



Annual Report 2015-16



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Cover images: Buloke-Pine woodland; Wildlife Detective Activity book launch at Hattah-Kulkyne; and Vineyard.

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Mallee Catchment Management Authority Annual Report 2015-16
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Acknowledgement

The Mallee CMA acknowledges and respects Aboriginal and Torres Strait Islander people, communities and organisations.

We recognise the diversity of their cultures and deep connections they have with Victoria's lands and waters.

The Mallee CMA and our people pay our respects to Indigenous Elders past and present, and we acknowledge the legal rights and obligations that Traditional Owners have in caring for their Country.

Responsible Body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Mallee Catchment Management Authority's (CMA) Annual Report for the year ending 30 June 2016.



Sharyon Peart

Board Chair, Mallee CMA

24 August 2016

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Photo: Mallee CMA Indigenous Project Officer raising the flag at the NAIDOC ceremony.



Part 1: Report of operations

Section 1: Year in review

Overview

1.1 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 public trust of a high level.
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).



1.2 Chair's report

The 2015-16 year was a year of consistent delivery for the Mallee Catchment Management Authority (CMA), which was made possible through strong working relationships with key stakeholders, delivery partners and the local community.

Highlights of the year included:

- Continuing to provide a strategically-strong framework for our operations, through the development of critical guiding documents including, the Mallee Riparian Action Plan; the Mallee CMA's Cultural Competency Framework, the Mallee Indigenous Participation Plan; and the Mallee NRM Plan for Climate Change. These documents build on the Mallee Regional Catchment Strategy (RCS) and its associated sub strategies by further targeting investment and accelerating improvements in the condition of priority assets;
- Ensuring community members were meaningfully involved in the work of the Mallee CMA, which was illustrated by the high number of people engaged in various projects, including the 1,986 participants directly engaged in activities and events to celebrate the region's waterway values and celebrate the shared benefits of environmental watering. Planning for delivery partnerships and engagement activities also continued to be informed and enhanced by advice received from regional stakeholders through forums such as the Mallee CMA's Aboriginal Reference Group, Community Advisory Committee, and Technical Advisory Committees (Land, Water and Biodiversity);
- Proactively supporting local communities through drought, thanks to the Victorian Government's Drought Employment Program, which employed 16 drought-affected people on work crews at Birchip, Hopetoun and Woomelang to deliver locally identified projects. Activities included invasive species mapping and control, tree planting, and maintenance of community facilities;
- Over 130,000ha of environmental works delivered in partnership with land managers (public and private) and community groups to address key threats to the regions priority riparian and terrestrial landscapes, and the threatened species and communities that they support. This included the establishment of 359 management agreements with delivery partners to inform works requirements and secure long term outcomes;
- Continuing to develop a regional evidence base from which the impact of investment on both threat mitigation (short term) and resource condition (long term) can be quantified. Progressing the implementation of a 'Community Capacity for NRM monitoring tool' and establishing standards for assessing the immediate impact of on ground works (e.g. rabbit control, revegetation) has further enhanced this framework.

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 goes 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.



Sharyon Peart

Board Chair, Mallee CMA

24 August 2016

1.3 Manner of establishment and responsible Minister/s

The Mallee CMA was established in 1997 under the *Catchment and Land Protection Act 1994* (CaLP Act). The responsible Minister for the period from 1 July 2015 to 22 May 2016 was:

- the Hon Lisa Neville MP, Minister for Environment, Climate Change and Water.

The responsible Ministers for the period from 23 May 2016 to 30 June 2016 were:

- the Hon Lisa Neville MP, Minister for Water; and
- the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

1.4 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 coordinated efforts of the region's land managers, government agencies and community groups.

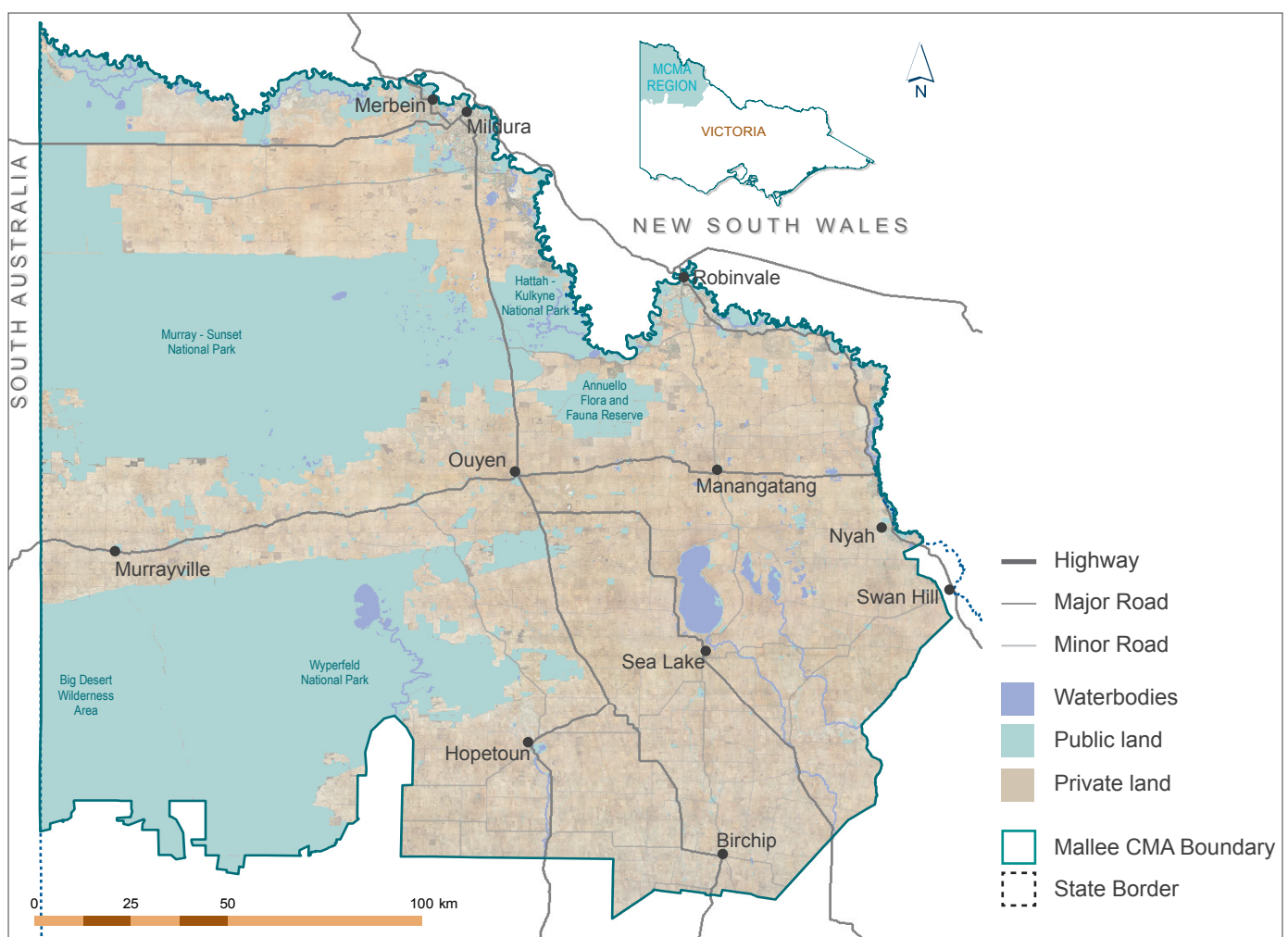



Figure 1: Map of Mallee CMA region.



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) 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 includes: 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.

1.5 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 coordinate 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 2015-20 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 2014-19 strategic priorities and business objectives

Strategic priority		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 and monitor 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 reform policy.	2.1	Continue to support planning and implementation of the Basin Plan in a way that aligns with the Victorian Government's approach.
	2.2	With the Victorian Government, plan and deliver environmental infrastructure projects.
	2.3	Continue to 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.
Meeting the organisation's corporate and social responsibilities.	4.1	Proactively support the Mallee CMA's vision, mission and values.
	4.2	Facilitate opportunities for cross program (internal and external) cooperation and delivery.
	4.3	Improved business management systems and processes to better support delivery of wider organisational objectives.



Photos: Before and after Stock Containment Area construction.

Performance reporting - Non financial

1.6 Performance against objectives

Targets by which Catchment Management Authorities (CMAs) measure annual performance against legislative compliance requirements are established by the Minister under section 19C(2) of the CaLP Act. Further detail is provided within the Department of Environment, Land, Water and Planning's (DELWP's) Guidelines for Catchment Management Authority Corporate Plans (2015) under five performance areas:

- Business management and governance;
- Regional planning and coordination;
- Regional delivery;
- Statutory functions under Part 10 of the *Water Act*; and
- Statutory functions under Part 11 of 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 2015). Fully compliant with guidelines.
	A risk management strategy/plan approved by the board and being implemented.	Reviewed (June 2016) Approved (June 2016) 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 coordination	A regional catchment strategy (RCS) approved by the minister.	Approved (May 2013) Implementation (2013-2019)
	A stakeholder and community engagement framework/plan approved by the board.	Approved (June 2013) 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 Mallee floodplain management strategy approved by the board.	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) Implementation (due for review/renewal 2016)
	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 (28 August 2015, as directed)

Regional delivery	Progress with implementation of the RCS (and its major sub-strategies) is reviewed by the board annually.	Reviewed (August 2015)
	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 Mallee 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.	100% 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).

Performance measures to determine progress against the Mallee CMA's stated business objectives, together with the strategic priorities these objectives deliver against (see section 1.5), are established by the board annually, and detailed within the organisation's Corporate Plan.

The Mallee CMA's achievement against each 2015-16 performance measure is reported in Table 3.



Photos: Migratory birds at Lake Hawthorn.

Table 3: Performance measures established by the Mallee CMA

Strategic priority	Objectives supported	Performance measures	2015-16 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.	Percent of RCS long term (20 year) objectives delivered against: 100% . Percent of RCS strategic (6 year) actions delivered against: 76% .
	1.1 1.4	Application of the RCS Monitoring, Evaluation, Reporting, Improvement (MERI) framework to guide adaptive management and continuous improvement.	Status: • Implementation (2013-19)
	1.1 1.3	Implementation and review the RCS Implementation Plan to guide integrated and targeted delivery frameworks.	Status: • Review (May 2016) • Implementation (2013-2019)
	1.2	Development of NRM strategies and action plans in line with investor requirements and in consultation with regional stakeholders.	Mallee NRM Plan for Climate Change (June 2016). Mallee Indigenous Participation Plan (May 2016). Environmental Watering Management Plans (11 over year). Mallee Floodplain Management Strategy (under development). Mallee Dryland Agriculture Strategy (under development)
	1.4	Completion of all projects to agreed budget, time lines 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: 90%
Supporting the development and implementation of water policy.	2.1	Input into the planning process underpinning the implementation of the Basin Plan supported via local, regional and state arrangements.	Number of forums represented on: 7
	2.2	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: 10
	2.1 2.3	Stakeholders and wider community engaged in the planning and development of environmental infrastructure projects.	Number of community stakeholders participating in engagement/consultation activities: 1,764
Maintaining and increasing community capacity for natural resource management. (continued over page)	3.1 3.2	Activities aligned with the 2013-19 Mallee RCS Consultation and Engagement Framework.	Percent of priority actions delivered against: 100%
	3.1 3.2	Continued development and implementation of the Targeted Community Capacity Tool to monitor, where relevant, Community Capacity for NRM at a regional, landscape and project scale.	Status: • Implementation (ongoing)
	3.1	Monthly reports to Mallee CMA Board to inform Board members of planned and delivered community engagement activities.	Number of reports: 11


(cont. from previous page) Maintaining and increasing community capacity for natural resource management.	3.1	Links to partner agencies and community fostered through community and technical advisory committees.	Number of community advisory committees facilitated: 2
	3.2		Number of technical advisory committees facilitated: 5
Meeting corporate and social responsibilities.	3.1	Opportunities for knowledge and skill enhancement via volunteer organisations such as Landcare and Friends Of groups supported.	Number of community group members participating in awareness/training activities: 1,597
	3.2		
	4.1	All governance and operational activities conducted in line with the Mallee CMA's stated values and behaviours.	Percent activities conducted in line with stated values and behaviours: 100%
	4.2	Projects/activities delivered through collaboration with external stakeholders and/or internal collaborations.	Number of partnerships established or maintained: 168
	4.2	Development, review of and implementation of systems and processes to better support delivery of the Mallee CMA's corporate and operational objectives.	Number of systems/processes developed/ reviewed: 5

1.7 Initiatives and key achievements

Government programs and initiatives delivered against by the Mallee CMA in 2015-16, and the regional outcomes achieved through these is reported in Table 4.

Table 4: Key achievements delivered under government programs/initiatives

Program/Initiative	Key 2015-16 achievements
Victorian Landcare Program	<p>29 regional Landcare groups provided with ongoing coordination support;</p> <p>12 Landcare/community groups provided with devolved grants to support the delivery of local priorities;</p> <p>5,293ha of on-ground works (i.e. pest plant and animal control, revegetation) delivered for the protection and enhancement of priority local assets;</p> <p>496 students engaged through the Junior Landcare program; and</p> <p>527 Landcare members participating in awareness raising / training events.</p>
Waterway Management Program	<p>Development and implementation of 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;</p> <p>2,207ha of targeted works delivered in partnership with land managers and local Landcare groups; addressing key threats to the region's priority riparian landscapes and optimising environmental watering outcomes;</p> <p>11 Environmental Watering Management Plans developed in consultation with land managers, community groups and other stakeholders;</p> <p>58 sites with changed water regimes, encompassing approximately 2,658ha of priority waterways;</p> <p>156 publications disseminated and 174 events delivered (1,986 participants) to promote the region's waterway values and the benefits of environmental watering. Key outcomes included 329 community members engaged by the Citizen Science program, with 42 volunteers participating in training and associated monitoring activities; and over 300 local Year 9 students completing the Mallee 'Wetland Learning' package, a combination of classroom learning and field trips; and</p> <p>Support for implementation of the DELWP 'Response to Victorian Auditor-Generals (VAGO) recommendations on the effectiveness of CMA's' Action Plan. This included delivery of regional consultation processes to inform development of the statewide 'Our Catchments, Our Communities' Integrated Catchment Management Strategy (2016-19).</p>



