

Mallee Catchment Management Authority
Annual Report 2014-15





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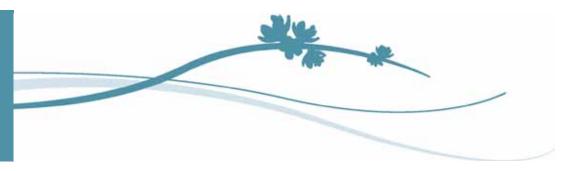
Top: Environmental watering at Nyah Vinifera.

Middle: Mallee CMA community committee field trip to Murrayville region.

Bottom: Drip irrigated vines in autumn.

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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 2015.

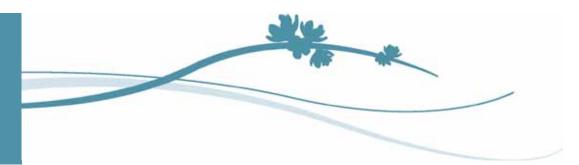
Sharyon Peart

Chair, Mallee CMA

21 August 2015

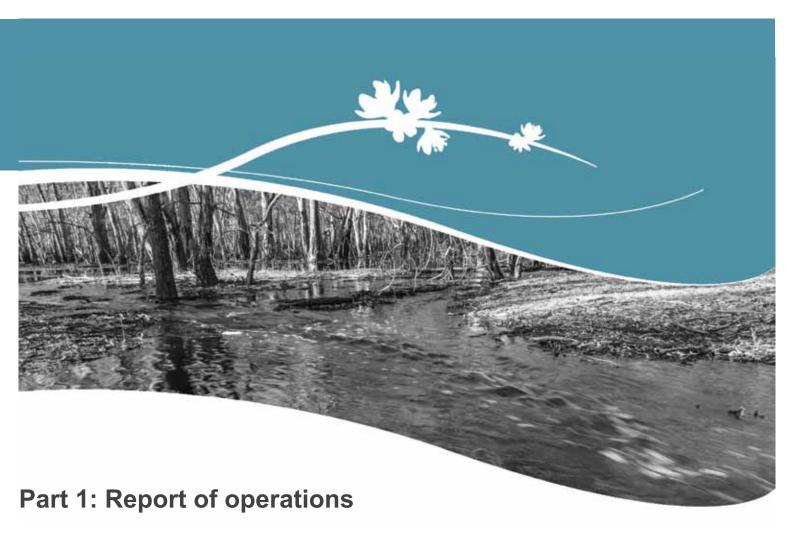
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Section 1: Year in review Overview

1.1 Vision, Mission, Values

Our Vision

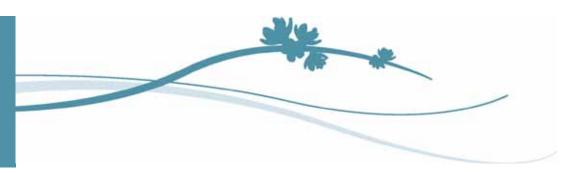
"Informed and active communities balancing the use of resources to generate wealth, with the protection and enhancement of our natural and cultural landscapes" (Mallee Regional Catchment Strategy 2013-19).

"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	 Providing frank, impartial and timely advice; Providing high quality services to the community; Identifying and promoting best practice.
Integrity	 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	 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	 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	 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	 Implementing, promoting and supporting these values and behaviours at both an individual level and within the team environment.
Human Rights	 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 ability to form strong partnerships continues to be an integral part of natural resource management in the Victorian Mallee, with the value of these working relationships illustrated many times throughout 2014-15.

Partnerships occur on many levels across our region – between adjoining landholders, both private and public; researchers and farmers; government agencies, community groups and investors; and in numerous other ways. Each one makes it possible to work together to protect and enhance our natural and cultural landscapes in an integrated and effective way. Without these collaborations, work in this sector would be fragmented and without lasting benefit.

Throughout 2014-15, partnerships have helped deliver a range of important achievements across the Victorian Mallee, including:

- The completion of seven comprehensive business cases for environmental infrastructure projects valued at more than \$260 million, which aim to deliver environmental outcomes under the Murray-Darling Basin Plan, saving and using water more efficiently. Significant involvement, advice and expertise from within the Mallee CMA, partner agencies and the local community helped inform these business cases, which are currently being assessed by a committee of representatives from the Commonwealth and Basin States.
- The delivery of approximately 86,500ML of environmental water to priority wetlands, creeks and water bodies across the region, which was made possible by working together with the Commonwealth and Victorian environmental water holders; the Department of Environment, Land, Water and Planning; Parks Victoria; Murray-Darling Basin Authority, local Landcare groups and the community.
- The forging of strong environmental partnerships through the allocation of more than \$1.2 million in funding to help Victorian Mallee landholders conduct important conservation work on their properties, which was made possible through the Victorian Government's Victorian Environmental Partnerships Program (VEPP).
- The implementation of approximately 2857ha of targeted works in riparian landscapes, through funding from the Victorian Government and in collaboration with land managers; along with the development of 14 Environmental Water Management Plans, also through funding from the Victorian Government and in consultation with relevant land managers, community groups and other stakeholders.
- The protection of more than 897ha of fire-affected high value vegetation on private land around Bronzewing, Nypo, Paradise
 and Wyperfeld. This work has helped protect habitat for key threatened species such as the Regent Parrot, Major Mitchell's
 Cockatoo and Malleefowl and was made possible by working closely with landholders, with funding from the Victorian and
 Commonwealth Governments, under the Natural Disaster Relief and Recovery Arrangements.
- The successful implementation of the Mallee Green Army project, through the support of the Australian Government's Green Army Programme, together with Conservation Volunteers Australia and relevant land managers. This was one of the first Green Army projects to be completed in Australia and we are looking forward to continuing the good work, with another project to begin early in 2015-16.

Throughout 2014-15, the strength and ongoing importance of the Mallee Regional Catchment Strategy 2013-19 continued to be evident, with the release of complementary strategies, such as the Mallee Waterway Strategy 2014-22, providing strong frameworks for the continued management of natural resources. The implementation plan underpinning the Regional Catchment Strategy has also enabled the Mallee CMA to explore a range of critically important issues including the impacts of climate change and regional flooding. Work in this area will continue throughout 2015-16 and I look forward to continuing to work collaboratively with our partners and stakeholders.

In recognition of the important role partnerships play in delivering essential natural resource management actions across our region, 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 into, our programs. My thanks also go to my colleagues on the Mallee CMA Board and the members of our advisory committees for their commitment during the year; to our Chief Executive Officer, Jenny Collins, and the management team for the strong leadership and direction shown throughout 2014-15; and to the staff of the Mallee CMA for their ongoing hard work and commitment to protecting and enhancing our region's natural and cultural landscapes.

Sharyon Peart

Chair Mallee CMA

21 August 2015

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 Ministers for the period from 1 July 2014 to 3 December 2014 were:

- the Hon Ryan Smith MP, Minister for Environment and Climate Change; and
- · the Hon Peter Walsh MLA, Minister for Water.

The responsible Minister for the period from 4 December 2014 to 30 June 2015 was:

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

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).

A 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.

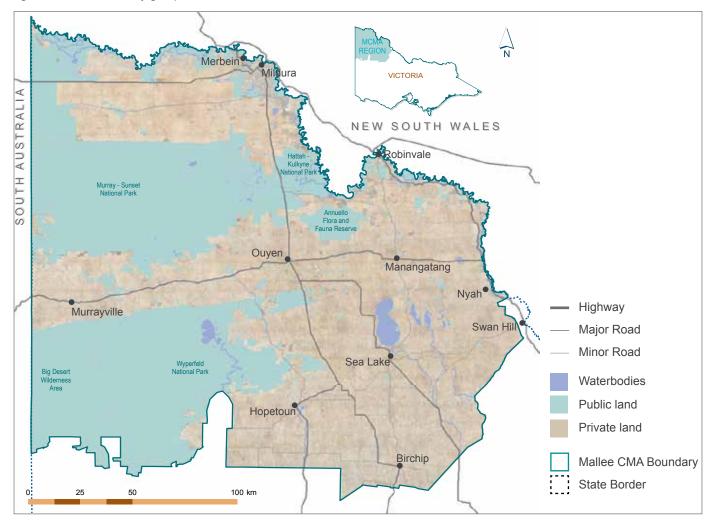


Figure 1: Map of Mallee CMA region.



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.

A suite of RCS sub-strategies and plans (e.g. Mallee Waterway Strategy, Mallee Irrigation Region Land and Water Management Plan, Mallee Landcare Support Strategy) 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.

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* details 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 2014-19 establishes four priorities and associated business objectives to form the organisation's strategic direction in delivering against these legislative obligations (see Table 1).

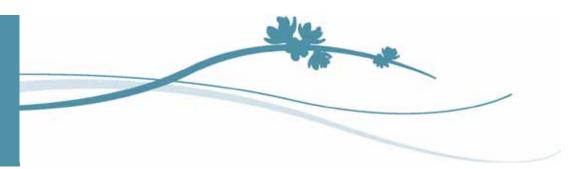
Table 1: Mallee CMA 2014-19 strategic priorities and business objectives

Strategic priority		Business objectives
Protecting, managing 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.
productive assets.	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.
		Administer and review regional investments in NRM from the Victorian and Australian governments efficiently and effectively to deliver priority outcomes.
Planning 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.
Increasing community capacity to protect the Mallee's natural, cultural and productive assets	3.1	Engage and work collaboratively with stakeholders and the community in the planning and regional implementation of NRM activities.
and productive assets.		Maintain and enhance structures to foster ongoing engagement of stakeholders and the community to enhance NRM knowledge and skills.
Corporate and social responsibilities.	4.1	Proactively support the Mallee CMA's vision, mission and values.
	4.2	Report openly and transparently in line with investor expectations.
	4.3	Improved business management systems and processes to better support delivery of wider organisational objectives.





Lake Hattah before (left) and after (right) environmental watering event. Photos: Mallee CMA.



Performance reporting - Non financial

1.6 Performance against (statutory) objectives, functions, powers and duties

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 (2012) which sets out key performance indicators (KPI's) for:

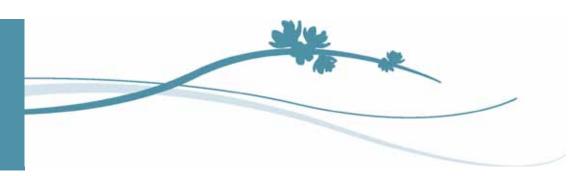
- · Governance:
- · Efficiency and organisational performance; and
- · Effectiveness and environmental outcomes.

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 indicators	Targets	Achievement reporting
Governance	•		
Board performance	Complete and submit an annual board performance assessment report, according to any guidelines issued.	By 31 August annually.	Date report submitted: 28 August 2014
	Participation by board members in development activities.	All board members participate in development activities.	Board participation rate in development activities: 100 %
Board charter	Develop and implement a board charter.	A board charter is reviewed (and if necessary, amended) by 30 June annually.	Actual date on which the board charter was reviewed and, if necessary, amended: 24 June 2015
Risk and financial management	Compliance to risk management plans for each program.	All programs have risk management plans in place.	Percentage of programs with risk management plans in place: 100%
		Nil non-compliances with risk management plan.	Number of non-compliances with risk management plan: <i>NiI</i>
Policies and procedures	Regular review of policies and procedures.	Each policy and procedure is reviewed at least every five years.	Percentage of policies and procedures reviewed annually: 49 %
Efficiency and organi	sational performance		
Grant management	Administration costs of grants are minimised.	10% or less of grant funds is spent on administration.	Overall percentage of grant funds spent on administration: 10%
			Number of grants from which more than 10% was spent on administration: <i>NiI</i>
	Minimise time taken to determine grant applications.	Grant applications are determined within one month of being received.	Average time taken to determine grant applications: 30 days
Regulatory waterway/water	Number of days to process works on waterways permits.	Not more than 20 working days.	Average number of working days to process permits: 11.6
functions			Number of permits that took more than 20 working days to process: <i>Nil</i>
	Number of days to process referrals for any works on or in relation to a dam.	Not more than 20 working days.	Average number of working days to process referrals: <i>NiI</i>
			Number of permits that took more than 20 working days to process: Nil

