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THE NORTH CENTRAL REGION



NORTH CENTRAL VICTORIA IS RICH IN NATURAL ASSETS OF REGIONAL AND INTERNATIONAL SIGNIFICANCE. IT ALSO FACES SOME OF THE MOST COMPLEX ENVIRONMENTAL CHALLENGES IN THE STATE.

Located to the north of the Great Dividing Range, the region forms part of the Murray–Darling Basin. Within Victoria, it is one of ten catchment management regions.

The North Central region covers an area of around 30,000km² (13 percent of Victoria), with a population of over 230,000 people.

Approximately 140,000 people live in urban areas, ranging in size from Marnoo with 100 people, to more than 90,000 in Bendigo. The region contains more than 50 urban centres including Swan Hill, Echuca, Donald, Maryborough, Castlemaine, Daylesford and St Arnaud.

North Central Victoria is rich in natural assets of regional, national and international significance. It also faces some of the most complex environmental challenges in the State.

The population is concentrated mainly in the southern areas of the region, including the Calder corridor. There is also a high population concentration in the River Murray corridor. In these regions, population growth in non-urban areas is a dominant component of population change.

The region includes the four major river catchments of Campaspe, Loddon, Avoca and Avon–Richardson.

The Campaspe and Loddon rivers drain directly into the River Murray. The Avoca River drains into a series of terminal lakes and wetlands (the Avoca Marshes). During flood events, it may drain to the River Murray. The Avon–Richardson catchment is internally drained, with most surface water draining into Lake Buloke in the north of the catchment.

Annual rainfall ranges between about 300mm in the north-west to over 1200mm in the south-east. The region has substantial groundwater and surface water resources. Groundwater is used extensively to irrigate horticultural crops and pastures in the south of the region.

Mineral springs in this area are also utilised, and support both processing and tourism industries. Increasing use is also being made of deep lead aquifers in the lower reaches of the Loddon and Campaspe valleys.

There are several major water storages in the region. The two major storages are Lake Eppalock on the Campaspe River and Cairn Curran Reservoir on the Loddon River. Storages provide water for domestic, commercial and agricultural uses throughout the region. Irrigation water supplies from the Murray and Goulburn systems, and stock and domestic supplies from the Wimmera system, supplement the region's surface water resources.

North Central Victoria is agriculturally diverse. Irrigation areas cover much of the lower Loddon and Campaspe riverine plains. Horticultural land uses and dairying are the main enterprises. Improved irrigation technology and tradeable water entitlements have encouraged the rapid expansion of horticulture outside traditional irrigation areas. Dryland agricultural areas are characterised by broadacre land uses, such as cropping and grazing. Land close to the major centres is increasingly developed for horticulture, new and emerging agricultural commodities and for 'lifestyle' farming. Intensive animal production industries are also represented.

The ecological patterns of the landscape are represented by bioregions. North Central Victoria comprises parts of eight

bioregions, each containing distinct vegetation communities. The largest are the Goldfields and Riverina bioregions, which together encompass almost two million hectares.

Approximately 13 percent of the region is public land, with much of this reserved and managed for specific purposes, including national, state and regional parks, nature conservation reserves, reference areas and state forests.

The region was once Australia's premier gold-mining region. Several gold-mining ventures are currently active, mostly in the Bendigo area. Fossicking is widespread throughout the Box–Ironbark forests of the goldfields.

Significant changes in land use in recent times have seen the advent of new agricultural developments, including viticulture and olive growing. An influx of people onto small holdings that were previously used for dryland agriculture poses a challenge for conservation and protection of remnant vegetation. Most soil types in the region are fragile, have poor fertility and are shallow and prone to degradation.

Major environmental threats facing the region include irrigation and dryland salinity, water quality decline, soil acidification, erosion and soil structural problems, fragmentation and destruction of wildlife habitat, and pest plant and animal infestations and proliferation. The viability of some agricultural industries is also threatened. The region has some of the most severely salt-affected areas in Victoria, directly impacting on the condition of River Murray.



CHAIR'S REPORT



On behalf of the outgoing 03-06 Board, it is a great pleasure to report on the final year of our watch.

North Central Catchment Management Authority is performing to the levels it set itself three years ago, and hands to the incoming Board the challenge of stepping up to higher levels of leadership in integrated natural resource management.

The diversity, complexity and challenges of the vast North Central region demand strong, strategic and informed planning, coordination and accountability. A highlight of the year under report has been the further refinement of robust financial management systems that provide hard factual information for managers, the Board and Implementation Committees. Application of this capacity through continuous project performance monitoring enables the Authority at all levels to monitor, evaluate and plan for excellence in natural resource management.

Confidence in our information and financial management systems has allowed greater focus on partnerships and natural resource outcomes. Foremost in building stronger partnerships has been the North Central Natural Resource Management Partnership Committee, a commitment to an Indigenous Advisory Committee and enhancing our working relationships with local government. At a most successful workshop with Mayors and CEOs of local government there was strong commitment to action, based on the shared recognition that we are planning for the same environment and the same communities.

The complexities of catchment management are staggering in their diversity. Two achievements that owe much to the representation of the Implementation Committees have been the progress made in reviewing our approach to dryland salinity (SIF3) and commencing the preparation of a business case for the Benwell Drain. Other highlights include the Ministerial launch of the River Health Strategy; commitment to the Lake Eppalock Special Area Plan; release of the draft Coliban Catchment Action Plan; agreement of the Serpentine-Boort Flood Study; a study of the social impacts of water trading; preparing a Site Environment Management Plan for the Gunbower Forest; and co-sponsorship of a State-wide Soil Health workshop. Add to these the Authority's responsibilities for planning

environmental flows – and drought responses in the persistent conditions we are experiencing; the regional review of noxious weeds; numerous ongoing projects, and the case for complexity and diversity is overwhelming.

While the Authority – the Board, the Implementation Committees and our staff are rightly proud of our achievements, we are also acutely aware that there is much yet to be done. Our achievements in the North Central region, and into the future, are totally interdependent on our partners in this great Natural Resource Management endeavour: landholders, Landcare groups, water authorities, government departments and other related agencies, local government, the media and many others. I acknowledge all these contributions and request their ongoing involvement.

The Board acknowledges with thanks the advice and growing leadership of the Implementation Committees in the demanding role asked of them. To our CEO, and the highly motivated staff he leads, the Board records its appreciation of a job well done in 05/06.

The end of a term is a moment in history and it is my honour to acknowledge the strong and positive contributions of my fellow Board members. Together we have achieved much and I thank Board members for their support and being champions for natural resource management in our region.

A handwritten signature in blue ink, reading "Ian MacBean". The signature is written in a cursive style with a horizontal line underneath the name.

Ian MacBean
Chair, North Central Catchment Management Authority

CHIEF EXECUTIVE OFFICER'S REPORT



The 05/06 financial year presented numerous challenges for the North Central region including continued drought and low water allocations. Despite these challenges, the organisation was able to exceed business targets by 5 percent.

This year, our annual report has been reformatted to better reflect the relationship between what we do on the ground and the longer term outcomes we are trying to achieve. We have presented the data to demonstrate the national Matters for Targets (MfT). Matters for Targets (MfT) are standard national outcomes used to measure achievement of natural resource management through programs such as the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust.

This year the North Central CMA provided grants to over 350 landholders and completed structural earth works on an additional 30 plus properties.

At a regional level there were a number of projects worthy of mention particularly researching the social implications of water trade, a publication on land management for small land holders and a critical review of the way we invest in dryland salinity.

Understanding Communities

Natural Resource Management is a people business, as it is people who improve the environment. The commitment to engage and understand people in the community continued this year with the completion of a research project into the social implications of permanent water trade. A first of its kind, this report has provided invaluable information for preparing the next generation of land and water management plans.

Providing Relevant Information

Forging a collaborative relationship with local government within the North Central region has enabled the North Central CMA to produce a landmark environmental publication: "Caring for Country; A Guide for Sustainable Land Management in Central Victoria".

A first for the region, the publication provides landholders, particularly those new to the area, with an accessible resource to aid with the management of their properties, and protect waterways and biodiversity.

The term Caring for Country is synonymous with the way the Indigenous community respects the natural environment. With approval from the Indigenous community, the publication borrows its title from this deeply-held relationship.

Smart Investment

Recognising that our current approach to dryland salinity mitigation could be improved with recent advances in science and acknowledging the importance of appropriate investment in dryland salinity, the North Central CMA Board committed to a critical review of the North Central Dryland Salinity program.

To achieve this, the North Central CMA has been working collaboratively with the Cooperative Research Centre for Plant-Based Management of Dryland Salinity to develop, refine and test the Salinity Investment Framework (SIF3), within the region.

These achievements would not have been possible without the continued focus on gaining efficiencies through partnering with other regional organisations. The North Central CMA renewed its commitment to regional delivery with a change to a "place based" delivery model with our key delivery partner, the Department of Primary Industries. This has resulted in a single point of contact for landholders wanting to improve their environment.

I would like to acknowledge the continued outstanding contributions of our staff. I feel privileged to lead an organisation with highly motivated employees with a strong commitment to delivering environmental results.

A handwritten signature in blue ink that reads "G. Hanlon". The signature is fluid and cursive, written over a light blue background.

Gavin Hanlon
CEO, North Central Catchment Management Authority

ABOUT THE NORTH CENTRAL CMA

The North Central CMA coordinates natural resource management in North Central Victoria.

In partnership with the community, it determines funding priorities to protect the health and sustainability of the region's natural resources.

Our Function

The North Central CMA was established under the Victorian Catchment and Land Protection Act 1994 with powers under the Water Act 1989 and reports to the Victorian Minister for Environment and the Victorian Minister for Water the Hon. John Thwaites.

The core business of the North Central CMA is to coordinate the development and implementation of the North Central Regional Catchment Strategy in partnership with the community.

In more recent times the North Central CMA has accepted the role of Caretaker of River Health with new responsibilities relating to the management of the Environment Water Reserve created under the Water Act.

Either directly or through our partnerships with the Department of Primary Industries, the Department of Sustainability and Environment, Trust for Nature, local government, water authorities, research institutes and the private sector, the North Central CMA is responsible for projects relating to the management of:

- waterways
- water quality
- biodiversity
- environmental water reserves
- Landcare support and funding coordination
- floodplain and regional drainage
- regional responses to climate change
- salinity
- threatened species recovery
- pest plants and pest animals
- vegetation enhancement and restoration

- soil health
- cultural heritage.

For 2005–06, the North Central CMA secured funding for 76 regional projects from the following sources:

National Action Plan for Salinity and Water Quality (NAP)*	\$ 7,787,396
Natural Heritage Trust	\$ 2,084,656
Victorian Government (in addition to NAP)	\$ 6,739,569
Other	\$ 2,341,680
Total	\$ 18,953,301

* The Australian and Victorian Governments funded 50% each.



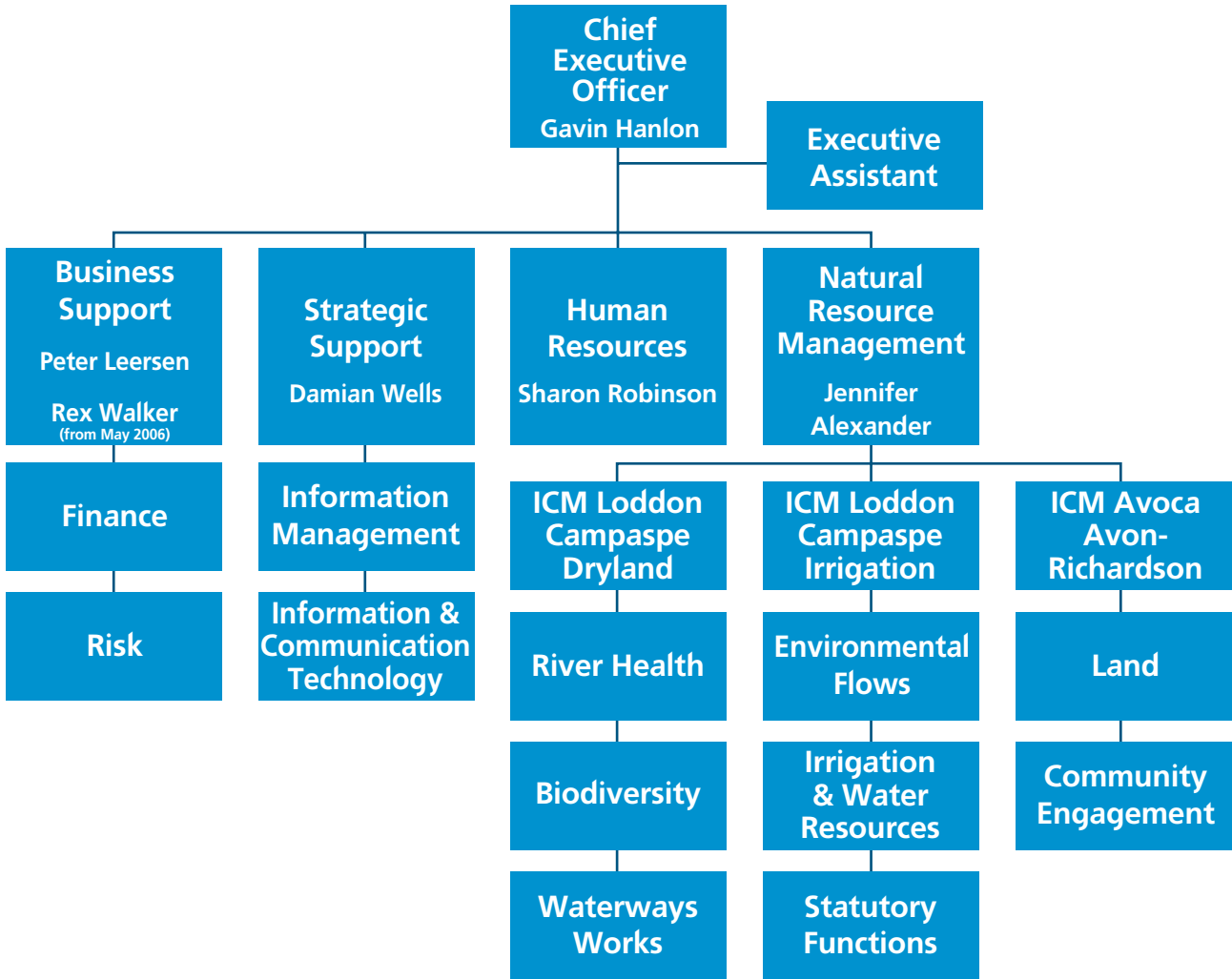
OUR CORPORATE PLAN

KEY INITIATIVES

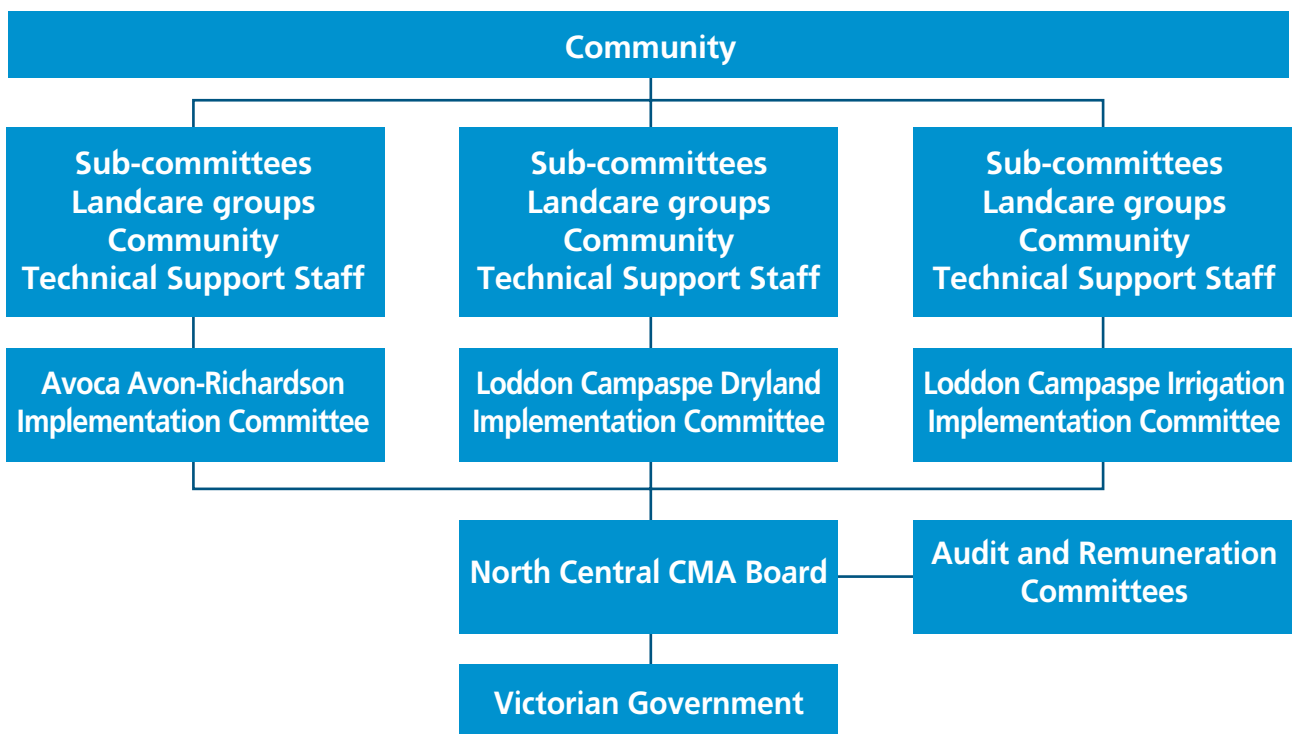
The North Central Regional Catchment Strategy is the blueprint for managing North Central Victoria's natural resources. The North Central CMA Corporate Plan 2004-05 sets the direction for the North Central CMA business for the next five years. The corporate initiatives in this Plan and their progress are outlined below:

