



Mallee Catchment Management Authority Annual Report 2013-14

mallee
catchment management authority



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Front cover images:

Top - Ned's Corner Road.
Middle - Landholder workshop.
Bottom - Environmental infrastructure at Hattah Lakes.

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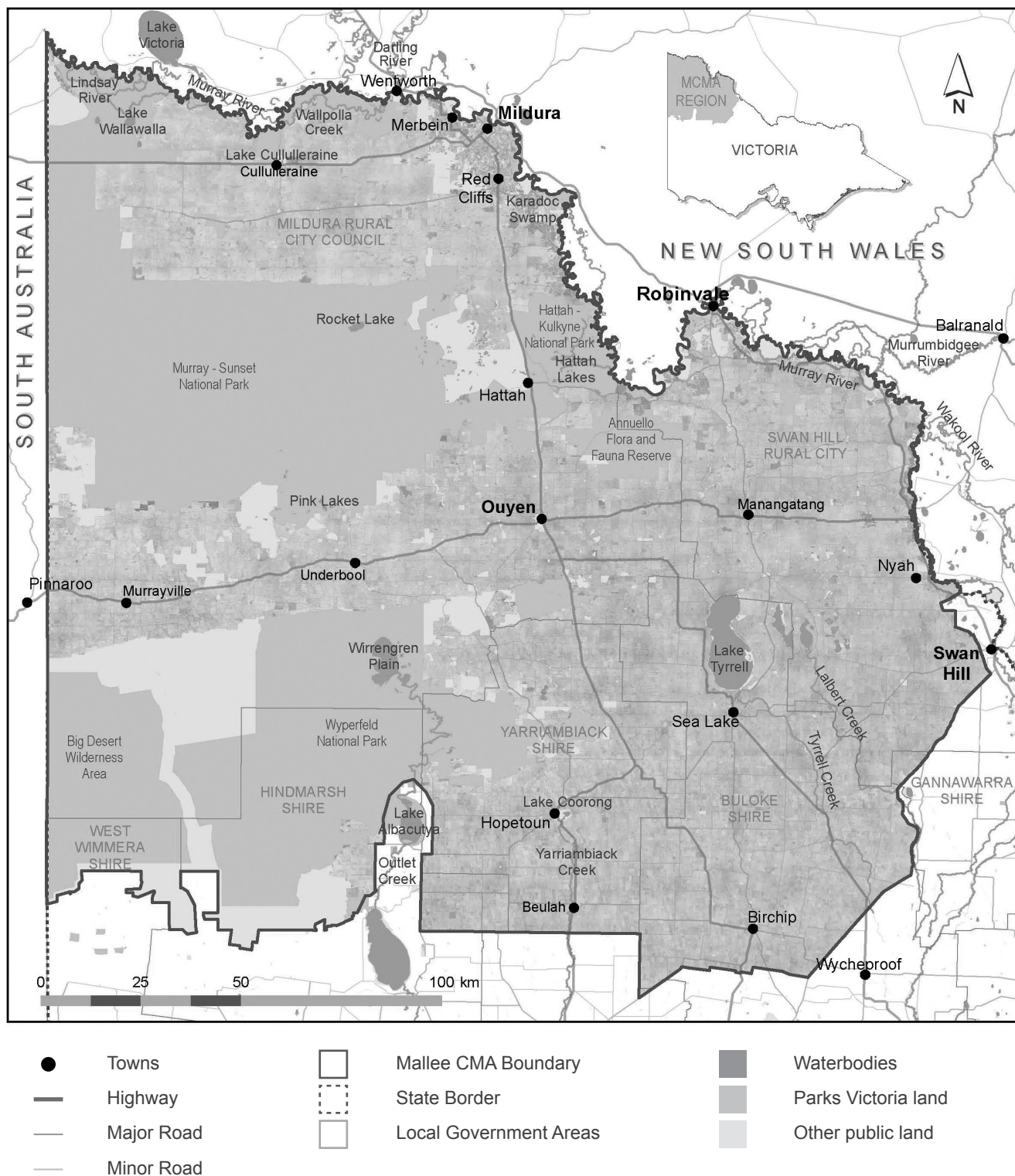


Figure 1: Map of Mallee Catchment Management Authority region.

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Part 1: Report of Operations

Section 1: Year in Review

1.1. Chair's report

The 2013-14 year was a period of outstanding achievement for the Mallee Catchment Management Authority (CMA). This was made possible through strong working relationships with key stakeholders, delivery partners and the local community.

Highlights of the year included:

- *The construction, commissioning and official opening of the \$32 million package of environmental works and measures at Hattah Lakes.* The work undertaken at Hattah Lakes illustrates what can be achieved by working in partnership with all levels of government, agencies and a passionate community.
- *The winning of several prestigious awards recognising the Hattah Lakes environmental watering project, including the 2013 Banksia Sustainability Award for Water; the 2013 Premier's Sustainability Award for Environmental Protection, and the 2013 Mildura Innovation Award for Innovative Processes.* These awards acknowledge the work many people have done over several years to consistently improve the efficiency and effectiveness of environmental water deliveries to Hattah Lakes. The work undertaken at Hattah Lakes has been a truly collaborative effort.
- *The expansion of Landcare in the Mallee region, with a number of new Landcare groups established during 2013-14.* While most of the Landcare activity in the Mallee has historically been in dryland cropping areas, this year a number of new groups were formed in the urban area around Mildura. This is important because it shows Landcare in the Mallee has broadened its focus to include improving community areas (e.g. parks, riparian areas), working with local schools and completing environmental projects in popular areas.
- *The planting of almost 20,000 trees as part of the Mallee CMA's annual tree planting program.* In just three weeks, these trees were planted at priority areas around Birchip and Murrayville, and species such as Buloke, Belah, Sugarwood, Hakea and a number of Mallee Eucalypts are now growing strongly.

In addition to these achievements, I am also particularly proud of the Mallee CMA's ability to develop and implement practical, credible and regionally-specific strategies. Significant progress has been made throughout 2013-14 on the implementation of the Mallee Regional Catchment Strategy (RCS) 2013-19, with many of the outcomes and achievements of this year noted throughout this annual report.

The implementation of the new RCS has been complemented by the development of the Mallee Waterway Strategy, which will be critical to guiding management of the Mallee's rivers, creeks, lakes and wetlands over the next eight years. I am pleased to say this strategy has been widely praised by members of the local community and our much-valued delivery partners.

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

In accordance with the *Financial Management Act 1994*, I am pleased to present the Mallee CMA's Annual Report for the year ending 30 June 2014.



Sharyon Peart

Mallee CMA Chair

22 August 2014



1.2 Year in Review – Overview

1.2.1 Objectives and functions

The primary objective of the Mallee Catchment Management Authority (CMA) is to ensure natural resources in the Victorian Mallee are managed in an integrated and ecologically sustainable way. The work of the Mallee CMA is based on science and delivered through meaningful partnerships with the community, including local organisations and volunteer groups, as well as government agencies.

The Mallee CMA operates under the *Catchment and Land Protection Act 1994* and the *Water Act 1989*. The Statements of Obligations outlined in these two pieces of legislation clarify the roles and responsibilities of this CMA.

The Mallee CMA's functions under sections 12 and 16 of the *Catchment and Land Protection Act 1994* (CaLP Act) are as follows:

- To prepare a Regional Catchment Strategy (RCS) and special area plans for the region and coordinate and monitor their implementation to promote cooperation of persons and bodies involved in land and water management in the area;
- To advise the Ministers on regional priorities for integrated management of land and water, matters relating to catchment management and land protection and on the condition of land and water resources in the region;
- To promote community understanding and awareness of the importance of land and water resources to enhance the sustainable use, conservation and rehabilitation of these resources; and
- To make recommendations to the Ministers about the funding of the implementation of the RCS and special area plans and actions to be taken on Crown land.

The Mallee CMA's functions under Part 10 of the *Water Act 1989* are outlined below:

- Statutory planning;
- Flood response;
- Caretaker of River Health;
- Victorian Civil and Administrative Tribunal (VCAT) appeals;
- Delivery against the Ministerial Determinations for Water Use Objectives; and
- The operational management of the Environmental Water Reserve.

1.2.2 Vision

'Informed and active communities balancing the use of resources to generate wealth, with the protection and enhancement of our natural and cultural landscapes'

1.2.3 Mission

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

1.2.4 Values

Responsiveness – Board, management and staff should demonstrate responsiveness by:

- Providing frank, impartial and timely advice;
- Providing high quality services to the community; and
- Identifying and promoting best practice.

Integrity – Board, management and staff should demonstrate integrity by:

- Being honest, open and transparent in their dealings;
- Reporting improper conduct;
- Avoiding any real or apparent conflicts of interest; and
- Striving to earn and sustain public trust of a high level.

Impartiality – Board, management and staff should demonstrate impartiality by:

- 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; and
- Implementing the Mallee CMA policies and programs equitably.

Accountability – Board, management and staff should demonstrate accountability by:

- Working to clear objectives in a transparent manner;
- Accepting responsibility for their decisions and actions;
- Seeking to achieve best use of resources; and
- Submitting to appropriate scrutiny.

Respect – Board, management and staff should demonstrate respect for colleagues and members of the community by:

- Treating them fairly and objectively;
- Ensuring freedom from discrimination, harassment and bullying; and
- Using their views to improve outcomes on an ongoing basis.

Leadership – Board, management and staff should demonstrate leadership by actively implementing, promoting and supporting these values and behaviours at both an individual level and within the team environment.

Human Rights – Board, management and staff should respect and promote the human rights set out in the Charter of Human Rights and Responsibilities by:

- Making decisions and providing advice consistent with human rights;
- Actively implementing, promoting and supporting human rights; and
- Freedom, Respect, Equality, Dignity (FRED).

1.2.5 Manner of establishment and the relevant Ministers

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 2013 to 30 June 2014 were:

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

1.2.6 Nature and range of services provided

The Mallee CMA region covers 3.9 million hectares, which is approximately one fifth of Victoria. It is the largest catchment area in the state and runs along the Murray River from Nyah to the South Australian border, through areas of high-value irrigated horticulture and national parks, and south through vast dryland cropping areas and public reserves to the Wimmera.

The Mallee CMA's project responsibilities include the management of:

- Waterways;
- Biodiversity (including vegetation restoration and threatened species recovery);
- Floodplains;
- Salinity; and
- Land and soil health.

The Mallee CMA also fulfils responsibilities in regional funding coordination in natural resource management; community involvement and education; cultural heritage protection; and monitoring and reporting on the health of the catchment. The Authority also proudly supports Landcare in the Victorian Mallee.

1.3 Operational and budgetary objectives


Achievements against the Mallee CMA Corporate Plan

The following key performance indicators (KPIs) represent the Mallee CMA's commitment to deliver in line with legislative compliance requirements including the Financial Management Compliance Framework, Water Act Statement of Obligations and the CaLP Act Statement of Obligations.

Table 1: Achievements against the Mallee CMA Corporate Plan

Performance area	Key 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	Submission on: 28 August 2014
	Participation by board members in development activities	All board members participate in development activities	There is a 95% participation rate of Board members in development activities Any Board member unable to complete activity schedules has been formally excused by the Board Chair
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: January 2014
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: nil
Policies and procedures	Regular review of policies and procedures.	Each policy and procedure is reviewed at least once every five years	Percentage of policies and procedures reviewed annually: 40% (60% in previous year, 100% bi-annually)
Efficiency and organisational 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: Nil
	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 functions	Number of days to process works on waterways permits	Not more than 20 working days	Average number of working days to process permits: 10.0 Number of permits that took more than 20 working days to process: 0
	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: Nil Number of referrals that took more than 20 working days to process: Nil
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	Average number of working days to process referrals: 10.8 Number of referrals that took more than 20 working days to process: 0
	Number of days to process enquiries from local government and the community on flooding	Not more than 20 working days	Average number of working days to respond to enquiries: 10.8 Number of enquiries that took more than 20 working days to process: 0

Regulatory waterway/ water functions (cont.)	Number of days to process referrals for Water Use Licences that don't meet the standard water-use conditions	Not more than 20 working days	Average number of working days to process referrals: Nil. Number of referrals that took more than 20 working days to process: Nil
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans and seasonal adjustments to annual use limits	Not more than 20 working days	Average number of working days to process referrals: Nil. Number of referrals that took more than 20 working days to process: Nil
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences	Not more than 20 working days	Average number of working days to process referrals: Nil. Number of referrals that took more than 20 working days to process: Nil
Effectiveness and environmental outcomes			
Integrated River Health Management	Revise Regional Waterway Strategy to plan for waterways in relation to their economic, social and environmental values	Regional Waterway Strategy revised every six years	Actual date Regional River Health Strategy was revised: 2010 New Regional Waterway Strategy under development for release in 2014-15
	Develop and/or revise Environmental Operating Strategies and Annual Watering Plans to manage the environmental water reserve in accordance with objectives	Environmental Operating Strategies developed or revised every five years Annual Watering Plans approved for all Environmental Entitlements	Annual Watering Plans approved for all Environmental Entitlements Actual dates Environmental Operating Strategies were developed or revised: June 2013 Actual date Annual Watering Plans were approved: June 2014
	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: 100%
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: 83%
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	Percentage of RNVP annual actions implemented: 70%
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: 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 include annual actions to be implemented: All complete
	Progress against annual action targets	All annual RSMP and LWMP actions and targets achieved	Proportion of RSMP and LWMP annual actions and targets achieved: 100%
	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: 100%
	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: 30 August 2013, as requested by DEPI
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: 21 June 2013

1.4 Five year financial summary

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

Table 2: Five year financial summary

Five year financial summary	2013-14	2012-13	2011-12	2010-11	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Commonwealth Government Contributions	9,634	3,750	3,777	2,724	2,895
State Government Contributions	7,419	6,495	8,196	8,200	8,058
Other Revenue	4,075	3,981	5,050	4,932	6,620
Total Revenue	21,128	14,226	17,023	15,856	17,573
Expenditure					
Depreciation	191	194	193	188	193
Employee Benefits	4,377	4,636	5,741	4,079	3,843
Materials, Maintenance, Grants and Consultants	4,243	4,837	6,599	4,976	5,942
Contractor Expenses	2,483	2,775	3,185	3,685	3,535
Leases (Properties & Motor Vehicles)	489	532	568	555	457
Other Expenses	916	826	1,261	873	885
Total Expenditure	12,699	13,800	17,547	14,356	14,855
Assets					
Current Assets	36,330	27,548	27,322	27,518	21,562
Non-Current Assets	790	615	814	745	5,209
Total Assets	37,120	28,163	28,136	28,263	26,771
Liabilities					
Current Liabilities	1,722	1,089	1,520	1,154	1,188
Non-Current Liabilities	91	196	164	133	108
Total Liabilities	1,813	1,285	1,684	1,287	1,296

1.5 Significant changes in financial position during the year

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

1.6 Major changes or factors affecting performance

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

1.7 Subsequent events

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

1.8 Disclosure of grants and transfer payments

The Mallee CMA has provided assistance to certain companies and organisations by way of devolved grants. Financial assistance provided exclusive of GST in the year ended 30 June 2014 is detailed below.