Regulatory waterway/water functions cont.	Number of days to process referrals from local government on flooding and controls on planning	Not more than 20 working days.	Average number of working days to process referrals: 10.2
	scheme amendments, and planning and building approvals.		Number of referrals that took more than 20 working days to process: 1
	Number of days to process enquiries from local government and the community on flooding.	Not more than 20 working days.	Average number of working days to respond to enquiries: 7.9
			Number of enquiries that took more than 20 working days to process: <i>Nil</i>
	Number of days to process referrals for Water Use Licences that don't meet the standard water-use	Not more than 20 working days.	Average number of working days to process referrals: <i>NiI</i>
	conditions.		Number of referrals that took more than 20 working days to process: <i>Nil</i>
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage	Not more than 20 working days.	Average number of working days to process referrals: <i>NiI</i>
	plans and seasonal adjustments to annual use limits.		Number of referrals that took more than 20 working days to process: <i>Nil</i>
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use	Not more than 20 working days.	Average number of working days to process referrals: <i>NiI</i>
	Licences.		Number of referrals that took more than 20 working days to process: <i>Nil</i>
Effectiveness and env	rironmental outcomes		
Integrated River Health Management	Revise Regional River Health Strategy to plan for waterways in relation to their economic, social and environmental values.	Regional Waterway Strategy revised every six years.	Regional Waterway Strategy revised: <i>October 2014</i>
	Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the environmental water reserve in accordance with objectives.	Environmental Operating Strategies developed or revised every five years.	Actual dates Environmental Operating Strategies were developed or revised: <i>June 2013</i>
		Annual Watering Plans approved for all Environmental Entitlements.	Actual date Annual Watering Plans were approved: <i>June 2014</i>
	Implement annual river health programs and activities to improve environmental values and health of water ecosystems.	All annual river health targets and works programs achieved.	Percentage of annual river health targets and works programs achieved: 90 %
Regional Catchment Strategy (RCS)	Complete and submit the developed or revised RCS according to any guidelines, standards and related information issued.	Submit the developed or reviewed RCS by the due date as required in any guidelines, standards and related information issued.	Actual date on which the developed or revised RCS was submitted for approval: 1 October 2012
	Percentage of RCS annual actions implemented.	All RCS annual actions implemented.	Percentage of RCS annual actions implemented: 75%
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented.	All RNVP annual actions implemented.	Percentage of RNVP annual actions implemented: 75%
Invasive plant and animal management	Regional Invasive Plant and Animal Strategies incorporating related priorities in all land tenures in the region.	Invasive Plant and Animal Strategies revised by 30 June every five years.	Actual date strategies were revised: May 2011
Regional and statutory planning	Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body.	100% of referral responses provided for each issue.	Percentage of referral responses provided for each issue: 100%



Salinity management	Implementation and periodic review of Regional Salinity Management Plans (RSMP) and Land and Water Management Plans (LWMP).	RSMP and LWMP completed. RSMP and LWMP periodically reviewed. RSMP and LWMP include annual actions to be implemented.	RSMP and LWMP completed; RSMP and LWMP periodically reviewed; and RSMP and LWMP includes annual actions to be implemented
	Progress against annual action targets.	All annual RSMP and LWMP actions and targets achieved.	Proportion of RSMP and LWMP annual actions and targets achieved: 90%
	Develop regional salinity targets and corresponding works programs in accordance with the Murray Darling Basin Salinity Agreement (for applicable CMAs only).	All annual salinity targets and works programs achieved.	Proportion of annual salinity targets and works programs achieved: 95%
	Annual report on the allocation and update of salt disposal entitlements submitted to the responsible Minister.	By 31 July annually or as otherwise requested by the responsible Minister.	Actual date the report was submitted: 29 August 2014 (as requested)
Regional Landcare groups, networks and other community groups	Deliver the Regional Landcare Support Strategy, including coordination of Landcare at a regional scale.	Evaluate and revise the strategy every five years.	Actual date the strategy was evaluated and revised: <i>October</i> 2013

1.7 Operational and budgetary objectives

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 2014-15 performance measure is reported in Table 3.

Table 3: Performance measures established by the Mallee CMA

Strategic priority	Objectives supported	Performance measures	2014-15 Achievement commentary
Protecting, managing and enhancing the region's natural, cultural and	1.1 1.3	Annual progress against priority actions and objectives of the Mallee RCS.	Percent of long term objectives delivered against: 100% Percent of annual priority actions implemented: 75%
productive assets.	1.1 1.4	Application of the RCS Monitoring, Evaluation, Reporting, Improvement (MERI) framework to guide adaptive management and continuous improvement.	Status: Implementation (ongoing)
	1.1	Implementation and review the Mallee RCS 2013-19 Implementation Plan to guide integrated and targeted delivery frameworks.	Status: • Review (August 2014) • Implementation (ongoing)
	1.2	All required NRM strategies and action plans developed in line with investor requirements and in consultation with regional stakeholders.	Mallee Waterway Strategy: Approved (October 2014) Environmental Watering Management Plans: 14 approved (throughout year) Mallee NRM Plan for Climate Change: Under development Mallee Indigenous Participation Plan: Under development
	1.4	Not less than 90% of projects completed to agreed time, quality and cost (including variations) by June 30, 2015.	Percent: 100%
	1.4	Continue to proactively pursue government funding for the delivery of NRM projects in the Mallee CMA region.	Number funding applications submitted: 16

Planning and implementation of water reform policy.	2.1	Input into the planning process underpinning the implementation of the Basin Plan supported via local, regional and state arrangements.	Number forums represented on: 4
	2.2	Planning and development of environmental infrastructure projects to deliver efficient and accountable use of environmental water and assist in the achievement of water recovery targets.	Number of projects: 8
	2.1 2.2 2.3	Work with the community (including the Indigenous community) to support the planning and development of environmental infrastructure projects.	Number of community stakeholders participating in engagement/consultation activities: 997
Increasing community capacity to protect the Mallee's natural, cultural and	3.1	Engagement activities aligned with the Mallee Regional Catchment Strategy 2013-19 and the Community Engagement and Partnerships Framework for Victoria's Catchment Management Authorities.	Status: Implementation (ongoing)
productive assets.	3.1	Continued development and implementation of the Targeted Community Capacity Tool to monitor, where relevant, Community Capacity for NRM at a program scale.	Status: • Development (February 2015) • Implementation (ongoing)
	3.1	Monthly reports to Mallee CMA Board delivered to inform Board members of planned and delivered community engagement activities.	Number reports: 11
	3.2	Links to partner agencies and community fostered through community and technical advisory committees.	Number community committees facilitated: 3 Number technical committees facilitated: 4
	3.1 3.2	Opportunities for knowledge and skill enhancement via volunteer organisations such as Landcare and Friends Of groups supported.	Number community group members participating in awareness/training activities: 1,926
Corporate and social	4.1	Governance and operational activities conducted in line with the Mallee CMA's vision, mission and values.	Status: Implementation (ongoing)
responsibilities.	4.2	Investors' reporting requirements met in an open and transparent manner.	Percent reports submitted within stated timelines and in accordance with guidelines: 95%
	4.3	Funding applications developed to meet Victorian and Australian Government investment priorities.	Percent successful: 81%
	4.4	Employment of local Landcare Facilitator positions within the Mallee CMA region facilitated in cooperation with Landcare groups.	Number employed: 4

1.8 Initiatives and key achievements

Government programs and initiatives delivered against by the Mallee CMA in 2014-15, and the regional outcomes achieved through these is reported in Table 4.

Table 4: Key achievements delivered under government programs/initiatives

Program/Initiative	Key 2014-15 achievements
Victorian Landcare Program	Devolved grants provided to 18 of the region's community groups who implemented approximately 8,700ha of on-ground works (i.e. pest plant and animal control, revegetation) for the protection and enhancement of priority local assets. Ongoing coordination support provided to the region's 29 Landcare groups and implementation of a Junior Landcare program.
Waterway Management Program	Implementation of approximately 2,857ha of targeted works in partnership with land managers; addressing key threats to the region's priority riparian landscapes and optimising environmental watering outcomes. Development of 14 Environmental Water Management Plans in consultation with relevant land managers, community groups and other stakeholders.
	Implementation of the Psyche Bend Lagoon Operational Plan to restore ecological function of a saline affected wetland.



Sustainable	Irrigation
Program	_

Implementation of a Seasonal Adjustment for Annual Use Limits (AULs), resulting in an increase of 15% for Mallee Water Use Licences (WULs) in May 2015. This outcome was supported by climate data, customer reference group consultation and independent advice.

Planning, prioritisation and allocation of irrigation incentives for improved management through irrigation upgrades, irrigation drainage management plans, and the installation of scheduling equipment.

Review of the current groundwater bore network to identify bores that support the Nyah to South Australian (SA) Border Salinity Management Plan (SMP) accountable action. This review identified bores that are critical to supporting numerical groundwater 'water trade' models and recommended a suitable monitoring schedule.

Natural Disaster Resilience Grants

Fencing damaged in the 2014 bushfires replaced to help protect 897 hectares of fire-affected high value vegetation on private land; improving habitat for key threatened species such as Regent Parrots, Major Mitchell's Cockatoo and Malleefowl.

Mallee Salinity Investment Plan

Targeted assessment of groundwater trends and irrigation drainage flows to provide quantitative evidence of the success of the salinity management policies employed in the Mallee since the early 1990s. Comparison of drainage flows before and after the implementation of actions under the salinity management plans has been provided together with illustration of the response of groundwater levels to the wet and dry sequences experienced in the Mallee irrigation areas.

Development of Mallee 10 Year Salinity Investment Outlook document to ensure the most efficient and effective investment of the salinity offset funds against the original intention to offset salinity impacts of irrigation on river salinity.

Murray-Darling Basin Plan and The Living Murray Program

Infrastructure works completed at Hattah Lakes, Mulcra Island and Lindsay Island; with work continuing on the Mullaroo Creek structure.

Operation of the Hattah Lakes infrastructure to deliver approximately 75,000ML of water during 2014-15.

Development and delivery of business cases for more than \$260 million worth of works across seven sites (Lindsay Island, Wallpolla Island, Hattah Lakes Stage 2, Belsar Island, Burra Creek, Nyah and Vinifera) under the Sustainable Diversion Limits adjustment program.

Stakeholder engagement processes undertaken to support the planning, development and implementation of environmental infrastructure and associated watering projects.

Biodiversity Fund

More than 2,000ha of private land under covenant or conservation agreement and managers undertaking stock removal and invasive species control in coordination with adjacent public lands.

Strategic biodiverse plantings, remnant vegetation protection and targeted invasive species management implemented in partnership with public and private land managers 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.

National Landcare Programme

Implementation of targeted works in partnership with community groups, private landholders and government to address key threats posed to approximately 52,000ha of critical habitat for nationally significant species and communities.

Reducing the threats posed by invasive species on key ecological attributes of the Hattah-Kulkyne Lakes Ramsar site through delivery of targeted works across 6,000ha of riparian and aquatic habitat contained within the 12 Ramsar listed lake sites

Delivery of 10 on-ground demonstration sites for the identification, validation and promotion of improved land management practices, facilitating practice change at a scale that will directly address key regional threats.

Release of an innovative field guide incorporating Indigenous ecological knowledge with contemporary methods of pest plant management, which provides easy-to-read guidance on how to manage invasive plants in areas of cultural significance.

1.9 Structural changes to Mallee CMA in 2014-15 affecting performance reporting

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

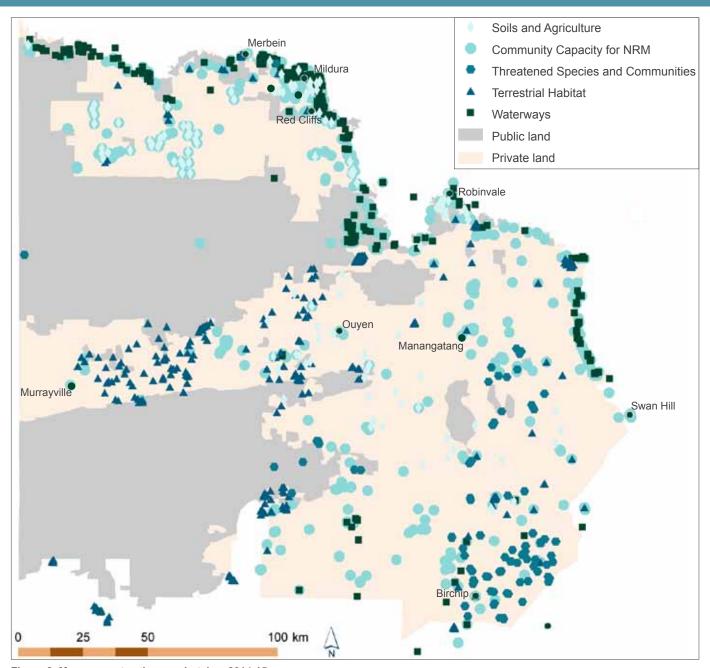
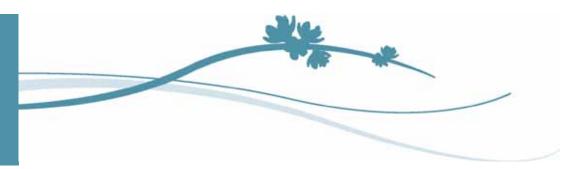


Figure 2: Management actions undertaken 2014-15



1.10 Condition and management report

This condition and management report for 2014-15 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 Asset Class	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	Soils	All soils regardless of their tenure and type of land system to which they are subject.
agriculture	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.

