery funding	5,278	307,500
Water for growth	803,395	168,690
	<u>12,488,153</u>	<u>12,268,478</u>
(b) Commonwealth Government		
Caring for Our Country - core and transitional	3,484,000	4,092,689
Caring for Our Country - competitive	72,689	218,067
National Heritage Trust	-	48,750
National Landcare Program	-	30,000
	<u>3,556,689</u>	<u>4,389,506</u>
Total Government Contributions	<u>16,044,842</u>	<u>16,657,984</u>

NOTE 4: OPERATING STATEMENT - DISCLOSURES OF EXPENDITURE

For the reporting period ended 30 June 2010	2010	2009
	\$	\$
(a) Works Expenditure		
Works programs salaries and oncosts	3,622,991	3,074,692
Consultancy costs	5,893,457	3,843,161
Contractors	4,148,737	5,810,280
Materials	329,264	582,622
Incentives paid	741,856	971,592
Other Expenses	1,904,507	1,126,066
	<u>16,640,812</u>	<u>15,408,413</u>
(b) Administration Expenditure		
Administration salaries and oncosts	1,119,830	1,058,685
Contract employment	31,565	35,813
Office supplies and stationery	18,860	18,545
Computer and office equipment	384,668	590,343
Photocopiers and printing	33,638	26,607
Building costs	99,281	158,610
Telephone and facsimile	124,831	135,742
Meetings	7,530	14,136
Advertising	635	1,780
Consultancy costs	235,745	162,912
Memberships and subscriptions	4,588	6,263
Motor Vehicle	112,256	164,995
	<u>2,173,427</u>	<u>2,374,431</u>
(c) Corporate Expenditure		
Corporate governance costs		
Board members remuneration	118,316	110,689
Board operational costs	44,010	42,887
Natural Resource Committees remuneration	102,574	101,326
Natural Resource Committees operational costs	24,665	40,625
Depreciation and amortisation expense	377,887	424,838
Bank charges	1,303	1,433
Insurance	38,631	68,474
Audit fees internal	45,637	63,079
Auditor-General external audit	10,100	10,321
Payroll tax	218,190	183,300
Fringe benefits tax	18,057	8,950
Corporate training	25,861	71,752
	<u>1,025,231</u>	<u>1,127,672</u>
(d) Loss on Sale of Assets		
Proceeds on sale of assets	(402,427)	(600,937)
Written down value of assets sold (1)	432,890	639,847
	<u>30,463</u>	<u>38,910</u>
(1) Made up of:		
Property, plant and equipment	7(b) 432,890	635,821
Intangibles	8 -	4,026
	<u>432,890</u>	<u>639,847</u>

NOTES TO THE FINANCIAL REPORT

NOTE 5: CASH AND CASH EQUIVALENTS

For the reporting period ended 30 June 2010	2010 \$	2009 \$
Cash on hand	500	550
Cash at bank	755,292	186,616
Deposits at call	6,500,000	7,703,000
Total cash and cash equivalents	7,255,792	7,890,166

(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	7,255,792	7,890,166
Balance as per Cash Flow Statement	7,255,792	7,890,166

(b) Cash at bank and on hand

These are non-interest bearing	500	550
--------------------------------	-----	-----

(c) Deposits at call

The term deposits bear fixed interest rates as follows:

Term Deposit 1	3.05%	-	1,500,000
Term Deposit 2	3.07%	-	950,000
Term Deposit 3	3.10%	-	1,300,000
Term Deposit 4	4.30%	-	989,000
Term Deposit 5	3.95%	-	990,000
Term Deposit 6	4.30%	-	989,000
Term Deposit 7	4.00%	-	985,000
Term Deposit 8	4.50%	1,000,000	-
Term Deposit 9	4.50%	1,000,000	-
Term Deposit 10	4.73%	1,000,000	-
Term Deposit 11	4.72%	1,000,000	-
Term Deposit 12	4.71%	1,000,000	-
Term Deposit 13	4.76%	1,000,000	-
Term Deposit 14	4.82%	500,000	-
		6,500,000	7,703,000

\$6,829,836 of \$7,255,792 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	2,309,263	2,312,080
Other receivables	18,862	21,000
Total receivables	2,328,125	2,333,080

The ageing of trade receivables is as follows:

0 to 3 months	2,309,263	2,302,080
3 to 6 months	-	5,500
Over 6 months	-	4,500
	2,309,263	2,312,080

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

For the reporting period ended 30 June 2010

2010
\$

2009
\$

(a) Classes of Property, Plant and Equipment

Land

At fair value	169,599	169,599
	169,599	169,599

Buildings

At fair value	751,249	751,249
Less: accumulated depreciation	(81,997)	(64,778)
	669,252	686,471

Buildings

At cost	42,799	31,989
Less: accumulated depreciation	(2,867)	(1,606)
	39,932	30,383

Motor Vehicles

At fair value	927,589	1,205,152
Less: accumulated depreciation	(229,231)	(169,272)
	698,358	1,035,880

Plant and Equipment

At fair value	1,068,560	1,091,569
Less: accumulated depreciation	(581,042)	(604,835)
	487,518	486,734

Total Property, Plant and Equipment

2,064,659 2,409,067

Land was valued at 30 June 2005 by Countrywide Valuers - MM Sanderson AAPI Certified Practising Valuer.

Buildings were valued at 30 June 2005 by Countrywide Valuers - MM Sanderson AAPI Certified Practising Valuer.

A managerial revaluation has been recorded in the financial statements for land and buildings as at 30 June 2009 with the approval of the Valuer General's Office.

(b) Movements During the Reporting Period

2009-2010	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
Totals	2,409,067	415,279	(432,890)	-	-	(326,797)	2,064,659

2008-2009	Opening WDV \$	Additions \$	Disposals \$	Revaluations \$	Impairment \$	Depreciation \$	Closing WDV \$
Land	177,879	-	-	(8,280)	-	-	169,599
Buildings	709,368	3,680	-	21,881	-	(18,075)	716,854
Motor vehicles	856,103	1,014,692	(619,471)	-	-	(215,444)	1,035,880
Plant & Equipment	390,095	261,045	(16,350)	-	-	(148,056)	486,734
Totals	2,133,445	1,279,417	(635,821)	13,601	-	(381,575)	2,409,067

NOTES TO THE FINANCIAL REPORT

NOTE 8: INTANGIBLE ASSETS

For the reporting period ended 30 June 2010	2010	2009
	\$	\$
Intangible Assets at cost	392,587	327,856
Accumulated amortisation	(162,949)	(111,860)
Total intangible assets	229,638	215,996

Year ended 30 June 2010	Development Costs	Software & Licences	Total
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	105,954	123,682	229,636

Year ended 30 June 2009	Development Costs	Software & Licences	Total
At 1 July 2008, net of accumulated amortisation	-	71,865	71,865
Additions	157,501	33,918	191,419
Disposals	-	(4,026)	(4,026)
Impairment	-	-	-
Amortisation	(25,059)	(18,203)	(43,262)
At 30 June 2009, net of accumulated amortisation	132,442	83,554	215,996

NOTE 9: PAYABLES

Current Payables

Trade payables	1,226,068	3,500,540
Accrued expenses	1,603,075	375,967
Total Payables	2,829,142	3,876,507

NOTE 10: EMPLOYEE BENEFITS

For the reporting period ended 30 June 2010	2010	2009
	\$	\$
<i>Current</i>		
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.	299,912	298,642
- employee benefits expected to be settled within 12 months, measured at present value.	408,405	235,097
<i>Total Current</i>	708,317	533,739
<i>Non Current</i>		
Conditional long service leave, measured at present value	118,976	104,180
<i>Total Non-Current</i>	118,976	104,180
Total Employee Benefits	827,293	637,919
Employee numbers at end of financial year	59	62

The following assumptions were adopted in measuring the present value of long service leave entitlements:

Weighted average increase in employee costs	4.48%	4.45%
Weighted average discount rates	5.16%	5.48%
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	8,755,693	8,755,693

NOTES TO THE FINANCIAL REPORT

NOTE 12: RESERVES

For the reporting period ended 30 June 2010	2010	2009
	\$	\$
<i>Composition of reserves</i>		
Asset revaluation reserve	222,848	222,848
Total Reserves	222,848	222,848
<i>Movements in reserves</i>		
Asset revaluation reserve		
Balance 1 July	222,848	209,247
Revaluation increment/(decrement) on non-current assets	-	13,601
Balance 30 June	222,848	222,848

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	(644,658)	(1,622,735)
Net effect of adoption of new Standard or Interpretation	-	-
Net result for the period	(66,200)	978,077
Closing balance at 30 June	(710,858)	(644,658)

NOTE 14: COMMITMENTS

Operating lease commitments

At 30 June 2010, the Authority had the following operating lease commitments:

Lease of photocopiers.