Table 3: Disclosure of grants and transfer payments

Organisation	Description	Payment \$
Landcare Grant Program Purpose - for community volunteer-based organisation to conduct on-ground natural resource management activities.		
Berriwillock Landcare Group	Berri's Bunny and Boxthorn Bonanza Incentive	10,200
Birchip Landcare Group	Birchip's Boxthorn Bash and Seeding for Success Incentive	10,200
Cabarita Community Inc	Victorian Landcare Grant - Group assistance	500
Culgoa Landcare Group	Culgoa's Rabbit and Hudson Pear Control 2013/14 Incentive	10,200
Friends of Wyperfeld National Park Inc	Maintenance Grant to support the administration	500
Kooloonong Natya Landcare Group	Enhancing Biodiversity - Bunny Busting and Community	11,300
Kulkyne Way Landcare Group	Rabbit Free Roadsides 13/14 Incentive	10,200
Lalbert Landcare Group	Maintenance Grant to support the administration	500
Mallee Landcare Group	Tempy Rabbit Ripping Program 2014 Incentive	7,500
	Nandaly Rabbit Ripping Program Incentive	7,500
	Rabbit Ripping Project 2014 Incentive	7,500
Mallee Landcare Group	Connecting Mallee Parks - Boinka and Walpeup Linkages - PPA Control	32,000
Manangatang Landcare Group	Rabbits are off and racing in Manangatang 2014	11,300
	Robinvale/Annuello Landcare Roadside and Corridor	11,300
Millewa-Carwarp Landcare Group	Millewa/Carwarp Landcare Group Integrated Pest Management	10,200
Murrayville Landcare Group	Celebrating Landcare at Murrayville 2014 Incentive	10,200
Murrayville Landcare Group	Connecting Mallee Parks at Murrayville 2014	40,000
Nullawil Landcare Group	Nullawil's Bunny Buster - Strike 2 Incentive	10,200
Nyah District Action Group Inc.	Nyah District Action Group 'Boxthorn Bash' Stage 2	11,300
Nyah West Landcare Group	Nyah West Biodiversity Project - Boxthorn Removal	11,300
Robinvale Indigenous Landcare Group	VLG 2013-14 Maintenance Grant to support the administration	500
Sea Lake Landcare Group	Assessment of Dunmunkle Creek Ecological Assets I	10,200
Sunraysia Residential Services - Benetook Chooks Landcare Group	Benetook Chooks Landcare Group Hot House Initiative	7,800
Tchum Lake Aquatic Club	Rabbit Control at Tchum Lake South 2013/14 Incentive	10,200
Ultima Landcare Group	Ultima Rabbit Control 2013-14 Incentive	10,200
Waitchie & District Landcare Group	Protecting local environmental assets, controlling	10,200
Woomelang Lascelles Landcare Group	Maintenance Grant to support the administration	500
Total		273,000

Section 2: Catchment Condition Report

This condition and management report for 2013-2014 aims to fulfil annual reporting requirements as outlined in Section 19B of the *Catchment and Land Protection Act 1994*.

Condition and management highlights are reported against five headline themes:

- Biodiversity;
- Inland aquatic ecosystems;
- Land health;
- Community capacity; and
- Environmental stewardship.

2.1 Key highlights and challenges for management

Key highlights for the region over the 2013-14 reporting period included the:

- Input from regional stakeholders and community members into natural resource management planning and delivery across the region. Formalisation of these processes through the Mallee CMA's community, technical and Aboriginal advisory committees continues to provide a strong foundation for effective engagement and partnerships; ensuring integrated and efficient delivery of programs at a range of scales;
- Implementation of the 2013-19 Mallee Regional Catchment Strategy (RCS) asset based approach for integrated and targeted delivery of works, ensuring that available resources are applied effectively and efficiently;
- Continued expansion of the Mallee Landcare network with the establishment of four new Landcare groups, including the region's first Indigenous group and one supporting people with disabilities;
- Effectiveness of the Environmental Management Action Planning (EMAP) program in building community capacity for both the planning and implementation of NRM activities. The combined efforts of landholders and local organisations have delivered environmental management plans covering some 1.2 million hectares of agricultural land since the program commenced in 2005;
- Planning and stakeholder engagement processes undertaken to facilitate the delivery of 94,584 ML of environmental water across some 44 individual sites;
- Commissioning of works associated with the Hattah and Mulcra Island Living Murray icon sites, providing the region with the capacity to water some 7,000ha of priority floodplains;
- Allocation of an additional 3.29EC of salinity credits to support sustainable irrigation development and re-development activities in the region in response to market signals;
- Effectiveness of on-ground research and demonstration sites in the identification, validation and promotion of both production and non-production based land management practices, facilitating practice change at a scale that will directly address key threats;
- Application of a range of delivery mechanisms (e.g. devolved grants, auction based tenders, incentives) to facilitate a high level of participation by the Mallee community in natural resource management;
- Implementation of targeted works to address key threats posed to the ecological character of 45,596ha of priority habitat; and
- Ongoing delivery of integrated monitoring programs to quantify the impacts over time of works on both threat mitigation (short-term) and resource condition (long-term).

Key challenges for the region over the 2013-14 reporting period included:

- Maximum temperatures recorded in the Mildura area between August 2013 and January 2014 being the highest on record, with the rest of the region experiencing 'very much above average' conditions. A 25% seasonal adjustment of Annual Use Limits was enacted as a measure to assist irrigators cope with these extreme conditions;
- Exceptionally hot conditions experienced throughout January 2014 which culminated in widespread bushfires, burning approximately 105,000ha and requiring significant emergency response and recovery efforts from many of our regional delivery partners, community group members and private landholders. Access to works sites located within the impacted areas was also restricted for some time;
- Implementing projects in line with agreed timelines in the face of logistical and seasonal challenges. This was addressed and mitigated through negotiation of a flexible and adaptive approach to on-ground works and transparent communication between land managers, project managers and investor representatives; and

- Intricacies and complexities of developing pumping infrastructure capable of delivering to key wetlands in remote locations for improved wetland function. This was achieved by fostering strong working relationships with partner agencies including interstate partners and key stakeholders.

2.1.1 Spatial representation of management activity locations

The location of management actions undertaken in the 2013-14 reporting period are shown according to the five headline themes in Figure 2.

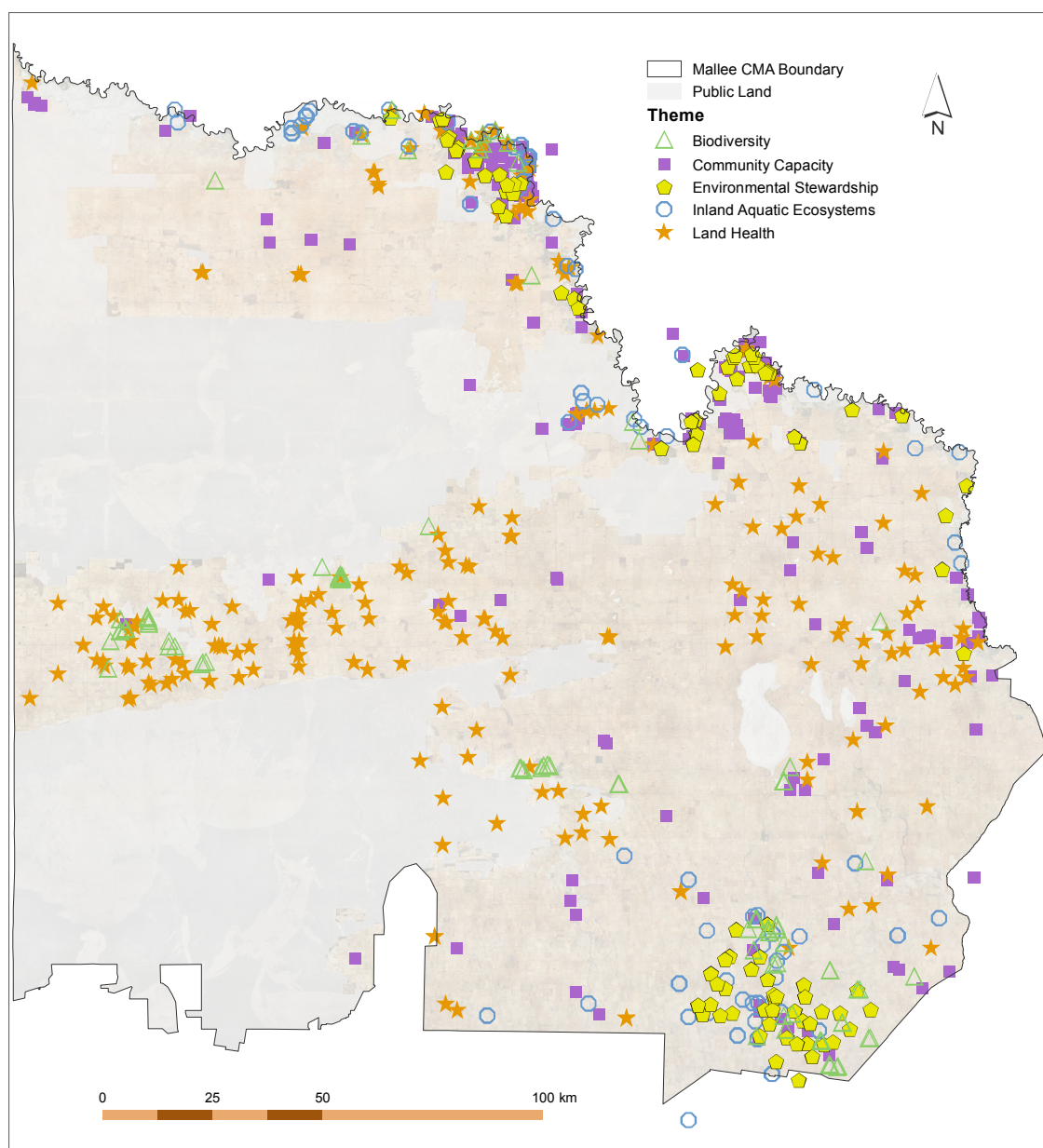


Figure 2: Management actions undertaken 2013-14

2.2 Biodiversity

The headline theme of 'Biodiversity' relates to activities which aim to improve biodiversity values and condition of ecosystems across the Mallee landscape. Regional stakeholders engaged in the planning and delivery of these activities included the Department of Environment and Primary Industries, Parks Victoria, Local Government, Trust for Nature, Birchip Cropping Group, Landcare, and private land managers.

2.2.1 Management

Activities undertaken during the reporting period delivered a combination of research, on-ground management actions and monitoring.

Key actions undertaken included:

- Provision of grants and market-based payments to the Mallee community for the delivery of targeted on-ground works;
- Targeting of works to habitat important for key threatened species and communities including: Regent Parrot, Malleefowl, Plains Wanderer, Slender Darling-pea, Chariot Wheels and Buloke Woodlands;
- Protection of 36,029ha of high value terrestrial habitat from the impact of critical threatening processes (e.g. grazing, salinity);
- Re-establishing or supplementing 544ha of vegetation, using locally indigenous species to improve the extent and quality of priority native habitat;
- Monitoring of revegetation works undertaken in the previous 2010-2013 reporting periods, which found an average survival rate of 60% of seedlings. Extreme temperatures experienced by the region after planting is thought to have reduced the survival rate of seedlings from previous years (i.e. 68% average between 2010-2012);
- Delivery of integrated invasive plant and animal control programs at all works sites;
- Ongoing assessments of four research sites established to investigate the effectiveness of incorporating degradable polymers into direct seeding methods for increased germination and survival rates of native seed in the Mallee; and
- Assessing 15 additional sites as part of a long-term monitoring program to quantify the impact of stock exclusion fencing on remnant vegetation.

