

# **MURRAY VALLEY CITRUS BOARD**



## ***ANNUAL REPORT***

**For Year Ended 30 June 2007**



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# Murray Valley Citrus Board

ABN: 53 401 561 375

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18 September, 2007

The Honourable Joe Helper MP  
Minister for Agriculture  
Level 22, 1 Spring Street  
**MELBOURNE. VIC. 3003**

Dear Minister,

The Murray Valley Citrus Board has pleasure in submitting its Annual Report for the year ending 30 June 2007.

The year has been particularly challenging with the region experiencing a major frost event in June/July 2006 resulting in lost production and reduced returns to producers and industry stakeholders.

The Board is grateful for the efforts of the Victorian Government in granting Exceptional Circumstances for irrigated horticulture in Sunraysia aimed at assisting families and business suffering the effects of drought, frost and now reduced water allocations.

Area freedom from fruit fly is a very important market access issue for our industry and we are pleased with progress being made towards establishing the Greater Sunraysia as a Pest Free Area. We look forward to working with the Department of Primary Industries on this very important three year project.

The Board has also worked collaboratively with research institutes on projects aimed at improving the quality and shelf life of our products. The Board facilitated technology transfer workshops to communicate this new research into common use throughout the industry as part of our industry development role.

Finally, the Annual Report including audited financial statements reviews the operations and achievements of the Murray Valley Citrus Board for the 2006/07 financial year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Mansell'.