Key Result Areas	Status
Leadership in Catchment Management	
Objective: Well informed Board and Implementation Committees	
<ul style="list-style-type: none"> Develop an annual strategic briefing program for Board Members <ul style="list-style-type: none"> Key environmental issues and initiatives, specifically the management of dryland salinity indigenous issues, changing demographics and water quality Site tours North Central CMA business initiatives Critical review of the North Central Dryland Salinity Program Development of professional development Program for the Implementation Committees Host annual Board, Implementation Committee forum Review of North Central CMA Organisational Values and Behaviours 	<p>Complete</p> <p>Complete</p> <p>Complete</p> <p>Incomplete</p>
Objective: Performing partnerships	
<ul style="list-style-type: none"> Conduct a Partnership/Customer Satisfaction Survey Lead the Implementation "Partnerships in NRM" project Scope opportunities for joint projects, particularly Local Government and water authorities 	<p>Complete</p> <p>Complete</p> <p>Ongoing</p>
Community Engagement	
Objective: High Level of Awareness and Understanding of the North Central CMA's Role and Functions	
<ul style="list-style-type: none"> Development of external Marketing and Communication Strategy for the North Central CMA Implementation of Marketing and Communication Strategy Development of an advanced land care program specifically tailored to the changing demographics of the region 	<p>In Progress</p> <p>Ongoing</p> <p>In Progress</p>
Objective: Improved Customer Confidence and Trust	
<ul style="list-style-type: none"> Implement quality management systems consistent with the Australian Business Excellence Framework Develop implementation plan for ISO 9000 accreditation leading to ISO 14000 Develop customer service charters that include minimum standards for response times Improve responsiveness to customers and community through implementation of records management system Development of "real time" customer / community feedback program Develop customer service charters for landcare Develop general information provision service for community groups 	<p>Ongoing</p> <p>Incomplete</p> <p>Complete</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p>
Delivering the Regional Catchment Strategy	
Objective: Maximising implementation of the RCS	
<ul style="list-style-type: none"> Prepare a Regional Catchment Investment Plan and Regional Management Plan for 2005/06 Continue implementation of the four RCIP programs: <ul style="list-style-type: none"> North Central Irrigation; Upper Loddon and Campaspe Dryland; Avoca and Avon-Richardson; Regional Introduction of fee structure for the provision of floodplain information 	<p>Complete</p> <p>Complete</p> <p>Deferred</p>
Objective: Development of best value systems to support the delivery of the RCS	
<ul style="list-style-type: none"> Development of Catchment Condition reporting program that enables landscape health indicators to be reported to the board regularly Development of assets based policies High profile joint planning project with a local government Development of "end-to-end program" for ensuring projects are delivered in the year the funding is received 	<p>Complete</p> <p>Ongoing</p> <p>Ongoing, Special Area Plan for Lake Eppalock commenced</p> <p>Development of the Project Performance Panel Process</p>
High standards of governance	
Objective: The North Central CMA is recognised for its High Standard of Governance	
<ul style="list-style-type: none"> Develop a Board member performance review and professional development program Develop policies and procedures for all Board statutory responsibilities Continued development and review of Ends Policies 	<p>Complete</p> <p>Complete</p> <p>Ongoing</p>

Organisational Structure



Consultative Structure



THE BOARD

The North Central CMA Board is responsible for the strategic direction of land and water management in Victoria's North Central region. Board members provide leadership rather than operational management. They set the vision and direction for integrated natural resource management. In effect, they set priorities, evaluate results, monitor the external and internal environment and identify opportunities.

12 meetings held July 2005–June 2006

Member	Attendances	Member	Attendances
John Brooke	11	Yvonne Postlethwaite	12
Malcolm Fyffe	10	Jean Sutherland	10
Noel Harvey	9	Alison Teese	11
Ian MacBean*	11	Greg Toll	10
Jill McFarlane	11	Rob Price	12
Stuart McLean	12	Ken Ashton	9
Tony Norton	6		

* One apology when representing the North Central CMA at the National NRM Forum



Ian MacBean OAM (Chair)

Ian's interest in regional environmental issues developed as he grew up on a salt-affected farm in the Barr Creek catchment.

Ian has many current and previous involvements in education, regional development and natural resource management.

He is currently involved in the Regional Enterprise Network (Central Victoria), the Area Consultative Committee (Central Victoria), the Community Foundation for Bendigo and Central Victoria, the Loddon Murray Community Alliance and the Central Victorian Greenhouse Alliance. Ian was awarded the Medal of the Order of Australia in 1993 for services to town and regional planning and the environment.



Alison Teese (Deputy Chair)

Alison is a partner in a mixed farming business at Carisbrook, and has extensive experience in natural resource planning and management in Victoria.

Alison is currently a member of the Victorian Catchment Management Council and a Director of Central Highlands Water. She has recently retired from the Australian Landcare Council.



Ken Ashton

Ken has extensive experience in natural resource management over a 34-year period. He has worked in nine locations across Victoria and was the inaugural CEO with the West Gippsland Catchment Management Authority.

Ken's present role is Community Relationships Manager, North Central and Mallee CMA regions.



John Brooke OAM

John farms cattle and walnuts near Pyramid Hill. He is a member of the Loddon Shire Council and the Board of Goulburn–Murray Water as well as the Goldfields Library Corporation. He chairs the Audit committees of North Central CMA and Goulburn–Murray Water.

In 2005, John was awarded the Medal of the Order of Australia for his services to local government, water resource management, the accounting profession and education.



Malcolm Fyffe

Malcolm operates a family sheep and wool farm south of Newstead. He is President of the Midland's branch of the Victorian Farmers Federation and the local Landcare group.

Malcolm empathises with the challenges faced by farmers in balancing farm profitability and environmental management issues.



Noel Harvey OAM

Noel has a strong background in local government, including four years as Mayor of the Shires of Kyneton and Macedon Ranges. He is also the Deputy Chairman of the Coliban Regional Water Authority and Chairman of the Victorian Mineral Water Committee, and works as a business and resource management consultant.

Noel was awarded the Medal of the Order of Australia in 2004 for services to local government, regional Victoria and the Kyneton community.



Jill McFarlane

Jill has a farming family background in Western Victoria and South Australia and currently lives at Passing Clouds, a winery near Inglewood.

Now serving her second term on the North Central CMA Board, Jill strongly believes in the need to involve the community in natural resource management and is committed to developing positive links with a wide range of land managers and community groups.



Stuart McLean

Stuart is a primary producer from Wycheproof. He has valuable experience in local government and is a councillor and former Mayor of the Buloke Shire. Stuart has a strong interest in regional communities and development. He chairs the Northern Grampians Buloke Shire Landcare Network and is Chair of the Great Murray and Outback Touring Route.

Stuart is also the Vice President of the Livestock Saleyards Association of Victoria and a Board member of the Regional Enterprise Network.



Tony Norton

Tony is the Professor of Spatial Information Science and Head of Geospatial Science at RMIT University, residing in Bendigo. He has extensive experience in academia, government and business in Australia and overseas.

Tony's broad expertise encompasses ecology, resource and land management, resource economics and environmental policy. As a North Central CMA Board member, he has a strong commitment to community consultation and participation in public policy development.



Yvonne Postlethwaite

Yvonne is business manager of a grain farm in St Arnaud. She is involved in a range of community groups including the Community Resource Centre, Development and Tourism Association, Community Capacity Building Initiative and is a former North Central CMA Implementation Committee member.

Yvonne has a strong commitment to natural resource management through sustainable agricultural practices. She was awarded a PhD in that field and is a past Victorian Rural Woman of the Year (for services to agriculture).



Rob Price

Rob is the Biodiversity Manager for the North West region of the Department of Sustainability and Environment. He has been working in a range of natural resource management roles within the Department for 25 years, and recognises the importance of maintaining a strong partnership between the Department of Sustainability and Environment and the North Central CMA.



Jean Sutherland

Jean operates an accounting practice at Cohuna and Boort, and is married to a dairy farmer at Cohuna. She is also a director of Goulburn–Murray Water. Jean's interests include the effects of water trading, the drought and future land use, improving irrigation practices and linking the use of irrigated water to land use, and the future of irrigation structures.



Greg Toll

Greg is a fourth generation farmer from Gunbower, where he has farmed for over 50 years. He is also a member of the Torrumbarry East of Loddon Board, a founding member of Gunbower Landcare, a member of the Waterwatch and Australian Sheep Breeders committees and a former North Central CMA Implementation Committee member.

Greg has been a Shire of Campaspe councillor for the past seven years and is a former Mayor.

COMMITTEES

Audit Committee

An active and effective Audit Committee serves the Board in its governance responsibilities. Using an enterprise wide, risk-based approach, the Committee focuses on corporate risk and business and financial performance.

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

Four Board members comprise the Committee.

Attendances at the eleven meetings held during the reporting period were:

Member	Attendances
John Brooke (Chair)	11
Ian MacBean	10
Jean Sutherland	10
Yvonne Postlethwaite	10

Implementation Committee

The North Central CMA was established to enable communities to play a significant role in managing natural resources. Community engagement and consultation is a priority and is undertaken through the Implementation Committees (ICs).

These committees play a vital role in effective land and water management in the region. They oversee the development and delivery of works programs and enable the community to provide input into these programs.

There are three implementation committees, representing the:

- Avoca Avon–Richardson catchment area
- Loddon Campaspe dryland area
- Loddon Campaspe irrigation area.

Their role includes:

- providing advice to the North Central CMA on natural resource management objectives, targets, activities, priorities and budgets
- planning, developing and implementing plans for specific issues or sub-catchments
- acting as a communication link with relevant stakeholder groups and the community
- monitoring performance on activities and reporting to the North Central CMA Board on the achievement of objectives and targets.

Case Study:

Focus on accountability

According to the North Central CMA, accountability is paramount to the effectiveness of its core function: to successfully deliver natural resource management within North Central Victoria.

North Central CMA CEO, Gavin Hanlon, detailed a sustained focus on clear and transparent governance and accountability as one of the North Central CMA Board's key priorities across the past 05/06 and coming financial years.

"Over the last 12 months the North Central CMA has implemented a number of governance initiatives to increase performance, accountability and transparency.

"Initiatives to achieve this have included implementing a structural review, a new business system, new business processes and substantial investment in resource management." he said.

Mr Hanlon explained that, alongside of this, there has been a continued effort in clearly articulating the contribution that onground works makes to the condition of the North Central catchment.

"There are two main components to managing projects, budgets and variations," stressed Mr Hanlon. "Given nearly all North Central CMA projects are dependent on externalities such as weather, managing variations to timelines is an essential part of our business."

Mr Hanlon attributes the establishment of a project performance panel, which carries out an executive review every month of every project that has exceeded or is under expended by 15% of its projected budget, to a substantial increase in accountability and transparency of project performance.

He outlined that a subsequent monthly report is presented to the Board, and that further to this, a similar process is completed every quarter which reviews agreed project outputs and outcomes with budget.

"The data generated by these processes can be viewed graphically and geographically to show where projects are performing in the landscape.

"These processes enable the North Central CMA Implementation committees and Board to oversee transparently the natural resource management in our region." concluded Mr Hanlon.



AVOCA AVON-RICHARDSON REGION

The Avoca Avon–Richardson region covers over one million hectares (ha). Major towns include Avoca, Charlton, Donald, Quambatook and St Arnaud.

The majority of the region’s Gross Value Product for the grains and mixed cropping industry and pastoral production is concentrated in the Buloke Shire.

The region occupies the western part of North Central Victoria and makes up approximately 40 per cent of the North Central Catchment. There are several high-value wetlands within the area, including the Avoca Marshes, Lake Bael Bael and Lake Buloke.

Both the Avoca and Avon–Richardson catchments drain to largely unregulated streams.

Within this region, the major river health priorities include the protection and restoration of the Avoca River. Key river health actions include fencing, stock management, riparian protection and improvement, river health awareness, buffer strip development and sediment management.

Of the 32,407 ha of wetlands in this region, there are 1,613 ha of Ramsar-listed wetlands, 16,482 ha listed as “nationally significant” and 4,502 ha identified as “bioregionally significant”.

Current native vegetation cover is 131,670 ha, which represents 12.5 percent of pre-1750 vegetation cover. Of the existing vegetation communities, 58,755 ha are endangered, 10,483 ha vulnerable and 59,317 ha depleted. Across this region there are 86 recorded threatened fauna species and 169 threatened flora species.

Primary land uses are cropping (489,000 ha) and grazing (381,000 ha), with a relatively small area dedicated to conservation reserves (41,446 ha) and timber production (37,528 ha).

The major land tenure is freehold (647,625 ha) with 39,199 ha of State forest and 11,088 ha of parks and reserves.

Avoca Avon-Richardson Implementation Committee

Member	Location
Ken Coates, Chair	Natte Yallock
Ann Dunstan	Swanwater West
John Knight	Quambatook
Rob Loats	Laen
Keith McPherson	Gre Gre South
Peter Russell	Donald
John Storey	Glenloth
Doug Streeter	Avoca
Peter Watts	Yeungroon

Key Achievements:

A variety of issues were considered by the Implementation Committee throughout the year and project sites and activities visited. Highlights included:

- A tour of Lake Lalbert to better understand dry season issues, water diversion, pest, plant and animals and levee banks
- A tour of local sites around Watchem including a discussion of revegetation, threatened species, and support for Landcare.

Other issues that were considered included Avon Plains Lakes Water Management Plan, in-stream vegetation management and mineral sands mining.



AVOCA/AVON-RICHARDSON IMPLEMENTATION COMMITTEE

From back left: John Storey, Ken Coates (Chair), Doug Streeter, John Knight
 Front: Keith McPherson, Ann Dunstan, Peter Watts, Robert Loats
 Absent: Peter Russell

Matters for Target

Matters for Target (MfT) are standard national outcomes used to measure achievement of natural resource management through programs such as the National Action Plan for Salinity and Water Quality, and the Natural Heritage Trust.

The following table shows the projects undertaken within the Avoca Avon-Richardson region by the North Central CMA, the Matters for Target (MfT) they work to achieve, and their project type.

PROJECT NAME	MATTERS FOR TARGET										PROJECT TYPE			
	Land Salinity	Soil Condition	Native Vegetation	Inland Aquatic Ecosystems	Nutrients in Aquatic Environment	Turbidity/suspended particulate matter in aquatic environments	Surface Water Salinity in Freshwater Aquatic Environments	Significant Native Species and Ecological Communities	Ecological Significant Invasive Species	Community Engagement	Onground Works	Planning	Resource Assessment	Capacity Building
Upper Avon-Richardson Targeted Project														
Farming Mallee Eucalypts for Multiple Outcomes														
Achieving Multiple outcomes through integration and improved land management in the Upper Avoca														
Shire-based Landcare Coordination in the Avoca Avon-Richardson Catchment														
Avon-Richardson River Health project														
Lower Avoca River Health project														
Upper Avoca River Health project														
Murray Mallee/Wimmera Biodiversity Action Plan														
Avoca Avon-Richardson Biodiversity Action Plan														
Lower Avoca Targeted Project														
Salinity management with an integrated approach in the Lower Avon-Richardson Catchment														
Seaweed Cultivation from Saline Regional Groundwater in the Lower Avon-Richardson Catchment														

Primary MfT
 Secondary MfT
 Other MfT

LODDON CAMPASPE DRYLAND REGION

The Loddon Campaspe Dryland region covers approximately 1.2 million hectares (ha). Major towns include Bendigo, Castlemaine, Daylesford, Elmore, Kyneton, Maryborough, Wedderburn and Woodend.

The majority of the North Central Catchment’s urban land use, water storages, conservation reserves and crown land with licensed use are located within this region. The water storages provide North Central Victoria with water for domestic, commercial and agricultural use.

Major storages in the region include the Cairn Curran Upper, Coliban, Laanecoorie, Lake Eppalock, Lauriston, Malmsbury and Tullaroop reservoirs. In addition, the shallow aquifer system in the Daylesford, Hepburn Springs and surrounding area contains naturally occurring carbonated groundwater that supports a mineral springs industry and associated processing and tourist industry. This small part of the catchment accounts for 80 percent of Australia’s mineral springs.

The Loddon and Campaspe catchments make up approximately 42 percent of North Central Victoria. The waterways are of significant importance to the community through the environmental assets they support and the resources obtained from them.

Within this region, the major river health priorities include the protection and restoration of the Campaspe and Loddon rivers, as well as key tributaries.

There are 12,144 ha of wetlands in this region, with 215 ha listed as “nationally significant” and 7,580 ha identified as “bioregionally significant”.

Current native vegetation cover is 341,393 ha, which represents 27 percent of pre-1750. Of the existing vegetation cover, 25 percent is endangered, 7 percent is vulnerable and 46 percent is depleted. Across the area, there are 99 threatened fauna species and 242 threatened flora species.

Projects in this region aim to address a range of issues, including salinity, flooding, soil health decline, habitat fragmentation, pest plants and pest animals, and inappropriate land management practices.