2.2.2 Condition

The biodiversity condition statements below reflect that trends in measures of biodiversity remain largely stable.


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 biodiversity 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 Catchment Management Authority).

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 Department of Environment and Primary Industries 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 biodiversity condition would be expected within many remnants, especially those where threat mitigation actions have not occurred.



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 Catchment Management Authority).

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 that breeding numbers in the 2013 season 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. Whereas in the previous year (2012), numbers were higher than at any time in the past in response to good rains and maturing habitat. (Benshemesh J, Stokie P (2012, 2013) *Malleefowl monitoring in Victoria: 2012/13 and 2013/14*, 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 a dry year in 2012/13, and the high temperatures of 2013/14 together with widespread fire events, have impacted on the state of threatened species and communities overall.

2.3 Inland Aquatic Ecosystems

The headline theme of 'Inland Aquatic Ecosystems' relates to research, monitoring and on-ground interventions which aim to improve rivers, wetlands, estuaries and groundwater; including their physical form, hydrology, vegetation, fauna, and water quality.

2.3.1 Management

Activities undertaken during the reporting period delivered a combination of research, on-ground management actions and monitoring/evaluation. Regional stakeholders engaged in the planning and delivery of these activities included the Department of Environment and Primary Industries, Parks Victoria, Water Authorities, Local Government, Murray-Darling Freshwater Research Centre, Landcare and other community based NRM groups, Indigenous community, and private land managers.

Key actions undertaken included:

- Provision of grants for private land managers to undertake works which protect and enhance the environmental values of waterways on their property;
- Implementation of targeted works to address key threats (e.g. grazing, soil erosion, rubbish dumping) posed to the ecological character of 9,567ha of priority riparian landscapes; with a focus on optimising environmental watering outcomes or maintaining previous investment;
- Re-establishing or supplementing 415ha of vegetation, using locally indigenous species to improve the extent and quality of priority riparian habitat;
- Delivery of 94,584 ML of environmental water to 44 priority wetlands within the region; assisting to restore appropriate water regimes;
- Development of three Environmental Water Management Plans (EWMPs) in consultation with relevant land managers, community groups and other stakeholders;
- Commissioning of works associated with the Hattah and Mulcra Island Living Murray icon sites, providing the region with the capacity to water some 7,000ha of priority floodplains;
- Ongoing development of business cases for infrastructure to support environmental watering at priority sites. Sites included: Hattah stage 2, Lindsay Island stage 2, Wallpolla Island Burra Creek, Nyah and Vinifera Parks and Belsar Yungerra;
- Submission of a salinity credit business case using the improved model (Eastern Mallee EM 2.3.1), supporting an additional 4.7 E.C. of salinity benefits as a result of improved irrigation efficiency (up to 2007) reducing the groundwater mound under the Karadoc Irrigation region;
- Delivery of long-term monitoring programs including: flow and salinity measures at 22 continuously monitored drainage

sites in the Sunraysia district, and water level (SWL) and salinity measures for 518 groundwater bores across the Mallee region, including dryland, irrigation and floodplain areas;

- Investigations on the behaviour of carp in wetlands to improve the region's understanding of their impact and control; and
- Identification and collation of data associated with the region's groundwater assets as part of a state-wide coal seam gas assessment.

2.3.2 Condition

Monitoring of regional waterway and groundwater 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 5 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 6 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 2013/14) 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 2013/14 has identified a continued downward trend, with 65% of measured bores reporting a decrease in groundwater levels and 54% having reduced salinity when compared with the previous year. Please see 'Land Health Condition' section for further detail.

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.

2.4 Land Health

The headline theme of 'Land Health' relates to activities conducted within the region's modified landscapes which aim to meet the joint requirement of protecting natural resource values while optimising primary production outcomes. Regional projects have focused on addressing key threats to land health such as salinity, erosion, invasive plants and animals, and threatening land management practices.

2.4.1 Management

Activities undertaken during the reporting period delivered a combination of research, on-ground management actions and monitoring/evaluation. Regional stakeholders engaged in the planning and delivery of these activities included the Department of Environment and Primary Industries, Parks Victoria, Local Government, Water Authorities, Landcare and other NRM based community groups, Birchip Cropping Group, Mallee Sustainable Farming and other industry based groups, and private land managers.

Key actions undertaken included:

- Planning, prioritisation and implementation of works to deliver 75,263ha of pest animal control works, protecting and enhancing key biodiversity and soil assets;
- Planning, prioritisation and implementation of works to deliver 27,625ha of priority weed control works, protecting and enhancing key biodiversity and soil assets;
- Establishment and ongoing assessments of nine investigation sites to identify and quantify improved or alternative dryland management practices that address wind erosion processes while maintaining or improving productivity;
- Environmentally sustainable irrigation development through application of the Mallee Irrigation Development Guidelines, including the review of two new irrigation and drainage management plans, covering 200ha associated with new irrigation developments;
- Planning, prioritisation and allocation of irrigation incentives for 37ha of irrigation upgrades on six properties, 26ha of irrigation drainage management plans on five properties, and 194ha of improved irrigation management through the installation of scheduling equipment on 15 properties;
- Provision of case management and training support to 464 Environmental Management Action Plan (EMAP) program graduates, covering 1,100,000ha or 48 per cent of all agricultural land in the region, to facilitate the implementation of priority actions/works programs;
- Production of the 2013/14 Irrigation Status report to enable comparisons of the areas dried off from irrigation in the Mallee since 2005/06, and an assessment of the condition of this land;
- Quantifying the effectiveness of the various irrigation-based climate control systems being employed in the region by table grape producers, through the collection and analysis of data on water use, increases in groundwater infiltration and temperature reductions; and
- Evaluation of the Mallee seasonal Annual Use Limit (AUL) adjustment process, monitoring parameters, triggers, methods for calculating the quantum of adjustment, and the reasons for irrigator breaches or near breaches in AUL.

2.4.2 Condition

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

Reductions in rabbit populations have been achieved within areas receiving ongoing control programs. Sites with key assets such as the Ramsar Lakes at Hattah have highlighted the effectiveness and efficiency of undertaking regular intensive control programs which maintain rabbits well below targets, rather than reactive management once numbers have increased.

At a whole of region scale, there has been limited progress, however, in arresting the growth of populations given the declining effectiveness of biological control (RHD virus and myxomatosis). Both invasive plant and animal abundance varies considerably in response to prevailing conditions.

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 is currently being recorded at less than 10 per

cent of monitoring sites, compared to figures of between 30 to 50 per cent in the 1990s (Drendel, H., (2013): *Mallee Soil Erosion and Land Management Summer 2013*. Unpublished report for the Department of Environment and Primary Industries).

The current (as of 2009) estimated area of saline soils in the Mallee stands at 142,206ha or 3.8 per cent of the land surface. Some 39 per cent (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 to the Mallee Catchment Management Authority).

In comparison with 2013 data, regional groundwater monitoring in the first quarter of 2014 found that 65 per cent of bores (sampled in both years) experienced a decline in standing water level, which means that groundwater was observed at depths further from the soil surface in these bores. Decreased salinity levels were found in 54 per cent of bores sampled in both years from 2013 to 2014. In general, there was an overall decrease in groundwater level and a minor decrease in salinity observed in all monitored bores throughout the region. (Mallee CMA, 2014. *Mallee Groundwater Monitoring 2014*. Final report 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 that 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. However observations in the 2013-14 period indicate the surface water drainage flows and regional groundwater levels have 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.

2.5 Community Capacity

The headline theme of 'Community Capacity' relates to activities conducted to improve the capacity of our communities and regional stakeholders to support natural resource management outcomes. Regional projects have focused on education and awareness raising, enhancing specific skills and knowledge, and establishing and maintaining effective partnership and support frameworks.

2.5.1 Management

Activities undertaken during the reporting period delivered a combination of strategic planning, communications and publications, events, workshops, case management support, research and demonstrations. Regional stakeholders engaged in the planning and delivery of these activities included the Department of Environment and Primary Industries, Parks Victoria, Local Government, Trust for Nature, Water Authorities, Murray-Darling Freshwater Research Centre, Birchip Cropping Group, Mallee Sustainable Farming, and other industry based groups.

Key actions undertaken included:

- Supporting the Mallee community to provide input into natural resource management planning and delivery across the region, including through the Land and Water Advisory Committee (LWAC), the Aboriginal Reference Group (ARG) and project-based Community Reference Groups (CRG);
- Ensuring a high degree of technical rigour, integrated delivery and knowledge transfer in project planning, implementation and evaluation through facilitation of the region's Land, Water and Biodiversity Technical Advisory Committees (TAC);
- Provision of a range of tools (e.g. incentives/grants, market-based instruments, whole farm planning, education and capacity building activities) which support the region's private land managers and community groups to implement actions on ground;
- Provision of technical advice and support to the region's private land managers and community groups for the implementation of management practices and targeted interventions most appropriate to their environment;
- Working with the community to raise awareness of, and participation in, natural resource management through the delivery of workshops, field days, information sessions, presentations etc: activities which collectively engaged 8,900 participants



in 2013/14;

- Producing and distributing 230 individual publications (e.g. Media Articles, Newsletters, Posters, Fact Sheets, Technical Bulletins and Papers) to promote regional delivery, enhance the regional knowledge base and support information sharing;
- Continued production of the Mallee Farmer Newsletter, targeted at improving the knowledge and skills of the region's dryland farmers. More than 5000 copies were distributed across the Mallee region during 2013-14;
- Establishing and using demonstration sites to promote best management practices and encourage the adoption of management practices that address key threatening processes while enhancing productivity, soil health and biodiversity values;
- Provision of ongoing training to 20 Waterwatch volunteers for the delivery of water quality monitoring at 100 key project sites;
- Supporting the region's 28 Landcare groups, including the formation of the Cabarita, Red Cliffs, Robinvale Indigenous and Benetook Chooks groups in 2013/14;
- Continued delivery of the Victorian Local Landcare Facilitator Initiative (VLLFI), with groups continuing to actively engage with facilitators for improved NRM and capacity outcomes;
- Providing ongoing support for regional partnership opportunities with community, industry and/or government delivery partners actively engaged in the implementation of over 300 NRM related activities;
- Development of the draft 2014-2022 Mallee Waterway Strategy to guide future works programs for priority waterways. The draft Strategy was released for public comment in May 2014; and
- Commencing development of the 'Regional NRM Plan for Climate Change' to identify priority landscapes and associated management strategies which are best suited to climate change adaptation and/or mitigation activities; while optimising biodiversity, agricultural and community related outcomes.

2.5.2 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 then be made. This information gap was addressed as part of the 2013-19 Mallee Regional Catchment Strategy 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. Application of the tool continues to remain applicable in 2013-14 and beyond.

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. The proportion of agricultural businesses participating in NRM projects in the Mallee region remains significantly higher however 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.

2.6 Environmental Stewardship

The headline theme of 'Environmental Stewardship' relates to the level of active stewardship on both private and public land. Regional projects have focused on management agreements, conservation covenants, and management plans. Regional stakeholders engaged in the planning and delivery of these activities included the Department of Environment and Primary Industries, Trust for Nature, Landcare and other NRM based community groups, Indigenous community, and private land managers.

2.6.1 Management

Activities undertaken during the reporting period primarily involved engagement, consultation, assessment and planning.

Key actions undertaken included:

- Engagement of private land managers and community groups in priority landscapes using a variety of tools such as sub regional consultation and engagement, one-on-one case management support, workshops, and training forums;
- Delivery of the Environmental Management Action Planning (EMAP) program to 31 Mallee dryland farmers, supporting the development of whole farm environmental plans and associated action plans covering 67,103ha;
- Delivery of the WUE farm planning program to 40 Mallee irrigators, supporting the development of whole farm plans covering 6,089ha;
- Establishment of over 75 management agreements across 33,000ha with individual land managers and community groups for the delivery of on-ground works to reduce the impact of critical threatening processes on priority assets;
- Comprehensive assessments of all proposed works sites to provide the basis for ensuing management agreements, and where appropriate management plans;
- Development of Cultural Heritage Management Plans to inform the delivery of major on-ground works; and
- Permanent protection of 241ha of priority habitat and the development of a comprehensive management plan.

2.6.2 Condition

Monitoring of environmental stewardship in the region indicates a condition trend of improving.

Since 2005, some 528 farm businesses, representing 1.2 million ha or 50 per cent of agricultural land in the region have developed whole farm environmental plans as part of the EMAP program. Some 110 workshops have been delivered across eight target areas to support landholders develop action plans specific to their property, with participants to date collectively identifying and mapping over 8,100 works, covering some 200,000 hectares (Mallee CMA (2014). *Environmental Management Action Planning* Unpublished data). At current participation rates, it is expected that most farm businesses will have management plans in place by 2015/16, providing a valuable tool for engaging landholders in NRM.

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 (2012-13), more than 82% 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 Millewa target area have completed 34% of the natural resource management actions they identified in their plans. These works include 53km of stock exclusion fencing to protect and enhance remnant vegetation and 488ha of revegetation using locally indigenous species (Gosling E., (2013) *Mapping and Data Management for Farm Based Environmental Management Action Planning – Graduate Support Program*. Unpublished report for the Mallee Catchment Management Authority).