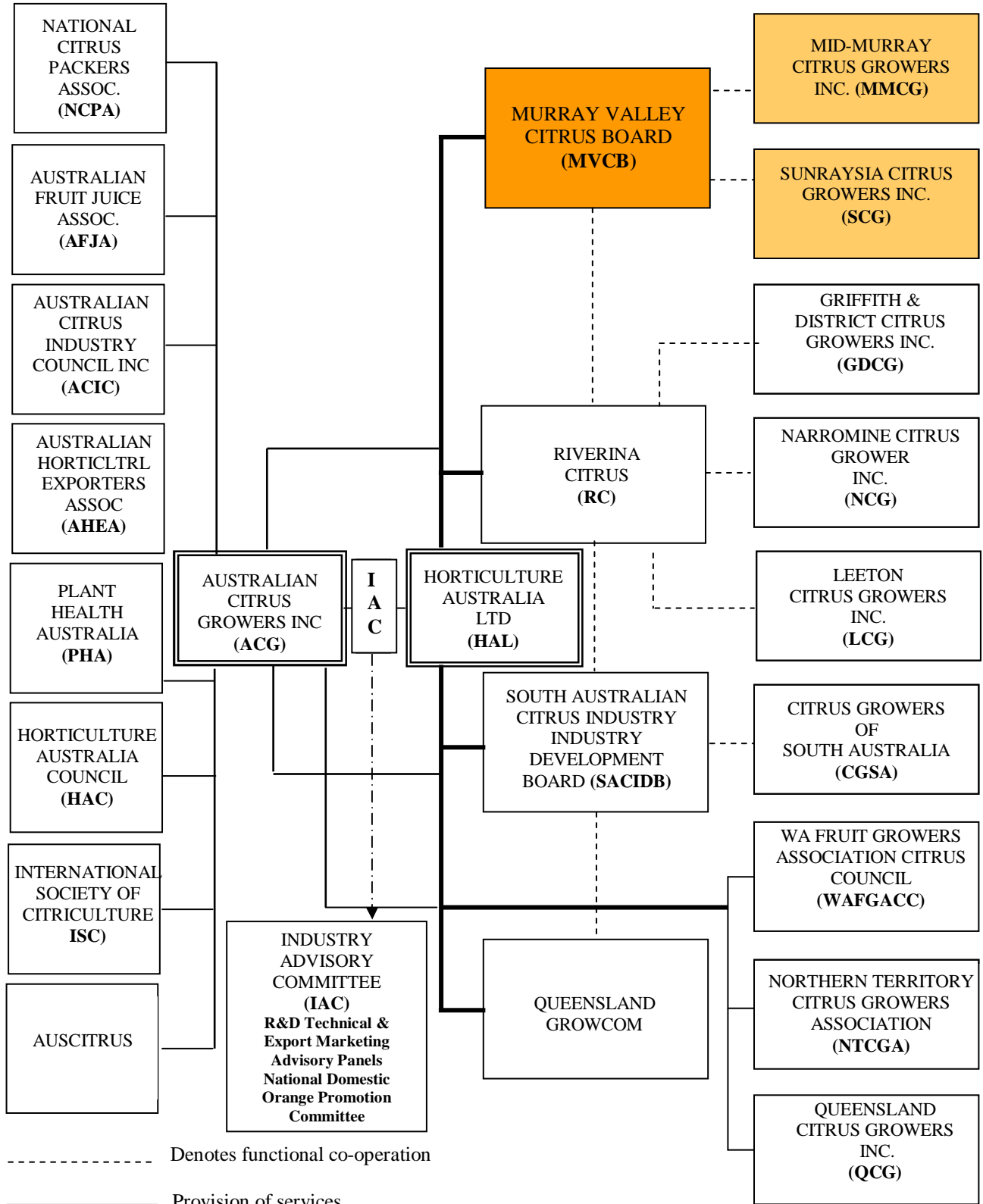
**Robert MANSELL,**  
**Chairman.**

# Affiliations

## National Industry Association or Industry Bodies

## State Statutory Authorities

## Regional Association or Incorporated Bodies



# Board Directory

## Board Members



**Chairman**

Robert Mansell

Horticulturist  
Colignan



**Deputy Chairman**

Colin Nankivell

Horticulturist  
Mourquong



Ken Bevington

Senior Research Scientist  
Department of Primary Industries NSW  
Dareton



Paula Gordon

Horticulturist  
Trentham Cliffs



Stuart Holland

Policy Manager - Plant Industries  
Department of Primary Industries Victoria  
Melbourne



Andrew Hollingworth

Packing Shed Manager  
Koondrook



David Hunt-Sharman

Managing Director  
W H Kirkness Pty Ltd  
Melbourne



Robert Farnsworth

Horticulturist  
*Trentham Cliffs*



Keith Richards

Solicitor  
Martin, Irwin and Richards  
Horticulturist  
Palinyewah

## Management and Board Officers

Name	Position	Year of appointment
John Tesoriero	Chief Executive	2003
Tony Filippi	Industry Development Officer/ CITTgroup Co-ordinator	2005 – 2007
Adrian Clay	Field Officer	2005 - 2007
Karen Burrows	Accountant	Mar – Nov 2006
Sue Chapman	Accountant	Nov 2006
Marian Tobin	PA to CEO/Administration	1999
Kerry Needs	Administrative Officer	1996
<i>Casual 1</i>	<i>Administration Assistant</i>	



John Tesoriero  
Chief Executive



Tony Filippi  
Industry Development Officer



Adrian Clay  
Field Officer



Marian Tobin  
PA to Chief Executive



Kerry Needs  
Administrative Officer



Sue Chapman CPA  
Accountant

## Bankers

*National Australia Bank, Deakin Avenue, Mildura.*

## Auditors

*Auditor General's Department, Victoria*

## Office

58 Pine Avenue, Mildura, Victoria, 3500,  
PO Box 1384, Mildura, Victoria, 3502  
Telephone: 03 5051 0500  
Facsimile: 03 5021 1905  
E-mail: [executive@mvcitrus.org.au](mailto:executive@mvcitrus.org.au)  
Web Site: [www.mvcitrus.org.au](http://www.mvcitrus.org.au)  
Business Hours: 8.30 am – 5.00 pm weekdays

**ABN Number: 53 401 561 375**

# *Charter*

On 1st July 2004, the Board ceased to be a marketing board and was re-constituted under the Agricultural Industry Development Act (1990) of Victoria following the approval by poll of citrus producers in both Victoria and New South Wales as the Murray Valley Citrus Board with ex-territorial operation in the Murray Valley region of NSW. This step was taken to comply with Competition Policy rulings. The Murray Valley Citrus Board operates under the *Murray Valley Citrus Industry Development Order 2004*.

## *Functions of the Board*

The role of the MVCB is primarily to resource regionally relevant research, development, extension and market development services with its charter not including any role or responsibility for market pricing. The MVCB is not an agri-political organisation as are Australian Citrus Growers Inc and their regional affiliates Sunraysia Citrus Growers Inc and Mid Murray Citrus Growers Inc.