Loddon/Campaspe Dryland Implementation Committee

Member	Location
Jock Leishman, Chair	Clunes
Diane Bunnett	Derby
Judy Crocker	Lockwood South
Tom James	Redesdale
Marie Jones	Golden Point
John McKinstry	Goornong
Shane O’Loughlin	Laanecoorie
Adam Poyser	Longlea
Peter Shea	Carlsruhe

Key Achievements:

Various issues were considered throughout the year and a number of project sites and activities visited. Highlights included:

- Gorse grooming sites around Daylesford
- Targeted Salinity projects around Dunolly
- Erosion control works near Sutton Grange and the facilities at Creswick Seed Bank.

Advice was provided to the Board on the Central Region Sustainable Water Strategy proposal to pipe water from Cairn Curran to Ballarat, on illegal vegetation clearance, roadside weeds, farm dams, dryland salinity management and the Noxious Weed Review.



LODDON CAMPASPE DRYLAND IMPLEMENTATION COMMITTEE
 From back left: Peter Shea, Tom James, Jock Leishman (Chair)
 Front: Diane Bunnett, Marie Jones, Judy Crocker, Shane O’Loughlin
 Absent: John McKinstry, Adam Poyser

Matters for Target

PROJECT NAME	Land Salinity	Soil Condition	Native Vegetation	Inland Aquatic Ecosystems	Estuarine, coastal and marine habitat integrity	Nutrients in Aquatic Environment	Turbidity/suspended particulate matter in aquatic environments	Surface Water Salinity in Freshwater Aquatic Environments	Significant Native Species and Ecological Communities	Ecological Significant Invasive Species	Community Engagement	Onground Works	Planning	Resource Assessment	Capacity Building
	MATTERS FOR TARGET											PROJECT TYPE			
Upper Loddon Targeted Project - salinity management with an integrated approach	Primary MfT		Secondary MfT		Other MfT						Other MfT	Primary MfT			Secondary MfT
Shire-based Landcare Coordination in the Loddon Campaspe Dryland Catchment	Other MfT		Secondary MfT		Other MfT							Other MfT			Other MfT
Riverina Biodiversity Action Plan			Secondary MfT		Other MfT				Primary MfT		Other MfT	Other MfT	Secondary MfT	Secondary MfT	
Goldfields Biodiversity Conservation Project			Secondary MfT		Other MfT				Primary MfT		Other MfT	Other MfT	Secondary MfT	Secondary MfT	
Implementation of a Gorse control strategy for Victoria (North Central Regional component)				Other MfT	Other MfT				Secondary MfT	Primary MfT	Other MfT	Secondary MfT			Other MfT
Plan for Lake Eppalock area			Secondary MfT		Other MfT	Primary MfT	Other MfT						Secondary MfT	Other MfT	Other MfT
Smart water use on Central Highlands farms	Primary MfT				Other MfT	Secondary MfT		Other MfT				Secondary MfT			Other MfT
Landuse change risks & implications for Upper Loddon & Campaspe			Secondary MfT		Other MfT	Primary MfT				Other MfT				Other MfT	Secondary MfT
Mid Loddon waterways project	Other MfT				Other MfT	Primary MfT	Secondary MfT					Primary MfT	Secondary MfT	Secondary MfT	Secondary MfT
Loddon (western tributaries above Laanecoorie) River Health Project				Other MfT	Other MfT	Primary MfT	Secondary MfT					Primary MfT	Secondary MfT	Secondary MfT	Secondary MfT
Loddon (above Cairn Curran) River Health Project				Other MfT	Other MfT	Primary MfT	Secondary MfT					Primary MfT	Secondary MfT	Secondary MfT	Secondary MfT
Upper Campaspe River Health Project				Other MfT	Other MfT	Primary MfT	Secondary MfT					Primary MfT	Secondary MfT	Secondary MfT	Secondary MfT
Coliban River Health Project				Other MfT	Other MfT	Primary MfT	Secondary MfT					Primary MfT			Secondary MfT
Complementing Campaspe River flows				Other MfT	Other MfT	Primary MfT	Secondary MfT					Primary MfT			Secondary MfT

Primary MfT
 Secondary MfT
 Other MfT

LODDON CAMPASPE IRRIGATION REGION

The Loddon Campaspe Irrigation region includes the irrigated areas of the Loddon, Murray, Campaspe and Rochester areas. It also includes the dryland areas that are managed by irrigators.

The Loddon Campaspe Irrigation region is approximately 713,876 ha with about 30,000 residents. Major towns include Boort, Cohuna, Kerang, Pyramid Hill and Swan Hill.

Loddon Campaspe Irrigation region is one of Australia's most diverse and environmentally sensitive farming areas. As a result of these activities, the community has developed skills and methods needed to manage the complex and varied issues of this region. However, greater capacity and innovative methods are required to manage the issues of a rapidly changing region, to achieve sustainable natural resource management. The community itself is acutely aware of and enthusiastic about that need.

The River Murray and its environment strongly influence activities undertaken in this region. The assets, threats and actions pertaining to the river have resulted in well-defined community planning structures. The River Murray environment includes the high-value wetlands and public forests of the Loddon and Campaspe areas.

A key focus in this area in 2004–05 and 2005–06 has been the development of a Second Generation Loddon Campaspe Land and Water Management Plan, which evolves from the Loddon Murray Land and Water Strategy.

The approximate capital value of water entitlement and associated land is about \$1.6 billion. Agricultural production generates more than 70 percent of the economic output from irrigation, which represents about half of the region's Gross Value Agricultural Production. The remaining 30 percent of economic output from irrigated areas is from feed and food processing, agricultural support industries, retail services, and community and business services.

Loddon Campaspe Dryland Implementation Committee

Member	Location
Geoff Williams, Chair	Tyntynder
Christine Brooke	Pyramid Hill
Ron Brooks	Echuca East
Charlie Gillingham	Lake Charm
Neville Goulding	Cohuna
Bruce Macaque	Rochester
John McNeil	Myall
Jenny Williams	Echuca
Barry Barnes	Boort

(from November 2005)

Key Achievements:

Various issues were considered throughout the year and a number of sites and activities visited. Highlights included:

- Proposed Benwell Surface Water Management Systems around Koondrook
- Wetland management around Boort
- In-stream vegetation issues in the Lower Loddon Floodplain
- A tour of the Murray and Murrumbidgee irrigation regions of southern New South Wales.

Advice was provided to the Board on the development of the Loddon Campaspe Land and Water Management Plan, in-stream vegetation management and the Serpentine to Boort Floodplain Management Plan.



LODDON CAMPASPE IRRIGATION IMPLEMENTATION COMMITTEE

From back left: Charlie Gillingham, John McNeil, Barry Barnes
Jenny Williams, Geoff Williams (Chair), Christine Brooke
Absent: Neville Goulding, Ron Brooks, Bruce Macaque

Matters for Target

PROJECT NAME	Land Salinity	Soil Condition	Native Vegetation	Inland Aquatic Ecosystems	Estuarine, coastal and marine habitat integrity	Nutrients in Aquatic Environment	Turbidity/suspended particulate matter in aquatic environments	Surface Water Salinity in Freshwater Aquatic Environments	Significant Native Species and Ecological Communities	Ecological Significant Invasive Species	Community Engagement	Onground Works	Planning	Resource Assessment	Capacity Building
	MATTERS FOR TARGET											PROJECT TYPE			
Optimising Irrigation Resources															
Loddon Campaspe Wetland Management															
Sustainable Agriculture - Broadacre Farming in the Loddon Campaspe Irrigation Region															
Sustainable Agriculture - Horticulture Farming in the Loddon Campaspe Irrigation Region															
Biodiversity Enhancement															
Social Capacity - Increasing the capacity of the irrigation community to manage change															
Review of the operational arrangements for the Gunbower Lagoon System using a citizens' jury															
Implementing the Loddon Murray Surface Water Management Priority Project															
Salt Interception - Loddon Campaspe Irrigation Region															
Loddon Campaspe Land and Water Management Planning															
Shire-based Landcare Coordination in the Loddon Campaspe Irrigation Catchment															

Primary MfT
 Secondary MfT
 Other MfT

THE REGION'S ASSETS

The Catchment and Land Protection Act (1994) requires Catchment Management Authorities to produce a Regional Catchment Strategy. This Strategy articulates the region's assets as they relate to the natural resource management, the threats to the values of those assets and management action to manage the threats and enhance those assets. Finally, the strategy also articulates the biophysical catchment condition targets that the community aspires to achieve.

The link between delivering onground work and achieving a biophysical outcome relates to our assumptions which are based on science. These assumptions are and will continue to be tested through adaptive management, monitoring and evaluation programs.

The following sections outline our targets and deliverables with regard to the state "standard output" list, key achievements and an assessment of the current condition of the catchment with regard to the aspirational targets that were set in the Regional Catchment Strategy (RCS).

The following has been taken from the draft Catchment Condition Report.

Community

The RCS goal for community is:

An informed and engaged community, managing natural resources sustainably.

Outputs Achieved

The table below shows outputs achieved in the 05-06 Financial Year through the delivery of Regional Management Plan projects where community is the primary asset. These outputs may indirectly address other assets. These figures exclude projects relating to White Paper investment.

COMMUNITY OUTPUTS ACHIEVED			
	TARGET	ACHIEVED	%
Capacity Building			
Skills & training events held (eg workshops, seminars etc.) (No.)	64	42	65%
Active community support positions (EFT) (eg Landcare facilitators, coordinators) (No.)	8	8	100%
Community groups or community projects assisted (eg Landcare) (No.)	53	166	313%
Participants in awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	500	596	119%
Key materials or products developed for awareness raising forums (eg brochures, newsletters, displays, media articles, radio interviews, web pages etc.) (No.)	186	249	134%
Landcare group priority setting/planning sessions (No.)	25	30	120%
Landcare groups/networks with Action Plans (No.)	21	33	157%
Coordinated projects with industry groups (No.)	12	45	375%
'Most Significant Change' stories submitted (No.)	25	14	56%
Participants in skills & training events (No.)	60	30	50%
Key materials developed for skills & training events (eg workbooks, course notes etc.) (No.)	51	45	88%
Awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	67	83	124%
Planning			
Catchment or subcatchment management/action plans developed (No.) ¹	1	0	0%
Communication Plan developed (No.)	3	3	100%
Resource Assessment			
Investigation studies or assessments undertaken (eg vegetation mapping, soil surveys, benchmarking) (No.)	5	3	60%
Major reviews or evaluations (No.) ¹	2	1	50%

¹ Deferred for completion in 2006/07 financial year.

Key Achievements:

- Conducted the North Central CMA's second regional community survey, which aimed to understand the values, concerns and priorities for the North Central Victorian community.
- In conjunction with the Macedon Shire and support from Landcare Victoria, completed the Absentee Landholder research project. The study sought to develop a better understanding of absentee landowners, their values, motivations and aspirations for the land, as well as their land management challenges and practices.
- Actively supported 160 Landcare and NRM groups throughout the catchment, in order to build community capacity and achieve significant onground outcomes.
- Hosted the Victorian Landcare Network Conference, which attracted over 130 Landcare professionals across the state. This was the inaugural Greenhouse Neutral Conference and highlights included showcasing Landcare in the region; Indigenous values and cultural heritage workshops delivered by the Indigenous Facilitator.

Case Study: Indigenous Facilitation in the North Central Region

Indigenous communities of North Central Victoria share a deeply significant spiritual, cultural, physical, geographical and economic connection with the natural landscape. The North Central CMA recognises this connection and values the opportunity to strengthen its relationship with the Indigenous communities of this region.

Indigenous people have a strong interest in natural resource management, and are committed, experienced land and water managers. They are the custodians of cultural heritage, and a high proportion of cultural sites are located along waterways in the North Central region.

The North Central CMA Indigenous Facilitator exists as a liaison between the North Central CMA and Indigenous communities, as well as facilitating an understanding within the North Central CMA of Indigenous issues and interest in land and water management.

Funded by the National Action Plan for Salinity & Water Quality, a number of triumphs have occurred across the 2005/06 year - in particular, the first successful Indigenous Second Generation Landcare Grant application within the North Central region. North West Region Cultural Heritage put forward an application to receive funds to protect a major burial site – a cultural artefact, from erosion and the threats posed by pest species such as onion-grass and rabbits.

The success of North West's application provides encouragement for other Indigenous groups in the region to apply for funds as part of the 06/07 Second Generation Landcare Grant program.

This past year has also been a good one for raising awareness within communities of Indigenous cultural heritage and what it means to care for country. Individual landowners and members of the region's many Landcare groups have been the most eager to increase their awareness.

Another particular highlight was the commencement of the formation of the Indigenous Advisory Committee. This goes a long way in bolstering the North Central CMA's relationship with the region's Indigenous communities.

A strong interest in water quality, salinity and river health issues has been articulated by the Indigenous community. Processes are in place within the North Central CMA to respond to the Indigenous communities' wishes to play a role in natural resource management decisions within the region.



North Central CMA Indigenous Facilitator, Darren Perry, raises awareness of Indigenous cultural heritage.

Biodiversity

The RCS goal for biodiversity is:

The ecological function of indigenous vegetation communities will be maintained and, where possible, improved. Populations of threatened native plant and animal species will be restored to viable levels. Threatened vegetation communities will increase in extent and improve in quality to achieve a net gain.

Key threats to biodiversity include habitat fragmentation, pest plants and pest animals, salinity, altered hydrology, water quality decline, population growth, inappropriate recreation, changed fire regime and climate change.

Outputs Achieved

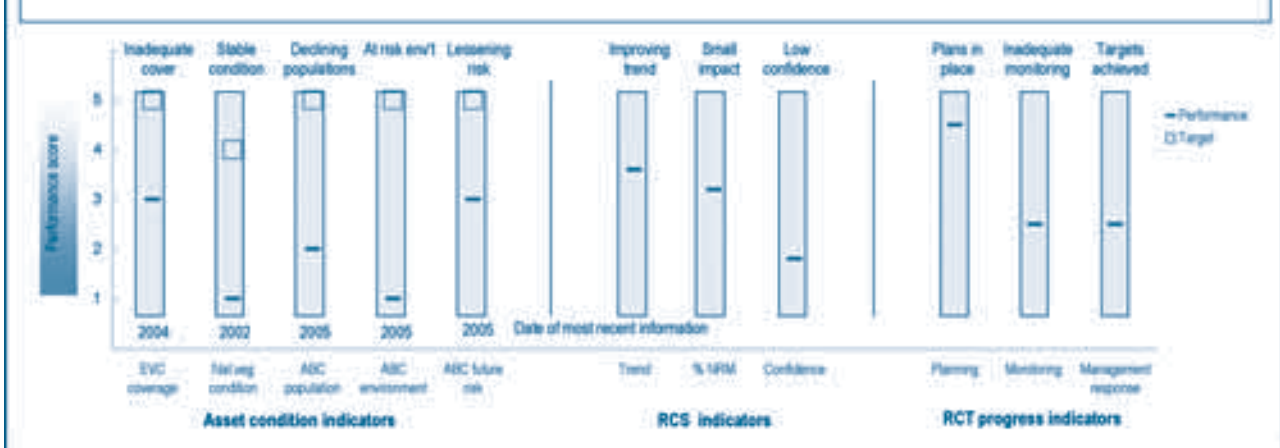
The table below shows outputs achieved in the 05-06 Financial Year through the delivery of Regional Management Plan projects where biodiversity is the primary asset. These outputs may indirectly address other assets. These figures exclude projects relating to White Paper investment.

BIODIVERSITY OUTPUTS ACHIEVED			
Capacity Building	TARGET	ACHIEVED	%
Skills & training events held (eg workshops, seminars etc.) (No.)	34	47	139%
Participants in skills & training events (No.)	405	340	84%
Key materials developed for skills & training events (eg workbooks, course notes etc.) (No.)	6	5	83%
Awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	20	18	90%
Participants in awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	202	214	106%
Key materials or products developed for awareness raising forums (eg brochures, newsletters, displays, media articles, radio interviews, web pages etc.) (No.)	43	46	107%
Community groups or community projects assisted (eg Landcare) (No.)	12	24	200%
Onground Works	TARGET	ACHIEVED	%
Legal conservation covenants and other legal agreements (eg bushtender) (No.)	2	4	200%
Voluntary conservation agreements or landholder agreements (No.)	10	3	30%
Voluntary conservation agreements or landholder agreements (Ha)	160	154	96%
Indigenous/local-origin (riparian/terrestrial) vegetation protected by fencing (Ha)	560	488	87%
Indigenous/local-origin vegetation protected by fencing (EVCs)	54	57	106%
Indigenous/local-origin (riparian/terrestrial) vegetation enhanced (Ha)	465	164	35%
Indigenous/local-origin riparian vegetation enhanced (Km)	5	4	80%
Fencing (for indigenous/local-origin riparian vegetation enhancement) (Km)	10	4	40%
Seed collected (kg)	730	618	85%
Planning	TARGET	ACHIEVED	%
Catchment or subcatchment management/action plans developed (No.)	13	7	52%
Communication plan developed (No.)	1	1	100%
Endangered species action statements & recovery plans developed (No.)	32	32	100%
Best management practice guidelines developed (No.)	36	23	64%
Floodplain statutory or river health planning referrals (inc. Environment Protection Act works approvals) (No.)	160	278	174%
Other statutory planning referrals (eg new irrigation development) (No.)	100	198	198%
Resource Assessment	TARGET	ACHIEVED	%
Research & development studies undertaken (No.) ¹	3	0	0%
Investigation area surveyed or mapped (eg vegetation mapping, soil surveys, inventory) (Ha)	796,704	350,217	44%
Environmental assessments/checklists completed (No.) ¹	3	0	0%
Monitoring days (survey, inventory, mapping) (No.) ¹	60	0	0%
Investigation studies or assessments undertaken (eg vegetation mapping, soil surveys, benchmarking) (No.)	3	2	67%
Baseline/trend/condition sites monitored (No.)	511	295	58%
Baseline/trend/condition reports produced (No.)	4	3	75%
Decision support tools (No.) ²	1	0	0%
Major reviews or evaluations (No.) ²	3	1	33%

¹ Contract has been drafted. Output expected to be completed by December 2006. ² Output expected to be completed by end of December 2006.