Improved environmental stewardship is also demonstrated by the large area of priority landscapes for which long-term management agreements continue to be established and implemented by the community and by public and private land managers. For example, in 2012/13 and 2013/14 formal agreements were established for the management of over 50,000ha; this is in addition to those areas placed under management agreement in the years preceding 2012/13.

Section 3: Organisational structure and corporate governance arrangements

3.1 Mallee CMA organisational structure

The Mallee CMA has a fundamental responsibility to ensure the community has an opportunity to provide input into priority setting and funding allocations for natural resource management in the region. This is achieved through various subcommittees comprising Board and community members, as illustrated in Figure 3.

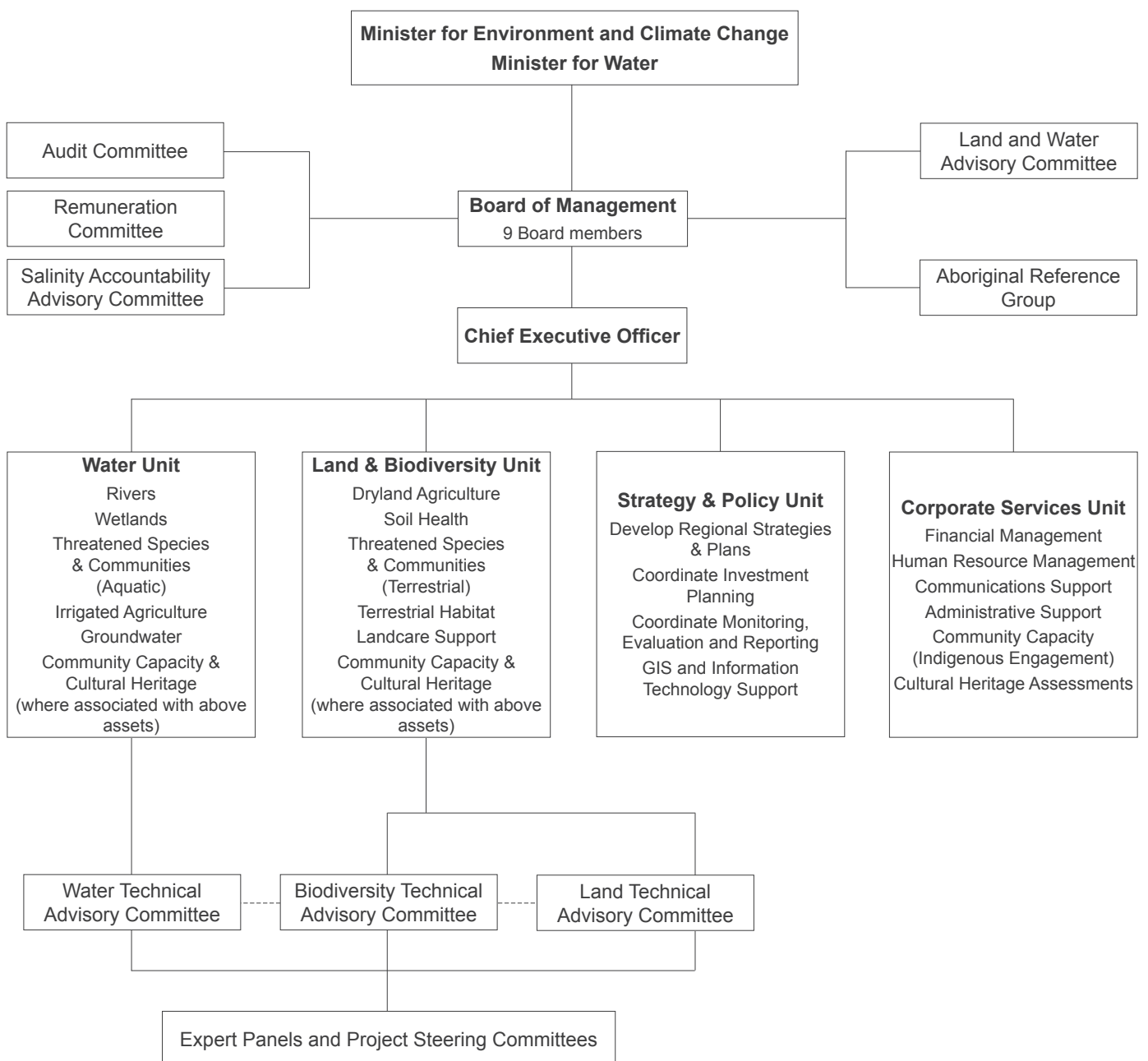


Figure 3: Mallee CMA Organisational Structure 2013-14

3.2 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 2013-14 reporting period. Two outgoing members were replaced with new appointments in October and November 2013.

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.

3.3 Board members

Sharyon Peart – Chair

Sharyon has experience in small business, local government, community consultation, governance and people management. She is a current Councillor of Mildura Rural City and runs her own small business. Sharyon's roles include:

- Chair - Mallee CMA Remuneration Committee;
- Chair - Aboriginal Reference Group;
- Chair - Intergovernmental Stakeholder Reference Group, Victorian Floodplain Management Strategy; and
- Member - National NRM Working Group.

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 - Mallee CMA Audit Committee; and
- Board representative - The Living Murray Community Reference Groups (Hattah and Lindsay-Wallpolla).

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 - Water Technical Advisory Committee.

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

Brian Englefield


Brian Englefield is a horticulturist on a property in Liparoo. Brian has expressed strong and varied interests in achieving a balance between productive agriculture and environmental sustainability, especially from the perspective of a long-term irrigator. Brian's term as a Board Member ended on 30 September 2014. Brian's roles included:

- Member - Mallee CMA Salinity Accountability Advisory Committee.

Term of appointment for Brian Englefield was 1 July 2009 to 30 September 2013.

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 (proxy for Chair); and
 - Board representative - Mallee Land and Water Advisory Committee.

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.

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, for 16 of which he also operated a manufacturing business. John is a graduate of the Australian Institute of Company Directors and has served on a number of organisations in the Merbein community. He is currently a councillor with the Mildura Rural City Council. John's roles include:

- Member - Mallee CMA Audit Committee; and
- Board representative - TLM Community Reference Groups (Hattah and Lindsay-Wallpolla).

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

Paula Gordon

Paula has been actively involved in a number of organisations throughout Sunraysia and the Mallee region, encompassing education, health, community and rural policy development, agricultural production, research, extension, on farm adjustment and natural resource management. Paula's term as a Board Member ended on 30 September 2014. Paula's roles included:

- Member - Mallee CMA Remuneration Committee;
- Board representative - Biodiversity Technical Advisory Committee; and
- Board representative - Land Technical Advisory Committee.

Term of appointment for Paula Gordon was 1 July 2009 to 30 September 2013.

Paul Grigg

Paul has a 35 year background in broad-acre dryland farming which incorporated a grain trading, bulk storage and bulk haulage transport operation. 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's roles include:

- Chair - Mallee CMA Audit Committee;
- Member - Mallee CMA Remuneration Committee; and
- Member - Water Technical Advisory Committee.

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

Allison McTaggart

Allison has a background as an acting general manager and 10 years as a human resource manager within agricultural businesses. She has had various administrative and teaching roles, and has been a technical officer in table grape production. Allison is a current director of a family owned business. She is a former director of Lower Murray Water, Lower Murray Darling CMA, Murray Darling Association and the Mildura Private Hospital and current member of the Human Resource Institute and Fellow of the Australian Institute of Company Directors. Allison's roles include:

- Member - Mallee CMA Remuneration Committee; and
- Board representative - TLM Community Reference Groups (Hattah and Lindsay-Wallpolla).

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

John Cooke

John has 40 years of service as an extension officer, research scientist, manager and internal consultant. John was born in Ouyen and grew up on a Mallee wheat-sheep farm. As a scientist and manager John has been actively involved in soil and water management. John's roles include:

- Member - Water Technical Advisory Committee; and
- Member - Mallee CMA Salinity Accountability Advisory Committee.

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

3.4 Meetings attended

Eleven ordinary Board meetings were held during the 2013-14 financial year.

The Board Chair approved any Board member absences during the reporting period.

Table 4: Board meeting attendance

Board Member	Ordinary meetings attended
Sharyon Peart	10
Tony Martin	9
John Arnold	11
Geoff Anderson	10
Brian Englefield *	3
Paula Gordon *	3
Bruce Jones	8
Eddie Lee	11
Paul Grigg	11
Allison McTaggart **	8
John Cooke **	8 ***

* Outgoing Board members

** Incoming Board members

*** Observer at OBM No. 181, 23 October 2013.

3.5 Audit Committee membership and roles


An internal audit program is conducted throughout the year to ensure compliance with the *Financial Management Act 1994* and the Financial Management Compliance Framework. The members of the Audit Committee as of 1 July 2013 were:

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

Eleven Audit Committee meetings were held during the 2013-14 financial year.

The role of Audit Committee members is defined in the Audit Committee Charter as overseeing:

- 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.

3.6 Internal and external audits

The Office of the Auditor-General, through Mulqueen Griffin Rogers in Bendigo conducts the external audit, and RSM Bird Cameron Chartered Accountants in Melbourne conducts a program of internal audits.

3.7 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.

3.7.1 Mallee CMA 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 as of 1 July 2013 were:

- Sharyon Peart - Chair;
- Tony Martin - Member;
- Paula Gordan - Member (to 30 September 2013); and
- Allison McTaggart - Member (from 27 November 2013).

3.7.2 Mallee CMA Salinity Accountability Advisory Committee

This committee 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 members of the Salinity Accountability Advisory Committee as of 1 July 2013 were:

- Tony Martin - Chair;
- Brain Englefield - Mallee CMA Board Member (to 30 September 2013);
- John Cooke - Community Member (to November 2013), Mallee CMA Board Member (from 27 November 2013);
- Peter Jones - Lower Murray Water Board Member (to 30 September), Community Member (from 23 October 2013);
- Malcolm Bennett - Lower Murray Water Board Member (from 18 October);
- Owen Lloyd - Community Member; and
- Peter Kelly - Mallee CMA Program Manager.

Agency representatives were:

- Owen Russell - Lower Murray Water; and
- Susan Ryan - Department of Environment and Primary Industries (from July 2013)

The Salinity Accountability Advisory Committee 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.

3.7.3 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 Land and Water Advisory Committee 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.

Membership of the Land and Water Advisory Committee is as follows:

Community members:

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

Board representatives:

- Sharyon Peart; and
- Geoff Anderson.

A decision was made at Ordinary Board Meeting (OBM) No. 182, 27 November 2013 for an additional Board member to nominate 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.

3.7.4 Aboriginal Reference Group

The Mallee Aboriginal Reference Group 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 Committee met four times during the reporting period. Membership and roles of the committee as of 1 July 2013 were:

- Sharyon Peart - Chair;
- Geoff Anderson - Mallee CMA Board Member;
- Fred Baxter;
- Venessa Clarke;
- Leigh Fuller;
- Keith Hampton (to April 2014);
- Rose Kirby;
- Michael Gilby;
- Darren Perry;
- Margaret Whitton; and
- Ben Parker - Mallee CMA Indigenous Facilitator.



3.7.5 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.

3.8 Biodiversity Technical Advisory Committee

The Biodiversity Technical Advisory Committee met three times during the reporting period.

Members of the committee as of July 1, 2013 were:

- Bonnie Pettett - Mildura Rural City Council;
- Erin Raggatt - Swan Hill Rural City Council;
- Sue McConnell - Department of Environment and Primary Industries;
- Fiona Murdoch - Lower Murray Water;
- Greg Ogle - Trust for Nature;
- Jill Flemming - Department of Environment and Primary Industries; and
- Kathryn Schneider - Parks Victoria.

As of Board Meeting No. 182 in November 2013 the Board representatives on the Biodiversity Technical Advisory Committee were:

- Bruce Jones; and
- Eddie Lee.

3.9 Land Technical Advisory Committee

The Land Technical Advisory Committee met three times during the reporting period.

Members of the committee as of 1 July, 2013 were:

- De-Anne Ferrier - Birchip Cropping Group;
- Michael Moodie - Mallee Sustainable Farming;
- Ivan Mock - Dodgshun Medlin;
- Claire Wilkinson - Department of Environment and Primary Industries;
- Melissa Cann - Department of Environment and Primary Industries;
- Nathan Robinson - Department of Environment and Primary Industries;
- Dave Monks - Department of Environment and Primary Industries Future Farm Services Research; and
- Kerry Grigg - Vic No-Till Farming Association (from 11 December 2013).

As of Board Meeting No. 182 in November 2013 the Board representatives on the Land Technical Advisory Committee were:

- Paul Grigg; and
- Eddie Lee.

3.10 Water Technical Advisory Committee

The Water Technical Advisory Committee met five times during the reporting period.

Committee membership is as follows:

- Scott McLean - Department of Environment and Primary Industries;
- Sue McConnell - Department of Environment and Primary Industries;

- Andrea Keleher - Department of Environment and Primary Industries;
- Bernie Dunn - Grampians Wimmera Mallee Water;
- Catherine Hall- Mildura Rural City Council;
- Kathryn Schneider - Parks Victoria;
- Peter Ebner - Lower Murray Water;
- John Cooke - salinity expert (to Nov 2013); and
- Iain Ellis - Murray-Darling Freshwater Research Centre.