Outstanding lease commitments are to be paid as follows:

within one year	28,020	39,058
one to five years	4,670	32,690
over five years	-	-
	32,690	71,748

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

For the reporting period ended 30 June 2010			2010	2009
			\$	\$
Superannuation Name	Type of Scheme	Rate		
Australian Government Employee	Accumulated Contribution	9.0%	-	2,969
AMP Life Limited	Accumulated Contribution	9.0%	10,021	11,614
AMP Flexible Lifetime Super	Accumulated Contribution	9.0%	7,360	9,994
ANZ Super Advantage	Accumulated Contribution	9.0%	12,643	12,496
Australian Super	Accumulated Contribution	9.0%	29,065	20,311
Aviva Australia Ltd	Accumulated Contribution	9.0%	1,528	2,806
Care Super	Accumulated Contribution	9.0%	14,547	10,965
Emergency Services Super	Accumulated Contribution	9.0%	4,813	6,294
First Choice Employer Super	Accumulated Contribution	9.0%	4,312	-
Glenham Superannuation Fund	Accumulated Contribution	9.0%	4,347	-
Hesta Super Fund	Accumulated Contribution	9.0%	-	1,357
IIML ACF Life Track Application	Accumulated Contribution	9.0%	5,685	7,103
IPAC - SPR	Accumulated Contribution	9.0%	-	8,974
IPAC iAccess Super	Accumulated Contribution	9.0%	8,757	-
IOOF Superannuation Fund	Accumulated Contribution	9.0%	3,635	-
Macquarie Investment Management Ltd	Accumulated Contribution	9.0%	-	1,592
Mercantile Mutual Life Insurance	Accumulated Contribution	9.0%	8,534	11,734
MLC Masterkey Super	Accumulated Contribution	9.0%	10,950	12,456
Recruitment Super	Accumulated Contribution	9.0%	5,404	4,900
Sandhurst Trustees Ltd	Accumulated Contribution	9.0%	2,356	2,813
Uni Super Limited (APP)	Accumulated Contribution	9.0%	-	1,521
Vanguard Investments Australia Ltd	Accumulated Contribution	9.0%	3,468	6,158
Vision Super	Accumulated Contribution	9.0%	176,331	164,810
Victorian Superannuation Board	Accumulated Contribution	9.0%	62,416	59,042
Other Superannuation Funds	Accumulated Contribution	9.0%	17,344	37,832
			393,516	397,741

As at the reporting date, there was \$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.

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.

NOTES TO THE FINANCIAL REPORT

NOTE 16: RESPONSIBLE PERSONS RELATED PARTY DISCLOSURES

For the reporting period ended 30 June 2010

2010

2009

\$

\$

(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 2009	to	30 Jun 2010
Geoff Williams	Board Chair	01 Jul 2009	to	30 Jun 2010
Christine Brooke	Board Member	01 Jul 2009	to	30 Jun 2010
Jane Holt	Board Member	01 Jul 2009	to	30 Jun 2010
John Leishman	Board Member	01 Jul 2009	to	30 Jun 2010
Stuart McLean	Board Member	01 Jul 2009	to	30 Jun 2010
Jenette Williams	Board Member	01 Jul 2009	to	30 Jun 2010
Melanie McCarthy	Board Member	01 Jul 2009	to	30 Jun 2010
John Learmonth	Board Member	01 Jul 2009	to	30 Jun 2010
Donald Naunton	Board Member	01 Jul 2009	to	30 Jun 2010
Damian Wells	Chief Executive Officer	01 Jul 2009	to	30 Jun 2010
Emer Campbell	Acting Chief Executive Officer	07 Sep 2009	to	02 Oct 2009
Emer Campbell	Acting Chief Executive Officer	17 May 2010	to	28 May 2010

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).

287,406

265,532

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	-	7
10,000 - 19,999	9	1
20,000 - 29,999	-	-
150,000 - 159,999	1	1
190,000 - 199,999	-	-

Retirement benefits of responsible persons

There 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	163,881	176,495
Amount payable to responsible person			
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.

(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	
	2010 No.	2009 No.	2010 No.	2009 No.
100,000 - 109,999	5	4	4	2
110,000 - 119,999	1	1	-	1
120,000 - 129,999	1	2	-	-
130,000 - 139,999	1	-	-	-
Total Numbers	8	7	4	3
Total Amount	\$894,800	\$785,374	\$430,565	\$322,032

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.

The executive officer remuneration disclosed for 2009 previously incorrectly disclosed only 1 executive officer with a base remuneration of greater than \$100,000 and disclosed total base remuneration as \$740,821. Total remuneration in 2009 was previously incorrectly disclosed as \$884,033. The correct amounts for executive officers with base and total remuneration of greater than \$100,000 are now disclosed above.

NOTES TO THE FINANCIAL REPORT

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

For the reporting period ended 30 June 2010	2010	2009
	\$	\$
Net result for the period	(66,200)	978,077
Add /(less) non-cash flows in net result		
(Profit)/loss on disposal of non-current assets	30,463	38,910
Depreciation and amortisation	377,887	424,838
	<hr/>	<hr/>
	342,150	1,441,825
Changes in assets and liabilities		
Decrease / (increase) in trade receivables	(40,951)	(362,310)
(Decrease) / increase in payables	(1,047,364)	(1,283,114)
(Decrease) / increase in provisions	189,373	88,129
	<hr/>	<hr/>
Net cash flows from operating activities	(556,792)	(115,470)

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.

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.

2009-2010	Weighted Av Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			Non-interest Bearing \$
			1 year or less \$	1 to 5 years \$	Over 5 years \$	
<i>Financial Assets</i>						
Cash	4.67	755,292	6,500,000	-	-	500
Receivables	n/a	-	-	-	-	2,328,125
Total Financial Assets		755,292	6,500,000	-	-	2,328,625
<i>Financial Liabilities</i>						
Payables	n/a	-	-	-	-	2,829,142
Total Financial Liabilities		-	-	-	-	2,829,142
<i>Net financial liabilities</i>		755,292	6,500,000	-	-	(500,517)

2008-2009	Weighted Av Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			Non-interest Bearing \$
			1 year or less \$	1 to 5 years \$	Over 5 years \$	
<i>Financial Assets</i>						
Cash	3.62	186,616	7,703,000	-	-	550
Receivables	n/a	-	-	-	-	2,333,080
Total Financial Assets		186,616	7,703,000	-	-	2,333,630
<i>Financial Liabilities</i>						
Payables	n/a	-	-	-	-	3,876,508
Total Financial Liabilities		-	-	-	-	3,876,508
<i>Net financial liabilities</i>		186,616	7,703,000	-	-	(1,542,878)