Catchment Condition

Biodiversity - Vegetation protection, enhancement and restoration programs are in place, but are generally not operating at the scale required to achieve targets. Vegetation cover and its condition in the region falls short of sustainability benchmarks. More detailed monitoring and evaluation will enable a depth of reporting.



Key Achievements:

- Production of the publication: "Caring for Country; A Guide for Sustainable Land Management in Central Victoria". The final booklets have been distributed through local government, and will provide new landholders in the region with the necessary information to make sustainable land management decisions.
- The Vegetation Best Management Practice website has produced an interactive revegetation decision support system. Over 300 indigenous plant species have information reports and 4,912 images have been digitised and processed on the web (including images of seeds and /or fruit). This will assist landholders, community groups and extension officers in making the right decisions when carrying out revegetation.
- Through Trust for Nature's project, over 660 ha of remnant vegetation has been permanently protected through legal conservation agreements. This exceeds the target of 500 ha, and will provide a significant contribution towards an improvement in the quality and coverage of priority vegetation communities across the region.

Infrastructure

The RCS goal for infrastructure is:

Infrastructure assets will be protected by land and water management practices from the impacts of natural resource degradation. Infrastructure development will be carried out in ways that minimise and offset adverse environmental impact.

Key threats to infrastructure include salinity, flooding, soil erosion, plantation forestry development, water allocation and trade, fire and changed fire regime.

This asset was addressed indirectly through other 2005-06 projects.

Cultural Heritage

The RCS goal for cultural heritage is:

Indigenous and non-Indigenous cultural heritage is valued by the community and is protected and maintained.

Key threats to cultural heritage include:

- Inadequate engagement of Indigenous groups
- Damage to unregistered and registered sites
- Inappropriate access and recreation
- Altered flow regimes
- Impact of salinity upon heritage sites.

Outputs Achieved

This asset was addressed as part of the Community asset in 2005-06 projects.

Key Achievements:

- Board endorsement of the formation of an Indigenous Advisory Committee (IAC). The IAC will allow the Indigenous community an avenue to provide advice on Indigenous issues directly to the North Central CMA Board. This will result in greater awareness of Indigenous calls for higher levels of protection for Aboriginal cultural heritage within a natural resource management framework.
- Involvement in over 30 Indigenous awareness-raising sessions with Landcare groups in the North Central CMA region. Landcare groups often come into contact with Aboriginal cultural heritage sites during the implementation of projects. Therefore, education about what a site is, why sites are important to Indigenous people and the legislation that exists to protect cultural heritage sites leads to a greater understanding of Indigenous cultural heritage and why it needs to be protected.
- A project was implemented, in conjunction with the North West Region Aboriginal Cultural Heritage program, to protect a significant Aboriginal Burial site through fencing, rabbit control, weed removal and revegetation with native plants. This was the first Indigenous Second Generation Landcare Grants project for the North Central region of Victoria. It showcased how environmental agencies, landowners and the Indigenous community can work together to protect cultural heritage sites within a broader framework of environmental protection.
- Development of a process to ensure North Central CMA complies with cultural heritage legislation. A large percentage of works carried out by the North Central CMA occur where there is the likelihood of encountering cultural heritage material. By ensuring there is a process to follow, the likelihood of legislative non-compliance will reduce and the risk of destroying cultural heritage sites will also lessen.



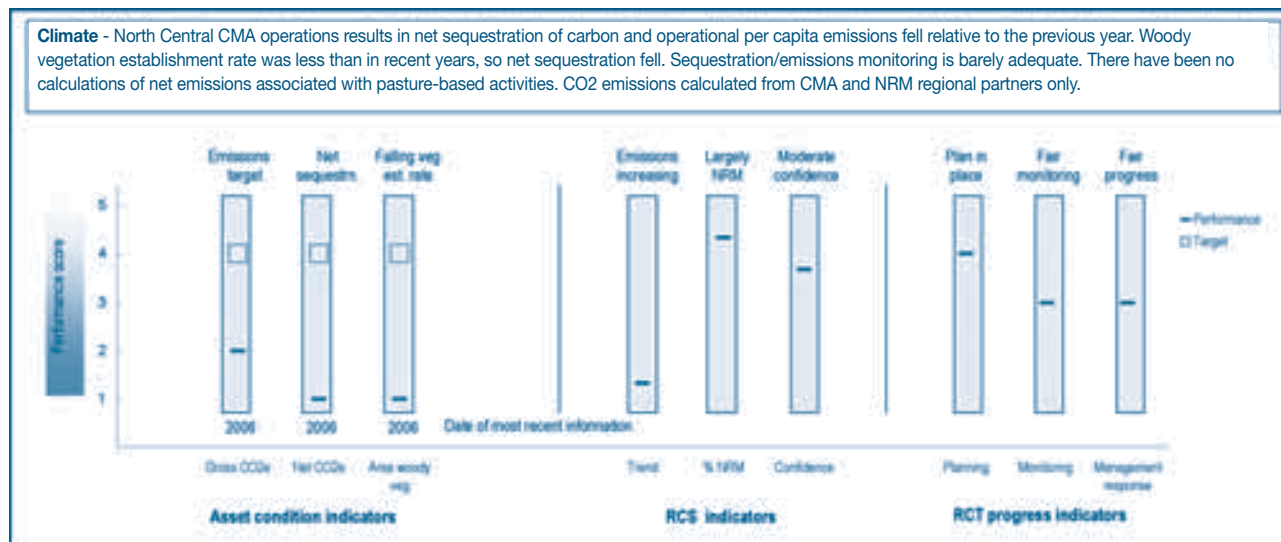
The rabbit infested site to be protected as part of the first Indigenous Second Generation Landcare Grants project.

Climate

The RCS goal for climate is:

The North Central region will have zero net greenhouse emissions. The region will introduce management practices that improve the resilience of natural ecosystems and agricultural and other land uses in the face of climate change.

Catchment Condition



Key Achievements:

- The formation of a Climate Change Reference Group for the North Central region which aims to provide advice to the North Central CMA on the implementation of regional climate change projects. This group comprises a wide range of regional stakeholder organisations with a keen interest in promoting understanding and regional responses to climate change.
- A presentation on climate change at the North Central Local Government Forum hosted by North Central CMA. Rod Anderson from the Greenhouse Policy Unit of the Department of Sustainability and Environment provided an overview of current research and communication around the regional implications of climate change and opportunities for adaptation and mitigation.
- Undertaking the research project: "Climate Change Impacts and Adaptation in North Central Victoria" in conjunction with the Department of Sustainability and Environment Greenhouse Policy Unit and Charles Sturt University. This project developed a report on current understanding, perceptions and behaviour related to climate change involving farmers and extension staff across the region.
- Participating in the "Practical Adaptations to Climate Change in Regional NRM" project with the Australian Greenhouse Office and Sinclair Knight Merz. This project has conducted a number of regional workshops on climate change adaptation and is currently investigating a case study relating to the Lake Eppalock system. Collaboration with a range of other regional Natural Resource Management organisations across NSW and QLD is a feature of this work.

Dryland

The RCS goal for dryland is:

The use and management of the land resource for agriculture, rural living and other purposes will be consistent with its capability, will be undertaken in an ecologically sustainable manner and provide economic and social benefits.

Key threats to dryland include salinity, flooding, soil health decline, pest plants and pest animals, land management practices, population growth/rural residential expansion, farm business viability and attitudes, fire and climate change; as well as the impact of salinity upon heritage sites.

Outputs Achieved

The table below shows outputs achieved in the 05-06 Financial Year through the delivery of Regional Management Plan projects where dryland is the primary asset. These outputs may indirectly address other assets. These figures exclude projects relating to White Paper investment.

DRYLAND OUTPUTS ACHIEVED			
Capacity Building	TARGET	ACHIEVED	%
Skills & training events held (eg workshops, seminars etc.) (No.)	11	14	127%
Participants in skills & training events (No.)	35	30	86%
Awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	53	31	58%
Participants in awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.) ¹	90	0	0%
Key materials or products developed for awareness raising forums (eg brochures, newsletters, displays, media articles, radio interviews, web pages etc.) (No.)	94	116	123%
Active community support positions (EFT) (eg Landcare facilitators, coordinators) (No.)	1	1	100%
Community groups or community projects assisted (eg Landcare) (No.)	2	3	150%
Landcare Group priority setting/planning sessions (No.)	6	11	183%
Landcare Group/networks with Action Plans (No.)	2	4	200%
Onground Works	TARGET	ACHIEVED	%
Voluntary conservation agreements or landholder agreements (No.)	12	12	100%
Indigenous/local-origin (riparian/terrestrial) vegetation protected by fencing (Ha) ²	169	41	24%
Indigenous vegetation protected from rising groundwater by type of intervention (surface drainage, sub-surface drainage, groundwater pump, other) (Ha) ¹	65	0	0%
Indigenous/local-origin (riparian/terrestrial) vegetation enhanced (Ha)	608	886	146%
Indigenous/local-origin riparian vegetation enhanced (Km)	50	28	56%
Revegetation with indigenous/local-origin (riparian/terrestrial) species (Ha)	1,025	669	65%
Revegetation with non-indigenous terrestrial perennial pastures (Ha)	6,220	4,221	68%
Pest management - private land protected (where pest does not exist as a result of control activities) from (weeds, rabbits, foxes, wild dogs, feral pigs, feral goats, other) through the implementation of pest control activities (spraying, manual removal, application of biological control, baiting, den fumigation, warren ripping, fencing, shooting, other) (Ha)	330,000	485,612	147%
Pest management - baits laid (No.)	20,000	33,454	167%
Pest management - baits laid (Ha)	200,000	433,044	217%
Pest management - group control areas established (No.)	2	5	250%
Pest management - group control areas maintained (No.)	9	25	278%
Pest management - public land protected (where pest does not exist as a result of control activities) from (weeds, rabbits, foxes, wild dogs, feral pigs, feral goats, other) through the implementation of pest control activities (spraying, manual removal, application of biological control, baiting, den fumigation, warren ripping, fencing, shooting, other) (Ha) ¹	200	30	15%
Pest management - private land enhanced (where pest already exists) from (weeds, rabbits, foxes, wild dogs, feral pigs, feral goats, other) through the implementation of pest control activities (spraying, manual removal, application of biological control, baiting, den fumigation, warren ripping, fencing, shooting, other) (Ha)	117,800	78,800	67%
Pest management - public land enhanced (where pest already exists) from (weeds, rabbits, foxes, wild dogs, feral pigs, feral goats, other) through the implementation of pest control activities (spraying, manual removal, application of biological control, baiting, den fumigation, warren ripping, fencing, shooting, other) (Ha)	525	540	103%
Land treated for/or protected from soil erosion through engineering works or fencing (includes gully battering, stock containment areas, track rationalisation, etc.) (Ha)	0	10	-
Land with improved soil health management (eg liming, excluding/managing stock) (Ha) ¹	875	0	0%

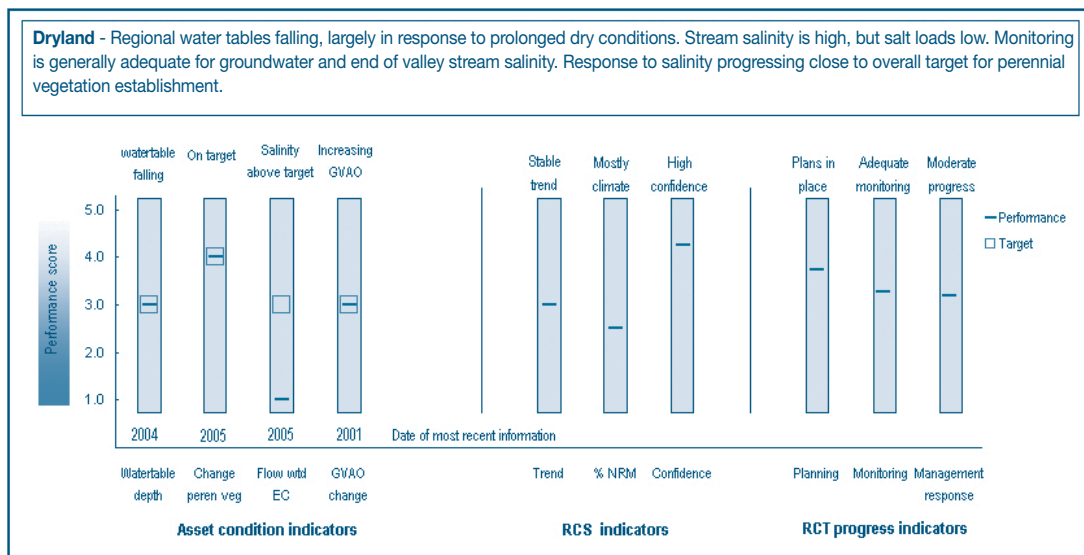
¹ Output expected to be completed by end of December 2006. ² Output will not be met in full. A variation has been sought.

DRYLAND OUTPUTS ACHIEVED

Planning	TARGET	ACHIEVED	%
Catchment or subcatchment management/action plans developed (No.)	16	14	88%
Property management plans developed by type (Whole Farm Plan or Irrigation & Drainage Plan, Horticulture or Broadacre, existing or new) by stage of development (surveyed or design stage) (No.)	401	388	97%
Floodplain statutory or river health illegal works enforcement (No.)	84	106	126%
Resource Assessment	TARGET	ACHIEVED	%
Research & development studies undertaken (No.)	1	1	100%
Investigation area surveyed or mapped (eg vegetation mapping, soil surveys, inventory) (Ha)	134,300	121,442	90%
Monitoring days (survey, inventory, mapping) (No.)	40	40	100%
Investigation studies or assessments undertaken (eg vegetation mapping, soil surveys, benchmarking) (No.)	98	30	30%
Baseline/trend/condition sites monitored (No.)	76	63	83%
Baseline/trend/condition reports produced (No.)	24	37	154%
Decision support tools (No.) ¹	3	0	0%
Major reviews or evaluations (No.)	5	6	120%

¹ Output expected to be completed by end of December 2006. ² Output will not be met in full. A variation has been sought.

Catchment Condition



Key Achievements:

- The Dryland Management Plan, a sub-strategy of the Regional Catchment Plan, progressed in its development. The plan will guide investment in dryland natural resource management into the future. The plan pioneers the Salinity Investment Framework (SIF3 - Cooperative Research Centre for Plant Based Management of Salinity) and will identify the most appropriate and cost-effective interventions for protecting the catchment's key assets.
- Our major partner in delivering dryland salinity outcomes, Department of Primary Industries, continues to focus on the ten targeted dryland areas. Department of Primary Industries is also thoroughly involved in planning an asset-based approach to dryland natural resource management through the Dryland Management Plan. Their input, along with that of the community and other partners, will ensure a practical, technically robust and deliverable plan.
- The Land Protection unit of Department of Primary Industries, in delivering pest plant and animal (PPA) programs, continues to develop strong links with the North Central CMA and its other partners. Most notably, Department of Primary Industries staff provided excellent technical support and planning in relation to implementing the Second Generation Landcare Grants program. The cooperation of the Gorse Taskforce has been equally strong and valued.
- As part of Phase 3 of the Noxious Weed Review, several new plants have been nominated by the community for declaration as "noxious" under the Catchment and Land Protection Act. These plants will be scientifically analysed for the purpose of informing the North Central CMA's recommendation to the Minister.

Case Study:

Innovative approach to onground NRM project delivery: the PACE Project

In a move to streamline natural resource management services to the community, the North Central Catchment Management Authority (CMA) and the Department of Primary Industries (DPI) are implementing a new onground works delivery model. The partnership was formalised through the signing of a Memorandum of Understanding (MOU) that identifies DPI as the preferred service provider of onground environmental works projects in the North Central CMA region.

The innovative PACE project – Partnership, Action, Community, Effectiveness, was established to improve client outcomes and reduce confusion amongst landholders over the suite of environmental programs on offer in the North Central region. The new approach also achieves improved integration of natural resource management in the region.

Gavin Hanlon, North Central CMA CEO stated that, “In the past, we could have up to three different discipline based extension officers from the two organisations walk onto a property offering advice and incentives for similar environmental issues.

“Our Implementation Committees, made up of community representatives, were telling us that this was not effective and was not resulting in the landscape outcomes we were seeking. Landholders were often unclear as to who to contact about what,” he said.

“The PACE project allows Catchment Agricultural Services to focus on the implementation of environmental works and for the North Central CMA to focus on strategic and catchment planning.”

Commenting on the steps undertaken thus far, Mr Hanlon outlined that six operational staff had been transferred from North Central CMA to DPI, forming part of five regional teams to undertake a geographical case management approach to environmental project delivery.

“Under the new approach there will be Case Managers for twenty-four geographical areas within the North Central CMA region. This will provide a clear point of contact for local communities and ensure efficient delivery of the North Central CMA Regional Catchment Strategy priorities.” he concluded.

A NRM Partnership Committee has been established to oversee the ongoing implementation and performance of this new delivery model. The committee consists of North Central CMA Board Chair, the three North Central CMA Implementation Committee Chairs, DSE Regional Director, Senior DPI representatives and North Central CMA CEO.



