

Annual Report 2016-17



Mallee Catchment Management Authority

Looking after our environment together

www.malleecma.vic.gov.au

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Cover image: Werrimul Primary School students undertaking the Mallee CMA Wetland Learning Program at Wallpolla Island.

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Mallee Catchment Management Authority Annual Report 2016-17
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This document can be accessed on the Mallee CMA website: www.malleecma.vic.gov.au/resources/corporate-documents

Acknowledgement

The Mallee Catchment Management Authority (CMA) acknowledges and respects Traditional Owners, Aboriginal communities and organisations. We recognise the diversity of their cultures and the deep connections they have with Victoria's lands and waters. We value partnerships with them for the health of people and country.

The Mallee CMA Board, management and staff pay their respects to Elders past and present, and recognise the primacy of Traditional Owners' obligations, rights and responsibilities to use and care for their traditional lands and waters.

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PART 1: REPORT OF OPERATIONS

Declaration in Report of Operations

Responsible Body declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Mallee Catchment Management Authority's Annual Report for the year ending 30 June 2017.

A handwritten signature in black ink, reading "Sharyon Peart". The signature is written in a cursive, flowing style.

Sharyon Peart

Board Chair

Mallee Catchment Management Authority

25 August 2017

Vision, Mission, Values

Our Vision

“Informed and active communities balancing the use of resources to generate wealth, with the protection and enhancement of our natural and cultural landscapes” (Mallee Regional Catchment Strategy 2013-19).

Our Mission

“To ensure natural resources in the region are managed in an integrated and ecologically sustainable way and in accordance with our community’s expectations”.

Our Values

In delivering against these priorities the Mallee CMA Board, management and staff will demonstrate the following values and behaviours:

Responsiveness	<ul style="list-style-type: none">• Providing frank, impartial and timely advice;• Providing high quality services to the community;• Identifying and promoting best practice.
Integrity	<ul style="list-style-type: none">• Being honest, open and transparent in their dealings;• Reporting improper conduct;• Avoiding any real or apparent conflicts of interest;• Striving to earn and sustain a high level of public trust.
Impartiality	<ul style="list-style-type: none">• Making decisions and providing advice on merit and without bias, caprice, favouritism or self-interest;• Acting fairly by objectively considering all relevant facts and fair criteria;• Implementing the Mallee CMA policies and programs equitably.
Accountability	<ul style="list-style-type: none">• Working to clear objectives in a transparent manner;• Accepting responsibility for their decisions and actions;• Seeking to achieve best use of resources;• Submitting to appropriate scrutiny.
Respect	<ul style="list-style-type: none">• Treating colleagues and members of the community fairly and objectively;• Ensuring freedom from discrimination, harassment and bullying;• Using the views of others to improve outcomes on an ongoing basis.
Leadership	<ul style="list-style-type: none">• Implementing, promoting and supporting these values and behaviours at both an individual level and within the team environment.
Human Rights	<ul style="list-style-type: none">• Making decisions and providing advice consistent with human rights;• Actively implementing, promoting and supporting human rights - Freedom, Respect, Equality, Dignity (FRED).

Chair's Report

Throughout 2016-17, the Mallee Catchment Management Authority (CMA) has been focused on strengthening partnerships across our region to efficiently and effectively deliver integrated catchment management. By placing the community at the centre of decision making, our planning and on-ground delivery has continued to be strongly aligned with community priorities and, as a result, our work is leading to lasting, positive change across the landscape.

Highlights of the year included launching "The Tyrrell Project – Ancient Landscapes, New Connections", which is part of the Victorian Government's \$22 million Our Catchments, Our Communities initiative. The Tyrrell Project complements significant community interest in the tourism and associated economic benefits of Lake Tyrrell, while providing the opportunity to further support existing community activities and priorities across a wider project area including Tyrrell and Lalbert Creeks. While the project is only in the first of its four years, it is already resulting in strong regional co-ordination between agencies, local government bodies and organisations, with the community clearly leading the direction and priority setting.

In addition to The Tyrrell Project, the Mallee CMA is continuing to work closely with Traditional Owners, community members and partner agencies to deliver important on-ground improvements along one of the region's most loved riparian areas at Merbein Common, adjacent to the Murray River. Through funding from the Victorian Government's Riparian Action Plan, work undertaken at Merbein Common has included significantly improving car parks adjacent to popular boat ramps; installing walking tracks and signage; tackling erosion and weeds; and delivering community grants. The community response to these works has been extremely positive, with everyone from recreational anglers to tourists benefiting from the investment.

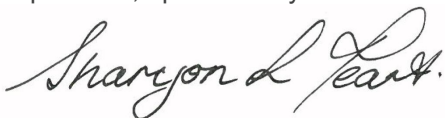
Communities also benefited from the Southern Mallee Drought Employment Program, which was co-ordinated by the Mallee CMA as part of the Victorian Government's drought response. This program enabled farmers, farm workers and drought affected community members to obtain employment to alleviate some of the financial pressure and stress resulting from the 2014/15 drought. A total of 25 people took part in the southern Mallee program, completing more than 2,252 hours of training and supporting more than 34 local community groups. The crews did everything from pest plant and animal control to fencing and, again, their work was highly valued by many Mallee communities.

I am also immensely proud of the work we have done as an organisation to improve our cultural competency during 2016-17. Through the development of a Cultural Competency Framework and the Mallee Indigenous Participation Plan, the Mallee CMA has further demonstrated its commitment to working respectfully with Traditional Owners and members of the Aboriginal community to manage our land, water and biodiversity. Accredited training in cultural competency has also been completed by Board members and the majority of staff members, and, thanks to the work of our Aboriginal Reference Group, the Mallee CMA's Reconciliation Action Plan is now in the final stages of development.

The 2016-17 year also saw the Mallee CMA receive AS/NZS ISO 9001:2015 certification, which was a significant achievement that illustrates the organisation's commitment to quality assurance and continuous improvement. This certification provides independent verification that the organisation is meeting international standards and, through the ongoing commitment of management and staff, this will continue into the future.

In conclusion, I would like to thank the Mallee CMA's funding and delivery partners, Landcare groups and the local community for their continuing support of, and input to, our natural resource management programs. My thanks go also to my colleagues on the Mallee CMA Board, along with the authority's staff and the members of our advisory committees for their hard work during the year.

It is with pleasure, I present to you the Mallee CMA's Annual Report 2016-17.



Sharyon Peart

Board Chair, Mallee CMA

23 August 2017

Manner of establishment and responsible Ministers

The Mallee Catchment Management Authority is established under the *Catchment and Land Protection Act 1994*. The responsible Ministers for the period from 1 July 2016 to 30 June 2017 were the Hon Lisa Neville MP, Minister for Water and the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

Nature and range of services provided

The Mallee CMA region covers 39,939km², around one-fifth of Victoria. The largest catchment management area in the state, it runs along the Murray River from Nyah to the South Australian border and south through vast dryland cropping areas and public reserves (see Figure 1).

The primary role of the Mallee CMA is to facilitate integrated and ecologically sustainable management of natural, cultural and productive landscapes occurring within the region. Programs and projects are developed to deliver against the region's priorities for these landscapes, as detailed in the Mallee Regional Catchment Strategy 2013-19 (RCS) and its associated sub-strategies and plans. The Mallee RCS is prepared under the provisions of the CaLP Act, in partnership with regional stakeholders, as a framework for strategic action to support and focus the ongoing co-ordinated efforts of the region's land managers, government agencies and community groups.

Within this context, Mallee CMA investment planning and delivery is informed by the long-term (20 year) objectives and strategic (6 year) actions set by the RCS for each of the following regional asset types:

- Rivers;
- Wetlands;
- Threatened species and communities;
- Terrestrial habitat;
- Groundwater;
- Soils;
- Agricultural land;
- Culture and heritage; and
- Community capacity for Natural Resource Management (NRM).

A suite of RCS sub-strategies and plans (e.g. Mallee Waterway Strategy, Mallee Indigenous Participation Plan, Mallee Landcare Support Strategy, and Mallee Irrigation Region Land and Water Management Plan, Mallee Climate Change Plan) provide additional detail on the activities required to protect and enhance regional assets, and the roles and responsibilities of regional stakeholders in the delivery of these activities. These are further complemented by site-based plans (e.g. Environmental Watering Management Plans) which establish priorities and delivery mechanisms.

The RCS monitoring, evaluation, reporting and improvement (MERI) framework is applied to all Mallee CMA activities to support continuous improvement and adaptive management processes.

Key regional stakeholders engaged in the development, delivery and review of the Mallee RCS and its associated sub-strategies include: government agencies; local government; water corporations; community and industry-based groups; private land managers; and Traditional Owners. Participation by the broader Mallee community in natural resource management (NRM) activities is also supported to facilitate awareness and skills-based outcomes.

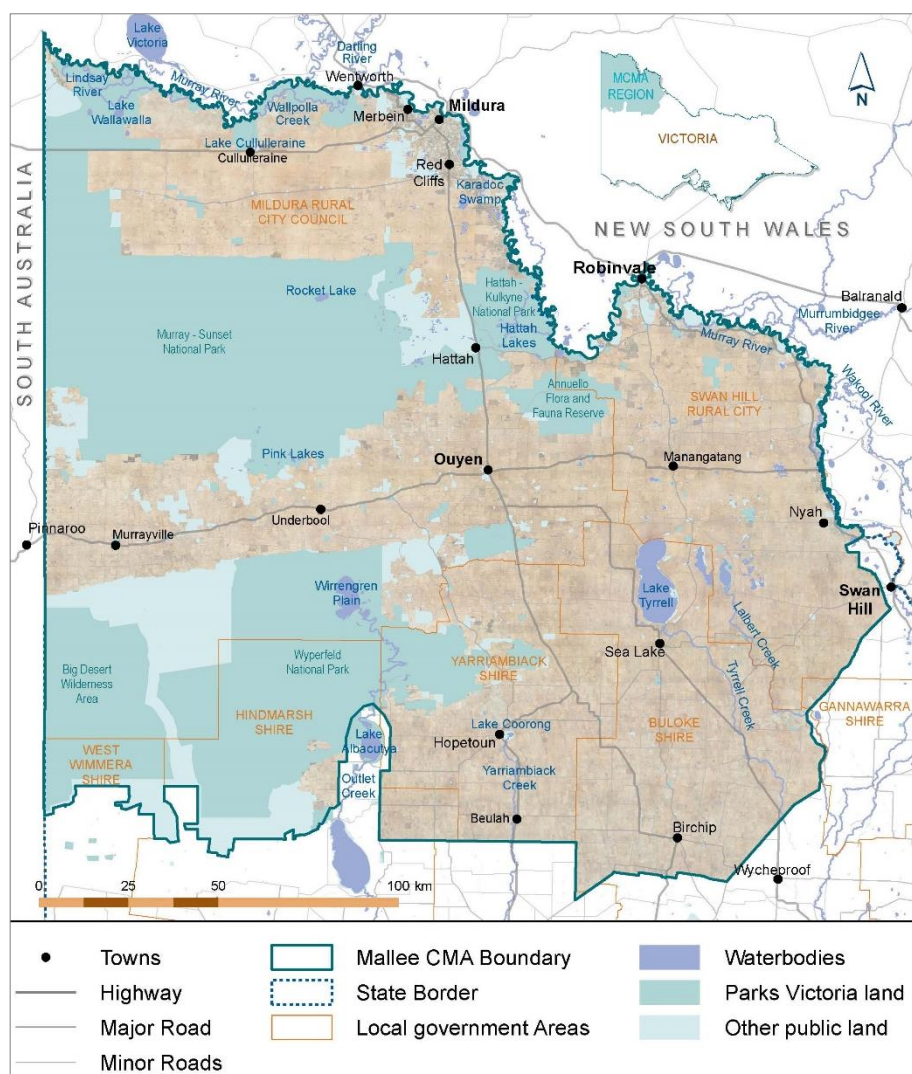


Figure 1: Map of Mallee CMA region

Objectives, functions, powers and duties

As a statutory authority, the Mallee CMA has clear functions and accountabilities set out in legislation. The Statement of Obligations for the CaLP Act and the *Water Act 1989* detail the key duties of the Mallee CMA as being to:

- Facilitate and co-ordinate the management of catchments in an integrated and sustainable manner as it relates to land, biodiversity and water resources;
- Plan and make decisions within an integrated catchment management context that balance social, economic and environmental outcomes;
- Target investment to address priorities and deliver maximum improvement in resource condition of catchments, land, biodiversity and water resources;
- Provide opportunities for community engagement in the integrated management of catchments and natural assets including land, biodiversity and water resources;
- Develop strategic partnerships with relevant stakeholders including public authorities and government agencies;
- Promote and apply a risk management approach which seeks to protect, enhance and restore natural assets and reduce the impact of climate change;
- Promote and adopt an adaptive approach to integrated catchment management, including continuous review, innovation and improvement;
- Manage business operations in a prudent, efficient and responsible manner;

- Act as the caretaker of river health and provide regional leadership on issues relating to river health; and
- Undertake the operational management of the Environmental Water Reserve as a key component of an integrated program of river, wetland, floodplain, and aquifer restoration.

The *Public Administration Act 2004* and the *Financial Management Act 1994*, together with the Mallee CMA's Board Charter of Corporate Governance also provide guidance for the Authority in relation to its governance requirements.

The Mallee CMA Corporate Plan 2016-21 establishes four priorities and associated business objectives to form the organisation's strategic direction in delivering against these legislative obligations (see Table 1).

Table 1: Mallee CMA 2016-21 strategic priorities and business objectives

Strategic Priorities	No.	Business Objectives
Protecting and enhancing the region's natural, cultural and productive assets.	1.1	Implement and monitor the Mallee Regional Catchment Strategy (RCS) 2013-19 by working collaboratively with partner agencies and the community to protect and enhance catchment health.
	1.2	Develop and/or review key NRM sub-strategies and action plans as required, in consultation with partner agencies and the community, to deliver protection and enhancement of high priority assets.
	1.3	Implement, monitor and report against NRM sub-strategies and action plans to deliver protection and enhancement of high priority assets.
	1.4	Administer and review regional investments in NRM from the Victorian and Australian governments efficiently and effectively to deliver priority outcomes.
Supporting the development and implementation of water policy.	2.1	Support planning and implementation of the Basin Plan in a way that aligns with the Victorian Government's approach.
	2.2	Support development and implementation of the Victorian Water Plan to deliver environmental infrastructure projects, while providing for agricultural and urban users.
	2.3	Work with partner agencies and the community to implement the Murray Darling Basin Authority's The Living Murray Program at Lindsay, Mulcra and Wallpolla Islands and Hattah Lakes.
Maintaining and, where required, further developing community capacity for natural resource management.	3.1	Engage and work collaboratively with stakeholders and the community in the planning and regional implementation of NRM activities.
	3.2	Maintain and enhance structures to foster ongoing engagement of stakeholders and the community to enhance NRM knowledge and skills.
	3.3	Incorporate Indigenous land and water aspirations into regional delivery by engaging Indigenous people in the planning and implementation of NRM activities.
	3.4	Develop and implement programs which support land managers to respond to emerging threats and opportunities, including extreme climatic conditions.
Meeting the organisation's corporate and social responsibilities.	4.1	Proactively support the Mallee CMA's stated values and behaviours, which align with the Victorian Public Service Code of Conduct.
	4.2	Build cultural competence of staff and Board Members, in line with Mallee CMA Cultural Competency Framework.
	4.3	Facilitate opportunities for cross program (internal and external) co-operation and delivery.
	4.4	Develop and implement improved business management systems and processes to better support delivery of wider organisational objectives.

PERFORMANCE REPORTING - NON-FINANCIAL

Mallee CMA performance objectives, indicators and outputs

The key performance targets detailed in Table 2 outline the Mallee CMA's commitment to deliver on legislative requirements as detailed in the *Catchment and Land Protection Act 1994* Statement of Obligations, issued in June 2007, and in the *Water Act 1989* Statement of Obligations, issued in October 2006.

The targets to be reported against are in line with Victorian Government Guidelines for Catchment Management Authority Corporate Plans (2015) that require each catchment management authority to measure its performance against the following categories:

- Business management and governance;
- Regional planning and co-ordination;
- Regional delivery; and
- Statutory functions under the *Water Act*.

The Mallee CMA's performance in each of these areas, along with the associated targets is provided in Table 2.

Table 2: Mallee CMA achievements against performance areas and targets established by DELWP

Performance area	Performance target	Achievement commentary
Business management and governance	Submit annually, a board performance assessment report according to any guidelines issued.	Submitted (August 2016) Fully compliant with guidelines
	A risk management strategy/plan approved by the board and being implemented.	Reviewed (June 2017) Approved (June 2017) Implementation (ongoing)
	One hundred per cent of the CMA's policies and procedures reviewed every three financial years.	100%
	Full compliance with all applicable Standing Directions under the Financial Management Compliance Framework Checklist.	Full Compliance Achieved
Regional planning and co-ordination	A regional catchment strategy (RCS) approved by the minister.	Approved (May 2013) Reviewed (February 2017) Implementation (2013-2019)
	A stakeholder and community engagement framework/plan approved by the board.	Approved (June 2013) Reviewed (November 2016) Implementation (2013-2019)
	A regional Landcare support plan approved by the board.	Approved (October 2013) Implementation (2013-2018)
	A regional waterways strategy approved by the minister.	Approved (October 2014) Implementation (2014-2022)
	A regional floodplain strategy approved by the board.	In development (due for completion December 2017)
	Land and Water Management Plans (LWMP) in designated irrigation areas (or equivalent) approved by the board.	Approved (July 2011) Reviewed (June 2017) Implementation (2011-2019)

	The regional contribution to the annual report on salinity management activities and the allocation and update of salt disposal entitlements is submitted to the department by 31 July or as otherwise directed by the department.	Submitted (by 9 September, as directed)
Regional delivery	Progress with implementation of the RCS (and its major sub-strategies) is reviewed by the board annually.	Reviewed (August 2016)
	Projects/activities to implement the RCS are delivered and reported according to associated funding agreements.	100%
	Projects/activities to implement the regional waterways strategy and the regional floodplain management strategy delivered and reported according to associated funding agreements.	100%
	Projects/activities to implement the LWMP are delivered and reported according to associated funding agreements.	100%
Statutory functions under Part 10 of the <i>Water Act</i>	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated with waterway and floodplain management are responded to within the prescribed period.	98% responded to within prescribed period (<20 working days)
Statutory functions under Part 11 of the <i>Water Act</i>	Ninety per cent of statutory requirements (permits, referrals, advice and licences) associated irrigation management are responded to within the prescribed period.	100% responded to within prescribed period (<20 working days)

Reporting Progress towards Mallee CMA performance objectives, indicators and/or outputs (non-financial)

Performance measures to determine progress against the Mallee CMA's stated business objectives, together with the strategic priorities these objectives deliver against, are established by the board annually, and detailed within the organisation's Corporate Plan.

The Mallee CMA's achievement against each 2016-17 performance measure is reported in Table 3.

Table 3: Report against performance measures established by the Mallee CMA

Strategic priority	Business objective/s supported	Performance measures	2016-17 Achievement commentary
Protecting and enhancing the region's natural, cultural and productive assets.	1.1 1.3 1.4	Annual progress against priority actions and objectives of the 2013-19 Mallee RCS and core sub strategies/plans (e.g. Mallee Waterway Strategy, Land and Water Management Plan, Landcare Support Strategy).	Percent of RCS long-term (20 year) objectives delivered against: 100% Percent of RCS strategic (6 year) actions delivered against: 92%
	1.1 1.4	Application of the RCS Monitoring, Evaluation, Reporting and Improvement (MERI) framework to guide adaptive management and continuous improvement.	Developed (2013) Reviewed (2017) Implementation (2013-19)
	1.1 1.3	Implement and review the RCS Implementation Plan to guide integrated and targeted delivery frameworks.	Developed (2013) Annual Review (February 2017) Implementation (2013-2019)

	1.2	Development of NRM strategies and action plans in line with investor requirements and in consultation with regional stakeholders (e.g. Mallee Floodplain Management Strategy).	Environmental Watering Management Plans (4 over year) Mallee Floodplain Management Strategy (under development) Mallee Dryland Agriculture Strategy (under development) Mallee Reconciliation Action Plan (under development)
	1.4	Completion of all projects to agreed budget, timelines and deliverables (i.e. outputs).	Percent delivered as per contracted requirements: 100%
	1.4	Funding applications developed to deliver against regional priorities and which meet Victorian and Australian Government investment requirements.	Percent of funding applications successful: 94%
Supporting the development and implementation of water policy.	2.1 2.2	Input into the planning process underpinning the implementation of the Basin Plan and the Victorian Water Plan supported via local, regional and state arrangements.	Number of forums represented on: 5
	2.2 2.3	Planning, development and implementation of environmental infrastructure projects to deliver efficient and accountable use of environmental water and assist in the achievement of water recovery targets.	Number of projects: 8
	2.1 2.2 2.3	Stakeholders and wider community engaged in the planning and development of environmental infrastructure projects.	Number of engagement events: 105 (2,028 participants)
Maintaining and, where required, further developing community capacity for natural resource management.	3.1 3.2 3.3	Activities aligned with the 2013-19 Mallee RCS Consultation and Engagement Framework (incorporating the Community Engagement and Partnerships Framework for Victorian CMAs).	Percent of priority actions delivered against: 100%
	3.3	Annual progress against priority actions and objectives of the Mallee Indigenous Participation Plan	Percent of objectives delivered against: 92% Percent of priority actions delivered against: 62%
	3.1 3.2 3.3 3.4	Participant feedback on engagement activities and associated changes in capacity for NRM; as measured by the Targeted Community Capacity Monitoring Tool.	Percent of surveyed participants rating overall event delivery as 'excellent': 62% Average increase in 'awareness' reported by surveyed participants: 79% Average increase in 'skills' reported by surveyed participants: 33%
	3.1 3.2	Links to partner agencies and community fostered through community and technical advisory committees.	Number of community advisory committees facilitated: 2 Number of regional partnership committees facilitated: 4
	3.1 3.2	Opportunities for knowledge and skill enhancement via volunteer organisations such as Landcare and Friends Of groups supported.	Number of events targeting community based NRM groups: 50 (856 participants)

	3.4	Support provided to State/Federal initiatives in response to emerging threats and/or opportunities (e.g. drought, flood, carbon markets).	Number of initiatives supported: 3
Meeting the organisation's corporate and social responsibilities.	4.1	All governance and operational activities conducted in line with the Mallee CMA's stated values and behaviours.	100% Compliance
	4.2	Annual progress against guiding principles of the Mallee CMA Cultural Competency Framework.	Percent of principles delivered against: 100%
	4.2	Projects/activities delivered through collaboration with external stakeholders and/or internal collaborations.	Number of partnerships established or maintained: 149
	4.4	Business management systems developed and implemented to support improved corporate and operational processes.	Number of systems established or maintained: 5
	4.4	Progress against ISO 9001:2015 certification	ISO certification: 2016 (valid for three years)

Initiatives and key achievements

Government programs and initiatives delivered against by the Mallee CMA in 2016-17, and the regional outcomes achieved through these are reported in Table 4.

Table 4: Key achievements delivered under government programs/initiatives

Program/Initiative	Key 2016-17 achievements
Victorian Landcare Program	<p>The Victorian Landcare Program is supported by the Mallee CMA, through funding from the Victorian Government. Key 2016-17 achievements have included:</p> <ul style="list-style-type: none"> • 29 regional Landcare groups provided with ongoing co-ordination and support. • 11 Landcare/community groups provided with devolved grants to support the delivery of local priorities. • Over 10,000ha of on-ground works (i.e. pest plant and animal control, revegetation) delivered for the protection and enhancement of priority local assets. • 610 Landcare members participating in awareness raising / training events. • Victorian Landcare Council forum at Lake Cullulleraine attended by 62 members from across the state as part of 30 years of Landcare celebrations. • 13 publications to promote Mallee Landcare and the Victorian Landcare Program.
Waterway Health Program	<p>Projects including the Regional Riparian Action Plan (RRAP), On-Ground Works, and Water Statutory Functions are supported by the Mallee CMA, through funding from the Victorian Government's Waterway Health Program. Key 2016-17 achievements have included:</p> <ul style="list-style-type: none"> • Ongoing delivery against the Mallee Riparian Action Plan (2015/16 - 2019/20); building on the Mallee Waterway Strategy (2014-2022) by further targeting investment and accelerating improvement in the condition of riparian land for priority waterways. • 1,197ha and 68km (e.g. fencing) of targeted on ground works delivered in partnership with land managers and local Landcare groups, addressing key threats to the region's priority riparian landscapes. • 43 visitor facilities established and/or maintained to enhance amenity values and build community awareness of associated waterway/riparian values. Key deliverables included the design and installation of a specialised canoe launch at the Merbein community boat ramp; and the completion of a boardwalk at Ducksfoot Lagoon to provide access over the wetland during environmental watering events. • Citizen Science approach supported 55 community volunteer members to undertake 4 assessments (2 fauna, 1 flora and 1 surface water), covering some 90ha.

	<ul style="list-style-type: none"> • 35 publications disseminated to promote the region's riparian values and engage the community in their management. • Supporting multi-regional response to 2016 flood events by attending community update meetings; coordinating and delivering monitoring/mapping activities; and staffing the Incident Control Centre's 'Technical Specialist' role.
Environmental Water Program	<p>Projects including Environmental Watering Reserve Officers, Community Engagement and Shared Benefits are supported by the Mallee CMA, through funding from the Victorian Government's Environmental Water Program. Key 2016-17 achievements have included:</p> <ul style="list-style-type: none"> • 30 environmental watering delivery proposals/plans developed in consultation with land managers, community groups and other stakeholders; and 4 management plans updated. Data collected by 229 assessments (e.g. cultural, environmental, spatial, and social) also informed the development of these plans. • 54 sites with changed water regimes, encompassing approximately 8,600ha of priority waterways. • 127 publications disseminated and 80 events delivered (1,772 participants) to promote the region's waterway values and the shared benefits of environmental watering. Key outcomes included over 800 students participating in the Mallee CMA led 'Wetland Learning' for secondary students and 'Mallee Threatened Birds' for primary students, both of which featured a broad range of hands-on science activities; and water literacy workshops with Indigenous stakeholders to share information on the benefits of environmental watering.
Our Catchments, Our Communities Program	<p>The Our Catchments, Our Communities Program is supported by the Mallee CMA, through funding from the Victorian Government. Key 2016-17 achievements have included:</p> <ul style="list-style-type: none"> • Development of key foundational documents (e.g. detailed implementation plan, communication and engagement plan, and MER plan) in consultation with regional stakeholders to inform delivery of the 'Tyrrell Project'; a community driven project that celebrates the unique social, cultural and environmental values of an iconic landscape. • 36 events delivered (246 participants), 9 publications disseminated and 8 partnerships established to facilitate stakeholder/community input into development and delivery of the Tyrrell Project. Key outcomes included the establishment 3 Community Reference Groups (wetlands, creeks and lake); delivery of a carpet python community monitoring event as part of the project's 'citizen science' approach; and the establishment of a dedicated webpage to keep the community informed of project activities. • A further 16 events (125 participants) were facilitated and 4 formal partnership arrangements established to support delivery against broader state-wide priorities identified in the Our Catchments, Our Communities' Integrated Catchment Management Strategy (e.g. strengthening community engagement in regional planning/implementation, and strengthening co-ordination between key catchment management partners). This included workshops with the Mallee Aboriginal Reference Group and the Land and Water Community Advisory Committee to engage members in the planning, implementation and evaluation of regional NRM activities; and the establishment of two Catchment Partnership Committees (Biodiversity and Sustainable Agriculture) to further support integrated and co-ordinated approaches to regional delivery.
Floodplain Management Program	<p>The Floodplain Management Program is supported by the Mallee CMA, through funding from the Victorian Government. Key 2016-17 achievements have included:</p> <ul style="list-style-type: none"> • Establishment of, and ongoing support to the Mallee Floodplain Management Strategy (FMS) Project Steering Committee, with representation from key regional stakeholders to inform Strategy development (by December 2017). • Implementation of the Mallee FMS Stakeholder Engagement and Communication Plan (including 5 publications disseminated and 18 events delivered (219 participants)) to promote development of the Mallee FMS and facilitate stakeholder/community input into the identification of regional risks and priorities.
Sustainable Irrigation Program	<p>Implementation of the Victorian Mallee Irrigation Region Land and Water Management Plan project is supported by the Mallee CMA, through funding from the Victorian Government's Sustainable Irrigation Program. Key 2016-17 achievements have included:</p> <ul style="list-style-type: none"> • 43 management agreements established to provide on-farm irrigation incentives in partnership with DEDJTR under the Mallee Irrigation Incentives program, supporting: 56ha of irrigation system conversions; 103ha of systems checks; water use monitoring equipment across 46ha; and irrigation drainage management plans for 53ha, to achieve better water use efficiency and thereby reduce groundwater accessions; • Completion and release of the revised Victorian Mallee Irrigation Development Guidelines, and associated landholder information packages. • Victorian Mallee Irrigation Region Land and Water Management Plan (LWMP) Mid-term Review completed to document progress against regional objectives/priorities and inform on-going implementation.