The functions of the Board are to:

- (a) plan, fund and facilitate the conduct of citrus research and development services;
- (b) facilitate awareness and the adoption and commercialisation of the results of citrus research and development services;
- (c) plan, fund and facilitate the conduct of market development services;
- (d) plan, fund and facilitate the conduct of citrus pest and disease management and control measures to increase and maintain access of citrus fruit to domestic and export markets; and
- (e) establish and manage a general fund and project funds for the purposes of the Act.

## *Strategic Plan*

The Murray Valley Citrus Board's Strategic Plan is available at the Board office, or alternatively, on the Board website at [www.mvcitrus.org.au](http://www.mvcitrus.org.au).

# *Chairman's Report*

This year has been a very busy year for the Murray Valley Citrus Board (MVCB). Every year seems to present new challenges for our industry, and this year has been no exception.

## **Frost Event**

With a drought comes frosts, and in 2006 we experienced the most severe frost event since 1982 causing a lot of damage to citrus and avocado plantings throughout the region with temperatures down to -11°C and -14°C for long periods of time. In response, the MVCB developed frost action plans, conducted workshops and provided marketing advice to producers. Large numbers attended the workshops which were held in the field across the region.

The MVCB facilitated meetings and teleconferences with relevant representatives of key industries and government departments, as well as meetings in grower affected regions with State Government and Centrelink managers to discuss eligibility for Exceptional Circumstance (EC) funding.

It was pleasing that as a result of these representations, the Victorian side of the Sunraysia region was then declared eligible for EC. The NSW side of Sunraysia had been in EC declaration for some time.

## **Market Access**

In October 2005, Australian citrus producers gained official market access to the People's Republic of China, however the protocol as it relates to orchard freedom from Fuller's Rose Weevil (FRW) is proving a major barrier to trade and is unworkable for our southern regions. Queensland, on the other hand, was able to export about 19 containers of mandarins to China during the year.

In an attempt to overcome this difficult protocol, the MVCB approached the Federal Minister for Agriculture, Fisheries and Forestry, The Hon. Peter McGauran with a request for assistance. The Minister indicated a willingness to fund relevant FRW research and the MVCB responded by undertaking a study into previous FRW research and coordinated a workshop of researchers to develop strategies to control or manage FRW in the orchard.

This resulted in three funding applications being submitted to Horticulture Australia Ltd (HAL); two dealing with post harvest treatment and the other with orchard control strategies and research. It is pleasing that all three projects have now been approved to proceed.

Another market access issue involving MVCB was reinstatement of fruit fly area freedom with Indonesia. Area freedom had previously been suspended and we are pleased that it has now been reinstated.

## **Fruit Fly Control**

Establishing a Pest Free Area (PFA) along the Murray Valley was an initiative of the MVCB which has taken a couple of years to get up and running. We now have stone fruit and table grapes on board along with the Departments of Primary Industries (DPI) in Victoria and NSW. A Memorandum of Understanding has been signed and a company employed for two years to create public awareness of the new PFA.

The PFA creates a boundary around production areas that are internationally recognised as free from fruit fly. The Greater Sunraysia PFA stretches from Lake Cullulleraine to east of Barham on the Murray River. This boundary is within the Fruit Fly Exclusion Zone (FFEZ) and means that the area can be managed better and gives the Victorian DPI the ability to control fruit movement within the PFA borders and put roadblocks just outside the boundaries where they can inspect travellers, confiscate fruit and impose fines on anyone carrying fruit illegally.

### **Promotion**

The Board has provided support to the National Promotions Committee through committee membership and strategic advice, Mick Hollingworth and John Tesoriero represented MVCB on the national Committee. We have continued to support the Melbourne Citrus Committee with its promotions, e.g. Athletics Victoria and the school programs.

### **Leadership Program**

We ran a second *Impact on Citrus* program conducted by Leading Industries this year. Ten young citrus industry participants passed the leadership training program and presented their projects to The Hon. Sussan Ley, Parliamentary Secretary to Minister McGauran, Federal Minister for Agriculture, Fisheries and Forestry. These young people who completed the program are our future leaders and we look forward to their involvement in the citrus industry.

### **Water Issues**

Following the NSW Government's second round of water cuts to irrigators, the MVCB held a water forum at Coomealla with guest speakers from water authorities from three States. The forum created a lot of interest with approximately 250 people attending. The Board conducted drought workshops throughout the growing areas as required.