1.10.1 Waterways

Management

Key management outputs and associated activities delivered in 2014-15 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 (DEPI) Output Data Standard (2014).

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

Table 6: Waterway management outputs and activities

Output	Activity	Unit measure	Achieved
Earth works	Establish	Km.	5
Fence/Bollards	Install, maintain, remove, replace	Km.	26
Pest animal control	Establish, maintain	На.	32,646
Pump	Establish, maintain	No.	15
Road/Trail	Maintain, modify	Km.	70
Rubbish removal	Establish, maintain	На.	18
Vegetation (native indigenous)	Establish, maintain	На.	12
Water regime	Deliver, dewater	No.	45
Waterway structure	Install	No.	18
Weed control	Establish, maintain	На.	5,898

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.

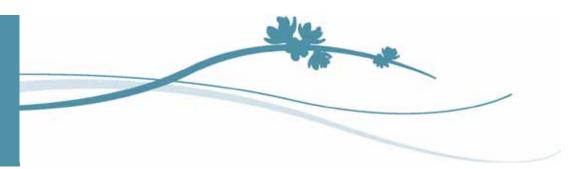
River/stream condition is measured by the ISC measures condition according to five sub-indices (hydrology, physical form, streamside zone, water quality and aquatic life) that contain 23 key indicators, to provide a summary of the extent of change from natural or ideal conditions.

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 (Papas, 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 2014-15) 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 2013–14: Part A –* Main Report).

Regional groundwater monitoring in 2014-15 found that when compared to 2013-14 data, 49% of bores (sampled in both years) experienced a decline in standing water level, which means groundwater was observed at depths further from the soil surface in these bores. This was closely matched by a rise in standing water level in 47% of bores. Increased salinity levels were found in 52% of bores sampled in both years. This was closely matched by decreased salinity levels in 48% of bores. In general, there was found to be a slight overall decrease in groundwater level and a slight overall increase in salinity observed in all monitored bores throughout the region (Mallee CMA, 2014. *Mallee Groundwater Monitoring 2015*. Final report Mallee CMA).

1.10.2 Threatened species and communities

Management

Key management outputs and associated activities delivered in 2014-15 for the protection and enhancement of the region's threatened species and communities are reported in Table 7. These align with the DEPI Output Data Standard (2014).

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, 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	Km.	5
Pest animal control	Maintain	На.	14,900
Threatened species recovery	Establish	No.	2
Vegetation (native indigenous)	Establish	На.	102
Weed control	Maintain	На.	268

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).

The ability of some species to respond to favourable conditions is, however, an important consideration when assessing the condition of these regional assets. Long-term monitoring of Malleefowl mounds in Victoria has shown breeding numbers in 2012

were higher than at any time in the past in response to good rains and maturing habitat; whereas, by the 2013 season they were lower than virtually any previous year with the exception of drought years (2002, 2006 and 2007) as a result of the very dry conditions that pertained for most of the previous 12 months. Numbers again showed a decline within some areas of the Mallee in 2014, in response to dry winter conditions (Benshemesh J, Stokie P (2012, 2013): *Malleefowl monitoring in Victoria: 2012-13, 2013-14, 2014-15* 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 how the improved conditions experienced in 2010-11 followed by dry years and high temperatures together with widespread fire events in 2014, have impacted on the state of threatened species and communities overall.

1.10.3 Terrestrial habitat

Management

Key management outputs and associated activities delivered in 2014-15 for the protection and enhancement of the region's terrestrial habitat assets are reported in Table 8. These align with the DEPI Output Data Standard (2014).

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

Table 8: Terrestrial habitat management outputs and activities

Output	Activity	Unit measure	Achieved
Fence	Install, replace	Km.	48
Pest animal control	Maintain	На.	24,908
Rubbish removal	Establish	На.	2
Vegetation (native indigenous)	Establish	На.	436
Weed control	Maintain	На.	8,557

Condition

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

Native vegetation quality across the Mallee is considered to be in moderate condition overall, with remnant vegetation held within reserves and other public land typically being in better condition than that on private land.

Trends in measures of condition within major parks and reserves remain stable, if not slightly improving, as a result of the removal of grazing some 20 years ago and the large rainfall events experienced in recent years. 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 Galey, 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. However, 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.

1.10.4 Soils and agriculture

Management

Key management outputs and associated activities delivered in 2014-15 for the protection and enhancement of the region's soils and agricultural assets are reported in Table 9. These align with the DEPI Output Data Standard (2014).

Regional stakeholders engaged in the planning and delivery of these outputs included the DELWP, DEDJTR, 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 practice change	Establish, modify	На.	44
Irrigation infrastructure	Install, modify	На.	289

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 (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 2014-15 period indicate the surface water drainage flows and regional groundwater levels have mostly resumed the downward trend.

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 2013-14 this had decreased by 640 hectares or 3% of the total irrigable area, leaving 26% 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 in 1998. The subsequent implementation of the Murrayville Area Groundwater Management Plan from 2001 and ongoing monitoring of groundwater levels, salinity and metered extraction provides detailed information on groundwater condition and trends. While there has been some variability over previous years, the current level of use does not appear to be having an adverse impact on the sustainability of the groundwater resource in the longer term, with groundwater levels recovering between irrigation seasons. Salinity levels remain satisfactory and metered usage is declining.

1.10.5 Community capacity for NRM

Management

Key management outputs and associated activities delivered in 2014-15 to enhance community capacity for NRM are reported in Table 10. These align with the DEPI Output Data Standard (2014).

Regional stakeholders engaged in the planning and delivery of these outputs included the DELWP, DEDJTR, Parks Victoria, 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 10: Community capacity management outputs and activities

Output	Activity	Unit measure	Achieved
Approval and advice	Advice	No.	159
Assessment	Establish, maintain	No.	553
Engagement event	Attend, coordinate, establish, sponsor	No. participants	7,487
Information management system	Establish, maintain	No.	23
Management assessment	Establish, maintain	No.	164
Monitoring structure	Install, maintain	No.	35
Partnership	Establish, maintain	No.	302
Plan	Establish, modify	No.	245
Publication	Establish, coordinate	No.	197

Condition

Trends in the overall condition of the region's community capacity asset are currently unable to be determined.

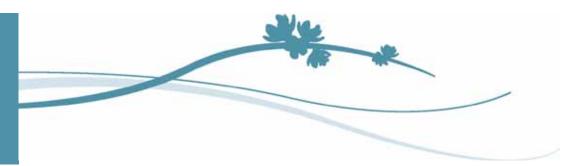
Historically, no regional-scale information has existed from which condition assessments of the Victorian Mallee community's capacity for natural resource management could be made. This information gap was addressed as part of the Mallee Regional Catchment Strategy 2013-19 through the development of 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, the results obtained for individual measures of the five capitals do provide some insight.

For example, the Landcare Group Health survey identified an average 'health' score of 4.7 out of a possible 7, indicating that the majority of Mallee Landcare groups consider themselves to be stable in their current operating environment, are making progress against their action plan(s) and are working within their current capabilities.

Conversely, there has been a 7% decrease in the proportion of Mallee agricultural businesses participating in NRM projects, which may indicate issues with ongoing interest or accessibility to project/funding opportunities. However, the proportion of agricultural businesses participating in NRM projects in the Mallee region remains significantly higher than that of regional Victoria as a whole (i.e. 26% compared to 19%).

This tool will be applied again as part of the mid-term and full-term reviews of the Mallee Regional Catchment Strategy, which will provide the opportunity to track changes in community capacity over time.



The region does have 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 126 workshops have been delivered across eight 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 8,272 works, covering 200,817ha (Mallee CMA (2015). *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 target area have completed 37% 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 and 270ha of pest animal control works. (McCamley J., (2015) *Environmental Management Action Planning (EMAP) 2 and 7 Graduate Review*. Unpublished report for the Mallee CMA).







Performance reporting - Financial

1.11 Five year financial summary

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

Table 11: Five year financial summary

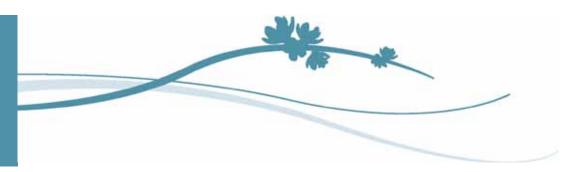
Fire confinencial community	2014-15	2013-14	2012-13	2011-12	2010-11
Five year financial summary	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Commonwealth Government contributions	8,984	9,634	3,750	3,777	2,724
State Government contributions	6,575	7,419	6,495	8,196	8,200
Other revenue (includes \$8,650 Total other economic flows)	4,287	4,075	3,981	5,050	4,932
Total Revenue	19,846	21,128	14,226	17,023	15,856
Expenditure					
Depreciation	240	191	194	193	188
Employee benefits	4,546	4,377	4,636	5,741	4,079
Materials, maintenance, grants and consultants	7,521	4,200	4,837	6,599	4,976
Contractor expenses	2,303	2,483	2,775	3,185	3,685
Rental	291	281	274	303	299
Operating expenses	1,397	1,167	1,084	1,526	1,129
Total Expenditure	16,298	12,699	13,800	17,547	14,356
Assets					
Current assets	40,376	36,330	27,548	27,322	27,518
Non-current assets	864	790	615	814	745
Total Assets	41,240	37,120	28,163	28,136	28,263
Liabilities					
Current liabilities	2,282	1,722	1,089	1,520	1,154
Non-current liabilities	102	91	196	164	133
Total Liabilities	2,383	1,813	1,285	1,684	1,287

1.12 Current year financial review

Mallee Catchment Management Authority reported a net result for the financial year \$3,548,745 and assets exceed liability by \$38,856,202 (30-06-14 \$35,307,457). Cash at bank remains strong at \$37,777,866 (30-06-14 \$34,581,005), of which \$24,056,964 is held for Salinity Offset Funds, \$13,328,942 held for future projects and reserves to meet our employee benefits and future capital commitments.

In addition, the financial statements show net cash inflows from operations of \$2,820,887 (30-06-14 \$8,935,541) and cash flow from investing activities of \$375,974 (30-06-14 (\$362,872)) resulting in a net increase of cash held of \$3,196,861 (30-06-15 \$8,572,669).

Major revenue streams were grants received from the Department of Environment, Land, Water and Planning \$5,226,652 (30-06-14 \$5,170,809), Commonwealth Government \$8,984,279 (3-06-14 \$9,633,543), Salinity Levies \$3,141,988 (30-06-14 \$3,219,984) and Regional Contributions \$1,348,699 (30-06-14 \$2,249,783).



1.13 Significant changes in financial position

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

1.14 Significant changes or factors affecting performance

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

1.15 Captial projects

The Mallee CMA does not manage any capital projects.

1.16 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 2015 is detailed in Table 12.