	<ul style="list-style-type: none"> • Drainage risk assessment for the Victorian Mallee irrigation footprint undertaken to ensure an up-to-date understanding of the water quality risks associated with irrigation drainage in the region.
Victorian Drought Response Program	<p>The Victorian Drought Response Program was supported by the Mallee CMA, through funding from the Victorian Government. Key 2016-17 achievements have included:</p> <ul style="list-style-type: none"> • 25 people affected by drought in the southern Mallee employed on work crews to deliver locally identified projects. Key outcomes included native vegetation enhancement (266ha); weed control (16ha); maintenance of 28 community facilities; and invasive species mapping across 43,000ha to inform future management programs. • Participation by work crew members in 6 awareness raising events and 13 training activities. • 41 stock containment areas established by 24 dryland farmers in drought affected areas.
Threatened Species Initiative	<p>Funding was secured to deliver 3 landscape scale projects in partnership with regional stakeholders and support implementation of the Victorian Biodiversity Strategy. Each project was developed through extensive stakeholder consultation processes and will be delivered in landscapes identified as being of 'high' importance to achieving state-wide outcomes, specifically: Northern Semi-arid Woodlands; the Pink Lakes Boinka System; and native habitat in the Hattah and Annuello areas.</p> <p>The Threatened Species Initiative is supported by the Mallee CMA, through funding from the Victorian Government.</p>
Mallee Salinity Investment Plan	<p>Key achievements delivered by projects funded from Salinity Offsetting Charges (collected specifically to offset salinity impact of irrigation development from Nyah to the South Australian Border) included:</p> <ul style="list-style-type: none"> • 45 management agreements established to provide on-farm irrigation incentives in partnership with DEDJTR under the Mallee Irrigation Incentives program supporting: 137ha of irrigation system upgrades; 192ha of systems checks; water use monitoring equipment installed across 115ha; and irrigation drainage management plans developed for 34ha; to achieve better water use efficiency and thereby reduce groundwater accessions. • Model refinement to improve the estimation of salinity impacts from irrigation commenced. • Satellite imagery and Mallee climate information utilised within a new methodology developed by DEDJTR to estimate water use requirements for specific crops and root zone drainage on a regional scale. Results to date (for almonds) indicate a strong relationship between the predicted estimates against actual water use data. • 531 bores monitored (continuously, quarterly, biannually or annually) for salinity and groundwater level data as part of the Mallee Groundwater Monitoring Program to track changes to groundwater levels, salinity concentrations and salt loads across the region. • 19 irrigation drainage sites and 3 in-stream river sites monitored for salinity and flow data.
Murray-Darling Basin Plan	<p>The Sustainable Diversion Limit (SDL) works program is funded by the Commonwealth Department of Agriculture and Water Resources. Key 2016-17 achievements included:</p> <ul style="list-style-type: none"> • Progressing concept designs and approvals associated with each of the (SDL) program's 7 sites in the Mallee (Lindsay Island, Wallpolla Island, Hattah Lakes Stage 2, Belsar Island, Burra Creek, Nyah and Vinifera). <p>The Living Murray is a joint initiative funded by the New South Wales, Victorian, South Australian, Australian Capital Territory and Commonwealth governments, co-ordinated by the Murray Darling Basin Authority. Key 2017-18 achievements included:</p> <ul style="list-style-type: none"> • 25 assessments undertaken to support ongoing monitoring of the impacts of The Living Murray (TLM) investment over time on both threat mitigation (short-term) and resource condition (long-term). Key activities included ongoing monitoring of fish movement, waterbird species, and vegetation health within the Lindsay, Wallpolla and Hattah Lakes Icon Sites. • Co-ordination of a managed watering event at Hattah Lakes and transitioning to a natural flood event in response to the 2016 Murray River flood. TLM structures made it possible to extend the duration of the short natural flooding event to meet all targeted ecological objectives. Early environmental watering preceding the flood also allowed the Hattah Lakes to act as a healthy refuge for fish species from the backwater event traveling down the river. <p>Collectively, the SDL and TLM programs engaged 2,028 stakeholders and wider community members in the planning, development and implementation of environmental infrastructure projects. This included 9 'On Country Engagement Events' such as Traditional Owner fishing trips where groups discussed and explored the impacts of environmental watering on the fishing habitat.</p>
Biodiversity Fund	<p>The Connecting Mallee Parks and the Connecting Public and Private Land projects are supported by the Mallee CMA, through funding from the Australian Government. Key 2016-17 achievements included:</p> <ul style="list-style-type: none"> • 63,328ha of invasive species management, 121ha of biodiverse plantings and 5km of stock exclusion fencing delivered in partnership with land managers (public and private) and community groups to support the re-

	<p>establishment of connections between three of southern Australia's most ecologically important refuges for native species; Murray-Sunset and Wyperfeld National Parks, and Big Desert Wilderness Park.</p> <ul style="list-style-type: none"> • 41 management agreements established and/or maintained with private land managers to support and inform the delivery of works. This included a conservation covenant encompassing 275ha. • 10 events delivered (120 participants) and 11 publications disseminated to promote the values and management of these landscapes. • 147 assessments (e.g. flora, invasive species, and ecological) undertaken to support ongoing monitoring of the impacts of investment over time on both threat mitigation (short-term) and resource condition (long-term).
National Landcare Programme	<p>Projects including; Supporting the Protection of Values for the Hattah Lakes Ramsar Site, Safeguarding the Mallee Land Resource, Building Capacity to Close the Gap, Working in Partnership to Secure Nationally Significant Ecosystems and Species, and the Regional Landcare Facilitator are the supported by the Mallee CMA, through funding provided by the Australian Government's National Landcare Programme. Key 2016-17 achievements included:</p> <ul style="list-style-type: none"> • 17,847ha of invasive species management undertaken to protect key ecological attributes of the Hattah-Kulkyne Lakes Ramsar site; this included continuation of innovative feral cat and fox control programs. • 59,268ha of invasive species management, 99ha of biodiverse plantings, and 41km of stock exclusion fencing delivered in partnership with land managers (public and private) and community groups; addressing key threats posed to critical habitat for nationally significant threatened species and communities. • Continued, effective function of the Mallee CMA Aboriginal Reference Group in fostering communications with Aboriginal stakeholders and providing input into regional initiatives and plans. • Implementation of the Mallee Indigenous Participation Plan to support Indigenous NRM aspirations; and facilitate increased involvement in the planning and implementation of regional projects. This was further complemented by the development of a Reconciliation Action Plan. • 10 on-ground demonstration sites for the identification, validation and promotion of improved land management practices, facilitating practice change at a scale that will directly address key regional threats (e.g. soil erosion). • 34 management agreements established with private land managers to implement targeted works which address key threats to the region's agricultural soils asset. Associated cost sharing 'grants' provided for the delivery of 12 stock containment areas, the reclamation of 11 dunes, and the establishment of 39ha of native vegetation. • 62 publications disseminated and 155 events delivered (2,255 participants) to promote and inform regional delivery against National Landcare Programme priorities (i.e. Ramsar values, nationally significant threatened species and communities, sustainable agriculture, and Indigenous participation in NRM). • 323 assessments undertaken to support ongoing monitoring of the impacts of investment over time on both threat mitigation (short-term) and resource condition (long-term). This included application of the Mallee CMA Community Capacity Monitoring Framework to quantify the impact of delivery on target audience's capacity NRM.

Condition and management report

Overview

Background

This condition and management report for 2016-17 aims to fulfil the Mallee CMA's annual reporting requirements as outlined in Section 19B of the CaLP Act, which states that: Each Authority must submit to the Minister each year, a report on the condition and management of land and water resources in its region and the carrying out of its functions.

The report provides an assessment of the condition of the region's environment and a reflection on the likely impact of annual scale actions, events and observed change. A key purpose of monitoring catchment condition and annual progress against management priorities is to help identify opportunities for adapting and changing the way we manage the environment.

Condition and management is reported against five headline themes to align with Regional Asset classes identified by the Mallee RCS 2013-19. Further detail on these is provided in Table 5.





Table 5: Headline theme, regional asset and definition

Headline theme	RCS Regional Asset	Definition
Waterways	Rivers	Rivers, streams, their tributaries, and surrounding riparian land (including the floodplain).
	Wetlands	Individual wetlands, wetland complexes, and their associated floodplain ecosystems (including groundwater dependent ecosystems and the groundwater flow systems and aquifers they are reliant on).
Biodiversity	Threatened species and communities	Populations of threatened or significant species; occurrences of threatened communities.
	Terrestrial habitat	Individual ecological classes or spatial occurrences of ecological vegetation classes based on their intrinsic value to their contribution to landscape processes (e.g. connectivity, refugia, buffering etc.).
Land	Soils	All soils regardless of their tenure and type of land system to which they are subject.
	Agricultural land	All parts of the landscape that have been developed for the purpose of agricultural production.
	Groundwater	Groundwater resources that are utilised for human use such as irrigation or stock and domestic water supply.
Community capacity for NRM	Community capacity for NRM	The inherent knowledge, understanding and willingness that the community has for effective and sustainable natural resource management.
	Culture and heritage	Locations that have recognised cultural, historical or spiritual significance to all or part of the Mallee and/ or Australian community.

Catchment Condition

The catchment condition assessment for each theme describes the level of confidence or concern that catchment managers have in the future of the regional environment. The assessment is based on available science and expert advice as well as evidence gained during the preceding year and uses the criteria detailed in Table 6. A positive assessment indicates a level of optimism about future direction and a concerned or highly concerned assessment indicates a more pessimistic view of the direction of environmental change.

Table 6: Assessment criteria for annual reporting

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

A summary of 2016-17 condition assessments for each of the RCS Regional Asset classes is provided in Table 7. Further detail on the evidence which informed these assessments is provided in the following sections.

Table 7: Summary of 2016-17 condition assessment for each of the Mallee RCS (2013-19) Regional Asset classes and associated evidence base

Headline Theme	Regional Asset	Condition Assessment	Summary of 2016-17 Key evidence
Waterways	River	Neutral 	The Hypoxic blackwater event experienced as a result of the 2016 Murray River flood event appears to have impacted native fish populations.
	Wetlands	Positive 	Long-term monitoring indicates that targeted threat mitigation actions are minimising the impact of negative events (e.g. drought) and are supporting improvements under favourable conditions. Significant areas of inundation achieved through environmental watering and natural flood events. Targeted threat mitigation works delivered across a significant proportion of priority landscapes/waterways. Site based (i.e. point of investment) monitoring (long and short-term) finding reductions in threat incidence/impact and improvements in condition measures.
Biodiversity	Threatened Species and Communities	Neutral 	Evidence of a decline in population numbers/distribution of some monitored species (e.g. Black-eared minor following 2014 Bronzewing Flora and Fauna Reserve fire). Targeted threat mitigation works delivered across a significant proportion of priority habitat.
	Terrestrial Habitat	Neutral 	Threat mitigation actions to support specific species and habitat have been shown to be effective in the region. Long-term monitoring demonstrates the ability of some species and associated habitat to respond to favourable conditions (e.g. Malleefowl). Relatively high quality of the region's native vegetation and contribution to biodiversity conservation; in a state-wide context (particularly large contiguous blocks). Continuing threatening processes are producing declines in some measures of condition within more fragmented areas of the landscape, especially those where threat mitigation actions have not occurred
Land	Soils & Agricultural Land	Positive 	On average 96% of the region had more than 50% groundcover (target) in 2016-17. Minimum was 90% in February 2017, demonstrating widespread change in dryland agricultural management practices over recent years.
	Groundwater	Positive 	Long-term observed downward trends in drainage outfalls to the Murray River and its environs, and groundwater mounds beneath the older irrigation areas, are generally continuing. Area of irrigable land dried off within the pumped irrigation districts is decreasing. Consumptive volumes within the Murrayville Water Supply Protection Area are within permissible volumes and are relatively stable in the longer term, with groundwater levels recovering between irrigation seasons. Salinity levels have also remained relatively stable.
Community	Community Capacity for NRM	Positive 	Increasing numbers of stakeholders and broader community members participating in awareness, skill development and collaboration events. Diverse range of audiences being engaged and the broad suite of delivery mechanisms utilised. Ongoing monitoring of engagement activities indicates a high level of satisfaction in regards to overall delivery, information and outcomes. Improvements in capacity being reported by stakeholders engaged through incentive/grants programs; and by those participating in community advisory/reference groups.
	Culture and Heritage	Positive 	Increasing number of Culture and Heritage features and places registered. Increasing area of region being managed under formal cultural heritage planning processes.

Management

The RCS (2013-19) sets 20 year objectives and six-year strategic actions for each Regional Asset class to inform and direct the planning, implementation, evaluation and reporting of NRM activities in the Mallee. The management assessment sections of this report summarise annual (2016-17) progress against these strategic actions.

The overall extent and distribution of management actions delivered in 2016-17 is illustrated spatially in Figure 2. Detail on the specific activity types these actions represent and their contribution to regional priorities is provided in the following sections. The integrated nature of NRM delivery in the Mallee means actions delivered under one theme often achieve benefits across multiple asset types. A summary of the RCS sub-strategy that each activity type was delivered under is provided in Appendix 2.

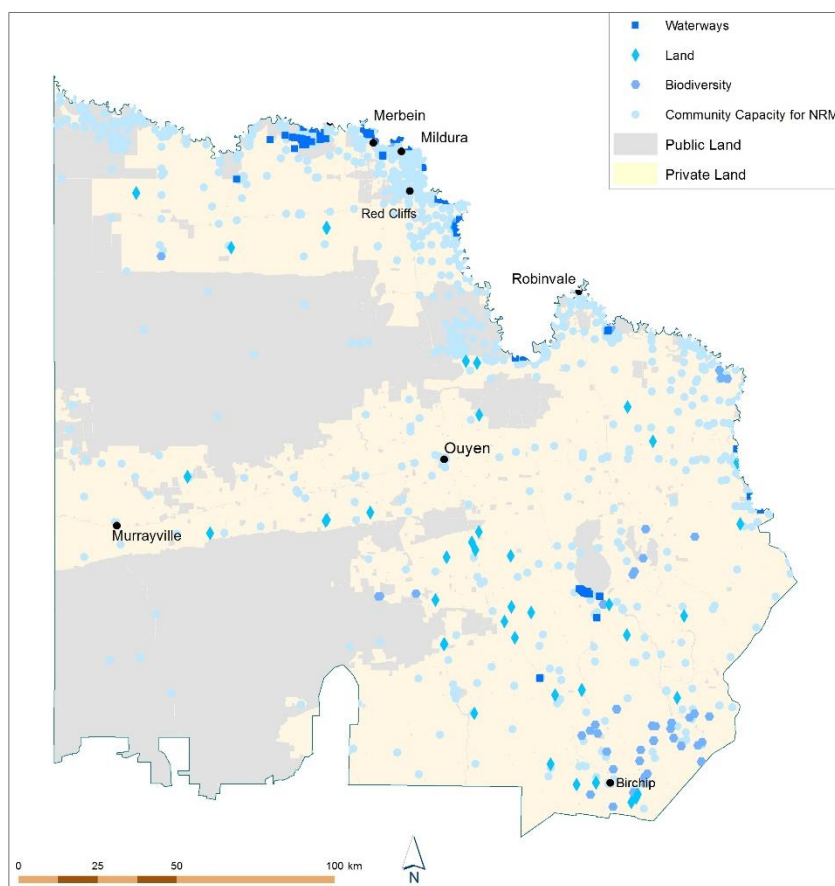


Figure 2: Management actions undertaken 2016-17

Key Events and Insights

Climate

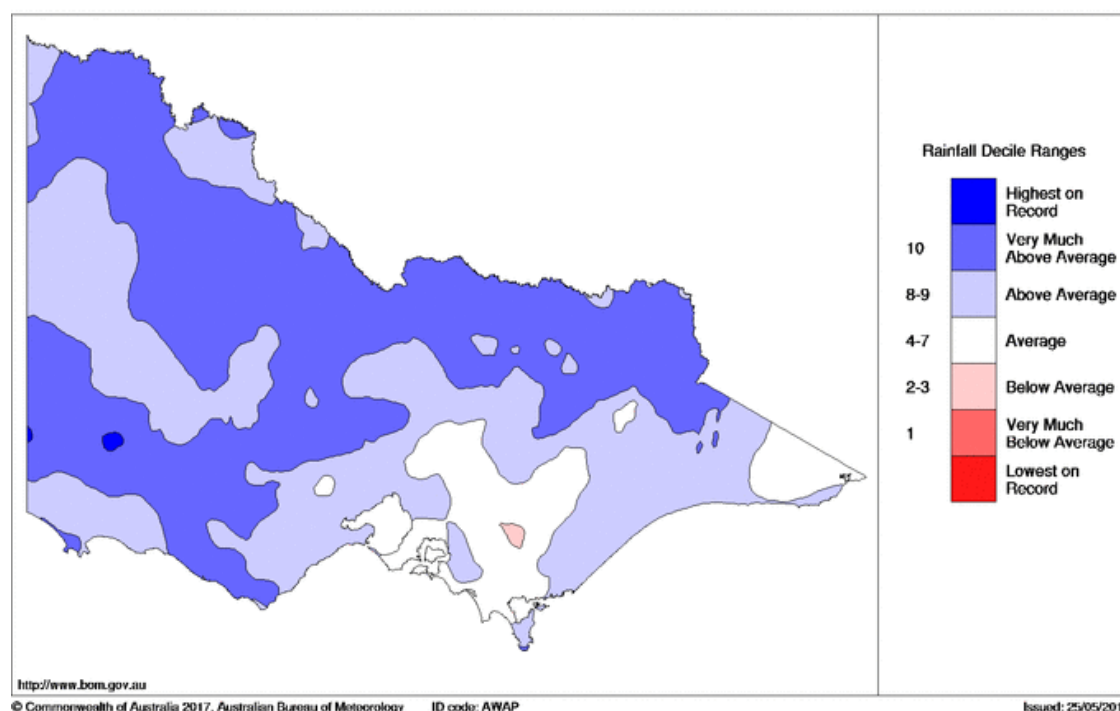


Figure 3: Victorian Rainfall Deciles 1 April 2016 to 30 November 2016 (Source: Australian Bureau of Meteorology)

Annual climatic conditions can have a significant impact on both the condition and management of regional assets. In 2016-17 the Mallee region experienced ‘above’ average or ‘very much above’ average rainfall over the cooler months (Figure 3); and ‘average’ to ‘above’ average in the warmer period (Figure 4). This was following below average, and in some areas ‘drought’ conditions in 2015-16.

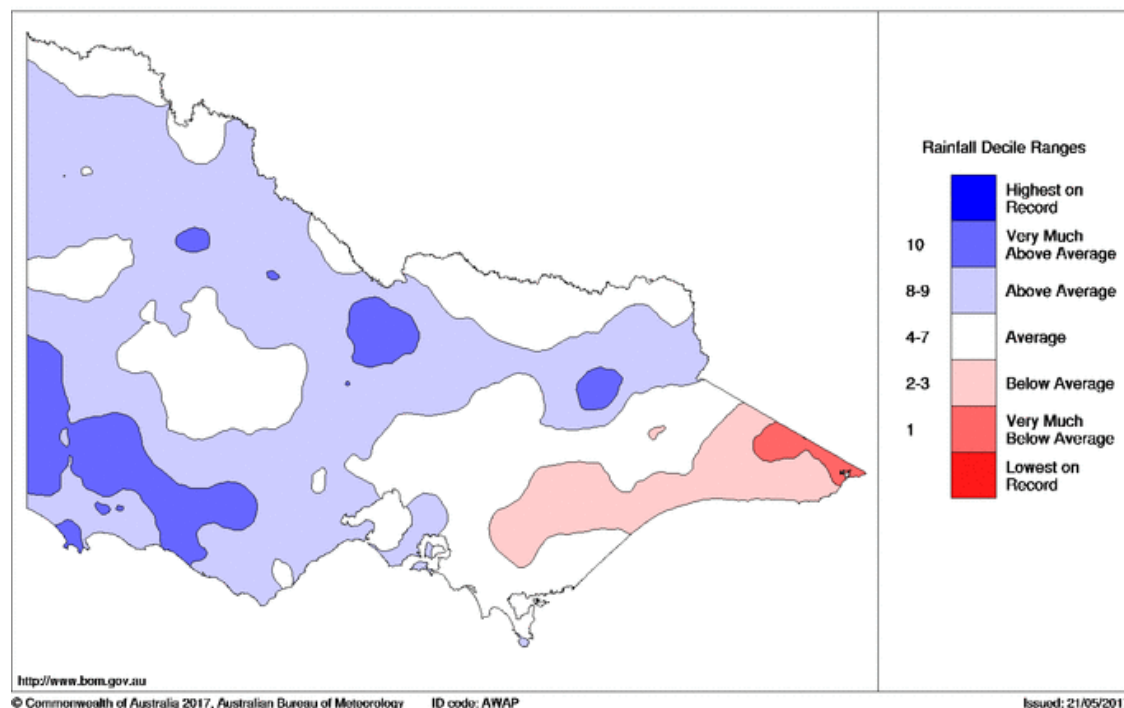


Figure 4: Victorian Rainfall Deciles 1 October 2016 to 30 April 2017 (Source: Australian Bureau of Meteorology)

Widespread rain across Victoria saw flooding take place in the Tyrrell Creek during September and October, followed by high flows in the Murray River in November and December. The Tyrrell Creek event was classed as ‘major’, causing localised damage to crops and infrastructure (e.g. roads).

While the Murray River flooding was only classed as ‘minor’, it was the most significant event experienced by the region in 23 years. Widespread inundation of the floodplain meant that many activities planned to be delivered in these areas had to be deferred until sites dried out and became accessible again. The flooding also resulted in a prolonged hypoxic blackwater event.

Significant storm events experienced in 2016-17 included a hailstorm in November 2016 which destroyed or seriously damaged over 24,000 hectares of crops (dryland and irrigated); and a severe dust storm in March 2017 as a result of strong winds generated in southern Australia by Cyclone Debbie.

Investment Planning and Delivery

The Mallee RCS (2013-19) provides a framework for strategic action to support integrated and targeted efforts of the region’s land managers, government agencies and community groups. A mid-term review undertaken in 2016-17 identified that a large proportion of management activity is being delivered within the region’s priority landscapes (Catchment Assets). Ongoing application of this approach is ensuring the efficient and effective application of NRM investment in the region.

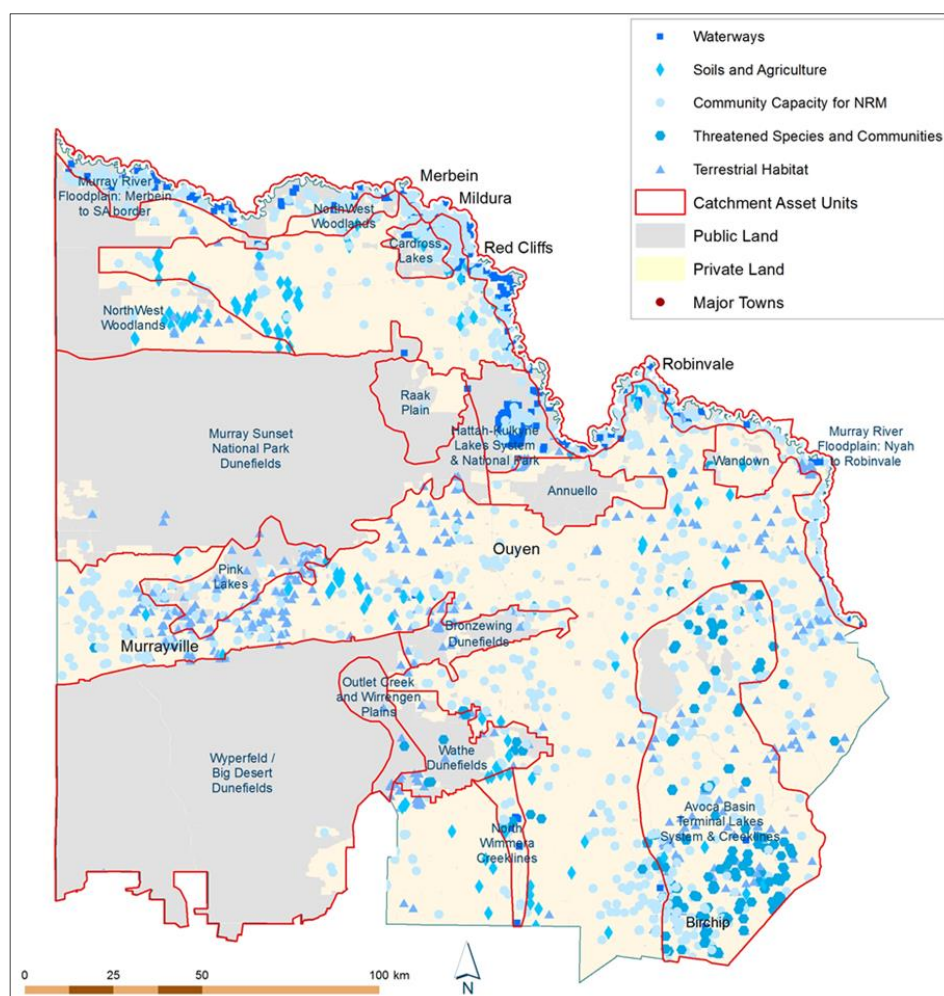


Figure 5: Spatial distribution of outputs delivered (2013-16) under each of the RCS headline themes

Further analysis of this distribution has identified that between 43 and 100 per cent of selected output types were targeted to the 17 biophysical Catchment Asset Areas; with the area of water regimes, rubbish removal and fencing occurring within these landscapes all being more than 90 percent (Table 8).