As of Board Meeting No. 182 in November 2013 the Board representatives on the Water Technical Advisory Committee were:

- Bruce Jones;
- Paul Grigg (to OBM No. 182, 27 November 2013); and
- John Cooke (from OBM No. 182, 27 November 2013).

3.11 Planning framework

There are two major documents that guide the planning activities of the Mallee CMA - the Mallee Regional Catchment Strategy (RCS) and the Mallee CMA Corporate Plan.

3.11.1 Mallee Regional Catchment Strategy (RCS)

One of the key functions of the Mallee CMA is to develop a regional approach to coordinated and integrated natural resource management. The RCS provides the strategic framework for the management of natural resources in the region and provides alignment with wider state and federal strategies and policies.

The review of the Mallee RCS was conducted during 2011-13 and was led by the Mallee CMA, with input from partner agencies, water corporations, community members and local groups such as Landcare.

The Mallee RCS 2013-19 is the third such strategy for the region and was gazetted in early 2013. Copies of the Mallee RCS are available from the Mallee CMA website www.malleecma.vic.gov.au or the dedicated Mallee RCS website www.rcs.malleecma.vic.gov.au.

3.11.2 The Mallee CMA Corporate Plan

The Mallee CMA's Corporate Plan is the primary annual planning document for the organisation and is developed under the provisions of the *Water Act 1989* and the *Catchment and Land Protection Act 1994*. The Corporate Plan documents how the Mallee CMA will meet its full range of duties, functions and objectives.

The corporate plan provides key corporate information about the Mallee CMA, informs the relevant Ministers of major issues and activities, and outlines how the Mallee CMA will manage its operation.

The corporate planning process provides an opportunity for the Board to review and revalidate key priorities and strategies, and creates an agreed 'contract' between the Board and the Chief Executive Officer about the program of work to be delivered during the year. The corporate plan provides the framework for reporting on corporate performance in the annual report and describes how the Mallee CMA will meet its Statement of Obligations. The Mallee CMA has an effective structure and processes in place to ensure robust delivery and achievement of those duties and expectations.

3.12 Operational Structure

During the reporting period, the Mallee CMA employed 45 employees (43.94 FTE). Staff members had skills in a range of areas including research, project management, human resource management, environmental science, communication, finance, and geographic information systems. The Authority's business was achieved under the guidance of the Chief Executive Officer (CEO) and managers (as outlined below) and in line with the operational structure (Figure 4).

Jennifer Collins – Chief Executive Officer

As Chief Executive Officer, Jennifer is responsible to the Board for all operational aspects of the Authority, as well as facilitating input from the Board, various committees and the community into the Authority's strategic direction. Jennifer is also the Icon Site Coordinator for the Lindsay Wallpolla and Hattah Lakes Icon Sites under the Murray Darling Basin Authority's The Living Murray program.

Linda Pratt – Manager Corporate Services (to March 2014)

Linda joined the Mallee CMA in 2004 as the Human Resources Officer and became Manager of the Community and Program Support Unit in 2006 until 2010 when she became the Manager of Corporate Services.

Meagan Crozier - Manager Corporate Services (from March 2014)

Meagan is a Certified Practicing Accountant (CPA), who has worked in both 'not for profit' and 'for profit' sectors. She has extensive finance and business managerial skills with over 15 years experience at an executive management level while working in the northern Mallee health sector at Sunraysia Community Health Services.

Peter Kelly – Manager Water

Prior to starting at the Mallee CMA in 2008, Peter spent 25 years working for the Department of Sustainability and Environment. For eight of these, he managed more than 400,000ha of State Forest in the Victorian Mallee and was a grazing management officer for three years. During the reporting period, the name of this unit was changed from "Rivers and Wetlands" to "Water" to better reflect the unit's wide focus.

Jo Latta – Manager Strategy and Policy

Jo worked at the Department of Primary Industries as a Farming Systems Research Scientist before joining the Mallee CMA in 2002. Jo managed the Land Resources Unit for seven years and oversaw its merger with the Biodiversity Unit during 2009-10. Jo is now the Manager of the Strategy and Policy Unit.

Karen Nalder – Manager Land and Biodiversity

Karen joined the Mallee CMA as the Millewa Carwarp Landcare Coordinator in 2005 and became a Land and Biodiversity Project Officer in 2007. In 2009 she became the Biodiversity Project Manager and was appointed Coordinator of Biodiversity in 2011. Karen was appointed Coordinator Land and Biodiversity in June 2012 and Manager Land and Biodiversity in February 2013.

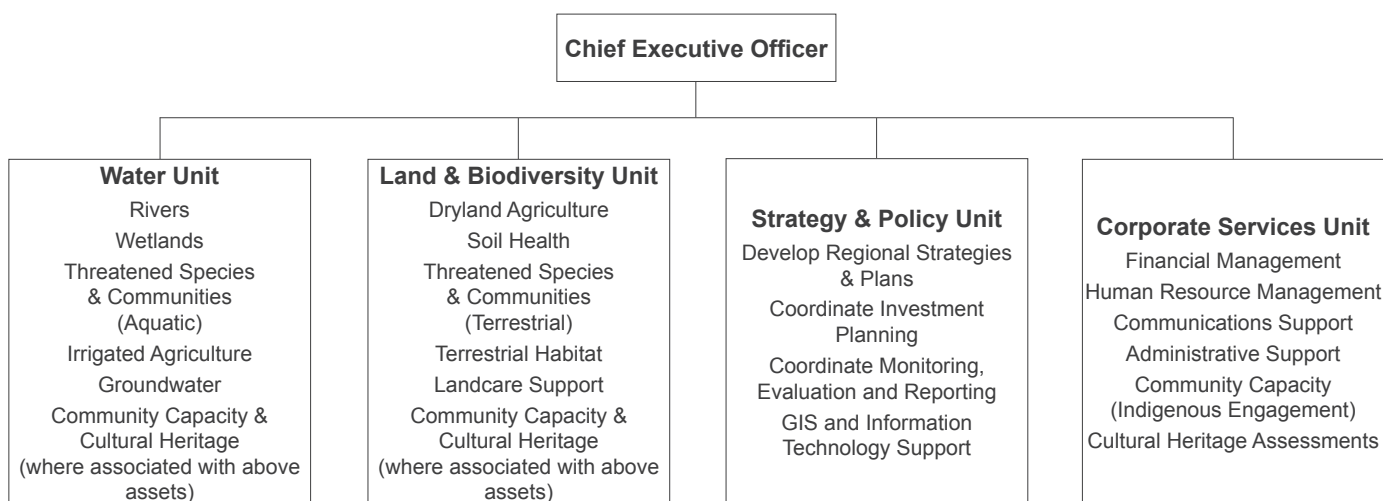


Figure 4: Mallee CMA Operating Structure 2013-14

3.13 Human Resource Management

The Mallee CMA is committed to providing a safe and healthy working environment for all employees and complying with the *Occupational Health and Safety Act 2004* (OHS Act), relevant regulations and codes of practice.

Safety is a primary consideration in the planning and conduct of project activities and events. The Authority's Occupational Health and Safety (OHS) Management System details procedures relating to occupational health and safety compliance and applies these to all employees, contractors, visitors and/or volunteers.

3.14 Mallee CMA's performance against OHS management measures

The Mallee CMA Occupational Health and Safety Committee, which consists of six Health and Safety Representatives (HSR), representing their respective designated work groups, the OHS Coordinator and one management representative, meets bi-monthly. These meetings form an integral element of the consultation process. The objective of these meetings is to discuss OHS issues, and the identification, prevention and resolution of workplace safety hazards. Workplace safety is also an agenda item at unit and staff meetings.

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

- Workplace Obligations;
- Working in Isolation;
- Four Wheel Driving;
- First Aid and CPR Refresher Training;
- Argo/ATV Operator Training;
- Food Handlers Safety Course; and
- OHS Responsibilities Training for Board, Managers and Supervisors.

The major achievement for the year was the Authority's participation in the Healthy Together Mildura program. The program provides a framework and supporting resources to help coordinate existing and new activities to promote health and well-being within the workplace. It not only focuses on specific health and well-being activities, but also on creating a healthy organisational culture.

The initial focus of the program has been improving healthy eating by providing healthy choices in the catering provided for staff meetings and functions. Employees are encouraged to participate in physical activities at lunch time through the use of flexible working conditions and access to facilities (e.g. on-site showers etc), as well as other active events such as Ride2Work Day, Walk the Block and the 10,000 Steps Challenge.

Following the endorsement of the Mallee CMA Health and Well-being Policy and the subsequent completion of the required steps, the Mallee CMA was the first workplace in Victoria to reach the first recognition point in the Healthy Together Achievement Program.

3.15 Employment and conduct principles

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.

3.16 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 for 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;
- First Aid training Level II;
- 4WD training;
- Argo/ATV Operator training;
- Workplace Obligations Training;
- OH&S Responsibilities Training for Board, Managers and Supervisors;
- Bullying & Other legislative changes Fair Work Act;
- Day to day management and supervision of staff;
- Effective People Management;
- FBT Simplifier Training;
- Governance Training Board;
- Return to Work Coordinator Training;
- Telemetry Training;
- Payroll & Taxation Training;
- Northern Mallee Leaders Program;
- Habitat Hectares Competency;
- Landcare Facilitator Training;
- Food Handlers Safety Course; and
- The New Manager.

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;
- Pilate classes;
- Walk the Block; and
- 10,000 Steps Challenge.

Section 4: Workforce Data

4.1 Public Administration values and employment principles

The Mallee CMA adheres to the *Public Administration Act 2004*, which specifies a number of employment and conduct principles that must be observed by public entities and their employees.

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 underperformance and discipline.

4.2 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 the end of June 2014, the Mallee CMA employed 45 staff, which included a total of 43.94 full time equivalent (FTE) positions. The staff consisted of 22 females and 23 males during the reporting period.

Table 5: Workforce Data disclosures

Mallee CMA employed 43.94 FTE staff in 2013-14 compared to 42.2 staff in 2012-13.				
	2013-14		2012-13	
	Head count	FTE	Head count	FTE
Executive Officers	1	1	1	1
Senior Managers	4	4	4	4
Administration Staff	8	7.6	8	7.6
Project/Support Staff	28	27.34	27	25.6
Landcare Employees	4	4	4	4
Sub Total	45	43.94	44	42.2
Casual Employees*	8	4.8	7	7
Total	53	48.74	51	49.2
Gender excluding casuals				
Male	23	22.6	24	23.6
Female	22	21.34	20	18.6
Total	45	43.94	44	42.2

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



Section 5: Other disclosures

5.1 *Implementation of the Victorian Industry Participation Policy*

The Victorian *Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy. 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 for the year ended 30 June 2014.

5.2 *Consultancies*

5.2.1 *Details of consultancies over \$10,000*

In 2013-14, there were 35 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2013-14 in relation to these consultancies was \$2,533,242 (excl. GST).

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

5.2.2 *Details of consultancies under \$10,000*

In 2013-14, there were 31 consultancies engaged during the year, where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2013-14 in relation to these consultancies was \$140,303 (excl. GST).

The definition of consultancy was updated effective from 1 July 2013. Consequently, disclosures on the 2013-14 consultancy expenditure cannot be compared with previous year disclosures.

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.

5.3 *Disclosure of major contracts*

No contracts over \$10 million were entered into by the Mallee CMA during the reporting period.

5.4 *Expenditure of funds within the Mallee Salinity Investment Plan 2013-14*

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 2013-14 totalled \$3,134,109.70.

Total committed expenditure in 2013-14 within the Mallee Salinity Investment Plan was \$1,021,680. Projects delivered included:

- Mallee On-farm Irrigation Incentives Program for works and measures that generate salinity benefit for Victoria (\$350,000);
- Executive Support to meet regional monitoring and reporting obligations under the *Water Act 2007* and *CaLP Act 1994* (\$214,474);
- Annual data collection from Mallee groundwater observation bores to inform five year reviews of BSMS Accountable Actions pertaining to the Mallee region (\$260,553); and
- Annual data collection from irrigation drainage monitoring stations to inform five year reviews of BSMS Accountable Actions pertaining to the Mallee region (\$196,653).

5.5 Application and operation of Freedom of information Act 1982

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 and Primary Industries' Freedom of Information Manager, who may be contacted on the details below.

Freedom of Information Manager
Legal Services Branch, Corporate Services Division
Department of Environment and Primary Industries
Level 10, 8 Nicholson St,
East Melbourne, Victoria 3002.
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 Officer can identify and locate the relevant documents. All applications must include the statutory lodgement fee of \$26.50, effective from 1 July 2013. 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 the Freedom of Information Officer, Mallee CMA, PO Box 5017, Mildura, 3502. The telephone contact number is 03 5051 4377. Enquiries can be emailed to meagan.crozier@depi.vic.gov.au or faxed to 03 5051 4379. Principal Officer: Meagan Crozier.

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

5.6 Compliance with building and maintenance provisions of Building Act 1993

The Mallee CMA is a tenant of the Department of Treasury and Finance Victorian Government Property Group in the Department of Environment and Primary Industries buildings in Mildura, Nyah, Birchip and Hopetoun. As such, the Authority does not have the capacity to require building approvals.

5.7 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.

5.8 Compliance with Protected Disclosure Act 2012

This disclosure complies with the requirements of the *Protected Disclosure Act 2012* (PD Act) for the reporting period.