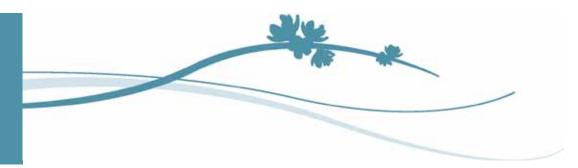
Table 12: Disclosure of grants and transfer payments

Organisation	Description	Payment \$
Annuello Landcare Group	Annuello Landcare roadside and corridor rabbit control works 2016	\$34,880
Annuello Landcare Group	Annuello Landcare roadside and corridor rabbit control works 2015	\$14,940
Berriwillock Landcare Group	Protecting Berriwillock's biodiversity 2016	\$35,000
Berriwillock Landcare Group	Berriwillock Buloke Woodlands Protection Project 2015	\$55,000
Berriwillock Landcare Group	Berri's Bunny and Boxthorn Bust-up	\$14,980
Beulah and Yaapeet Primary School	Environmental Junior Landcare Biodiversity Program	\$3,000
Birchip Landcare Group	Crash and Kill in Curyo and Kinnabulla - Wheel Cactus with associated Rabbits, Boxthorn and Bridal Creeper	\$14,432
Birchip P-12	Environmental Junior Landcare Biodiversity Program	\$3,000
Culgoa Landcare Group	Rabbit control in Culgoa 2015	\$14,960
Hopetoun Landcare Group	Hopetoun Landcare Rabbit, Weeds and Glasshouse Projects 2015	\$34,852
Hopetoun Landcare Group	Wathe Rabbit Ripping 2015	\$5,000
Hopetoun Landcare Group	Wathe Bridal Creeper Control 2015	\$15,000
Kooloonong-Natya Landcare Group	Mallee Cactus Crusaders	\$34,248
Kooloonong-Natya Landcare Group	Maintaining Natures balance in Kooloonong-Natya	\$12,015
Lake Coorong/Lake Lascelles committee of management	Lake Coorong and Lake Lascelles Rabbit and Weed campaign 2015	\$17,541
Lalbert Landcare Group	Community Actions in Lalbert 2015	\$2,423
Mallee Landcare Group	Patchy Rabbit Program	\$35,000
Manangatang Landcare Group	Manangatang Landcare roadside and corridor rabbit control works 2016	\$34,880
Manangatang Landcare Group	Manangatang Landcare's Lake Tyrrell and Lake Wahpool enhancement and preservation project 2016.	\$20,000
Manangatang Landcare Group	Manangatang Landcare roadside and corridor rabbit completion control target area	\$14,940
Mildura West Primary School	Environmental Junior Landcare Biodiversity Program	\$3,000
Millewa-Carwarp Landcare Group	Rabbit Eradication Program: Yarrara to Werrimull	\$34,356
Millewa-Carwarp Landcare Group	Millewa-Carwarp Landcare Group Intergrated Pest Management project 2015	\$15,000
Murrayville Landcare Group	Murrayville and Districts Rabbit Control Program 2016	\$33,850

Nullawil Landcare Group	Nullawil's Biodiversity Protection Project	\$35,000
Nullawil Landcare Group	Protecting Buloke Woodlands In Nullawil 2015	\$55,000
Nullawil Landcare Group	Bunny Busting in Nullawil 2015	\$14,960
Nyah West Landcare Group	Nyah West Landcare Group Buloke Protection	\$12,050
Nyah West Landcare Group	Environmental Junior Landcare Biodiversity Program	\$3,000
Rainbow & District Landcare Group	Yaapeet Wetlands project	\$5,387
Rainbow P-12	Environmental Junior Landcare Biodiversity Program	\$3,000
Red Cliffs and Districts Landcare Group	Maintenance Grant	\$500
Sea Lake Landcare Group	Sea Lake Landcare Rallying Rabbits	\$13,175
Sea Lake St Mary's Primary School	Environmental Junior Landcare Biodiversity Program	\$3,000
Ultima Landcare Group	Rabbit Control in Ultima	\$35,000
Ultima Landcare Group	Ultima's Rabbit control 2015	\$14,960
Werrimull P-12	Environmental Junior Landcare Biodiversity Program	\$3,000
Yelta Landcare Group	Celebrating 20 years of Landcare	\$6,460
Total		\$706.789

1.17 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 Mallee CMA organisational structure

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.

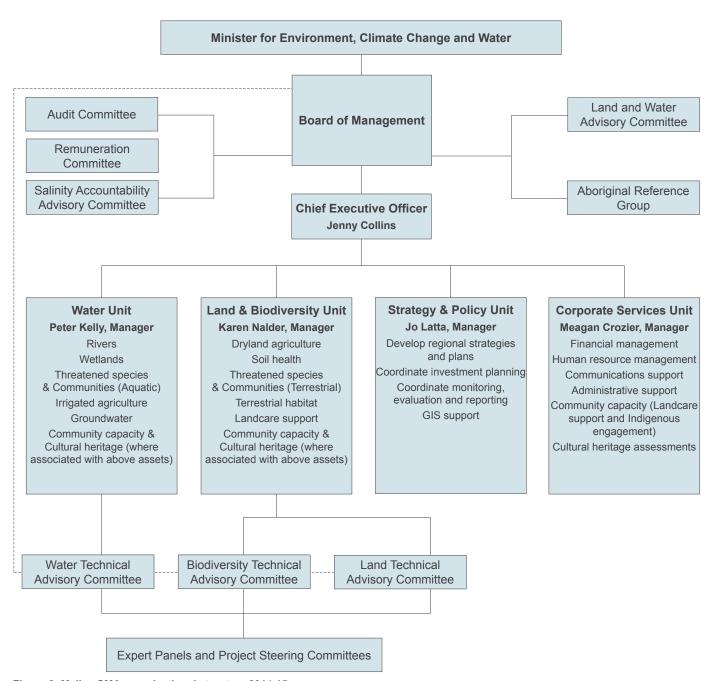


Figure 3: Mallee CMA organisational structure 2014-15

2.2 Mallee CMA Board

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

The Mallee CMA Board consisted of nine members during the 2014-15 reporting period.

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

2.2.1 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); and a member of the LaTrobe University's Mildura Regional Advisory Board. Sharyon's roles include:

- · Chair Remuneration Committee;
- · Board representative Land and Water Advisory Committee;
- · 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.

Tony Martin - Deputy Chair

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 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 The Living Murray Community Reference Groups (Hattah and Lindsay-Wallpolla).

The current term of appointment for Tony Martin is 1 October 2011 to 30 September 2015.

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; and
- · Board representative Water Technical Advisory Committee.

The current term of appointment for Bruce Jones 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 current term of appointment for Geoff Anderson is 1 October 2011 to 30 September 2015.



Eddie Lee

Eddie is a dryland 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 current term of appointment for Eddie Lee is 1 October 2011 to 30 September 2015.

John Arnold

John has been a dried fruit and citrus grower for 28 years. He also owned a manufacturing business for 16 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 currently Deputy Mayor with the Mildura Rural City Council. John's roles include:

- · Member Audit Committee
- · Board representative The Living Murray Community Reference Groups (Hattah and Lindsay-Wallpolla).

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

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 current term of appointment for Paul Grigg is 1 October 2011 to 30 September 2015.

Allison McTaggart

Allison is an independent consultant primarily in human resources and business including strategic planning, 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 and marketing. 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 and Fellow of the Australian Institute of Company Directors. Allison's roles include:

- · Member Remuneration Committee; and
- · Board representative The Living Murray Community Reference Groups (Hattah and Lindsay-Wallpolla).

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

Dr John Cooke DSc(hc),PhD

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. John's roles include:

- · Board representative Water Technical Advisory Committee; and
- · Board representative Salinity Accountability Advisory Committee.

The current term of appointment for John Cooke is 6 November 2013 to 30 September 2017.

2.2.2 Board meetings attended

Eleven ordinary Board meetings were held during the 2014-15 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	11
Tony Martin	11
John Arnold	10
Geoff Anderson	11
Bruce Jones	10
Eddie Lee	10
Paul Grigg	10
Allison McTaggart	10
John Cooke	11

2.3 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, usually for a three year term, and are subject to the 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;
- · Ratification of the engagement and dismissal of internal auditors by management;
- · The scope of work, independence and performance of the 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 acceptability of, and correct accounting treatment and disclosure of, significant transactions which are not part of the Mallee CMA's general course of business;
- · The approval of accounting policies; and
- The Mallee CMA 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:

- · Paul Grigg Chair;
- John Arnold Member;
- Tony Martin Member;
- · Grant Martinella Independent Member; and
- · Leonie Burrows Independent Member.

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 2014-15, the committee met 11 times. Attendance of committee members is detailed in Table 14.

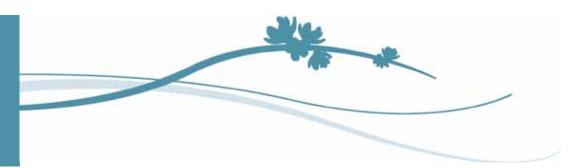


Table 14: Audit Committee meeting attendance

Audit member	Ordinary meetings attended
Paul Grigg	10
John Arnold	11
Tony Martin	8
Grant Martinella	9
Leonie Burrows	7

2.3.1 Internal and external audits

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

2.4 Board committees

An Audit Committee, Remuneration Committee, Salinity Accountability Advisory Committee and other 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.

2.4.1 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;
- · Paul Grigg Member;
- · Allison McTaggart Member.

2.4.2 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;
- Malcolm Bennett Lower Murray Water Board Member (to September 2014);
- Graham Robertson Lower Murray Water Board Member (from September 2014):
- · Peter Jones Community Member;
- · Owen Lloyd Community Member; 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.

2.4.3 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. The members of the LWAC during the reporting period were:

- · Bill Nicol (Chair);
- Ian Arney (to February 2015);
- · Robert Biggs:
- · Dorothy Brown;
- · Richard Ferrier;
- · Debbie Green;
- · Chris Greig:
- · Andrew Hudson;
- Owen Lloyd;
- · Graham McKechnie;
- Andrew Menzies (to February 2015);
- Tim Millen;
- Dorothy Reid; and
- Ron Wiseman.

Board representatives:

- · Sharyon Peart; and
- Geoff Anderson.

An additional Board member nominates to attend prior to every LWAC meeting. Seven Board members attended during the reporting period.

The Land and Water Advisory Committee met four times during the reporting period.

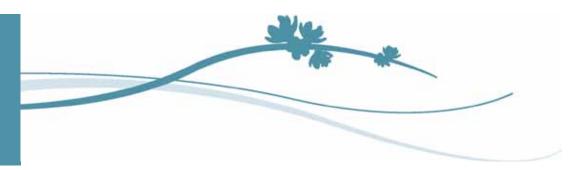
2.4.4 Aboriginal Reference Group

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.

The members of the ARG during the reporting period were:

- Fred Baxter;
- Venessa Clarke (to March 2015);
- · Leigh Fuller;
- Rose Kirby;
- · Michael Gilby;
- · Darren Perry;
- Margaret Whitton.



Board representatives:

- · Sharyon Peart; and
- · Geoff Anderson.

The ARG met four times during the reporting period.

2.4.5 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.

2.4.6 Biodiversity Technical Advisory Committee

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

- · Samantha Walters Mildura Rural City Council;
- · Tammy Herne Swan Hill Rural City Council;
- Sue McConnell Department of Economic Development, Jobs, Transport and Resources (to April 2014);
- · Lyn Jacka Department of Economic Development, Jobs, Transport and Resources (from April 2014);
- · Fiona Murdoch Lower Murray Water;
- · Greg Ogle Trust for Nature;
- Kathryn Schneider Parks Victoria (to April 2014);
- · Peter Foster Parks Victoria (from April 2014); and
- · Jill Flemming Department of Environment, Land, Water and Planning.

Board representatives:

- · Bruce Jones; and
- Eddie Lee.

2.4.7 Land Technical Advisory Committee

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

- · De-Anne Ferrier Birchip Cropping Group;
- Stuart Putland Mallee Sustainable Farming;
- Ivan Mock Dodgshun Medlin (to April 2015);
- Roy Latta Dodgshun Medlin (from April 2015);
- 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:

- · Paul Grigg; and
- · Eddie Lee.

2.4.8 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;
- · Catherine Hall- Mildura Rural City Council;
- Kathryn Schneider Parks Victoria;
- · Peter Ebner Lower Murray Water; and
- Iain Ellis Murray-Darling Freshwater Research Centre.

Board representatives:

- · Bruce Jones; and
- John Cooke.

2.5 Occupational health and safety

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

The Mallee CMA acknowledges that the health, safety and welfare of our employees, contractors, 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 responsibilities for occupational health and safety (OHS) lie with our managers, supervisors, employees and service providers. A personal commitment and involvement of all stakeholders is essential in establishing and maintaining healthy and safe working environments.

Consultation is an integral element of the workplace safety process. The Mallee CMA Occupational Health Safety and Welfare (OHSW) Committee, is the vital link between the employees and management. It provides an excellent opportunity for all employees to participate in monitoring and improving health, safety and welfare. The OHSW Committee also provides valuable input into safety and welfare related policies and procedures. Health and safety performance is reported monthly to the Mallee CMA's Audit Committee and Board.