This review also ensures the ‘currency’ of the Strategy for the remaining implementation period (2016-19) by requiring that the recommendations it details are integrated into future regional implementation, evaluation and reporting processes.

Table 8: Proportion (%) of 2013-16 outputs delivered within each of the RCS’s Catchment Assets

Output type	% Delivered in priority landscapes	% Delivered outside priority landscapes
Pest Animal Control	62%	38%
Weed Control	43%	57%
Water Regime	99%	1%
Revegetation	82%	18%
Irrigations Infrastructure	89%	11%
Rubbish Removal	100%	-
Fence	94%	6%

A key policy change which informed 2016-17 priorities was Our Catchments, Our Communities - Integrated Catchment Management in Victoria (2016-19). This state-wide strategy was developed by DELWP and the 10 Catchment Management Authorities to establish a framework under which catchment management is planned, delivered and reported. Delivery against the priority actions detailed by the strategy is supporting:

- Effective community engagement in catchment management;
- Better connections between state, regional and local planning;
- Strengthened implementation of Regional Catchment Strategies;
- Clearer roles, strengthened accountability and co-ordination; and
- Improved monitoring, evaluation and reporting.



Waterways

The Mallee contains some 1,600km of rivers/creeks and over 900 wetlands. Many of these waterways have been recognised as nationally and internationally important for the environmental, social, cultural and economic values they provide. This includes one Ramsar site (Hattah-Kulkyne Lakes); one Heritage River (Outlet Creek and Wirrengren Plain section of Wimmera River); and 16 sites listed on the Directory of Important Wetlands, Australia (e.g. Lindsay Island, Belsar Island, Kings Billabong, Lake Tyrrell and Raak Plain).

Condition

The Waterways Theme reports on the condition of both Rivers and Wetlands in the Mallee.

Table 9: Waterways assessment

Regional Asset	Annual Assessment	
Rivers	Largely neutral state of condition where positive and negative evidence over the year mostly cancel each other out.	
Wetlands	Optimistic future with little evidence of significant negative changes to condition.	

Reason for assessment

Rivers

Monitoring of regional river assets generally indicates a condition trend of stable to improving.

Periodic assessments on the condition of Mallee waterways are conducted as part of the state-wide Index of Stream Condition (ISC) and Index of Wetland Condition (IWC) monitoring programs.

River/stream condition is measured by the ISC measures condition according to five sub-indices (hydrology, physical form, streamside zone, water quality and aquatic life) that contain 23 key indicators, to provide a summary of the extent of change from natural or ideal conditions

Assessments of river condition using the ISC were first conducted in 1999 and again in 2004 and 2010. In general, this monitoring has identified that no major changes have occurred to the condition of these waterways over this timeframe. Therefore, while no general improvement was detected, overall deterioration appears to have been controlled (Department of Environment and Primary Industries (2013), Index of Stream Condition: The third benchmark of Victorian river condition).

This is an encouraging result given that the data collected in the third assessment period coincided with the end of the severe Millennium drought in south-eastern Australia. It is assumed that the targeted threat mitigation actions undertaken in the region over this period played an important role in minimising the impact of the drought, and that they should assist with future improvements in condition under favourable climatic conditions.

The most recent (2010) ISC monitoring assessed 73 individual reaches in the region, with 4% of stream length identified as being in moderate condition and the remaining as being in poor (64%) or very poor (32%) condition.

A full report on Index of Stream Condition results is available at <http://www.depi.vic.gov.au/water/water-resource-reporting/Third-Index-of-Stream-Condition-report>.

The assumption that targeted threat mitigation actions are assisting with maintaining or improving the region's River Assets is being supported by both ongoing and annual (2016-17) site-based (i.e. point of investments) assessments. For example:

- Ongoing monitoring of large-bodied fish movement in the Lindsay – Mullaroo anabranch system shows that all four monitored species (Murray Cod, Golden Perch, Carp and Freshwater Catfish) are moving between the main Murray River channel and the anabranches. The high habitat value of Mullaroo Creek also continues to support Murray Cod populations (Tonkin, Z., O'Mahony, J., McMaster, D., Raymond, S., Moloney, P. and Lyon, J. (2016). Fish movement in the Lindsay and Mulcra Island anabranch systems: 2017 Progress report. Unpublished Client Report for the Mallee Catchment Management Authority. Arthur Rylah Institute for Environmental Research. Department of Environment, Energy, Environment and Climate Change Group, Heidelberg, Victoria).
- The hypoxic blackwater event experienced as a result of the 2016 Murray River flood event appears to have impacted Murray Cod populations with 20% mortality of tagged fish recorded. 17% of the tagged fish have been confirmed to have survived with the remaining not yet accounted for. Some cod have however returned from further downstream following the blackwater event indicating the importance of anabranch connectivity for fish to find refuge in the greater system (*ibid*).

Wetlands

Monitoring of regional wetland assets generally indicates a condition trend of stable to improving.

Wetland condition is assessed by the IWC according to six sub-indices (wetland catchment, hydrology, water properties, soils, biota, and physical form) that comprise 16 different measures. Monitoring is designed to identify significant changes in wetland condition from a theoretical reference condition (i.e. unmodified by human impacts associated with European settlement).



Photo: Mallee CMA Facebook post. Credit: Murray Darling Freshwater Research Laboratory.

Scientists from the Murray Darling Freshwater Research Laboratory monitoring native fish at Lindsay, Mulcra and Wallpolla Islands.

Survey results from 2015-16 indicated an increase in abundance and diversity of native small-bodied fish at these sites.

This monitoring program is funded by The Living Murray. The Living Murray is a joint initiative funded by the New South Wales, Victoria, South Australia, Australian Capital Territory and Commonwealth governments, co-ordinated by the Murray Darling Basin Authority.

The IWC was applied in the Mallee between spring 2009 and autumn 2010 following a period of extended drought. Monitoring was conducted on 79 wetlands which were considered to be of high conservation value and a priority for management. Over half (53%) of the assessed wetlands were identified as being in good or excellent condition, 42% as being in moderate condition, and only 5% as being in poor or very poor condition.

It is also noted that although a high number of wetlands were assessed as being in good condition, there was a high level of variation evident in condition at the sub-index level. For example, 89% of wetlands were identified as having poor or very poor hydrology condition, while 96% had good to excellent physical form (Papap, P and Maloney, P (2012): Victoria's wetlands (2009- 2011): state wide assessments and condition monitoring).

In regards to groundwater dependent ecosystems and the groundwater flow systems/aquifers they are reliant on, regional groundwater monitoring in 2016-17 found that, when compared to 2015-16 data, 76% of bores (sampled in both years) experienced a decline in groundwater level. The percentage of bores that saw a rise in groundwater level was 22%. Salinity levels for the majority of bores sampled in both years (58%) remained within $\pm 10\%$ of the concentration recorded in 2015-16.

Salinity levels decreased by more than 10% compared to the previous year in 33% of bores. In summary, groundwater levels declined and salinity levels remained steady or decreased or in the majority of bores sampled in both years. (Mallee CMA, 2017. Mallee Groundwater Monitoring. Final report Mallee CMA).

Site-based assessments have identified improvements in the health of landscapes where both environmental water and targeted threat mitigation activities are being delivered. For example:

- Long-term monitoring (2006-07 to 2016-17) being conducted at the Hattah Lakes Ramsar site demonstrates that all measured indicators of environmental condition (i.e. floodplain trees, vegetation communities, lignum, fish assemblages and waterbirds) have improved significantly as a result of water application and associated works programs (P Brown, D Wood, F Freestone, S Gehrig, C Campbell and B Lampard (2017): *The Living Murray Condition Monitoring at Hattah Lakes 2016–17: Part A – Main Report*).
- For example, since the millennium drought, environmental watering of floodplain trees within Hattah National Park has resulted in an increase in condition of Black Box and Red Gum trees. Assessments undertaken during 2016-17 demonstrates that approximately 60% of trees sampled were in good condition, compared to 22% in 2008-09.
- Similarly, regulation of Cowanna Billabong enabled the wetland to be dried and the inundation extent increased; removing large bodied carp and producing a significant increase in submerged macrophytes (Murray Darling Freshwater Research Centre (2016): *Vegetation Mapping at Cowanna Billabong*. Unpublished data for the Mallee CMA).

Cactus under control

During the long weekend in June, members of the Victorian National Parks Association volunteer group once again descended on Hattah-Kulkyne National Park in search of cactus plants.

Using handheld GPS devices and cameras, the volunteers were able to access large parts of the riparian landscape on foot, recording the cactus plantings they found. Through the data the volunteers collate, researchers can build an accurate picture of the extent and type of cactus infestations in the Park, helping them develop further cactus control programs.

Early results from this year's survey have been positive - indicating that control programs initiated based on data from the previous year have been successful, with whole areas of cactus eradicated. This is great news and reinforces the importance of the volunteer program.

The volunteers come from all round Victoria, motivated by a passion for the environment and a love for the Hattah-Kulkyne Park, which they describe as "majestic".

This project was supported by the Mallee CMA, through funding from the Australian Government's National Landcare Programme.



Photo: In search of cactus plants. Credit: Mallee CMA

Management

The RCS sets the long-term (20 year) objective for River and Wetland management in the Mallee as being ‘to protect and enhance the environmental values of the Mallee’s watercourses, wetlands, and associated riparian ecosystems and, in turn, the social, economic and environmental services that they provide to the community’.

Table 10 summarises the key activities that contributed to the RCS’s six-year strategic actions for Rivers and Wetland assets in 2016-17. Regional stakeholders engaged in the planning and delivery of these waterway related actions included Mallee CMA, DELWP, Parks Victoria, water authorities, local government, Landcare and other community-based NRM groups, members of the Indigenous community, and private land managers.

Table 10: Progress against RCS Strategic Actions for Waterways

STRATEGIC (6 YR) ACTIONS	2016-17 PROGRESS
1.1.1. Review the Mallee River Health Strategy, and the Mallee Wetland Strategy; and develop and implement the Mallee Regional Waterway Strategy.	<p>Significant progress made against Mallee Waterway Strategy (2014-22) targets, including¹:</p> <ul style="list-style-type: none"> • 54 sites receiving environmental water, covering 8,633ha • 6 ha of vegetation established • 8,716 ha of pest animal control • 1,783 ha of weed control • 80 km. of fencing/bollards • 6 ha of rubbish removal <p>All on-ground works delivered on waterways identified as a priority by the Mallee Waterway Strategy.</p> <p>Commencing application of the Regional Riparian Action Plan (2015-20), a Victorian Government initiative, has accelerated on-ground riparian management works to improve the health of riparian land.</p> <p>Adaptive management approaches utilised in response to 2016 flood event for enhanced outcomes (please refer to case study).</p>
1.1.2. Review, update and implement the Mallee Floodplain Management Plan.	Mallee Floodplain Management Strategy under development in partnership with key stakeholders - due for completion in December 2017.
1.1.3. Continue to implement actions from the Northern and Western Region Sustainable Water Strategies that apply to Mallee rivers and riparian ecosystems.	Ongoing delivery against relevant actions assumed – not actively monitored or reported at regional scale.
1.1.4. Support the development and implementation of Water Resource Plans for the Wimmera-Mallee and Victorian Mallee areas.	Wimmera-Mallee Water Resource Plan under development - due for completion in January 2018.

¹ Appendix 2 details all outputs delivered under the Mallee Waterway Strategy in 2016-17.

Environmental Watering – A Case for Adaptive Management

After rainfall in the upper catchments led to increased river flows and widespread inundation in spring 2016, the Mallee CMA had the opportunity to completely rethink its environmental water delivery program for 2016/17. With a focus on adaptability and flexibility, the Mallee CMA and its stakeholders looked to capitalise on the positive outcomes of the natural flooding.

Prior to the flood water reaching the Mallee, structures were opened and levees removed to allow the water to enter the wetlands and floodplains, achieving connectivity and natural inundation in areas that wouldn't have been watered via managed pump delivery.

As this response was being developed and implemented, the Mallee CMA also undertook extensive monitoring in order to gain important information and understanding about the behaviour, extent and duration of natural flooding. The monitoring focused on water quality; the timing of water arriving in key areas; the extent of inundation; the duration of connection to the main channel and the duration of priority wetland and floodplain inundation.

As the flood abated, the Mallee CMA was in a position to adjust its 2017 autumn watering program to take further advantage of the natural inundation by expanding the target areas of floodplain and wetland inundation. With a greater understanding of high rainfall flows and their behaviours and impacts in the Mallee, in conjunction with stakeholders, the Mallee CMA is now even better placed to plan its watering program for a broad spectrum of seasonal conditions. Environmental watering activities are supported by the Mallee CMA, in partnership with land managers, environmental water holders and the Department of Environment, Land, Water and Planning



Photo: Water moving onto floodplain north of Swan Hill. Credit: Mallee CMA.

Biodiversity

Just over half (2,047,645ha) of the region's native vegetation has been cleared since European settlement, particularly those vegetation communities growing on the more fertile alluvial soils (i.e. suitable for agriculture). Large contiguous blocks of terrestrial habitat do remain however, predominantly in large parks such as Murray-Sunset and Wyperfeld National Parks. Of the 1,872,233ha of remaining vegetation, only 12% occurs on private land.

This habitat supports a diverse and unique range of flora and fauna, with many species associated with the more arid interior having their southernmost distribution here. Several species are found nowhere else in Victoria; and many others are genetically distinct from their northern or southern relatives. Overall, the region contains 160 species which are listed as threatened at either federal (27) or state (133); and 10 listed communities (4 federal and 6 state).

Condition

The Biodiversity Theme reports on the overall condition of both terrestrial habitat and threatened species and communities (terrestrial and aquatic).

Table 11: Biodiversity assessment

Regional Asset	Annual Assessment	
Threatened Species and Communities	Largely neutral state of condition where positive and negative evidence over the year mostly cancel each other out.	➡
Terrestrial Habitat	Largely neutral state of condition where positive and negative evidence over the year mostly cancel each other out.	➡

Reason for assessment

Threatened Species and Communities

Threatened species populations are generally considered to be in moderate to poor condition and some are in decline within their constrained ranges.

For example a study of semi-arid woodland birds found the number of woodland blocks where White-browed Treecreepers (*Climacteris affinis*) were present had fallen from 2006 to 2011 (Hurley 2012).

Similarly, a recent study on the Arid Bronze Azure Butterfly revealed that there was no evidence of the butterfly within the formerly occupied area of Pink Lakes. This suggests that the distribution of the butterfly may have contracted, with the remaining known populations restricted to Hattah-Kulkyne National Park and adjacent freehold land (Douglas, F (2012): The distribution and conservation of the Arid Bronze Azure Butterfly in the Mallee area of north-western Victoria. Unpublished report for the Mallee CMA).

Furthermore, the loss of Black-eared Miner habitat after the 2014 Bronzewing Flora and Fauna reserve fire has reduced the range of this species to just one site in Victoria, Murray-Sunset National Park; making them extremely vulnerable to any future pressures (Boulton, R : Unpublished).

Threat mitigation actions to support specific species have however been shown to be effective in the Mallee. For example, Pine Plains in Wyperfeld National Park supports the largest known population of Major Mitchell's Cockatoo; providing key habitat of Slender Cypress Pine trees that are around 170 years old and have cavities large enough for nesting. As a consequence of the 2014 fires in Pine Plains, 93% of these hollow bearing trees were lost. Subsequent works to 'create' cavities within suitable habitat is currently sustaining the Major Mitchell's Cockatoo population in Pine Plains at 2013 levels (Hurley, V.G. and E.M. Stark (2015): Characteristics and uptake of simulated natural cavities for Major Mitchell's Cockatoo in Slender Cypress-pine. Department of Environment, Land, Water and Planning, Mildura). In 2016, a slight increase in the number of Major Mitchell's Cockatoo breeding pairs was recorded in this area (Victor Hurley, pers. comms).

A further example is the delivery of environmental water to Brickworks Billabong in 2013 and 2015, specifically to support a translocation site for Murray Hardyhead. Following their release in March 2015, monitoring determined that the relocated fish were successfully breeding, with juveniles estimated to be 2-3 months old detected (Murray-Darling Freshwater Research Centre (2015): Murray Hardyhead translocation. Unpublished data for the Mallee CMA).

The delivery of environmental water to Murray Hardyhead refuge sites, Brickworks Billabong, Koorlong Lake and Cardross Basins East and West, has enabled biennial spawning events to be triggered, supporting self-sustaining

Feral cats making a meal of Hattah Kulkyne's small species

A new study estimates feral cats are killing up to 2000 small animals in the Hattah-Kulkyne National Park every day.

The study by the Arthur Rylah Institute, in partnership with the Mallee CMA, found there are approximately 91 feral cats living in the park, each eating between five and 30 small animals - meaning between 400 and 2000 bite-sized birds, animals and reptiles each day are falling victim to the cats.

Australia is the only continent, other than Antarctica, where native animals have evolved without cats and that's why our wildlife is so vulnerable – because they are not good at defending themselves against cats. It's believed feral cats are responsible for two-thirds of mammal extinctions in Australia.

The Mallee CMA is currently using cat traps to target cat populations at Hattah, but cats are wily animals and quite hard to catch. Trapping and baiting programs can assist but the research is looking at the most effective ways to target the species.

Community members wanting to get involved in work to control feral cats can download the [Feral Cat Scan App](#). It allows people to map and monitor pest animal sightings and impacts, with data collected used to better target and implement strategies to control feral cats. The app can be downloaded for free from the App Store or Google Play. A fact sheet on feral cat research in the Hattah Kulkyne National Park is available at the [Mallee CMA website](#).

This project is supported by the Mallee CMA, through funding from the Australian Government's National Landcare Programme.



Photo: Feral cat. Credit: Mallee CMA

populations. In 2016/17 the Brickworks population had a unique dispersal opportunity to the Murray River during the 2016 floods, enabling the endangered fish species to potentially colonise new wetland sites (MDFRC 2017).

The ability of some species to respond to favourable conditions is an important consideration when assessing the condition of these Regional Assets. Long-term monitoring of Malleefowl mounds in Victoria has shown breeding numbers in 2012 were higher than at any time in the past, in response to good rains and maturing habitat.

Numbers have declined significantly over following years however as a result of ongoing dry winter conditions; with numbers at several Mallee sites in 2015 being lower than all but the drought year of 2002. Breeding numbers improved in 2016; however, there are still signs of continuing decline in the Eastern Big Desert and North East of the catchment. (Benshemesh J and Stokie P: *Malleefowl monitoring in Victoria: 2012-13, 2013-14, 2014-15, 2015-16, 2016/17*. Unpublished report to the Victorian Malleefowl Recovery Group).

Similarly, the exceptionally wet spring/summer of 2010-11 facilitated an increase in the regeneration of many flora species, with studies identifying some good recovery for several threatened shrubs including the Desert Lantern, Sandhill Spurge, Bush Hibiscus and Spear-fruit Copperburr (Kenny et al 2012).

Five year monitoring results of representative sites across the Mallee catchment show that the presence or absence of threatened floristic species are strongly influenced by external factors, particularly the interaction between seasonal conditions and grazing pressure. For example, 2016 monitoring identified the presence of several DELWP advisory list floristic species which were absent in the 2011 monitoring event (e.g. *Trigonella suavissima*, *Haloragis odontocarpa*, *Cardamine moirensis* and *Sclerolaena patenticuspis*). Other threatened species (such as *Chenopodium desertorum* subsp. *Desertorum*, *Acacia oswaldii*, *Zygophyllum simile* and *Geijera parviflora*) were absent at sites monitored in 2016 compared to 2011 site data; primarily due to the drought conditions experienced within this region between monitoring events. (Moxham, C. et al (2017) *BushTender Mega Murray To: evaluation of vegetation change 2011-2016*, Arthur Rylah Institute for Environmental Research, DELWP; and, Moxham, C. et al (2017) *Quantifying vegetation change in linear remnants: 2011-2016*, Arthur Rylah Institute for Environmental Research, DELWP).

Terrestrial Habitat

Monitoring generally indicates that trends in measures of the region's terrestrial habitat assets remain largely stable to improving.

Based on state-wide modelling (i.e. Site Condition Assessment and Patch-based Landscape Context Assessment) native vegetation quality across the Mallee is considered to be in better than average condition overall, with patches of habitat isolated in cleared landscapes typically in poorer condition. The DELWP NaturePrint model also determines the relative contribution of large blocks of vegetated areas in the region to biodiversity conservation in a statewide context to be generally high (Figure 5).

Trends in measures of condition within major parks and reserves remain stable, if not slightly improving, as a result of the removal of grazing over 20 years ago and some large rainfall events experienced in the region. This finding provides a good indication of the timeframe required for the recovery and restoration of Mallee habitats following the removal of grazing.

Surveys conducted in 2012 reported that semi-arid, non-eucalypt woodlands in Mallee national parks and reserves were mostly in average condition, with a low rate of recruitment (Kenny S, Moxham C, Cheal D (2012). *Mapping of the condition of semi-arid non-eucalypt woodlands in high priority national parks and reserves*. Unpublished report for the Mallee CMA).

A re-assessment of woodland condition conducted within ecologically important areas impacted by the 2014 fire events found that while there was a significant reduction in tree cover, the presence of regrowth had increased significantly since the initial assessment. This was attributed to several factors including the boom in natural regrowth after the La Nina of 2010-11, a high standard of rabbit control, and the position of pine regrowth in the landscape (i.e.

on sandy dunes with little ground fuel meaning that often only the edges of regrowth areas were impacted by fire) (Schneider K. Parks Victoria: Based on Gale, B (2014) 'Re- evaluation of the post-bushfire relative condition of non-eucalypt woodlands in Pine Plains-Wyperfeld NP using high-resolution infra-red imagery'. Unpublished report for the DEPI and Parks Victoria).

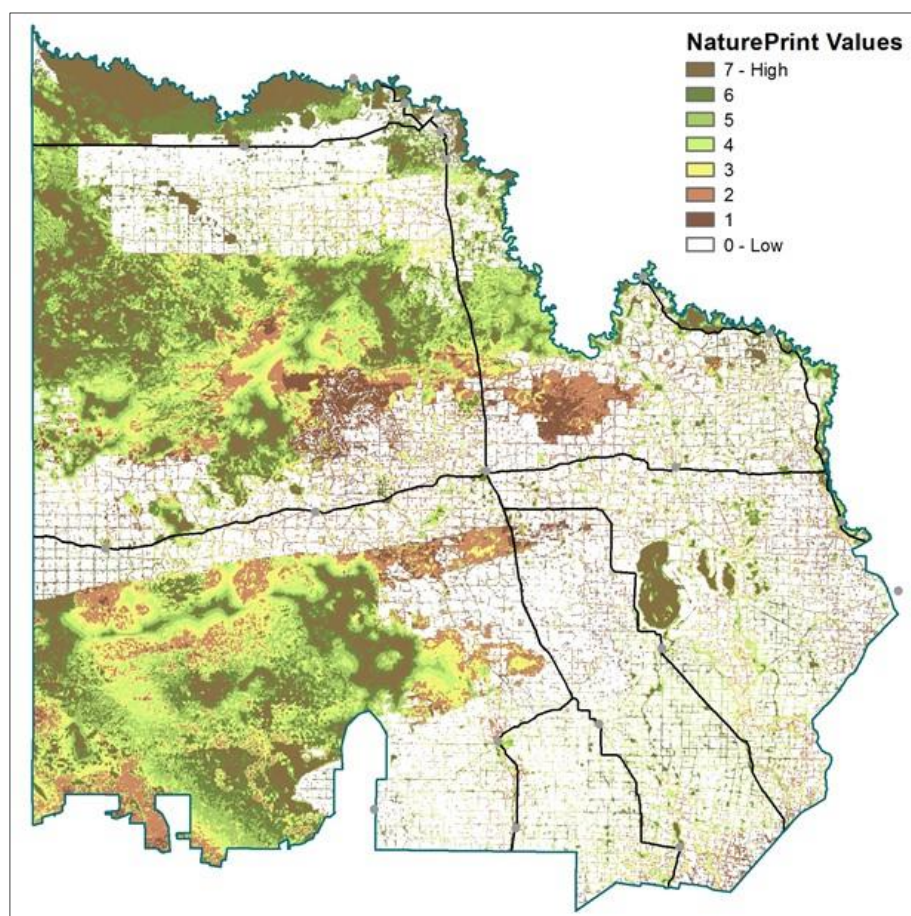


Figure 5: Relative priority of Terrestrial Habitat Assets – NaturePrint Version 3 (State of Victoria 2014)

Within the more fragmented areas of the landscape, remnant vegetation subjected to interventions has also remained generally stable. For example, work to quantify the impact of stock exclusion fencing on remnants found that sites ungrazed for five years had improvements in native vegetation condition. These included an increase in the total cover of native species, perennial species and native shrubs, litter, and to a lesser extent native grass and tree canopy cover. These changes did not occur in the long ungrazed reference sites, and therefore may be attributed to recovery following stock exclusion fencing. Species richness declined over the monitoring period in both the recently ungrazed 'fenced' sites and the long ungrazed reference sites, indicating that factors other than the management intervention may be influencing vegetation composition (e.g. rainfall variability and seed availability) (Moxham, C., Kenny, S., and Duncan M. Arthur Rylah Institute for Environmental Research (2016); *Quantifying the impact of land management practices on priority remnant vegetation across the dryland Mallee landscape: five year monitoring*. Report for the Mallee CMA).

Due to continuing threatening processes, declines in some measures of condition would be expected within many remnants, especially those where threat mitigation actions have not occurred.

The appropriateness of undertaking re-vegetation activities as a targeted threat mitigation options is also being assessed by long-term monitoring programs in the region. Since 2011, an average of 39% of tubestock are being shown to survive over the life of the revegetation program, and 37% of directly seeded sites report germination. Monitoring of sites planted in 2016 showed that within the central Mallee area, survival rate (on average) was 78%;

largely due to the implementation of follow-up watering events, installation of tree guards to reduce grazing pressure on seedlings and favourable seasonal conditions (i.e. above average spring/summer rainfall). In the southern area, 74% of tubestock were reported as alive in March 2017; however, due to the significant increase in localised mice populations the tubestock survival rate decreased to 54% by June 2017. Over the medium term (i.e. >5 years) revegetation sites are showing evidence of ecological functionality returning to the site. Specific changes recorded include: improved soil condition (i.e. reduced erosion); the absence of threats (e.g., kangaroos, rabbits and herbaceous weed); evidence of habitat utilisation (i.e. movement/utilisation of species primarily birds using these areas as corridors); and improved ecosystem function (e.g. evidence of natural regeneration) (Mallee CMA, Unpublished Report; 2016).

To fence or not to fence? Changes in vegetation condition on private land in the Mallee

Much of the native vegetation on private land in the Mallee is highly fragmented. Those areas of native vegetation that remain are thus considered important to retain, and are managed accordingly.