Fair value

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

	2010		2009	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
<i>Financial Assets</i>				
Cash	7,255,792	7,255,792	7,890,166	7,890,166
Receivables	2,328,125	2,328,125	2,333,080	2,333,080
Total Financial Assets	9,583,917	9,583,917	10,223,246	10,223,246
<i>Financial Liabilities</i>				
Payables	2,829,142	2,829,142	3,876,507	3,876,507
Total Financial Liabilities	2,829,142	2,829,142	3,876,507	3,876,507

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

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 - 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	15,262	15,262	-
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	1,810,092	1,886,725	2,089,021	1,607,797	392,799	1,215,000
Total	8,111,035	19,803,732	19,869,931	8,044,835	6,829,836	1,215,000

Funding Categories - 2008/09	Balance	Contributions	Year to Date	Balance	Committed	Uncommitted
Category	1 July 2008	Received	Expenditure	30 June 2009	Funds	Funds
Biodiversity	773,280	938,688	1,544,354	167,614	167,614	-
Climate	82,172	-	51,758	30,414	30,414	-
Community	95,115	4,421,163	4,254,628	261,650	261,650	-
Dryland	159,354	512,862	360,729	311,487	311,487	-
Irrigated land	745,953	137,252	689,895	193,310	193,310	-
Water resources	197,677	2,349,691	2,343,514	203,854	203,854	-
Waterways & wetlands	3,974,480	8,490,828	7,332,694	5,132,614	5,132,614	-
Corporate services	1,104,927	3,077,019	2,371,854	1,810,092	745,092	1,065,000
Total	7,132,958	19,927,503	18,949,426	8,111,035	7,046,035	1,065,000

Funds committed as at 30 June 2010 are anticipated to be expended as follows:

	2010	2009
	\$	\$
Within one year	3,978,294	4,842,822
Later than one year but within five years	2,851,542	2,203,213
Later than five years	-	-
Total Committed Funds	6,829,836	7,046,035

Committed funds for the financial year ending 30 June 2010 are funds committed to specific projects reportable to investors. For the financial year ending 30 June 2009 committed funds were calculated as funds committed to purchasing. 30 June 2009 balances have been reinstated as per the calculation for financial year ending 30 June 2010 for comparative purposes.

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

The Authority did not have any contingent liabilities or contingent assets at balance date.

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 2010 of North Central Catchment Management Authority which comprises the operating statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the statutory certification has been audited.

The Board Members Responsibility for the Financial Report

The Board Members of 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*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of North Central Catchment Management Authority for the year ended 30 June 2010. The Board Members of North Central Catchment Management Authority are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the North Central Catchment Management Authority website.

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.

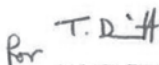
Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of North Central Catchment Management Authority as at 30 June 2010 and its financial performance and 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*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in note 1 (p) to the financial report, the government's Land and Biodiversity White Paper has recommended the establishment of five Natural Resource & Catchment Authorities to consolidate existing Catchment Management Authorities, including the North Central Catchment Management Authority. As a result of this white paper, it is expected that legislation will be enacted in the Victorian Parliament to amend the *Catchment and Land Protection Act 1994* to effect the reform, including the transfers of the functions, assets and liabilities of the existing Authority to a new Natural Resource and Catchment Authority. At the date of this report, the proposed administrative arrangements have not been fully determined and the required legislation has not been enacted. As a result, there is a material uncertainty about whether the Authority will continue as a going concern.

MELBOURNE
27 August 2010

For 
D D R Pearson
Auditor-General

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Auditing in the Public Interest

CORPORATE AND STATUTORY OPERATIONS

The following documents the North Central CMA's performance of statutory responsibilities as a Victorian State Authority and employer

Risk Management Attestation

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

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 2009–June 2010.



Geoff Williams

Chair
North Central Catchment Management Authority
27 August 2010

Statutory Reporting Compliance

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 \$23.90 applies at the time of this report's publication.

In the 2009–10 reporting period there was one request for information under the *Freedom of Information Act 1982*. Applicant was a Victorian Member of Parliament (MP).

The procedure following the request for information was granted, giving full access to 1071 pages of information. Partial access given to two pages; full access was denied as per Section 33 of the *Freedom of Information Act 1982* – disclosure of the identity of third parties. The research time fee of \$100 was waived in this instance, and charges of \$114.60 were levied for printing (20 cents per page).

Of the one request received, it did not go to internal review and is not in the process of an appeal hearing.

Building Act 1993

The North Central CMA complies with the building and maintenance provisions of the *Building Act 1993*.

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, nor have there been any disclosures or referrals by the Ombudsman.

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) 5448 7124

A protected disclosure officer
(03) 5448 7124

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.

A full copy of the North Central CMA Whistleblower Policy is located in Appendix C.

Executive Summary: Management and Catchment Overview

The following information is an excerpt from the Natural Resource Management (NRM) Annual Report 2009-10. A new template was developed in consultation with Catchment Management Authorities (CMAs) and with input from the Victorian Catchment Management Council (VCMC) and the Department of Sustainability and Environment (DSE). The information required to complete Section 1 of this report fulfils the obligations for annual CMA condition and management reporting required under section 19B of the *Catchment and Land Protection Act (1994)*.

The purpose of the report is to improve consistency in CMA reporting of natural resource management activities to enable statewide NRM reporting. The main focus of annual CMA and statewide NRM reporting is the implementation of planned management activities, rather than resource condition.

The template is structured to align reporting with policy and planning directions, namely the six headline themes:

1. Biodiversity
2. Marine Ecosystems
3. Inland Aquatic Ecosystems
4. Land Health
5. Environmental Stewardship
6. Community Capacity

Map of 2009-10 project areas shown on inside back cover (page 71).

Management Summary

Biodiversity

Overview

During the reporting period, the North Central CMA implemented 16 projects which contributed to the outcomes reported within the Biodiversity theme. All projects are scheduled for delivery on time, to budget and expectation.

All outcomes linking to the biodiversity headline theme were achieved with 6517 hectares of additional habitat improved for biodiversity and the risk of extinction for priority populations of threatened species reduced through completion of high priority actions at high priority sites.

Key achievements, learnings and emerging issues

The **Northern Plains Conservation** project protected, extended and improved habitat condition and linkages of high priority and nationally significant woodlands and grasslands of the Northern Plains. The project implemented high priority actions at high priority sites for 13 threatened species.

The **Goldfields Threatened Species** project implemented high priority actions at high priority sites for 17 threatened species, including implementation of recovery plan actions for 11 endangered orchid species, and protection and enhancement of small remaining populations of four threatened flora species. The project also analysed long-term survey data for Brush-tailed Phascogale from key sites to further understand their management requirements and improve conservation outcomes within two years, and surveyed potential habitat for new populations of Eltham Copper Butterfly. The results of all threatened species actions have been recorded in the Actions for Biodiversity Conservation database.

With a specific focus on a flagship threatened species – the Brush-tailed Phascogale, the community-based **Connecting Country** project delivered 2139 hectares of additional habitat improved for biodiversity. The project involved a wide range of groups and agencies.

The **Box-Gum Grassy Woodlands** project, while in its inception year, has been successful in engaging landholders with little or no previous involvement in Landcare and natural resource management. The project has contributed to protection of the critically endangered White Box, Yellow Box and Blakely's Red Gum Grassy Woodland and Derived Grassland communities on private land. Unexpected outcomes from the project include the reactivation of a Landcare Group in the Upper Campaspe area and the management of 30 hectares of high quality uncultivated grassland through fencing funded by the project.

Seasonal conditions have been more favourable for revegetation this year compared to 2008-09 and significant revegetation works are planned for August 2010. Grazing by wallabies and hares may have an impact on revegetation. Further consideration will be given to modifying guarding techniques to manage this issue.