To comply with Mallee CMA's responsibilities under the OHS Act, staff participated in OHS related training activities during the reporting period, including:

- · Working in isolation;
- · Four wheel driving;
- · First aid and CPR refresher;
- Snake awareness;
- · Personal Protective Equipment;
- Service provider OHS compliance;
- · Annual staff OHS refresher training; and
- · Health and safety representative refresher training.

The Authority's participation in the Workplace Healthy Together program throughout the reporting period provided the opportunity to focus on employee health and wellbeing. With an emphasis on the key target areas of healthy eating and physical activity, the Authority has continued to promote the benefits of making a healthy choice in eating habits and increasing physical activity for a mostly sedentary workforce.

A key achievement during the reporting period was the review of service provider OHS management procedures. The Mallee CMA believes that the relationship between contracting companies and the Mallee CMA should be one of partnership, with the objective of continuously improving the standards of health and safety for all participating in project activities undertaken by the Mallee CMA. The aim of the review was to ensure that all Mallee CMA service providers complied with both internal and external health and safety standards, legislation, regulations and codes of practice.

It is anticipated that the introduction of an online OHS management tool, will deliver efficiencies to both Mallee CMA staff and service providers in the future.



OHS reporting

The Authority's focus on OHS aims to improve workplace safety and reduce injuries, incidents, hazards and near misses. The introduction of an organisation-wide quality system has led to improvement in OHS reporting standards and data collection. Following analysis, this data provides valuable input into improving the OHS activities of the organisation.

Occurrences reported during the reporting period include incidents/accidents, injuries, hazards and near misses. The number of reported occurrences decreased by 12.5% compared to 2013-14. No fatalities occurred in the reporting period and injuries decreased by 80%. Reported incidents/accidents not resulting in injury increased by 40%. In real terms, the increase equates to two reported incidents compared to the previous year. The increase can be attributed to the implementation of the improved reporting system and education and training for employees in regard to OHS reporting. There were no WorkCover claims submitted during the reporting period.

The numbers and types of reported occurrences for the past five years are illustrated in Figure 4.

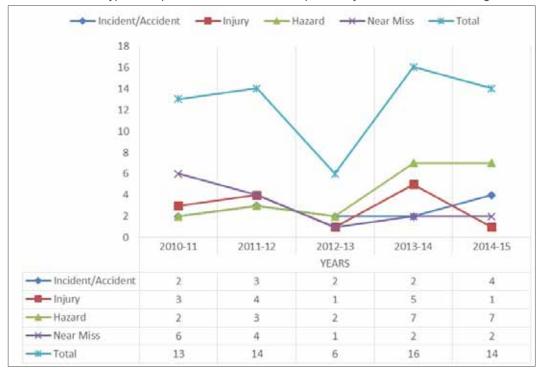
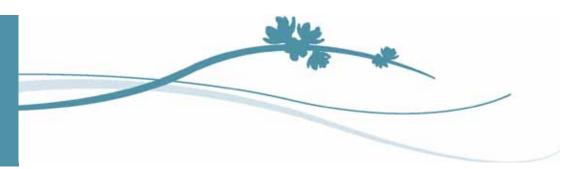


Figure 4: Number of reported OHS occurrences.

Table 15: Performance against OHS management measures

Measure	KPI	2014-15	2013-14	2012-13
Incidents	Number of incidents	14	16	6
	Rate per 100 FTE	7	8	3
Claims	Number of claims	Nil	2	5
	Rate per 100 FTE	Nil	1	2.5
	Number of lost time claims	Nil	2	5
	Rate per 100 FTE	Nil	1	2.5
	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	\$47.00
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 HSR provisional improvement notices (PINs) Worksafe Notices	100% Nil Nil	100% Nil Nil	100% Nil Nil
	Percentage of managers and staff that have received OHS training:	100% 80% 100%	100% 100% 100%	100% 100% 100%
	Percentage of HSRs trained: • Acceptance of role • Undertaken training or refresher training	100% 100%	100% 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:

- · Senior first aid training;
- · CPR refresher;
- Health and safety representative training;
- · First aid training Level II;
- · First aid refresher;
- Side by side Utility Terrain Vehicle training;
- · 4WD operators training;
- · Manual driver training;
- · Snake awareness training;
- · Pest animal bait products course;
- · Skilled auditor training;
- Work safely in the construction industry;
- Northern Mallee Leaders program; and
- · Groundwater modelling to underpin salinity assessments.

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;
- · Ride to work day;
- Lunchtime bocce competition;
- · Walk Through Winter initiative;

- · Lunchtime cycling group;
- · Pilates classes;
- · Walk the block; and
- 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 2015, the Mallee CMA employed 47 staff, which included a total of 45.34 full time equivalent (FTE) positions. The staff consisted of 24 males and 23 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, and geographic information systems.

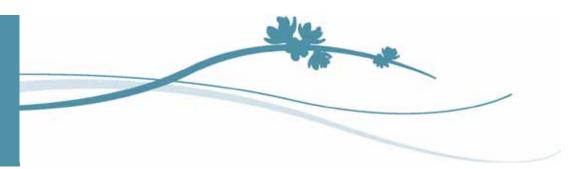
Employees have been correctly classified in workforce data collections.

Table 16: Workforce data disclosures

Mallee CMA employed 45.34 FTE staff in 2014-15 compared to 43.94 FTE staff in 2013-14							
		2014-15		2013-14			
	Headcount	FTE	Casual/FTE	Headcount	FTE	Casual/FTE	
Executive Officers	1	1	0	1	1	0	
Senior Managers	4	4	0	4	4	0	
Administration Staff	10	9	1	8	7.6	1.2	
Project/Support Staff	30	29.34	3.6*	27	27.34	3.6**	
Landcare Employees	2	2	1.6	5	4	0	
Total	47	45.34	6.2	45	43.94	4.8	
Casual	11	6.2	3	8	4.8	8	
Total	58	51.54	6.2	53	48.74	4.8	
Male	24	23.6	3	23	22.6	.6	
Female	23	21.74	3.2	22	21.34	4.2	
Total	47	45.34	6.2	45	43.94	4.8	

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

^{**} Employed casual staff for tree planting/revegetation works for a three week period in June 2014.



3.3 Executive Officer data

Table 17: Executive Officer data

VDC Bondo		2014	4-15			2013	3-14	
VPS Bands	All	On-going	Female	Male	All	On-going	Female	Male
EO-3	4	4	3	1	4	4	3	1
Other*	1	1	1	0	3	3	3	0
Total	5	5	4	1	7	7	6	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 20 to the Authority's financial statements.

One of the Executive Officers included above is disclosed in Note 20 of the Authority's financial statements as a Responsible Person.

There were no vacancies for Executive Officers as at the date of this report (2014: nil) nor were there any separations during the financial year ended 30 June 2015 (2014: 2).

Section 4: Other disclosures

4.1 Implementation of the Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* (VIPP Act) requires public bodies and departments to report on the compliance with the VIPP. 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 2015.

4.2 Consultancy expenditure

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

In 2014-15, there were 94 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2014-15 in relation to these consultancies was \$4,905,598 (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 2014-15, there were 67 consultancies engaged during the year, where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2014-15 in relation to these consultancies was \$267,735 (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 2014-15 reporting period.

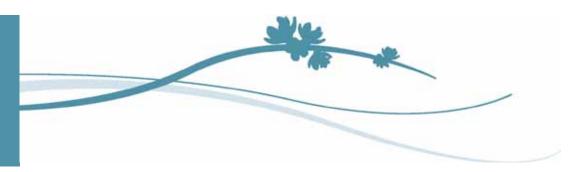
4.4 Expenditure of funds within the Mallee Salinity Investment Plan 2014-15

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 2014-15 totalled \$3,045,008.71.

Total expenditure in 2014-15 within the Mallee Salinity Investment Plan was 1,128,918. 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 (\$178,085);
- Mallee On-farm Irrigation Incentives Program for works and measures that generate salinity benefit for Victoria (\$244,238);
- · Model refinement to improve the estimation of salinity impact from irrigation within the Mallee region (\$38,161);
- Generating salinity credits and policy enhancement for High Impact Zones (\$126,576);
- Development of salinity credit generating projects (\$109,447);
- Annual data collection from Mallee groundwater observation bores (\$173,456) and irrigation drainage monitoring stations (\$239,391) 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 (\$16,417); and,
- Salinity (EC)/Total Dissolved Solids (TDS) relationship for irrigation-mobilised groundwater within the Mallee Irrigation
 Districts (\$3,147).



4.5 Government advertising expenditure

Mallee CMA's expenditure in the 2014-15 reporting period on government campaign expenditure did not exceed \$150,000.

4.6 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 \$27.20, effective from 1 July 2015. 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

Mail: PO Box 5017, Mild Ph: 03 5051 4377

Fax: 03 5051 4377

Email: meagan.crozier@malleecma.com.au

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

4.7 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, Nyah, Birchip and Hopetoun. As such, the Authority does not have the capacity to require building approvals.

4.8 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.

4.9 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 Protected Disclosure Act 2012	2014-15	2013-14
The number of disclosures made by an individual to the Mallee CMA and notified to the Independent Broad-based Anti- corruption Commission	1	0

4.10 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.

4.11 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 Mallee CMA Environmental Strategy. The strategy 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 Department of Economic Development, Jobs, Training and Resources (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.

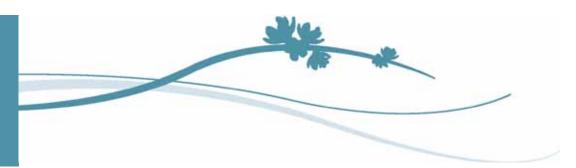


Table 19: Mallee CMA office-based environmental impacts

Outputs	Activity	2015 Actual	2016 Target	Comment
	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
Reduce waste	Reduction and recycling of cartridges and consumables containers	100%	100%	Cartridge recycled through suppliers Containers recycled through site
	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 or copying set as default and jobs sent to mail box to reduce paper usage	2.83	2.5	Reams A4 per FTE per quarter
Reduce	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,
energy	Switching off computers and monitors after hours	100%	100%	measured by DEDJTR as a reduction
consumption	Energy saving/Power down mode enabled when equipment is not in use	*	*	in energy intensity in DEDJTR facilities, expressed as MJ/m² floor area
Reduce water	Use "water wise" car washing facilities	100%	100%	Usage per FTE on occurrence
	Purchasing or leasing of fuel efficient vehicles e.g. hybrid, LPG or diesel vehicles to improve fuel efficiency of fleet			Vehicle fleet purchasing in line with Resource Smart. Maintenance of fleet size in line with FTE and operational requirement
Reduce fuel	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	8.55L/ 100km	<8.5L/100km	Average L/100km for fleet is 8.4L/100km using manufacturer's benchmark
consumption	Car pool to meetings, conferences and field activities			Action by FTE on occurrence
	Sharing taxis and vehicles to travel to/from airports	80%	85%	% of total trips undertaken by FTE Reduction to Carbon footprint
	Direct routes on airlines	Not measured	Not measured	Where possible - Reduction to Carbon footprint
	Staff participation in events e.g. Ride to Work Day, Walk to Work Day	30%	40%	Participation by % of FTE
Awareness raising	Awareness and education at staff training sessions	4	4	Site awareness
	Posters, fliers, newsletters	4	4	Site awareness

4.12 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

Risk management attestation

4.13 Attestation for compliance with the Australian/New Zealand Risk Management Standard

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 verifies this.

Sharyon Peart

Chair, Mallee CMA

21 August 2015

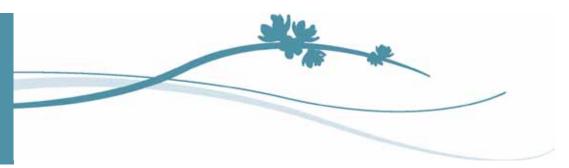
4.14 Compliance with DataVic Access Policy

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.



Section 5: Financial Statements

For the year ended 30 June 2015:



STATUTORY DECLARATION

We certify that the attached financial statements for the Mallee Catchment 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 2015 and financial position of the Authority as at 30 June 2015.

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 21 August 2015.

Sharyon Peart Board Chair

Mallee Catchment Management Authority

nufe Collers.

Jennifer Collins

Chief Executive Officer

Menz Crocia

Mallee Catchment Management Authority

Meagan Crozier

Chief Finance and Accounting officer Mallee Catchment Management Authority

Dated 21 August 2015



Level 24, 35 Collins Street Melbourne VIC 3000 Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Mallee Catchment Management Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2015 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 has been audited.

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, the Auditor-General, his staff and delegates 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 2015 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*.