Uncontrolled stock grazing is considered a serious threat to remnants of native vegetation in the region. Uncontrolled grazing by domestic livestock can change the structure of remnants (e.g. remove grasses and small woody shrubs), lead to increased soil erosion and compaction, encourage the spread of weeds and affect processes such as litter decomposition and nutrient cycling.

The Mallee CMA carries out a range of on-ground works to improve native vegetation condition. Fencing to exclude stock grazing is considered a cost-effective means to improve vegetation condition. Fencing can be used to protect areas of native vegetation from domestic stock grazing. It promotes natural regeneration and woody plant recruitment in degraded remnants.

The Mallee CMA's long-term (2009-2017) monitoring program is determining whether the installation of stock exclusion fences on private land would lead to an improvement in vegetation condition.

The monitoring results to date show that native vegetation condition improved in patches of privately owned, fenced remnant vegetation. This is likely to be a result of the stock exclusion fencing, as these changes did not occur in ungrazed public land monitoring sites.

The results are less clear-cut in privately owned, fenced, linear native vegetation sites: while woody plant recruitment was higher than in the ungrazed public land monitoring sites, overall vegetation condition declined due to an increase in weed cover. Linear remnants are more prone to edge effects, which are changes in biotic and abiotic conditions that occur at an ecosystem boundary (VEAC, 2010), than larger patches of native vegetation. Any improvements in vegetation condition may therefore be slower (e.g. >10 years) than in larger connected remnants (<10 years).

This information can be used to prioritise investment in vegetation management in the region. For example, if the goal is to improve vegetation condition, fencing large and medium-sized remnants may be the first investment priority, as recovery can occur over shorter time scales than in linear remnants.



ARI staff undertaking monitoring within linear remnant. Credit: Claire Moxham.

Management

Threatened Species and Communities

The RCS sets the long-term (20 year) objective for Threatened Species and Communities management in the Mallee as being “to protect and enhance the present diversity of Mallee threatened species and communities.”

Table 12 summarises the key activities that contributed to the RCS’s six-year strategic actions for Threatened Species and Communities in 2016-17. Regional stakeholders engaged in the planning and delivery of these outputs included Mallee CMA, DELWP, Parks Victoria, water authorities, local government, Landcare and other community based NRM groups, Indigenous community, and private land managers.

Table 12: Progress against RCS Strategic Actions for Threatened Species & Communities

STRATEGIC (6 YR) ACTIONS	2016-17 PROGRESS
3.1.1. Continue to implement actions consistent with federal, state and regional prioritisation frameworks.	Ongoing consideration in the development of relevant funding bids and subsequent implementation. Funding bids submitted under the State Government’s ‘Threatened Species Initiative’ (3 submitted/successful) and the Federal Government’s ‘Threatened Species Recovery Fund’ (5 submitted/advice pending)
3.1.2. Continue to support the development, implementation and review of Action Statements and Recovery Plans for the region’s threatened species and communities.	Significant delivery against priority management actions at both the individual species/communities and whole of landscape (Catchment Asset) scale, including ² : <ul style="list-style-type: none">99 ha of native vegetation established to enhance priority habitat.59 km of stock exclusion fencing to protect priority to promote regeneration of native species.63,163 ha of pest animal control and 6,626 of weed control, to reduce critical threats to priority species/communities. Key landscapes (and the priority threatened species/communities they support) targeted by 2016-17 delivery included: <ul style="list-style-type: none">Avoca Basin Terminal Lakes System and CreeklinesWathe and Bronzewing DunefieldsOutlet Creek and Wirrengren PlainsHattah-Kulkyne Lakes System and National ParkMurray River Floodplain: Merbein to SA Border Limited opportunities to support the development or review of Action Statements/Recovery Plans in 2016-17.
3.1.3. Support the implementation of ecologically appropriate burning regimes for protection of threatened species and communities.	Ongoing management and support provided by regional delivery partners – DELWP monitoring.

Terrestrial Habitat

The RCS sets the long-term (20 year) objective for Terrestrial Habitat management in the Mallee as being “to protect and enhance the extent, condition and ecological connectivity of high value terrestrial habitat across all Mallee Land tenures”.

Table 13 summarises the key activities that contributed to the RCS’s six-year strategic actions for Terrestrial Habitat in 2016-17. Regional stakeholders engaged in the planning and delivery of these outputs included the Mallee CMA, DELWP, DEDJTR, Parks Victoria, water authorities, local government, Trust for Nature, Landcare and other community based NRM groups, Indigenous community, and private land managers.

² Appendix 2 details all outputs delivered under the broader Biodiversity theme in 2016-17.

Table 13: Progress against RCS Strategic Actions for Terrestrial Habitat

STRATEGIC (6 YR) ACTIONS	2016-17 PROGRESS
4.1.1. Review, update and implement the Mallee Native Vegetation Plan.	No progress regarding review/update of Mallee Native Vegetation Plan - awaiting State Government direction. Ongoing delivery against regional priorities and management actions assumed – not actively monitored or reported at regional scale.
4.1.2. Develop and implement a Regional Biolinks Plan to guide the delivery of cross-tenure habitat enhancement programs.	Mallee Biolinks Plan released June 2016 as part of the Mallee NRM Plan for Climate Change (2016-19). Significant progress against priority actions achieved in 2016-17, including ³ : <ul style="list-style-type: none"> • 510 ha of native vegetation established • 32,845 ha of pest animal control • 41,625 ha of weed control • 36km of fencing Priority Corridors targeted by 2016-17 delivery included: <ul style="list-style-type: none"> • West Millewa (enhancing linkages between Murray River floodplain and north western casuarina woodland remnants. • Western Central Mallee (enhancing linkages between Murray Sunset National Park and the Wyperfeld/Big Desert. • Eastern Central Mallee (enhancing linkages between Murray River floodplain and Avoca Basin).
3.1.3. Support the implementation of ecologically appropriate burning regimes for protection of threatened species and communities.	Ongoing management and support provided by regional delivery partners – DELWP monitoring.

Connecting Mallee Parks

Supported by funding from the Australian Government, the Connecting Mallee Parks Revegetation Program has been undertaken to link existing patches of vegetation within dryland farming areas with our major national parks.

This year's work has focused on building buffers around existing plants, to create larger combined areas of habitat that are more resilient to disturbance. All the works were done in partnership with the Mallee CMA and the landholder/s and we used a combination of direct seeding and tube-stock, via a hydraulically operated water jetter, to ensure a diversity of tree species, in the planting. The outcomes are over 124 hectares of revegetation, a lot of happy landholders and a healthier, greener future for the Mallee.



Photo: Revegetation. Credit: Mallee CMA

³ Appendix 2 details all outputs delivered under the broader Biodiversity theme in 2016-17.

Land



Some 62% of the Mallee is under agricultural production, with an estimated 2.4 million ha of dryland farming and a further 72,500 ha of irrigation. The region produces up to 50% of Victoria's cereals, almost 100% of Victoria's dried vine fruits, 75% of Victoria's table grapes, 68% of Australia's almonds, 20% of Australia's wine grapes, and significant proportions of the nation's citrus, avocados, olives and vegetables crops. Mallee soils play an essential role in supporting these productive landscapes and the region's broader ecosystems.

Under the *Water Act 1989*, the land area over the Murray Group Limestone Aquifer was declared a Water Supply Protection Area (WSPA) in 1998. The subsequent implementation of the Murrayville Area Groundwater Management Plan (GMP) from 2001 and ongoing monitoring of groundwater levels, salinity and metered extraction provides detailed information on groundwater condition and trends.

Condition

The Land Theme reports on the overall condition of both soils/agricultural land and groundwater resources that are utilised for production purposes (i.e. Murray Group Limestone Aquifer).

Table 14: Land assessment

Regional Asset	Annual Assessment	
Soils and Agricultural Land	Optimistic future with little evidence of significant negative changes to condition.	
Groundwater	Optimistic future with little evidence of significant negative changes to condition.	

Reason for assessment

The condition of Soils, Agricultural Land and Groundwater assets in the Mallee are generally considered to be stable to improving.

For example, widespread changes in dryland agricultural management practices over recent years continue to dramatically reduce the risk, incidence and severity of soil erosion. The use of conventional fallow, for instance, has been reduced considerably, from between 30% to 50% of monitored sites in the 1990s to an average of around 10% over the past five years. A practice change which has significantly increased vegetation cover, soil aggregation and overall soil stability (Mallee Soil Erosion and Land Management Survey).

This is supported by groundcover observations in the Mallee over recent years (as determined from MODIS). For example Table 15 shows the percentage of the region with more than the 50% groundcover target in 2016-17.

Table 15. Percentage of the Mallee with more than 50% groundcover in 2016-17

Month	Percentage	Month	Percentage
July 2016	99	January 2017	93
August 2016	99	February 2017	90
September 2016	99	March 2017	95
October 2016	99	April 2017	95
November 2016	98	May 2017	NA
December 2016	96	June 2017	NA

Groundcover in March 2017 was exceptionally good for the time of year, with 95% of the region having more than 50% groundcover (Figure 6) compared to 88% in March 2014 and 15, and 80% in March 2016. A significant dust

storm was however recorded in March 2017 as a result of the strong winds Cyclone Debbie triggered in southern Australia. This highlights the fact that even a small area of paddocks with below 50% groundcover can create some substantial dust (DustWatch Report: NSW Office of Environment and Heritage, March 2017).

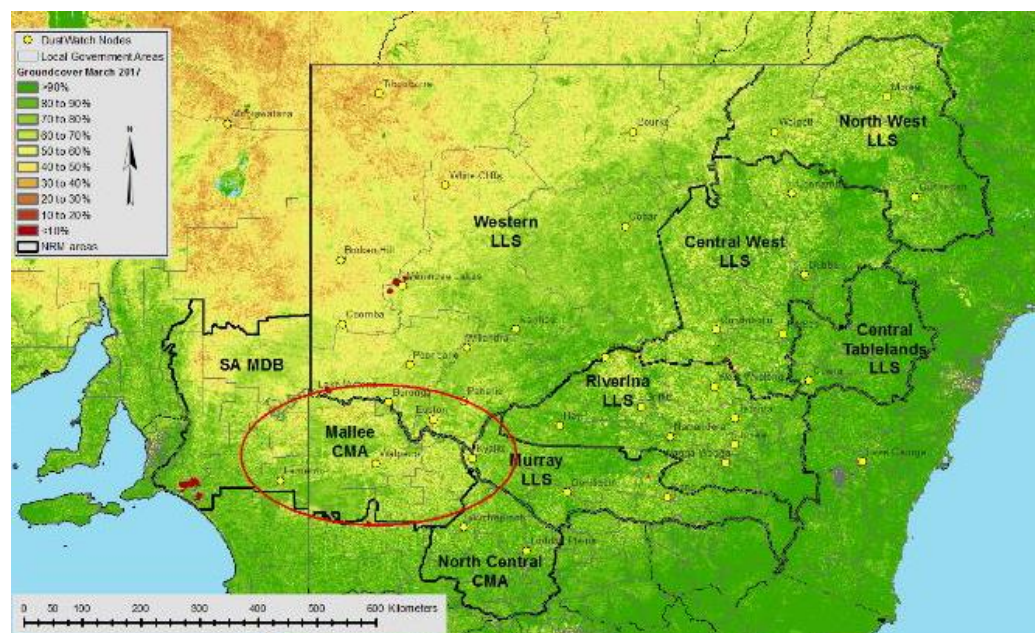


Figure 6: Groundcover in March 2017 as determined from Modis (NSW Office of Environment and Heritage, March 2017)

Assessing land health condition in relation to irrigation principally relies on the region's established modelling platforms, which in turn directly rely on groundwater and surface water monitoring data inputs. Data collected in the last five years suggest the long-term observed downward trends in drainage outfalls to the Murray River and its environs, and groundwater mounds beneath the older irrigation areas, are continuing. The 2010-11 high record breaking rainfall season provided a brief diversion to these longer term trends in some areas. Observations in the 2016-17 period indicate the surface water drainage flows and regional groundwater levels have generally maintained a comparatively static trend compared to the previous year. However, some drainage catchments have seen small increases in annual discharges that have been attributed to large rain events in spring.

Towards the end of the Millennium drought, large tracts of irrigated land were dried off in response to low water allocations, high water prices and adverse economic conditions. These areas were often left covered with dead plantings which can harbour pest plant and animal populations and increase biosecurity risks. The extent of dried-off areas peaked in 2010-11, encompassing some 5,158ha or 29% of irrigable land within the pumped irrigation districts. In 2015 this had decreased to 4,180ha or 24% of pumped districts not irrigated. Of the total area that remains dried-off from irrigation within the pumped irrigation districts, 50% was being actively managed through clearing, regular slashing or conversion to horse paddocks. However, 30% of the total remained covered in dead and dying plantings.

The current level of use is within the permissible consumptive volumes for the Murrayville Groundwater Management areas set under the Water Act 1989. While there has been some variability over recent years, it appears to be relatively stable for this non-renewable groundwater resource in the longer term, with groundwater levels recovering between irrigation seasons.

In 2016, metered extraction was 58% of the licenced volume. This was the largest volume extracted since 2012/13 with the increased use reflecting the early commencement of irrigation due to the dry seasonal conditions. Recovery in most bores close to irrigation activity was somewhat less than previous years, while the magnitude of the seasonal drawdown was similar to 2012/13 when a similar volume was extracted.

The Murrayville Groundwater Management Plan describes the drawdown limit as a maximum of 22 metres, with an eight metre residual drawdown over the period 2001 to 2020, or 0.4 m/year in the most intensively developed area (WSPA zone 1). Analysis of water levels in the key observation bores around zone 1 show that over the past 16 years the impact of extraction on seasonal groundwater levels is significantly less than 22 metres, and at the current rates of extraction, is unlikely to reach the eight metre residual drawdown by 2020.

Salinity levels have remained relatively stable throughout the WSPA (Murrayville Water Supply Protection Area Groundwater Management Plan, Annual Report 2015/16: GWM Water).

Nuts now Mallee's dominant horticulture crop

Nut tree plantings have become the dominant horticultural crop in the Victorian Mallee, with the latest crop report revealing nut production surpassing grapevine plantings.

The 2016 Irrigated Horticulture Crop Report is the most recent in a series of crop reports produced every three years since 1997 to measure irrigation status and development along the Murray River from Nyah to the South Australian border.

Commissioned by the Mallee Catchment Management Authority, the 2016 report was funded by the Victorian Government's Sustainable Irrigation Program and undertaken by SunRISE Mapping and Research.

Nut tree plantings, predominantly almonds, have increased 986% since 1997 and they now make up more than a quarter of the Mallee's irrigable area.

The Crop Report and a series of fact sheets summarising the results of each irrigation district, can be downloaded from the Mallee CMA website at

www.malleecma.vic.gov.au

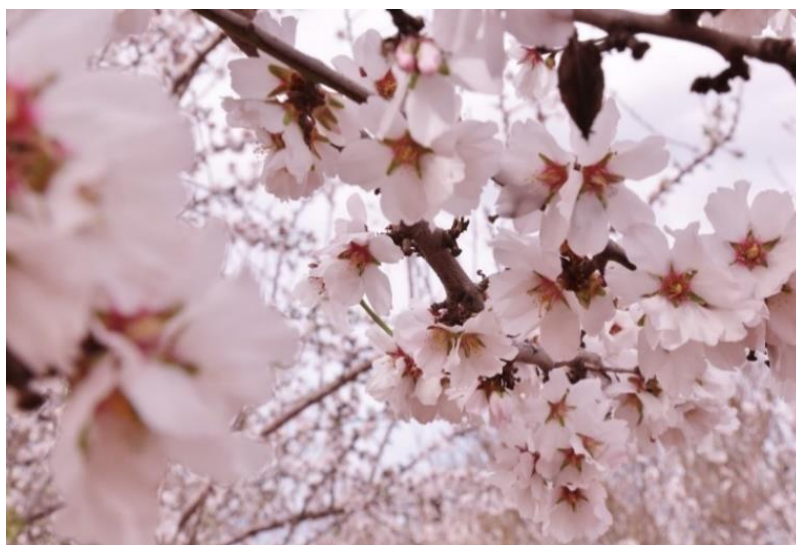


Photo: Mallee almond blossom. Photo: Lisa Milne.

Management

The RCS sets the long-term (20 year) objective for the Soil Regional Asset as being 'to protect and enhance the environmental values and ecosystem services provided by Mallee soils'; and for Agricultural Land as being "to optimise the productive capacity of Mallee agricultural landscapes, while minimising any adverse impacts of associated management practices (both current and historical) on our natural and cultural landscapes".

This headline theme also includes the Groundwater Regional Asset, for which the RCS set a long-term (20 year) objective of 'to protect the quality and availability of the Mallee's groundwater resource for current and future users'.

Table 16 summarises the key activities that contributed to the RCS's six-year strategic actions for Soils, Agricultural Land and Groundwater assets in 2016-17. Regional stakeholders engaged in the planning and delivery of these outputs included the DELWP, DEDJTR, NSW Office of Environment and Heritage, water authorities, local government, Landcare, community based NRM groups, Birchip Cropping Group, Mallee Sustainable Farming, Vic No-Till and other industry groups, Indigenous community, and private land managers.

Table 16: Progress against RCS Strategic Actions for Soils, Agricultural Land and Groundwater

STRATEGIC (6 YR) ACTIONS	2016-17 PROGRESS
5.1.1. Develop and implement a Regional Soil Health Plan for the Mallee.	No progress regarding development of Region Soil Health Plan – pending finalisation of Mallee Sustainable Agriculture Strategy (6.1.2 below).
6.1.1. Continue to implement the Victorian Mallee Irrigation Region Land and Water Management Plan.	Significant progress made against Land and Water Management Plan targets, including 460 ha of irrigation system upgrades ⁴ . Mid-term review of the Victorian Mallee Irrigation Region Land and Water Management Plan (2011) completed in June 2017 identified performance against targets; and the impact of any changes in the policy landscape that inform the framework under which the Plan is delivered.
6.1.2. Develop and implement a strategy for Mallee dryland agricultural land as part of the Regional Soil Health Plan.	Mallee Sustainable Agriculture Strategy under development - due for completion in September 2017. Significant progress made against draft Strategy targets, including ⁵ : <ul style="list-style-type: none"> • 1,046 ha of practices modified • 11 dunes reclaimed, protecting 23 ha from further soil loss. • 53 stock containment areas constructed • 39 ha of vegetation established for salinity (discharge) management
7.1.1. Continue to implement the Murrayville Groundwater Supply Protection Area Management Plan.	Ongoing implementation actively monitored and reported – GMMWater.
7.1.2. Continue to implement actions from the Western Region Sustainable Water Strategy that apply to the Murrayville Groundwater Supply Protection Area.	Ongoing delivery against relevant actions assumed – not actively monitored or reported at regional scale.

Stock containment area construction

During dry periods, a major issue for the Mallee is retaining vegetation cover to protect the soil from wind erosion. With a containment area, stock can be removed from vulnerable areas to help retain cover during these periods.

A stock containment area is a carefully selected part of a property set up to hold, feed and water livestock during adverse seasons. Land managers use these areas to maintain their core breeding stock without risking further loss of valuable groundcover or other sensitive vegetation.

In 2016-17 cost sharing arrangements with farmers resulted in the construction of 53 stock containment areas; 41 under supported by the Victorian Government's Drought Initiative, and a further 12 through funding from the Australian Government's National Landcare Programme.



Photo: Stock containment area. Credit: Mallee CMA

⁴ Appendix 2 details all outputs delivered under the Victorian Mallee Irrigation Region Land and Water Management Plan in 2016-17

⁵ Appendix 2 details all outputs delivered under the draft Mallee Sustainable Agriculture Strategy in 2016-17

Community



The Mallee has a long history of the community generating and implementing innovative and complex NRM projects and plans; with established partnerships operating between all sectors of our community including land managers (public and private), industry groups, community based groups, Indigenous stakeholders, and government agencies and authorities. A well-informed community with the skills and confidence to identify, direct and implement change is essential for the maintenance of these partnerships and the NRM outcomes they deliver.

The region's long history of human occupation, spanning thousands of years; and the historical significance of its more recent non-Indigenous history, require sites of cultural and heritage significance to be given critical considerations in NRM based activities.

Condition

The Community Theme reports on the overall condition of both Community Capacity for natural resource management (NRM) and Culture and Heritage in the Mallee.

Table 17: Community assessment

Regional Asset	Annual Assessment	
Community Capacity for NRM	Optimistic future with little evidence of significant negative changes to condition.	
Culture and Heritage	Optimistic future with little evidence of significant negative changes to condition.	

Reason for assessment

Community Capacity for NRM

Monitoring of the region's community capacity asset indicates a condition trend of improving.

Historically, no regional-scale information has existed from which condition assessments of the Victorian Mallee community's capacity for natural resource management could be made. This information gap was addressed as part of the Mallee RCS (2013-19) MERI framework through the development of a Regional Community Capacity Monitoring Tool. This tool provides a measurable and repeatable assessment of the condition of community capacity for natural resource management at a regional scale. It is based on the Rural Livelihoods Framework, which identifies Community Capacity for NRM as a combination of human, social, natural, physical and financial capital. Scoring criteria have been assigned to each measure identified across the five categories of capital. Based on the data, each measure is scored on a five-point scale, where one indicates 'low capacity' and five indicates 'high capacity'.

The Regional Community Capacity Tool was applied during 2012-13 to collect baseline data from which scores for each of the five capitals were assigned. This assessment indicated that, overall, our community has 'medium' levels of capacity for natural resource management in the region (RMCG (2013) *Mallee Regional Community Capacity for NRM: Detailed Condition Report*).

While trends in overall community capacity cannot be determined until the tool is re-applied, evaluation surveys undertaken for all engagement activities as part of the Targeted Community Capacity for NRM monitoring tool provide assessments on their 'effectiveness' and some measures of community capacity.

For example, in 2016-17 there were 9,152 participants at Mallee CMA engagement activities (e.g. workshops, field days, meetings). Of those surveyed 59% rated the overall delivery of these activities as excellent, and 33% as good. In regards to their primary motivations for participating, 62% cited 'learning about a topic', and a further 13% as 'maintaining/strengthening social connections or professional networks'.

Members of Mallee CMA Community and Partnership Advisory Committees rated the overall delivery of information at their meetings as being excellent (50%) or good (50%). Opportunities to provide feedback were also rated highly

(44% excellent, 44% good); with 95% reporting that they have a high level of confidence that the feedback and advice they provided was being listened to and acted on.

Participants in Mallee CMA tender and incentive programs identified a 'desire to contribute to the general environmental management of the region' (36%) and 'addressing priorities within my Farm Plan' (32%) as their primary reasons for participating. The level of communications and support they received through these programs was rated as either excellent (50%) or good (38%); with 95% likely to apply for similar programs in the future.

Evaluations of tender and incentive programs delivered within the dryland parts of the Mallee identified that land managers rate their ability to implement actions as improving after participating in these activities. Particularly in regards to dune reclamation, salinity discharge control and re-vegetation works (Figure 7). (*Monitoring Community Capacity for NRM; Evaluation Results to December 2017*. Mallee CMA, 2017).

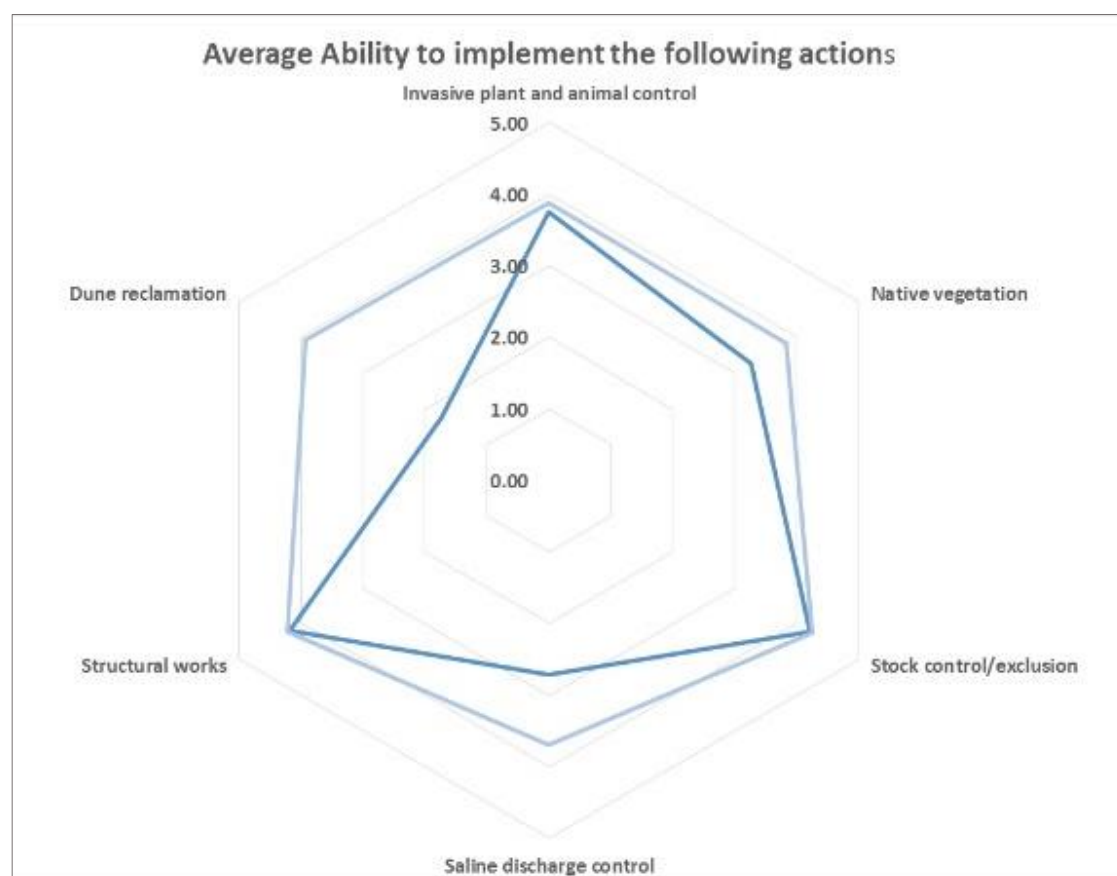
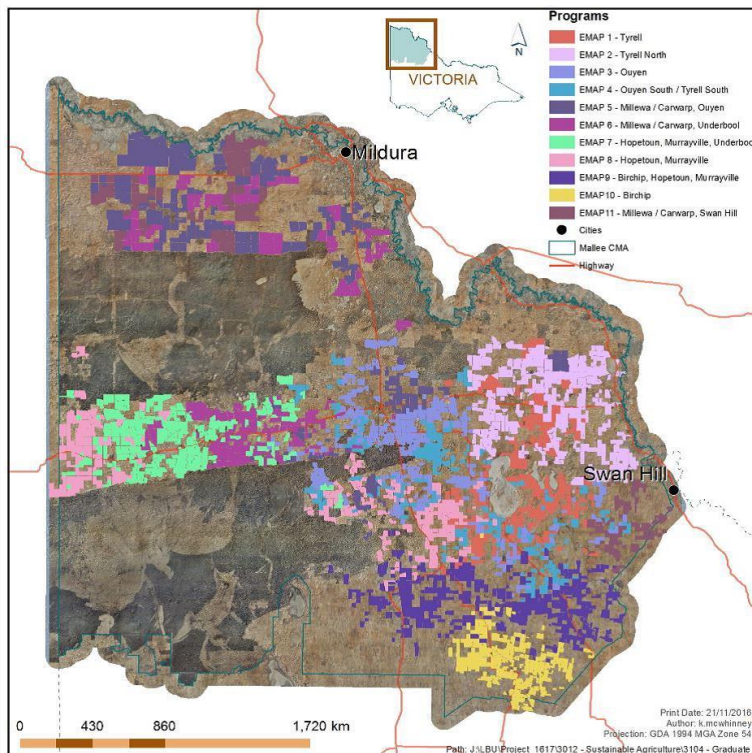


Figure 7: Dryland tender and incentive program participants' rating of ability to implement action (pre works, and post works). Scores have been averaged to provide a benchmark between 1 (Limited Skills and Experience) and 5 (Significant Skills and Experience). Source: Mallee CMA

Environmental Management Action Planning



The Mallee has many examples of individual programs that have helped deliver increased capacity for NRM within their specific target audience. One of the most successful of these has been the Environmental Management Action Planning Program (EMAP). Since commencing in 2005, EMAP has supported some 682 farm businesses, representing 1.25 million ha or over 50% of agricultural land in the region to develop whole farm environmental plans. Some 134 workshops have been delivered across 11 target areas to support landholders plan and carry out works to increase sustainability, productivity and profitability as well as develop action plans specific to their property. To date participants have collectively identified and mapped 9,360 works, covering 201,660ha (Mallee CMA (2016). Environmental Management Action Planning. Unpublished data).