CORPORATE AND STATUTORY OPERATIONS

Climatic conditions over the past year have been particularly good for reproduction of flora species. However, conditions have also been ideal for prolific growth of weeds.

Marine

N/A

Inland aquatic ecosystems

Overview

During the reporting period, the North Central CMA implemented 25 projects which contributed to the outcomes reported within the Inland Aquatic Ecosystems theme. All projects are scheduled for delivery on time, to budget and expectation. Each of the targets which contribute to the inland aquatic ecosystem theme was exceeded.

Many of the Inland Aquatic Ecosystem focused projects are part of the North Central's asset-based portfolio, and implement priority actions of 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, undertaking bushfire recovery works and maximising the environmental outcomes through the Northern Victoria Irrigation Renewal Project (NVIRP).

Key achievements, learnings and emerging issues

Catchments around Daylesford and surrounding areas 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** target 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.

The Index of Wetland Condition is a rapid-assessment method that measures the condition of natural, non-marine influenced wetlands in Victoria. It comprises six subindices: hydrology, water properties, soils, physical form, wetland catchment and biota. The **Index of Wetland Condition** project assessed 55 sites across the North Central CMA region. Three of the wetlands assessed were in excellent overall condition, 20 in good condition, 30 in moderate condition and three in poor condition. This information has been entered into DSE's online Data Management System including sub-index assessment data, site photos and vegetation maps. This project formed part of a statewide assessment project assessing 600 wetlands coordinated through the Arthur Rylah Institute (DSE).

The Loddon River is listed as a flow-stressed river in the Victorian River Health Strategy. The **Loddon Stressed River** project is a Large Scale River Restoration project that complements environmental flows by improving river health along the regulated reaches of the Loddon River (downstream of Cairn Curran to the Murray River). Ongoing works included riparian protection (including fencing and revegetation), improved fish passage linkages, aquatic habitat improvement and management of weeds of national significance. Community engagement is a key component of this project. Cumulatively over the life of the project, approximately 40 per cent (over 330 km) of the total river frontage has been fenced for protection from stock grazing pressures.

A total of 12 individual sites of regional importance were provided with environmental water in 2009-10. This is a significant increase in the total number of sites managed for environmental water by the North Central CMA and has provided consistency in the environmental water management in the region.

The ongoing dry conditions and resultant reduced flows in the region's rivers continue to provide an ongoing challenge to the management of the Environmental Water Reserve.

Land health

Overview

During the reporting period, the North Central CMA implemented 21 projects which contributed to the outcomes reported within the Land Health theme.

Each of the targets which contribute to the land health theme was exceeded. This has mainly been due to the exceptionally higher quantity of applications, under the Farming for Sustainable Soils project.

Key achievements, learnings and emerging issues

The health of the land is intimately linked to the health of the soil. The **Farming for Sustainable Soils** project recognises soil as an important asset that should be protected and managed for future generations. Achieving this goal means working collaboratively with regional farming communities in the quest for greater soil integrity pursued through an adaptive, community-based learning approach. The project has been exceptional in advancing a program of soil protection to mitigate wind erosion in North Central Victoria. The focus of the work is on providing the carbon needed to build the structural integrity required to mitigate wind erosion in times of reduced rainfall and much greater seasonal climatic variability. Since September 2009 four large community groups have developed local soil protection plans and are now implementing practice change accordingly across 50,000 hectares of erosion prone land.

Devolved grants have catalysed the implementation of local plans. Financial incentives have amounted to much less than 10 per cent of the total cost of adopting new practices. A relatively small investment, via the North Central CMA, has delivered practice change across very large areas of productive erosion prone land.

Participating landholders have adopted precision agriculture in croplands, moved to pasture cropping, under-sown lucerne stands with native/other perennial grasses, and adopted low input native grass pastures in an effort to improve groundcover and soil carbon.

The **Healthy Productive Irrigated Landscape** project contributed to the mitigation of salinity and nutrient risks on land and water assets, such as the Murray River and Kerang Lakes, improved agricultural productivity, and improved water use efficiency for savings to be used on-farm and/or for the environment. Guided by the implementation of the Loddon Campaspe Irrigation Region Land and Water Management Plan, the project has continued to support irrigation modernisation from the system to farm level.

Through this project, 21 whole farm plans have been developed to support the sustainable management of an additional 2105 hectares of land, 373 megalitres has been saved for use on farm and an additional 1000 hectares is being serviced by the **Benwell Surface Water Management System**. All *Environmental Protection and Biodiversity Conservation Act 1999* conditions on the Benwell Surface Water Management System have been met. These achievements are delivered through a strong collaborative partnership between the North Central CMA, Goulburn-Murray Water (G-MW), Department of Primary Industries (DPI), DSE, the local community and other regional stakeholders.

The North Central CMA has provided considerable support in the development of a consortium bid for the *On-Farm Irrigation Efficiency Program* with Goulburn Broken CMA and other regional partners.

Through the **Sustainable Irrigation project**, DPI staff continued to work with project partners to ensure current, high quality information is available to local irrigators and landholders to enable them to make informed decisions about the future of their future irrigation enterprises. This service assisted land managers to navigate through the numerous irrigation infrastructure modernisation and water reform projects being simultaneously rolled out across the Goulburn-Murray Irrigation District

The **Protection of the York Plains Wetlands** project aimed to secure long term protection of the wetlands by mitigating the primary threats of salinity, habitat destruction, pest animals and plants, grazing and encroaching cropping activities through this climate of below average rainfall. Delivery of this project involved negotiations with the 15 landholders in the project area, all of which have a significant role in protecting the wetlands by protecting remnant vegetation, revegetation of degraded areas and/or the establishment of perennial pasture to combat the affects of a rising saline groundwater table.

This ongoing project will be implemented by securing Conservation Stewardship Agreements with landholders. This will ensure that current land use and management techniques will help alleviate threats to the wetlands, as well as protecting and enhancing them through onground works. A key component to these agreements is an option to place wetland or remnant vegetation areas under a conservation covenant to protect these key environmental areas in perpetuity.

14 of the 15 landholders have signed a letter of intent to enter into agreements, of which four priority agreements were funded through the 2009-10 project. The remaining 10 will be funded through the 2010-11 project. Seven of the 14 will take a covenant on the title of their property.

It is our understanding that this is the first time a CMA has been able to secure an agreement like this, as no other CMA has undergone a process to secure agreements under Section 69 of *The Conservation, Forest and Lands Act 1987*.

An onground works program of fencing and revegetation will assist with natural regeneration of key understorey species and protection of cultural heritage sites.

Environmental stewardship

Overview

During the reporting period, the North Central CMA implemented seven projects which contributed to the outcomes reported within the Environmental Stewardship theme. With the exception of the additional area and length of riparian of habitat permanently protected, all targets have been exceeded for the environmental stewardship headline theme. The permanent protection target has been offset by an additional area and length of riparian of habitat protected through management agreements.

The demand for covenanting services in the region continues to be strong.

Key achievements, learnings and emerging issues

The **Permanent Protection and Stewardship** project continues to deliver permanent protection on private land across the North Central Region, engaging with landholders with high-value conservation land and assisting with the priorities of the Regional Catchment Strategy. This Trust for Nature (TFN) delivered project continues to focus on the permanent protection and management of high-priority, high quality remnants of native vegetation in targeted landscapes and targeted vegetation communities. The project improved 1596 hectares habitat for biodiversity, permanently protected 0.41 hectares and protected 694 hectares through management agreements. The largest outcomes in hectares covenanted on title were achieved through partnerships with a private conservation project with an area of 529 ha in the final stages of covenanting.