When the Prime Minister announced that there would be a zero water allocation in the Murray Darling as from 1 July, 2007, the four horticulture industries (dried fruit, wine grapes, table grapes and citrus) in the Mildura region made a representation to the Prime Minister outlining how the government could assist and the need for permanent plantings to have some allocation to survive. This led to a water forum being called by HAL in Sydney with all horticulture irrigation commodities in the Murray Darling Basin present to discuss strategies and recommendations.

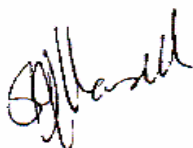
The MVCB also advised Federal and State Parliamentarians regarding the need for water for citrus in July, August and September. During the year MVCB met with:

- Federal Minister for Agriculture, Fisheries and Forestry, The Hon. Peter McGauran
- Parliamentary Secretary The Hon. Sussan Ley
- Victorian Community Cabinet in Mildura
- Victorian Minister for Agriculture, Joe Helper MP
- Victorian Minister for Water, Environment and Climate Change, John Thwaites MP

As previously mentioned, it has been a very busy year for the MVCB and to Marian Tobin, Tony Filippi, Kerry Needs, Adrian Clay, Sue Chapman and Jill Purich, thank you very much for your support. I would especially like to thank John Tesoriero for his support, advice and leadership.

The current Board has been a pleasure to work with, and has dealt with the large number of issues throughout the year. I am very pleased with our achievements and look forward to facing the many challenges that lie ahead.

I would like to thank Colin Nankivell, the Deputy Chairman, for being a sounding board and attending meetings that I was unable to attend.



Robert Mansell  
**CHAIRMAN**

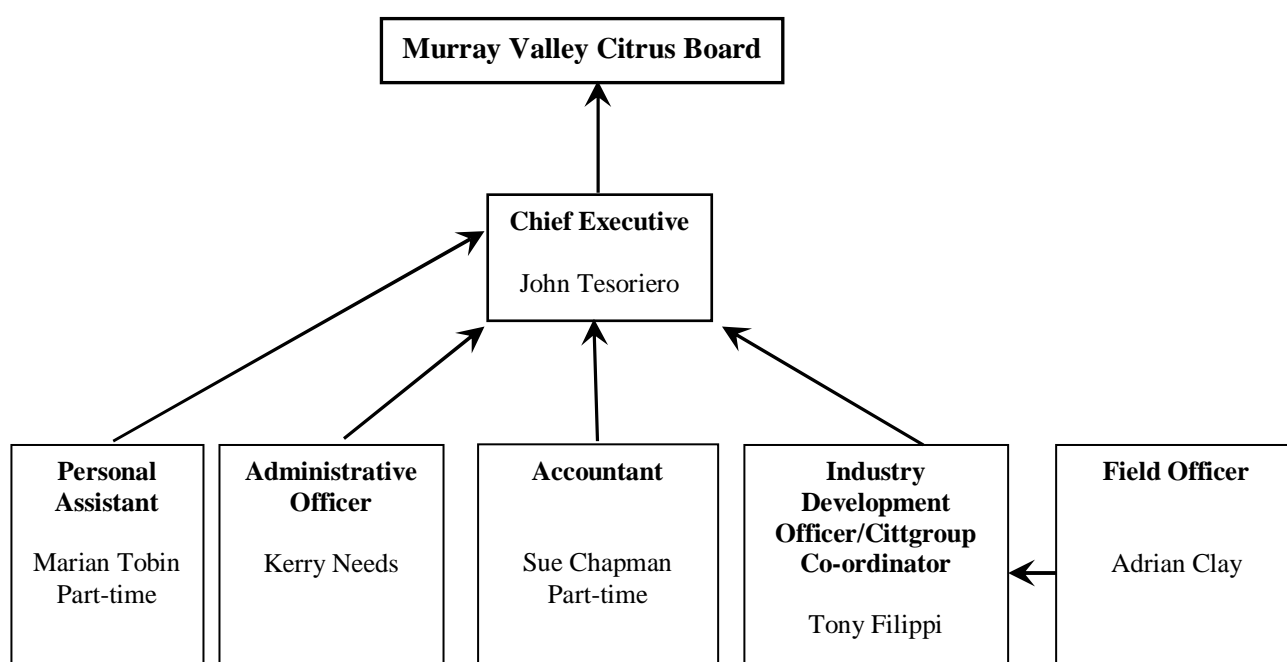
# Management and Organisational Structure

The Murray Valley Citrus Board (MVCB) consists of nine members appointed by the Minister:

- (a) one nominated by the Minister for Agriculture (Victoria);
- (b) one nominated by the New South Wales Minister for Agriculture;
- (c) four being producers nominated by the selection panel established under clause 9; and
- (d) three nominated by the selection panel established under clause 9.