Sustainable Irrigation Program	<p>Updated satellite imagery and spatial information (up to 2015) enabled further assessment of irrigation areas in the Mallee region and demonstrated the dynamics of changes in irrigation areas, crop type and watering systems. A key finding of the published Crop Report was that nut crops (99% represented by almonds) have superseded grapes as the dominant crop type grown in the Mallee region for the first time since soldier settlement;</p> <p>Implementation of a Seasonal Adjustment for Annual Use Limits (AULs), in response to the exceptionally hot and dry weather during the 2015-16 irrigation season resulted in an increase of 30% for Mallee Water Use Licences (WULs) in May 2016. This outcome was supported by climate data, customer reference group consultation and independent advice;</p> <p>60 management agreements established to provide on-farm irrigation incentives in partnership with DEDJTR under the Mallee Irrigation Incentives program, supporting: 46ha of irrigation system conversions; 312ha of systems checks; water use monitoring equipment across 119ha; and irrigation drainage management plans for 47ha, to achieve better water use efficiency and thereby reduce groundwater accessions;</p> <p>Five year reviews undertaken by the Mallee CMA on behalf of Victoria for four accountable actions located in the Mallee region. The reviews considered and addressed areas of uncertainty in demonstrating the validity of the original salinity credits items as part of the continuous improvement approach adopted under the Basin Salinity Management Strategy (BSMS) salinity accounting framework; and</p> <p>Draft Victorian Mallee Irrigation Development Guidelines 2016 developed for endorsement by stakeholder agencies.</p>
Victorian Drought Response Program	<p>16 people affected by drought in the southern Mallee employed on work crews at Birchip, Hopetoun and Woomelang to deliver locally identified projects. Activities have included invasive species mapping and control, tree planting, and maintenance of community facilities; and</p> <p>16 stock containment areas established by dryland farmers in drought affected areas, with agreements in place for a further 57 to be constructed.</p>
Mallee Salinity Investment Plan	<p>45 management agreements established to provide on-farm irrigation incentives in partnership with DEDJTR under the Mallee Irrigation Incentives program supporting: 584ha of irrigation system conversions; 98ha of systems checks; water use monitoring equipment installed across 387ha; and irrigation drainage management plans developed for 176ha; to achieve better water use efficiency and thereby reduce groundwater accessions;</p> <p>Satellite imagery and Mallee climate information utilised within a new methodology developed by the Department of Economic Development Jobs Transport and Resources (DEDJTR) to estimate water use requirements for specific crops and root zone drainage on a regional scale. Early results indicate a strong relationship between the predicted estimates against actual water use data;</p> <p>515 bores monitored (continuously, quarterly, biannually or annually) for salinity and groundwater level data as part of the Mallee Groundwater Monitoring Program; and</p> <p>25 irrigation drainage sites and 3 in-stream river sites monitored for salinity and flow data.</p>
Murray-Darling Basin Plan	<p>Commissioning of works associated with the Murrumbidgee Creek structure (The Living Murray);</p> <p>55 assessments undertaken to support ongoing monitoring of the impacts of investment over time on both threat mitigation (short term) and resource condition (long term);</p> <p>Technical investigations and detail design work completed to progress each of the Sustainable Diversion Limits adjustment program's 7 sites in the Mallee (Lindsay Island, Wallpolla Island, Hattah Lakes Stage 2, Belsar Island, Burra Creek, Nyah and Vinifera); and</p> <p>1,710 stakeholders and wider community members engaged in the planning and development of environmental infrastructure projects.</p>
Biodiversity Fund	<p>37,649ha of invasive species management, 1,141ha of biodiverse plantings and 51km of stock exclusion fencing delivered in partnership with land managers (public and private) and community groups to support the re-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; and</p> <p>58 management agreements established and/or maintained with private land managers to support and inform the delivery of works.</p>

National Landcare Programme

13,830ha of invasive species management undertaken to protect key ecological attributes of the Hattah-Kulkyne Lakes Ramsar site; this included piloting of an innovative feral cat control program which was effective in reducing population numbers;

54,175ha of invasive species management, 135ha of biodiverse plantings, 24ha of rubbish removal, and 62km 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;

Development of an Indigenous Participation Plan to identify Indigenous NRM aspirations; and support increased involvement in the planning and implementation of regional projects;

9 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);

73 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 'incentives' provided for the delivery of 18 stock containment areas, the reclamation of 22 dunes, and the establishment of 57ha of native vegetation; and

51 publications disseminated and 158 events delivered (2,729 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).

1.8 Structural changes to Mallee CMA in 2015-16 affecting performance reporting

There were no significant changes or factors which affected the performance of the Mallee CMA during the reporting period.

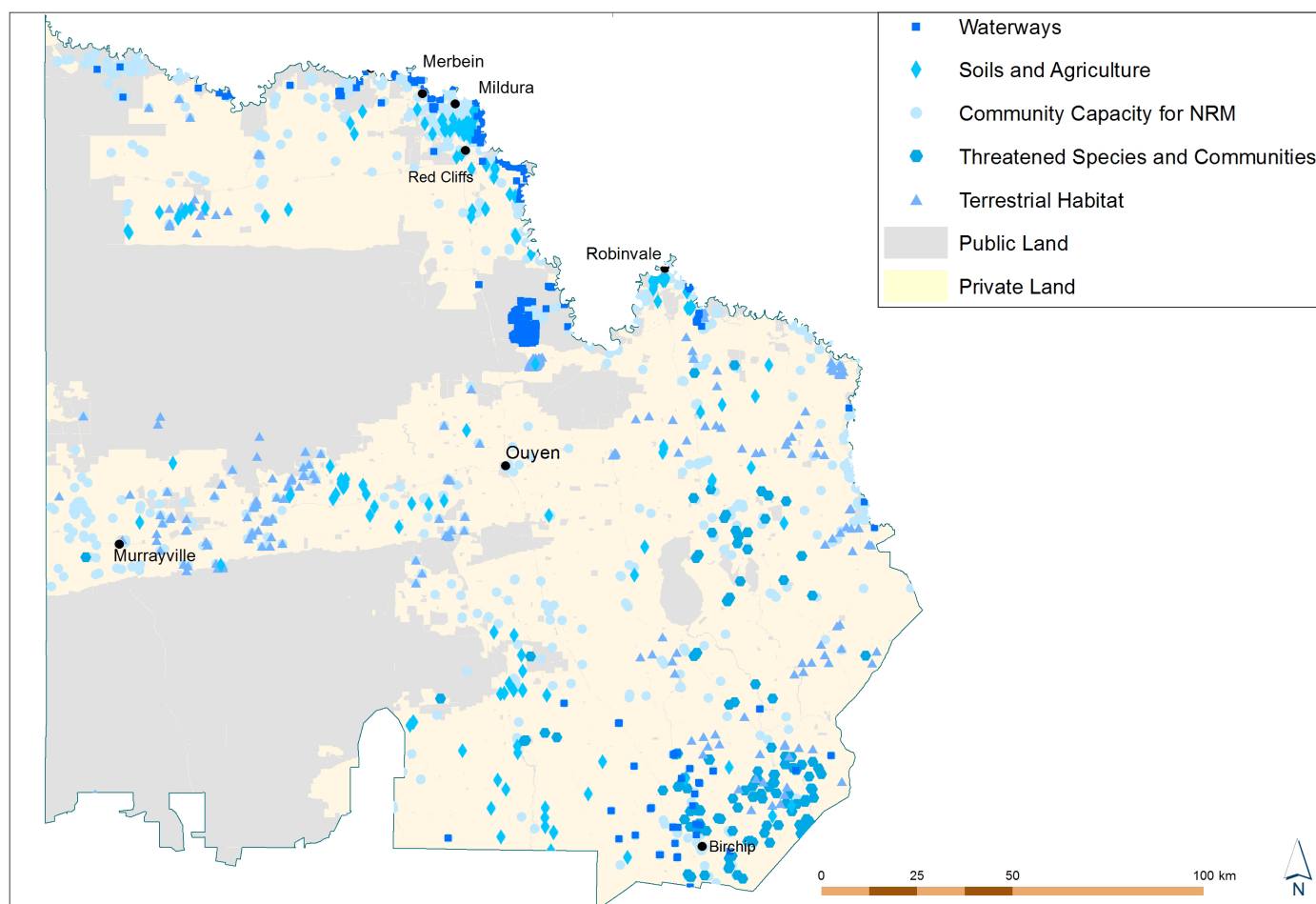


Figure 2: Management actions undertaken 2015-16

1.9 Condition and management report

This condition and management report for 2015-16 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.

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).
Threatened species and communities	Threatened species and communities	Populations of threatened or significant species; occurrences of threatened communities.
Terrestrial habitat	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.).
Soils and agriculture	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.

1.9.1 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).

Management

Key management outputs and associated activities delivered in 2015-16 for the protection and enhancement of the region's priority waterway assets are reported in Table 6. These align with the Department of Environment, Land, Water and Planning (DELWP) Output Data Standard (2015).

Regional stakeholders engaged in the planning and delivery of these waterway related outputs included the DELWP, Parks Victoria, water authorities, local government, Landcare, community based NRM groups, Indigenous community, and private land managers.

Table 6: Waterway management outputs and activities

Output	Activity	Unit measure	Achieved
Crossing	Install	No.	9
Earth works	Establish	No.	30
Fence/Bollards	Install, maintain, remove, replace	Km.	13
Pest animal control	Maintain	Ha.	15,262
Pump	Establish, maintain	No.	7
Road/Trail	Install, maintain, modify	Km.	52
Rubbish removal	Establish	Ha.	118
Vegetation (native indigenous)	Establish, maintain	Ha.	6
Water regime	Deliver, dewater	No.	58
Waterway structure	Install, maintain	No.	25
Weed control	Maintain	Ha.	2,687

Condition

Monitoring of regional waterway assets 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.

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).

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 (Papay, P and Maloney, P (2012): *Victoria's wetlands (2009-2011): state wide assessments and condition monitoring*).

More recent 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 2015-16) 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 (Henderson M, Freestone F, Vlamis T, Cranston G, Huntley S, Campbell C and Brown P (2014): *The Living Murray Condition Monitoring at Hattah Lakes 2015–16: Part A – Main Report*). 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).

Regional groundwater monitoring in 2015-16 found that, when compared to 2014-15 data, 81% of bores (sampled in both years) experienced a decline in groundwater level. The percentage of bores that saw a rise in groundwater level was 15%. Salinity levels for the majority of bores (63%) showed a decrease in concentration of the bores sampled in both years. In summary, both groundwater levels and salinity levels declined in the bores sampled in both years. (Mallee CMA, 2016. *Mallee Groundwater Monitoring*. Final report Mallee CMA).

1.9.2 Threatened species and communities

The Mallee 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 a federal (27) or state (133) level; and 10 listed communities (4 federal and 6 state).

Management

Key management outputs and associated activities delivered in 2015-16 for the protection and enhancement of the region's threatened species and communities are reported in Table 7. These align with the DELWP Output Data Standard (2015).

Regional stakeholders engaged in the planning and delivery of these outputs included the DELWP, Department of Economic Development, Jobs, Transport and Resources (DEDJTR), Parks Victoria, water authorities, local government, Trust for Nature, Greening Australia, Landcare, community based NRM groups, Indigenous community, and private land managers.

Table 7: Threatened species and communities management outputs and activities

Output	Activity	Unit measure	Achieved
Fence	Install, replace, maintain	Km.	62
Pest animal control	Maintain	Ha.	38,294
Rubbish removal	Establish	Ha.	24
Vegetation (native indigenous)	Establish	Ha.	135
Weed control	Maintain	Ha.	15,663

Condition

Threatened species populations are generally 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).

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 has determined that the relocated fish are 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 ability of some species to respond to favourable conditions is also 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, a 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 (Benshemesh J, Stokie P: *Malleefowl monitoring in Victoria: 2012-13, 2013-14, 2014-15, 2015-16*. Unpublished reports 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).

Further monitoring is required to investigate the impact of both investment and environmental conditions on the overall condition of threatened species and communities in the Mallee.

1.9.3 Terrestrial habitat

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.

Management

Key management outputs and associated activities delivered in 2015-16 for the protection and enhancement of the region's terrestrial habitat assets are reported in Table 8. These align with the DELWP Output Data Standard (2015).

Regional stakeholders engaged in the planning and delivery of these outputs included the DELWP, DEDJTR, Parks Victoria, water authorities, local government, Greening Australia, Trust for Nature, Landcare, community based NRM groups, Indigenous community, and private land managers.

Table 8: Terrestrial habitat management outputs and activities

Output	Activity	Unit measure	Achieved
Earth works	Establish, modify	No.	6
Fence	Install, replace, maintain	Km.	79
Pest animal control	Maintain	Ha.	28,678
Vegetation (native indigenous)	Establish	Ha.	1,145
Weed control	Maintain	Ha.	25,675

Condition

The condition statements below reflect that trends in measures of the region's terrestrial habitat assets remain largely stable to improving.

Based on statewide 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.

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).

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.

1.9.4 Soils and agriculture

Some 62% of the Mallee is under agricultural production, with an estimated 2.4 million ha of dryland farming and a further 72,500 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 vegetable crops. Mallee soils play an essential role in supporting these productive landscapes, and the region's broader ecosystems.

Management

Key management outputs and associated activities delivered in 2015-16 for the protection and enhancement of the region's soils and agricultural assets are reported in Table 9. These align with the DELWP Output Data Standard (2015).

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, Dodgshun Medlin, Vic No-Till and other industry groups, Indigenous community, and private land managers.

Table 9: Soils and agriculture management outputs and activities

Output	Activity	Unit measure	Achieved
Agricultural practices	Modify	No.	15
Earth works	Establish, modify	No.	39
Fence	Install	Km.	12
Irrigation infrastructure	Install	Ha.	1,167

Condition

Monitoring of regional soil and agricultural land assets indicates a condition trend of stable to improving.

Widespread changes in dryland agricultural management practices over recent years have dramatically reduced 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).

The current (as of 2009) estimated area of saline soils in the Mallee stands at 142,206ha or 3.8% of the land surface. Some 39% (55,460ha) of total saline surfaces are classified as induced and associated with land-use change. Any trend in this indicator cannot however be established until another estimate is made. (Mock, I. and Grinter, V., (2009) *Mapping the Mallee's Saline Land*. Unpublished report for the Mallee CMA).

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 2015-16 period indicate the surface water drainage flows and regional groundwater levels have mostly resumed the downward trend; with some drainage catchments resuming flows representative of those observed in the early 2000s.

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% is being actively managed through clearing, regular slashing or conversion to horse paddocks. However, 30% of the total remains covered in dead and dying plantings.

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.

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 previous 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 2015, metered extraction was 1,400ML more than recorded in 2014, however, the seasonal drawdown and subsequent recovery was similar to that observed in 2013/14. Salinity levels have remained relatively stable throughout the WSPA (GWMWater, (2015) *Murrayville Water Supply Protection Area Groundwater Management Plan, Annual Report 2014/15*).

1.9.5 Community capacity for NRM

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.

Management

Key management outputs and associated activities delivered in 2015-16 to enhance community capacity for NRM are reported in Table 10. These align with the DELWP Output Data Standard (2015).

Regional stakeholders engaged in the planning and delivery of these outputs included the DELWP, DEDJTR, Parks Victoria, water authorities, local government, Trust for Nature, Landcare, community based NRM groups, Birchip Cropping Group, Mallee Sustainable Farming, Dodgshun Medlin, Vic No-Till and other industry groups, Indigenous community, and private land managers.

Table 10: Community capacity management outputs and activities

Output	Activity	Unit measure	Achieved
Approval and advice	Establish, maintain	No.	367
Assessment	Establish, maintain	No.	708
Engagement event	Attend, coordinate, establish	No. participants	8,585
Information management system	Establish, maintain	No.	18
Management agreement	Establish, maintain	No.	359
Monitoring structure	Install, maintain	No.	18
Partnership	Establish, maintain	No.	168
Plan	Establish, review, modify	No.	126
Publication	Establish, maintain	No.	346

Condition

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 Regional Catchment Strategy 2013-19 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 provide assessments on their 'effectiveness' and some measures of community capacity.