The capacity, interest and intent of the region's private land managers to implement activities that will contribute to the ongoing conservation and protection of the region's natural assets continue to improve as a result of the EMAP program. In a recent review, more than 83% of participants said that completing the program had assisted them to make informed decisions and identify future priorities. This increased capacity has also translated into action. For example, EMAP participants within the Murrayville and Millewa target areas have completed 42% of the natural resource

management actions they identified in their plans. These works include 132.5ha of dune reclamation works, 523ha of revegetation to control salinity affected areas, 17ha of revegetation for biodiversity, 10km of fencing for native vegetation protection and 292ha of pest animal control works. (McCamley J., (2015), McWhinney K., (2016) and McWhinney, K., (2017) *Environmental Management Action Planning (EMAP) 6, 9 and 10 Second Graduate Review*.

The EMAP project is supported by the Mallee CMA with funding provided by the Australian Government's National Landcare Programme.

Culture and Heritage

Information regarding culture and heritage sites has historically been gathered from a variety of sources including the local community, both anecdotally and from various publications and reports, through management plans, and government databases which are in turn compiled from a variety of sources. As such, the total coverage and current condition of cultural heritage sites within the region can be difficult to gauge as information on known sites is variable in quality and sites themselves continue to be identified through various processes.

As no regional scale baseline information currently exists on the condition of the region's Culture and Heritage Assets, proxy condition indicators have been established using the assumption that being listed on the relevant heritage register affords some level of protection; and that similarly, if sites are captured within a Co-Management Agreement or a Cultural Heritage Management Plan, the asset is being protected through associated threat mitigation activities.

Some 5,679 individual Aboriginal features are currently identified within the region (Figure 8). This represents an 18% increase in the number of sites (879 additional registered) over the past 3 years, and includes burial sites, freshwater shell middens, ochre pits and stone features. Information on the number and area of registered Cultural Heritage Management Plans (CHMP) in the Mallee is not currently available. Given that the Aboriginal Heritage Regulations 2007 require a CHMP to be developed for any planned activity which may have an impact on culturally sensitive sites; it is however anticipated that the number of plans registered and the area over which they are being applied continues to increase annually. For example the Mallee CMA had one CHMP registered in 2016-17 and a further four are in development.

Non-Indigenous heritage sites include historical infrastructure, cemeteries, national parks and reserves, and parks and gardens. To date the Victorian Heritage database lists some 526 sites of varying levels of significance within the region (Figure 8), a 171% increase over the past 3 years. While this represents a significant increase, there is also evidence of resources being allocated for the maintenance and restoration of existing sites.

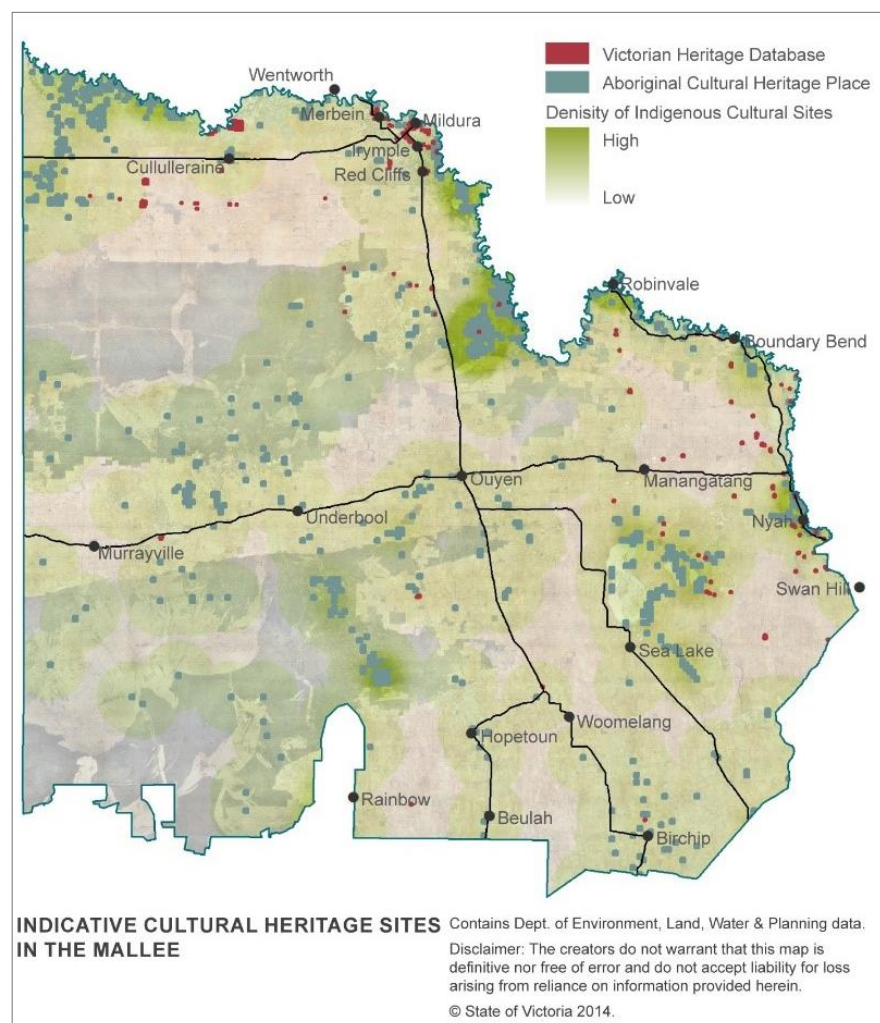


Figure 8: Indicative Indigenous and non-Indigenous cultural heritage sites in the Mallee

Management

The RCS sets the long-term (20 year) objective for Community Capacity for NRM in the Mallee as being ‘to increase community capacity for, awareness of, and participation in efforts to protect the Mallee’s natural, cultural and agricultural landscapes’.

This headline theme also includes the Culture and Heritage Regional Asset, for which the RCS set a long-term (20 year) objective of ‘to protect the extent and condition of Cultural Heritage (Indigenous and non-Indigenous) sites across all Mallee Land Tenures’.

Table 18 summarises the key activities that contributed to the RCS’s six-year strategic actions for Threatened Species and Communities in 2016-17. Regional stakeholders engaged in the planning and delivery of these outputs included the Mallee CMA, DELWP, DEDJTR, Parks Victoria, water authorities, local government, Trust for Nature, Landcare and community based NRM groups, Birchip Cropping Group, Mallee Sustainable Farming, Vic No-Till, private sector industry groups, Traditional Owners, Indigenous community, and private land managers.

Table 18: Progress against RCS Strategic Actions for Culture and Heritage and Community Capacity for NRM

STRATEGIC (6 YR) ACTIONS	2016-17 PROGRESS
8.1.1. Continue to support the development and implementation of Local Government Heritage Overlays in the Mallee.	Ongoing review and application of Heritage Overlays as part of local council planning schemes. Amendments actively monitored and reported through LGA planning processes.
8.1.2. Continue to support the development and implementation of Cultural Heritage Management Plans in the Mallee.	Ongoing development and implementation of Cultural Heritage Management Plans in line with Aboriginal Heritage Regulations. Actively monitored and reported through the Victorian Aboriginal Heritage Register.
8.1.3. Continue to support the protection and management of cultural heritage sites as an integral component of all land, water and biodiversity management processes.	51 cultural heritage assessments undertaken at proposed works sites, covering 3,009 ha. Application of regional tools to support improved identification and management of cultural heritage sites (e.g. regional field guides for managing pest plants and animals in cultural landscapes). Consideration and incorporation of cultural heritage values in regional strategies and management plans developed in 2016-17 (e.g. Mallee Floodplain Management Strategy, and site based Environmental Watering Management Plans).
9.1.1. Continue to support the development and implementation of community education programs to increase awareness of the Mallee's natural, cultural and agricultural assets; and to encourage actions which contribute to their protection and enhancement.	Significant number of both targeted and whole of community NRM education activities delivered in 2016-17, including: <ul style="list-style-type: none"> • 10 conferences (192 participants) • 85 field days (3,027 participants) • 61 workshops (784 participants) • 28 training events (383 participants) • 109 presentations/displays (1,797 participants) • 40 factsheets • 31 flyers/pamphlets • 9 newsletters • 5 videos • 101 social media posts • 71 visitor facilities installed or maintained to enhance access and/or amenity.
9.1.2. Continue to support the development and implementation of programs which support land managers to act as responsive and effective stewards of our natural, cultural and productive landscapes	Ongoing delivery against relevant actions assumed – not actively monitored or reported at regional scale. Significant number of programs delivered to support private land managers implement priority management actions (e.g. revegetation, pest plant and animal control, dune reclamation, exclusion fencing, irrigation system upgrades). Delivery mechanisms included market-based instruments (e.g. tenders and incentives), and performance based grants; resulting in: <ul style="list-style-type: none"> • 300 management agreements established with private land managers for delivery of NRM activities across 349,657 ha. • 3 conservation covenants established encompassing 292 ha. Education/training opportunities, and ongoing technical support also provided as an integral part of these programs. Opportunities to enhance public land management outcomes actively sought and delivered in 2016-17 through programs such as Biodiversity Fund, National Landcare Programme, Victorian Environmental Partnerships Program, Our Catchments Our Communities, 20 Million Trees and The Living Murray. This supported: <ul style="list-style-type: none"> • 27 management agreements/contracts established with public land managers for delivery of NRM activities across 1,240,526 ha. 10 on-ground demonstration sites established for the identification, validation and promotion of improved dryland land management practices, facilitating practice change at a scale that will directly address key regional threats (e.g. soil erosion). 986 assessments undertaken to support the identification/validation of effective management actions; measurement of long-term condition indicators; and the monitoring of integrated threat incidence and impact monitoring programs. Examples include: <ul style="list-style-type: none"> • Mallee groundwater and surface water monitoring programs.

	<ul style="list-style-type: none"> • Pre and post works rapid rabbit assessments and complementary landscape scale transect monitoring. • Mallee revegetation monitoring program. • The Living Mallee condition monitoring program. • Evaluations undertaken as part of the Mallee Community Capacity for NRM Monitoring Framework. • Quantifying the impact of stock exclusion fencing on remnant condition. • Pre and post works assessments of incentive/tender sites for prioritisation and performance measures
9.1.3. Continue to develop and implement programs which support land managers to identify, and where appropriate respond to emerging threats and opportunities.	<p>Delivery of Victorian Government's drought response package in 2016-17:</p> <ul style="list-style-type: none"> • Employed 25 people affected by drought in the southern Mallee employed on work crews to deliver locally identified projects. • Supported the establishment of 41 stock containment areas by 24 dryland farmers in drought affected areas. <p>Funding secured under Natural Disaster Relief and Recovery Arrangements for the repair/replacement of infrastructure impacted by 2016 floods – 2017-19 implementation.</p>
9.1.4. Continue to support the development and review of whole farm and landscape scale management plans which consider natural, cultural and productive landscapes	<p>25 dryland farmers supported to review their Environmental Management Action Plans to inform on farm NRM, encompassing 89,316 ha.</p> <p>8 irrigators supported to develop Irrigation, Drainage Management Plans across 92ha to inform system upgrades.</p> <p>Review and renewal of 4 Environmental Watering Management Plans, 10 Water Delivery Plans, and 5 Seasonal Watering Proposals to inform regional and landscape scale management of the environmental water reserve.</p> <p>Development of the Our Catchments, Our Communities 'Tyrrell Project' Implementation Plan in partnership with stakeholders to identify local priorities</p>
9.1.5. Continue to develop and implement programs which support Indigenous communities to promote and apply traditional ecological knowledge.	<p>Ongoing support to, and participation in the Mallee Aboriginal Reference Group to facilitate member participation in the planning and delivery of regional NRM activities.</p> <p>Opportunities to incorporate and promote traditional ecological knowledge actively sought and delivered through programs such as National Landcare Programme, Victorian Waterway Health Program, Our Catchments Our Communities, and The Living Murray.</p> <p>Also see 9.1.7</p>
9.1.6. Continue to support, enhance and participate in regional NRM partnerships to plan, deliver and report on the Mallee RCS and associated management plans.	<p>Regional Operational Agreement (MCMA, Parks Victoria, and the then DSE – Regional Services and DPI) being reviewed/renewed as part of Our Catchments, Our Communities Strategy implementation.</p> <p>3 regional steering committees established/maintained to guide the development and review of key management strategies and plans (Mallee Sustainable Agriculture Strategy, Mallee Floodplain Management Strategy, Victorian Land and Water Management Plan Mid-term Review).</p> <p>4 regional partnership committees established/maintained to facilitate an integrated approach to the development, implementation and review of NRM activities.</p> <p>2 community advisory committees supported to facilitate stakeholder input to the development, implementation and review of NRM activities.</p> <p>Co-investment and leveraging opportunities actively identified and delivered through programs such as Biodiversity Fund, National Landcare Programme, Our Catchments Our Communities, 20 million trees, and the Victorian Drought Response package.</p>
9.1.7 Implement and review the Mallee Regional Landcare Support Strategy	<p>Significant progress against priority actions achieved in 2016-17, including⁶:</p> <ul style="list-style-type: none"> • 29 regional Landcare groups provided with ongoing co-ordination support. • 35 devolved grants provided to Mallee Landcare/community groups to support the delivery of local priorities. • 610 Landcare group members participating in 25 awareness raising / training events. • 13 publications to promote Mallee Landcare.

⁶ Appendix 2 details all outputs delivered under Mallee Regional Landcare Support Strategy in 2016-17.

9.1.8 Implement and review the Mallee CMA Indigenous Participation Plan

Significant progress against priority actions achieved in 2016-17, including:

- The Mallee CMA “Innovate” Reconciliation Action Plan (RAP) developed (currently with Reconciliation Australia for endorsement).
- Continued effective function of the Mallee CMA Aboriginal Reference Group (ARG) in fostering communications with Aboriginal stakeholders and providing input into regional initiatives and plans.
- 28 Indigenous On-Country visits supported.
- 132 events (953 participants) facilitating ARG and Traditional Owner input into the development of key regional strategies/plans and the implementation of associated works programs. This included:
 - Development of the Mallee Sustainable Agriculture Strategy and the Floodplain Management Strategy.
 - Mid-term-reviews of the Mallee RCS and the Mallee Land and Water Management Plan.
 - Development of regional funding bids and associated implementation planning for the 2016-20 Victorian Waterway Program, the Victorian Threatened Species Initiative, Commonwealth Threatened Species Recovery Fund.

Citizen scientists get a bird’s eye view

Students from Irymple South Primary School are honing their skills as “citizen scientists” and helping to measure the impact of environmental watering on birdlife at the iconic Hattah Lakes.

The students were the first in the Mallee to complete Threatened Mallee Birds Education Kit, developed by Mallee CMA in partnership with Birdlife Australia.

Classroom learning was put into practice with a field trip to the Hattah Lakes to identify and record threatened species, including the Regent Parrot, Malleefowl and Emu Wren.

Mallee CMA Chair Sharyon Peart said the trip allowed students to try out their bird-watching techniques as well as adding to a nation-wide database of threatened bird species.

“The kit is proving to be a fantastic resource because it’s so practical both in the classroom as well as the field excursion,” Ms Peart said.

“The classroom teaching resources even include recordings of bird calls of common and threatened native species, which the students really enjoy,” she said.

“The program is hands-on and the students get so enthused that when they get out in the field they’re really ready to shine.”

Students used binoculars, field guides and had help from a local ecologist to identify native birds at the Hattah Lakes. The ecologist also helped build students’ knowledge about threatened species and their environmental needs for survival.

ISPS Grade Two teacher Maddy Jones said the children enjoyed the practical, hands-on approach to learning. “The activities we did in class meant they came to Hattah knowing what they were looking and listening for so they could identify bird species,” Ms Jones said.

“They were especially excited to try to spot one of the endangered birds we hoped we might find, the Regent Parrot,” Ms Jones said.

Ms Peart said data collected from the field excursion was confirmed by the ecologist and would be entered into the national Birdata web portal, an online platform which allows volunteers and researchers to enter survey information data.

“We will also use the bird data to report to the Murray Darling Basin Authority and the Victorian Environmental Water Holder on the bird species that took advantage of the full Hattah Lakes this year,” Ms Peart said.

The program is supported by the Mallee Catchment Management Authority (CMA) through funding from the Victorian Government’s Waterway Health Program.



Photo: Irymple South Primary School ‘Citizen Scientist’. Credit: Mallee CMA

PERFORMANCE REPORTING – FINANCIAL

Five year financial summary

The Mallee CMA's financial results for this reporting year and the previous four years are detailed in the table below.

Table 19: Five year financial summary

Five year financial summary	2016-17	2015-16	2014-15	2013-14	2012-13
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Commonwealth Government contributions	6,252	4,455	8,984	9,634	3,750
State Government contributions	6,530	7,194	6,575	7,419	6,495
Other revenue	3,142	6,064	4,287	4,075	3,981
Total Revenue	15,924	17,713	19,846	21,128	14,226
Expenditure					
Depreciation and amortisation	407	259	240	191	194
Employee expenses	4,789	5,250	4,546	4,377	4,636
Materials, maintenance, grants and consultants	5,143	7,937	7,521	4,200	4,837
Contractor expenses	1,769	3,441	2,303	2,483	2,775
Rental	296	260	291	281	274
Operating expenses	1,705	921	1,397	1,167	1,084
Total Expenditure	14,109	18,068	16,298	12,699	13,800
Assets					
Financial assets	40,933	38,997	40,376	36,330	27,548
Non-financial assets	1,152	1,224	864	790	615
Total Assets	42,085	40,221	41,240	37,120	28,163
Liabilities					
Current liabilities	1,672	1,616	2,282	1,722	1,089
Non-current liabilities	65	104	101	91	196
Total Liabilities	1,737	1,720	2,383	1,813	1,285

Current year financial review

Mallee Catchment Management Authority reported a surplus of \$1,847,016 (2016: deficit \$354,874) for the financial year. Assets exceed liabilities by \$40,348,339 (2016: \$38,501,328). Cash at bank remains strong at \$39,806,176 (2016: \$38,730,973), of which \$29,018,089 is held for Salinity Offset Funds (2016: \$27,329,965). \$6,665,225 is held for future projects and reserves to meet our employee benefits and future capital commitments (2016: \$7,409,768).

Other revenue streams were salinity levies \$2,491,996 (2016: \$3,256,726) and interest \$649,959 (2016: \$807,570).

Significant changes in financial position

There were no significant matters which changed our financial position during the reporting period.

Significant changes or factors affecting performance

There were no significant changes or factors which affected our performance during the reporting period.

Capital projects

The Mallee CMA does not manage any capital projects.

Disclosure of grants and transfer payments

The Mallee CMA has provided grants to certain companies and organisations as part of the devolved grants programs. Grants provided (exclusive of GST) in 2016-17 for the purposes of on-ground works and community capacity were as follows:

Table 20: Disclosure of grants and transfer payments

Organisation	Description	Payments #
Annuello Landcare Group	Rabbit control on public roadsides	\$9,500.00
Berriwillock Landcare Group	Rabbit control and weed control (Boxthorn) on public roadsides	\$12,942.00
Berriwillock Landcare Group	Rabbit and Boxthorn control on public roadsides	\$10,000.00
Birchip Landcare Group	Wildlife corridor establishment and cactus control program	\$18,125.00
Culgoa Landcare Group	Rabbit control and weed control (Hudson Pear) on public roadsides	\$20,000.00
Culgoa Landcare Group	Rabbit control on public roadsides	\$10,000.00
Curyo Watchupga Landcare Group	Rabbit control and weed control (Wheel Cactus) on public roadsides	\$30,000.00
Hopetoun Landcare Group	Rabbit control on public roadsides	\$10,000.00
Kooloonong Natya Landcare Group	Rabbit control on public roadsides	\$20,000.00
Lalbert Landcare Group	Rabbit control on public roadsides	\$10,000.00
Mallee Landcare Group	Rabbit control and weed control (Cactus) on public roadsides	\$19,378.00
Mallee Landcare Group	Plant, Pest and Animal Control in the Connecting Mallee Parks target area	\$25,000.00
Manangatang Landcare Group	Rabbit control on public roadsides	\$20,000.00

Mallee Landcare Group	Plant, Pest and Animal Control in the Connecting Mallee Parks target area	\$25,000.00
Manangatang Landcare Group	Rabbit control on public roadsides	\$20,000.00
Millewa Carwarp Landcare Group	Rabbit control on public roadsides	\$10,000.00
Millewa Carwarp Landcare Group	Rabbit control on public roadsides	\$10,000.00
Millewa Carwarp Landcare Group	Fencing and pest animal and weed control at Lake Cullulleraine	\$30,909.09
Millewa Carwarp Landcare Group	Rabbit control and revegetation works	\$20,000.00
Murrayville Landcare Group	Plant, Pest and Animal Control in the Connecting Mallee Parks target area	\$11,839.00
Nullawil Landcare Group	Rabbit control on public roadsides	\$10,000.00
Nyah West Landcare Group	Rabbit control on public roadsides	\$13,000.00
Nyah West Landcare Group	Boxthorn control on public roadsides	\$9,500.00
Rainbow & District Landcare Group	Rabbit control on public roadsides	\$10,000.00
Sea Lake Landcare Group	Rabbit control on public roadsides	\$10,000.00
Sunraysia Sustainability Network	Greening Mildura for revegetation	\$10,500.00
Sunraysia Sustainability Network	Greening Mildura	\$6,900.00
Sustainable Living in the Mallee	Rabbit control on public roadsides and native vegetation seed collecting event	\$16,555.00
Ultima Landcare Group	Rabbit control on public roadsides	\$20,000.00
Waitchie & District Landcare Group	Rabbit control on public roadsides	\$20,000.00
Waitchie & District Landcare Group	Boxthorn and Cactus control on public roadsides	\$10,000.00
Total		\$444,148.09

Subsequent events

There were no events occurring after balance date which may significantly affect the Mallee CMA's operations in subsequent reporting periods.

Organisational structure & corporate governance arrangements

The organisational structure of the Mallee CMA (see Figure 9) provides a framework for the integrated and effective management of the region's key assets. This structure allows for efficient program planning across all areas of operation and the sharing of resources, where possible, with partner agencies and the community.

Opportunities for stakeholder involvement in priority setting and funding allocations for natural resource management in the region is enhanced through various advisory committees, comprising Board, agency and community members.

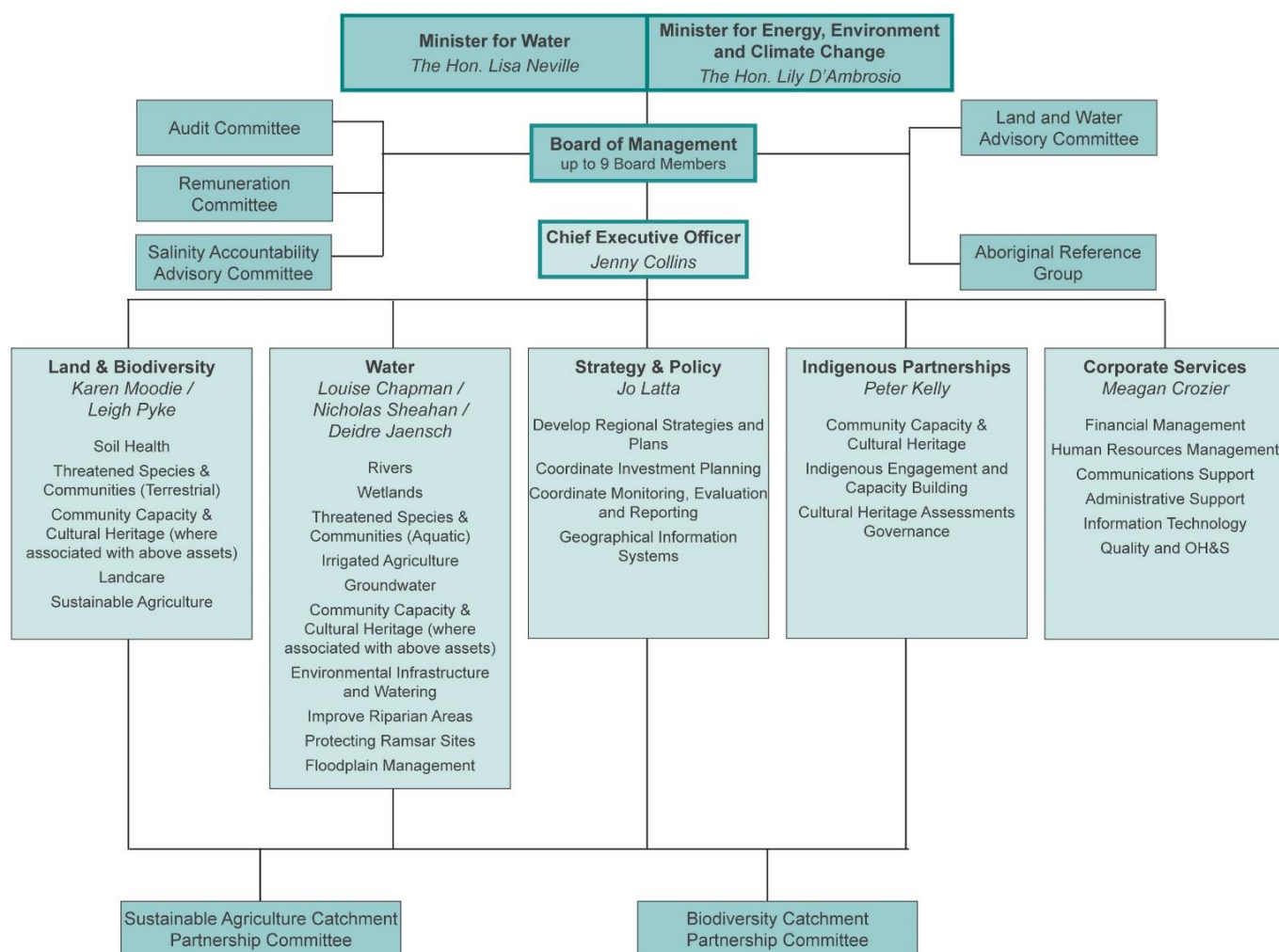


Figure 9: Mallee CMA organisational structure 2016-17

Governing Board

The Mallee CMA Board is responsible for the development of strategic directions for integrated management of land and water resources in the region. It is ultimately responsible for all functions undertaken by the Authority, including governance and reporting to the relevant Ministers.