CORPORATE AND STATUTORY OPERATIONS

After negotiations, 14 of the 15 landholders owning and managing land in the **Protection of the York Plains Wetlands** project area have committed to entering into a conservation agreement, seven of which will place a conservation covenant under Section 69 of *The Conservation, Forest and Lands Act 1987* on the title of their property protecting their key environmental asset for perpetuity.

The Loddon Campaspe Irrigation Region is regarded as an area of significant environmental and agricultural value that has benefited enormously from previous natural resource management planning. DPI delivered the **Sustainable Irrigation** project built on this planning and delivered land and water management activities on irrigated properties to protect and enhance the value of focus assets in an integrated manner. This included the development of whole farm plans (WFPs), installation of re-use systems and provision of locally based extension support staff.

Community capacity

Overview

During the reporting period, the North Central CMA implemented 32 projects which contributed to the outcomes reported within the Community Capacity theme. All outcomes within the Community Capacity theme are on target for achievement with project completion, with many of the targets met or exceeded at 30 June 2010.

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, the Murray-Darling Basin Authority (MDBA), **Northern Victoria Irrigation Renewal Project** (NVIRP), 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.

Key achievements, learnings and emerging issues

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

Conservation Management Networks and Landcare groups and networks feature prominently in our programs as proponents and service providers.

We have delivered approximately \$20 million of environmental investment throughout 2009-10, 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. The capacity to deliver this volume of projects has been built over the past five years through investments in our people and our systems, and remains a key regional asset.

A regional workshop on **New Dryland** was hosted by the North Central CMA to discuss the policy options available for the management of dewatered land. The North Central CMA is continuing to promote new dryland issues and work with regional partners to identify and implement management options. The North Central CMA also hosted the North Central Regional Soils Forum, through the **Farming For Sustainable Soils** project, bringing together key landholders, scientists and policy makers to discuss how we secure the productive and environmental values of our soils in North Central Victoria.

DPI provided direct support to landholders and communities within the Loddon Campaspe Irrigation Region through the employment of Case Managers. The Case Managers have assisted landholders in accessing cost-share incentives (e.g. whole farm plans, tailwater re-use systems, saline soil rehabilitation), signposting landholders to support services, implementation of the regional irrigation development guidelines, preparing forms and documentation for the **Farm Water** Program. Case Managers continue to be key contact points for irrigators and agencies within the region.

Irrigation modernisation in Northern Victoria through NVIRP presents both challenges and opportunities for the management of our natural resources. The North Central CMA is working closely with DSE, G-MW and NVIRP to ensure that opportunities for irrigators and the environment are maximised and adverse impacts to natural resources minimised. The North Central CMA also developed 11 draft Environmental Watering Plans for NVIRP.

A specific focus of the **Enhancing the Values of the Kerang Ramsar Wetlands** project was to engage traditional owners (Barapa Barapa Nation) in the planning and implementation of the project, including the employment of an Indigenous works crew to deliver onground works.

Catchment Condition Statement

Biodiversity

Overall condition: poor to moderate

Trend: Stable

A large proportion of the remaining vegetation is degraded and fragmented with less than 30 per cent considered as intact. Consequently, a large number of the regions species are threatened. Of the (approximate) 130 threatened flora species, 52 are nationally threatened and 41 are listed under the *Flora and Fauna Guarantee (FFG) Act 1988*. There are also many threatened fauna species. Of the (approximately) 101 species, 13 are nationally threatened and 48 are listed under the FFG Act.

While significant works have been undertaken to protect and enhance native vegetation, the overall trend in native vegetation is still declining. However, works including additional area of 6979 hectares of habitat improved for biodiversity and approximately 300 hectares of habitat protected by agreements for biodiversity delivered in the 2009-10 period have contributed to slowing the decline.

While vegetation condition remains variable, we continue to improve our methodology for assessing condition. Monitoring conducted through the 2009-10 year has identified new records of Hooded Scaly-foot, Plains-wanderer and Grassland Frog hopper from the Avoca Plains and suggests that the Patho Plains have the highest encounter rate of Plains-wanderers in Australia

There is insufficient information on threatened species and communities to make an adequate assessment of condition.

Marine

N/A

Inland aquatic ecosystems

Overall condition: Poor to moderate.

Trend: Stable

River health continues to be impacted by unprecedented drought, as inflow reductions of up to 85 per cent below historic averages are experienced. Climate variability is already impacting on our water resources, presenting increasingly difficult challenges for land and water managers. Drought has also resulted in the emergence of some newly identified issues, such as Acid Sulphate Soils, in the bed of the Loddon River.

The condition of waterways and wetlands in the region remains poor to moderate, however with well developed plans, strategies and on going management in place, the overall trend appears stable.

Altered hydrology via extraction and regulation have had a negative impact on condition through contributing to poor physical form and degraded instream habitat. Nutrients and salinity continue to be a major water quality issue.

Due to the continued dry conditions, regional water availability has remained very low, leading to environmental stress on our river system and challenges and stress to our regional communities. Poor water quality remains a problem, with high levels of nutrients, salinity, turbidity and dissolved oxygen being the major causes.

Currently it is difficult to find good information and indicators on condition and trends over time for lakes and wetlands, and as such condition and trend assessment of lakes and wetlands has not been undertaken for this report. However, the Index of Wetland Condition Assessment conducted in 2010 has reduced the knowledge gap for priority wetlands within the North Central CMA region.

Land health

Overall condition: Poor to moderate.

Trend: Stable

While soils within the North Central 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.

As a result of the long dry period, the impact of salinity on the catchment has been somewhat negated. Regional groundwater levels have been falling, stream salinity levels remain high due to the concentrating effect of low water levels, however due to low stream flows the overall salt loads leaving the catchments remain low.

Despite the drought impacting on the condition of some natural assets, the overall condition of land across the irrigation region is improving. Watertable levels are falling below the critical depth of two metres from surface, therefore lessening the likelihood of capillary action bringing salt to the surface and affecting environmental assets and agricultural land.

Reduced water allocations and continued water trade out of the irrigation region is resulting in an accumulation of salt loads in the lowest part of the landscape due to reduced flushing flows.

CORPORATE AND STATUTORY OPERATIONS

Environmental stewardship

Overall condition: Moderate

Trend: Improving

Approximately 13 per cent 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 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 uses.

The Victorian Government created Gunbower National Park in June 2010 to protect and enhance the River Red Gum forests in Victoria. River Red Gum forests have high natural, cultural and economic values. These forests are under increasing pressure from climate change, drought and reduced water flows in the northern rivers.

The TFN program in North Central Victoria has now registered 148 covenants protecting 5800 ha and retains a further 957 ha of native grasslands which have been purchased. The Trust has an 18-year history in the region and the organisation has a strong track record of successfully managing private land for permanent protection that is recognised nationally.

Community capacity

Overall condition: Moderate.

Trend: Stable

North Central Victoria is undergoing significant transformation. This transformation is being driven by a combination of natural and human-induced factors. We have seen significant urban and agricultural growth in the region, which has become one of the fastest growing areas in Victoria.

With this growth there has been, and continues to be, pressures on the natural environment and natural resources from demographic changes in the region's north and peri-urbanism in the south.

The Australian Government's *Sustainable Diversion Limits* discussion paper, targeted buyback of water entitlements, water trade out of the region and new policies driven by the Victorian Government (Northern Region Sustainable Water Strategy) present significant and continuing issues for communities within the region.

'Tree changers' continue to migrate into the upper areas of the Loddon and Campaspe catchments, while government water reform processes feature strongly in the region's north — a landscape that has historically been dominated by irrigation.

In addition, continuing dry conditions, together with declining terms of trade, is contributing to land-use change and the need for new technologies to manage our productive land sustainably.

Our region is subject to the high-end of 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.