For example, in 2015-16 there were 8,556 participants at Mallee CMA engagement activities (e.g. workshops, field days, meetings). Of those surveyed 64% rated the overall delivery of these activities as excellent, and 29% as good. In regards to their primary motivations for participating, 59% cited 'learning about a topic', and a further 18% as 'maintaining/strengthening social connections or professional networks'.

Members of Mallee CMA Community and Technical Advisory Committees rated the overall delivery of information at their meetings as being excellent (58%) or good (42%). Opportunities to provide feedback were also rated highly (60% excellent, 31% good); with 85% 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' (39%) and 'addressing priorities within my Farm Plan' as their primary reasons for participating. The level of communications and support they received through these programs was rated as either excellent (39%) or good (48%); with 92% likely to apply for similar programs in the future.

The region also 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 644 farm businesses, representing 1.25 million ha or over 50% of agricultural land in the region to develop whole farm environmental plans. Some 131 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 9,069 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 continues 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 effected areas, 17ha of revegetation for biodiversity, 10km of fencing for native vegetation protection and 292ha of pest animal control works. (McCamley J., (2015) and McWhinney, K., (2016) *Environmental Management Action Planning (EMAP) 2, 5 7 and 8 Graduate Review*. Unpublished reports for the Mallee CMA).

Performance reporting - Financial

1.10 Five year financial summary

The Mallee CMA funding levels over the past five years are detailed below.

Table 11: Five year financial summary

Five year financial summary	2015-16	2014-15	2013-14	2012-13	2011-12
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Commonwealth Government contributions	4,455	8,984	9,634	3,750	3,777
State Government contributions	7,194	6,575	7,419	6,495	8,196
Other revenue (includes \$8,650 Total other economic flows)	6,064	4,287	4,075	3,981	5,050
Total Revenue	17,713	19,846	21,128	14,226	17,023
Expenditure					
Depreciation	259	240	191	194	193
Employee benefits	5,250	4,546	4,377	4,636	5,741
Materials, maintenance, grants and consultants	7,937	7,521	4,200	4,837	6,599
Contractor expenses	3,441	2,303	2,483	2,775	3,185
Rental	260	291	281	274	303
Operating expenses	921	1,397	1,167	1,084	1,526
Total Expenditure	18,068	16,298	12,699	13,800	17,547
Assets					
Current assets	38,997	40,376	36,330	27,548	27,322
Non-current assets	1,223	864	790	615	814
Total Assets	40,220	41,240	37,120	28,163	28,136
Liabilities					
Current liabilities	1,616	2,282	1,722	1,089	1,520
Non-current liabilities	103	101	91	196	164
Total Liabilities	1,719	2,383	1,813	1,285	1,684



1.11 Current year financial review

Mallee Catchment Management Authority reported a deficit of \$354,874 for the financial year. Assets exceed liability by \$38,501,328 (30-06-15 \$38,856,202). Cash at bank remains strong at \$38,730,973 (30-06-15 \$37,777,866), of which \$27,311,784 is held for Salinity Offset Funds, \$6,385,692 held for future projects and reserves to meet our employee benefits and future capital commitments.

Major revenue streams were grants received from the Department of Environment, Land, Water and Planning \$7,193,482 (30-06-15 \$5,226,652), Commonwealth Government \$4,455,354 (30-06-15 \$8,984,280), Salinity Levies \$3,256,726 (30-06-15 \$3,141,988) and Regional Contributions \$1,959,000 (30-06-15 \$1,348,699).

1.12 Significant changes in financial position

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

1.13 Significant changes or factors affecting performance

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

1.14 Capital projects

The Mallee CMA does not manage any capital projects.

1.15 Disclosure of grants and transfer payments

The Mallee CMA has provided assistance to certain companies and organisations as part of devolved grants programs. Financial assistance provided, exclusive of GST, to the year ended 30 June 2016 is detailed in Table 12.

Table 12: Disclosure of grants and transfer payments

Organisation	Description	Payment \$
Annuello Landcare Group	Annuello roadside and corridor rabbit control works 2016	\$34,880.00
Annuello Landcare Group	Annuello 2016 rabbit control in reserves	\$20,000.00
Annuello Landcare Group	Salinity control project - Annuello	\$10,690.00
Berrillock Landcare Group	Protecting and enhancing threatened species and communities	\$17,295.00
Berrillock Landcare Group	Angel's Rest Flora Reserve upgrade	\$2,600.00
Birchip Landcare Group	Protecting and enhancing threatened species and communities	\$17,400.00
Birchip Landcare Group	Enhancing and protecting remnant vegetation with a biolink corridor and the control of rabbits and African Boxthorn	\$19,895.00
Cabarita Inc. Landcare Group	Riparian activities Lake Hawthorn	\$27,182.00
Culgoa Landcare Group	Protecting and enhancing threatened species and communities	\$17,295.00
Culgoa Landcare Group	Controlling Culgoa's rabbits, cactus and boxthorn	\$12,265.00
Hopetoun Landcare Group	Rabbit, weeds and glasshouse projects 2015	\$34,582.00
Hopetoun Landcare Group	Protecting and enhancing threatened species and communities	\$11,710.00
Kooloonong-Natya Landcare Group	Mallee Cactus Crusaders	\$34,248.00
Kooloonong-Natya Landcare Group	Rabbit control program	\$18,250.00
Kooloonong-Natya Landcare Group	Kooloonong-Natya Hudson Pear eradication project	\$19,375.00
Kulkyne-Way Landcare Group	Kulkyne Way rabbit eradication program 2016	\$19,395.00
Lake Coorong/Lake Lascelles COM	Lake Coorong and Lake Lascelles rabbit and weed campaign 2015	\$17,541.00

Lalbert Landcare Group	Bunny baiting for the benefit of biodiversity in Lalbert 2015	\$11,500.00
Mallee Landcare Group	Mallee Landcare ripping Nandaly/Mittyack 2016	\$20,000.00
Manangatang Landcare Group	Manangatang Landcare roadside and corridor rabbit control works 2016	\$34,880.00
Manangatang Landcare Group	Cocamba-Miralie Reserve stock containment and protection of flora	\$20,000.00
Manangatang Landcare Group	Protecting and enhancing threatened species and communities	\$10,350.00
Millewa-Carwarp Landcare Group	Rabbit eradication program: Yarra to Werrimull	\$34,356.00
Millewa-Carwarp Landcare Group	Rabbit eradication program 2016	\$19,395.00
Murrayville Landcare Group	Murrayville and Districts rabbit control program 2016	\$33,850.00
Murrayville Landcare Group	Reducing Rabbit and Fox Numbers in the North West Mallee	\$10,475.00
Nullawil Landcare Group	Protecting and enhancing threatened species and communities	\$19,800.00
Nyah West Landcare Group	Nyah West 2016 Rabbit Control Program	\$13,250.00
Nyah West Landcare Group	Nyah West Rabbit Action 2016	\$17,135.00
Rainbow & Districts Landcare Group	Rainbow and Districts Rabbit, Weed and Racing Track Projects 2015	\$35,000.00
Rainbow & Districts Landcare Group	Project 1 Rabbit Ripping	\$9,840.00
Rainbow & Districts Landcare Group	Project 2 Yaaheet Wetlands	\$5,386.00
Sea Lake Landcare Group	Sea Lake Rabbit Control 2016	\$20,000.00
Sea Lake Landcare Group	Protecting and enhancing threatened species and communities	\$20,000.00
Swan Hill West Landcare Group	Swan Hill West Rabbit Action 2016	\$19,400.00
Ultima Landcare Group	Rabbit Control in Ultima	\$35,000.00
Ultima Landcare Group	Controlling Rabbits in Ultima	\$19,365.00
Waitchie Landcare Group	Waitchie Rabbit Management 2016	\$20,000.00
Waitchie Landcare Group	Protecting and enhancing threatened species and communities	\$20,000.00
Waitchie Landcare Group	Waitchie Landcare Rabbit Action 2016	\$19,975.00
Total		\$803,560.00

1.16 Subsequent events

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

Section 2: Governance and organisational structure

2.1 Organisational structure and corporate governance arrangements

The organisational structure of the Mallee CMA (see Figure 3) 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.

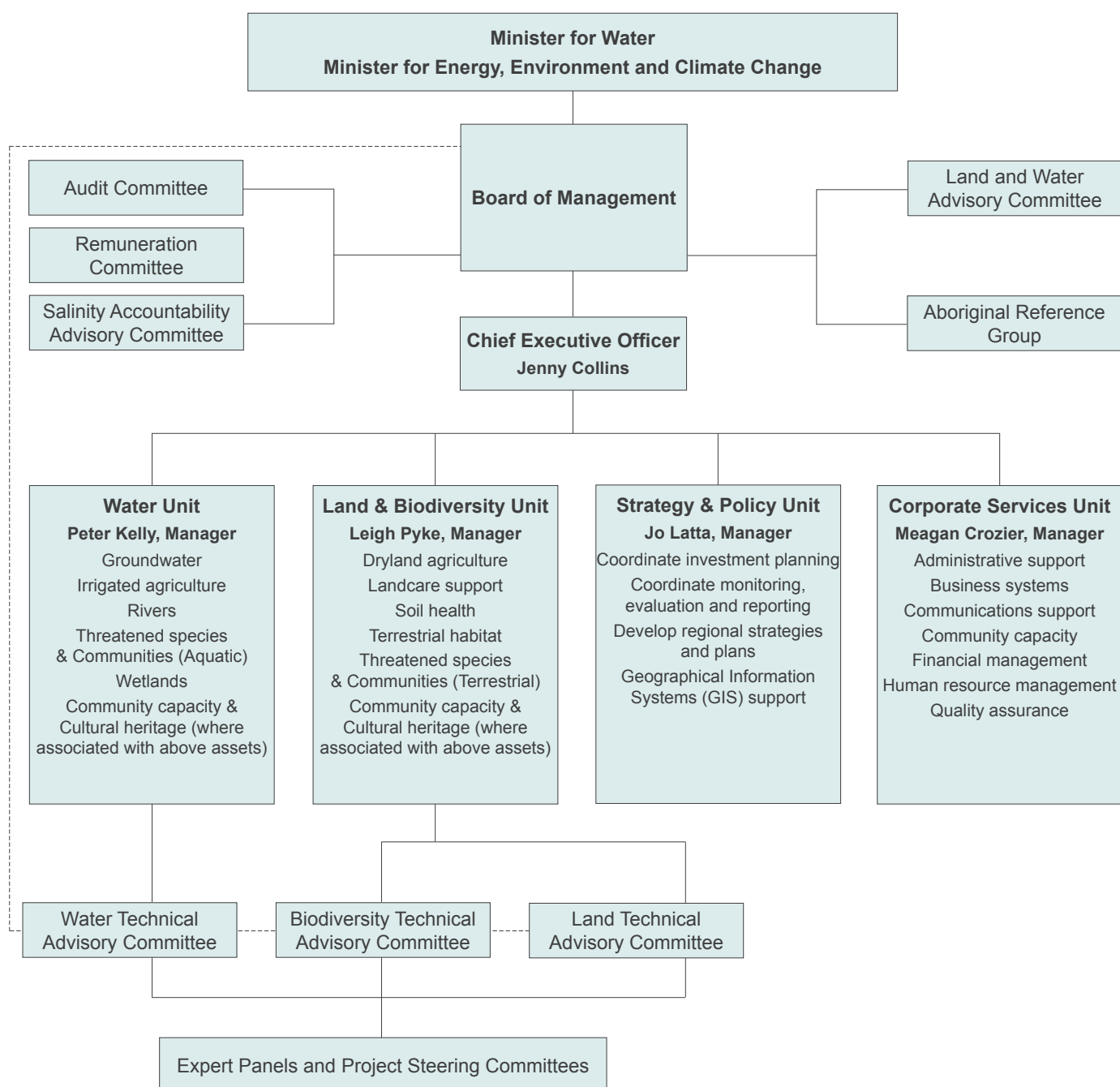


Figure 3: Mallee CMA organisational structure 2015-16

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 nine members until 30 September 2015 and six members through to 30 June 2016.

Board members represent a wide range of interests including agricultural, economic, horticultural, environmental. 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.

2.1.1 Governing Board members

Sharyon Peart – Chair

Sharyon is an experienced small business operator and holds various leadership roles within the community. Sharyon runs her own small business and is a current Councillor at Mildura Rural City Council; a director of the Northern Mallee Local Learning and Employment Network (NMLLEN); a member of the LaTrobe University's Mildura Regional Advisory Board; a director of Lower Murray Water; and a member of the Victorian Agricultural Advisory Group. Sharyon's roles include:

- Chair - Remuneration Committee;
- Board representative - Land and Water Advisory Committee (to 25 November 2015);
- Board representative - Aboriginal Reference Group; and
- Chair - Intergovernmental Stakeholder Reference Group, Victorian Floodplain Management Strategy.

The current term of appointment for Sharyon Peart is 1 October 2013 to 30 September 2017.

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. He has more than 40 years' experience as an extension officer, research scientist, manager and internal consultant. As a scientist and manager, John has been actively involved in soil and water management. In 2015 John was awarded an honorary Doctor of Science by La Trobe University in recognition of his contribution to natural resource management and his community involvement in northern Victoria. John's roles include:

- Board representative - Land Technical Advisory Committee (from 25 November 2015);
- Board representative - Water Technical Advisory Committee; and
- Board representative - Salinity Accountability Advisory Committee.

The current term of appointment for John Cooke is 16 November 2013 to 30 September 2017.

Tony Martin – Deputy Chair (to 30 September 2015)

Tony is a horticulturist who has been involved in natural resource management in the Murray-Darling Basin for more than 20 years. He is a member of the Australian Institute of Company Directors, a director of the Mildura Development Corporation, and Dried Fruits Australia and a member of the Murray-Darling Basin Authority's Basin Community Committee. Tony's roles include:

- Chair - Salinity Accountability Advisory Committee;
- Member - Audit Committee; and
- Board representative - Land and Water Advisory Committee (from 25 November 2015).

The current term of appointment for Tony Martin is 27 October 2015 to 30 September 2019.

Allison McTaggart

Allison is an independent consultant primarily in human resources and business, including strategic planning, governance, corporate communications and workplace health and safety. With a background in executive management, including 10 years as a human resource manager within agribusiness and four years as Manager of Communications and Industry Analysis with the Australian Table Grape Association. Allison has also held roles in public relations/marketing and more recently in Workforce Development for Murray Primary Health Network. Allison is a current director of a family owned earthmoving business, Mallee Sustainable Farming and Western Murray Irrigation. She is a former director of Lower Murray Water; Lower Murray Darling CMA; the Murray Darling Association; and the Mildura Private Hospital. Allison is a current member of the Australian Human Resource Institute, Governance Institute of Australia, Institute of Community Directors Australia and Fellow of the Australian Institute of Company Directors. Allison's roles include:

- Member - Remuneration Committee; and
- Member - Audit Committee (from 23 March 2016).

The current term of appointment for Allison McTaggart is 14 October 2013 to 30 September 2017.