The Mallee CMA Board consisted of six members until 31 October 2016 and eight members through to 30 June 2017.

Board members represent a wide range of interests including agricultural, economic, horticultural, financial auditing, environmental and Human Resource management. As part of their responsibilities, each Board member has a specific leadership role reflecting their individual area of expertise. Through this leadership role, a strong governance culture is realised that enables a measured and strategic approach to all business undertaken by the Authority.

Governing Board members

Sharyon Peart - Chair

Sharyon moved from Melbourne to the Mallee in 2005, where she quickly established a small business and took on various leadership roles within the community.

Sharyon continues to be the sole director of her retail company, while also being a member of the La Trobe University's Mildura Regional Advisory Board; a Director of Lower Murray Water; and a member of the Victorian Agricultural Advisory Council.

Sharyon currently represents the Mallee CMA as:

- Chair of the Remuneration Committee;
- Board representative on the Mallee CMA Aboriginal Reference Group (ARG); and
- Deputy Chair of Vic Catchments.

Dr John Cooke DSc (hc), PhD - Deputy Chair (from OBM # 203, 25 November 2015)

John was born in Ouyen and grew up on a Mallee wheat/sheep farm. John commenced his career with the Victorian Public Service in 1973 and remained in that service until 2015. John served as an extension officer, research scientist, manager and internal consultant.

As a research scientist, John led investigations of tillage systems for red/brown and Mallee soils in Northern Victoria. He was the lead or sole author of 5-refereed papers, and numerous conference papers.

As a manager, John was responsible for land protection in the Mallee and other key issues across Northern Victoria. John's involvement in waterway management has covered issues relevant to land tenure, reclamation, water quality and salinity, habitat protection and wetland watering programs. John also contributed significantly to land and water management across the Southern Murray Darling Basin.

John is Chairperson of the Regional Advisory Board for the Mildura Campus of La Trobe University. He is also a Member of the Board of Mallee Family Care.

In 2015, John was awarded an honorary Doctor of Science by La Trobe University. This was in recognition of his contribution to natural resource management and community involvement in Northern Victoria.

John currently represents the Mallee CMA as:

- Deputy Chair - Mallee CMA Board;
- Member - Mallee CMA Salinity Accountability Advisory Committee.

Tony Martin

Tony is a horticulturist who has been involved in natural resource management in the Mallee and Murray-Darling Basin for more than 30 years.

Tony is a member of the Australian Institute of Company Directors; Dried Fruits Australia; and the Murray-Darling Basin Authority's Basin Community Committee.

Tony currently represents the Mallee CMA as:

- Chair - Mallee CMA Salinity Accountability Advisory Committee;
- Member - Mallee CMA Audit Committee;
- Board representative - Mallee CMA Land and Water Advisory Committee.

Allison McTaggart

Allison is an independent Human Resources and Business consultant at Allison McTaggart and Associates. Her consultancy work includes strategic planning, governance, corporate communications and workplace health and safety. Allison is a Director of Mallee Sustainable Farming and Western Murray Irrigation, a family owned earthmoving business, and is currently employed by the Australian Table Grape Association as the Manager for Communications and Industry Analysis.

Allison's Executive Management background includes 10 years as an Agribusiness Human Resource Manager and her current management role with the Australian Table Grape Association.

Previous roles have included public relations, marketing and more recently Workforce Development with the Murray Primary Health Network.

Current memberships include: Australian Human Resource Institute; Governance Institute of Australia; Institute of Community Directors Australia; and Australian Institute of Company Directors fellow.

Allison holds a Bachelor of Arts (Management Communication) and an Associate Diploma (Animal Production).

Allison currently represents the Mallee CMA as:

- Member - Mallee CMA Audit Committee;
- Member - Mallee CMA Remuneration Committee.

Robert (Bruce) Jones

Bruce had been a dairy farmer for many years and had a strong background in irrigation administration. He served on the Swan Hill Rural City Council from 2003 until 2008 and served as Mayor of Swan Hill from 2005 until 2006.

Bruce represented the Mallee CMA as:

- Board representative - Biodiversity Technical Advisory Committee;
- Board representative - Land and Water Advisory Committee; and
- Board representative - Water Technical Advisory Committee.

Robert (Bruce) Jones passed away in October 2016.

John Arnold

John was a dried fruit and citrus grower for 29 years, and he owned and operated an aluminium manufacturing business for 18 years. John is the Festival Coordinator for the annual Mildura Country Music Festival.

John has a Diploma from the Australian Institute of Company Directors (GAICD) and has served on a number of Boards and Committees in the Mildura and Merbein communities. He was a Councillor with the Mildura Rural City Council for 14 years and served four terms as Mayor.

John currently represents the Mallee CMA as:

- Chair - Mallee CMA Audit Committee;
- Member - Mallee CMA Remuneration Committee.

Geoff Anderson

Geoff is a dryland farmer from the central Mallee town of Ouyen. A farmer for more than 52 years, Geoff has been involved in all aspects of improving dryland agricultural and environmental land management, particularly salinity. Over his extensive farming career, Geoff has developed a keen interest in the balance between production and ecology.

Geoff was first appointed to the Mallee CMA Board in 2006, after 10 years on the CMA Land Advisory Committee.

Geoff currently represents the Mallee CMA as:

- Board representative - Mallee CMA Aboriginal Reference Group (ARG).

Kellie Nulty

Kellie is a partner in a dryland farming operation at Carwarp and has a strong background in accounting and audit, having worked as a practising accountant for the last 21 years in Melbourne and Mildura.

Kellie has extensive internal and external auditing experience across a variety of industries; management and financial accounting; information technology; risk management; Corporate Governance; project management; consulting and business advisory.

Kellie is a Chartered Accountant, Registered Company Auditor, Registered Superannuation Fund Auditor and holds degrees in both Business and Computer Science.

Kellie currently represents the Mallee CMA as:

- Board representative - Mallee CMA Land and Water Advisory Committee.

Elizabeth Marwood (Liz)

Elizabeth holds a Bachelor of Applied Science from Curtin University of Technology in Western Australia, majoring in Viticulture and Oenology. Liz has also completed a Masters of Food Culture and Communication from the University of Gastronomic Sciences in Italy. Her studies have provided her with invaluable insight into not only respectful agricultural production but also, communication.

Currently living in the Mallee, Liz works as a local Winemaker, as well as owning her own wine business and being involved in her family's wheat and sheep property.

Liz has extensive experience in broad acre primary production, viticulture and winemaking and is on the Committee for the Australian Alternative Variety Wine Show.

Liz currently represents the Mallee CMA as:

- Member - Mallee CMA Salinity Accountability Advisory Committee.

Board meetings attended

Eleven Ordinary Board Meetings were held during the 2016-17 financial year. The Board Chair approved any Board member absences during the reporting period.

Table 21: Board membership, terms and meeting attendance 2016-17

Board member	Appointed	Appointment review	Meetings held	Meetings attended
Sharyon Peart	1 October 2013	30 September 2017	11	11
John Cooke	16 November 2013	30 September 2017	11	11
Tony Martin	27 October 2015	30 September 2019	11	8
Allison McTaggart	14 October 2013	30 September 2017	11	11
Robert (Bruce) Jones*	14 October 2013		3	2
John Arnold	14 October 2013	30 September 2017	11	10
Geoff Anderson**	12 November 2016	30 September 2019	7	7
Elizabeth Marwood**	12 November 2016	30 September 2019	7	5
Kellie Nulty**	12 November 2016	30 September 2019	7	6

* Passed away in October 2016.

** Member of Board for seven of 11 meetings during reporting period.

Board committees

An Audit Committee, Remuneration Committee, Salinity Accountability Advisory Committee, and community committees of the Board, act on the Board's behalf, as deemed necessary. Appropriate advisory committees ensure projects are properly guided and that funds are spent wisely.

Audit Committee membership and roles

The Audit Committee consists of four members and a chairperson. Two of the members are independent members. Members are appointed by the Board with terms concurrent to Board member terms, and are subject to the Audit committee's terms of reference.

The role of the Audit Committee is to oversee and advise the Mallee CMA on matters of accountability and internal control affecting its operations.

The main responsibilities of the committee include the oversight of:

- Financial performance and the financial reporting process, including the annual financial statements;
- The scope of work, performance and independence of internal audit;
- The scope of work, performance and independence of external auditor;
- The operation and implementation of the risk management framework;
- Matters of accountability and internal control affecting the operations of the Mallee CMA;
- The effectiveness of management information systems and other systems of internal control;
- The sign off of accounting policies; and
- The Mallee CMA's process for monitoring compliance with laws and regulations and its own code of conduct and code of financial practice.

Meetings are held monthly, and at any other time on request of a committee member or the internal or external auditor. In the reporting period 2016-17, the committee met 11 times.

The members of the Audit Committee during the reporting period, their terms and attendance record of committee members is detailed in the table below.

Table 22: Audit Committee membership, terms and attendance 2016-17

Member	Appointed	Appointment review	Meetings held	Meetings attended
John Arnold * (Chair)	25 November 2015	30 September 2017	11	11
Tony Martin *	25 November 2015	30 September 2017	11	10
Allison McTaggart *	20 April 2016	30 September 2017	11	11
Grant Martinella **	12 December 2015	11 December 2018	11	7
Inga Dalla Santa **	24 February 2016	24 February 2019	11	9

* Mallee CMA Board member.

** Independent member.

Remuneration Committee

The primary purpose of the Remuneration Committee is to assist the Board to discharge its responsibilities in the following areas:

- Setting the process for the recruitment and selection of the Chief Executive Officer (CEO);

- Setting the performance goals for the CEO for the forthcoming year;
- Conducting a performance evaluation of the CEO;
- Considering and determining the salary and remuneration package of the CEO, taking into account appropriate external and internal benchmarks;
- Ensuring reporting disclosures related to remuneration meet the Board's disclosure objectives and all relevant legal requirements; and
- Other responsibilities as the Board may delegate to the Remuneration Committee from time to time.

The members of the Remuneration Committee during the reporting period were:

- Sharyon Peart, Mallee CMA Board Chair - Chair;
- John Arnold, Chair of Audit Committee; and
- Allison McTaggart, Mallee CMA Board Member.

Salinity Accountability Advisory Committee

The Salinity Accountability Advisory Committee (SAAC) is pursuant to the Mallee CMA's obligations under the *Catchment and Land Protection Act 1994* and delegated responsibilities under the *Victorian Water Act 1989*.

The SAAC is responsible for advising the Mallee CMA Board on:

- All matters relating to Accountable Actions under the Basin Salinity Management Strategy 2030, at the regional level;
- The management and maintenance of the Mallee Regional Salt Register;
- Projects funded from the Salinity Offsetting Charges, which are collected specifically to offset salinity impact of irrigation development from Nyah to the South Australian Border; and
- Other matters as requested relating to water quality and salinity management under the Basin Plan.

The members of the SAAC during the reporting period:

- Tony Martin (Chair) - Mallee CMA Board member;
- John Cooke - Mallee CMA Board member;
- Peter Jones - Community member;
- Owen Lloyd - Community member;
- Guy Kingwill - Lower Murray Water Board Member;
- Deidre Jaensch, Mallee CMA Manager Salinity and Irrigation; and
- Jo Latta, Mallee CMA General Manager Operations and Strategy (from June 2017).

Agency representatives:

- Owen Russell - Lower Murray Water;
- Susan Ryan - Department of Environment, Land, Water and Planning; and
- Jennifer Learnmonth, Department of Environment, Land, Water and Planning (proxy for September 2016 meeting).

Observer(s):

- Maggie Xipolitis, Department of Environment, Land, Water and Planning.

The Salinity Accountability Advisory Committee met four times during the reporting period.

Land and Water Advisory Committee

The Land and Water Advisory Committee (LWAC) is responsible for the following functions in the development and delivery of projects and programs:

- Providing general advice to the Board on the development and delivery of projects and programs from a community perspective;
- Advising Mallee CMA Management and the Board on processes and appropriate levels of community ownership, consultation and engagement; and
- Providing feedback on issues, as requested by the Board, from a community perspective.

Table 23: LWAC membership, terms and attendance record 2016-17

Member	Appointed	Appointment review	Meetings held	Meetings attended
Bill Nicol * (Chair)	21 April 2016	20 April 2018	6	6
Geoff Anderson	21 April 2016	Resigned 24 Nov 2016	2	2
Keith Barber	21 April 2016	20 April 2020	6	3
Robert Biggs	21 April 2016	20 April 2018	6	5
Andrew Hudson	21 April 2016	20 April 2018	6	4
Eddie Lee	21 April 2016	20 April 2020	6	2
Owen Lloyd	21 April 2016	20 April 2018	6	5
Graham McKechnie	21 April 2016	20 April 2018	6	5
Maria Riedl	21 April 2016	20 April 2020	6	5
Ron Wiseman	21 April 2016	20 April 2018	6	5
Andrew Menzies	21 April 2016	20 April 2020	6	5

* Appointed LWAC Chair, effective 9 June 2016 to 20 April 2018.

The LWAC met six times during the 2016/17 reporting period. All Board members are invited to attend LWAC meetings.

Board representatives:

- Bruce Jones (from 25 Nov 2015, Bruce Jones passed away October 2016);
- Tony Martin (from 25 Nov 2015, re-appointed 22 Feb 2017, OBM No.216);
- Kellie Nulty (from 22 Feb 2017, OBM No. 216).

Aboriginal Reference Group

The specific role of the Aboriginal Reference Group (ARG) is to advise the Mallee CMA on a range of issues relating to the management of Aboriginal values in the Mallee, including:

- Providing guidance on how to engage Aboriginal stakeholders in relevant NRM project planning;
- Communicating Aboriginal stakeholder needs and understanding of the environment and how these may be met;
- Advising Mallee CMA management and the Board on emerging Aboriginal stakeholder issues and perspectives relevant to natural resource management; and
- Providing feedback on issues, as requested by the Board, from a community perspective.

Table 24: ARG membership, terms and attendance record 2016-17 reporting

Member	Appointed	Appointment review	Meetings held	Meetings attended
Charlene Davis (Chair*)	28 April 2016	27 April 2018	4	4
Michael Carter	28 April 2016	27 April 2018	4	1
Robbie Ferrer	28 April 2016	27 April 2018	4	1
Veronica Harradine	28 April 2016	27 April 2018	4	3
Melissa Jones	28 April 2016	27 April 2018	4	2
Rose Kirby	28 April 2016	27 April 2018	4	4
Ada Peterson	28 April 2016	27 April 2018	4	3
Margaret Whitton	14 June 2016	Resigned 11 May 2017	3	1
Fred Baxter	14 June 2016	Resigned 11 May 2017	3	0
Leigh Fuller	26 April 2017	25 April 2019	1	1
Brett Harrison	26 April 2017	25 April 2019	1	0
Norman Wilson	26 April 2017	25 April 2019	1	0

* Appointed ARG Chair, effective 14 June 2016 to 27 April 2018.

The ARG met four times during the 2016-17 reporting period. At least one Board member attends ARG meetings.

Board representatives:

- Sharyon Peart;
- Geoff Anderson (when Board Chair is not available - 22 Feb 2017, OBM No. 216).

Technical Advisory Committees

Technical Advisory Committees (TACs) for the asset classes of biodiversity, water and land were convened by the Mallee CMA to ensure a high level of rigour and technical expertise in the development and implementation of projects. These committees also provided a valuable forum for partnerships, technical advice and support to the Mallee CMA.

The technical advisory committees consisted of members drawn from agencies and local organisations with technical expertise, as well as Mallee CMA Board members.

The manager responsible for the asset class chairs the technical advisory committee, with the Board representation providing a direct communication and reporting link to the Board on project oversight.

Biodiversity Technical Advisory Committee

The Biodiversity Technical Advisory Committee (Bio TAC) met once during the reporting period. The members were:

- Joanne Robinson - Mildura Rural City Council;
- Sam Steel - Swan Hill Rural City Council;
- Mick Dedini - Department of Environment, Land, Water and Planning;
- Andrew Lush - Lower Murray Water;

- Greg Ogle - Trust for Nature;
- Peter Foster - Parks Victoria; and
- Jill Fleming - Department of Environment, Land, Water and Planning.

Board representative:

- John Cooke

Land Technical Advisory Committee

The Land Technical Advisory Committee (Land TAC) met twice during the reporting period. The members were:

- Chris Souness - Birchip Cropping Group;
- Stuart Putland - Mallee Sustainable Farming;
- Roy Latta - Dodgshun Medlin;
- Melissa Cann - Department of Economic Development, Jobs, Transport and Resources;
- Chris Korte - Department of Economic Development, Jobs, Transport and Resources FFSR;
- Nathan Robinson - Department of Economic Development, Jobs, Transport and Resources FFSR;
- Kerry Grigg - Vic No-Till Farming Association; and
- Kevin Chaplin - Mallee CMA (Landcare).

Board representative:

- John Cooke

Water Technical Advisory Committee

The Water Technical Advisory Committee (Water TAC) met once during the reporting period. The members were:

- Maxine Schache - Department of Economic Development, Jobs, Transport and Resources;
- Andrea Keleher - Department of Economic Development, Jobs, Transport and Resources;
- Bernie Dunn - Grampians Wimmera Mallee Water;
- Joanne Robinson - Mildura Rural City Council;
- Peter Foster - Parks Victoria; and
- Peter Ebner - Lower Murray Water.

Board representatives:

- John Cooke.

Catchment Partnership Committees

In 2016, the TACs underwent a major review and restructure, resulting in two new Catchment Partnership Committees (CPCs) with a focus on collaborative partnerships and sharing of regional information for Biodiversity and Sustainable Agriculture. The CPCs provide specialist input into the development and implementation of regional programs and projects.

The CPCs consist of members drawn from partner agencies based on their field of expertise and capacity to provide strategic advice from a 'partnerships' perspective, as well as Mallee CMA Board member(s).

The manager(s) responsible for the asset class chairs the CPC, with the Board representation providing a direct communication and reporting link to the Board on project oversight.

Biodiversity Catchment Partnership Committee

The Biodiversity Catchment Partnership Committee (Bio CPC) met twice during the reporting period. The members were:

- Jill Fleming – Department of Environment, Land, Water and Planning;
- Joanne Robinson – Mildura Rural City Council;
- Fiona Murdoch – Lower Murray Water;
- Bernie Dunn – Grampians Wimmera Mallee Water;
- Sam Steel – Swan Hill Rural City Council;
- Deanna Marshal – Trust for Nature;
- Anna Arkoudis – Buloke Shire Council;
- Jeremy Giddings – Department of Economic Development, Jobs, Transport and Resources;
- Ray Campling – Yarriambiack Shire Council;
- Tinawin Wilson – First People of the Millewa-Mallee Aboriginal Corporation;
- Kevin Chaplin – Mallee CMA (Landcare);
- Ian Curwood – Parks Victoria.

Board Representative:

- Geoff Anderson.

Sustainable Agriculture Catchment Partnership Committee

The Sustainable Agriculture Catchment Partnership Committee (SusAg CPC) met twice during the reporting period. The members were:

- Melissa Cann – Department of Economic Development, Jobs, Transport and Resources;
- Kevin Chaplin – Mallee CMA (Landcare);
- Chris Souness – Birchip Cropping Group;
- Kerry Grigg – Vic No-Till;
- Win Scott – Mallee Sustainable Farming;
- Nathan Robinson – Department of Economic Development, Jobs, Transport and Resources;
- Michael Moodie – Moodie Agronomy.

Board Representative:

- Kellie Nulty.

Occupational Health and Safety

Under the Victorian *Occupational Health and Safety Act 2004* (OHS Act), the Mallee CMA must, so far as reasonably practicable, provide and maintain for employees a working environment that is safe and without risks to health.

Mallee CMA is committed to the effective management of occupational health, safety and wellbeing, which ranks equally with all other operational considerations.

It is the aim of Mallee CMA to minimise the risk of injury and disease to our employees and other persons by adopting a planned and systematic approach to the management of occupational health and safety, and providing the resources for its successful implementation and continuous improvement.

The Mallee CMA recognises that there are many potential hazards that employees may be exposed to, whilst working to manage the catchment. The Mallee CMA will take all reasonable, practicable steps to provide and maintain a safe and healthy work environment for all employees and volunteers under our management and control.

The Mallee CMA Quality and Safety Committee provides the opportunity for employees to consult with the employer in all aspect of workplace safety. Consultation is an integral element of the workplace safety process. The Quality and Safety committee's role is to facilitate co-operation between the employer and employees, developing and carrying out measures designed to ensure the health and safety at work of the employees. Workplace safety is a standing agenda item at all Operational Management Committee, Unit, and Staff meetings. Health and Safety performance is reported monthly to the Audit Committee and Board.

To comply with Mallee CMA's responsibilities under the OHS Act, employees participated in the following OHS training during the reporting period:

- First Aid and CPR Refresher;
- Operate Four Wheel Drive;
- Chemical Handlers course including 1080 Bait Control;
- Health and Safety Representative;
- Safe trailer towing; and
- Operate Side by Side UTV.

The Mallee CMA participation in the Victorian CMA OHS Management System review was conducted in the first half of the reporting period. The review involved an independent audit of the CMA's OHS management system against the requirements of ISO 4801. The review highlighted the strengths and weaknesses of the system which will provide the direction for the development of the Safety and Wellbeing Strategy and contribute to the OHS Action Plan.

The implementation of an online system for the management of service provider's safety compliance and online training has continued to provide efficiencies in OHS management, with all compliance conducted using the online portal. The module has been expanded to include compliance for volunteer groups, to display their commitment to conduct activities safely. The online learning module now includes online safety induction training for management and supervisors, support and project staff as well as service providers and their employees.

OHS reporting

The aim of the Authority's occupational health and safety plan is to improve workplace safety and reduce injuries, incidents, hazards and near misses. The implementation of a Quality System has provided improvements to the Quality and Safety Reporting within the Mallee CMA and assisted with data collection and analysis of safety related issues and the ability to provide a valuable improvement program.

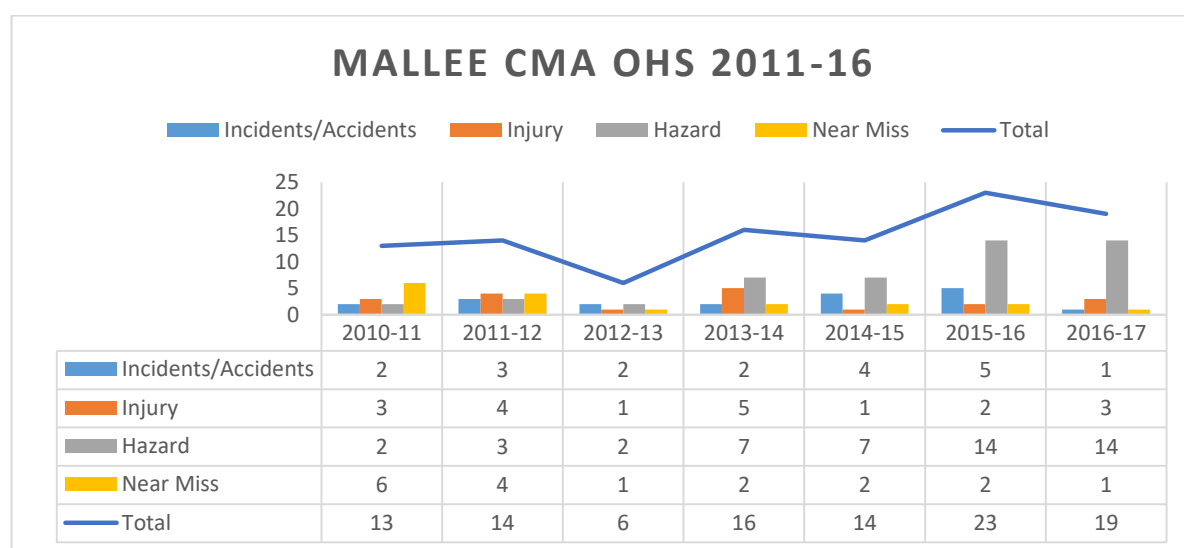


Figure 10: Mallee CMA OHS reported occurrences for past seven years

Occurrences reported include incidents/accidents, injuries, hazards and near misses. During the reporting year 2016-17 the number of reported occurrences decreased from 23 to 19. No fatalities occurred in the reporting period and

injuries/illness remained the same (2 only). Reported incidents/accidents not resulting in injury decreased from five to one. WorkCover claims submitted in the reporting period increased from nil to three. Of those claims only one resulted in lost time (2 FTE).

The number of near miss and hazards reported rose slightly in the period. Reporting of hazards increased from 14 to 15. The graph above displays numbers and categories of reported occurrences for the past seven years.

Table 25: Performance against OHS management measures

Measures	Key Performance Indicators	2016-17	2015-16	2014-15
Incidents	Number of incidents (rate per 100 FTE)	39	37	27
Claims	Number of claims (rate per 100 FTE)	4	Nil	Nil
	Number of lost time claims (rate per 100 FTE)	2	Nil	Nil
	Number of claims exceeding 13 weeks (rate per 100 FTE)	Nil	Nil	Nil
Fatalities	Fatality claims	Nil	Nil	Nil
Claim costs	Average per standard claim	Nil	Nil	Nil
Return to work	Percentage of claims with return to work plans, 30 days	Nil	Nil	Nil
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to management of OHS	Completed	Completed	Completed
	Evidence of OHS criteria in purchasing and procurement (including goods, services, and personnel)	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of designated work groups ((DWG), health and safety representatives (HSR), and issue resolution procedure (IRP)	Completed	Completed	Completed
	Compliance with agreed structure of DWGs, HSRs and IRPs	Completed	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned	100%	100%	100%
	Percentage of issues identified actioned arising from:			
	Internal audits	100%	100%	100%
	HSR provisional improvement notices (PINs)	100%	100%	Nil
	Worksafe Notices	100%	100%	Nil
	Percentage of managers and staff that have received OHS training:			
	Induction	100%	100%	100%
	Management training	100%	100%	80%
	Casuals, temps and work experience/practical placements	100%	100%	100%
	Percentage of HSRs trained:			
	Acceptance of role	100%	100%	100%
	Undertaken training or refresher training	100%	100%	100%

WORKFORCE DATA

Public Sector Values and Employment Principles

The Mallee CMA adheres to the *Public Administration Act 2004* and is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

To ensure the values of this legislation are embedded within the Mallee CMA's workplace, the Authority has introduced policies and practices that are consistent with the Victorian Public Sector Commission's (VPSC's) employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues including recruitment, redeployment, managing under performance and discipline. The Mallee CMA has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Comparative Workforce Data

The following table⁽ⁱ⁾ discloses the headcount and full-time staff equivalent (FTE) of all active employees of the Mallee CMA employed at the last full pay period in June of the current reporting period, and in the last full pay period in June (2017) of the previous reporting period (2016).