The pace of water reform and irrigation modernisation activities within North Central Victoria has increased demand for irrigation extension and support. The ability of landholders to complete works is being impacted by the timeliness of NVIRP to complete business cases or determine service points, landholders accessing irrigation surveyors and designers, confusion over landholder eligibility to be exempt from the four per cent cap on water trade, and holds placed on the transfer of service points from channels to natural carriers. The North Central CMA and DPI is working with landholders and NVIRP to limit and overcome the above issues, where possible.

The North Central CMA has also maintained its institutional capacity through engagement of the Natural Resource Management Committee and CMA Board in meeting obligations under the Murray Darling Basin Salinity Management Strategy including the completion of rolling 5-year reviews for Lake Charm, Woorinen and Campaspe West accountable actions.

Currently there are 167 Landcare and community NRM groups in the North Central CMA area, providing 80 per cent coverage of the region. Sixty-five of these groups belong to one of the six networks in the region. In January - February 2010 groups were asked to update their details and 10 groups indicated that they were no longer functioning as a group and wished to be removed from the active groups list. Groups were also surveyed about their training needs of group, issues affecting the group and overall group health.

Of the 62 Landcare groups who completed the group health survey: two per cent said they were trail blazers; 13 per cent were thriving; 32 per cent were rolling along; 16 per cent were stable; 19 per cent were struggling a little; 15 per cent were surviving; and three per cent were barely hanging on.

Waterwatch has maintained its volunteer network of community monitors and continues to be an active important component of community-based NRM in the North Central Region.

Statutory Reporting Compliance

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 (RCS)
- 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

(d) provide opportunities for community engagement in the integrated management of catchments and natural assets, including land, biodiversity and water resources

(e) develop strategic partnerships with relevant stakeholders including public authorities and government agencies

(f) promote and apply a risk management approach that seeks to protect, enhance and restore natural assets and reduce the impact of climate change

(g) promote and adopt an adaptive approach to integrated catchment management, including continuous review, innovation and improvement

(h) manage business operations in a prudent, efficient and responsible manner.

Water Act 1989

Under the *Water Act 1989* the North Central CMA aims to reduce the impact of flood damage to new buildings, help conserve and preserve flora, fauna and habitat in designated waterways, and to reduce water quality decline. We do this 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.

2009-10 Actual Results

Unit	Target	Actual
No. of permits exempted	15	18
No. of permits issued	54	85
No. of permits rejected	0	0
Enforcement action for illegal works	0	0
Planning referrals	804	943

The North Central CMA achieved its statutory obligations under the *Water Act 1989*.

Public Administration Act 2004

Executive officers are those persons employed at an annual remuneration rate not less than an executive employed by a department, which includes a person employed under Part 3 of the Public Administration Act, as a public service body Head or other executive.

The executive officers of the North Central CMA are classified as a Chief Executive Officer (CEO) and as managers.

During the reporting period the CEO was a male and the managers comprised three females and two males.

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

In the previous reporting period five persons met the definition of executive officers, the CEO and four managers. The CEO was male and the managers comprised four females and one male.

Details of executive officers' remuneration are disclosed in Note 16(b) to the accounts.

CORPORATE AND STATUTORY OPERATIONS

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

Victorian Industry Participation Policy Act 2003

The North Central CMA had no tenders over \$1 million during the financial year.

Multicultural Victoria Act 2004

The North Central CMA is committed to diversity within the workplace. During the 2009–10 reporting period, the North Central CMA did not have any requests for the use of language services for communication in languages other than English.

During 2009–10, the North Central CMA employed an Indigenous facilitator to meet the identified needs of our region. Two Indigenous representatives were appointed to the NRMC in November 2009. This was the first time that this Committee included Indigenous representation.

Community inclusiveness

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

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

The North Central CMA continues to employ an Indigenous Facilitator and works closely with local Indigenous groups. This year, two Indigenous representatives were appointed to the Natural Resource Management Committee for the first time. In September 2009, the Drought Employment Program's Indigenous crew, comprising 12 members of the Barapa Barapa community, was awarded a Victorian Landcare Award for its work undertaking site assessments and environmental work along the Loddon River near Kerang. The North Central CMA also sponsored scholarships for Indigenous students at Bendigo Regional Institute of TAFE (BRIT).

Our environmental footprint

In 2009–10, the North Central CMA signed on to the Victorian Government's *ResourceSmart* program, which aims to reduce the environmental footprint of government departments. As part of this commitment, the North Central CMA developed a *ResourceSmart* Strategy, which outlines targets for water and energy consumption and waste management, and includes specific actions to meet these targets. The strategy was submitted to Sustainability Victoria in June 2010. Reporting on the *ResourceSmart* Strategy will be undertaken throughout the next two years to measure progress.

North Central CMA showed its ongoing commitment to sustainability by participating in:

- *Business Clean Up Australia Day*
- *Ride to Work Day*
- *Mobile Muster*

Additional sustainability achievements included:

- installation of four additional solar tubes at the Huntly office, providing natural lighting solutions in low light areas (toilets, kitchen, hallways, etc.)
- insulation to the older parts of this building
- ongoing maintenance of a worm farm to reduce organic food waste to landfill
- ongoing maintenance of an indigenous garden at the Huntly office that incorporates plant species found within the North Central Region – This garden includes a demonstration site with native grasses as a substitute to open space lawn areas

Statement of Information

Financial Management Act 1994

Financial statements prepared in accordance with Part 7 of the Directions of the Minister for Finance.

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

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* is available on request.

Information Available

List of further details available on request:

- declarations of pecuniary interest duly completed by relevant officers
- shares held by a senior officer
- publications produced by the CMA and how these can be obtained
- changes in prices, fees, charges, rates and levies charged
- major external reviews carried out on the Authority
- major research and development activities undertaken
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- major promotional, public relations and marketing activities undertaken by the Authority to develop community awareness of the Authority and its services
- assessments and measures undertaken to improve the OH&S of employees
- Industrial Relations within the Authority and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the Authority, the purposes of each committee and the extent to which the purposes have been achieved

APPENDICES

Appendix A: Consultants and Major Contracts

The North Central CMA was involved with 203 consultancy firms during the 2009-10 financial year. The total cost of consultants was \$6,129,202 (GST exclusive).

The total number of consultants valued at less than \$100,000 was 191, with a total of \$1,300,755.

There were no major contracts over \$10 million.

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

Consultants Engaged over \$100,000	Summary of Projects	Total Cost \$ (ex GST)	Expenditure \$ for Reporting Period	Future Commitments
URS Australia Pty Ltd	Gunbower Forest Hipwell Road Channel Finalisation	113,828	113,828	-
Water Technology	Hipwell road hydraulic model analysis	118,372	118,372	-
Goulburn-Murray Water	Little Gunbower Complex Water Delivery Costs	146,386	121,313	25,073
ESE Consulting	Recruitment services	121,585	121,585	-
Price Merrett Coopers	Gunbower Forest completion of fieldwork and report for detailed methodology for modelling	158,640	158,640	-
RM Consulting Group	Preparation of multiple reports for Living Murray secondment position, Riverprize and EMP development booklet	183,585	169,948	13,636
Trust for Nature	Salary and operating for the delivery of on ground works	171,800	171,800	-
Murray-Darling Basin	Waterway assessments; Waterway plans	273,313	273,313	-
Connecting Country	Salary and operating for the delivery of on ground works	431,601	431,601	-
Sinclair Knight Merz	Kerang and Thompson Weir fishway data modelling; Kerang Lakes model update; Gunbower creek and National Channel Capacity constraints	624,701	624,701	-
Dept of Sustainability	Grassland management planning; Threatened species; Priority Crown Frontage Review	1,076,178	1,004,566	71,612
Dept of Primary Industries	Salary and operating for the delivery of on ground works and extension for the Dryland and Irrigation program	1,854,702	1,518,780	335,922