Members are appointed for a three-year period. In accordance with the transitional provisions of the Act Section 66 (1), the term of current appointees commenced on 1 July 2004 and will expire on 30 June 2008.

The organisational structure of the MVCB can be summarised as follows:



## Workforce Data

### Staffing Trends (Equivalent Full Time Employees)

2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
6.25	6.25	5.26	5.26	5.26

### Staff Profile by Position

Position	Male		Female		Total	
	2007	2006	2007	2006	2007	2006
Executive	1	1	0	0	1	1
Field Staff	2	2	0	0	2	2
Administration Staff	0	0	3	3	3	3
<b>Total Staff</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>6</b>

# ***Business Environment***

The Murray Valley Citrus Board (MVCB) provides research, extension, industry planning information and market development services to 450 citrus producers in both New South Wales and Victoria from Sunraysia to Echuca/Moama and areas around Kyabram and Wangaratta.

Citrus is Australia's largest fruit export industry and the Murray Valley region accounts for approximately 55% of national citrus exports.

## **Overview**

The freeze in California and quarantine difficulties in South Africa paved the way for a good opportunity for Australian citrus exports, however the strength of the Australian dollar has made it very difficult for our exports resulting in reduced returns for producers in what was shaping up to be a very good year for our industry.

## **Market Access**

Area freedom status (fruit fly) for Japan, Taiwan and Korea remains as a high priority for Murray Valley producers and exporters. The criteria to gain initial area freedom is 12 months free of a single fruit fly detection. However, within two months of achieving the benchmark 12 months for Japan, two wild flies were detected in traps in Mildura in March 2007, and this was followed by a further two detections in Mildura in May 2007. While not constituting an outbreak, the detections have thwarted our efforts in gaining area freedom into this important market.

On a positive note it is pleasing that Indonesia has reinstated area freedom for our citrus exports.

Citrus exports to China from the southern regions remain a major challenge. The protocol requiring orchard freedom from Fuller's Rose Weevil (FRW) is proving very difficult. The industry looks forward to a favorable outcome when the protocol is renegotiated in October 2007. The outcome required being a systems approach to the management of FRW requiring a combination of orchard and post harvest treatments.

## **Crop forecasting**

The MVCB collects fruit number and size data from orchard sites scattered throughout the Murray Valley region during the growing season to provide industry with predicted production volumes that are valuable for forward planning to all citrus industry sectors. During this year there has been a review of all sites to ensure they remain representative of varieties and ages planted in the region.

To be able to maintain accuracy all sites have been Globally Positioned (GPS) and organised into folders categorised by area with an ortho-imaged map of each property. Also to improve data entry into the database program, hand held Personal Digital Assistants (PDA) have been acquired for rapid data entry from field collection.

## **Water Crisis**

The current water supply position is looming as a significant threat for not only citrus producers but all horticultural production throughout the Murray Valley. The only solution is significant and sustained rainfall events to replenish depleted catchments. The current crisis is the result of an unprecedented drought sequence.

To brief producers on the severity of the situation, the Murray Valley Citrus Board (MVCB) facilitated a water forum at the Coomealla Club, Dareton on Thursday 23 November, 2006. The forum was chaired by Robert Mansell and speakers included David Harriss, Executive Director, Department of Natural Resources NSW, Owen Russell, General Manager Communications and Development, Lower Murray Water and Barry Philp, Manager Industry Development, Department of Primary Industries and Resources, South Australia.

In excess of 240 producers attended the forum.

Producers were advised to prioritise the most profitable patches and allocate water accordingly. An option to allocate 80% to 90% of water requirements to the most profitable patches and allocate minimal water, 0% to 20%, to least profitable patches was recommended. It can be more profitable to grow half an orchard of good fruit rather than to grow a whole orchard of small unmarketable fruit.

There were numerous other water saving strategies discussed at the forum.

To guide growers NSW DPI and MVCB conducted “Surviving the Drought” workshops at the Dareton Research Station commencing in November 2006 and extending into 2007. The workshops were conducted on a needs basis and were well attended.

### **Frost Event**

Severe frost events throughout the Murray Valley in May and June 2006 had a major impact on production in 2006/07. The last frost event of similar magnitude occurred in 1982.