Table 26: Details of employment levels in June 2016 and 2017

	2016-17						2015-16					
	All employees		Ongoing ⁽ⁱⁱ⁾		Casual		All employees		Ongoing ⁽ⁱⁱ⁾		Casual	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
Gender												
Male	25	24.4	24	23.6	1	0.8	37	20.6	23	10.22	14	10.38
Female	27	24	25	23	2	1	34	26.56	28	22.6	6	3.96
Age												
15-24							10	7.49	5	4	5	3.49
25-34	12	11.2	12	11.2			12	11.78	10	10	2	1.78
35-44	16	14.2	15	13.6	1	.6	15	13.67	13	12.16	2	1.51
45-54	12	11.6	12	11.6			18	15.56	13	12.6	5	2.96
55-64	12	9.6	10	8.4	2	1.2	15	12.1	9	8.4	6	3.7
65+							1	.9			1	.9
Classification												
CEO	1	1	1	1			1	1	1	1		
General Managers	3	3	3	3								
Managers ^(iv)	7	6	7	6			7	7	7	7		
Project/Support Staff ^(v)	41	38.4	38	36.6	3	1.8	63	53.5	41	39.16	22 ⁽ⁱⁱⁱ⁾	14.34
Total	52	48.4	49	46.6	3	1.8	71	61.5	49	47.16	22	14.34

Notes:

(i) Excluded are external contractors/consultants, and temporary staff employed by employment agencies. (ii) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June. (iii) Figures include employed casual staff for tree planting/revegetation works for a six-week period in May/June 2016 and for drought program included in last pay run for June 2016. (iv) Mallee CMA's senior employees are classified as CEO, General Managers or Managers. (v) Mallee CMA's employees are classified as Project/Support staff.

Workforce Inclusion Policy

The Mallee CMA is developing a Workforce Inclusion Policy and is moving towards a balanced working environment where equal opportunity and diversity are valued. As part of its workforce inclusion policy, Mallee CMA has a 50/50 target on the employees' gender profile by 1 July 2019.

The following table outlines Mallee CMA's actual progress against this target in 2016-17 and 2015-16.

Table 27: Progress against Workforce Inclusion Policy target in 2016-17 and 2015-16

Workforce inclusion policy initiative	Target	Actual progress in 2016-17	Actual progress in 2015-16
Balanced employee gender profile	By 1 July 2019, on-going/fixed terms/casual basis employees: 50 per cent male; 50 per cent female.	Employees: 48 per cent male; 52 per cent female.	Employees: 52 per cent male; 48 per cent female.

Executive Officer Data

The Mallee CMA has no employees categorised under this definition.

OTHER DISCLOSURES**Expenditure of funds within the Mallee Salinity Investment Plan 2016-17**

Under the Ministerial 'policies for managing water use licences in salinity impact zones (2007)', each Megalitre of new or increased Annual Use Limit (AUL) attracts a capital charge to contribute towards the cost of works or measures to offset salinity impacts. Each new or increased AUL will also attract an ongoing charge to contribute towards the cost of operating and maintaining works and measures to offset salinity impacts.

All charges associated with new or increased AUL are collected by water authorities and forwarded annually to the Mallee CMA.

Funds forwarded to the Mallee CMA in 2016-17 totalled \$2,343,960.

Total expenditure in 2016-17 within the Mallee Salinity Investment Plan was \$1,150,456. Projects delivered included:

- Executive support and governance framework to meet regional monitoring and reporting obligations under the *Water Act 2007* and *Catchment and Land Protection Act 1994* (\$218,165);
- Mallee On-farm Irrigation Incentives Program for works and measures that generate salinity benefit for Victoria (\$135,735);
- Model refinement to improve the estimation of salinity impact from irrigation within the Mallee region (\$94,236);
- Policy enhancement investigations for High Impact Zones (\$63,473);
- Development of salinity credit generating projects (\$106,499);

- Annual data collection from Mallee groundwater observation bores (\$113,552) and irrigation drainage monitoring stations (\$131,966) to inform five year reviews of Basin Salinity Management Strategy (BSMS) Accountable Actions pertaining to the Mallee region;
- Groundwater bore maintenance and reconditioning program in the Mallee region (\$61,195);
- Refining and communicating salinity management policy in response to emerging issues and supporting sustainable irrigation (\$16,547); and
- Satellite based estimation of crop water use and root zone drainage (\$209,080).

Local Jobs First - Victorian Industry Participation Policy

The Mallee CMA has no contracts commenced and/or completed to which the Local Jobs First - VIPP applied in the reporting period.

Government advertising expenditure

Mallee CMA's expenditure in the 2016-17 reporting period on government campaign expenditure was nil.

Consultancy expenditure

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

In 2016-17, there were 54 consultancies where the total fees payable to the consultants was \$10,000 or greater. The total expenditure incurred during 2016-17 in relation to these consultancies was \$2,986,900 (excl. GST).

Details of individual consultancies are outlined on the Mallee CMA's website, at www.malleecma.vic.gov.au

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

In 2016-17, there were 36 consultancies engaged during the year, where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2016-17 in relation to these consultancies was \$120,276 (excl. GST).

The following definitions are applied in calculating the aforementioned amounts:

- Contractor - A contractor is an individual or organisation that is formally engaged to provide works or services for or on behalf of an entity.
- Consultant - A consultant is a particular type of contractor that is engaged primarily to perform a discrete task for an entity that facilitates decision making through: provision of expert analysis and advice; and/or development of a written report or other intellectual output.

Information and Communication Technology (ICT) expenditure

For the 2016-17 reporting period, the Mallee CMA had a total ICT expenditure of \$611,035.01, with the details shown below.

Table 28: ICT expenditure 2016-17

\$'000			
All operational ICT expenditure	ICT expenditure relating to projects to create or enhance ICT capabilities		
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (Non-BAU) ICT expenditure	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
Total	Total (A + B)	A	B
\$446,949.61	\$164,085.40	\$0.00	\$164,085.40

ICT expenditure refers to Mallee CMA's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing Mallee CMA's current ICT capabilities.

BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Disclosure of major contracts

The Mallee CMA did not award any major contracts (valued at \$10 million or more) during 2016-17 reporting period.

Freedom of information

The Mallee CMA is considered to be a 'government agency' under the terms of the *Freedom of Information Act 1982*. Accordingly, it is required to comply with the procedures that have been prescribed by which members of the public may gain access to information held by agencies. A decision to release information is made by an authorised officer.

The Mallee CMA has determined that its authorised officer is the Department of Environment, Land, Water and Planning, Freedom of Information Manager, who may be contacted on the details below.

FOI & Privacy Unit
 Department of Environment, Land, Water and Planning
 Mail: PO Box 500, East Melbourne, Victoria 8002.
 Email: foi.unit@delwp.vic.gov.au

Access to Mallee CMA documents is obtainable by written request, as detailed in Section 17 of the Act. Applications must be as detailed as possible so that the Mallee CMA Freedom of Information - Principal Officer can identify and locate the relevant documents. All applications must include the statutory lodgement fee of \$28.40, effective from 1 July 2017. This fee does not include the costs for providing access to the requested material. Freedom of information fees and charges are not subject to GST.

Requests to the Mallee CMA should be sent to:

Freedom of Information - Principal Officer, Meagan Crozier
 Mallee Catchment Management Authority
 Mail: PO Box 5017, Mildura, 3502
 Ph: 03 5051 4377
 Fax: 03 5051 4379
 Email: meagan.crozier@malleecma.com.au

No Freedom of Information (FOI) requests were received during the reporting period.

Compliance with *Building Act 1993*

The Mallee CMA is a tenant of the Department of Treasury and Finance Victorian Government Property Group in the Department of Economic Development, Jobs, Transport and Resources buildings in Mildura and Hopetoun. The Mallee CMA also has an office at Nyah and Birchip which are also under a tenancy agreement. Consequently the Mallee CMA is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

National Competition Policy

Under the National Competition Policy (NCP), the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

The Mallee CMA continues to comply with the requirements of the NCP.

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

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

Compliance with the *Protected Disclosure Act 2012*

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The PD Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'protected disclosure'?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

The Mallee CMA is a 'public body' for the purposes of the Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

- Mismanagement of public resources; or
- Risk to public health or safety or the environment; or
- Corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a 'Protected Disclosure'?

You can make a protected disclosure about Mallee CMA or its board members, officers or employees by contacting Independent Broad-Based Anti-Corruption Commission (IBAC) on the contact details provided below.

Please note that Mallee CMA is not able to receive protected disclosures.

How can I access Mallee CMA's procedures for the protection of persons from detrimental action?

Mallee CMA has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Mallee CMA or its employees. You can access the Mallee CMA's procedures on its website at: <http://www.malleecma.vic.gov.au/resources/corporate-documents>

Contact

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: see website above for secure email disclosure process, also provides for anonymous disclosures.

Table 29: Disclosures under the *Protected Disclosures Act*

Disclosures under the <i>Protected Disclosure Act 2012</i>	2016-17	2015-16
The number of disclosures made by an individual to the Mallee CMA and notified to the Independent Broad-based Anti-corruption Commission	0	0

Compliance with *Catchment and Land Protection Act 1994*

The Mallee CMA was established in 1997 under the *Catchment and Land Protection Act 1994* (CaLP Act) and has responsibilities under the *Water Act 1989*, Statement of Obligations and the CaLP Act, Statement of Obligations.

CaLP Act responsibilities are set out on page 7 of this Annual Report. The Mallee CMA is compliant with these establishing act requirements.

Office-based environmental impacts

The Mallee CMA strives to implement and improve sustainable practices in its operations in both the office and field environment. The Mallee CMA has modified its business activities in accordance with the Environmental Sustainability Policy. The policy identifies environmental impacts and measures for the reduction in usage of resources and waste production. As a member of the Irymple site user group, the Mallee CMA has made a commitment to modifying its practices to facilitate a site-wide reduction in environmental impacts via an improvement in sustainability.

As a tenant of the DEDJTR facility at Irymple, utility resource usage is monitored and controlled by DEDJTR as the landlord. All steps taken to reduce environmental impact implemented by the Mallee CMA contribute to the whole of site energy efficiencies and contribute toward the reduction in DEDJTR energy resource usage.

Further information on office-based environmental impacts is presented in the table below.

Table 30: Mallee CMA office-based environmental impacts

Outputs	Activity	2017 Actual	2018 Target	Comment
Reduce waste	Waste disposal - separation of office waste into 'classes' e.g. paper, recyclable plastics, rubbish	75%	75%	Reduction in total hard waste (anecdotal evidence)
	Black and white printing set as default	100%	100%	Participation by % of FTE
	Reduction and recycling of cartridges and consumables containers	100%	100%	Cartridge recycled through suppliers. Containers recycled through site
	Re-use and/or recycling of mobile phones and unserviceable equipment	100%	100%	Mobile phones are recycled when replaced with new handsets. Surplus or obsolete equipment sent to Waste Management Centre - Mildura Rural City Council 'Around Again' re-use facility
Reduce paper	Double-sided printing and printer user boxes are set as default to reduce paper usage	2.45	2.25	Reams A4 per FTE per quarter
Reduce energy consumption	Ensure lights are switched off when offices are not in use or after hours	*	*	Entries marked with an asterisk (*) contribute to the whole of site target, measured by DEDJTR as a reduction in energy intensity in DEDJTR facilities, expressed as MJ/m2 floor area.
	Switching off computers and monitors after hours	100%	100%	
	Energy saving/Power down mode enabled when equipment is not in use	*	*	
Reduce water	Use "water wise" car washing facilities	100%	100%	Usage per FTE on occurrence
Reduce fuel consumption	Purchasing or leasing of fuel efficient vehicles e.g. hybrid, LPG or diesel vehicles to improve fuel efficiency of fleet	<8.8L/100km	<8.2L/100km	Vehicle fleet purchasing in line with VicFleet. Maintenance of fleet size in line with FTE and operational requirement
	Selecting the right type of vehicle for the job e.g. road car for long trip as opposed to 4WD or right type of vehicle for towing			Average L/100km for fleet is 8.4L/100km using manufacturer's benchmark
	Car pool to meetings, conferences and field activities			Action by FTE on occurrence
	Sharing taxis and vehicles to travel to/from airports	100%	100%	% of total trips undertaken by FTE Reduction to Carbon footprint
	Direct routes on airlines	Not measured	Not measured	Where possible - Reduction to Carbon footprint
Awareness raising	Staff participation in events e.g. Ride to Work Day, Walk to Work Day	30%	35%	Participation by % of FTE
	Awareness and education at staff training sessions	4	4	Site awareness
	Posters, flyers, newsletters	4	4	Site awareness

Statement of availability of other information

The following information (to the extent applicable) is available on request, subject to the *Freedom of Information Act 1982*:

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary;
- Details of publications produced by the agency about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the agency;
- Details of any major external reviews carried out on the agency;
- Details of major research and development activities undertaken by the agency;
- Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the agency to develop community awareness of the entity and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the agency, and details of time lost through industrial accidents and disputes;
- A list of the agency's major committees, the purposes of each committee, and the extent to which the purposes have been achieved; and
- Details of all consultancies and contractors including: consultants/contractors engaged, services provided, and expenditure committed to for each engagement.

The information is available on request from:

Chief Finance Officer

Mail: Mallee CMA, PO Box 5017, Mildura Victoria 3502

Phone: 03 5051 4377

Email: reception@malleecma.com.au

Attestation for compliance with SD 3.7.1

I, Sharyon Peart, certify that the Mallee Catchment Management Authority has complied with the Ministerial Standing Direction 3.7.1 - Risk Management Framework and Processes. The Mallee CMA's Audit Committee has verified this.

A handwritten signature in black ink, reading 'Sharyon Peart'.

Sharyon Peart
Board Chair, Mallee CMA
25 August 2017

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, all data included in this Annual Report will be available at <http://www.data.vic.gov.au/> in machine readable format.

PART 2: FINANCIAL STATEMENTS

For the year ended 30 June 2017:

Mallee Catchment Management Authority
Declaration in the financial statements

The attached financial statements for the Mallee Catchment Management Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.


We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of the Authority at 30 June 2017.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 August 2017.



Sharyon Peart
Chairperson
Mallee Catchment Management Authority



Jennifer Collins
CEO and Accountable Officer
Mallee Catchment Management Authority



Meagan Crozier CPA
Chief Finance Officer
Mallee Catchment Management Authority

25 August 2017

Independent Auditor's Report

To the Board of the Mallee Catchment Management Authority

Opinion	<p>I have audited the financial report of the Mallee Catchment Management Authority (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial report • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

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

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

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

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

MELBOURNE
31 August 2017



Roberta Skliros
as delegate for the Auditor-General of Victoria

Comprehensive operating statement
For the financial year ended 30 June 2017

			\$
	Notes	2017	2016
Income from transactions			
Government contributions	2.2.1	12,782,097	13,607,836
Interest	2.2.2	649,959	807,570
Other income	2.2.3	2,491,996	3,297,807
Total income from transactions		15,924,052	17,713,213
Expenses from transactions			
Employee expenses	3.1.1	4,784,575	5,212,836
Grants and incentives	3.2	1,766,050	2,730,680
Depreciation	4.1.1	249,733	251,824
Amortisation	4.2	156,947	6,965
Other operating expenses	3.3	7,156,447	9,770,260
Total expenses from transactions		14,113,752	17,972,565
Net result from transactions (net operating balance)		1,810,300	(259,352)
Other economic flows included in net result			
Net gain/(loss) on disposal of non-financial assets	8.1	31,793	(58,261)
Other gain/(loss) arising from the revaluation of long service leave liability	8.1	4,923	(37,262)
Comprehensive Result		1,847,016	(354,875)

The accompanying notes form part of these financial statements

Balance sheet
As at 30 June 2017

			\$
	Notes	2017	2016
Assets			
Financial assets			
Cash and deposits	6.1	39,806,173	37,730,973
Receivables	5.1	127,231	260,850
Investments and other financial assets	4.3	1,000,000	1,000,000
Total financial assets		40,933,404	38,991,823
Non-financial assets			
Prepayments	5.3	-	5,357
Plant and equipment	4.1	711,315	760,932
Intangible assets	4.2	440,593	462,855
Total non-financial assets		1,151,908	1,229,144
Total assets		42,085,312	40,220,967
Liabilities			
Payables	5.2	798,979	629,227
Employee related provisions	3.1.2	937,989	1,090,412
Total liabilities		1,736,968	1,719,639
Net assets		40,348,344	38,501,328
Equity			
Accumulated surplus/(deficit)		567,695	(335,740)
Reserves	8.2	35,683,314	34,739,733
Contributed capital		4,097,335	4,097,335
Net worth		40,348,344	38,501,328

The accompanying notes form part of these financial statements

Cash flow statement

For the financial year ended 30 June 2017

	Notes	2017	2016
Cash flows from operating activities			
Receipts			
Interest received		649,458	805,759
Net GST received from the Australian Taxation Office ^(a)		825,998	1,330,645
Other receipts		2,418,512	3,501,522
Receipts from government		12,947,102	15,756,064
Total receipts		16,841,070	21,393,990
Payments			
Payments to suppliers and employees		(14,462,861)	(19,764,441)
Total payments		(14,462,861)	(19,764,441)
Net cashflows from/(used in) operating activities	6.2	2,378,209	1,629,549
Cash flows from investing activities			
Purchases of non-financial assets		(168,778)	(279,205)
Proceeds from sale of non-financial assets		454	65,618
Payment for intangible assets		(134,685)	(462,855)
Net cashflows from/(used in) investing activities		(303,009)	(676,442)
Net increase/(decrease) in cash and cash equivalents		2,075,200	953,107
Cash and cash equivalents at the beginning of the financial year		37,730,973	36,777,866
Cash and cash equivalents at the end of the financial year	6.1	39,806,173	37,730,973

The accompanying notes form part of these financial statements

(a) GST received from the Australian Taxation Office is presented on a net basis

Statement of changes in equity
For the financial year ended 30 June 2017

					\$
	Notes	Reserves	Accumulated surplus/(deficit)	Contributed capital	Total
Balance at 1 July 2015		34,103,226	655,642	4,097,335	38,856,203
Net result for the year		-	(354,875)	-	(354,875)
Transfers to/(from) reserves		636,507	(636,507)	-	-
Balance at 30 June 2016		34,739,733	(335,740)	4,097,335	38,501,328
Net result for the year		-	1,847,016	-	1,847,016
Transfers to/(from) reserves	8.2	943,581	(943,581)	-	-
Balance at 30 June 2017		35,683,314	567,695	4,097,335	40,348,344

The accompanying notes form part of these financial statements

1. ABOUT THIS REPORT

The Mallee Catchment Management Authority (the Authority) is a government authority of the State of Victoria, established by the *Catchment and Land Protection Act 1994*.

Its principal address is 315-341 Koorlong Avenue, Irymple, Victoria, 3498.

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

Basis of preparation

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

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Authority.

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

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

Compliance information

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The Authority's primary objective is to facilitate integrated and ecological sustainable management of the natural, cultural and productive landscapes occurring within the region. Programs and projects are developed to deliver against the region's priorities for these landscapes.

To enable the Authority to fulfil its objective and provide outputs it receives income (predominantly accrual based government contributions).

Structure

2.1 Summary of income that funds the delivery of our services

2.2 Income from transactions

2.1 Summary of income that funds the delivery of our services

	Notes	2017	2016
Government contributions	2.2.1	12,782,097	13,607,836
Interest	2.2.2	649,959	807,570
Other income	2.2.3	2,491,996	3,297,807
Total income from transactions		15,924,052	17,713,213

Income is recognised to the extent it is probable the economic benefits will flow to the Authority and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

**Notes to the Financial Report
for the year ended 30 June 2017**

2.2 Income from transactions

2.2.1 Government contributions

	2017	2016
State Government		
State government contributions	527,936	-
Basin Plan	120,000	-
Threatened Species Protection Initiative	674,236	-
Catchment Governance	987,205	987,205
Drought Relief Assistance Program	-	369,700
Regional Landcare Coordination	-	488,000
Sustainable Irrigation Program	600,000	395,000
Landcare Program	261,200	-
Environmental Water Program	698,319	543,000
Environmental Water Holder	208,857	1,225,011
Water Management Program	1,606,400	1,126,800
Bush Tender	318,966	198,966
Our Catchment Our Communities	527,000	-
Floodplain Management	-	300,000
Improving Wetlands and Estuaries	-	196,600
Investment in Irrigation	-	260,000
Riparian Works Program	-	1,032,200
Securing Priority Waterways	-	71,000
Regional contributions	-	20,000
Commonwealth government		
Commonwealth contributions	65,596	29,705
The Living Murray	1,887,273	1,939,000
National Landcare Program	2,102,520	2,251,521
Biodiversity Fund	661,171	786,628
Sustainable Diversion Limits	1,535,418	1,387,500
Total government contributions	12,782,097	13,607,836

Conditional grants

The Authority has recognised as revenue several grants received from the government where the full project has not yet been completed.

**Notes to the Financial Report
for the year ended 30 June 2017**

2.2.2 Interest income

	2017	2016
Interest from financial assets not at fair value through profit and loss		
Interest on bank deposits	649,959	807,570
Total interest from financial assets not at fair value through profit and loss	649,959	807,570

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

2.2.3 Other income

	2017	2016
Salinity levies	2,418,512	3,256,726
Sundry income	73,484	41,081
Total other income	2,491,996	3,297,807

Salinity levies are collected under the Ministerial 'policies for managing water use licences in salinity impact zones (2007)', whereby each mega litre of new or increased Annual Use Limit (AUL) attracts a capital or ongoing charge to contribute to the costs of works and measures to offset salinity impacts.

Sundry income is paid parental leave and reimbursements for trainees.

3. THE COST OF DELIVERING OUR SERVICES

Introduction

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

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

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Grant expenses
- 3.3 Other operating expenses

3.1 Expenses incurred in delivery of services

	Notes	2017	2016
Employee benefits expense	3.1.1	4,784,575	5,212,836
Grants	3.2	1,766,050	2,730,680
Other operating expenses	3.3	7,156,447	9,770,260
Total expenses from transactions		13,707,072	17,713,776

3.1.1 Employee benefits in the comprehensive operating statement

	Notes	2017	2016
Salaries and wages, annual leave and long service leave		4,432,190	4,791,302
Termination benefits		-	47,021
Defined Contribution Superannuation	3.1.3	352,385	374,513
Total employee expenses		4,784,575	5,212,836

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

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period. The Authority does not contribute to any defined benefit superannuation plans.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Authority is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 Employee benefits in the balance sheet

	2017	2016
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	214,864	220,878
Unconditional and expected to settle after 12 months	36,627	64,038
Time in lieu and rostered days off		
Unconditional and expected to settle within 12 months	9,287	11,193
Long service leave		
Unconditional and expected to settle within 12 months	59,210	41,495
Unconditional and expected to settle after 12 months	443,868	524,293
Provisions for on-costs		
Unconditional and expected to settle within 12 months	45,432	35,900
Unconditional and expected to settle after 12 months	63,557	89,083
Total current provisions for employee benefits	872,845	986,880
Non-current provisions		
Employee benefits	56,721	89,748
On-costs	8,423	13,784
Total non-current provisions for employee benefits	65,144	103,532
Total provisions for employee benefits	937,989	1,090,412

	2017
Reconciliation of movement in on-cost provision	\$
Opening balance	138,767
Additional provisions recognised	(18,557)
Reductions due to transfers out	(2,798)
Closing balance	117,412
Current	108,989
Non-current	8,423

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

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

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

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

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

The components of this current LSL liability are measured at either undiscounted value, if the Authority expects to wholly settle within 12 months, or present value, if the Authority does not expect to wholly settle within 12 months.

**Notes to the Financial Report
for the year ended 30 June 2017**

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

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

3.1.3 Superannuation contributions

Employees of the Authority are entitled to receive superannuation benefits. The Authority only contributes to defined contribution plans.

	Paid contributions for the year		Contributions outstanding at year end	
	2017	2016	2017	2016
Vic Super Pty Ltd	201,086	215,422	26,077	25,077
Other Superannuation Funds	151,299	159,091	19,944	21,621
Total	352,385	374,513	46,021	46,698

3.2 Grant expenses

	2017	2016
Payments for specific purposes	1,766,050	2,730,680
Total grants	1,766,050	2,730,680

Grant expenses are contributions of the Authority's resources to another party for specific purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can be either operating or capital in nature. The Authority only makes special purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grant expenses are recognised in the reporting period in which they are paid or payable. Grants only take the form of money.

3.3 Other operating expenses

	2017	2016
Supplies and services		
Purchase of services (including remuneration of auditors)	1,778,367	1,156,812
Consultancies - project based	3,050,033	4,912,343
Contractors - project based	2,032,199	3,441,016
Rent	295,848	260,089
Total other operating expenses	7,156,447	9,770,260

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Project based consultancy and contractor expenses relate to specific on ground projects undertaken by the Authority and do not include similar expenses of a corporate nature.

4. KEY ASSETS TO SUPPORT OUTPUT DELIVERY

Introduction

The Authority controls non-financial physical assets and investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Authority to be utilised for delivery of those outputs.

Fair value measurement: Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

- 4.1 Total plant and equipment
- 4.2 Intangible assets
- 4.3 Investments and other financial assets

4.1 Total plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2017	2016	2017	2016	2017	2016
Motor vehicles at fair value	718,328	711,584	(232,291)	(289,736)	486,037	421,848
Office furniture and equipment at fair value	235,535	210,569	(161,178)	(100,387)	74,358	110,182
Plant and equipment at fair value	457,555	444,686	(306,635)	(215,784)	150,920	228,902
Leasehold improvements at fair value	-	46,403	-	(46,403)	-	-
Net carrying amount	1,411,418	1,413,242	(700,104)	(652,310)	711,315	760,932

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

The cost of a leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

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

Motor vehicles are valued using the depreciated replacement cost method. The Authority acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by an experienced fleet manager in the Authority who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the depreciated replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

4.1.1 Depreciation and impairment

Charge for the period

	2017	2016
Motor vehicles	98,092	106,546
Office furniture and equipment	60,790	57,826
Plant and equipment	90,851	87,452
Total depreciation	249,733	251,824

**Notes to the Financial Report
for the year ended 30 June 2017**

All plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated.

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

Asset	(years) Useful life
Motor vehicles	5 to 8
Office furniture and equipment	3 to 25
Plant and equipment	4 to 15

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

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

In the event of the loss or destruction 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).