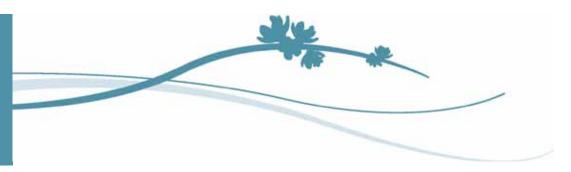
MELBOURNE 24 August 2015 John Doyle Auditor-General

Mallee Catchment Management Authority COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
Income from transactions			
Government contributions	2 (a)	15,559,631	17,054,135
Interest	2 (b)	949,101	776,778
Other income	2 (c)	3,329,565	3,262,696
Total Income from transactions	2 (0)	19,838,297	21,093,609
Expenses from transactions			
Employee benefits	3 (a)	4,546,187	4,377,352
Depreciation	3 (b)	229,839	180,507
Amortisation	3 (b)	9,588	10,514
Materials, incentives and consultancies	3 (c)	7,521,581	4,200,353
Contractors	3 (d)	2,302,990	2,483,420
Rent	3 (d)	291,205	280,761
Operating expenses	3 (d)	1,396,812	1,167,045
Total expenses from transactions		16,298,202	12,699,952
Net result from transactions (net operating balance)		3,540,095	8,393,657
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	31,850
Net gain/(loss) on non-financial assets	4 (b)	6,200	3,220
Total other economic flows included in net result		8,650	35,070
Net result from continuing operations		3,548,745	8,428,727
Net result for the financial year		3,548,745	8,428,727
Comprehensive result		3,548,745	8,428,727

The Comprehensive Operating Statement should be read in conjunction with the notes to the financial statements included on pages 8 - 50



Mallee Catchment Management Authority BALANCE SHEET

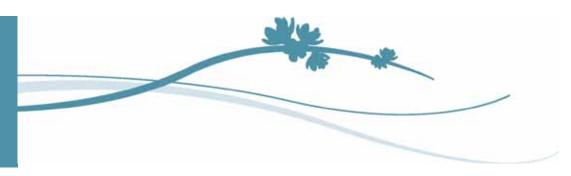
AS AT 30 JUNE 2015

		2015	2014
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	37,777,866	34,581,005
Receivables	6	2,597,873	1,067,868
Other financial assets	7	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	681,100
Total Current assets	•	40,375,739	36,329,973
Non-current assets			
Plant and equipment	8	864,395	789,737
Intangible assets	9	-	309
Total Non-current assets		864,395	790,046
Total Assets		41,240,134	37,120,019
Liabilities			
Current liabilities			
Payables	10	1,413,399	893,390
Employee benefits	11	868,828	828,534
Total Current liabilities		2,282,227	1,721,924
Non-current liabilities			
Employee benefits	11	101,705	90,638
Total Non-current liabilities		101,705	90,638
Total Liabilities		2,383,932	1,812,562
Net assets		38,856,202	35,307,457
Facility			
Equity Contributed capital	12 (a)	4 007 335	4,097,335
Contributed capital Accumulated funds	12 (a) 12 (b)	4,097,335 6,767,930	
Reserves	12 (b) 12 (c)		2,956,820
	12 (6)	27,990,937	28,253,302
Total Equity		38,856,202	35,307,457
Commitments	16 & 17		
Contingent assets and contingent liabilities	18		
Sommigent accordance contingent nabilities	10		

The Balance Sheet should be read in conjunction with the notes to the financial statements included pages 8 - 50

Mallee Catchment Management Authority STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Contributed		Accumulated	
	Capital	Reserves	Funds	Total
	\$	\$	\$	\$
Balance at 1 July 2013	4,097,335	20,359,995	2,421,400	26,878,730
Net result for the year	-	-	8,428,727	8,428,727
Transfer to/(from) committed funds reserve	-	7,893,307	(7,893,307)	-
Total Comprehensive result for the financial year	-	7,893,307	535,420	8,428,727
Balance at 30 June 2014	4,097,335	28,253,302	2,956,820	35,307,457
Net result for the year	-	_	3,548,745	3,548,745
Transfer to/(from) committed funds reserve	-	(262,365)	262,365	-
Total Comprehensive result for the financial year	-	(262,365)	3,811,110	3,548,745
Balance at 30 June 2015	4,097,335	27,990,937	6,767,930	38,856,202



Mallee Catchment Management Authority

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		2015	2014
	Notes	\$	\$
Cash flows from operating activities			
Receipts			
Receipts from government		14,000,409	17,168,160
Other income		3,415,181	3,196,997
Interest received		949,276	788,465
Goods and Services Tax (GST) received from the ATO		740,536	491,722
Total Receipts		19,105,402	21,645,344
Payments			
Payments to suppliers (GST inclusive) and employees		(16,284,515)	(12,709,803)
Total Payments		(16,284,515)	(12,709,803)
Net cash inflow from operating activities	14 (b)	2,820,887	8,935,541
Cash flows from investing activities			
Payments for plant and equipment	8	(382,018)	(588,745)
Proceeds from sale of plant and equipment	4	74,442	225,873
Proceeds from sale of investments		683,550	_
Net cash inflow/(outflow) from investing activities		375,974	(362,872)
Net increase in cash and cash equivalents		3,196,861	8,572,669
Cash and cash equivalents at the beginning of the financial year		34,581,005	26,008,336
Cash and cash equivalents at the end of the financial year	5 & 14 (a)	37,777,866	34,581,005

Financing arrangements during the financial year ended 30 June 2015 were nil (2014: nil).

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 2015.

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 26 August 2015.

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.

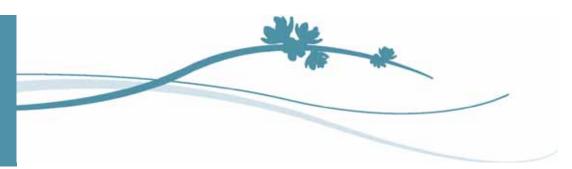
The financial statements have been prepared in accordance with the historical cost convention, except for:

- 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.



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 reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 2014, 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 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)):

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

Mallee Catchment Management Authority NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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*.



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 h) (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.

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 (2014: \$1,000) 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 in.

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.



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		
	2015	2014	
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.

Mallee Catchment Management Authority NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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 and fringe benefits tax.

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.



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 classify 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.

I) 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.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

I) 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. These commitments are disclosed by way of a note (refer to Note 16 & 17) 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.



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, fringe benefits tax, 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 2015, the fixed percentage of employee earnings required under Superannuation Guarantee legislation was 9.5% (2014: 9.25%).

(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.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (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.



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 2015 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 2015. The Authority has not, and does not intend to, adopt these standards early.

Standard / Interpretation	Summary	Standard applicable for annual reporting periods beginning on	Impact on Authority financial statements
AASB 9 Financial instruments	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 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	1 January 2015	Impact is expected to be insignificant.

Mallee Catchment Management Authority NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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 124 Related Party Disclosures	The recent amendment to AASB 124 extend the scope of AASB 124 to mandatorily require all NFP entities to disclose related party information in the same way as private sector entities.	1 July 2016	Currently the Authority is required to comply with the disclosure requirements of FRD 21B Disclosure of Responsible Persons, Executive Officers and Other Personnel (Contractors with Significant Management Responsibilities). The amendments to AASB 124 would override the disclosure requirements of FRD 21B. Potentially the new requirements of the amended AASB 124 would: • widen the scope of key management personnel (KMP) to the Ministers who are ultimately responsible for the entities; • extend the scope of remuneration disclosure to include termination benefits; • require all related party transactions to be disclosed, with a partial exemption for transactions between government related entities of the same jurisdiction; and • require more disaggregated information about KMPs' total compensation and more extensive data collection.
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	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 January 2016	Impact is expected to be insignificant.



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 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127]	This gives effect to consequential changes arising from the issuance of AASB 9 (December 2010).	1 January 2015	Impact is expected to be insignificant.
AASB 15 Revenue from Contracts with Customers	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of AASB 15 is that an entity will only recognise revenue upon the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	1 January 2017	Impact is still being assessed.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Consequential amendments arising from the issuance of AASB 15.	1 January 2017	Impact is still being assessed.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	Consequential amendments arising from the issuance of AASB 9.	1 January 2018	Impact is still being assessed.

NOTE 2 - INCOME FROM TRANSACTIONS

Victorian Environmental Water Holder Funding

Catchment Governance	802,331	905,482
Regional Landcare Coordination	366,000	361,000
Landcare Facilitators	150,000	67,747
Sustainable Irrigation Program	950,000	610,000
Waterway Management Programs	1,355,000	1,077,420
Bushfire Recovery Fund	-	663,600
Bush Tender Project	138,966	260,000
Natural Resource Investment Program	-	60,000

Total State Government contributions	5 226 652	5 170 809
Recreational Fishing Grants	-	28,712
Victorian Environmental Partnership Program	944,252	605,000

520,103

531,848

(ii) Commonwealth Government

(i) State Government

Total Government contributions	15,559,631	17,054,135
Regional Contributions	1,348,699	2,249,783
Total Commonwealth Government contributions	8,984,280	9,633,543
Other	41,081	583,476
Coal Seam Gas	-	100,000
National Landcare Program	1,328,261	-
Caring for Our Country	1,576,890	2,602,467
Biodiversity Fund	889,048	1,561,099
Basin Plan	5,149,000	4,786,501



NOTE 2 - INCOME FROM TRANSACTIONS

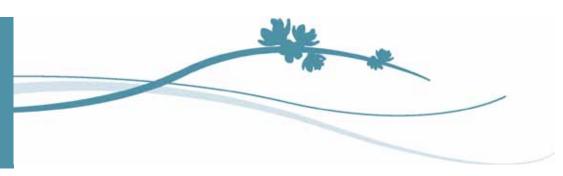
	2015	2014 \$
	\$	
(b) Revenue from non-operating activities		
Interest received from cash and cash equivalents	949,101	776,778
(c) Other income		
Salinity levies	3,141,988	3,219,984
Sundry income	187,577	42,712
Total other income	3,329,565	3,262,696
Total Revenue	19,838,297	21,093,609

NOTE 3 – EXPENSES FROM TRANSACTIONS

	2015	2014
	\$	\$
(a) Employee expenses		
Post employment benefits		
Defined contribution superannuation	359,063	337,341
Salaries and wages, annual leave and long service leave	4,187,124	4,040,012
Total employee expenses	4,546,187	4,377,353
(b) Depreciation and amortisation		
Motor vehicles at fair value	130,977	121,505
Office furniture & equipment at fair value	12,257	8,048
Plant and equipment at fair value	86,605	50,954
Leasehold improvements at fair value	9,279	9,280
Intangible assets	309	1,234
Total depreciation and amortisation	239,427	191,021
(c) Materials, incentives and consultancies		
Materials - project based	373,175	55,386
Incentives	1,703,175	954,449
Consultants	5,445,231	3,190,518
Total materials, incentives and consultancies	7,521,581	4,200,353
(d) Other expenses		
Contractors	2,302,990	2,483,420
Rent	291,205	280,761
Operating expense	1,396,812	1,167,045
Total other expenses	3,991,007	3,931,226
Total expenses	16,298,202	12,699,952
Presented in the Comprehensive Operating Statement as follows:		
Depreciation	229,839	180,507
Amortisation	9,588	10,514
Total depreciation and amortisation	239,427	191,021

NOTE 4 - OTHER ECONOMIC FLOWS FROM OPERATING ACTIVITIES

	2015 \$	2014 \$
(a) Net holding gain/(loss) on financial assets at fair value through profit or loss		
Held for trading		
Realised gain/(loss)	2,450	-
Unrealised gain/(loss)	-	31,850
Total net holding gain/(loss) on financial assets at fair value through profit		
or loss	2,450	31,850
(b) Net gain/(loss) on non-financial assets		
Proceeds on sale of assets	74,442	225,873
Written down value of assets sold	(68,242)	(222,653)
Total loss on non-financial assets	6,200	3,220
Total other economic flows included in net result	8,650	35,070



NOTE 5 - CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Petty cash float	1,000	1,000
Cash at bank	3,276,866	513,462
Deposits at call	34,500,000	34,066,543
Total Cash and cash equivalents	37,777,866	34,581,005

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 2.55% (2014: 2.61%). Refer to Note 13 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 2.15% and 2.77% (2014: 2.29% and 2.86%).