Temperatures plummeted to -11<sup>0</sup>C and -14<sup>0</sup>C on some citrus properties in the Nangiloc/Colignan area of Victoria where approximately 65% of Murray Valley citrus production occurs. The damage to individual properties varied from no damage to significant depending on the location of the orchard. A conservative estimate of the damage was lost citrus production of 16,000 tonnes.

In response to the frost event, the MVCB conducted frost damage assessment workshops throughout the region. The workshops demonstrated to growers a sampling method to identify and isolate where internal fruit damage occurred enabling producers to harvest with some confidence.

It was pleasing that there were very few incidents of frost damaged fruit reaching the market.

### **Melbourne Citrus Committee**

The Melbourne Citrus Committee (MCC), under the Chairmanship of MVCB member, Mick Hollingworth, further expanded its promotional activities during 2006/07.

The Committee comprises one packer and twelve citrus wholesalers operating in the Melbourne Market who have come together to put their efforts towards promoting citrus products. This Committee represents an innovative combination of expertise building on the strategic initiatives developed by the Board. Apart from a contribution from the MVCB towards secretarial costs, all funds for promotions were provided by Melbourne wholesaler members of the Committee.

The MCC has been involved in and/or sponsored or part sponsored during 2006/07 season the following events:-

- Harvest Picnics at Werribee and Hanging Rock, at which the re-greening and Goldfruit messages were stressed.
- Sponsored Athletics Victoria State Championships and school coaching program.
- Continued sponsorship and support of the Market Fresh Schools program. The numbers of children participating in this program has increased by 50% per year for the past 3 years. Anticipated numbers for this year are 75,000 plus. (Sunraysia District schools will be included in this program during September 2007).
- In-store demonstrations in 90 plus independent green grocers stores during the 2006 Navel season.
- The re-greening message was “plugged” during January/February by Melbourne Market Authority’s Mary Stewart in the 3AW daily Market Fresh program.
- Sponsorship in conjunction with the Melbourne Market Authority of the Dandenong Schools Fun Fitness and Healthy Eating Day which attracted more than 6,000 children.
- MCC provided produce for sampling and giveaway for the Melbourne Market Authority display at 2006 Royal Melbourne Show and 2007 Good Food and Wine Show.
- Sponsored by providing product for giveaways at the Melbourne Marathon during October 2006.

- Continued sponsorship of the Keilor Park and Greenvale junior football clubs.
- Sponsored a visit to the Melbourne Market of 20 plus students from the Nangiloc School.
- Monies were outlaid for the development of citrus logos and to Gingerfrog Strategic for services which included finalising of the MCC Business plan and discussions with the Sydney Market Authority and Riverina Citrus.

Considerable cost savings have resulted from the working relationship the MCC have been able to develop with the Melbourne Market Authority which has given the MCC access to their data base, mail out facilities and radio advertising program.

## **Strategic Projects**

### ***Citrus Benchmarking – Project Summary***

Benchmarking is a powerful tool for improving business performance and has been invaluable in challenging performance and future plans. The citrus industry has developed a consistent benchmarking framework, with valuable data collected over a number of years, enabling growers to assess their businesses and make better business decisions.

The current benchmarking program has been established and joint funded by the MVCB and Horticulture Australia Limited. The objectives of the project are to:

- Undertake a comparative analysis of citrus businesses.
- Identify the key factors that influence business performance.
- Develop key indicators/benchmarks and targets to measure performance.
- Enhance growers' understanding of business principles, evaluating and comparing cost and income performance.
- Provide feedback to growers encouraging the adoption of more effective business planning, based on knowledge of individual strengths and weaknesses.
- Provide feedback to the industry on key issues that affect business performance.
- Provide improved knowledge of the industry's needs to service providers and provide a report on the findings.

Around 35 growers are currently involved in the benchmarking program, with data to be collected over a three-year period. The information is analysed each year and compiled into a report to be used by growers and the industry.

Grower meetings will be held to discuss the results and provide individual feedback, so the individuals involved have the opportunity to understand the key value drivers of their business, allowing them to focus their energy on things that really make a difference.

### ***Impact on Citrus – Industry Training Program***

The 2007 Impact on Citrus program resulted in the next generation of leaders being positioned to make a more effective contribution to industry both now and in the future. The MVCB initiated the program having recognised the need for succession planning within industry organisations and gained support funding from Horticultural Australia Ltd.