Impairment: Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

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

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

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.2 Reconciliation of movements in carrying amounts of property plant and equipment

2017	Motor vehicles at fair value	Office furniture and equipment at fair value	Plant and equipment at fair value	Total
Opening balance	421,848	110,181	228,903	760,932
Additions	295,368	24,966	12,869	333,203
Disposals	(133,087)	-	-	(133,087)
Depreciation	(98,092)	(60,790)	(90,851)	(249,733)
Closing balance	486,037	74,357	150,921	711,315

2016	Motor vehicles	Office furniture and equipment	Plant and equipment	Total
Opening balance	460,694	131,964	264,772	857,430
Additions	166,714	38,129	74,362	279,205
Disposals	(99,014)	(2,086)	(22,779)	(123,879)
Depreciation	(106,546)	(57,826)	(87,452)	(251,824)
Closing balance	421,848	110,181	228,903	760,932

4.2 Intangible assets

	Computer software			Total
	2017	2016	2017	2016
Gross carrying amount				
Opening balance	462,855	-	462,855	-
Additions	134,685	462,855	134,685	462,855
Closing balance	597,540	462,855	597,540	462,855
Accumulated amortisation				
Opening balance	-	6,965	-	6,965
Amortisation of intangible non-produced assets	(156,947)	(6,965)	(156,947)	(6,965)
Closing balance	(156,947)	-	(156,947)	-
Net book value at the end of the financial year	440,593	462,855	440,593	462,855

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The Authority does not have any internally generated intangible assets.

Subsequent measurement

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight line basis over their useful lives. The amortisation period is 3 years. The Authority does not have any intangible produced assets.

Significant intangible assets

The Authority has capitalised software expenditure for the acquisition of its Technology One and related software. The carrying amount of the capitalised software expenditure is \$597,540 (2016: \$462,855). Its useful life is 3 years and will be fully amortised in 2020.

4.3 Investments and other financial assets

	2017	2016
Current investments and other financial assets		
Term deposits^(a)		
Australian dollar term deposits > 3 months	1,000,000	1,000,000
Total current investments and other financial assets	1,000,000	1,000,000

(a) Term deposits only includes deposits with a maturity greater than 90 days

Ageing analysis of investments and other financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1-5 years
2017						
Term deposits	1,000,000	1,000,000	-	-	-	-
2016						
Term deposits	1,000,000	1,000,000	-	-	-	-

5. OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

5.1 Receivables

5.2 Payables

5.1 Receivables

	2017	2016
Contractual		
Accrued investment income	7,696	7,195
Amounts owing from public non-financial corporations	-	14,607
Amounts owing from general government	2,805	33,600
Other receivables	-	3,548
Statutory		
GST input tax receivable	113,227	196,946
Other receivables	3,503	4,954
Total receivables	127,231	260,850
Represented by:		
Current receivables	127,231	260,850

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus and directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less and impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1-5 years
2017						
Accrued investment income	7,696	7,696	-	-	-	-
Amounts owing from general government	2,805	2,805	-	-	-	-
Total	10,501	10,501	-	-	-	-
2016						
Accrued investment income	7,195	7,195	-	-	-	-
Amounts owing from public non-financial corporations	14,607	14,607	-	-	-	-
Amounts owing from general government	33,600	33,600	-	-	-	-
Other receivables	3,548	3,548	-	-	-	-
Total	58,950	58,950	-	-	-	-

The Authority's management have identified no doubtful debts; therefore no allowance for doubtful debts has been raised (2016: nil). As no movement has occurred for the balance of provision for doubtful debts, a reconciliation of opening and closing balance is not deemed necessary.

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No interest is charged. The average credit period for outstanding invoices is less than 30 days. There are no material financial assets that are individually determined to be impaired. Currently the Authority does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2 Payables

	2017	2016
Contractual		
Supplies and services	502,998	414,343
Amounts payable to government and agencies	204,886	137,416
Statutory		
Other taxes payable	91,095	77,468
Total payables	798,979	629,227
Represented by		
Current payables	798,979	629,227

Payables consist of:

Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid; and

Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of less than 30 days. No interest is charged on contractual payables.

Maturity analysis of contractual payables ^(a)

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1 - 3 months	3 months - 1 year	1-5 years	5+ years
2017							
Supplies and services	502,998	502,998	502,998	-	-	-	-
Amounts payable to government and agencies	204,886	204,886	204,886	-	-	-	-
Total	707,884	707,884	707,884	-	-	-	-
2016							
Supplies and services	414,343	414,343	414,343	-	-	-	-
Amounts payable to government and agencies	137,416	137,416	137,416	-	-	-	-
Total	551,759	551,759	551,759	-	-	-	-

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

6. HOW WE FINANCED OUR OPERATIONS

Introduction

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

This section includes disclosures of balances that are financial instruments (such as cash balances). Notes 6.1 and 6.3 provide additional, specific financial instrument disclosures.

Structure

- 6.1 Cash flow information and balances
- 6.2 Reconciliation of net result for the period to cash flow from operating activities
- 6.3 Commitments for expenditure

6.1 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2017	2016
Cash on hand	1,000	1,000
Cash at bank and on hand	1,366,463	1,882,935
Term deposits maturing in less than 3 months	38,438,710	35,847,037
Balance as per cash flow statement	39,806,173	37,730,973

The Authority is responsible for the facilitation and coordination of catchments in an integrated and sustainable manner. This is achieved by undertaking projects funded by state and federal government in a sustainable manner. The Authority receives funding for specific projects which are guided by the Regional Catchment Strategy and delivered in line with the Authority's Corporate Plan approved by the Minister for Environment and Climate Change and the Minister for Water.

The projects funded by the state and commonwealth governments can be undertaken over multiple financial years and are received at various stages of the project life based on contractual agreements. At the end of the financial year there are some projects that have not reached completion but will be completed within the contractual terms in future financial periods. At balance date the Authority has significant cash and cash equivalents that will be utilised to complete these projects in future financial years.

6.2 Reconciliation of net result for the period to cash flow from operating activities

	2017	2016
Net result for the period	1,847,016	(354,875)
Non-cash movements		
(Gain)/loss on disposal of non-current assets	(31,793)	58,261
Depreciation and amortisation of non-current assets	406,680	258,789
Movements in Assets and Liabilities		
Decrease/(increase) in receivables	133,619	2,331,666
(Decrease)/increase in employee related provisions	(152,423)	119,879
Decrease/(increase) in prepayments	-	-
(Decrease)/Increase in payables	169,753	(784,171)
Net Cash flows from/(used in) Operating Activities	2,372,852	1,629,549

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and are exclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable

Nominal amounts 2017	Less than 1 year	1 - 5 years	5+ years	Total
Other commitments payable	2,992,099	266,465		3,258,564
Total commitments	2,992,099	266,465	-	3,258,564

Nominal amounts 2016	Less than 1 year	1 - 5 years	5+ years	Total
Other commitments payable	3,486,015	-	-	3,486,015
Total commitments	3,486,015	-	-	3,486,015

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Authority is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Authority related mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial instrument. Due to the nature of the Authority's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial instruments

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Authority recognises the following assets in this category:

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

Held to maturity financial assets: If the Authority has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The Authority makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes term deposits which the Authority intends to hold to maturity.

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. The Authority recognises certain debt securities in this category.

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

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for the year ended 30 June 2017**

7.1.1 Financial instruments: Categorisation

	Contractual financial assets - loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
2017			
Contractual financial assets			
Cash and deposits	39,806,173	-	39,806,173
Receivables ^(a)			
Accrued investment income	7,696	-	7,696
Other contractual receivables	2,805		2,805
Investments and other financial assets			
Term deposits	1,000,000	-	1,000,000
Total contractual financial assets	40,816,674	-	40,816,674
Contractual financial liabilities			
Supplies and services	-	502,998	502,998
Amounts payable to government and agencies	-	204,886	204,886
Total contractual financial liabilities	-	707,884	707,884

(a) The total amounts disclosed here exclude statutory amounts

	Contractual financial assets - loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
2016			
Contractual financial assets			
Cash and deposits	37,730,973	-	37,730,973
Receivables ^(a)			
Accrued investment income	7,195	-	7,195
Other contractual receivables	48,207		48,207
Investments and other financial assets			
Term deposits	1,000,000	-	1,000,000
Total contractual financial assets	- 38,786,375	-	38,786,375
Contractual financial liabilities			
Supplies and services	-	414,343	414,343
Amounts payable to government and agencies	-	137,416	137,416
Total contractual financial liabilities	-	551,759	551,759

(a) The total amounts disclosed here exclude statutory amounts

7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Total interest income/ (expense)	Total
2017		
Contractual financial assets		
Financial assets designated at fair value through profit and loss	649,959	649,959
Total contractual financial assets	649,959	649,959
2016		
Contractual financial assets		
Financial assets designated at fair value through profit and loss	807,570	807,570
Total contractual financial assets	807,570	807,570

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost;
- and for financial asset and liabilities that are held for trading or designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

7.1.3 Financial risk management objectives and policies

As a whole, the Authority's financial risk management program seeks to manage credit, liquidity and interest rate risks and the associated volatility of its financial performance. The Authority is not exposed to foreign currency or equity price risks.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Authority's financial risks within the government policy parameters.

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

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

Financial instruments: credit risk

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

Credit risk associated with the Authority's contractual financial assets is minimal because the main debtors are the Victorian and Commonwealth Government. For debtors other than the Government, it is the Authority's policy to only deal with entities with high credit ratings of a minimum triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

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In addition, the Authority does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the Authority's policy is to only deal with banks with high credit ratings and Treasury Corporation Victoria.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Authority will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Authority's credit risk profile in 2016-17.

Credit quality of contractual financial assets that are neither past due nor impaired

	Government agencies (triple-A credit rating)	Other (min triple-B credit rating)	Other (unrated)	Total
2017				
Cash and deposits	38,438,710	1,366,463	-	39,805,173
Receivables ^(a)	10,501	-	-	10,501
Investments and other financial assets	1,000,000	-	-	1,000,000
Total contractual financial assets	39,449,211	1,366,463	-	40,815,674

	Government agencies (triple-A credit rating)	Other (min triple-B credit rating)	Other (unrated)	Total
2016				
Cash and deposits	35,847,037	1,882,936	-	37,729,973
Receivables ^(a)	7,195	-	23,512	30,707
Investments and other financial assets	1,000,000	-	-	1,000,000
Total contractual financial assets	36,854,233	1,882,936	23,512	38,760,681

(a) The total amounts disclosed here exclude statutory amounts

Financial instruments: Liquidity risk

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

The Authority is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. The Authority manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily able to be liquidated; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

Financial instruments: Market risk

The Authority's exposure to market risk is primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

The Authority's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Authority cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. A movement of 100 basis points (2016: 100 basis points) in market interest rates is reasonable possible over the next 12 months.

The tables that follow show the impact on the Authority's net result and equity for each category of financial instrument held by the Authority at the end of the reporting period, if the above movements were to occur.

Financial instruments: Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Authority does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits that are at floating rate.

The Authority manages this risk by mainly undertaking fixed rate financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank, as financial assets that can be left at floating rate without necessarily exposing the Authority to significant bad risk, management monitors movement in interest rates on a frequent basis.

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

**Notes to the Financial Report
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Interest rate exposure of financial instruments

2017	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non bearing interest
Financial assets					
Cash and deposits	1.58%	39,806,173	36,000,000	3,805,173	1,000
Receivables					
Other contractual receivables		2,805	-	-	2,805
Accrued investment income		7,696	-	-	7,696
Investments and other financial assets					
Term deposits	1.66%	1,000,000	1,000,000	-	-
Total financial assets		40,816,674	37,000,000	3,805,173	11,501
Financial liabilities					
Payables ^(a)					
Supplies and services		502,998	-	-	502,998
Amounts payable to government and agencies		204,886	-	-	204,886
Total financial liabilities		707,884	-	-	707,884

(a) The total amounts disclosed here exclude statutory amounts

2016	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non bearing interest
Financial assets					
Cash and deposits	2.52%	37,730,973	33,000,000	4,729,973	1,000
Receivables					
Other contractual receivables		51,754	-	-	51,754
Accrued investment income		7,195	-	-	7,195
Investments and other financial assets					
Term deposits	1.99%	1,000,000	1,000,000	-	-
Total financial assets		38,789,923	34,000,000	4,729,973	59,950
Financial liabilities					
Payables ^(a)					
Supplies and services		414,343	-	-	414,343
Amounts payable to government and agencies		137,416	-	-	137,416
Total financial liabilities		551,759	-	-	551,759

(a) The total amounts disclosed here exclude statutory amounts

Interest rate risk sensitivity

		-100 basis points	+100 basis points
	Carrying amount	Net result	Net result
2017			
Contractual financial assets			
Cash and deposits	39,806,173	(398,062)	398,062
Investments and other financial assets	1,000,000	(10,000)	10,000
Total impact	40,806,173	(408,062)	408,062

2016			
Contractual financial assets			
Cash and deposits	37,730,973	(377,310)	377,310
Investments and other financial assets	1,000,000	(10,000)	10,000
Total impact	38,730,973	(387,310)	387,310

7.2 Contingent assets and contingent liabilities

The Authority does not have any contingent assets or contingent liabilities.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

This section sets out information on how the Authority determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities at fair value through operating result and plant and equipment are carried at fair value.

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

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

Fair value hierarchy

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

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

The Authority determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2016-17 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	· supplies and services
· accrued investment income	· amounts payable to government and agencies
· other contractual receivables	
Investments and other contractual financial assets:	
· term deposits	

7.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy

2017	Carrying amount as at 30 June	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Plant, equipment and vehicles at fair value				
Motor vehicles	486,037	n.a.	486,037	-
Office furniture and equipment	110,181	n.a.	-	110,181
Plant and equipment	150,921	n.a.	-	150,921
Total of plant, equipment and vehicles at fair value	747,139	n.a.	486,037	261,102
2016				
Plant, equipment and vehicles at fair value				
Motor vehicles	421,848	n.a.	421,848	-
Office furniture and equipment	110,181	n.a.	-	110,181
Plant and equipment	228,903	n.a.	-	228,903
Total of plant, equipment and vehicles at fair value	760,932	n.a.	421,848	339,084

There have been no transfers between levels during the period.

**Notes to the Financial Report
for the year ended 30 June 2017**

Vehicles are held at fair value and fair value is determined using the depreciated replacement cost method. The Authority acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by the Chief Finance Officer of the Authority who sets relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method. As depreciation adjustments considered as significant, unobservable inputs, these assets are classified as Level 3 fair value measurements.

There were no changes in valuation techniques throughout the period to 30 June 2017.

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

Reconciliation of Level 3 fair value movements

	Office furniture and equipment	Plant and equipment	Leasehold improve- ments	Total
2017				
Opening balance	110,181	228,903	6,965	346,049
Purchases (sales)	24,966	12,869	-	37,835
Depreciation	(60,790)	(90,851)	-	(151,641)
Closing balance	74,357	150,921	6,965	232,243
2016				
Opening balance	131,964	264,772	6,965	403,701
Purchases (sales)	36,043	51,583	-	87,626
Depreciation	(57,826)	(87,452)	-	(145,278)
Closing balance	110,181	228,903	6,965	346,049

There were no unrealised gains or losses (2016: nil) on non-financial assets.

Description of significant unobservable inputs to Level 3 valuations

2017 and 2016	Valuation technique	Significant unobservable inputs
Office furniture and equipment	Depreciated replacement cost	Cost per unit Useful life of office furniture and equipment
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment

Significant unobservable inputs have remained unchanged since June 2016

8. OTHER DISCLOSURES

Introduction

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

Structure

- 8.1 Other economic flows included in net result
- 8.2 Reserves
- 8.3 Responsible persons
- 8.4 Remuneration of executives
- 8.5 Related parties
- 8.6 Remuneration of auditors
- 8.7 Subsequent events
- 8.8 Australian Accounting Standards issued that are not yet effective
- 8.9 Glossary of technical terms

8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in bond interest rates.

	2017	2016
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of plant and equipment	31,793	(58,261)
Total net gain/(loss) on non-financial assets	31,793	(58,261)
Other gains/(losses) from other economic flows		
Other gain/(loss) arising from the revaluation of long service leave liability ^(a)	4,923	(37,262)
Total other gains/(losses) from other economic flows	4,923	(37,262)

(a) Revaluation gain/(loss) due to changes in bond rates.

8.2 Reserves

	2017	2016
Committed funds reserve ^(a)		
Balance at beginning of financial year	6,367,511	8,412,140
Transfers to/(from) accumulated surplus	(702,286)	(2,044,629)
Balance at end of financial year	5,665,225	6,367,511
Salinity offset reserve ^(b)		
Balance at beginning of financial year	27,329,965	25,029,223
Transfers to/(from) accumulated surplus	1,688,124	2,300,742
Balance at end of financial year	29,018,089	27,329,965
Capital renewals reserve ^(c)		
Balance at beginning of financial year	1,042,257	661,863
Transfers to/(from) accumulated surplus	(42,257)	380,394
Balance at end of financial year	1,000,000	1,042,257
Total reserves	35,683,314	34,739,733

(a) The committed funds reserve contains amounts allocated to the completion of specific projects.

(b) The salinity offset reserve contains the amount held by the Authority in accordance with ministerial policies for managing water use licences in salinity impact zones under the *Water Act 1989*.

(c) The capital renewals reserve contains amounts that have been set aside by the Authority for the purpose of funding capital projects.

8.3 Responsible persons

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

Names

The persons who held the positions of Ministers and Accountable Officer in the Authority are as follows:

The Hon. Lisa Neville MLA, Minister for Water	1 July 2016 to 30 June 2017
The Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change	1 July 2016 to 30 June 2017
Sharyon Peart, board chair	1 July 2016 to 30 June 2017
Anthony Martin, board member	1 July 2016 to 30 June 2017
John Arnold, board member	1 July 2016 to 30 June 2017
Robert Jones, board member	1 July 2016 to 26 October 2016
Allison McTaggart, board member	1 July 2016 to 30 June 2017
John Cooke, board member	1 July 2016 to 30 June 2017
Geoff Anderson, board member	12 November 2016 to 30 June 2017
Elizabeth Marwood, board member	12 November 2016 to 30 June 2017
Kellie Nulty, board member	12 November 2016 to 30 June 2017
Jennifer Collins, Chief Executive Officer	1 July 2016 to 30 June 2017

Remuneration

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

	2017	2016
\$0 to \$9,999	4	3
\$10,000 to \$19,999	4	5
\$20,000 to \$29,999	1	1
\$230,000 to \$239,999	1	1
Total	10	10

8.4 Remuneration of executives

The authority does not have any executive officers that meet the definition of FRD 21C disclosures of responsible persons and executive officers, other than ministers and the accountable officer, during the reporting period.
The accountable officer's remuneration has been disclosed in note 8.5 Related parties.

**Notes to the Financial Report
for the year ended 30 June 2017**

8.5 Related parties

The Mallee Catchment Management Authority is statutory authority established by the *Catchment and Land Protection Act 1994*.

The Authority is a wholly owned and controlled entity of the State of Victoria.

Related parties of the authority include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members;
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Key management personnel of the Authority includes Portfolio Ministers, board members and the chief executive officer;

- The Hon Lisa Neville MLA, Minister for Water
- The Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change
- Sharyon Peart, board chair
- Anthony Martin, board member
- John Arnold, board member
- Robert Jones, board member
- Allison McTaggart, board member
- John Cooke, board member
- Geoff Anderson, board member
- Elizabeth Marwood, board member
- Kellie Nulty, board member
- Jennifer Collins, Chief Executive Officer

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

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

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

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

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

Termination benefits include termination of employment payments, such as severance packages.

Compensation of KMP	2017
Short-term employee benefits	303,737
Post-employment benefits	46,264
Other long-term benefits	7
Termination benefits	-
Total^(a)	350,008

(a) Note that KMP are also reported in the disclosure of remuneration of executive officers (Note 8..4).

**Notes to the Financial Report
for the year ended 30 June 2017**

Transactions and balances with key management personnel and other related parties

During the year the Authority received significant payments from the following government related entities:

Department of Environment, Land, Water and Planning	11,982,130
Lower Murray Water	2,418,511
Treasury Corporation Victoria	642,446

During the year the Authority made significant payments to the following government related entities:

Department of Environment, Land, Water and Planning	777,807
La Trobe University	261,293
Parks Victoria	144,545

During the year, Lower Murray Water (LMW), an entity of which Sharyon Peart, board chair, is a KMP of and Anthony Martin's (board member) wife is a KMP of, made payments to the Authority totalling \$2.4 million. These payments related to salinity levies collected by LMW on behalf of the relevant Minister under the policies for managing water use licences in salinity impact zones.

During the year, Mallee Sustainable Farming, an entity which Alison McTaggart (board member) is a KMP of, was awarded contracts on terms and conditions equivalent for those that prevail in arm's length transactions under the Authority's procurement process. The transactions related to providing, or agreeing to provide, contracting and/or consulting services to the value of \$237,600.

During the year, MADEC, an entity which Jennifer Collins' (CEO) partner is a KMP of, was awarded contracts on terms and conditions equivalent for those that prevail in arm's length transactions under the Authority's procurement process. The transactions related to providing, or agreeing to provide, payments to traditional owners for cultural heritage assessments to the value of \$59,421.

During the year, Sunrise Mapping, an entity which John Cooke (board member) is a KMP of, was awarded contracts on terms and conditions equivalent for those that prevail in arm's length transactions under the Authority's procurement process. The transactions related to providing, or agreeing to provide, contracting and/or consulting services to the value of \$25,190.

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

8.6 Remuneration of auditors

	2017	2016
Victorian Auditor-General's Office		
Audit or review of the financial statements	14,900	14,500
Total remuneration of auditors	14,900	14,500

(a) The Victorian Auditor-General's Office is not allowed to provide non-audit services

8.7 Subsequent events

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

8.8 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated.

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2017 reporting period. The Authority assesses the impact of all these new standards and their early adoption where applicable.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: the change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and other fair value changes are presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9 to annual reporting periods beginning on or after 1 January 2018; as a consequence of Chapter 6; and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

**Notes to the Financial Report
for the year ended 30 June 2017**

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount can be measured reliably.	1 Jan 2017, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i>	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not- for-Profit Entities</i>	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

**Notes to the Financial Report
for the year ended 30 June 2017**

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-3 <i>Amendments to Australian Accounting Standards - Clarification to AASB 15</i>	This Standard amends AASB 15 to clarify requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The requirements require: a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-4 <i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	This standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on the balance sheet,	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. No change for lessors.

**Notes to the Financial Report
for the year ended 30 June 2017**

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This Standard will replace AASB 1004 and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above.

The following accounting pronouncements are also issued but not effective for the 2016-17 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

AASB 2016 - 6 Amendments to Australian Accounting Standards – Applying AASB 9 *Financial Instruments* with AASB 4 *Insurance Contracts*

For the current year, given the number of consequential amendments to AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming change.

8.9 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprise:

- a balance sheet as at the end of the period;
- a comprehensive operating statement for the period;
- a statement of changes in equity for the period;
- a cash flow statement for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net financial liabilities is calculated as liabilities less financial assets, other than equity in PNFCs and PFCs. This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance – net result from transactions: Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the Authority.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

APPENDICES

1. Disclosure Index

The Mallee Catchment Management Authority (CMA) annual report is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the CMA's compliance with statutory disclosure requirements.

Table 31: Ministerial Directions and Financial Reporting Directions Disclosure index

Legislation	Requirement	Page
Report of Operations		
<i>Charter and purpose</i>		
FRD 8D	Performance objectives, indicators and outputs	7
FRD 22H	Manner of establishment and the responsible Ministers	4
FRD 22H	Nature and range of services provided	4
FRD 22H	Objectives, functions, powers and duties	5
FRD 22H	Performance objectives, indicators and outputs	7
<i>Management and structure</i>		
FRD 22H	Organisational structure	43
FRD 22H	Audit committee membership and roles	48
SD 3.2.1	Audit committee membership and roles	48
SD 3.2.2	Audit committee membership and roles – non-executive director	48
<i>Financial and other information</i>		
FRD 22H (FRD 8D in MRO)	Performance against key performance indicators (financial)	42
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FRD 22H	Occupational health and safety policy	53
FRD 22H	Public Sector values and Employment principles	56
FRD 22H	Workforce Inclusion Policy	57
FRD 22H	Comparative Workforce Data	56
FRD 22H	Consultancies expenditure details over \$10,000	58
FRD 22H	Consultancies expenditure details under \$10,000	58
FRD 22H	Disclosure of government advertising expenditure	58
FRD 22H	Information and Communication Technology expenditure	58
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	59
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FRD 22H	Statement on National Competition Policy	60
FRD 22H	Application and operation of <i>Protected Disclosures Act 2012</i>	60
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SD 5.1.4	Attestation for compliance with Victorian Financial Management compliance	66
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<i>Building Act 1993</i>		60
<i>Victorian Industry Participation Policy Act 2003</i>		58
<i>Protected Disclosures Act 2012</i>		60
<i>Financial Management Act 1994</i>		1 and 66

2. Outputs delivered in 2016-17 under each of the Mallee RCS sub-strategies

Table 32: Outputs delivered in 2016-17 under each of the Mallee RCS sub-strategies

Output Title	Measure	Indigenous Participation Plan	Biodiversity Strategy (TBD)	Floodplain Management Strategy (In Dev.)	Regional Landcare Support Strategy	Sustainable Agriculture Strategy (In Dev.)	Waterway Strategy	Land and Water Management Plan	Not Applicable	Grand Total
1.03 Pump	No.						4			4
1.04 Irrigation infrastructure	No. Sites Ha.						5 2	36 460		41 463
1.05 Waterway structure	No.						12			12
1.06 Terrestrial structure	No.						5			5
1.08 Monitoring structure	No.					1	24	632		657
1.09 Fence	No. Sites Km.		48 93.28			53 14	103 82			204 189
1.10 Visitor facility	No.					28	43			71
1.11 Road	No. Sites Km.						1 2			1 2
1.12 Crossing	No.						1			1
2.01 Vegetation	No. Sites Ha.		56 6099			6 91	6			65 705
2.02 Weed control	No. Sites Ha.		193 48,217.93		2 1,349		14 1,817			209 51,383
2.03 Pest animal control	No. Sites Ha.		111 85,820		8 8,745		18 19,207			137 113,472

2.08 Earth works	No. Sites					11				11
2.09 Rubbish removal	No. Ha.						4 6			4 6
3.02 Agricultural practices	No. Sites Ha.					10 1,046				10 1,046
3.03 Water	No. Ha.						54 8,633			54 8,633
4.01 Approval and advice	No.						108	124	3	235
4.02 Management agreement	No. Ha.		132 395,313		11 1,189,047	58 150	37 4,282	92 1,390		330 1,590,182
4.03 Assessment	No. Ha.		380 464,304	2 NA ⁱ	25 NA [*]	132 91,285	356 NA [*]	43 NA [*]	1 NA [*]	986 NA [*]
4.04 Engagement event	No. Events No. Participants	79 1,666	14 480	17 215	25 610	102 1,167	320 3,687	54 580	70 730	681 9,135
4.05 Partnership	No.	1	6	2	16	9	67	19	12	132
4.06 Plan	No.			1	15	38	46	12	4	116
4.07 Publication	No.		38	5	13	40	182	38	11	327
4.08 Information management system	No.				1	1	3	6	7	18

ⁱ * *Not applicable as one or more applied at whole of region scale.*