Irrigated Land

The RCS goal for irrigated land is:

The use and management of land for irrigated agriculture, rural living and other purposes will be consistent with its capability to support those uses. The use and management of both land and water provides sustainable economic and social benefits and improves environmental values.

Key threats to irrigation include water trade, water allocation, salinity, flooding, land and irrigation management practices, pest plant and pest animals, soil health, farm business viability and attitudes, population growth, climate change and fragmentation of habitat.

Outputs Achieved

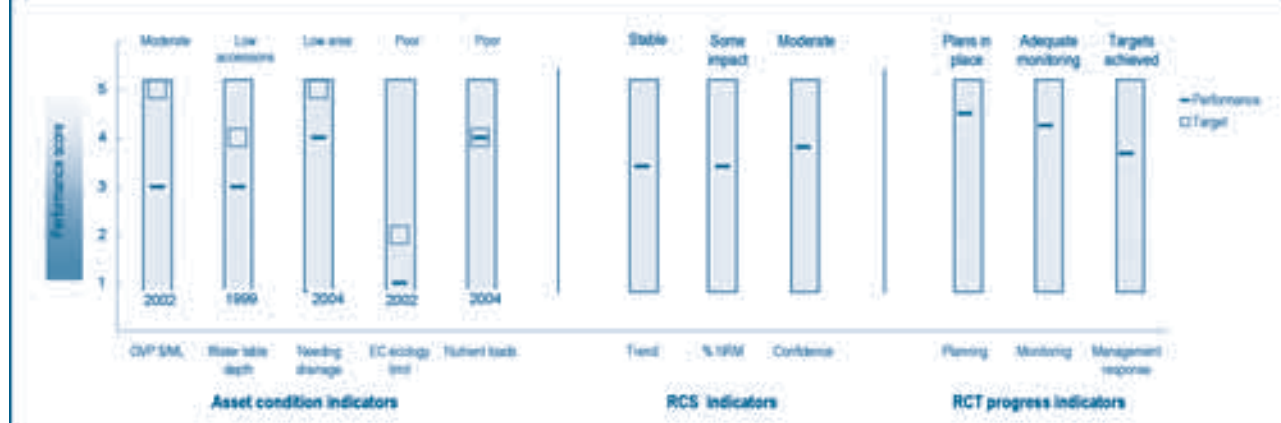
The table below shows outputs achieved in the 05-06 Financial Year through the delivery of Regional Management Plan projects where irrigated land is the primary asset. These outputs may indirectly address other assets. These figures exclude projects relating to White Paper investment.

IRRIGATED LAND OUTPUTS ACHIEVED			
Capacity Building	TARGET	ACHIEVED	%
Skills & training events held (eg workshops, seminars etc.) (No.)	32	28	88%
Participants in skills & training events (No.)	890	925	104%
Key materials developed for skills & training events (eg workbooks, course notes etc.) (No.)	18	24	133%
Awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	30	28	94%
Participants in awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	100	100	100%
Key materials or products developed for awareness raising forums (eg brochures, newsletters, displays, media articles, radio interviews, webpages etc.) (No.)	46	39	85%
Active community support positions (EFT) (eg Landcare facilitators, coordinators) (No.)	1	1	100%
Community groups or community projects assisted (eg Landcare) (No.)	23	24	104%
Coordinated projects with industry groups (No.)	2	2	100%
Onground Works	TARGET	ACHIEVED	%
Land managed within capabilities by type of intervention (dewatering, fencing of C & D class soils etc.) (Ha)	2,610	1,096	42%
Irrigated land using improved management (scheduling equipment or services, test well installation, soil moisture monitoring, laser-grading etc.) (Ha)	1,240	775	63%
Land managers using improved irrigation practices (upgraded systems) (No.)	90	32	36%
Land managers using improved irrigation management practices (No.)	50	72	144%
Farm water saved from the installation of farm reuse system (ML)	1,425	645	45%
Farm water saved through use of improved irrigation practice (conversion from furrow/flood to drip, conversion from furrow/flood to spray, redeveloped layout, automatic irrigation, scheduling equipment or services, test well installation, soil moisture monitoring, laser-grading) (ML) ¹	11	3	27%
Planning	TARGET	ACHIEVED	%
Catchment or subcatchment management/action plans developed (No.)	7	6	83%
Property management plans developed by type (Whole Farm Plan or Irrigation & Drainage Plan, Horticulture or Broadacre, existing or new) by stage of development (surveyed or design stage) (Ha)	4,838	2,175	45%
Property management plans developed by type (Whole Farm Plan or Irrigation & Drainage Plan, Horticulture or Broadacre, existing or new) by stage of development (surveyed or design stage) (No.)	70	34	150%
Best management practice guidelines developed (No.)	9	9	87%
Floodplain statutory or river health planning referrals (inc. Environment Protection Act works approvals) (No.)	9	4	44%
Resource Assessment	TARGET	ACHIEVED	%
Research & development studies undertaken (No.)	6	5	83%
Investigation area surveyed or mapped (eg vegetation mapping, soil surveys, inventory) (Ha)	1,690	2,308	137%
Investigation studies or assessments undertaken (eg vegetation mapping, soil surveys, benchmarking) (No.)	15	15	100%
Baseline/trend/condition sites monitored (No.)	18	33	183%
Baseline/trend/condition reports produced (No.)	2	3	150%
Decision support tools (No.)	8	7	87%
Major reviews or evaluations (No.)	12	13	108%

¹ Output not expected to be finished until 2008 as part of a three-year project.

Catchment Condition

Irrigated Land - Water tables and salt exports are falling, nutrient loads and salinity concentrations in drains remain high. The trend in land condition is improving. A high level of planning, monitoring and management, along with market forces and drought has contributed to significant change. The area is losing permanent entitlement through water trade; water allocations very low. Low rainfall has had a significant impact on condition.



Key Achievements:

- Completed the Social Implications of Permanent Water Trade report.
- Draft report for the Environmental Benchmarking of Targeted Kerang Wetlands completed.
- Undertook a regional stakeholder workshop and developed a process to achieve a healthy productive Loddon Campaspe Irrigation landscape and better understand the impacts of dewatering land in the region.
- Prioritisation framework expanded to include a Loddon, Campaspe and Murray River wetlands.
- Hydrogeological and environmental values reports finalised for Meran Lakes Complex.
- Draft Loddon Campaspe Irrigation Wetland Action Plan being developed.
- Draft of the Loddon Campaspe Biodiversity Action Plan completed.
- Four sub-regions of the Loddon Campaspe Irrigation region profiled for their community interactions and networks with tools to increase land and water management outcomes identified.
- Final development and implementation of Irrigation Drainage Memorandum of Understanding amongst regional stakeholders.
- Planning approval process for the Benwell Primary Drain underway and final design near completion.
- 5 year review of Lake Charm Outfall Channel salt disposal allocation underway according to Murray Darling Basin Salinity Management Strategy requirements.
- Draft Loddon Campaspe Land and Water Management Plan underway with regional community and agency involvement.

Public Land

The RCS goal for public land is:

The uses and management of public land will lead to improved environment condition and provide the services required and agreed to by government and the community.

Key threats to public land include salinity, ecological systems decline, pest plants and pest animals, inappropriate recreation, changed flow regime, fire and changed fire regimes, infrastructure development, land management practices and climate change.

This asset was addressed indirectly through other 2005-06 projects.

Waterways and Wetlands

The RCS goal for waterways and wetlands is:

Waterways and wetlands will be managed to enhance their environmental function and, where appropriate, provide opportunities for economic, recreational and amenity use.

Key threats to waterways and wetlands include salinity, altered hydrology, fragmentation and ecological systems decline, water quality decline, inappropriate recreation, inappropriate adjoining land management, population growth, pest plants and pest animals.

Outputs Achieved

The table below shows outputs achieved in the 05-06 Financial Year through the delivery of Regional Management Plan projects where waterways and wetlands are the primary asset. These outputs may indirectly address other assets. These figures exclude projects relating to White Paper investment.

WATERWAYS AND WETLANDS OUTPUTS ACHIEVED			
Capacity Building	TARGET	ACHIEVED	%
Skills & training events held (eg workshops, seminars etc.) (No.)	26	50	192%
Participants in skills & training events (No.)	300	619	206%
Awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	29	57	195%
Participants in awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.)	450	2,035	452%
Key materials or products developed for awareness raising forums (eg brochures, newsletters, displays, media articles, radio interviews, webpages etc.) (No.)	60	60	100%
Active community support positions (EFT) (eg Landcare facilitators, coordinators) (No.)	2	2	100%
Community groups or community projects assisted (eg Landcare) (No.)	28	34	121%
Waterwatch groups (eg community groups, schools) involved in monitoring (No.)	40	65	163%
Individuals filling active community support positions (No.)	3	3	100%
Water quality monitoring sites being monitored by Waterwatch groups (No.)	60	71	118%
Participants in Waterwatch activities (inc. water quality monitoring, education, workshop attendances) (No.)	1,500	2,925	195%
Partnership agreements entered into (No.)	1	1	100%
Onground Works	TARGET	ACHIEVED	%
Voluntary conservation agreements or landholder agreements (No.)	145	143	99%
Voluntary conservation agreements or landholder agreements (Ha)	392	482	123%
Indigenous/local-origin (riparian/terrestrial) vegetation protected by fencing (Ha)	76	41	54%
Fencing (for indigenous/local-origin riparian vegetation protection) (Km)	40	35	86%
Indigenous/local-origin riparian vegetation protected (Km)	56	72	128%
Indigenous/local-origin (riparian/terrestrial) vegetation enhanced (Ha)	280	329	118%
Indigenous/local-origin riparian vegetation enhanced (Km)	140	117	84%
Fencing (for indigenous/local-origin riparian vegetation enhancement) (Km)	71	70	98%
Revegetation with indigenous/local-origin (riparian/terrestrial) species (Ha)	5	5	100%
Gully treated for/or protected from soil erosion through engineering works or fencing (Km)	21	10	46%
Regional water saved using off-farm mechanisms (eg. piping of open channels, lining channels or storages) (ML) ¹	1,650	0	0%
Stream bank stabilised (Km)	17	21	123%
Stream bed stabilised (Km)	32	34	105%
Off-stream (alternative) watering sites installed (No.)	42	20	48%
In-stream habitat established (Km)	1	1	100%
Stream bed stabilisation structures (No.)	48	71	148%
Buffer strips/grassed waterways for water quality treatment (Km)	108	94	87%
Buffer strips/grassed waterways for water quality treatment (Ha)	182	188	103%
Floodplain mitigation schemes completed (No.)	4	2	50%
Wetland protected (Ha)	2,000	700	35%
Planning	TARGET	ACHIEVED	%
Catchment or subcatchment management/action plans developed (No.)	9	2	22%
Floodplain statutory or river health planning referrals (inc. Environment Protection Act works approvals) (No.)	12	6	50%

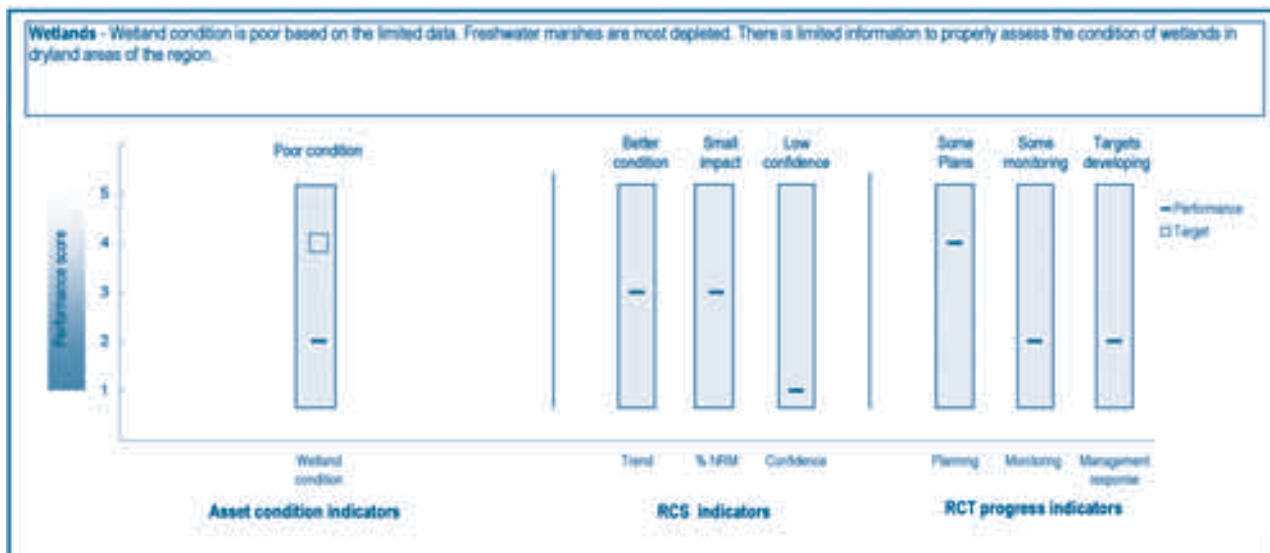
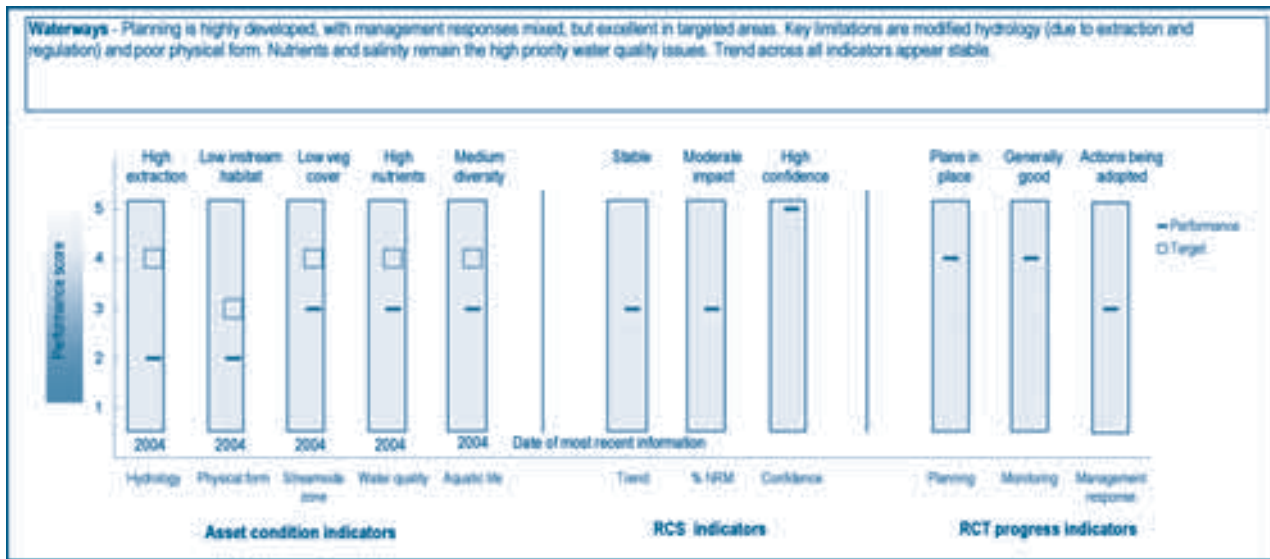
¹ Variation sought to complete output in 2006/07 financial year.

WATERWAYS AND WETLANDS OUTPUTS ACHIEVED

Resource Assessment	TARGET	ACHIEVED	%
Research & development studies undertaken (No.)	6	2	33%
Investigation studies or assessments undertaken (eg vegetation mapping, soil surveys, benchmarking) (No.)	8	5	62%
Investigation areas surveyed or mapped (eg vegetation mapping, soil surveys, inventory) (Ha) ²	80	0	0%
Baseline/trend/condition sites monitored (No.)	676	682	101%
Baseline/trend/condition reports produced (No.)	3	1	33%
Decision support tools (No.)	2	1	50%
Major reviews or evaluations (No.)	2	1	50%

2 Field surveys yet to commence.

Catchment Condition



Key Achievements:

- The North Central CMA received an Award of Excellence from Department of Sustainability and Environment, in recognition of providing the most accurate Index of Stream Condition Field Data Collection across the state.
- Endorsement and launch of the North Central River Health Strategy. The priorities and actions set out in the strategy will guide the North Central CMA's role as 'caretakers of river health' over the next five years.
- Continued delivery of the White Paper funded large-scale river restoration project, aimed at complementing the river health benefits of environmental flows along the regulated waterways of the Loddon catchment.
- Implementation of River Tender in the Lower Avoca and Upper Loddon catchments. This market-based incentive program focuses on increasing landholder responsibility and ownership of river health management activities.
- Continued development of the Coliban Catchment Action Plan, in partnership with Coliban Water and Greening Australia, including a sponsorship launch with Greening Australia.
- Celebration of 10 years of the Waterwatch program, with an awards night to recognise the contribution of a number of long serving community monitors.
- Ongoing delivery of the Bendigo Creek Joint Partnership Initiative with the City of Greater Bendigo. This important partnership has streamlined the management of issues in the urban waterways of Bendigo and Back creeks.
- Working with the Department of Sustainability and Environment to deliver approximately 19,000ML of environmental water to Gunbower Forest, a Living Murray Icon Site. This watering event led to a significant breeding event of the Great Egret, the first since 1999.
- World Wetlands Day was celebrated with a movie event and community field day in February at Lake Weerona, Bendigo.
- Completion of the Lower Avoca Wetlands Salinity and Water Management Plan, developed in conjunction with the local community, Parks Victoria and the Department of Primary Industries. Implementation of the plan has commenced.