The intensive three month training program included two skill development sessions, industry dinners and panel sessions, together with participants undertaking an industry project with the support of a mentor. More specifically, the program enabled the participants to increase their confidence, expand their networks, increase their industry knowledge and develop their skills to become more effective at a personal, enterprise and industry level.

Ten participants graduated at the final session of the *Impact on Citrus* program in Mildura on 1 May, 2007. Graduates were presented with certificates by The Hon. Sussan Ley, Member for Farrer and Parliamentary Secretary to the Federal Minister for Agriculture, and the Chairman of the Murray Valley Citrus Board, Robert Mansell, at the conclusion of their project presentations.

### ***Industry Development Officer (IDO) and CITTgroup Activities***

The focus has been directed at providing strategies at raising the producers' awareness of how to improve their profitability on-farm.

Key roles that the co-ordinator carried out over the last year were:

- Assisting with orchard inspector training for all overseas markets and contributing to the China trade protocol implementation program.
- Frost damage presentation, educating industry on possible strategies for harvest, post damage, to maintain market integrity following severe frost events in May/June 2006.
- Developed, in conjunction with Grant Hammence Software Design P/L, a unique user friendly program for use on PDAs to more efficiently collect data in the field and download to crop database; trial runs are being conducted to iron out problems.
- Instigated a collaborative research project to reduce Fuller's Rose Weevil (FRW) populations.
- Timely media releases of seasonal events as they occur and information transfer continue to be the focal point within the industry.

The MVCB also continues to support the valuable CITTgroup program which to this point is the most effective tool of technical information transfer leading to an adoption of latest technology. Some of the topics covered were:

- The Use of the 'Full Stop' for a Simple and More Efficient Irrigation Monitoring Tool.
- Fuller's Rose Weevil Grower Management Guide for Export.
- GA Applications for Albedo Control.
- Wetting Front Detector Installation.
- Root Depth Assessment Field Session.
- Efficiencies in Irrigation and Nutrition Management – the South African Experience.
- Important Aspects of the Current Navel Season.
- New Citrus Varieties Display.
- Auscitrus New Property Development Update.
- Update on Water Issues.
- Ralex Trial Results.

The IDO has continued to provide support to the MVCB organisation, motivated by a continuous improvement focus that raises the awareness of services provided for our levy contributing growers. For further details on the CITTgroup program and topics covered, refer to MVCB website at [www.mvcitrus.org.au](http://www.mvcitrus.org.au)

### ***Pest free Area – Greater Sunraysia***

Fruit Fly control is a significant issue in the MVCB's overall operations.

Significant progress has been made towards establishing the Murray Valley (Greater Sunraysia) as a Fruit Fly Pest Free Area. A Memorandum of Understanding has been signed by funding partners, Murray Valley Citrus Board, Australian Table Grape, the Summerfruit Association and the Victorian and New South Wales Department of Primary Industries.

Both Management and Operations Committees have been established and matching funding has been obtained from Horticulture Australia Ltd.

Advantages of a single Pest Free Area are:

- Greater potential to achieve and maintain area freedom status;
- Enhanced level of fruit fly exclusion through enforceable measures, e.g. random mobile roadblocks;
- Relative isolation from other Queensland Fruit Fly affected areas within and outside the Fruit Fly Exclusion Zone (FFEZ);
- Potential to engage local communities, councils, residents, growers and packers, and government agencies to manage fruit fly operations within the Pest Free Area (PFA); and
- Maintenance of existing trade agreements (NZ, USA) whilst developing new markets.

The Australian Quarantine and Inspection Service (AQIS) and Biosecurity Australia (BA) are represented on both committees providing strategic market access advice.

# *Summary of Operations*

Prior to the commencement of the 2006/2007 financial year, citrus producers approved a plan of operations for the MVCB. The following provides details of Operational Plan objectives and achievements for the year.

## **1.1 Greater uptake of best practice and innovation**

- Participated in conferences, industry field days and study tours, examples being:
  - ACG Conference in Renmark including field visits
  - ABARE Regional Outlook Conference in Mildura
  - SARDI, NSW and Vic DPI re advanced fertigation systems
  - Horticultural field days at Sunraysia Institute of TAFE
  - AQIS forum post season review.
- Conducted CITT groups throughout the region covering 12 topics.
- Facilitated visits by key Israeli and South African citrus industry researchers to present findings to growers.
- Funded the following industry projects:
  - CT05004 – Industry Development Officer
  - CT05007 – Financial Benchmarking
  - CT06040 – Post Harvest Removal of Fuller’s Rose Weevil.