Compliance with the Protected Disclosures Act 2012

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The 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 the Mallee CMA or its board members, officers or employees by contacting the Department of Environment and Primary Industries (DEPI) or Independent Broad-Based Anti-corruption Commission (IBAC) on the contact details provided below.

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

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

The Mallee CMA has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the Mallee CMA or its employees. You can access the Mallee CMA’s procedures on its website at: www.malleecma.vic.gov.au

Contacts:

Department of Environment and Primary Industries (DEPI)

Jennifer Berensen, Senior Advisor, Privacy & Ombudsman
 Department of Environment and Primary Industries
 Address: PO Box 500, East Melbourne Vic 8002
 Phone: 03 9637 8697
 Website: www.depi.vic.gov.au

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

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3001.
 Mail: IBAC, GPO Box 24234, Melbourne Vic 3000
 Internet: www.ibac.vic.gov.au
 Phone: 1300 735 135
 Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Disclosures under the *Protected Disclosures Act 2012*

The archived procedures established under the *Protected Disclosures Act 2012* are available upon request.

Table 6: Disclosures made

The number and types of disclosures made to the Mallee CMA	2013-14	2012-13
Public interest disclosures	0	0
Protected disclosures	0	0
The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures	0	0
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	0	0
The number and types of disclosures referred by the public body to the Ombudsman for investigation	0	0
The number and types of investigations taken over from the public body by the Ombudsman	0	0
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	0	0
The number and types of disclosed matters that the public body has declined to investigate	0	0
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	0	0
Any recommendations made by the Ombudsman that relate to the public body	n/a	n/a

5.9 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 DEPI facility at Irymple, utility resource usage is monitored and controlled by DEPI 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 DEPI energy resource usage.

Further information on office-based environmental impacts is presented in Table 7.

Table 7: Mallee CMA office-based environmental impacts

Outputs	Activity	2013 Actual	2014 Target	Comment
Reduce Waste	Waste disposal - separation of office waste into 'classes' e.g. paper, recyclable plastics, rubbish	75%	75%	Reduction in total hard waste (Anecdotal evidence)
	Black and white printing set as default	100%	100%	Cartridge recycled through suppliers
	Reduction and recycling of cartridges and consumables containers	100%	100%	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 - MRCC "Round Again" reuse facility
Reduce paper	Double-sided printing or copying set as default and jobs sent to mail box to reduce paper usage	3.12	3.0	Reams A4 per FTE per quarter
Reduce Energy Consumption	Ensure lights are switched off when offices are not in use or after hours	*	*	Entries marked with an asterisk (*) contributes to the whole of site target, measured by DEPI as a reduction in energy intensity in DEPI facilities, expressed as MJ/m ² floor area
	Switching off computers and monitors in after hours	100%	100%	
	Energy saving /Power down mode enabled when equipment is not in use	*	*	
Reduce Water	Use "water wise" car washing facilities	100%	100%	Usage per FTE on occurrence



Reduce Fuel Consumption	Purchasing or leasing of fuel efficient vehicles e.g. hybrid, LPG or diesel vehicles to improve fuel efficiency of fleet	8.3L/ 100km	<8.4L/100km	Vehicle fleet purchasing in line with Resource Smart. Maintenance of fleet size in line with FTE and operational requirement
	Selecting the right type of vehicle for the job e.g. road car for long trip as opposed to 4WD or right type of vehicle for towing			Average L/100km for fleet is 8.4L/100km using manufacturer's benchmark
	Car pool to meetings, conferences and field activities			Action by FTE on occurrence
	Sharing taxis and vehicles to travel to/from airports	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
Awareness raising	Staff participation in events e.g. Ride to Work Day, Walk to Work Day	50%	60%	Participation by % of FTE
	Awareness and education at staff training sessions	3	5	Site awareness
	Posters, fliers, newsletters	4	6	Site awareness

5.10 Statement of availability of other information

5.10.1 Additional information available on request

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
Mallee Catchment Management Authority
Phone: 5051 4377
Email: admin.malleecma@depi.vic.gov.au



5.11 Risk Management Compliance Attestation

I, Sharyon Peart, certify that the Mallee Catchment Management Authority has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000-2009 (or its successor) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Mallee CMA Audit Committee verifies this assurance and that the risk profile of the Mallee CMA has been critically reviewed within the last 12 months.



Sharyon Peart

Chairperson

22 August 2014

5.12 Insurance Attestation

I, Sharyon Peart, certify that the Mallee Catchment Management Authority has complied with Ministerial Direction 4.5.5.1 - Insurance.



Sharyon Peart

Chairperson

22 August 2014

Part 2: Financial Operations

Section 6: Financial Statements

For the year ended 30 June 2014:



MALLEE CATCHMENT MANAGEMENT AUTHORITY

FINANCIAL STATEMENTS

For the year ended 30 June 2014

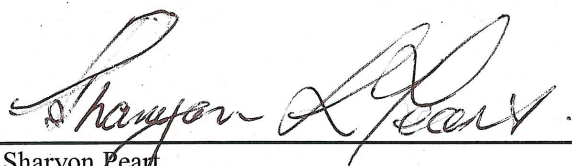
STATUTORY CERTIFICATION

The attached financial report for Mallee Catchment Management Authority has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act* 1994, applicable 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 2014 and the financial position of the Authority as at 30 June 2014.

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

We authorise the attached financial statements for issue on 22 August 2014.



Sharyon Peart
Board Chair
Mallee Catchment Management Authority



Jennifer Collins
Chief Executive Officer
Mallee Catchment Management Authority



Meagan Crozier
Chief Finance and Accounting Officer
Mallee Catchment Management Authority

Dated 22 August 2014



Victorian Auditor-General's Office

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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 2014 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 certification 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.

Auditing in the Public Interest



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 2014 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Mallee Catchment Management Authority for the year ended 30 June 2014 included both in the Mallee Catchment Management Authority's annual report and on the website. The Board Members of the Mallee Catchment Management Authority are responsible for the integrity of the Mallee Catchment Management Authority's website. I have not been engaged to report on the integrity of the Mallee Catchment Management Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
27 August 2014


for John Doyle
Auditor-General

MALLEE CATCHMENT MANAGEMENT AUTHORITY

COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2014

	Notes	2014	2013
		\$	\$
Income from Operating Activities			
Government contributions	4 (a)	17,054,135	10,245,503
Income from Non-Operating Activities			
Interest	4 (b)	776,778	860,453
Other income	4 (c)	3,262,696	3,069,932
Unrealised gain on financial assets at fair value through profit and loss	5 (a)	31,850	50,750
Net gain on disposal of non-financial assets	5 (b)	3,220	-
Total Income		<u>21,128,679</u>	<u>14,226,638</u>
Expenses from Operating Activities			
Depreciation		180,507	183,961
Amortisation		10,514	10,513
Employee benefits		4,377,352	4,635,422
Materials, maintenance, grants and consultancies		4,243,010	4,836,768
Contractors		2,483,420	2,775,391
Leases (properties & equipment)		488,653	532,150
Net loss on disposal of non current asset	5 (b)	-	14,273
Other		916,496	811,713
Total Expenses from Operating Activities		<u>12,699,952</u>	<u>13,800,191</u>
Net Result for the Period		<u>8,428,727</u>	<u>426,447</u>
Total Comprehensive Result for the year		<u>8,428,727</u>	<u>426,447</u>

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

MALLEE CATCHMENT MANAGEMENT AUTHORITY

BALANCE SHEET

As at 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	34,581,005	26,008,336
Receivables	7	1,067,868	890,889
Other financial assets	8	681,100	649,250
Total Current Assets		36,329,973	27,548,475
Non-Current Assets			
Property, plant and equipment	9	789,737	613,432
Intangible assets	10	309	1,543
Total Non-Current Assets		790,046	614,975
TOTAL ASSETS		37,120,019	28,163,450
LIABILITIES			
Current liabilities			
Payables	11	893,390	461,629
Employee benefits	12	828,534	627,253
Total Current Liabilities		1,721,924	1,088,882
Non-Current liabilities			
Employee benefits	12	90,638	195,838
Total Non-Current Liabilities		90,638	195,838
TOTAL LIABILITIES		1,812,562	1,284,720
NET ASSETS		35,307,457	26,878,730
EQUITY			
Contributed capital	13 (a)	4,097,335	4,097,335
Accumulated funds	13 (b)	2,956,820	2,421,400
Reserves	13 (c)	28,253,302	20,359,995
TOTAL EQUITY		35,307,457	26,878,730
Commitments for expenditure	17		
Contingent assets and contingent liabilities	19		

The above Balance Sheet should be read in conjunction with the accompanying notes.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

For the reporting period ended 30 June 2014

	Notes	Contributed Capital	Reserves	Accumulated Funds	TOTAL \$
Balance at 1 July 2012		4,097,335	19,737,311	2,617,637	26,452,283
Net result for the year		-	-	426,447	426,447
Transfer to (from) committed funds reserve		-	622,684	(622,684)	-
Total comprehensive income for the year as reported in the 2013 Financial Report		-	622,684	- 196,237	426,447
Balance at 30 June 2013	13	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 income for the year		-	7,893,307	535,420	8,428,727
Balance at 30 June 2014	13	4,097,335	28,253,302	2,956,820	35,307,457

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



MALLEE CATCHMENT MANAGEMENT AUTHORITY

CASH FLOW STATEMENT

For the reporting period ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
Receipts from government		17,168,160	8,259,815
Other income		3,196,997	5,075,938
Interest received		788,465	862,944
Goods and Services Tax received from the ATO		491,722	824,994
		<u>21,645,344</u>	<u>15,023,691</u>
Payments			
Payments to suppliers and employees		(12,709,803)	(14,859,199)
		<u>(12,709,803)</u>	<u>(14,859,199)</u>
Net cash (outflow) / inflow from operating activities	15 (b)	<u>8,935,541</u>	<u>164,492</u>
Cash Flows from Investing Activities			
Payments for property, plant and equipment	9	(588,745)	(67,100)
Proceeds from sale of property, plant and equipment	5 (b)	225,873	57,545
		<u>(362,872)</u>	<u>(9,555)</u>
Net cash (outflow) / inflow from investing activities		<u>(362,872)</u>	<u>(9,555)</u>
Net increase / (decrease) in cash and cash equivalents		8,572,669	154,937
Cash and cash equivalents at the beginning of the financial year		<u>26,008,336</u>	<u>25,853,399</u>
Cash and cash equivalents at the end of the financial year	6 & 15 (a)	<u><u>34,581,005</u></u>	<u><u>26,008,336</u></u>

Financing arrangements - Nil.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

General

This financial report of Mallee Catchment Management Authority (The Authority) is a general purpose financial report that consists of an Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements. The general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS), interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions. The Authority is not for-profit entity for the purpose of preparing the financial report.

The annual financial statements were authorised for issue by the Board on 22nd August 2014.

The principal address is:

315-341 Koorlong Avenue, Mildura Victoria 3500

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 the cash is received or paid.

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

Accounting policies

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.

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

Functional and presentation currency

Items included in this financial report are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Authority's functional and presentation currency.

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle – see note 1(e) for a variation in relation to employee benefits.

Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest dollar.

Historical cost convention

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



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Financial statement presentation

The entity has applied the revised AASB 101 Presentation of Financial Statements which became effective for reporting periods beginning on or after 1 July 2013, and AASB 1054 Australian Additional Disclosures which became effective for reporting periods beginning on or after 1 July 2013.

(b) Revenue

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, whichever is the sooner, and disclosed in the Comprehensive Operating Statement as government contributions.

Interest

Interest is recognised as revenue when earned.

Other income

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

(c) Expenses

Employee Benefits

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

Superannuation

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

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.

Other expenses

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

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

(d) Assets

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's 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. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows – other comprehensive income', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decrease is recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment, are offset against one another in that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

Impairment of assets

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount. All other assets are assessed annually for indicators of impairment. Financial instrument assets are to be assessed at intervals considered appropriate by the Board in light of current economic conditions.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written-off by a charge to the Comprehensive Operating Statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the Comprehensive Operating Statement, a reversal of that impairment loss is also recognised in the Comprehensive Operating Statement.

Depreciation and Amortisation of Non-current Assets

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

Depreciation is calculated using the reducing balance method 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 periods used are listed below and are consistent with the prior year, unless otherwise stated:

<u>Class of Property, Plant & Equipment</u>	<u>Depreciation period</u>
Motor vehicles	4.5 years
Office furniture and equipment	3.3 years
Plant and equipment	5 years
Leasehold improvements	5 years

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Comprehensive Operating Statement on a straight-line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

Cash and Cash Equivalent Assets

Cash and cash equivalents recognised on the balance sheet include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Receivables

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services and accrued investment income; and
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less an allowance for impaired receivables. Trade receivables are due for settlement thirty days after invoice date.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Comprehensive Operating Statement.

Property Plant and Equipment

Property, 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 \$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.

Measurement of non current assets

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 (FRD) 103E. 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.

Revaluations are conducted in accordance with FRD 103E. Scheduled revaluation is undertaken every five years with an annual assessment of fair value 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 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.

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.

(e) Liabilities

Payables

Payables consist predominantly of trade and sundry creditors. These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year, which are unpaid at financial year end. The amounts are unsecured and are usually paid within 14 days of recognition.

Provision Employee benefits

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.