Trentham Falls, part of the Coliban Catchment

Case Study: Gunbower Forest

A complex wetland of international significance, Gunbower Forest is a virtual wildlife-wonderland when flooded. Located on the River Murray, between Echuca and Swan Hill, Gunbower is the second largest River Red Gum Forest in Victoria. Spanning 20,000 ha, the Forest is home to many endangered colonial waterbirds and other rare and threatened species.

Providing habitat for breeding and feeding, and supporting the lifecycles of a diverse range of native species, Gunbower Forest and the adjoining Koondrook-Perricoota Forest were identified as one of six Living Murray 'Icon sites' in 2003.

The Living Murray Initiative was established to address the serious decline in the health of the River Murray, including the condition of these Icon sites.

The North Central CMA manages the "Flooding Enhancement of Gunbower Forest Project" in close consultation with a range of stakeholders. The project aims to protect and enhance the ecological communities within the Forest by investigating ways to enhance environmental values of the forest through environmental water deliveries, which mimic the natural flow of the River Murray.

During Spring 2005, environmental water was delivered to Gunbower Forest to maintain several permanent and semi-permanent wetland complexes, protect and enhance the River Red Gum communities and provide breeding opportunities for colonial water birds – with spectacular results.

Field inspections identified a colonial waterbird breeding event in November 2005 and water was delivered until February 2006 to support the colony. This was the first significant breeding event of the Great Egret (*Ardea alba*) since 1999/2000. This species is listed under the Japan Australia Migratory Bird Agreement (JAMBA), China Australia Migratory Bird Agreement (CAMBA), Flora and Fauna Guarantee Act 1988 and Bonn Conventions and is endangered in Victoria.

Other significant bird species such as Little Pied Cormorant, Little Black Cormorant, White-necked Heron, Spoonbills, Darters, Australian White Ibis, the Australasian Grebe and the White-Bellied Sea-Eagle utilised Gunbower Forest due to the watering. River Red Gum trees responded with flushes of new growth and some regeneration of understorey vegetation.

Hundreds of records were also made from several frog species including Spotted Marsh Frog, Barking Marsh Frog, Perons Tree Frog, Pobblebonk, and Plain Froglet.

Environmental water used for the flooding in Gunbower Forest was provided through surplus flows, or unallocated water, and the existing Murray Flora and Fauna Water Entitlement.

In delivering the "Flood Enhancement at Gunbower Forest Project", North Central CMA worked closely with the Department of Sustainability and Environment, Goulburn-Murray Water and Parks Victoria to achieve these impressive results.



Water Resources

The RCS goal for water resources is:

Water will be shared equitably between environmental and consumptive uses, water quality will match users' requirements and water will be used efficiently.

Key threats to water resources include water allocation and trade, salinity, water quality decline, population growth, and pest plants and pest animals.

Outputs Achieved

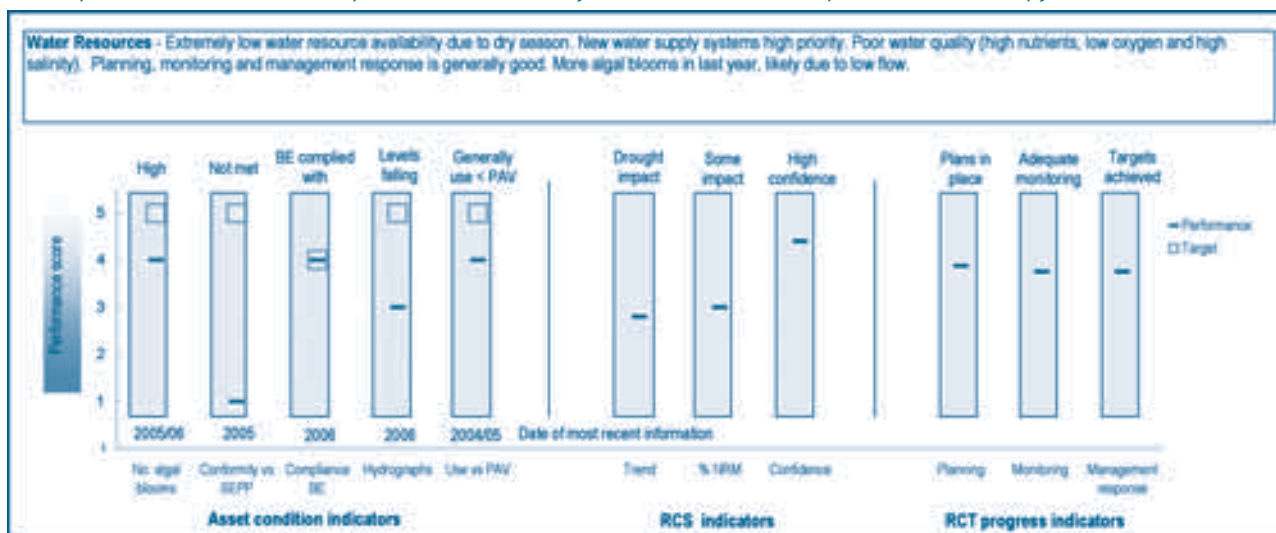
The table below shows outputs achieved in the 05-06 Financial Year through the delivery of Regional Management Plan projects where water resources are the primary asset. These outputs may indirectly address other assets. These figures exclude projects relating to White Paper investment.

WATER RESOURCES OUTPUTS ACHIEVED			
Capacity Building	TARGET	ACHIEVED	%
Awareness raising forums (eg demonstration sites, field days, field trips etc.) (No.) ¹	5	0	0%
Key materials or products developed for awareness raising forums (eg brochures, newsletters, displays, media articles, radio interviews, web pages etc.) (No.)	1	1	100%
Active community support positions (EFT) (eg Landcare facilitators, coordinators) (No.) ²	1	0	0%
Planning	TARGET	ACHIEVED	%
Catchment or subcatchment management/action plans developed (No.)	3	2	67%
Resource Assessment	TARGET	ACHIEVED	%
Investigation studies or assessments undertaken (eg vegetation mapping, soil surveys, benchmarking) (No.)	4	1	25%
Baseline/trend/condition sites monitored (No.) ¹	20	0	0%
Baseline/trend/condition reports produced (No.)	1	0.25	25%
Major reviews or evaluations (No.)	4	2	50%

¹ Output expected to be completed by end of December 2006. ² Position advertised but no incumbent appointed.

Catchment Condition

Extremely low water resource availability. Available water is at high risk from nutrients, salinity and low dissolved oxygen.



Key Achievements:

- An Environmental Water Reserve (EWR) was established for the Loddon and Boort district wetlands through the finalisation of the Loddon Bulk Entitlement process.
- Development of an Environmental Operating Strategy for the Loddon River Environmental Bulk Water Entitlement.
- Implementing the Campaspe and Loddon Integrated River Health Projects Upper Catchment Projects - targeting salinity and nutrient management through implementation of dryland and nutrient management plans.
- Completion of the Draft Campaspe Nutrient Management Strategy.
- Completion of environmental flow recommendations for Birch Creek to be used in the Birch Creek Bulk Water Entitlement Process run by the Department of Sustainability and Environment.
- Four local governments have implemented key actions in stormwater management plans through a facilitated grants scheme.

Case Study: taking measures to reduce the impact of stormwater

The numerous pollutants that are transported by stormwater from our streets to our creeks have a significant impact upon the health of waterways in North Central Victoria.

The North Central CMA has forged important partnerships with local governments within the region in a move to reduce the effects of stormwater pollution on the health of our rivers, creeks and wetlands.

On behalf of the National Action Plan for Salinity & Water Quality and the State Government's Healthy Waterways Program, the North Central CMA's Stormwater Partnerships Grants project has funded local governments to improve water quality and reduce stormwater run-off.

According to North Central CMA Water Quality Officer, Phil Slessar, "Stormwater carries many un-seen and long lasting pollutants. These pollutants can adversely affect the quality of water in our waterways, including those that feed into water storages that are relied upon for drinking water.

"The health and lifespan of many diverse plants and animals can be affected severely by stormwater pollutants, and costly treatment methods may have to be implemented to improve the quality of water so that it is safe to drink."

Phil explained that five local governments received grants from the North Central CMA to provide structural treatments to limit the impact stormwater is having on local waterways.

"Buloke, Central Goldfields, Loddon, Campaspe and Northern Grampians Shire councils have all received funds as part of the Stormwater Partnerships Grant project to provide structural treatments to enhance the effectiveness of stormwater management.

"The structural treatments implemented ranged from gross pollutant and litter traps to grass swales," said Phil.

"Central Goldfields Shire was particularly innovative in their approach, installing a water sensitive car park abutting the Maryborough Education Centre. Water that drains from the car park is recycled for non-consumptive use."

Phil also highlighted the works undertaken by the Campaspe Shire who have installed a gross pollutant trap as part of its Annesley Street Wetland project; the Wetland project involves the construction of an artificial wetland to function as a natural stormwater treatment area.



The Stormwater Partnerships project sprung from Stormwater Management Actions that fall under the North Central CMA's Nutrient Management Strategies.

In light of the funding provided via the partnership, Phil praised the steps taken by several local governments to reduce stormwater run-off and its impact upon water quality.

He concluded by saying, "Waterways are the lifeblood of this region and deserve to be protected.

"We can all play a role in reducing the impacts of stormwater run-off on water quality and river health by preventing litter and other pollutants such as faecal matter, oil, paint and grease residue, and herbicides and pesticides from entering our waterways."

OUR PEOPLE

The North Central CMA is committed to building a workplace culture that emphasises teamwork, continuous learning, community, efficiency and effectiveness, integrity and individual leadership. The commitment to further strengthening and protecting our people was demonstrated by the appointment of an OH&S Officer in December 2004 and the appointment of a Human Resources Manager in April 2005.

At June 2006, the North Central CMA employed 60 staff, of which 88 percent were fulltime: 53 percent were male and 47 percent female.

We are pleased to report a number of initiatives and achievements made in the following areas:

Occupational Health and Safety

OH&S is at the forefront of employees' minds at the North Central CMA, as well as anyone at our worksites – whether they are staff, contractors, visitors or volunteers. Consequently we have a very positive workplace safety culture. During the past year no serious incidents have been reported. Contractors performing major works have been a focal point for our commitment to provide a workplace that is safe, secure and healthy; and regular audits have been conducted to ensure work site hazards are mitigated.

Strategies have been implemented to ensure the safety of everyone at our work sites, whether they are staff, contractors, visitors or volunteers. These include:

- The election of a new OH&S Representative for office-based staff
- Completion of an induction booklet for contractors, visitors and volunteers, and endorsement of our OH&S Management Plan
- OH&S and due diligence training provided to managers and team leaders
- Modified and improved personal protective equipment for outdoor staff
- First Aid, bullying and harassment training offered to all staff
- Staff wellbeing promoted through the offering of Hepatitis B and Influenza inoculations
- OH&S as a regular agenda item at management meetings
- An employee assistance program put in place for staff and immediate family.

Learning and Development

The North Central CMA established an annual training calendar, particularly focussed on providing staff with the opportunity to develop and enhance their interpersonal, time and stress management, influencing and negotiation, working with communities, and project management skills. Staff also had access

to training opportunities in information technology and financial management, as well as to external programs, conferences and seminars.

The annual Performance Review process was updated to incorporate the North Central CMA's values and behaviours, as well as to ensure clearer alignment with organisational objectives.

Three staff participated in the first River Health Graduate Program, through Melbourne University, which was completed in December 2005. A further seven staff are receiving study assistance for self-education purposes.

Over the 12 months, four staff members were promoted into leadership positions.

People Matter Survey

For the last three years the North Central CMA has participated in the Victorian Public Service People Matter Survey. The survey measures employees' perceptions of how well the public sector values and employment principles are applied, and gathers information on job satisfaction and the way in which organisations, managers and workgroups operate. The North Central CMA obtained a high staff response rate in the 2006 survey (84 percent), and a significant improvement has been shown over the last two years in the way the organisation operates and the application of Victorian Public Service employment principles. A plan is in place to address some areas of job satisfaction that require attention, yet these are common across the public sector.

In response to the 2005 survey results, the North Central CMA has progressed the following initiatives:

- Introduction of policies relating to: grievances, employee conduct and performance, bullying and harassment, and pecuniary interest
- Competency-based recruitment tools
- Interview training
- Performance review tracking
- Review of excess annual leave balances.

Staff Consultative Committee

This year the North Central CMA established a Staff Consultative Committee to enhance the development, career opportunities, wellbeing and job security of our employees, as well as co-operating with the organisation to increase its efficiency and productivity.

STATUTORY REPORTING COMPLIANCE

Objectives, Functions and Activities

The primary responsibility of the North Central CMA is to ensure that natural resources in the region are managed in an integrated and ecologically sustainable way. The North Central CMA is the peak advisory body on directions and priorities in catchment management in the North Central region. This requires coordination and consultation with all community stakeholders. The activities of the North Central CMA are guided by goals set for each of the ten major assets across the North Central Catchment contained within the North Central Regional Catchment Strategy (RCS).

Projects managed by the North Central CMA relate to the implementation of resource condition outcomes that are aligned to each North Central Regional Catchment Strategy goal.

The North Central CMA is also responsible for providing advice to government on regional natural resource management issues. To achieve each resource condition outcome, the North Central CMA must deliver environmental projects directly, or through service providers, land and water managers (public and private) and contractors.

The North Central CMA has two types of business namely:

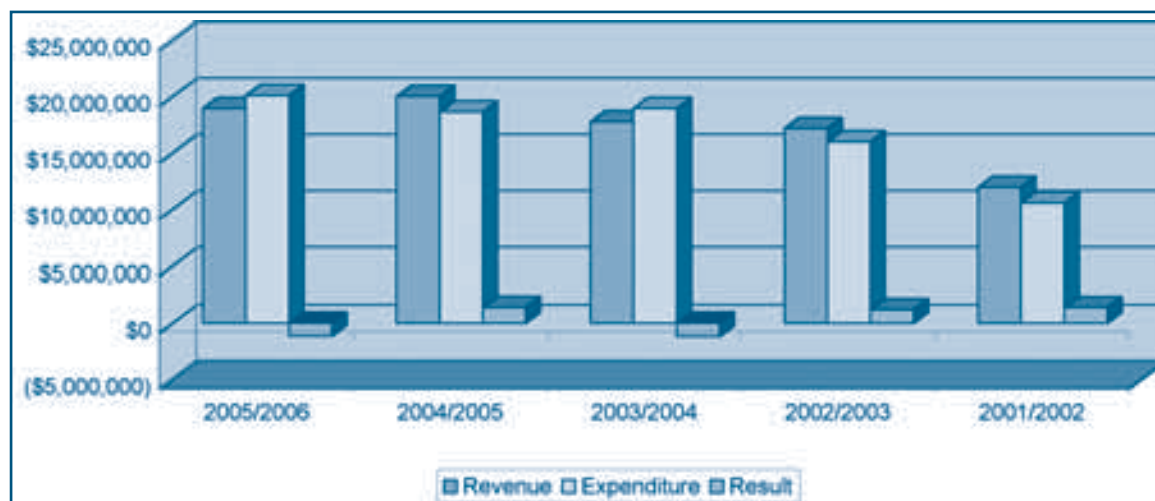
- (a) Direct Service Delivery involving:
 - Waterway Management (River Health)
 - Water Quality and Biodiversity Co-ordination
 - Floodplain Management
 - Catchment Planning (corporate functions), and
- (b) Partnership Business involving:
 - Sustainable Agriculture and Land Management (particularly with reference to irrigation and dryland salinity)
 - Water savings and water use efficiency
 - Biodiversity (Including vegetation management and private forestry)
 - Landcare Support
 - Pest Plant and Animal Management

The responsibilities of the North Central CMA as they relate to the Water Act 1989 are as follows:

- Statutory Planning
- Flood enquiries
- Flood response
- VCAT appeals
- Updates to flood database
- Flood education and advice

Five Year Financial Summary

	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Revenue	\$18,953,301	\$20,023,602	\$17,783,756	\$17,189,216	\$11,941,104
Expenditure	\$20,098,986	\$18,633,693	\$18,953,982	\$16,001,525	\$10,562,042
Result	(\$1,145,685)	\$1,389,909	(\$1,170,226)	\$1,187,691	\$1,379,062
Total Assets	\$13,435,718	\$14,558,864	\$20,251,599	\$18,111,098	\$14,725,548
Total Liabilities	\$2,952,274	\$2,929,735	\$6,741,283	\$3,430,556	\$1,232,697



In the financial year ending 30 June 2006, the North Central CMA's result from ordinary activities was affected significantly by:

- A 6 percent overall reduction of income, influenced by the prior year having included once-off State Government funding of \$1.1 million "Securing Our Water Future" Green and White Papers, a 9 percent lower level of Commonwealth Government funding and a \$320,000 increase in other funding sources
- Expenditure increased by 8 percent compared to the previous year, which was impacted materially by the cost of write-off of infrastructure assets
- Excluding non-operating items reveals that the underlying expenditure increased by 8 percent, which was the result of a 7 percent increase in the delivery of works, countered by an 8 percent reduction in corporate costs.

In the financial year ending 30 June 2006, the North Central CMA's balance sheet was significantly affected by a 7 percent reduction in cash assets due to higher levels of project delivery.

In general, the delivery of major works program expenditure was within defined budgetary objectives. Exceptions were due to agreed changes in committed projects being delivered in the next financial year.

There were no material impacts resulting from the mandatory adoption of international financial reporting standards in the reporting year, and no event occurred after balance date that would have a material effect on the accounts.