Robert (Bruce) Jones

Bruce has been a dairy farmer for many years and has a background in irrigation administration. He served on the Swan Hill Rural City Council from 2003 until 2008 and served as Mayor from 2005 until 2006. Bruce is a member of the Independent Review Panel for Goulburn-Murray Water's Connections Project. Bruce's roles include:

- Board representative - Biodiversity Technical Advisory Committee;
- Board representative - Land and Water Advisory Committee (from 25 November 2015); and
- Board representative - Water Technical Advisory Committee.

The current term of appointment for Bruce Jones is 14 October 2013 to 30 September 2017.

John Arnold

John has been a dried fruit and citrus grower for 28 years. He also owned an aluminium manufacturing business for 18 years. John is a graduate of the Australian Institute of Company Directors and has served on a number of organisations in the Mildura and Merbein community. He is a Councillor with the Mildura Rural City Council. John's roles include:

- Member - Audit Committee (Chair from 25 November 2015); and
- Member - Remuneration Committee (from 25 November 2015).

The current term of appointment for John Arnold is 14 October 2013 to 30 September 2017.

Geoff Anderson

Geoff is a dryland farmer from the central Mallee town of Ouyen. A farmer for more than 45 years, Geoff has been involved in all aspects of improving dryland agricultural and environmental land management, particularly salinity. Geoff's roles include:

- Board representative - Aboriginal Reference Group; and
- Board representative - Land and Water Advisory Committee.

The term of appointment for Geoff Anderson concluded on 30 September 2015.

William (Eddie) Lee

Eddie is a dry and farmer from the southern Mallee town of Birchip. A former local government councillor, Eddie is passionate about sustainable farming and market-driven environmental outcomes. Eddie has been a farmer for more than 40 years and is a member of the Birchip Cropping Group Advisory Committee. Eddie's roles include:

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

The term of appointment for Eddie Lee concluded on 30 September 2015.

Paul Grigg

Paul has a background of more than 35 years in broad-acre dryland farming, including grain trading, bulk storage and bulk haulage transport. He has represented industry at local and state levels; has extensive board director experience; and is a graduate of the Australian Institute of Company Directors. Paul is also the independent chair of the Greater Sunraysia Pest Free Area Industry Development Committee (GSPFAIDC), a statutory authority formed to oversee Queensland Fruit Fly control in the greater Sunraysia horticultural regions. Paul's roles include:

- Chair - Audit Committee;
- Member - Remuneration Committee; and
- Board representative - Water Technical Advisory Committee.

The term of appointment for Paul Grigg concluded on 30 September 2015.

2.1.2 Board meetings attended

Ten ordinary Board meetings were held during the 2015-16 financial year. The Board Chair approved any Board member absences during the reporting period.

Table 13: Board meeting attendance

Board member	Ordinary meetings attended
Sharyon Peart	10
John Cooke	9
Tony Martin	10
Allison McTaggart	10
Bruce Jones	10
John Arnold	10
Eddie Lee*	3
Paul Grigg*	3
Geoff Anderson*	2

*Member of Board for three of 10 meetings during reporting period.

2.1.3 Board committees

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

Remuneration Committee

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

- Undertake the recruitment, selection, performance management and remuneration of the Chief Executive Officer; 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 - Chair;
- Allison McTaggart - Member;
- John Arnold - Member (from 25 November 2015);
- Paul Grigg - Member (to 30 September 2015).

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 at the regional level;
- The management and maintenance of the Mallee Regional Salt Register; and
- 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.

The members of the SAAC during the reporting period were:

- Tony Martin (Chair) - Mallee CMA Board Deputy Chair;
- John Cooke - Mallee CMA Board Member;

- Peter Jones - Community Member;
- Owen Lloyd - Community Member;
- Guy Kingwill - Lower Murray Water Board Member (from May 2016); and
- Peter Kelly - Mallee CMA Manager Water.

Agency representatives were:

- Owen Russell - Lower Murray Water; and
- Susan Ryan - Department of Environment, Land, Water and Planning.

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

Land and Water Advisory Committee

The Land and Water Advisory Committee (LWAC) was formed to ensure the community committee structure reflected the Authority's integrated approach to natural resource management and project delivery. The LWAC is responsible for guidance on community input and engagement in Mallee CMA initiatives and regional plans from a community perspective, with input to the Board through the Board representative/s.

A membership renewal process was undertaken during the reporting period. Members were appointed by the Board for either a two or four year term.

The members of the LWAC during the entire reporting period and re-appointed to January 2018 were:

- Bill Nicol (Chair);
- Robert Biggs;
- Andrew Hudson;
- Owen Lloyd;
- Graham McKechnie;
- Ron Wiseman.

Members appointed in January 2016 with a term concluding in January 2020 were:

- Andrew Menzies;
- Keith Barber; and
- Maria Riedl.

LWAC members with terms concluded in November 2015 were:

- Chris Greig;
- Debbie Green;
- Dorothy Brown;
- Dorothy Reid;
- Richard Ferrier; and
- Tim Millen

Board representatives:

- Sharyon Peart (to 25 November 2015);
- Tony Martin (from 25 November 2015);
- Bruce Jones (from 25 November 2015); and
- Geoff Anderson (to 30 September 2015).

The LWAC met five times during the reporting period and four Board members attended various meetings.

Aboriginal Reference Group

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

- Communicating Aboriginal stakeholder needs and understanding of the environment and how these may be met; and
- Advising on emerging Aboriginal stakeholder issues and perspectives relevant to natural resource management.

A membership renewal process was undertaken during the reporting period. Members were appointed by the Board for a four year term.

The members of the ARG during the reporting period were:

- Brett Harrison;
- Fred Baxter;
- Leigh Fuller;
- Margaret Whitton;
- Michael Gilby; (to December 2015) and
- Rose Kirby (re-appointed to January 2020)

Members appointed in January 2016 with a term concluding in January 2020 were:

- Charlene Davis (Chair);
- Mellisa Jones;
- Michael Carter;
- Veronica Harradine; and
- Robbie Ferrer.

Board representatives:

- Sharyon Peart; and
- Geoff Anderson (to 30 September 2015).

The ARG met four times during the reporting period.

Technical Advisory Committees

Technical Advisory Committees (TACs) for the asset classes of biodiversity, water and land are 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 provide a valuable forum for partnerships, technical advice and support to the Mallee CMA.

The technical advisory committees consist of members drawn from agencies and local organisations with technical expertise, as well as Mallee CMA Board member(s).

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 four times during the reporting period. The members were:

- Joanne Robinson - Mildura Rural City Council;
- Tammy Herne - Swan Hill Rural City Council;
- Mick Dedini - Department of Economic Development, Jobs, Transport and Resources;
- Fiona Murdoch - Lower Murray Water;
- Greg Ogle - Trust for Nature;
- Peter Foster - Parks Victoria; and
- Jill Flemming - Department of Environment, Land, Water and Planning.



Board representatives:

- Bruce Jones (from 25 November 2015); and
- Eddie Lee (to 30 September 2015).

Land Technical Advisory Committee

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

- Linda Walters - 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 representatives:

- John Cooke (from 25 November 2015)
- Paul Grigg (to 30 September 2015); and
- Eddie Lee (to 30 September 2015).

Water Technical Advisory Committee

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

- Maxine Schache - Department of Environment, Land, Water and Planning;
- Andrea Keleher - Department of Economic Development, Jobs, Transport and Resources;
- Bernie Dunn - Grampians Wimmera Mallee Water;
- Bonnie Pettett - Mildura Rural City Council;
- Darryl Pearl - Department of Economic Development, Jobs, Transport and Resources;
- David Christian - Parks Victoria; and
- Peter Ebner - Lower Murray Water.

Board representatives:

- Bruce Jones; and
- John Cooke.

2.2 Audit Committee membership and roles

The Audit Committee consists of four members and a chairperson. Two of the members are independent members, as indicated below. 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;
- The Mallee CMA's process for monitoring compliance with laws and regulations and its own code of conduct and code of financial practice.

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

- John Arnold - Member/Chair (Chair from 25 November 2015);
- Tony Martin - Member;
- Grant Martinella - Independent Member (re-appointed to 11 December 2018);
- Inga Della Santa - Independent Member (from 24 February 2016);
- Allison McTaggart - Member (from 20 April 2016);
- Paul Grigg - Chair (to 30 September 2015); and
- Leonie Burrows - Independent Member (resigned 17 September 2015).

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 2015-16, the committee met 10 times. Attendance of committee members is detailed in Table 14.

Table 14: Audit Committee meeting attendance

Audit member	Ordinary meetings attended
John Arnold	9
Tony Martin	10
Grant Martinella	9
Inga Della Santa ¹	2
Allison McTaggart ²	3
Paul Grigg ²	3
Leonie Burrows ²	3

¹ Member of Audit Committee for four of 10 meetings during reporting period.

² Member of Audit Committee for three of 10 meetings during reporting period.

2.2.1 Internal and external audits

The Office of the Auditor-General, through MGR Accountants conducts the external audit, and RSM Australia Chartered Accountants conducts a program of internal audits.

2.3 Occupational health and safety

In accordance with the Victorian *Occupational Health and Safety Act 2004* (OHS), 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.

The Mallee CMA acknowledges that the health, safety and welfare of our employees, service providers, community and visitors to our workplaces is of prime importance and should not be impaired or prejudiced by our operations.

The Mallee CMA recognises that the responsibility for OHS rests with managers, line-managers, employees and service providers. A personal commitment and involvement of all stakeholders is essential in establishing and maintaining healthy and safe working environments.

The Mallee CMA Occupational Health Safety and Welfare Committee (OHSW) is the link between the employees and management. It provides an excellent opportunity for all employees to participate in monitoring and improving health, safety and welfare for all. Consultation is an integral element of the workplace safety process. The OHSW committee's role is to provide input and feedback into safety and welfare related policies and procedures. Workplace safety is a standing agenda item at the Operations 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 Training;
- Four Wheel Driving;
- Chemical Handlers course including 1080 Bait Control;
- Health and Safety Representative training;
- Traffic Control and Roadwork Signage and Safety Training; and
- Side by Side ATV Training.

To improve safety practices when conducting project activities on public land, the Mallee CMA engaged a training provider to deliver traffic control, roadwork signage and safety training. This training was delivered to project officers, drought employment program participants and service providers who participate in on-ground works. The training provided the participants with the skills and knowledge to implement a traffic management plan and employ traffic control measures in accordance with the plan.

Following a review of service provider OHS management in the previous reporting period the Mallee CMA implemented an online OHS management system portal. The system has improved efficiency with the collection, verification and ongoing monitoring of service providers' documentation and compliance with legislation requirements. The system also includes online OHS induction and training courses which are adapted for the category of employee or service provider and updated as required.

The benefit of the online OHS management and induction system is the time saved in performing compliance and induction, flexibility in the delivery of training and the ability for project officers to access compliance and induction information in the field through the use of smart phone or tablet technology.

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 Authority and assisted with data collection and analysis of safety related issues and the ability to provide a valuable improvement program.

Occurrences reported include incidents/accidents, injuries, hazards and near misses. During 2015-16 the number of reported occurrences increased by 64 per cent (from 14 to 23). No fatalities occurred in the reporting period and injuries increased by 100 per cent (from 1 to 2). Reported incidents/accidents not resulting in injury increased by 25 per cent (from 4 to 5). There were no WorkCover claims submitted in the reporting period.

The number of hazards reported rose significantly in the period. Reporting of hazards increased by 100 per cent (from 7 to 14). Reported occurrences from service providers accounted for 30 per cent (7) of the total for the year. This increase can be contributed to the implementation of the improved reporting system and education and training for employees and service providers in regard to OHS reporting.

The graph below displays numbers and categories of reported occurrences for the past six years.

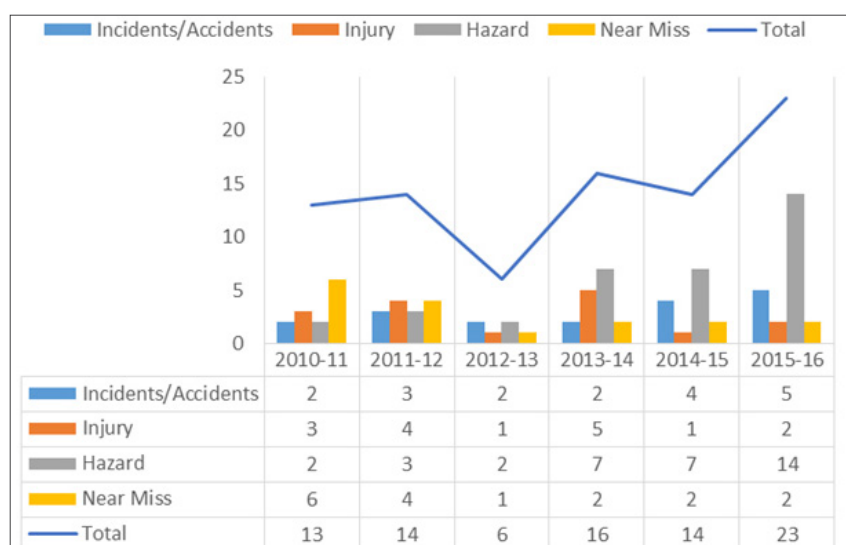


Figure 4: Number of reported OHS occurrences 2010-11 to 2015-16.

Table 15: Performance against OHS management measures

Measure	KPI	2015-16	2014-15	2013-14
Incidents	Number of incidents	23	14	16
	Rate per 100 FTE	11.5	7	8
Claims	Number of claims	Nil	Nil	2
	Rate per 100 FTE	Nil	Nil	1
	Number of lost time claims	Nil	Nil	2
	Rate per 100 FTE	Nil	Nil	1
	Number of claims exceeding 13 weeks	Nil	Nil	Nil
	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%	Nil	Nil
	• Worksafe Notices	100%	Nil	Nil
	Percentage of managers and staff that have received OHS training:			
	• Induction	100%	100%	100%
	• Management training	100%	80%	100%
	• 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%



Section 3: Workforce Data

3.1 *Public administration 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.

To ensure the values of this legislation are embedded within the Mallee CMA's workplace, the Authority has a suite of detailed employment policies, including policies related to recruitment, redeployment, managing under performance and discipline.

Equal opportunity

The Mallee CMA is committed to the principles of the *Equal Opportunity Act 2010* and adheres to the Victorian Public Sector Code of Conduct. The Mallee CMA actively promotes equal opportunity and has established processes to ensure that the Public Sector Principles of Employment are promoted and adhered to.

3.1.1 *Merit and equity*

Employees are appointed after a comprehensive selection process, as set out in the Mallee CMA Recruitment and Selection Policy and involve a mixed gender selection panel. This approach is based on the recruitment principles of the Victorian Public Sector to help ensure staff are selected on the basis of merit. This assists in recruiting and retaining quality staff that fit both the organisation and the position.

Staff development

Staff development is considered critical to the Mallee CMA's operation as it enables skills to be maintained and improved so that staff can perform their duties with maximum efficiency. This not only creates a cost saving for the Mallee CMA through efficient staff performance, but also increases employees' job satisfaction, leading to retention of quality staff.

Annual performance reviews are undertaken by all staff, with ongoing feedback received from line managers during the course of the year. This enables any issues to be dealt with immediately and also any learning and development opportunities to be identified and implemented.