NOTE 6 - RECEIVABLES

	2015	2014	
	\$	\$	
Current			
Contractual			
Trade receivables	2,181,829	627,838	
Other receivables	13,662	115,667	
Statutory			
GST Input tax credit receivables	402,382	324,363	
Total Receivables	2,597,873	1,067,868	

The Authority's management have identified no doubtful debts; therefore no allowance for doubtful debts has been raised (2014: 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.

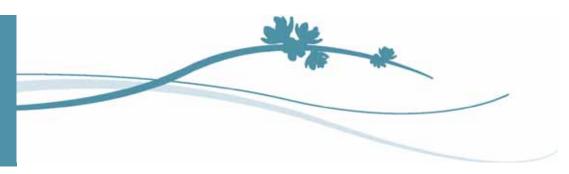
The above receivables are entirely up to 60 days (2014: entirely up to 60 days).

Refer to Note 13 for the nature and extent of risks arising from receivables.

NOTE 7- OTHER FINANCIAL ASSETS

	2015 \$	2014 \$
At fair value through profit or loss	-	681,100
Floating rate notes	-	681,100

Refer to Note 13 for the nature and extent of the credit and market risks arising from other financial assets.



NOTE 8 - PLANT AND EQUIPMENT

	2015	2014
	\$	\$
(a) Classes of plant and equipment		
Motor vehicles		
At fair value	725,490	718,175
Less: Accumulated depreciation	(264,796)	(188,526)
Total motor vehicles	460,694	529,649
Office furniture & equipment		
At fair value	218,297	107,687
Less: Accumulated depreciation	(86,333)	(86,521)
Total office furniture & equipment	131,964	21,166
Plant and equipment		
At fair value	572,611	488,950
Less: Accumulated depreciation	(307,839)	(266,272)
Total plant and equipment	264,772	222,678
Leasehold improvements		
At fair value	46,402	46,402
Less: Accumulated depreciation	(39,437)	(30,158)
Total leasehold improvements	6,965	16,244
Total plant and equipment	864,395	789,737

Mallee Catchment Management Authority

NOTE 8 - PLANT AND EQUIPMENT (continued)

(b) Movements during the reporting period

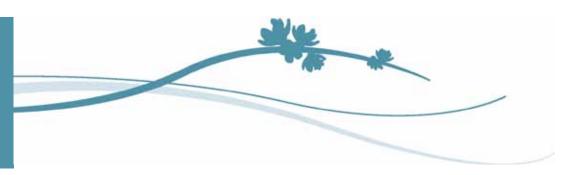
2015	Opening WDV at 1 July 2014	Additions	Disposals	Depreciation	Closing WDV at 30 June 2015
	\$	\$	\$	\$	\$
Motor vehicles at fair value	529,649	122,933	(60,911)	(130,977)	460,694
Office furniture & equipment at fair value	21,166	123,055	-	(12,257)	131,964
Plant and equipment at fair value	222,678	136,030	(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

2014	Opening WDV at 1 July 2013	Additions \$	Disposals \$	Depreciation	Closing WDV at 30 June 2014
	Ψ	Ψ	Ψ	Ψ	Ψ_
Motor vehicles at fair value Office furniture & equipment at fair	462,968	408,561	(220,375)	(121,505)	529,649
value	16,973	12,734	(493)	(8,048)	21,166
Plant and equipment at fair value	107,967	167,450	(1,785)	(50,954)	222,678
Leasehold improvements at fair value	25,524	-	-	(9,280)	16,244
Total plant and equipment	613,432	588,745	(222,653)	(189,787)	789,737

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 2015.



NOTE 8 - PLANT & EQUIPMENT (continued)

Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at	Fair value measurement at end of reporting period using:		
	30-Jun-15	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 amd 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	-
Gains/ (losses) recognised in net result			
Depreciation	(12,257)	(86,605)	(9,279)
Subtotal	110,798	42,094	(9,279)
Gains or losses recognised in other economic flows – other comprehensive income revaluations	-	-	-
Closing balance	131,964	264,772	6,965
Unrealised gains/(losses)	-	-	-

NOTE 8 - PLANT & EQUIPMENT (continued)

Fair value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at	Fair value measurement at end of reporting period using:		
	30-Jun-14	Level 1	Level 2	Level 3
Plant, equipment and vehicles at fair value				
Vehicles	529,649	-	529,649	-
Office furniture & equipment at fair value	21,166	-	-	21,166
Plant & equipment at fair value	222,678	-	-	222,678
Leasehold improvements at fair value	16,244	-	-	16,244
Total plant and equipment at fair value	789,737	-	529,649	260,088

Reconciliation of Level 3 fair value

	Office furniture & equipment	Plant and equipment	Leasehold improvement
Opening balance	16,973	107,967	25,524
Purchases/ (disposals)	12,241	165,665	-
Gains/ (losses) recognised in net result			
Depreciation	(8,048)	(50,954)	(9,280)
Subtotal	4,193	114,711	(9,280)
Gains or losses recognised in other economic flows – other comprehensive income revaluations	-	-	-
Closing balance	21,166	222,678	16,244
Unrealised gains/(losses)	-	-	-



NOTE 8 - PLANT & EQUIPMENT (continued)

(c) Description of Significant Unobservable Inputs to Level 3 Valuations 30 June 2015

		1		1		
	Valuation technique	Significant unobservable inputs	Range (weighted average)			
	Depreciated	Cost per unit	\$1,000-\$25,234 per unit (\$4,405 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value		
Plant and equipment	replacement cost	Useful life of plant and equipment	5 years (5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.		
Depreciated	Cost per unit	\$1,000-\$70,000 per unit (\$4,670 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value			
Office furniture & equipment at fair value	replacement cost			Useful life of plant and equipment	3.3 years (3.3 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
	Depreciated	Cost per unit	\$6,166-\$46,403 (\$26,285 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value		
Leasehold improvements at fair value	replacement cost	Useful life of plant and equipment	5 years (5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.		

(c) Description of Significant Unobservable Inputs to Level 3 Valuations (continued) 30 June 2014

		Significant	Range	Sensitivity of fair value
	Valuation	unobservable	(weighted	measurement to changes
	technique	inputs	average)	in significant
Depreciated		Cost per unit	\$1,000–\$25,234 per unit (\$3,480 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
Plant and equipment	replacement cost	Useful life of plant and equipment	5 years (5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Depreciated	Cost per unit	\$1,000–\$13,110 per unit (\$1,656 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value	
Office furniture & equipment at fair value	replacement cost	Useful life of plant and equipment	3.3 years (3.3 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
	Depreciated	Cost per unit	\$6,166-\$103,167 (\$51,912 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
Leasehold improvements at fair value	replacement cost	Useful life of plant and equipment	5 years (5 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.



NOTE 9 - INTANGIBLES ASSETS

	2015	2014
	\$	\$
Balance at beginning of reporting period	309	109,334
Less accumulated amortisation	(309)	(109,025)
Total Intangibles	-	309

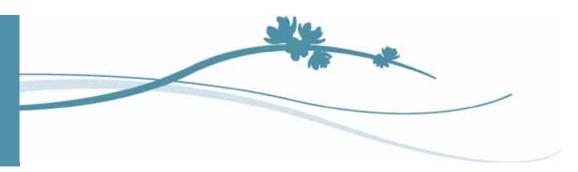
NOTE 10 - PAYABLES

	2015	2014
	\$	\$
Contractual		
Suppliers and services	875,900	739,491
Other payables	537,499	153,899
Total Trade payables	1,413,399	893,390

Refer to Note 13 c) for the maturity analysis of payables.

NOTE 11 - EMPLOYEE BENEFITS

	2015	2014
	\$	\$
(a) Current		
Time in lieu	5,534	5,917
Annual leave	253,375	243,967
Employee on costs	34,966	37,483
	293,875	287,367
Long service leave	498,407	470,580
Employee on costs	76,546	70,587
Employee on costs	574,953	541,167
Current employee benefits	868,828	828,534
(b) Non-current		
Long service leave	88,164	79,647
Employee on costs	13,541	10,991
Non-current employee benefits	101,705	90,638
Total employee benefits	970,533	919,172
(c) Expected commitments for current employee benefits		
Unconditional and expected to be settled within 12 months		
Time in lieu	5,534	5,917
Annual leave	253,375	243,967
Employee on costs	34,966	37,483
Long service leave	20,318	15,938
Employee on costs	3,120	2,200
Total unconditional and expected to be settled within 12 months	317,313	305,505
Unconditional and expected to be settled after more than 12 months		
Long service leave	478,089	459,603
Employee on costs	73,426	63,426
Total unconditional and expected to be settled after more than 12 months	551,515	523,029
Total expected commitments for current employee benefits	868,828	828,534



NOTE 11 - EMPLOYEE BENEFITS (continued)

	2015	2014
	\$	\$
(d) Movement in Employee benefits provision		
Annual Leave		
Opening balance	281,450	274,213
Add provision made for during year	271,044	268,979
Less actual annual leave taken	(264,153)	(261,742)
Closing balance	288,341	281,450
Long Service Leave		
Opening balance	631,805	548,862
Add provision made for during year	105,682	125,087
Less actual long service leave taken	(60,829)	(42,144)
Closing balance	676,658	631,805

NOTE 12 - EQUITY AND MOVEMENTS IN EQUITY

	2015	2014
(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	2,956,820	2,421,400
Retained surplus	3,548,745	8,428,727
Net transfer (to)/from committed funds reserve	-	(7,893,307)
Net transfer (to)/from capital renewal reserve	262,365	-
Closing balance	6,767,930	2,956,820

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 2015. This has been effected to ensure that the Authority has sufficient accumulated funds available to meet future employment and financial commitments.

NOTE 12 - EQUITY AND MOVEMENTS IN EQUITY (continued)

	2015	2014
	\$	\$
(c) Reserves		
Composition of Reserves		
General reserve surplus/(deficit)	27,329,074	27,329,074
Capital renewals reserve surplus/(deficit)	661,863	924,228
Total reserves	27,990,937	28,253,302
Committed Funds Reserve		
Opening balance 1 July	27,329,074	19,435,767
Net transfers (to)/from accumulated surplus	-	7,893,307
Closing balance at 30 June	27,329,074	27,329,074

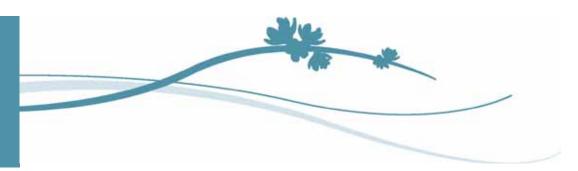
The general reserve contains amounts available to the Authority for the purpose of funding projects.

Capital Renewals Reserve

Opening balance 1 July Net transfers (to)/from accumulated surplus	(262.365)	, -
Closing balance at 30 June	661,863	924,228

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

Total Equity	38,856,202	35,307,457



NOTE 13 - 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:

Categorisation of financial assets and liabilities

		Net carrying amount	Maximun exposure to credit risk	Net fair value	Ageing analysis Not past due and not impaired
30 June 2015	Category	\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and cash equivalents	Cash	37,777,866	37,777,866	37,777,866	37,777,866
	Loans and receivables at				
Receivables	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					
	Financial liabilities at				
Payables	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

NOTE 13 - FINANCIAL	INSTRUMENTS	(continued)	
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		Net carrying amount	Maximum exposure to credit risk	Net fair value	Ageing analysis Not past due and not impaired
30 June 2014	Category	\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and cash equivalents	Cash Loans and receivables at	34,581,005	34,581,005	34,581,005	34,581,005
Receivables	amortised cost	743,505	743,505	743,505	743,505
	Financial assets at fair value through profit or loss -				
Other financial assets	held for trading	681,100	681,100	681,100	681,100
Total financial assets		1,424,605	36,005,610	36,005,610	36,005,610
FINANCIAL LIABILITIES					
	Financial liabilities at				
Payables	amortised cost	893,390	N/A	893,390	N/A
Total financial liabilities		893,390	N/A	893,390	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 2015 and 30 June 2014, 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.

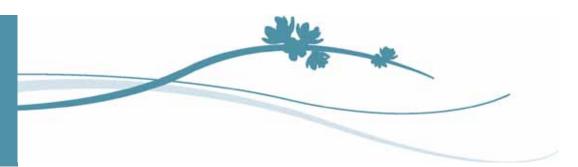
Disclosures of fair value hierarchy measurements by level:

- (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).

As at 30 June 2015 the Authority held no financial assets measured at fair value.

As at 30 June 2014, the Authority held financial assets at fair value for \$681,100. This financial assets were within the level 1 of the fair value hierarchy (Refer to Note 1 b)).