Human Resource Management

The North Central CMA promotes the personal and professional development of its people in order to achieve ongoing improvements in service delivery of our outputs so as to create satisfying career paths for staff members. We actively promote safe work practices, career development, balanced lifestyles and a friendly, non-discriminatory working environment.

Occupational Health and Safety

The North Central CMA adheres to safe work practices and ensures a safe working environment for all its employees. There were no Workcover incidents during the year which required reporting under the Occupational Health and Safety Act 1985.

Industrial Relations

The North Central CMA enjoys a cooperative relationship with employee representative organisations, who were involved in the development of the prevailing Enterprise Bargaining Agreement.

Workforce Data

North Central CMA staff are appointed following a comprehensive selection process involving an independent selection panel. In accordance with the Public Administration Act 2004, staff appointments are made on the basis of merit and a commitment is maintained to the principles of the Equal Opportunity Employment Act 1985.

The workforce of the Authority is comprised:-

	2005-2006		2004-2005	
	Part Time	Full Time	Part Time	Full Time
Number of Women	6	22	3	29
Number of Men	1	32	1	39
Total	6	55	4	68

Compliance with the Building Act 1993

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

National Competition Policy

The North Central CMA complies with the objectives and aims of the National Competition Policy (NCP).

Freedom of Information

Requests under the Act should be made in writing to the contact officer, together with the statutory fee of \$21.50:

Risk Management Coordinator
 Freedom of Information Contact Officer
 North Central Catchment Management Authority
 PO Box 18
 Huntly Victoria 3551

During the reporting year there were no applications to the North Central CMA requesting information under the Freedom of Information (FOI) Act 1982.

Statement of Information

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

- Declarations of pecuniary interests duly completed by relevant officers
- Board members' indemnity declarations
- Inwards and outwards correspondence
- Publications produced by the Authority and the places where the publications can be obtained
- Occupational Health & Safety Guidelines.

Information Kept and Available

Information related to the requirements of the Financial Management Act 1994 is held at the Authority's main office and is available on request, subject to the Freedom of Information (FOI) Act 1982 and the Privacy Act 2000.

Whistleblowers Protection Act

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 and to provide a framework for the investigation of these matters.

In support of the Act, the Authority maintains a system of reporting disclosures of improper conduct or detrimental action by the Authority or its employees.

No disclosures were made to the Authority and no disclosures were referred to the Ombudsman, nor have there been any disclosures or referrals by the Ombudsman.

Executive Officers

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 2004, as a public service body Head or other executive.

The executive officers of the Authority are classified as a Chief Executive Officer (CEO) and as Managers. The CEO is male and the Managers comprise two females and two males.

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

In the previous reporting period two persons met the definition of executive officers, the CEO and one Manager, both of whom were males.

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

Administration of Statutory Functions

Under the Water Act 1989 the Authority 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.

The functions include providing:

- Permits to construct and operate works on a waterway, compliance and community education
- Responses 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.

The activity levels during the reporting year were:

Permit applications received	125
Permit applications issued	101
Permit applications refused	24
Illegal works enforcement	56
River health planning referrals	781
Percentage of statutory timelines met	100%
Referrals and advice inquiries	1,071
Take and use licence referrals	2
Works on floodplains	50
Other referrals	0

Consultants

There were 136 contracted projects in the 2005/2006 financial year, with a total cost of contracted engagements of \$6,149,359 (2004/05: \$6,368,080).

The contracted projects that exceeded \$100,000 are detailed in the following schedule:

Consultants Engaged	Summary of Projects	Total Fees Approved \$	Expenditure for Reporting Period \$	Future Commitments \$
Department of Primary Industries	Salaries and operating costs onground works – RMP	2,615,219	2,595,674	19,545
Goulburn-Murray Water	Salaries and operating costs onground works – RMP	701,271	621,569	79,702
Department of Sustainability and Environment	Implementation of recovery plans for EPBC listed species	538,537	538,537	-
GHD Pty Ltd	Floodplain management plans	313,918	313,918	-
Sinclair Knight Merz	Environmental flows study of the Campaspe River system	347,579	274,923	72,656
Environment & Behaviour Consultants	Case study of the social implications of permanent water trading	112,918	112,918	-
Trust for Nature	Permanent protection & stewardship on private land	110,102	110,102	-
Water Technology	Water management in the Gunbower Forest	160,238	105,038	55,200
Donald & District Landcare Group	Seaweed cultivation in the Lower Avon-Richardson Catchment	134,000	100,500	33,500

The total number of consultancies valued at less than \$100,000 was 127, with a total value of \$1,376,179. Amounts are GST exclusive.

Case Study: Salinity framework to shape future investment

Salinity in North Central Victoria continues to be a threat to the condition of the natural environment, land productivity and to some degree, infrastructure such as that found in towns and urban centres.

Recognising that salinity poses a potential pattern of increased degradation of our natural landscape and the importance of appropriate investment in dryland salinity, the North Central CMA Board committed to a critical review of the North Central Dryland Salinity program.

To achieve this, the North Central CMA has been working collaboratively with CRC Salinity scientists Dr Anna Ridley and Professor David Pannell to develop, refine and test the Salinity Investment Framework (SIF3), within the region.

According to North Central CMA Natural Resource Manager, Jennifer Alexander, "The North Central CMA was selected as one of two Australian CMAs to trial the innovative framework through a pilot project."

Jennifer explained that the Framework is based on the latest research knowledge from hydrogeology, landscape ecology and biology, farming systems, resource economics, social science and policy mechanism design.

"SIF3 provides a decision making framework that assists in identifying the most effective approach to investment in and management of dryland salinity across the region."

Developed in response to a need for a more rigorous approach to reducing the impacts of salinity, SIF3 considers salinity impacts across four different areas. They are:

- i) water resources
- ii) high-value land assets such as built infrastructure and key biodiversity assets including remnant vegetation and habitat
- iii) dispersed assets such as agricultural land and
- iv) salt-affected land.

"The preliminary outcomes and recommendations of the North Central CMA's critical review of the Dryland Salinity Program through SIF3, favour the selection of investment responses that consider the value of public and private benefits and the feasibility and cost-effectiveness of salinity treatment." said Jennifer.

"SIF3 promotes the consideration of priority areas or features rather than hazards to aid decisions about what to protect."

Jennifer outlined that the recommendations arising from the SIF3 pilot project would be used to inform the development of the North Central Dryland Management Plan with direct correlation to the Management Action Targets and the Resource Condition Targets of the North Central Regional Catchment Strategy.

"Community consultation will feature as part of the development of the North Central Dryland Management Plan with a series of community workshops planned for the near future. The learnings from the SIF3 pilot project will be a focus of these workshops."



Photo courtesy of Department of Primary Industries



FINANCIAL STATEMENTS





AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

North Central Catchment Management Authority

To the Members of the Parliament of Victoria and Members of the Board of the Authority

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2006 relates to the financial report of North Central Catchment Management Authority included on its web site. The Board of the North Central Catchment Management Authority is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. 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 this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2006 of North Central Catchment Management Authority consists of operating statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the certification by the Chairman and Chief Executive Officer.

Members' Responsibility

The Members of the Board of North Central Catchment Management Authority are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Authority's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of North Central Catchment Management Authority as at 30 June 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE
25 September 2006



Edward M. Hay
Acting Auditor-General

CERTIFICATION OF THE FINANCIAL STATEMENTS

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, 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 position during the year ended 30 June 2006 and the financial position of the Board as at that date;
- (b) are not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate at the date of signing; and
- (c) state that, in our opinion, the financial statements have been prepared in accordance with the Financial Management Act, 1994.

Signed at Huntly on the 25th day of September, 2006 on behalf of the Board.



Dr Ian MacBean
Board Chair
North Central Catchment Management Authority



Mr Gavin Hanlon
Chief Executive Officer
North Central Catchment Management Authority

Dated 25th September 2006

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue from operating activities			
Government contributions			
State Government	2(a)	10,633,266	11,402,150
Commonwealth Government	2(b)	6,402,110	7,069,182
		17,035,376	18,471,332
Revenue from non-operating activities			
Interest		587,249	551,014
Gain on sale of assets		-	41,078
Regional contributions		774,290	723,886
Other income		556,386	236,292
		18,953,301	20,023,602
Expenses			
Works expenditure			
Works programs salaries and oncosts		3,432,754	2,671,030
Service provider costs		5,927,778	6,080,264
Contractors	3(a)	3,490,622	2,051,983
Materials		1,410,121	3,034,437
Contributions to landholders		2,092,704	1,923,513
Other expenses		997,095	426,726
		17,351,074	16,187,953
Administrative expenditure	3(b)	1,703,725	1,369,862
Corporate expenditure	3(c)	993,821	1,075,878
Loss on sale of assets		50,366	-
		20,098,986	18,633,693
Total expenses		20,098,986	18,633,693
Net result		(1,145,685)	1,389,909

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

BALANCE SHEET

AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	10,718,569	11,587,338
Receivables	5	970,517	934,831
Total current assets		11,689,086	12,522,169
Non-current assets			
Other non-current assets	6	-	30,411
Property, plant and equipment	7	1,625,190	1,902,643
Intangible assets	8	121,442	103,641
Total non-current assets		1,746,632	2,036,695
TOTAL ASSETS		13,435,718	14,558,864
LIABILITIES			
Current liabilities			
Payables	9	2,504,437	2,575,566
Employee benefits	10	427,457	323,364
Total current liabilities		2,931,894	2,898,930
Non-current liabilities			
Employee benefits	10	20,380	30,805
Total non-current liabilities		20,380	30,805
TOTAL LIABILITIES		2,952,274	2,929,735
NET ASSETS		10,483,444	11,629,129
EQUITY			
Contributed capital	11	11,481,209	11,481,209
Reserves	12	87,000	147,920
Accumulated funds	13	(1,084,765)	-
TOTAL EQUITY		10,483,444	11,629,129

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	Contributed Capital \$	Accumulated Surpluses \$	Asset Revaluation Reserve \$	Committed Funds Reserve \$	2006 Total \$	2005 Total \$
Opening balance		11,481,209	-	87,000	60,920	11,629,129	10,152,220
Net result for year	13	-	(1,145,685)	-	-	(1,145,685)	1,389,909
Asset revaluation	12	-	-	-	-	-	87,000
Transfers	12	-	60,920	-	(60,920)	-	-
Closing balance		11,481,209	(1,084,765)	87,000	-	10,483,444	11,629,129

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Cash Flows from Operating Activities			
Receipts from government grants		17,035,376	23,256,664
Receipts from other sources		1,294,991	1,128,432
Interest received		587,249	527,730
Payments to suppliers and employees		(19,858,577)	(24,226,690)
Net cash provided by/(used in) operating activities	17	(940,961)	686,136
Cash Flows from Investing Activities			
Payments for purchase of property, plant and equipment		(325,456)	(1,037,540)
Payments for purchase of intangible assets		(47,586)	(103,641)
Proceeds from loans		30,411	-
Proceeds on disposal of property, plant and equipment		263,209	504,234
Net cash provided by/(used in) operating activities		(79,422)	(636,947)
Net increase/(decrease) in cash held		(1,020,383)	49,189
Cash at the beginning of the financial year		11,587,338	11,538,149
Cash at the end of the financial year	4(a)	10,566,955	11,587,338

The accompanying notes form part of these financial statements.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

General

This financial report of the North Central Catchment Management Authority is a general purpose financial report that consists of an Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements. The general purpose financial report complies with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions.

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

The financial report has also been prepared under the historical cost convention, unless otherwise stated.

Accounting Policies

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

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.

Application of AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first North Central Catchment Management Authority financial statements to be prepared in accordance with AIFRS's. AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of the North Central Catchment Management Authority until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. However on transition to AIFRS on 1 July 2004 and when preparing the financial statements for the financial year ended 30 June 2006, no accounting or valuation methods under AGAAP were required to be amended to comply with AIFRS.

Historical Cost Convention

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

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

(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 by the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance, Minister for Water and Minister for Environment have indicated are in the nature of owners' contributions, are accounted for as Equity - Contributed Capital.

Interest and Rents

Interest and rentals are recognised as revenue when earned or the service provided.

(c) Recognition and Measurement of Assets

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.

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 or value in excess of \$1,000 and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

Repairs and Maintenance

Routine maintenance, repair costs and minor renewal costs are expenses 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.

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.

The Authority has no finance leases.

Non-Current Physical Assets

Land and buildings are measured at the amounts for which assets could be exchanged between knowledgeable, willing parties in an arm's length transaction. Plant, equipment and vehicles are measured at cost.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts. 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. All assets must be tested for impairment on an annual basis. Such assets are tested to ascertain whether the carrying amounts exceed their recoverable amounts.

Revaluations

Assets other than those that are carried at cost are revalued

with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every three to four years for assets with useful lives of less than 30 years or six to eight years for assets with useful lives of 30 or greater years. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in determining the net result, the increment is recognised as revenue in determining the net result. Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of 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. The recoverable amount of assets held primarily to generate net cash flows 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.

An impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset. 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 profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

(d) Depreciation and Amortisation of Non-Current Assets

Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Land is not depreciated. Depreciation on other assets is calculated using the 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. Major depreciation rates used are listed below and are consistent with the prior year, unless otherwise stated:

Asset Class	Depreciation Rate
Buildings	2.50%
Plant & equipment	8% to 40%
Motor vehicles	20%
Intangible assets	20%

(e) Cash and Cash Equivalent Assets

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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 changes in value, and bank overdrafts. Interest bearing bank overdrafts are shown within interest bearing liabilities on the balance sheet.

(f) Receivables

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. 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. A provision for doubtful 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.

(g) Trade and Other Payables

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

(h) Employee Benefits

• Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, accumulated days off, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values, using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the Authority, in respect of services provided by employees up to the reporting date.

Provision in the current reporting period for accumulated days off (ADO) represents a change in accounting policy. Refer also to note 1(i) Changes in Accounting Policy.

• 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 current entity staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

• Employee Benefit On-Costs

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

(i) Changes in Accounting Policy

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

In the current reporting period, a liability was introduced in respect of accumulated days off. Under the provisions of the prevailing Certified Agreement, employees may accumulate up to the equivalent of five days. The impact of the change in accounting policy was considered not material.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST 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 cashflows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(k) Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Authority.

Intangible assets with a finite useful life are amortised on a systematic basis over the asset's useful life (refer note 1(d)).

(l) Comparative Amounts

Where the presentation or classification of items in the financial report is amended, comparative amounts are reclassified unless reclassification is impracticable.

For the year ended 30 June, 2006

2006
\$

2005
\$

NOTE 2: OPERATING STATEMENT - DISCLOSURES OF INCOME

Income from Operating Activities

a) State Government

Tackling Pests		
Weeds Management	9,380	-
Catchment Planning		
Landcare	465,000	480,000
Governance	1,010,000	235,000
Salinity and Soils		
Salinity and Soils	59,000	-
Water Asset Investment and Evaluation		
Victorian Water Trust Smart Farms	122,500	783,750
Sustainable Irrigation		
Water Smart Farms - Our Water Our Future	250,000	-
Land and Water Management Plans	27,750	5,000
Securing Our Water Future Green and White Papers	-	1,134,400
Salinity Infrastructure	745,000	745,000
Sustainable Irrigated Agriculture and Land Management	592,500	220,000
River Health		
Healthy Waterways	3,216,300	725,000
Tariff Replacement	-	1,670,000
Environmental Flows and Stressed Rivers	192,138	925,000
Floodplain Management	-	94,000
Large Scale River Restoration - Our Water Our Future	50,000	-
Water Reuse and Recycling		
Impacts and Adaptions	-	50,000
National Action Plan for Salinity & Water Quality		
50% Bilateral Agreement with Commonwealth	3,893,698	4,335,000
	10,633,266	11,402,150

b) Commonwealth Government

National Action Plan for Salinity & Water Quality		
50% Bilateral Agreement with State	3,893,698	4,335,000
National Heritage Trust	2,084,656	2,311,856
National Landcare Program	423,756	422,326
	6,402,110	7,069,182
Total Government Contributions	17,035,376	18,471,332

NOTE 3: OPERATING STATEMENT - DISCLOSURES OF EXPENDITURE**(a) Works Contractors**

Contractors on works were appointed from the public sector (54%) and the private sector (46%)

(b) Administration Expenditure

Administration salaries and oncosts	993,383	613,418
Contract employment	9,623	38,543
Office supplies and stationery	29,067	32,775
Computer and office equipment	37,205	50,467
Photocopiers and printing	44,688	83,754
Building and other costs	17,215	128,677
Telephone and facsimile	92,590	58,718
Meetings	13,222	17,123
Advertising	1,577	39,765
Consultancy costs	221,581	184,175
Memberships and subscriptions	23,562	7,449
Motor Vehicle	220,012	114,998
	1,703,725	1,369,862

(c) Corporate Expenditure

Corporate Governance Costs		
Board members remuneration	104,636	104,636
Board operational costs	67,742	57,999
Implementation Committees remuneration	82,770	80,026
Implementation Committees operational costs	109,386	61,877
Depreciation and amortisation	319,120	228,225
Loss on revaluation	-	273,703
Bank Charges	1,951	2,802
Insurance	31,435	26,596
Audit fees internal	13,090	14,069
Auditor-General external audit	9,350	8,510
Payroll Tax	193,215	153,770
Fringe Benefits Tax	6,092	20,639
Corporate Training	55,034	43,026
	993,821	1,075,878

For the year ended 30 June, 2006

2006
\$

2005
\$

NOTE 4: CASH AND CASH EQUIVALENT ASSETS

Cash on hand	550	550
Cash at bank	-	2,065,338
Investments	10,718,019	9,521,450
Total Cash and Cash Equivalent Assets	10,718,569	11,587,338

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:

Balances as above	10,718,569	11,587,338
Bank overdraft (refer note 9)	(151,614)	-
Balances as per Cash Flow Statement	10,566,955	11,587,338

b) Cash on hand

Non-interest-bearing cash held	550	550
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NOTE 5: RECEIVABLES

Trade receivables	964,608	892,930
Other receivables	5,909	41,901
Total Receivables	970,517	934,831

NOTE 6: OTHER NON-CURRENT ASSET

Loan receivable - City of Greater Bendigo	-	30,411
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NOTE 7: PROPERTY, PLANT AND EQUIPMENT

a) Classes of property, plant and equipment

Land		
At fair value (as at 30 June 2005)	135,000	135,000
Buildings		
At fair value (as at 30 June, 2005)	650,000	650,000
Less: accumulated depreciation	(16,295)	-
	633,705	650,000
Buildings		
At cost	3,582	-
Less: accumulated depreciation	(10)	-
	3,572	-
Motor Vehicles		
At cost	869,193	1,011,174
Less: accumulated depreciation	(189,165)	(90,510)
	680,028	920,664
Plant and Equipment		
At cost	645,248	658,703
Less: accumulated depreciation	(472,363)	(461,724)
	172,885	196,979
Total Property, Plant and Equipment	1,625,190	1,902,643

The fair value of land is measured at amounts for which assets could be exchanged by knowledgeable willing parties in an arm's length transaction. Building assets are determined by calculating the depreciated value of the current construction cost. Each asset class was valued at 30 June 2005 by independent valuers.