The list below indicates all courses and training undertaken by various staff during the reporting period:

- CPR refresher;
- Health and safety representative training;
- First aid training Level II;
- Side by side Utility Terrain Vehicle training;
- 4WD operators training;
- Agriculture Chemical Users training;
- 1080 training;
- Annual Agreed Taxonomy training;
- Advanced Diploma of Management;
- Cultural Competency training;
- Cultural Heritage training;
- Digital SLR Photography;
- Emotional Intelligence training;
- Northern Mallee Leaders program;
- Government and Environmental Regulation;
- Integrated Management Systems Auditor training;
- Microsoft Project training;
- Project Management Prince 2;
- Risk in practice (introduction level);
- Minute taking training;
- Theory & Practice of restoration and rehabilitation;
- Traffic Control Roadwork Signage and Safety Training;
- Workplace Obligations Training;
- Position Description Classification Training; and
- Know your award and National Standards training.

The Mallee CMA understands the importance of a healthy workforce and encourages staff to participate in activities that promote healthy living. Staff took part in the following activities during the reporting period:

- Flu vaccinations;
- Lunchtime bocce competition;
- Lunchtime cycling group;
- Lunchtime walk the block group;
- Twilight bowls;
- 10,000 steps challenge.

3.2 Comparative workforce data

The skills and knowledge of Mallee CMA staff, together with the relationships they build with the Authority's partners and stakeholders, their innovation, and commitment are critical to the success of the organisation.

At 30 June 2016, the Mallee CMA employed 49 staff, which included a total of 47.16 full time equivalent (FTE) positions. The staff consisted of 21 males and 28 females during the reporting period. Staff members had skills in a range of areas including research, project management, human resource management, environmental science, communication, finance, quality assurance and geographic information systems.

Employees have been correctly classified in workforce data collections.

Table 16: Workforce data disclosures

Mallee CMA employed 47.16 FTE staff in 2015-16 compared to 45.34 FTE staff in 2014-15						
	2015-16			2014-15		
	Headcount	FTE	Casual/FTE	Headcount	FTE	Casual/FTE
Executive Officers	1	1	0	1	1	0
Senior Managers	7	7	0	4	4	0
Administration Staff	10	9	2.29	10	9	1
Project/Support Staff	30	29.16	12.05*	30	29.34	3.6**
Landcare Employees	1	1		2	2	1.6
Total	49	47.16	14.34	47	45.34	6.2
Casual	22	14.34		11	6.2	
Total	71	61.50	14.34	58	51.54	6.2
Male	21	20.60	10.38	24	23.6	3
Female	28	26.56	3.96	23	21.74	3.2
Total	49	47.16	14.34	47	45.34	6.2

* 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.

** Employed casual staff for tree planting/revegetation works for a six week period in June 2015.

3.3 Executive Officer data

Table 17: Executive Officer data

VPS Bands	2015-16				2014-15			
	All	On-going	Female	Male	All	On-going	Female	Male
EO-3	4	4	3	1	4	4	3	1
Other*	4	4	3	1	1	1	1	0
Total	8	8	6	2	5	5	4	1

* Executives whose remuneration does not fall into the Victorian Public Service Executive remuneration bands but who are classified as executives for the purposes of Note 18 to the Authority's financial statements.

One of the Executive Officers included above is disclosed in Note 18 of the Authority's financial statements as a Responsible Person.

There were no vacancies for Executive Officers as at the date of this report (2015: nil) nor were there any separations during the financial year ended 30 June 2016 (2015: nil).



Section 4: Other disclosures

4.1 *Implementation of the Victorian Industry Participation Policy*

The *Victorian Industry Participation Policy Act 2003* (VIPPA Act) requires public bodies and departments to report on the compliance with the VIPPA. Public bodies are required to apply this policy in all tenders over one million dollars in regional Victoria.

No tenders were issued by the Mallee CMA greater than one million dollars during the reporting period to 30 June 2016.

4.2 *Consultancy expenditure*

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

In 2015-16, there were 96 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015-16 in relation to these consultancies was \$4,621,778 (excl. GST).

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

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

In 2015-16, there were 87 consultancies engaged during the year, where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2015-16 in relation to these consultancies was \$268,520 (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.

4.3 *Disclosure of major contracts*

The Mallee CMA did not award any major contracts (valued at \$10 million or more) during 2015-16 reporting period.

4.4 *Expenditure of funds within the Mallee Salinity Investment Plan 2015-16*

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 2015-16 totaled \$3,167,532.

Total expenditure in 2015-16 within the Mallee Salinity Investment Plan was \$1,416,686. 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* (\$186,905);
- Mallee On-farm Irrigation Incentives Program for works and measures that generate salinity benefit for Victoria (\$501,940);
- Model refinement to improve the estimation of salinity impact from irrigation within the Mallee region (\$14,195);
- Generating salinity credits and policy enhancement for High Impact Zones (\$8,180);
- Development of salinity credit generating projects (\$119,036);
- Annual data collection from Mallee groundwater observation bores (\$108,435) and irrigation drainage monitoring stations (\$116,510) 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 (\$95,122);
- Salinity communication and extension (\$58,171)
- Satellite based estimation of crop water use and rootzone drainage (\$188,842); and
- Salinity (EC)/Total Dissolved Solids (TDS) relationship for irrigation-mobilised groundwater within the Mallee Irrigation Districts (\$19,350).

4.5 Government advertising expenditure

Mallee CMA's expenditure in the 2015-16 reporting period on government campaign expenditure did not exceed \$100,000.

4.6 Information and Communication Technology (ICT) expenditure

For the 2015-16 reporting period, the Mallee CMA had a total ICT expenditure of \$775,531.42 with the details shown below.

\$'000			
Business As Usual (BAU) ICT expenditure	Non-BAU ICT expenditure	Operational expenditure	Capital expenditure
Total	Total (A + B)	A	B
\$307	\$468	\$5	\$463

"ICT expenditure" refers to Mallee CMA's costs in providing business-enabling ICT services. 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.

4.7 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.
Ph: 03 9637 9730.

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 \$27.90, effective from 1 July 2016. 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.

4.8 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. As such, the Authority does not have the capacity to require building approvals.

4.9 National Competition Policy

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

4.10 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: www.malleecma.vic.gov.au.

Contacts

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 18: Disclosures under *Protected Disclosures Act*

Disclosures under the <i>Protected Disclosure Act 2012</i>	2015-16	2014-15
The number of disclosures made by an individual to the Mallee CMA and notified to the Independent Broad-based Anti-corruption Commission	0	1

4.11 Compliance with establishing act

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.

Establishing act responsibilities are set out at 1.5 of this Annual Report. The Mallee CMA is compliant with these establishing act requirements.

4.12 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 Table 19.

Table 19: Mallee CMA office-based environmental impacts

Outputs	Activity	2016 Actual	2017 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" reuse facility
Reduce paper	Double-sided printing and printer user boxes are set as default to reduce paper usage	2.5	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 asterisks (*) contributes to the whole of site target, measured by DEDJTR as a reduction in energy intensity in DEDJTR facilities, expressed as MJ/m ² 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 Resource Smart. 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	85%	88%	% 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	40%	38%	Participation by % of FTE
	Awareness and education at staff training sessions	4	4	Site awareness
	Posters, fliers, newsletters	4	4	Site awareness



4.13 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:

Manager Corporate Services
Mail: Mallee CMA, PO Box 5017, Mildura Victoria 3502
Phone: 03 5051 4377
Email: admin@malleecma.com.au

4.14 Attestation for compliance with Standing Direction 4.5.5

I, Sharyon Peart, certify that the Mallee Catchment Management Authority has complied with the Ministerial Standing Direction 4.5.5 - Risk Management Framework and Processes. The Mallee CMA's Audit Committee has verified this.



Sharyon Peart

Board Chair, Mallee CMA

24 August 2016

4.15 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

Section 5: Financial Statements

For the year ended 30 June 2015:



Mallee Catchment Management Authority STATUTORY DECLARATION

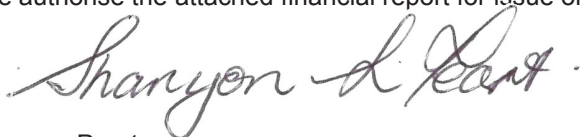
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

We certify that the attached financial statements for the Mallee Catchment Authority (the Authority) have been prepared in accordance with Standing Direction 4.2 of *the Financial Management Act 1994*, and 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 2016 and financial position of the Authority as at 30 June 2016.

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

We authorise the attached financial report for issue on 24 August 2016.



Sharyon Peart
Board Chair
Mallee Catchment Management Authority



Jennifer Collins
Chief Executive Officer
Mallee Catchment Management Authority



Meagan Crozier
Chief Finance and Accounting officer
Mallee Catchment Management Authority

24 August 2016

Mildura

Declaration by Officers



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Mallee Catchment Management Authority

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Mallee Catchment Management Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statutory declaration.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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



Independent Auditor's Report (continued)

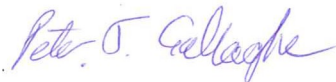
Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Mallee Catchment Management Authority as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
29 August 2016


for Dr Peter Frost
Acting Auditor-General

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Income from transactions			
Government contributions	2 (a)	13,607,836	15,559,631
Interest	2 (b)	807,570	949,101
Other income	2 (c)	3,297,807	3,329,565
Total income from transactions		17,713,213	19,838,297
Expenses from transactions			
Employee benefits	3 (a)	5,250,097	4,546,187
Depreciation	3 (b)	251,824	229,839
Amortisation	3 (b)	6,965	9,588
Materials, incentives and consultancies	3 (c)	7,936,963	7,521,581
Contractors	3 (d)	3,441,016	2,302,990
Rent	3 (d)	260,089	291,205
Operating expenses	3 (d)	862,872	1,396,812
Total expenses from transactions		18,009,826	16,298,202
Net result from transactions (net operating balance)		(296,613)	3,540,095
Other economic flows included in net result			
Net holding gain/(loss) on financial assets at fair value through profit or loss	4 (a)	-	2,450
Net gain/(loss) on non-financial assets	4 (b)	(58,261)	6,200
Total other economic flows included in net result		(58,261)	8,650
Net result from continuing operations		(354,874)	3,548,745
Net result for the financial year		(354,874)	3,548,745
Comprehensive result		(354,874)	3,548,745

The Comprehensive Operating Statement should be read in conjunction with the notes to the financial statements included on pages 54 - 96

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	5	38,730,973	37,777,866
Receivables	6	266,207	2,597,873
Total current assets		38,997,180	40,375,739
Non-current assets			
Plant and equipment	7	760,932	864,395
Intangible assets	8	462,855	-
Total non-current assets		1,223,787	864,395
Total assets		40,220,967	41,240,134
Liabilities			
Current liabilities			
Payables	9	629,227	1,413,399
Employee benefits	10	986,880	868,828
Total current liabilities		1,616,107	2,282,227
Non-current liabilities			
Employee benefits	10	103,532	101,705
Total non-current liabilities		103,532	101,705
Total liabilities		1,719,639	2,383,932
Net assets		38,501,328	38,856,202
Equity			
Contributed capital	11 (a)	4,097,335	4,097,335
Accumulated funds	11 (b)	(335,740)	655,641
Reserves	11 (c)	34,739,733	34,103,226
Total equity		38,501,328	38,856,202
Commitments	14 & 15		
Contingent assets and contingent liabilities	16		

The Balance Sheet should be read in conjunction with the notes to the financial statements included pages 54 - 96

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Contributed Capital \$	Reserves \$	Accumulated Funds \$	Total \$
Balance at 1 July 2014	4,097,335	34,579,350	(3,369,228)	35,307,457
Net result for the year	-	-	3,548,745	3,548,745
Transfer to/(from) reserves	-	(476,124)	476,124	-
Total comprehensive result for the financial year	-	(476,124)	4,024,869	3,548,745
Balance at 30 June 2015	4,097,335	34,103,226	655,641	38,856,202
Net result for the year	-	-	(354,874)	(354,874)
Transfer to/(from) reserves	-	636,507	(636,507)	-
Total comprehensive result for the financial year	-	636,507	(991,381)	(354,874)
Balance at 30 June 2016	4,097,335	34,739,733	(335,740)	38,501,328

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements included on pages 54 - 96



CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts			
Receipts from government		15,756,064	14,000,409
Other income		3,501,522	3,415,181
Interest received		805,759	949,276
Goods and Services Tax (GST) received from the ATO		1,330,645	740,536
Total receipts		21,393,990	19,105,402
Payments			
Payments to suppliers (GST inclusive) and employees		(19,764,441)	(16,284,515)
Total payments		(19,764,441)	(16,284,515)
Net cash inflow from operating activities	13 (b)	1,629,549	2,820,887
Cash flows from investing activities			
Payments for plant and equipment	7	(279,205)	(382,018)
Payments for intangible assets		(462,855)	-
Proceeds from sale of plant and equipment	4	65,618	74,442
Proceeds from sale of investments		-	683,550
Net cash inflow/(outflow) from investing activities		(676,442)	375,974
Net increase in cash and cash equivalents		953,107	3,196,861
Cash and cash equivalents at the beginning of the financial year		37,777,866	34,581,005
Cash and cash equivalents at the end of the financial year	5 & 13 (a)	38,730,973	37,777,866

Financing arrangements during the financial year ended 30 June 2016 were nil (2015: nil).

The Cash Flow Statement should be read in conjunction with the notes to the financial statements included on pages 54 - 96

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for the Mallee Catchment Management Authority (the Authority) for the financial year ended 30 June 2016.

The Authority's principal address is:

315-341 Koorlong Avenue,
Mildura,
Victoria 3500

a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs), including interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

The annual financial statements were authorised for issue by the Board on August 2016.

The following is a summary of the accounting policies adopted by the Authority in the preparation of these financial statements.

b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of 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.

The going concern basis was used to prepare the financial statements.

Accounting policies are selected and applied in a manner which ensures 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.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Authority.

The financial statements have been prepared in accordance with the historical cost convention, except for:

- the fair value of plant and equipment, is generally based on its depreciated replacement value; and
- Other financial assets, which are measured at fair value through profit or loss.

The Authority determines the policies and procedures for both recurring fair value measurements, such as plant and equipment, and financial instruments in accordance with the requirements of AASB 13 *Fair Value Measurement* and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole, 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.



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of accounting preparation and measurement (continued)

For the purpose of fair value disclosures, the Authority has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Authority determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

New and amended standards adopted

The Authority has reviewed and applied all new accounting standards and amendments applicable for the first time in their annual reporting period commencing 1 July 2015, and determined that there was no material impact on its financial statements in the current reporting year.

Critical accounting estimates and judgments

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The 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 circumstance. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. 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 made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The following are the critical judgements and assumptions made by management in applying the AASs that have significant effects on the financial statements:

(i) Impairment

Management has assessed impairment at each reporting date by evaluating conditions specific to the Authority that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined by referring to the process in Note 1 i).

(ii) Fair value and assets useful lives

Significant judgment and estimates are applied in determining the fair value of plant and equipment, as well as in reassessing the useful lives of plant & equipment and intangible assets on an annual basis (refer to Notes 1 g) and 1 h)).