(i) Wages and salaries and annual leave

Liabilities for wages and salaries and non-monetary benefits for annual leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Authority does not have an unconditional right to defer settlements of these liabilities.



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Depends on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- undiscounted value- if the Authority expects to wholly settle within 12 months; or
- present value- if the Authority does not expect to wholly settle within 12 months.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Department does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value- if the Authority expects to wholly settle within 12 months; and
- present value- if the Authority does not expect to wholly settle within 12 months.

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

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the group 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.

Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents the contributions made by the Corporation to the superannuation plan in respect to the current services of the Authority's staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

Employee benefit on-costs

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

Performance payments

Performance payments for the Authority's Executive Officers are based on a percentage of the annual salary package provided under their contract(s) of employment. A liability is recognised and is measured as the aggregate of the amounts accrued under the term of the contracts to balance date.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Provisions

Provisions are recognised when the Authority, as a result of a past event, has a legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(f) Equity

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.

General reserve

The general reserve contains amounts of accumulated surpluses that have been undertaken over multiple financial years and these funds have been set aside by the Authority to meet contractual agreements.

Capital renewals reserve

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

(g) Changes in Accounting Policy

Subsequent to the 2012/13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

(i) AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when the Authority is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Authority has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, the Authority has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Authority. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 Financial Instruments: Disclosures.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012 /13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 Financial Instruments: Disclosures.



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

(ii) AASB 119 Employee benefits

In 2013/14, the Authority has applied AASB 119 Employee Benefits (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. This change to the accounting standard has no impact on the financial statements.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. The Authority has made an assessment that this classification has not materially altered the measurement of annual leave provisions. The annual leave provision is measured on a nominal basis.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet. Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis – i.e., inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(i) Financial Instruments

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.

The following table discloses the contractual maturity analysis for the Authority's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Maturity analysis of Financial Liabilities as at 30 June

	Amount	Cash Flows	Maturity Dates 1-3 months
At 30 June 2014			
Financial Liabilities			
Payables	893,390	893,390	893,390
Total Financial Liabilities	893,390	893,390	893,390
At 30 June 2013			
Financial Liabilities			
Payables	461,629	461,629	461,629
Total Financial Liabilities	461,629	461,629	461,629

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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables and other receivables in the balance sheet. Loans and receivables are recorded at amortised cost less impairment.

Impairment of financial assets

At each reporting date, the Authority assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale equity investment, a significant or prolonged decline in value of the instrument below its cost is considered as an indicator that the investment is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the Comprehensive Operating Statement. Impairment losses are recognised in the Comprehensive Operating Statement. Impairment losses recognised in the comprehensive operating statement on equity instruments classified as available for sale are not reversed through the comprehensive operating statement.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Consistent with AASB 13 *Fair Value Measurement*, the Authority determines the policies and procedures for both recurring fair value measurements such as plant and equipment, motor vehicles, office furniture and equipment and leasehold improvements.

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:

- 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.

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

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

The Valuer General Victoria (VGV) is the Authorities' independent valuation agency.

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

(j) Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Authority.

Amortisation is allocated to intangible assets with finite useful lives on a systematic basis over the asset's useful life. 'Software and software development costs' are the only intangible assets currently recognised by the Authority. These assets are both acquired and internally generated and have a finite useful life. They are measured at cost less accumulated amortisation (on a straight line basis over 5 years 2013: 5 years) less any accumulated impairment losses. These assets are reviewed annually for indicators of impairment.

(k) Comparative amounts

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

In the current financial year, expenses have been classified based on nature of the expense rather than the function. This basis is deemed more appropriate and useful to the users of the financial statements. The comparative expense amounts have been classified accordingly. The regional contributions have now been classified as government grants. The comparatives have been adjusted accordingly.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

(l) 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 (refer to Note 18) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(m) 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 17) at their nominal value and inclusive 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.



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - *Continued*

(n) New Accounting Standards and Interpretations issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period. As at 30 June 2014, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2014. The Authority does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on or after:	Impact on Authority's financial statements
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 January 2017	The Authority has assessed this standard and it is not applicable. The Authority has no assets for sale (AFS)
AASB 1055 Budgetary Reporting	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to not-for-profit entities within the GGS, provided that these entities present separate budget to the parliament.	1 July 2014	This Standard is not applicable as no budget disclosure is required by the Authority.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 Corporation'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.

The Authority's exposure to price risk is set out in the table in Note 2 (iv) below.

(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) 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.

30 June 2014	Carrying Amount \$	Interest rate risk				Other price risk			
		-1%		+1.5%		-1%		+2%	
		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 (floating rate notes)	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

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *Continued*

30 June 2013	Carrying Amount \$	Interest rate risk				Other price risk			
		-1%		+.5%		-1%		+.5%	
		Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$
Financial Assets									
Cash and cash equivalents	26,008,336	(260,083)	(260,083)	130,042	130,042	-	-	-	-
Receivables	616,117	-	-	-	-	-	-	-	-
Other financial assets (floating rate notes)	649,250	(6,493)	(6,493)	3,246	3,246	(6,493)	(6,493)	3,246	3,246
Financial Liabilities									
Payables	461,629	-	-	-	-	-	-	-	-
Total increase / (decrease)		(266,576)	(266,576)	133,288	133,288	(6,493)	(6,493)	3,246	3,246

(b) Credit risk

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.

(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.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *Continued*

(d) Fair value measurements

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).

The following tables present the Authority's assets and liabilities measured and recognised at fair value at 30 June 2014 and 30 June 2013.

At 30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through profit or loss	681,100	-	-	681,100
At 30 June 2013	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through profit or loss	649,250	-	-	649,250

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Authority uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

There are no changes in level 3 instruments for the year ended 30 June 2014.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Authority for similar financial instruments.



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

2014

2013

\$

\$

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Authority may make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The most significant accounting estimates undertaken in the preparation of this financial report relate to estimation of useful lives, the impairment of assets and employee benefit provisions.

NOTE 4: OPERATING STATEMENT - DISCLOSURES

(a) Government Contributions

(i) State Government

Catchment Planning (WC*)

Governance (Board), Implementation Committees & Business Management	905,482	966,567
Regional Landcare Coordination	361,000	425,000
Land Health Program - Landcare	67,747	250,000
Sustainable Irrigation Program (WC)	610,000	550,000
River Health (WC)	1,077,420	799,179
Bushfire Recovery Fund	663,600	-
Bush Tender Project	260,000	298,966
Natural Resource Investment Program (NRIP)	60,000	1,080,000
Victorian Environmental Water Holder Funding	531,848	34,747
Victorian Environmental Partnership Program	605,000	31,626
Recreational Fishing Grants	28,712	126,846
	<u>5,170,809</u>	<u>4,562,931</u>

* Projects identified with WC are funded through the Water and Catchment Group within the Department of Environment and Primary Industries.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

	2014	2013
	\$	\$
NOTE 4: OPERATING STATEMENT - DISCLOSURES - <i>Continued</i>		
(ii) Commonwealth Government		
Basin Plan	4,786,501	-
Biodiversity Fund	1,561,099	-
Caring for Our Country	2,602,467	2,874,000
Coal Seam Gas	100,000	-
Other	583,476	875,816
	<u>9,633,543</u>	<u>3,749,816</u>
Regional Contributions	2,249,783	1,932,756
Total Government Contributions	<u>17,054,135</u>	<u>10,245,503</u>
(b) Revenue from Non Operating Activities		
Interest received	<u>776,778</u>	<u>860,453</u>
(c) Other Revenues		
Salinity levies	3,219,984	3,019,192
Sundry income	42,712	50,740
	<u>3,262,696</u>	<u>3,069,932</u>
Total Revenue	<u><u>21,093,609</u></u>	<u><u>14,175,888</u></u>

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

	2014	2013
	\$	\$

NOTE 5: NET GAINS & EXPENSES

The surplus/(deficit) from ordinary activities includes the following specific net gains and expenses:

(a) Unrealised gain on financial assets

- Unrealised gain/(loss) on financial assets	31,850	50,750
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(b) Profit on Disposal of Assets

Proceeds on sale of assets	225,873	57,545
Written down value of assets sold	(222,653)	(71,818)
Net gain/(loss) on disposal	3,220	(14,273)

NOTE 6: CASH AND CASH EQUIVALENTS

Petty cash float	1,000	1,000
Cash at bank	513,462	1,089,636
Deposits at call	34,066,543	24,917,700
	34,581,005	26,008,336

Carry Forward Project Funding.

Catchment Management Authority's are 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. Refer Note 15(a) - Cash and Cash Equivalent for balances on hand.

(a) Reconciliation to Cash at the End of Year

The above figures are reconciled to cash at the end of the financial year as shown in the Cash Flow Statement, as follows:

Balance as above	34,581,005	26,008,336
Bank overdrafts	-	-
Balance as per Cash Flow Statement	34,581,005	26,008,336

(b) Cash at Bank and on Hand

These are held in interest bearing operating accounts.

(c) Deposits at Call

The deposits accrued interest at rates between 2.29% and 2.86% (2013: 2.70% and 3.67%).

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

	2014	2013
	\$	\$
NOTE 7: RECEIVABLES		
Current		
Contractual		
Trade receivables	627,838	554,462
Other receivables	115,667	61,655
Statutory		
GST Input tax credit receivables	324,363	274,772
	<u>1,067,868</u>	<u>890,889</u>

(a) Provision for Impaired Receivables

As of 30 June 2014, there were no impaired receivables (2013: Nil). Unimpaired trade receivables that are past due relate to a number of independent customers for whom there is no history of default. The ageing analysis of these receivables is as follows:

Up to 6 months	<u>1,067,868</u>	<u>890,889</u>
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(b) Fair Value and Credit Risk

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The Authority does not hold any collateral as security. Refer to Note 2 for more information of the risk management policy of the Authority.

NOTE 8: OTHER FINANCIAL ASSETS

Fair value through profit or loss	<u>681,100</u>	<u>649,250</u>
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Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the Comprehensive Operating Statement where an increase in value has been recorded or as an impairment of financial assets expense in the case of a decrease in value.

(a) Risk Exposure

Other financial assets at fair value through profit or loss are denominated in the following currencies:

Australian Dollar	<u>681,100</u>	<u>649,250</u>
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For an analysis of the sensitivity of other financial assets at fair value through profit or loss to price risk refer to Note 2.

(b) Fair Value through Profit or Loss Assets

Impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets. None of the fair value through profit or loss assets are either past due or impaired - refer Note 2. All fair value through profit or loss assets are denominated in Australian currency. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk where the assets are held to maturity, whereas assets disposed or redeemed prior to maturity date are exposed to price risk.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

	2014	2013
	\$	\$

NOTE 9: PROPERTY, PLANT & EQUIPMENT

(a) Classes of Property, Plant and Equipment

Motor vehicles		
At fair value	718,175	723,897
Less: Accumulated depreciation	(188,526)	(260,929)
	<u>529,649</u>	<u>462,968</u>
Office furniture & equipment		
At fair value	107,687	96,315
Less: Accumulated depreciation	(86,521)	(79,342)
	<u>21,166</u>	<u>16,973</u>
Plant & equipment		
At fair value	488,950	327,633
Less: Accumulated depreciation	(266,272)	(219,666)
	<u>222,678</u>	<u>107,967</u>
Leasehold improvements		
At fair value	46,402	46,403
Less: Accumulated depreciation	(30,158)	(20,879)
	<u>16,244</u>	<u>25,524</u>
Total Property, Plant & Equipment	<u><u>789,737</u></u>	<u><u>613,432</u></u>

(b) Movements During the Reporting Period

2013-2014	Opening WDV at 1 July 2013	Additions	Disposals	Depreciation	WDV at 30 June 2014
	\$	\$	\$	\$	\$
Motor vehicles at fair value	462,968	408,561	(220,375)	(121,505)	529,649
Office furniture & equipment at fair value	16,973	12,734	(493)	(8,048)	21,166
Plant & 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 Property, Plant and Equipment	<u>613,432</u>	<u>588,745</u>	<u>(222,653)</u>	<u>(189,787)</u>	<u>789,737</u>

2012-2013	Opening WDV at 1 July 2012	Additions	Disposals	Depreciation	WDV at 30 June 2013
	\$	\$	\$	\$	\$
Motor vehicles at fair value	629,990	39,238	(70,033)	(136,227)	462,968
Office furniture & equipment at fair value	20,284	3,173	(196)	(6,288)	16,973
Plant & equipment at fair value	126,314	24,689	(1,589)	(41,447)	107,967
Leasehold improvements at fair value	34,802	-	-	(9,278)	25,524
Total Property, Plant and Equipment	<u>811,390</u>	<u>67,100</u>	<u>(71,818)</u>	<u>(193,240)</u>	<u>613,432</u>

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the reporting period ended 30 June 2014

NOTE 9: PROPERTY, PLANT & EQUIPMENT - *continued*

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 period to 30th June 2014.