Appendix B: Delivering on Statewide Key Performance Indicators and Targets

Performance area	Performance indicators	Targets	Achievement reporting
Governance			
Board performance	Complete and submit an annual board performance assessment report, according to any Ministerial guidelines issued	By 31 August annually	29 August 2010
	Participation by board members in development activities	All board members participate in development activities	100%
Board charter	Develop and implement a board charter that as a minimum: <ul style="list-style-type: none"> • includes a requirement for the regular review of the board's effectiveness • establishes appropriate board committees including a risk and compliance committee • features a provision that the board will comply with Ministerial guidelines • requires the board to monitor the CMA's financial, social and environmental performance 	A board charter with these features is established by 31 August 2010	The existing Charter will be updated in 2010 to ensure all of these features are incorporated.
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% compliance
	Annual review of governance policies and procedures	Review all governance policies and procedures by 30 June annually	All governance policies reviewed
Efficiency and organisational performance			
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 per cent of the budgeted expenditure	Total actual expenditure against budgeted expenditure 1.9% variance overall All program variances were above/below 10%
Grant management	Administration costs of grants are minimised	10 per cent 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	In the 2009/10 financial year, applicants of the Second Generation Landcare grants process were notified of their application result within 28 days after the final date of lodgement. The final day to lodge an application was the 6th of November, the Technical Assessment Panel determined the successful applications on the 26th of November and the applicants were notified of their result on the 4th of December 2009

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Performance area	Performance indicators	Targets	Achievement reporting
Regulatory waterway/water functions	Number of days to process works on waterways permits	Not more than 20 working days.	Average number of working days to process permits: 19.7
	Number of days to process referrals for any works on or in relation to a dam	Not more than 20 working days	Number of permits that took more than 20 working days to process: 0
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	Average number of working days to process referrals: 14.4 Number of referrals that took more than 20 working days to process: 0
	Number of days to process enquiries from local government and the community on flooding	Not more than 20 working days	Average number of working days to process referrals: 10.9 Number of referrals that took more than 20 working days to process: 33
	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	Average number of working days to respond to enquiries: No referrals of this type received Number of enquiries that took more than 20 working days to process: No referrals of this type received
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans and seasonal adjustments to annual use limits	Not more than 20 working days	Average number of working days to process referrals: No referrals of this type received Number of referrals that took more than 20 working days to process: No referrals of this type received
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences		
Effectiveness and environmental outcomes			
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 Regional Strategy for Healthy Rivers and Wetlands is due for completion in late 2011.
	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. 2009-10 Annual Watering Plan for the Loddon Environmental Entitlement approved on 24 August 2009
	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 25 River Health projects which contributed to the outcomes and milestones reported within the Inland Aquatic Ecosystems theme. All projects are scheduled for delivery on time, to budget and expectation. Each of the intermediate outcome targets which contribute to the inland aquatic ecosystem theme was exceeded.

Performance area	Performance indicators	Targets	Achievement reporting
Regional Catchment Strategy (RCS) implementation	Percentage of RCS annual actions implemented	All RCS annual actions implemented	During the reporting period, all current projects are scheduled for delivery on time, to budget and expectation. Each of the intermediate outcomes and millstones are on target for achievement with project completion, with many of the targets met or exceeded at 30 June 2010
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	Native vegetation - During the reporting period, the North Central CMA implemented 16 projects which contributed to the outcomes reported within the Biodiversity theme. All projects are scheduled for delivery on time, to budget and expectation.
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 Invasive Plants and Animals Strategy is due for completion in 2010/11.
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 per cent 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 Loddon Campaspe Irrigation Region Land and Water Management Plan was developed in 2007 and is scheduled for review in 2010/11. The Draft North Central Dryland Management Plan was completed in 2008. Whether: RSMP and LWMP completed; RSMP and LWMP periodically reviewed; and RSMP and LWMP include annual actions to be implemented
	Progress against annual action targets	All annual RSMP and LWMP actions and targets achieved	Salinity Management - During the reporting period, the North Central CMA implemented 4 projects which contributed to the outcomes reported within the Salinity theme. All projects are scheduled for delivery as per agreed time frames, budget, deliverables and expectation.
	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	Salinity Management - During the reporting period, the North Central CMA implemented 4 projects which contributed to the outcomes reported within the Salinity theme. All projects are scheduled for delivery as per agreed time frames, budget, deliverables and expectation.
	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	North Central CMA contribution to Victorian Murray Darling Basin Salinity management Strategy Annual report completed to agreed timelines and standard. Actual date the report was submitted
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	North Central Landcare Support Implementation Plan was developed in 2009/10 and scheduled for review in 2010/11.

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Appendix C: North Central Catchment Management Authority 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 Catchment Management Authority 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. 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, Implementation Committee Members, employment providers and members of other committees and practitioner bodies of the North Central Catchment Management 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:	

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Introduction and Objectives

The *Whistleblowers Protection Act 2001* commenced operation on 1 January 2002. The main objective of the *Whistleblowers Protection Act 2001* (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 Catchment Management Authority is committed to the aims and objectives of the *Whistleblowers Protection Act 2001* (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 Catchment Management Authority 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 in 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 set out below.

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 towns 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.

See 3.2 below for specific examples of corrupt conduct.

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; or
- 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; and
- 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 Catchment Management Authority

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

The protected disclosure coordinator

Trevor Marshall
03 5440 1804

A protected disclosure officer/s

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 Catchment Management Authority, or its employees, may also be made directly to the Ombudsman:

The Ombudsman Victoria
Level 9, 459 Collins Street
Melbourne Victoria 3000
(DX 210174)
Internet: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au
Tel: 9613 6222
Toll Free: 1800 806 314

The following table sets out where disclosures about persons other than employees of North Central Catchment Management Authority 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 employees of the North Central Catchment Management Authority 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.

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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; and
- 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; and
- 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; and
- Ensure the expectations of the whistleblower are realistic.

Confidentiality

The North Central Catchment Management Authority 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 (\$6000) 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; and
- 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 included 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 Catchment Management Authority 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 for determination as to 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; and
- 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 Central Catchment Management Authority, it must concern an employee, member or officer of the North Central Catchment Management Authority. 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.

APPENDICES

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; or
- 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:

1. Notify the person who made the disclosure of that conclusion; and
2. 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:

1. Notify the person who made the disclosure of that conclusion; and
2. 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

Introduction

Where the Ombudsman refers a protected disclosure to the North Central Catchment Management Authority 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;
- To consider the information collected and to draw conclusions objectively and impartially;
- To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- To 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; and
- 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 Catchment Management Authority 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; and
- 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; or
- 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 Investigation

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; and
- 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 Catchment Management Authority to prevent the conduct from continuing or occurring in the future; and
- Any action that should be taken by the Authority 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; and
- 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.

APPENDICES

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 Conservation, the Ombudsman and the whistleblower setting out the findings of the investigation 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 Catchment Management Authority 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 a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action; and
- 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; and
- 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 time frames 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 Catchment Management Authority 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 Catchment Management Authority 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; and
- 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 Catchment Management Authority 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; and
- 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 Catchment Management Authority recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures.

The Authority 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; and has
- 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 Catchment Management Authority 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 of the Authority 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 Catchment Management Authority will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

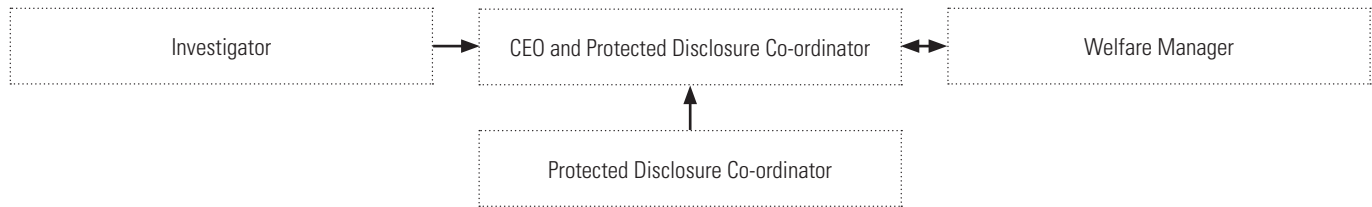
1. It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment or both.
2. It is an offence for a person to divulge information obtained 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.
3. 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.
4. 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.