(iii) Employee entitlements/benefits

Management judgment is applied in determining the following key assumptions used in the calculation of long service leave at the end of the financial year (refer to Note 1 k)):

- future increases in wages and salaries;
- future oncost rates;
- experience of employee departures and period of service; and
- discount rate.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of accounting preparation and measurement (continued)

Critical accounting estimates and judgments (continued)

(iv) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty as at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed, as applicable in the notes to the financial statements.

c) Scope and presentation of financial statements

Comprehensive Operating Statement

The Comprehensive Operating Statement comprises three components, being 'net result from transactions', 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, if any, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance Sheet

Assets and liabilities are presented based on their classification as current and non-current assets, and current and non-current liabilities.

The Authority has classified as current assets, those assets that are expected to be realised, sold or consumed within twelve months after the end of the financial year; are held primarily for the purpose of trading; and those that are cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the financial year. All other assets are classified as non-current.

Liabilities have been classified as current liabilities, when the liability is due to be settled within twelve months after the end of the financial year; it maintains the liability primarily for the purpose of trading; or the Authority does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the financial year. All other liabilities are classified as non-current.

Statement of Changes in Equity

The Statement of Changes in Equity presents reconciliations of the non-owner and owner equity account opening balance at the beginning of the financial year to the closing balance at the end of the financial year. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating, investing and financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Scope and presentation of financial statements (continued)

Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosure.

Rounding

Amounts in the financial statements (including the notes) have been rounded to the nearest dollar, unless otherwise stated.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, normally when they have a maturity of three months or less from the date of acquisition. The fair value at the reporting date of cash and cash equivalents is the same as their carrying amount.

For the Cash Flow Statement presentation purposes, cash and cash equivalents includes bank overdrafts (if any) which are included as borrowings on the Balance Sheet.

e) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

A provision is made for doubtful debts (if there are any) when there is objective evidence that the debts may not be collected and bad debts are written off when identified (refer to Note 1 f) (iv)).

f) Financial instruments

(i) Recognition

Financial instruments are initially measured at fair value, plus transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured as set out below.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition loans and receivables are subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

Loans and receivables are included in Receivables in the Balance Sheet.

(iii) Fair value through profit or loss financial assets

Financial assets at fair value through profit or loss are financial assets held for trading or designated at fair value through profit and loss on initial recognition when doing so results in more relevant information. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets. Gains and losses arising from changes in fair value are recognised in the Comprehensive Operating Statement.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

(iv) Impairment of financial assets

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

g) Plant and equipment

Plant and equipment represent non-current assets comprising plant, equipment and motor vehicles, used by the Authority in its operations. Items with a cost or value in excess of \$5,000 (2015: \$5,000) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed to the period they were purchased.

All non-current assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of *Financial Reporting Direction 103F (FRD 103F)*. The purchase method of accounting is used for all acquisitions of assets (including business combinations), regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Where assets are constructed by the Authority, the cost at which they are recorded includes an appropriate share of fixed and variable overheads.

Assets acquired at no cost or for nominal consideration by the Authority are recognised at fair value at the date of acquisition.

(i) Revaluation

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with FRD 103F. A full revaluation normally occurs every five years, based upon the asset government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Revaluation increases or decreases arise from differences between an assets carrying value and fair value.

In addition to the scheduled revaluation undertaken every five years, an annual assessment of fair value is performed to determine if it is materially different to carrying value. If the difference to carrying value is greater than 10 per cent, a management revaluation, in accordance with the requirements of the FRD 103F, is undertaken while a movement greater than 40 per cent will normally involve an Approved Valuer (usually the Valuer General of Victoria) to perform detailed assessment of the fair value. If the movement in fair value since the last revaluation is less than or equal to 10 per cent, then no change is made to carrying amounts.

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

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



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Plant and equipment (continued)

(ii) Depreciation

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

Depreciation is calculated using the straight line and reducing balance methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. An asset's residual value and useful life is reviewed, and adjusted if appropriate, at each Balance Sheet date.

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

Asset class	Depreciation rates	
	2016	2015
Computer equipment	25%	25%
Motor vehicles	22.2%	22.2%
Office furniture and equipment	30.3%	30.3%
Plant and equipment	20%	20%
Leasehold improvements	20%	20%

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

h) Intangible assets

Intangible assets with finite useful lives are amortised on a straight-line basis over the asset's useful life estimate. Amortisation begins when the asset is available for use, that is, when it is in the condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If any indication is determined, then the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

i) Impairment of non-financial assets

The carrying amounts of the Authority's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

When it is determined that an indication of impairment exists, the recoverable amount of the particular asset or a cash-generating unit is estimated and an impairment loss is recognised whenever the carrying amount of such asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Comprehensive Operating Statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment of non-financial assets (continued)

(i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

In respect of assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Payables

Payables consist of:

- contractual payables, such as accounts payable, and unearned income. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid, and arise when the Authority becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as Goods and Services Tax (GST) and Fringe Benefits Tax (FBT).

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost.

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

k) Employee benefits

A provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date, when it is probable that settlement will be required and they are capable of being measured reliably. The calculation of employee benefits includes all relevant on-costs and is calculated as follows at the reporting date.

(i) Wages and salaries, annual leave and long service leave

Provisions made in respect of employee benefits are measured based on an assessment of the existing benefits to determine the appropriate classification under the definition of short term and long term benefits, placing emphasis on when the benefit is expected to be settled.

Short term benefits provisions that are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Employee benefits (continued)

(ii) Wages and salaries, annual leave and long service leave (continued)

Long term benefits provisions that are not expected to be settled within 12 months, and are measured as the present value of the estimated future cash outflows to be made by the Authority in respect of services provided by employees up to reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date to estimate the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave are classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service who do not yet have a present entitlement.

(iii) Accumulated superannuation contribution plans

Obligations for contributions to accumulated superannuation contribution plans are recognised as an expense in the Comprehensive Operating Statement as incurred. This expense charged to the Comprehensive Operating Statement represents contributions made or due by the Authority to the relevant superannuation plans in respect to the services of the Authority's staff.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Authority before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The Authority recognises termination benefits at the earlier of the following dates: (a) when the Authority can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

l) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset from the lessor to the Authority. All other leases are classified as operating leases.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Leases (continued)

Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the Comprehensive Operating Statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the Balance Sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

m) Equity

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. Commitments are disclosed by way of a note (refer to Note 15) at their nominal value and exclusive of GST payable. In addition, where it is considered appropriate and it 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.

o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

p) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

(i) Government grants and contributions

Government grants and contributions are recognised as operating revenue on receipt or when the entity obtains control of the contribution and meets certain other criteria as outlined by AASB 1004 *Contributions*, whichever is the sooner, and disclosed in the Comprehensive Operating Statement as government contributions.

(ii) Salinity levies

Revenue is brought to account when services have been provided or when a tariff/charge is levied.

All levies are recognised as revenue when the services are provided.



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Income from transactions (continued)

(iii) Interest

Interest is recognised as revenue when earned.

(iv) Other income

Other incomes are recognised as revenue on receipt or when the entitlement is established

q) Expenses from transactions

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate. These expenses are presented in the Comprehensive Operating Statement using a classification by their function, which management believe provides information that is reliable and more relevant.

(i) Employee benefits

These expenses include all costs related to employment including wages and salaries, FBT, leave entitlements, redundancy payments and WorkCover premiums.

(ii) Superannuation

The amount recognised in the Comprehensive Operating Statement is the employer contribution for members of the defined contribution superannuation plans that are paid or payable during the reporting period.

Accumulation

The funds receive contributions from both the Authority and its employees on a progressive basis. The Authority's contributions are normally based on a fixed percentage of employee earnings. For the year ended 30 June 2016, the fixed percentage of employee earnings required under Superannuation Guarantee legislation was 9.5% (2015: 9.5%).

(iii) Repairs and maintenance

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

(iv) Other expenses

Other costs which are recognised as an expense in the reporting period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the taxation authority are classified as operating cash flows.

s) Other economic flows included in net result

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

(i) Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets and intangible assets.

(ii) Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

(iii) Net gain/(loss) from financial instruments at fair value through profit or loss

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

(iv) Impairment of financial assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

(v) Other gains/(loss) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Authority and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date that are considered to be of material interest.

u) AASs issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. The Authority's management assess the impact of these new standards, their applicability to the Authority and early adoption where applicable.

The following applicable standards and interpretations had been issued but were not mandatory for the financial year ended 30 June 2016. The Authority has not, and does not intend to, adopt these standards early.

<i>Standard / interpretation</i>	<i>Summary</i>	<i>Standard applicable for annual reporting periods beginning on</i>	<i>Impact on Authority financial statements</i>
AASB 9 <i>Financial instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This Standard supersedes both AASB 9 December 2010 and December 2009, when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018	Management's preliminary assessment has not identified any material impact arising from the adoption of AASB 9. Subject to AASB's further modifications to AASB 9, impacts of this will continue to be monitored and assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends 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, 16, 19, 107 & 127 for issuance of AASB 9.	1 July 2019	Impact is expected to be insignificant.
AASB 2014-3 <i>Amendments to Australian Accounting Standards— Accounting for Acquisitions of Interests in Joint Operations</i>	This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	1 July 2016	As Mallee CMA has no interests in joint operations it is impacted not impact.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

u) AASs issued that are not yet effective (continued)

Standard / interpretation	Summary	Standard applicable for annual reporting periods beginning on	Impact on Authority financial statements
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	1 July 2016	Impact is expected to be insignificant.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	Consequential amendments arising from the issuance of AASB 9.	1 July 2018	Impact is still being assessed.
AASB 1057 <i>Application of Australian Accounting Standards</i>	The AASB moved application paragraphs in all Australian Accounting Standards to this new standard, in order to maintain consistency with the layout of IFRS standards.	1 July 2016	No expected impact.
AASB 15 <i>Revenue from Contracts with Customers</i>	This Standard establishes a single model for contracts with customers based on a five-step analysis of transactions for revenue recognition, and two approach, a single time or over time, for revenue recognition.	1 July 2018	Impact is expected to be insignificant.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Consequential amendments arising from the issuance of AASB 15.	1 July 2018	Impact is expected to be insignificant.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the effective date of AASB 15 with Customers to 1 January 2018.	1 July 2018	Impact is expected to be insignificant.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

u) AASs issued that are not yet effective (continued)

<i>Standard / interpretation</i>	<i>Summary</i>	<i>Standard applicable for annual reporting periods beginning on</i>	<i>Impact on Authority financial statements</i>
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	The amendments specify consistent related party disclosure requirements for the Australian Government, State Governments, local councils and other not-for-profit public sector entities.	1 July 2016	Disclosures only.
AASB 2015-7 <i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities</i>	This amendment relieves not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment. The relief exempts them from disclosures of quantitative information about significant unobservable inputs used in fair value measurements, sensitivity of certain fair value measurement to changes in unobservable inputs, etc.	1 July 2016	Disclosures only.
AASB 16 Leases	AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. This standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts, effectively resulting in the recognition of almost all leases on the balance sheet.	1 July 2016	Impact is still being assessed.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

u) AASs issued that are not yet effective (continued)

Standard / interpretation	Summary	Standard applicable for annual reporting periods beginning on	Impact on Authority financial statements
AASB 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	This standard amends AASB 107 to require entities preparing general financial statements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 July 2017	Impact on disclosures is expected to be insignificant.
<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	This amendment relieves not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment. The relief exempts them from disclosures of quantitative information about significant unobservable inputs used in fair value measurements, sensitivity of certain fair value measurements to changes in unobservable inputs, etc.	1 July 2018	Impact is still being assessed.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 2 - INCOME FROM TRANSACTIONS

	2016	2015
	\$	\$
(a) Government contributions		
(i) State government		
Catchment Governance	987,205	802,331
Drought Relief Assistance Program	369,700	-
Regional Landcare Coordination	488,000	366,000
Landcare Facilitators	-	150,000
Sustainable Irrigation Program	395,000	950,000
Waterway Management Programs	1,126,800	1,355,000
Drought Relief Assistance Program	-	-
Bush Tender Project	198,966	138,966
Natural Resource Investment Program	-	-
Victorian Environmental Water Holder Funding	1,225,011	520,103
Victorian Environmental Partnership Program	-	944,252
Environmental Water Program	543,000	-
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	-
Total state government contributions	7,193,482	5,226,652
(ii) Commonwealth government		
Basin Plan	1,387,500	5,149,000
Biodiversity Fund	786,628	889,048
Caring for Our Country	-	1,576,890
National Landcare Program	2,251,521	1,328,261
Other	29,705	41,081
Total commonwealth government contributions	4,455,354	8,984,280
Regional Contributions	1,959,000	1,348,699
Total government contributions	13,607,836	15,559,631

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 2 - INCOME FROM TRANSACTIONS (CONTINUED)

	2016	2015
	\$	\$
(b) Revenue from non-operating activities		
Interest received from cash and cash equivalents	807,570	949,101
(c) Other income		
Salinity levies	3,256,726	3,141,988
Sundry income	41,081	187,577
Total other income	3,297,807	3,329,565
Total Revenue	17,713,213	19,838,297

NOTE 3 - EXPENSES FROM TRANSACTIONS

	2016	2015
	\$	\$
(a) Employee expenses		
Post employment benefits		
Defined contribution superannuation	374,513	359,063
Salaries and wages, annual leave and long service leave	4,875,584	4,187,124
Total employee expenses	5,250,097	4,546,187
(b) Depreciation and amortisation		
Motor vehicles at fair value	106,546	130,977
Office furniture & equipment at fair value	57,826	12,257
Plant and equipment at fair value	87,452	86,605
Leasehold improvements at fair value	6,965	9,279
Intangible assets	-	309
Total depreciation and amortisation	258,789	239,427
(c) Materials, incentives and consultancies		
Materials - project based	293,940	373,175
Incentives	2,730,680	1,703,175
Consultants	4,912,343	5,445,231
Total materials, incentives and consultancies	7,936,963	7,521,581
(d) Other expenses		
Contractors	3,441,016	2,302,990
Rent	260,089	291,205
Operating expense	862,872	1,396,812
Total other expenses	4,563,977	3,991,007
Total expenses	18,009,826	16,298,202
Presented in the Comprehensive Operating Statement as follows:		
Depreciation	251,824	229,839
Amortisation	6,965	9,588
Total depreciation and amortisation	258,789	239,427



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 4 - OTHER ECONOMIC FLOWS FROM OPERATING ACTIVITIES

	2016	2015
	\$	\$
(a) Net holding gain/(loss) on financial assets at fair value through profit or loss		
Held for trading		
Realised gain/(loss)	-	2,450
Total net holding gain/(loss) on financial assets at fair value through profit or loss	-	2,450
(b) Net gain/(loss) on non-financial assets		
Proceeds on sale of assets	65,618	74,442
Written down value of assets sold	(123,879)	(68,242)
Total loss on non-financial assets	(58,261)	6,200
Total other economic flows included in net result	(58,261)	8,650

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 5 - CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Petty cash float	1,000	1,000
Cash at bank	4,729,973	3,276,866
Deposits at call	34,000,000	34,500,000
Total cash and cash equivalents	38,730,973	37,777,866

Carry forward project funding

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

(a) Cash at bank and on hand

These are held in interest bearing operating accounts.

The cash at bank generated an average interest rate of 2.52% (2015: 2.55%). Refer to Note 12 for the nature and extent of credit risks associated with cash and cash equivalents.

(b) Deposits at call

The deposits accrued interest at rates between 2.09% and 2.76% (2015: 2.15% and 2.77%).