Fair value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at 30-Jun-14	Fair value measurement at end of reporting period using:		
		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 of plant, equipment and vehicles at fair value	789,737	0	529,649	260,088

Reconciliation of Level 3 fair value

2014	Office Furniture & Equipment	Plant & Equipment	Leasehold Improvement
Opening balance	16,973	107,967	25,524
Purchases (sales)	12,241	165,665	0
Transfers in (out) of Level 3	0	0	0
Gains or losses recognised in net result			
Depreciations	(8,048)	(50,954)	(9,280)
Impairment loss			
Subtotal	4,193	114,711	(9,280)
Gains or losses recognised in other economic flows – other comprehensive income revaluations	0	0	0
Subtotal	0	0	0
Closing balance	21,166	222,678	16,244
Unrealised gains/ (losses) on non - financial assets			

MALLEE CATCHMENT MANAGEMENT AUTHORITY

For the reporting period ended 30 June 2014

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: PROPERTY, PLANT & EQUIPMENT - *continued*

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

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Plant and equipment	Depreciated replacement cost	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
		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.
Office furniture & equipment at fair value	Depreciated replacement cost	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
		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.
Leasehold improvements at fair value	Depreciated replacement cost	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
		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.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

	2014	2013
	\$	\$
NOTE 10: INTANGIBLE ASSETS - Software Licences		
Balance at beginning of reporting period	109,334	109,334
Less accumulated amortisation	(109,025)	(107,791)
Closing WDV at 30 June	309	1,543

NOTE 11: PAYABLES

Trade Creditors	739,491	319,091
Other Creditors and Accruals	153,899	142,538
	893,390	461,629

The ageing of these payables is as follows:

<i>Current - 30 Days</i>	893,390	461,629
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Due to the short-term nature of the current payables, their carrying value is assumed to approximate their fair value.

(a) Foreign Currency and Interest Rate Risk for Payables

The Authority has no dealings in foreign currency concerning payables and therefore has no exposure to foreign currency risk. The Authority operates within generally accepted credit arrangements, where every attempt is made to pay accounts promptly. The Authority does not have any formal contractual arrangements concerning interest on outstanding payables. There is no interest rate risk exposure on payables.

NOTE 12: EMPLOYEE BENEFITS

Current

Annual leave entitlements, unconditional and expected to settle within 12 months	287,367	274,213
Long service leave entitlements, unconditional and expected to be settled within 12 months measured at nominal value representing 7 years of continuous service	18,138	10,483
Long service leave entitlements, unconditional and expected to be settled after 12 months measured at nominal value representing 7 years of continuous service	523,029	342,557
Total Current	828,534	627,253

Non-current

Conditional long service leave measured at present value	90,638	195,838
Total Non-Current	90,638	195,838
Total Employee Benefits	919,172	823,091

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

Weighted average increase in employee costs	4.44%	4.50%
Weighted average discount rates	3.57%	3.79%

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

	Notes	2014	2013
		\$	\$

NOTE 13: EQUITY

(a) Contributed Capital

Opening balance 1 July	4,097,335	4,097,335
Closing balance at 30 June	4,097,335	4,097,335

(b) Accumulated Funds

Opening balance 1 July	2,421,400	2,617,637
Retained surplus	8,428,727	426,447
Net transfer (to)/from committed funds reserve	(7,893,307)	(622,684)
Closing balance at 30 June	2,956,820	2,421,400

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 2014. This has been effected to ensure that the Authority has sufficient accumulated funds available to meet future employment and financial commitments.

(c) Reserves

Composition of reserves

General reserve surplus/(deficit)	27,329,074	19,435,767
Capital renewals reserve surplus/(deficit)	924,228	924,228
Total reserves	28,253,302	20,359,995

Committed Funds Reserve

Opening balance 1 July	19,435,767	18,813,083
Net transfers (to)/from accumulated surplus	7,893,307	622,684
Closing balance at 30 June	27,329,074	19,435,767

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

Capital Renewals Reserve

Opening balance 1 July	924,228	924,228
Closing balance at 30 June	924,228	924,228

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

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 14: FINANCIAL INSTRUMENTS

(a) Terms, conditions and accounting policy

The Authority's accounting policies including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Cash at bank	6	Cash assets are measured at cost.	Cash assets are at call or on term deposits with a maturity up to 60 days.
Receivables - debtors	7	Debtors are carried at the nominal amounts due less any provision for doubtful debts.	Credit is allowed for a 30 day term.
Floating rate notes	8	Monies invested long term are treated as assets at fair value through the profit and loss.	Quarterly interest payment and rate review. Tradeable in multiples of \$500,000 within term of note.
(ii) Financial Liabilities			
Payables - creditors and accruals	11	Creditors and accruals are recognised for future amounts to be paid in respect of goods and services received.	Settlement of creditors is normally effected within a 30 day term.

(b) Interest rate risk exposures

The following table sets out the Authority's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods. Exposures arise predominantly from liabilities bearing variable interest rates as the Authority intends to hold fixed rate liabilities to maturity.

Recognised Financial Instruments	Weighted average effective interest rate %	Carrying amount \$	Interest rate exposure			Not past due and not impaired \$
			Fixed interest rate \$	Floating interest rate \$	Non interest bearing \$	
2014						
(i) Financial assets						
Cash at bank	2.59%	34,581,005	34,580,005	-	1,000	-
Receivables - debtors	0.00%	743,505	-	-	743,505	-
Unsubordinated floating rate notes	3.54%	681,100	-	681,100	-	-
(ii) Financial liabilities						
Payables - Creditors	0.00%	893,390	-	-	893,390	-
2013						
(i) Financial assets						
Cash at bank	3.14%	26,008,336	26,007,336	-	1,000	-
Receivables - debtors	0.00%	616,117	-	-	616,344	-
Unsubordinated floating rate notes	4.19%	649,250	-	649,250	-	-
(ii) Financial liabilities						
Payables - Creditors	0.00%	461,629	-	-	461,629	-

There were no financial assets that were past due or impaired as at 30 June 2014 or 30 June 2013.

Fair Value

The Authority believes that there are no differences between the fair values and the carrying amounts of financial assets and financial liabilities.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

2014

2013

\$

\$

NOTE 15: CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash on hand	1,000	1,000
Cash at bank	513,462	1,089,636
Short term cash deposits	34,066,543	24,917,700
Cash and Cash Equivalents	34,581,005	26,008,336

(b) Reconciliation of Result for the Period to Net Cash Flows from Operating Activities

Result for the period	8,428,727	426,447
Add/(Less) Non-Cash Flow in Net Result		
Depreciation and amortisation	191,021	194,473
(Profit)/loss on sale of fixed assets	(3,220)	14,273
Unrealised gain on financial assets	(31,850)	(50,750)
	155,951	157,996
Changes in assets and liabilities:		
Increase in receivables	(176,979)	(20,487)
Increase/(decrease) in payables	431,761	(405,684)
Increase in provisions	96,081	6,220
	350,863	(419,951)
Net Cash Inflow from Operating Activities	8,935,541	164,492

NOTE 16: LEASE COMMITMENTS

The Mallee CMA has entered into non-cancellable leases for various items of office equipment. No lease imposes any additional restriction on the CMA in relation to additional debt or further leasing. Leases in relation to office equipment permit the CMA, 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:

Payments due:		
Not later than one year	5,786	7,423
Later than one year but not later than 5 years	6,751	12,537
	12,537	19,960

NOTE 17: OPERATING EXPENDITURE COMMITMENTS

As at 30 June 2014 the Authority had entered into significant operating contracts for materials and services.

Payments due:

Not later than one year:	2,333,442	1,589,354
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MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

2014

2013

\$

\$

NOTE 18: CAPITAL EXPENDITURE COMMITMENTS

The Board of the Mallee CMA has been notified that the organisation is seeking to install new IT infrastructure and software applications at a cost of approximately \$350,000.

Payments due:

Not later than one year

350,000

200,000

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Board is unaware of any contingent liabilities or contingent assets as at 30 June 2014. (2013: Nil)

NOTE 20: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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



MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 21: 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	01-Jul-13	30-Jun-14
The Hon. Peter Walsh MLA	Minister for Water	01-Jul-13	30-Jun-14
Ms Sharyon Peart	Chairperson	01-Jul-13	30-Jun-14
Mr Anthony Martin	Deputy Chairperson	01-Jul-13	30-Jun-14
Mr Geoff Anderson	Board Member	01-Jul-13	30-Jun-14
Mr John Arnold	Board Member	01-Jul-13	30-Jun-14
Mr William Lee	Board Member	01-Jul-13	30-Jun-14
Mr Brian Englefield	Board Member (term expired)	01-Jul-13	30-Sep-13
Ms Paula Gordon	Board Member (term expired)	01-Jul-13	30-Sep-13
Mr Robert Jones	Board Member	01-Jul-13	30-Jun-14
Mr Paul Grigg	Board Member	01-Jul-13	30-Jun-14
Ms Allison McTaggart	Board Member	14-Oct-13	30-Jun-14
Mr John Cooke	Board Member	16-Nov-13	30-Jun-14
Ms Jennifer Collins	Chief Executive Officer	01-Jul-13	30-Jun-14

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.

	2014	2013
	\$	\$
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).	347,903	323,829

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

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

Remuneration bands	Number	Number
\$0 to \$9,999	4	-
\$10,000 to \$19,999	6	8
\$20,000 to \$29,999	1	1
\$190,000 to \$199,000	-	1
\$210,000 to \$219,999	1	-
Total	12	10

Retirement Benefits of Responsible Persons

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

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

NOTE 21: RESPONSIBLE PERSONS AND EXECUTIVE OFFICER DISCLOSURES - *Continued*

Other Transactions

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

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

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

Ms Sharyon Peart and Mr John Arnold are Councillors with Mildura Rural City Council (MRCC). During the year the MRCC was contracted to provide services to the value of \$52,508.50 (2013: \$43,830.89) on normal commercial terms.

Mr Geoff Anderson is a member of the Mallee Landcare Group (MLG). During the year the MLG was awarded grants to the value of \$80,888.50 (2013: Nil) 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, was engaged by the Authority as a consultant to provide services to the value of \$1,054,225.70 (2013: \$818,138.20) on normal commercial terms and conditions.

Mr Anthony Martin's wife is a consultant with MIR Lawyers, a legal firm that has provided legal advice to the Authority during the year on normal commercial terms and conditions at a total cost of \$220 (2013: \$242), including gst.

(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.

Income Band	Total Remuneration		Base Remuneration	
	2014	2013	2014	2013
\$100,000 to \$109,999	1	1	1	-
\$110,000 to \$119,999	1	-	1	1
\$120,000 to \$129,999	-	-	2	1
\$130,000 to \$139,999	-	-	-	1
\$140,000 to \$149,999	1	2	-	-
\$150,000 to \$159,999	2	1	-	-
Total number of executives	5	4	4	3
equivalent	5	4	4	3
Total amount (\$)	676,251	548,049	470,451	374,007

The Authority employed an additional executive officer for a transitional period during 2014.

MALLEE CATCHMENT MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

	2014	2013
	\$	\$

NOTE 22: SUPERANNUATION

The Authority contributes in respect of its employees and responsible persons to the following superannuation schemes:

Superannuation Name	Type of Scheme	Rate*		Rate*	
AMP Flexible Lifetime Super	Defined Contribution	9.25%	1,471	9.00%	5,114
AMP Investment Linked Personal Super	Defined Contribution	9.25%	-	9.00%	776
AMP Superleader	Defined Contribution	9.25%	-	9.00%	818
Asgard Business Superannuation	Defined Contribution	9.25%	2,977	9.00%	2,658
Australian Ethical Superannuation	Defined Contribution	9.25%	1,028	9.00%	2,128
Australian Super	Defined Contribution	9.25%	6,132	9.00%	507
BT Super for Life	Defined Contribution	9.25%	5,820	9.00%	-
Clear View Life Nominees	Defined Contribution	9.25%	6,868	9.00%	5,780
Colonial First Choice	Defined Contribution	9.25%	6,243	9.00%	5,783
Colonial First State Rollover and Superannuation Fund	Defined Contribution	9.25%	7,168	9.00%	936
Colonial First State First Choice Wholesale Personal Super	Defined Contribution	9.25%	415	9.00%	6,884
First State Super	Defined Contribution	9.25%	10,181	9.00%	10,319
Mercer Super Trust	Defined Contribution	9.25%	7,080	9.00%	4,275
MLC Masterkey Superannuation	Defined Contribution	9.25%	8,684	9.00%	10,858
MLC Masterkey Business Super	Defined Contribution	9.25%	428	9.00%	493
MLC Masterkey Super Goldstar	Defined Contribution	9.25%	-	9.00%	855
OnePath Integra Super	Defined Contribution	9.25%	4,171	9.00%	3,958
Prime Super	Defined Contribution	9.25%	261	9.00%	919
Retail Employees Super Trust	Defined Contribution	9.25%	10,203	9.00%	7,697
Super Wrap	Defined Contribution	9.25%	5,319	9.00%	-
Vic Super Pty Ltd	Defined Contribution	9.25%	227,951	9.00%	249,763
Vision Super	Defined Contribution	9.25%	15,619	9.00%	14,769
Zurich Superannuation Fund	Defined Contribution	9.25%	-	9.00%	558
Other Superannuation Funds	Defined Contribution	9.25%	-	9.00%	2,455
Total contributions to all funds			328,019		338,303

*Whilst the Authority pays the standard statutory of 9.25% 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 23: 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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

2014

2013

\$

\$

NOTE 24: REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Authority:

(a) Victorian Auditor-General's Office (VAGO)

Audit of financial statements

13,900

25,750

(b) Non-VAGO audit firms

Internal audit services

36,540

31,860

Total Auditors' Remuneration

50,440

57,610

Appendix 1: Disclosure Index

Part 1: Report of Operations

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