APPENDICES

Annexure A – Reporting Structures for the North Central Catchment Management Authority



Annexure B – Model Register

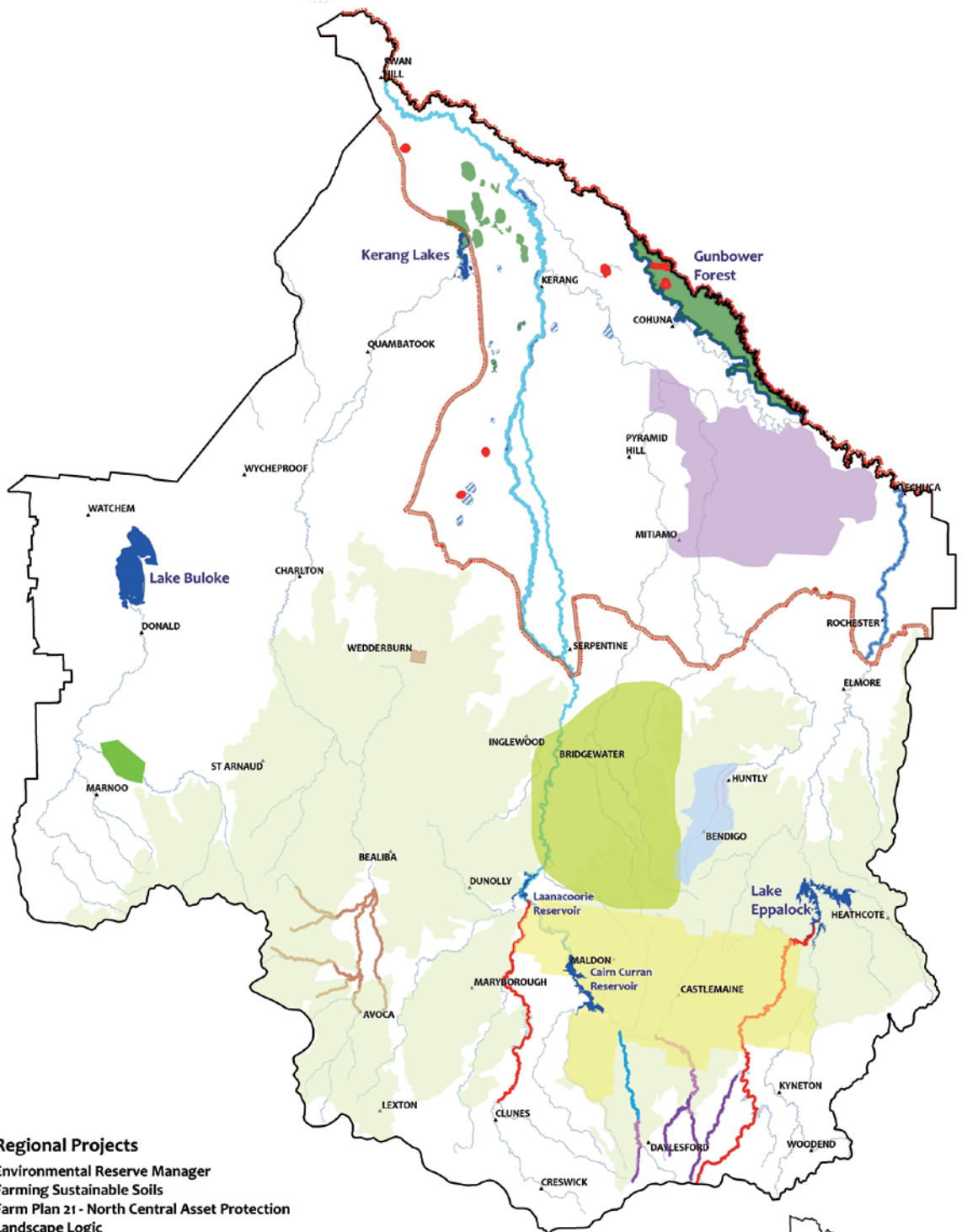
The model register below illustrates how information about disclosures is made and recorded to the North Central Catchment Management Authority that have been determined to be protected disclosures.

	File A	File B	File C	File D	File E
Date Disclosure Received					
Type of Disclosure					
Is Disclosure a Public Interest Disclosure					
Date Above Determination Made					
Date Whistleblower (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

NORTH CENTRAL CMA PROJECTS 2009-10

- Bendigo Urban Flood Study
- Box-Gum Grassy Woodlands
- Closing the Loop on Jim Crow Creek
- Connecting Country
- DPI Direct Sustainable Irrigation
- Enhancing the Kerang & Gunbower Ramsar Wetlands
- Environmental Water Sites
- Environmental Water River Reaches
- Goldfields Threatened Species Project
- Healthy Productive Irrigated Landscapes
- Improving the Health of Avoca River Reach 7
- Kooyoora Connections
- The Living Murray - Gunbower Forest
- Loddon Stressed River
- Northern Plains Conservation
- NVIRP: Waterway EWPs
- NVIRP: Wetlands EWPs
- Protection of York Plains Wetlands
- Upper Loddon and Campaspe Priority Reaches



Regional Projects
 Environmental Reserve Manager
 Farming Sustainable Soils
 Farm Plan 21 - North Central Asset Protection
 Landscape Logic
 North Central Waterwatch
 Permanent Protection and Stewardship
 Reporting and Accounting for Salinity
 River Health Maintenance
 River and Wetland Strategic Planning
 State Landcare Projects





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The following staff were employed by the North Central CMA for all or part of the 2009–10 reporting period:

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Adolf Brelage
Nicole Bullen
Emer Campbell

Jennelle Carlier
Laura Chant
Anna Chatfield
Mark Costello
Leah Cripps

April Curatolo
Cass Davis
Bradley Drust
Loretta Dunn
Philip Dyson

Kane Ellis
Colin Francis
Kellie Gibson
Trent Gibson
Angela Gladman

Benjamin Goonan
Carl Gray
Britt Gregory

Graham Hall
Tanya Hardiman
Ian Higgins
Rohan Hogan
Rebecca Horsburgh

Bianca Huider
Stephen Jackson
Heidi Kleinert
Nicholas Layne
Rhonda Leed

Jon Leever
Rebecca Lillie
Navec Lorkin
Michelle Maher
Trevor Marshall

Adrian Martins
Amanda McClaren
Robyn McKay
Maree McKinley
Peter McRostie

Glenn Merrick
Joana Montalvo
Shaun Morgan
Daniel Mudford
Vanessa Murray

Sharon Neilson
Paul Nelson
Jemma Nesbit-Sackville

Sarah Newell
Jodie Odgers
Geoffrey Park
Mark Pietzsch
Ross Pittaway

Sonia Robinson
Timothy Shanahan
Wendy Shea
Philip Slessar
Kathryn Stanislawski

Melanie Taube
Christine Taylor
Melanie Tranter
Melissa Tylee
Domenico Uljanic

Bridie Velik-Lord
Sandra Volk
Melanie Watts
Damian Wells
Camille White

Darren White
Breanna Whittingstall
Janelle Williams
Emma Wolters



NORTH CENTRAL
Catchment Management Authority
Connecting Rivers, Landscapes, People