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 6 - RECEIVABLES

	2016	2015
	\$	\$
Current		
Contractual		
Trade receivables	33,600	2,181,829
Other receivables	35,662	13,662
Statutory		
GST input tax credit receivables	196,945	402,382
Total receivables	266,207	2,597,873

The Authority's management have identified no doubtful debts; therefore no allowance for doubtful debts has been raised (2015: 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.

The above receivables are entirely up to 60 days (2015: 60 days).

Refer to Note 12 for the nature and extent of risks arising from receivables.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 7 – PLANT AND EQUIPMENT

	2016	2015
	\$	\$
(a) Classes of property, plant and equipment		
Motor vehicles		
At fair value	711,584	725,490
Less: Accumulated depreciation	(289,736)	(264,796)
	421,848	460,694
Office furniture & equipment		
At fair value	210,568	218,297
Less: Accumulated depreciation	(100,387)	(86,333)
	110,181	131,964
Plant & equipment		
At fair value	444,687	572,611
Less: Accumulated depreciation	(215,784)	(307,839)
	228,903	264,772
Leasehold improvements		
At fair value	46,403	46,402
Less: Accumulated depreciation	(46,403)	(39,437)
	-	6,965
Total plant & equipment	760,932	864,395

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 7 - PLANT AND EQUIPMENT (continued)

(b) Movements during the reporting period

	Opening WDV at 1 July 2015	Additions	Disposals	Depreciation	Closing WDV at 30 June 2016
	\$	\$	\$	\$	\$
2016					
Motor vehicles at fair value	460,694	166,714	(99,014)	(106,546)	421,848
Office furniture & equipment at fair value	131,964	38,129	(2,086)	(57,826)	110,181
Plant and equipment at fair value	264,772	74,362	(22,779)	(87,452)	228,903
Leasehold improvements at fair value	6,965	-	-	(6,965)	-
Total plant and equipment	864,395	279,205	(123,879)	(258,789)	760,932
	Opening WDV at 1 July 2014	Additions	Disposals	Depreciation	Closing WDV at 30 June 2015
	\$	\$	\$	\$	\$
2015					
Motor vehicles at fair value	529,649	122,933	(60,911)	(130,977)	460,694
Office furniture & equipment at fair value	21,166	123,055	-	(12,257)	131,964
Plant and equipment at fair value	222,678	136,030	(7,331)	(86,605)	264,772
Leasehold improvements at fair value	16,244	-	-	(9,279)	6,965
Total plant and equipment	789,737	382,018	(68,242)	(239,118)	864,395

Vehicles are held at fair value. 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 experienced fleet managers in the Authority who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment, office furniture and equipment and leasehold improvements are held at fair value. When the asset 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.

For all assets measured at fair value, the current use is considered the highest and best use. There were no changes in valuation techniques during the financial year ended 30 June 2016.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 7 - PLANT & EQUIPMENT (continued)

Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount as at 30-Jun-16	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Plant, equipment and vehicles at fair value				
Vehicles	421,848	-	421,848	-
Office furniture & equipment at fair value	110,181	-	-	110,181
Plant & equipment at fair value	228,903	-	-	228,903
Leasehold improvements at fair value	-	-	-	-
Total plant and equipment at fair value	760,932	-	421,848	339,084

Reconciliation of Level 3 fair value

	Office furniture & equipment	Plant and equipment	Leasehold improvement
Opening balance	131,964	264,772	6,965
Purchases/(disposals)	36,043	51,583	-
Gain/(loss) recognised in net result			
Depreciation	(57,826)	(87,452)	(6,965)
Subtotal	(21,783)	(35,869)	(6,965)
Closing balance	110,181	228,903	-

Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30-Jun-15	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Plant, equipment and vehicles at fair value				
Vehicles	460,694	-	460,694	-
Office furniture & equipment at fair value	131,964	-	-	131,964
Plant & equipment at fair value	264,772	-	-	264,772
Leasehold improvements at fair value	6,965	-	-	6,965
Total plant and equipment at fair value	864,395	-	460,694	403,701

Reconciliation of Level 3 fair value

	Office furniture & equipment	Plant and equipment	Leasehold improvement
Opening balance	21,166	222,678	16,244
Purchases/(disposals)	123,055	128,699	-
Gain/(loss) recognised in net result			
Depreciation	(12,257)	(86,605)	(9,279)
Subtotal	110,798	42,094	(9,279)
Closing balance	131,964	264,772	6,965



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 7 - PLANT & EQUIPMENT (continued)

(c) Description of significant unobservable inputs to Level 3 valuations

30 June 2016

	Valuation technique	Significant unobservable inputs
Plant and equipment	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment
Office furniture & equipment at fair value	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment
Leasehold improvements at fair value	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 7 - PLANT & EQUIPMENT (continued)

(c) Description of significant unobservable inputs to Level 3 valuations (continued)

30 June 2015

	Valuation technique	Significant unobservable inputs
Plant and equipment	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment
Office furniture & equipment at fair value	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment
Leasehold improvements at fair value	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 8 – INTANGIBLES ASSETS

	2016	2015
	\$	\$
Balance at beginning of reporting period	-	309
Additions	462,855	-
Less accumulated amortisation	-	(309)
Total intangibles	462,855	-

NOTE 9 – PAYABLES

	2016	2015
	\$	\$
Contractual		
Suppliers and services	165,932	875,900
Other payables	463,295	537,499
Total payable	629,227	1,413,399

Refer to Note 12 c) for the maturity analysis of payables.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 10 - EMPLOYEE BENEFITS

	2016	2015
	\$	\$
(a) Current		
Time in lieu	11,193	5,534
Annual leave	284,916	253,375
Employee on costs	38,088	34,966
	334,197	293,875
Long service leave	565,789	498,407
Employee on costs	86,894	76,546
	652,683	574,953
Current employee benefits	986,880	868,828
(b) Non-current		
Long service leave	89,748	88,164
Employee on costs	13,784	13,541
Non-current employee benefits	103,532	101,705
Total employee benefits	1,090,412	970,533
(c) Expected commitments for current employee benefits		
Unconditional and expected to be settled within 12 months		
Time in lieu	11,193	5,534
Annual leave	220,878	193,175
Employee on costs	29,527	25,548
Long service leave	41,495	20,318
Employee on costs	6,373	3,120
Total unconditional and expected to be settled within 12 months	309,466	247,695
Unconditional and expected to be settled after more than 12 months		
Annual Leave	64,038	60,901
Employee on costs	8,561	8,717
Long service leave	524,293	478,089
Employee on costs	80,522	73,426
Total unconditional and expected to be settled after more than 12 months	677,414	621,133
Total expected commitments for current employee benefits	986,880	868,828

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 10 - EMPLOYEE BENEFITS (continued)

	2016	2015
	\$	\$
(d) Movement in employee benefits provision		
Annual leave		
Opening balance	288,341	281,450
Add provision made for during year	333,970	271,044
Less actual annual leave taken	(299,307)	(264,153)
Closing balance	323,004	288,341
Long service leave		
Opening balance	676,658	631,805
Add provision made for during year	151,663	105,682
Less actual long service leave taken	(72,106)	(60,829)
Closing balance	756,215	676,658

NOTE 11 - EQUITY AND MOVEMENTS IN EQUITY

	2016	2015
(a) Contributed capital		
Opening balance 1 July	4,097,335	4,097,335
Closing balance	4,097,335	4,097,335
(b) Accumulated funds		
Opening balance 1 July	655,641	(3,369,228)
Net result for the year	(354,874)	3,548,745
Net transfer (to)/from committed funds reserve	2,026,448	2,881,107
Net transfer (to)/from salinity offset fund	(2,282,561)	(2,667,348)
Net transfer (to)/from capital renewal reserve	(380,394)	262,365
Closing balance	(335,740)	655,641

Funds have been transferred to accumulated funds from the committed funds reserve to equate accumulated funds to the uncommitted portion of total funds held by the Authority as at 30 June 2016. This has been effected to ensure that the Authority has sufficient accumulated funds available to meet future employment and financial commitments.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 11 - EQUITY AND MOVEMENTS IN EQUITY (continued)

	2016 \$	2015 \$
(c) Reserves		
Composition of reserves		
Committed funds reserve	6,385,692	8,412,140
Salinity offset fund reserve	27,311,784	25,029,223
Capital renewals reserve	1,042,257	661,863
Total reserves	34,739,733	34,103,226

Committed funds reserve		
Opening balance 1 July	8,412,140	11,293,247
Net transfers (to)/from accumulated funds	(2,026,448)	(2,881,107)
Closing balance at 30 June	6,385,692	8,412,140

The general reserve contains amounts available to the Authority for the purpose of funding projects.

Salinity offset fund reserve		
Opening balance 1 July	25,029,223	22,361,875
Net transfers (to)/from accumulated funds	2,282,561	2,667,348
Closing balance at 30 June	27,311,784	25,029,223

The salinity offset fund 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.

Capital renewals reserve		
Opening balance 1 July	661,863	924,228
Net transfers (to)/from accumulated surplus	380,394	(262,365)
Closing balance at 30 June	1,042,257	661,863

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

Total equity	38,501,328	38,856,202
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NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 12 - FINANCIAL INSTRUMENTS

The Authority's principal financial instruments comprise:

- Cash and cash equivalents;
- Term deposits;
- Receivables (excluding statutory receivables, e.g. GST input tax credit recoverable)
- Payables (excluding statutory payables).

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 liabilities and equity instruments are disclosed in Note 1 to the financial statements.

The carrying amounts of the Authority's contractual financial assets and financial liabilities by category are disclosed in the table below:

		Net carrying amount	Maximum exposure to credit risk	Net fair value	Ageing analysis Not past due and not impaired
		\$	\$	\$	\$
30 June 2016	Category				
Financial assets					
Cash and cash equivalents	Cash	38,730,973	38,730,973	38,730,973	38,730,973
Receivables	Loans and receivables at amortised cost	69,262	69,262	69,262	69,262
Total financial assets		38,800,235	38,800,235	38,800,235	38,800,235
Financial Liabilities					
Payables	Financial liabilities at amortised cost	629,227	N/A	629,227	N/A
Total financial liabilities		629,227	N/A	629,227	N/A

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 12 - FINANCIAL INSTRUMENTS (continued)

30 June 2015	Category	Net carrying amount \$	Maximum exposure to credit risk \$	Net fair value \$	Ageing analysis Not past due and not impaired \$
Financial assets					
Cash and cash equivalents	Cash	37,777,866	37,777,866	37,777,866	37,777,866
Receivables	Loans and receivables at amortised cost	2,195,491	2,195,491	2,195,491	2,195,491
Total financial assets		39,973,357	39,973,357	39,973,357	39,973,357
Financial Liabilities					
Payables	Financial liabilities at amortised cost	1,413,399	N/A	1,413,399	N/A
Total financial liabilities		1,413,399	N/A	1,413,399	N/A

The Authority has assessed the carrying amount of financial assets and liabilities at amortised cost stated in the financial statements to be a fair approximation of their fair values as at 30 June 2016 and 30 June 2015, respectively.

As at the reporting date there is no event to indicate that any of the financial assets were impaired.

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.

Disclosures of fair value hierarchy measurements by level:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There were no transfers between the levels of hierarchies during the financial year (2015: nil).



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 12 - FINANCIAL INSTRUMENTS (continued)

Financial risks

The Authority's activities expose it to a variety of financial risks. The Authority's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Authority. The Authority uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

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

a) Market risk

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

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

(i) Foreign exchange risk

The Authority has no exposure to changes in foreign exchange rates.

(ii) Price risk

The only exposure to price risk the Authority has is in relation to assets at fair value through profit and loss. The Authority manages its risk through the implementation of a cash investments policy which sets out minimum credit ratings and acceptable lines of investments which must be adopted. All new investments held by the Authority should be held in cash or near cash equivalents, therefore negating any future exposure to price risk. The Authority makes the assumption the exposure to price risk is more likely to be positive as assets at fair value through profit and loss move closer to maturity.

(iii) Cash flow and fair value interest rate risk

Cash flow and fair value interest rate risk refers to the risk that the fair value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Authority's exposure to interest rate risk is limited to financial assets as it has no interest bearing liabilities and that risk is managed by adopting an investment policy which ensures conformity with state and federal treasury and investment policy, regulations and standards.

(iv) Interest rate risk

The Authority has determined its exposure to interest rate risk, as the possibility that the fair value or future cash flows of the returns from its financial instruments fluctuate as a result of changes in interest rates. The exposure to interest rate risk is insignificant as the Authority does not hold interest bearing liabilities. However, the board monitors the possibility that the fair value or future cash flows of their financial instruments could fluctuate as a result of changes in market interest rates.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 12 - FINANCIAL INSTRUMENTS (continued)

(v) Interest rate risk (continued)

The objective of managing interest rate risk is to minimise and control the risks of losses due to interest rate changes and to take advantage of potential profits.

Policy in managing the interest risk:

Interest risk is managed by monitoring the outlook for interest rates and by holding cash in various bank bills and a number of banking institutions.

Market risk sensitivity analysis

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

		Interest rate risk			
		-0.5%		+0.5%	
2016	Carrying Amount \$	Result \$	Equity \$	Result \$	Equity \$
Financial assets					
Cash and cash equivalents	38,730,973	(193,655)	(193,655)	193,655	193,655
Receivables	69,262	-	-	-	-
Financial liabilities					
Payables	629,227	-	-	-	-
Total increase/(decrease)		(193,655)	(193,655)	193,655	193,655

		Interest rate risk			
		-0.5%		+0.5%	
2015	Carrying Amount \$	Result \$	Equity \$	Result \$	Equity \$
Financial assets					
Cash and cash equivalents	37,777,866	(188,889)	(188,889)	188,889	188,889
Receivables	2,195,491	-	-	-	-
Financial liabilities					
Payables	1,413,399	-	-	-	-
Total increase/(decrease)		(188,889)	(188,889)	188,889	188,889

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 12 - FINANCIAL INSTRUMENTS (continued)

b) Credit risk

Credit risk arises from the contractual financial assets of the Authority, which comprise cash and cash equivalents, non-statutory receivables and other financial assets. 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. In addition, the Authority does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are fixed interest, except for cash assets, 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.

The objective of managing credit risk is to minimise the possibility of loss from debtors defaulting on payment.

Management of the Authority has assessed the credit risk associated with cash and cash equivalents as low, with all the amounts held by banking organisations in Australia with a Standard and Poor's credit rating of at least 'A' grade.

The Authority has exposure to credit risk from funding application approvals where the funding is yet to be received.

The Authority only accounts for funding to be received once final approval has been declared. A significant portion of receivables are from government funding sources and are not expected to have any recoverability issues.

The policies of the Authority are consistent with those of the previous year.

The Authority has funds on deposit with Treasury Corporation Victoria who have a Standard and Poor's long term credit rating of AAA.

	Government agencies (triple-A credit rating)	Other (min triple-B credit rating)	Other (unrated)	Total
2016				
Cash and deposits	36,848,037	1,882,936	-	38,730,973
Receivables	51,108	-	18,154	69,262
Total contractual financial assets	36,899,145	1,882,936	18,154	38,800,235
2015				
Cash and deposits	36,749,559	1,028,307	-	37,777,866
Receivables	2,184,712	-	10,779	2,195,491
Total contractual financial assets	39,336,653	1,028,307	10,779	40,375,739

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 12 - FINANCIAL INSTRUMENTS (continued)

c) Liquidity risk

The Authority administers numerous project costs and usually receives funding on a quarterly or annual basis from funding sources. Operational costs and overheads are carried by the Authority in the intervening months between funding receipts.