For the year ended 30 June, 2006

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Movements during the reporting period 2005-2006

	Opening WDV \$	Additions \$	Disposals \$	Revaluations \$	Write-offs \$	Depreciation \$	Closing WDV \$
Land							
At fair value	135,000	-	-	-	-	-	135,000
	135,000	-	-	-	-	-	135,000
Buildings							
At fair value	650,000	-	-	-	-	(16,295)	633,705
At cost	-	3,582	-	-	-	(10)	3,572
	650,000	3,582	-	-	-	(16,305)	637,277
Motor vehicles							
At cost	920,664	261,696	(306,452)	-	-	(195,880)	680,028
	920,664	261,696	(306,452)	-	-	(195,880)	680,028
Plant and Equipment							
At cost	196,979	60,179	(7,124)	-	-	(77,149)	172,885
	196,979	60,179	(7,124)	-	-	(77,149)	172,885
Total property, plant and equipment	1,902,643	325,457	(313,576)	-	-	(289,334)	1,625,190

At 1 July 2005			At 30 June 2006	
Cost or fair value		2,454,877	Cost or fair value	2,303,023
Accumulated depreciation and impairment		(552,234)	Accumulated depreciation and impairment	(677,833)
Net carrying amount		1,902,643	Net carrying amount	1,625,190

(c) Movements during the reporting period 2004-2005

Land							
At cost	48,000	-	-	(48,000)	-	-	-
At fair value	-	-	-	135,000	-	-	135,000
	48,000	-	-	87,000	-	-	135,000
Buildings							
At cost	945,948	1,937	-	(923,703)	-	(24,182)	-
At fair value	-	-	-	650,000	-	-	650,000
	945,948	1,937	-	(273,703)	-	(24,182)	650,000
Motor vehicles							
At cost	603,730	922,298	(463,156)	-	-	(142,208)	920,664
	603,730	922,298	(463,156)	-	-	(142,208)	920,664
Plant and Equipment							
At cost	145,509	113,305	-	-	-	(61,835)	196,979
	145,509	113,305	-	-	-	(61,835)	196,979
Total property, plant and equipment	1,743,187	1,037,540	(463,156)	(186,703)	-	(228,225)	1,902,643

At 1 July 2004			At 30 June 2005	
Cost or fair value		2,240,290	Cost or fair value	2,603,789
Accumulated depreciation and impairment		(497,103)	Accumulated depreciation and impairment	(701,146)
Net carrying amount		1,743,187	Net carrying amount	1,902,643

For the year ended 30 June, 2006

2006
\$

2005
\$

NOTE 8: INTANGIBLE ASSETS

Computer software licences at cost	151,226	103,641
Accumulated amortisation	(29,784)	-
Total Intangible Assets	121,442	103,641

Movements

Opening balance	103,641	-
Additions	47,585	103,641
Amortisation	(29,784)	-
Closing balance	121,442	103,641

NOTE 9: CURRENT LIABILITIES - PAYABLES

Bank overdraft	151,614	-
Trade payables	1,633,129	432,476
Accrued expenses	719,694	2,143,090
Total current payables	2,504,437	2,575,566

NOTE 10: CURRENT AND NON-CURRENT LIABILITIES - EMPLOYEE BENEFITS

Current

Annual leave	266,532	280,713
Long service leave	121,319	42,651
Accumulated days off	39,606	-
Total Current	427,457	323,364

Non-current

Long service leave	20,380	30,805
Total Non-Current	20,380	30,805

Long service leave entitlements for those employees with 7 or more years continuous service are treated as a current liability.
Long service leave entitlements for those employees with less than 7 years continuous service are treated as a non-current liability.

Aggregate carrying amount

Current	427,457	323,364
Non-current	20,380	30,805
Total Employee Benefits	447,837	354,169

Employee numbers at end of financial year

61 72

NOTE 11: CONTRIBUTED CAPITAL

Balance at beginning of reporting period	11,481,209	11,481,209
Capital contributions in the year	-	-
Balance at the end of the reporting period	11,481,209	11,481,209

For the year ended 30 June, 2006

2006
\$

2005
\$

NOTE 12: RESERVES

Composition of reserves

Asset revaluation reserve	87,000	87,000
Committed funds reserve	-	60,920
Total Reserves	87,000	147,920

Movements in reserves

Asset revaluation reserve		
Balance at 1 July	87,000	-
Revaluation increment on non-current assets	-	87,000
Balance 30 June	87,000	87,000

Committed funds reserve

Balance 1 July	60,920	-
Transfer to/(from) operations	(60,920)	60,920
Balance 30 June	-	60,920

NOTE 13: ACCUMULATED FUNDS

Accumulated surplus at beginning of reporting period	-	(1,328,989)
Net surplus	(1,145,685)	1,389,909
Transfer (to)/from Committed funds reserve	60,920	(60,920)
Accumulated surplus at end of reporting period	(1,084,765)	-

NOTE 14: COMMITMENTS

Operating commitments

- Lease commitments

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

lease of photocopiers and of premises at Bull Street, Bendigo, Victoria

Outstanding lease commitments are due for payment as follows:

within one year	76,419	25,980
one to five years	41,851	40,554
over five years	-	-
	118,270	66,534

NOTE 15: SUPERANNUATION

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

Superannuation Name	Type of Scheme	Rate		
Australian Government Employee	Accumulated Contribution	9.0%	350	3,213
AM Lifetrack Management Ltd	Accumulated Contribution	9.0%	4,078	5,077
AMP Life Limited	Accumulated Contribution	9.0%	11,320	6,364
AMP Life Limited RSA	Accumulated Contribution	9.0%	12,825	13,330
AMP SuperLeader	Accumulated Contribution	9.0%	3,674	-
AMP Flexible Lifetime Super	Accumulated Contribution	9.0%	6,639	-
ANZ Super Advantage	Accumulated Contribution	9.0%	4,336	4,353
Australian Primary Super Trust	Accumulated Contribution	9.0%	4,530	5,131
Aust Retirement Fund	Accumulated Contribution	9.0%	7,400	8,028
ASGARD Superannuation Fund	Accumulated Contribution	9.0%	3,556	3,803
BT Financial Group	Accumulated Contribution	9.0%	3,378	-
Care Super	Accumulated Contribution	9.0%	3,226	5,416
C+BUS	Accumulated Contribution	9.0%	3,224	-
Gibson Family Superannuation Fund	Accumulated Contribution	9.0%	2,620	-
Glenham Superannuation Fund	Accumulated Contribution	9.0%	9,863	13,884
Government Superannuation Office	Defined Benefit	8.8%	4,243	5,078
Hostplus	Accumulated Contribution	9.0%	2,585	3,214
IPAC - SPR	Accumulated Contribution	9.0%	10,575	7,763
Labour Union Co-operative Retirement Fund	Accumulated Contribution	9.0%	3,888	4,738
Mercantile Mutual Life Insurance	Accumulated Contribution	9.0%	9,618	6,536
MLC Masterkey Super	Accumulated Contribution	9.0%	18,178	16,286
Recruitment Super	Accumulated Contribution	9.0%	2,488	-
Retail Employee Superannuation Trust	Accumulated Contribution	9.0%	9,265	13,056
Sandhurst Trustees Ltd	Accumulated Contribution	9.0%	4,003	3,888
Summit Master Trust	Accumulated Contribution	9.0%	6,579	-
Superannuation Trust of Australia	Accumulated Contribution	9.0%	15,654	4,180
Tower Life	Accumulated Contribution	9.0%	674	4,514
Uni Super Limited (APP)	Accumulated Contribution	9.0%	6,055	5,253
Vision Super	Accumulated Contribution	9.0%	107,046	91,468
Victorian Superannuation Board	Accumulated Contribution	9.0%	52,854	67,179
Other Superannuation Funds	Accumulated Contribution	9.0%	9,454	22,790
			344,178	324,542

As at the reporting date, there were no 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 Authority is not liable for any unfunded liability in respect of the above employer sponsored defined benefits.

NOTE 16: RESPONSIBLE PERSONS RELATED DISCLOSURES

a) Responsible persons

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

The Hon. John Thwaites	Minister for Water & Minister for Environment	1 Jul 2005 - 30 Jun 2006
Ian MacBean	Board Chair	1 Jul 2005 - 30 Jun 2006
John Brooke	Board Member	1 Jul 2005 - 30 Jun 2006
Malcolm Fyffe	Board Member	1 Jul 2005 - 30 Jun 2006
Noel Harvey	Board Member	1 Jul 2005 - 30 Jun 2006
Jill McFarlane	Board Member	1 Jul 2005 - 30 Jun 2006
Stuart McLean	Board Member	1 Jul 2005 - 30 Jun 2006
Tony Norton	Board Member	1 Jul 2005 - 30 Jun 2006
Yvonne Postlethwaite	Board Member	1 Jul 2005 - 30 Jun 2006
Jean Sutherland	Board Member	1 Jul 2005 - 30 Jun 2006
Alison Teese	Board Member	1 Jul 2005 - 30 Jun 2006
Greg Toll	Board Member	1 Jul 2005 - 30 Jun 2006
Rob Price	Department of Sustainability and Environment Representative	1 Jul 2005 - 30 Jun 2006
Ken Ashton	Department of Primary Industries Representative	1 Jul 2005 - 30 Jun 2006
Gavin Hanlon	Chief Executive Officer	1 Jul 2005 - 30 Jun 2006
Jennifer Alexander	Acting Chief Executive Officer	2 Jan 2006 - 6 Jan 2006
Rohan Hogan	Acting Chief Executive Officer	9 Jan 2006 - 13 Jan 2006
Damian Wells	Acting Chief Executive Officer	26 Oct 2005 - 7 Nov 2005
		19 Dec 2005 - 23 Dec 2005

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 Parliament completes.

The Department of Sustainability and Environment and Department of Primary Industries representatives receive no remuneration from the Authority. The relevant information of the Chief Executive Officer is reported under Executive Officer's Remuneration.

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).	2006	2005
	\$104,636	\$104,636

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

Income band (\$)	No.	No.
1-9,999	10	10
10,000 -19,999	1	1

Other transactions

Incentive payments made by the Authority to landholders based on assessment of criteria for strategic natural resource management were made during the reporting period to responsible persons or related parties:

Aggregate amount recognised	\$9,642	-
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Name of Related Parties	Responsible Person		
Stuart McLean	Stuart McLean	\$9,642	-

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.

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

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

Income band (\$)	Total Remuneration		Base Remuneration	
	2006	2005	2006	2005
	No.	No.	No.	No.
80,000 - 89,999			1	
90,000 - 99,999			2	1
100,000 -109,999	1		1	
110,000 -119,999	2			
130,000 -139,999		1		
160,000 -169,999	1			
Total Numbers	4	1	4	1
Total Amount	\$499,533	\$131,087	\$376,334	\$96,723

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

Profit / (loss) for the period	(1,145,685)	1,389,909
Add / (Less) Non-Cash Flows in Net Profit/(Loss)		
(Profit)/loss on disposal of non-current assets	50,366	(41,078)
Depreciation and amortisation	319,120	228,225
Loss on revaluation	-	273,703
	<u>(776,199)</u>	<u>1,850,759</u>
Changes in Assets and Liabilities		
Decrease/(increase) in receivables	(35,685)	2,646,675
(Decrease)/increase in provisions	93,668	77,375
(Decrease)/increase in payables	(222,745)	(3,888,923)
Decrease/(increase) in non-current assets	-	250
Net cash flows from operating activities	<u>(940,961)</u>	<u>686,136</u>

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.

For the year ended 30 June, 2006

NOTE 19: FINANCIAL INSTRUMENTS

Terms, Conditions and Accounting Policy

Terms

Cash assets are at call or on term deposits with a maturity period of up to 60 days.

Credit is allowed for a 30 day term.

Settlement of creditors is normally within 30 days.

Accounting Policies

• Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

• Payables

Creditors and accruals are recognised for future amounts to be paid in respect of goods and services received, whether billed to the Authority or not.

• Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The Authority does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Authority.

Payables are recognised when the Authority becomes obliged to make future payments resulting from the purchase of goods and services. Financial liabilities that are not quoted in an active market are measured at amortised cost.

• Net fair values

The net fair values of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these until maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

• Interest risk

Recognised Financial Instruments	Weighted Average Effective Int. Rate		Floating Interest Rate		Fixed Interest Rate Maturing						Non-Interest Bearing	
	%	%	\$	\$	1 year or less		1 to 5 years		5 years & over		Bearing	
	2006	2005	2006	2005	\$	\$	\$	\$	\$	\$	\$	\$
(i) Financial Assets												
Cash at bank	5.30	4.56	2,065,338		10,718,019	9,521,450					550	550
Loans & receivables	N/A	3.00				250		918		29,243	970,516	892,930
(ii) Financial Liabilities												
Payables											2,352,821	2,575,566
Bank overdraft											151,614	

For the year ended 30 June, 2006

NOTE 20: CONTRIBUTIONS SUBJECT TO RESTRICTIONS

The Authority has received funding in relation to specific projects that is subject to the restriction that it is allocated to and must be expended on those projects.

Category	Balance 30 June 2005 \$	Transfers \$	Balance 1 July 2005 \$	Contributions Received \$	Expenditure \$	Balance 30 June 2006 \$	Committed 30 June 2006 \$	Restricted Balance \$
Biodiversity	1,558,584	(189,360)	1,369,224	3,134,645	3,789,145	714,724	155,059	559,665
Climate	50,000	-	50,000	3,000	13,204	39,796	9,900	29,896
Community	503,380	-	503,380	1,177,134	1,473,198	207,316	124,187	83,129
Dryland	1,541,014	(179,429)	1,361,585	1,789,107	2,505,622	645,070	252,163	392,907
Irrigated land	745,940	-	745,940	3,221,250	2,464,642	1,502,548	57,002	1,445,546
Water resources	-	-	-	758,429	178,986	579,443	54,961	524,482
Waterways & wetlands	6,328,471	250,516	6,578,987	6,786,324	7,515,756	5,849,555	725,966	5,123,589
Corporate services	564,204	118,273	682,477	2,083,413	2,158,433	607,457	115,295	492,162
Total	11,291,593	-	11,291,593	18,953,302	20,098,986	10,145,909	1,494,533	8,651,376

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: EXPLANATION OF TRANSLATION TO AUSTRALIAN EQUIVALENTS TO IFRS'S

There are no material differences between the statements and note disclosures presented under Australian equivalents to International Financial Reporting Standards (AIFRS) and those presented under previous Australian Generally Accepted Accounting Principles (AGAAP).

NOTE 23: CORRECTION OF ERROR

- (a) In the reporting year ended 30 June 2005, software acquired at a cost of \$103,641 was charged as an item of expense, however as the amount was capital in nature, and under the Authority's capitalisation policies, it should have been recorded as an asset. A correction has been made in the current reporting period to the effect of crediting the accumulated balance brought forward, in recognition of an amount of \$103,641, which has now been added to the balance of intangible assets as at 30 June 2006.
- (b) When established, the Authority recorded infrastructure assets (levee banks and related structures) in its balance sheet at a carrying value of \$2,813,069. During the current reporting year the Authority reviewed its accounting for these assets and determined that it did not have the requisite control to meet recognition criteria. Consequently, the Authority has removed the relevant incorrect balances as at 1 July 2004.

The effect of the correction on the reported results for the year ended 30 June 2005 is:

	\$
Surplus for the year	1,265,112
Correction of error (a)	103,641
Correction of error (b)	21,156
Corrected Surplus for the year	1,389,909
Total Non-current assets	5,617,200
Correction of error (a)	103,641
Correction of error (b)	(3,684,146)
Corrected Total Non-Current Assets	2,036,695
Total Equity	15,209,634
Correction of error (a) to committed funds reserve	103,641
Correction of error (b) to asset revaluation reserve	(871,077)
Correction of error (b) to accumulated funds	(2,813,069)
Corrected Total Equity	11,629,129

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