There were no transfers between the levels of hierarchies during the financial year (2014: nil).



NOTE 13 - 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.

Mallee Catchment Management Authority

NOTE 13 - 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:

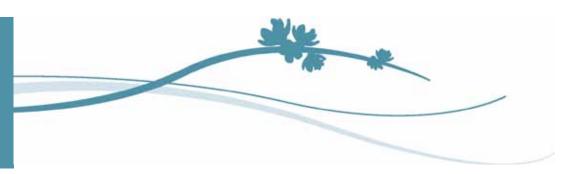
Interest risk is managed by monitoring the outlook for interest rates and by holding cash in various bank bills and a number of banking institutions.

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				Other price	risk		
	Carrying	-0.5	%	+0.5%		-1%		+1.5%	
2015	Amount	Result	Equity	Result	Equity	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	-	-	-	-

		Interest rate risk				Other price	ce risk		
	Carrying	-1% +1		+1.5%	+1.5%		-1%		Ď
2014	Amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and cash equivalents	34,581,005	(345,810)	(345,810)	518,715	518,715	-	-	-	-
Receivables	743,505	-	-	-	-	-	-	-	-
Other financial assets	681,100	(6,811)	(6,811)	10,217	10,217	(6,811)	(6,811)	13,622	13,622
Financial Liabilities									
Payables	893,390	-	-	-	-	-	-	-	-
Total increase /(decrease)		(352,621)	(352,621)	528,932	528,932	(6,811)	(6,811)	13,622	13,622



NOTE 13 - 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
2015				
Cash and deposits	36,749,559	1,028,307	-	37,777,866
Receivables	2,587,094	-	10,779	2,597,873
Total contractual financial assets	39,336,653	1,028,307	10,779	40,375,739
2014				
Cash and deposits	34,065,892	515,113	-	34,581,005
Receivables	956,382	-	111,486	1,067,868
Total contractual financial assets	35,022,274	515,113	111,486	35,648,873

NOTE 13 - 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.

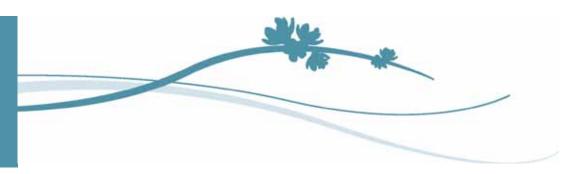
Policy in managing the liquidity risk:

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

30 June 2015	Net carrying amount \$	Nominal amount \$	Maturity less than 1 month \$
Payables	1,413,399	1,413,399	1,413,399
Total financial liabilities	1,413,399	1,413,399	1,413,399
30 June 2014			
Payables	893,390	893,390	893,390
Total financial liabilities	893,390	893,390	893,390

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



NOTE 14 - CASH FLOW INFORMATION

	2015	2014
	\$	\$
(a) Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as show the related items in the Balance Sheet as follows:	n in the Cash Flow Statement is red	conciled to
Cash on hand	1,000	1,000
Cash at bank	3,276,866	513,462
Short term cash deposits	34,500,000	34,066,543
Total cash and cash equivalents	37,777,866	34,581,005
Result for the financial year	3,548,745	8,428,727
operating activities Result for the financial year	3,548,745	8,428,727
Add non-cash flow in net result		
Depreciation and amortisation	239,427	191,021
(Profit)/loss on disposal of fixed assets	(6,200)	(3,220)
()	(-,,	(-, -,
Unrealised gain on financial assets	-	(31,850)
Unrealised gain on financial assets Realised gain on financial assets	- (2,450)	(31,850) -
_	- (2,450) 230,777	(31,850) - 155,951
Realised gain on financial assets Total non-cash flow in net result		-
Realised gain on financial assets	230,777	155,951
Realised gain on financial assets Total non-cash flow in net result Changes in assets and liabilities:		1 55,951 (176,979)
Realised gain on financial assets Total non-cash flow in net result Changes in assets and liabilities: Increase in receivables	(1,530,005)	155,951
Realised gain on financial assets Total non-cash flow in net result Changes in assets and liabilities: Increase in receivables Increase in payables	(1,530,005) 520,009	(176,979) 431,761

NOTE 15 - LEASES

	2015	2014 \$
	\$	
Payments due:		
Not later than one year	5,774	5,786
Later than one year but not later than 5 years	-	6,751
Total payments due	5,774	12,537

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 16 – COMMITMENTS FOR EXPENDITURE

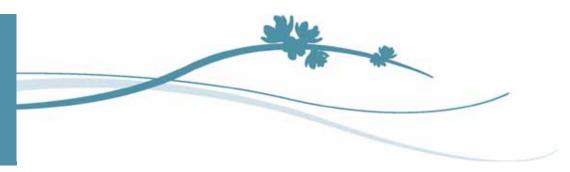
Committed funds disclosure

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:

	2015	2014
	\$	\$
Payments due:		
Not later than one year	4,281,524	2,333,442



NOTE 17 - CAPITAL EXPENDITURE COMMITMENTS

2015	2014
\$	\$

The Board of the Mallee CMA has approved the installation of information communication technology and software applications at a cost of approximately \$450,000.

Payments due:

Not later than one year	450,000	350,000

NOTE 18 - CONTINGENT ASSETS AND LIABILITIES

The Board is unaware of any contingent liabilities or contingent assets as at 30 June 2015 (2014: nil).

NOTE 19 - 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.

Mallee Catchment Management Authority NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

NOTE 20 - 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:

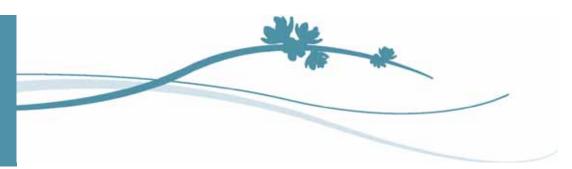
Name	Position	Period
The Hon. Ryan Smith MP	Minister for Environment and Climate Change	01-Jul-14 03 Dec-14
The Hon. Peter Walsh MLA	Minister for Water	01-Jul-14 03 Dec-14
The Hon. Lisa Neville MLA	Minister for Environment, Climate Change and Water	04-Dec-15 30-Jun-15
Ms Sharyon Peart	Board Chair	01-Jul-14 30-Jun-15
Mr Anthony Martin	Board Member	01-Jul-14 30-Jun-15
Mr Geoff Anderson	Board Member	01-Jul-14 30-Jun-15
Mr John Arnold	Board Member	01-Jul-14 30-Jun-15
Mr William Lee	Board Member	01-Jul-14 30-Jun-15
Mr Robert Jones	Board Member	01-Jul-14 30-Jun-15
Mr Paul Grigg	Board Member	01-Jul-14 30-Jun-15
Ms Allison McTaggart	Board Member	01-Jul-14 30-Jun-15
Mr John Cooke	Board Member	01-Jul-14 30-Jun-15
Ms Jennifer Collins	Chief Executive Officer	01-Jul-14 30-Jun-15

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.

	2015	2014
	\$	\$
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).	354,127	347,903

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



Mallee Catchment Management Authority NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

NOTE 20 - 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:

	2015	2014
	Number	Number
Remuneration bands		
\$0 to \$9,999	-	4
\$10,000 to \$19,999	8	6
\$20,000 to \$29,999	1	1
\$210,000 to \$219,999	-	1
\$220,000 to \$229,999	1	-
Total	10	12

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 provided services amounting to \$99,993 on normal commercial terms and conditions (2014: \$52,509).

Mr Geoff Anderson is a member of the Mallee Landcare Group (MLG). During the year the MLG received grants amounting to \$82,500 (2014: \$80,889) on normal commercial terms and conditions.

Mr John Cooke and Ms Sharyon Peart are members of LaTrobe 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, provided consultancy services to the Authority amounting to \$677,568 on normal commercial terms and conditions (2014: \$1,054,226).

Mrs Leonie Burrows is a member of the Audit Committee. During the year Mrs Burrows provided consultancy services amounting to \$4,650 on normal commercial terms and conditions (2014: nil).

NOTE 20 - RESPONSIBLE PERSONS AND EXECUTIVE OFFICER DISCLOSURES – (continued)

(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.

	Total Remu	Base Remuneration		
Income Band	2015	2014	2015	2014
\$100,000 to \$109,999	-	1	1	1
\$110,000 to \$119,999	-	1	-	1
\$120,000 to \$129,999	1	-	1	2
\$130,000 to \$139,999	-	-	2	-
\$140,000 to \$149,999	-	1	-	-
\$150,000 to \$159,999	1	2	-	-
\$160,000 to \$169,999	2	-	-	-
Total number of executives	4	5	4	4
Total annualised employee equivalent	4	5	4	4
Total amount (\$)	601,272	676,251	510,879	470,451



NOTE 21 - SUPERANNUATION

			2015 \$	2014 \$
The Authority contributes in respect of its employe following superannuation schemes:	ees and responsible perso	ns to the	·	·
Superannuation Name	Type of Scheme	Rate*		
AMP Flexible Lifetime Super	Defined Contribution	9.50%	2,352	1,471
Asgard Business Superannuation	Defined Contribution	9.50%	3,087	2,977
Australian Ethical Superannuation	Defined Contribution	9.50%	-	1,028
Australian Super	Defined Contribution	9.50%	4,541	6,132
BT Super for Life	Defined Contribution	9.50%	-	5,820
Clear View Life Nominees	Defined Contribution	9.50%	6,507	6,868
Colonial First Choice	Defined Contribution	9.50%	5,733	6,243
Colonial First State Rollover and Superannuation Fund	Defined Contribution	9.50%	2,524	7,168
Colonial First State First Choice Wholesale Personal Super	Defined Contribution	9.50%	7,837	415
First State Super	Defined Contribution	9.50%	24,172	10,181
Hesta Superannuation Fund	Defined Contribution	9.50%	8,196	-
Mercer Super Trust	Defined Contribution	9.50%	4,467	7,080
MLC Blueprint	Defined Contribution	9.50%	4,626	-
MLC Masterkey Superannuation	Defined Contribution	9.50%	10,313	8,684
MLC Masterkey Business Super	Defined Contribution	9.50%	705	428
OnePath Integra Super	Defined Contribution	9.50%	8,008	4,171
Prime Super	Defined Contribution		-	261
Retail Employees Super Trust	Defined Contribution	9.50%	15,427	10,203
Super Wrap	Defined Contribution	9.50%	6,139	5,319
Vic Super Pty Ltd	Defined Contribution	9.50%	189,440	227,951
Vision Super	Defined Contribution	9.50%	11,513	15,619
Total contributions to all funds			315,587	328,019

^{*}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.

NOTE 22 - 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.

Mallee Catchment Management Authority

NOTE 23 - REMUNERATION OF AUDITORS

	2015	2014
	\$	\$
During the year the following fees were paid or payable for services	provided by the auditor of the Auth	ority:
(a) Victorian Auditor-General's Office (VAGO)		
Audit of financial statements	14,200	13,900
(b) Non-VAGO audit firms		
Internal audit services	21,600	36,540
Total Auditors' Remuneration	35,800	50,440



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 operation	s	•
Charter and purpos	e	
FRD 22F	Manner of establishment and the relevant Ministers	8
FRD 22F	Objectives, functions, powers and duties	9
FRD 22F	Initiatives and key achievements	14
FRD 22F	Nature and range of services provided	8
Management and sa	tructure	
FRD 22F	Organisational structure	27
Financial and other	information	
FRD 22F, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	11
FRD 10	Disclosure index	98
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FRD 22F	Application and operation of Freedom of Information Act 1982	41
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Financial statements required under Part 7 of the FMA			
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SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	54	
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Other disclosures a	Other disclosures as required by FRDs in notes to the financial statements		
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FRD 102	Inventories	NA	
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FRD 105A	Borrowing Costs	NA	
FRD 106	Impairment of Assets	55	
FRD 107A	Investment Properties	NA	
FRD 109	Intangible Assets	59	
FRD 110	Cash Flow Statements	53	
FRD 112D	Defined Benefit Superannuation Obligations	NA	
FRD 113A	Investments in Subsidiaries, Jointly Controlled Entities and Associates	NA	
FRD 114A	Financial Instruments - General Government Entities and Public Non-financial Corporations	NA	
FRD 117	Contributions of Existing Non-financial Assets to Third Parties	NA	
FRD 119A	Transfers through Contributed Capital	NA	
FRD 120I	Accounting and Reporting Pronouncements Applicable to 2014-15 Reporting Period	54	

Table 21: Legislation disclosure index

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