The Authority has a conservative Board and will not approve the commencement of expenditure on a program until the receipt of a letter of approval duly authorised by the relevant Minister. An annual budget process is established to identify potential cash flow deficiencies throughout the year. Regular forecasts monitors expenditure against budget.

The policies of the Authority are consistent with those of the previous year.

Policy in managing the liquidity risk:

The Authority manages liquidity risk by monitoring cash flows to ensure sufficient funds are maintained in the transactional bank account to meet liabilities as they fall due. This is done while ensuring that surplus funds are transferred for investment. Daily monitoring occurs, with reports delivered periodically to the Audit Committee regarding the cash flow position and cash flow forecasts.

Maturity analysis of contractual financial liabilities

	Net carrying amount	Nominal amount	Maturity less than 1 month
	\$	\$	\$
30 June 2016			
Payables	629,227	629,227	629,227
Total financial liabilities	629,227	629,227	629,227
30 June 2015			
Payables	1,413,399	1,413,399	1,413,399
Total financial liabilities	1,413,399	1,413,399	1,413,399

The amounts disclosed above are the contractual undiscounted cash flows of each class of financial liabilities.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 13 – CASH FLOW INFORMATION

	2016	2015
	\$	\$
(a) Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash on hand	1,000	1,000
Cash at bank	4,729,973	3,276,866
Short term cash deposits	34,000,000	34,500,000
Total cash and cash equivalents	38,730,973	37,777,866
(b) Reconciliation of result for the financial year to net cash flows from operating activities		
Result for the financial year	(354,874)	3,548,745
Add non-cash flow in net result		
Depreciation and amortisation	258,789	239,427
(Profit)/loss on disposal of fixed assets	58,261	(6,200)
Realised gain on financial assets	-	(2,450)
Total non-cash flow in net result	317,050	230,777
Changes in assets and liabilities:		
Increase in receivables	2,331,665	(1,530,005)
Increase in payables	(784,171)	520,009
Increase in provisions	119,879	51,361
Total changes in assets and liabilities	1,667,373	(958,635)
Net cash inflow from operating activities	1,629,549	2,820,887

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 14 – LEASES

	2016	2015
	\$	\$
Payments due:		
Not later than one year	-	5,774
Total payments due	-	5,774

The Authority has entered into non-cancellable leases for various items of office equipment. No lease imposes any additional restriction on the Authority in relation to additional debt or further leasing. Leases in relation to office equipment permit the Authority, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased. Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

NOTE 15 – COMMITMENTS FOR EXPENDITURE

Committed funds disclosure

Catchment Management Authorities are responsible for the facilitation and coordination of catchments in an integrated and sustainable manner. This is achieved by undertaking projects primarily funded by State and Federal Government programs. 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, Climate Change and Water.

The projects funded by the State and Commonwealth Governments can be undertaken over multiple financial years and received at various stages of the project life based on contractual arrangements. At the end of the financial year there are some projects that have not reached completion but will be completed within the contractual terms in future financial periods. At balance date the Authority has cash and cash equivalents that will be utilised to complete these projects in future financial years. Refer note 5 Cash and cash equivalents for balances on hand.

The Authority had entered into significant operating contracts for materials and services, as follows:

	2016	2015
	\$	\$
Payments due:		
Not later than one year	3,486,015	4,281,524



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 16 – CONTINGENT ASSETS AND LIABILITIES

The Board is unaware of any contingent liabilities or contingent assets as at 30 June 2016 (2015: nil).

NOTE 17 – 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 18 - RESPONSIBLE PERSONS AND EXECUTIVE OFFICER DISCLOSURES

(a) Responsible persons

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

Name	Position	Period
The Hon. Lisa Neville MLA	Minister for Environment, Climate Change and Water	01-Jul-15 22-May-16
The Hon. Lisa Neville MLA	Minister for Water	23-May-15 30-Jun-16
The Hon. Lily D'Ambrosio MP	Minister for Energy, Environment and Climate Change	23-May-15 30-Jun-16
Ms Sharyon Peart	Board Chair	01-Jul-15 30-Jun-16
Mr Anthony Martin	Board Member	01-Jul-15 30-Jun-16
Mr Geoff Anderson	Board Member	01-Jul-15 30-Sep-15
Mr John Arnold	Board Member	01-Jul-15 30-Jun-16
Mr William Lee	Board Member	01-Jul-15 30-Sep-15
Mr Robert Jones	Board Member	01-Jul-15 30-Jun-16
Mr Paul Grigg	Board Member	01-Jul-15 30-Sep-15
Ms Allison McTaggart	Board Member	01-Jul-15 30-Jun-16
Mr John Cooke	Board Member	01-Jul-15 30-Jun-16
Ms Jennifer Collins	Chief Executive Officer	01-Jul-15 30-Jun-16

Remuneration of responsible persons

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

	2016	2015
	\$	\$
Remuneration received, or due and receivable from the Authority in connection with the management of the Authority (includes termination payments and bonuses paid at the end of contracts).	340,059	354,127

There was no remuneration received, or due and receivable from the Authority in connection with the management of any related party entity.



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 18 - RESPONSIBLE PERSONS AND EXECUTIVE OFFICER DISCLOSURES – (continued)

Remuneration of responsible persons (continued)

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

	2016	2015
Remuneration bands		
\$0 to \$9,999	3	-
\$10,000 to \$19,999	5	8
\$20,000 to \$29,999	1	1
\$220,000 to \$229,999	-	1
\$230,000 to \$239,999	1	-
Total	10	10

Retirement benefits of responsible persons

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

Other transactions

Loans

There were no loans in existence by the Authority to responsible persons or related parties at the date of this report.

Shares

There were no share transactions in existence by the Authority to responsible persons or related parties during the financial year.

Remuneration

There were no amounts paid by the Authority in connection with the retirement of responsible persons of the Authority during the financial year.

Ms Sharyon Peart and Mr John Arnold are Councillors with Mildura Rural City Council (MRCC). During the year the MRCC was contracted to provide services to the value of \$146,196 (2015: \$99,993) on normal commercial terms and conditions.

Ms Sharyon Peart is a director of Lower Murray Water (LMW). During the year LMW was contracted to provide services to the value of \$21,443 (2015: \$58,486) on normal commercial terms and conditions.

Mr Geoff Anderson is a member of the Mallee Landcare Group (MLG). During the year the MLG was awarded grants to the value of \$22,000 (2015: \$82,500) on normal commercial terms and conditions.

Mr Anthony Martin's wife is a consultant with MIR Lawyers, a legal firm that has provided legal advice to the Authority to the value of \$2,618 (inc GST) (2015: nil) during the year on normal commercial terms and conditions.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 18 - RESPONSIBLE PERSONS AND EXECUTIVE OFFICER DISCLOSURES – (continued)

Mr John Cooke; is a board Member of Mallee Family Care. During the year the Mallee Family Care through its subsidiaries SunRise Mapping and All Star Access, was engaged by the Authority as a consultant to provide services to the combined value of \$83,340 (2015: \$4,106) on normal commercial terms and conditions.

Mr John Cooke and Ms Sharyon Peart are members of La Trobe University's Mildura Regional Advisory Board. During the year the Murray Darling Freshwater Resource Centre (MDFRC) which is a partnership between La Trobe University, the CSIRO and the Murray-Darling Basin Authority, was engaged by the Authority as a consultant to provide services to the value of \$698,096 (2015: \$677,568) on normal commercial terms and conditions.

Mr William Lee is a member of the Birchip Landcare Group (BLG). During the year the BLG was awarded grants to the value of \$41,024 (2015: \$15,875) on normal commercial terms and conditions.

Ms Allison McTaggart is a Board member of Mallee Sustainable Farming (MSF). During the year MSF was contracted by the Authority to provide services to the value of \$123,150 (2015: \$213,840) on normal commercial terms and conditions.

(b) Remuneration of executives

The number of executive officers of the Authority, other than responsible persons included under "Remuneration of Responsible Persons" above, whose remuneration from the Authority falls within the specified bands is shown in the table below. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

There were no contractors with key management responsibilities (2015: nil).

Income band	Total remuneration		Base remuneration	
	2016	2015	2016	2015
\$100,000 to \$109,999	-	-	3	1
\$110,000 to \$119,999	4	-	-	-
\$120,000 to \$129,999	-	1	-	1
\$130,000 to \$139,999	-	-	2	2
\$140,000 to \$149,999	-	-	1	-
\$150,000 to \$159,999	1	1	-	-
\$160,000 to \$169,999	2	2	-	-
Total number of executives	7	4	6	4
Total annualised employee equivalent	7	4	6	4
Total amount (\$)	952,161	601,272	713,079	510,879

Total remuneration and base remuneration have increased compared to the previous year as a result of an internal restructure which resulted in more employees being classified as executives.



Mallee Catchment Management Authority

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 19 - SUPERANNUATION

			2016 \$	2015 \$
The Authority contributes in respect of its employees and responsible persons to the following superannuation schemes:				
Superannuation name	Type of scheme	Rate*		
AMP Flexible Lifetime Super	Defined Contribution	9.50%	3,136	2,352
Asgard Business Superannuation	Defined Contribution	9.50%	3,068	3,087
Australian Ethical Superannuation	Defined Contribution	9.50%	-	-
Australian Super	Defined Contribution	9.50%	12,383	4,541
BT Super for Life	Defined Contribution	9.50%	1,315	-
Clear View Life Nominees	Defined Contribution	9.50%	3,700	6,507
Colonial First Choice	Defined Contribution	9.50%	5,895	5,733
Colonial First State Rollover and Superannuation Fund	Defined Contribution	9.50%	1,939	2,524
Colonial First State First Choice Wholesale Personal Super	Defined Contribution	9.50%	8,144	7,837
First State Super	Defined Contribution	9.50%	20,305	24,172
Hesta Superannuation Fund	Defined Contribution	9.50%	11,393	8,196
ING Direct	Defined Contribution	9.50%	795	-
Integra Super	Defined Contribution	9.50%	8,993	-
LUCRF	Defined Contribution	9.50%	2,509	-
Mercer Super Trust	Defined Contribution	9.50%	6,784	4,467
MLC Blueprint	Defined Contribution	9.50%	-	4,626
MLC Masterkey Superannuation	Defined Contribution	9.50%	9,566	10,313
MLC Masterkey Business Super	Defined Contribution	9.50%	3,263	705
MTAA	Defined Contribution	9.50%	878	-
OnePath Integra Super	Defined Contribution	9.50%	-	8,008
Prime Super	Defined Contribution	9.50%	1,596	-
Retail Employees Super Trust	Defined Contribution	9.50%	17,626	15,427
Super Wrap	Defined Contribution	9.50%	7,729	6,139
TWU	Defined Contribution	9.50%	48	-
Vic Super Pty Ltd	Defined Contribution	9.50%	215,422	189,440
Vision Super	Defined Contribution	9.50%	23,673	11,513
Other Superannuation Funds	Defined Contribution	9.50%	4,352	-
Total contributions to all funds			374,512	315,587

*Whilst the Authority pays the standard statutory of 9.50% on employee's remuneration, some employees also make salary sacrifice contributions.

As at balance date there were no outstanding contributions payable to the above funds, and no balances repayable in respect of loans made to the Authority from any fund.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

NOTE 20 - ECONOMIC DEPENDENCE

To deliver the goals as detailed in the Regional Catchment Strategy, the Authority continues to be dependent upon future funding commitments from both State and Federal Governments.

NOTE 21 - REMUNERATION OF AUDITORS

	2016	2015
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the Authority:		
(a) Victorian Auditor-General's Office (VAGO)		
Audit of financial statements	14,500	14,200
(b) Non-VAGO audit firms		
Internal audit services	9,360	21,600
Total auditors' remuneration	23,860	35,800



Part 3: Appendices

Appendix 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 20: Ministerial directions disclosure index

Legislation	Requirement	Page
Report of operations		
<i>Charter and purpose</i>		
FRD 22G	Manner of establishment and the relevant Ministers	8
FRD 22G	Objectives, functions, powers and duties	9
FRD 22G	Key initiatives and Projects	14
FRD 22G	Nature and range of services provided	8
<i>Management and structure</i>		
FRD 22G	Organisational structure	27
<i>Financial and other information</i>		
FRD 8D 22G, SD 4.2(k)	Performance against objectives	11
FRD 10A	Disclosure index	98
FRD 12A	Disclosure of major contracts	39
FRD 15C	Executive Officer disclosures	38
FRD 22G	Employment and conduct principles	37
FRD 22G	Occupational health and safety policy	34
FRD 22G	Summary of the financial results for the year	24
FRD 22G	Significant changes in financial position during the year	25
FRD 22G	Major changes or factors affecting performance	25
FRD 22G	Subsequent events	26
FRD 22G	Application and operation of <i>Freedom of Information Act 1982</i>	40
FRD 22G	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	40
FRD 22G	Statement on National Competition Policy	41
FRD 22G	Application and operation of <i>Protected Disclosures Act 2012</i>	41
FRD 22G	Details of consultancies over \$10,000	39
FRD 22G	Details of consultancies under \$10,000	39
FRD 22G	Statement of availability of other information	43
FRD 22G	Disclosure of government advertising expenditure	40
FRD 22G	Disclosure of ICT expenditure	40
FRD 24C	Reporting of office based environmental impacts	42
FRD 25B	Victorian Industry Participation Policy disclosures	39
FRD 29A	Workforce Data disclosures	38
SD 4.5.5	Attestation for compliance with Ministerial Standing Direction 4.5.5	44

SD 4.2(g)	Specific information requirements	7
SD 4.2(j)	Sign-off requirements	7
Financial statements required under Part 7 of the FMA		
SD4.2(a)	Statement of changes in equity	52
SD4.2(b)	Operating statement	50
SD4.2(b)	Balance sheet	51
SD4.2(b)	Cash flow statement	53
Other requirements under Standing Directions 4.2		
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	54
SD4.2(c)	Compliance with Ministerial Directions	47
SD4.2(d)	Rounding of amounts	57
SD4.2(c)	Accountable officer's declaration	47
SD4.2(f)	Compliance with Model Financial Report	47
Other disclosures as required by FRDs in notes to the financial statements		
FRD 21B	Disclosures of Responsible Persons, Executive Officers and other Personnel in the Financial Report	92
FRD 103F	Non-Financial Physical Assets	71
FRD 104	Foreign currency	85
FRD 106	Impairment of Assets	55
FRD 109	Intangible Assets	59
FRD 110	Cash Flow Statements	53
FRD 120I	Accounting and Reporting Pronouncements Applicable to 2015-16 Reporting Period	54

Table 21: Legislation disclosure index

Legislation	Page
<i>Freedom of Information Act 1982</i>	40
<i>Building Act 1993</i>	40
<i>Victorian Industry Participation Policy Act 2003</i>	41
<i>Protected Disclosures Act 2012</i>	41
<i>Financial Management Act 1994</i>	7 and 47