## **1.2 Provide high quality industry data**

- Maintained the crop forecasting system and planting statistical databases and provided co-ordinated input into the national citrus planting database.
- Preliminary crop forecast completed in January 2007 and detailed crop forecast published in March 2007.
- Undertook comprehensive blemish assessments.
- Plantings data base updated.
- Worked with ACG during the planning stage of the information exchange data base (Infocitrus).
- Developed a proposal to enable growers to securely update their registration and property ownership details on-line as well as assessing MVCB documents in a secure environment.

## **1.3 Development of generic and targeted promotional strategies**

- Continued to support the National Orange Promotion through committee representation and strategic advice.
- Continued to support the Melbourne Citrus Committee and its promotional programs.
- Participated in regional promotional campaigns such as the Barham, Mildura and Wentworth shows in addition to agricultural field days at Mildura and Swan Hill.

## **1.4 Risk minimisation strategies for growers**

- Developed OH&S manual for producers in conjunction with Worksafe and other commodity groups. OH&S Manual launched at the Mildura Agricultural Field days.
- Risk Management Strategy developed.
- Distributed our weekly Citrus News and Market Report during major harvest periods to improve harvest and marketing strategies by growers and packers.
- Included best practice articles, (eg water use efficiency) in our quarterly magazine, *Citrep*, and MVCB website to promote reduced wastage and improve productivity.
- Drought workshops (water budgeting) undertaken throughout the region.
- Workshops undertaken and marketing advice provided re frost effected fruit.
- Conducted Water Forum at Coomealla with guest speakers from three States.

### **2.1 Plan, fund and facilitate market development and maintenance**

- Industry advised of market conditions on a weekly basis.
- Market protocol requirements distributed to Industry e.g. China, Japan.
- AQIS & BA transfer sessions conducted in conjunction with ACG.
- Regular meetings held with Vic DPI re Area Freedom & Market Access.
- Received delegations from Indonesia re the reinstatement of area freedom.

### **2.2 Instigate market driven research and development**

- Potential projects assessed by the Board's Best Practice Committee.
- Developed and maintained formal communication relationships with key research institutions and industry funding bodies, including DPI, Horticulture Australia Ltd and CSIRO.
- Instigated meeting of researchers and government representatives to investigate ways of tackling Fuller's Rose Weevil (FRW).
- Developed a HAL proposal to fund FRW research.
- Made representations re funding of FRW research to Minister McGauran and DAFF.

### **2.3 Liaison with other industry organisations**

- Assisted with the strategic review of the national citrus strategy.
- Worked with commodity groups to develop drought strategies and made representations to the Prime Minister re the relaxation of EC provisions.
- Made representations to NSW and Victorian Ministers regarding water requirements for citrus during July, August and September.
- Hosted tri-state meetings with southern citrus growing regions.
- Met with DPI, Rural Counselling Services, Centrelink re EC provisions.
- Worked in collaboration with the Horticultural Alliance in developing strategies to address industry downturn.

### **2.4 Promote industry awareness of required management and accreditation systems**

- Pilot Chemical Monitoring Survey of the Victorian citrus industry completed.
- Safety information disseminated via Citrep and other media.
- MRL information on website.
- Biosecurity issues disseminated to Industry.
- MVCB continued to support the Fruit Fly Exclusion Zone Community Awareness Program and the development of the Pest Free Area (PFA) Project for the greater Sunraysia Region.

### **3.1 Effective leadership and advocacy**

- *Impact on Citrus* and "Supply Chain and Risk Management" programs conducted by Leading Industries were completed in 2007.
- Three year Strategic and annual Operations Plan was reviewed in May 2007.
- The Board provided information to Government and policy makers on issues impacting on the citrus industry namely area freedom, fair trade, anti-dumping, Managed Investment Schemes (MIS), the proposed long-term waste containment facility at Nowingi and critical water issues.

### **3.2 Focusing on customer satisfaction**

- Visits to packers and growers by Industry Development Officer and Field Officer to ensure concerns are addressed by MVCB.
- Annual consultative meetings held.
- Produced and distributed our quarterly magazine, *Citrep*.
- A review of MVCB policies is being undertaken as part of the Risk Management Strategy.
- All enquiries dealt with in a prompt and efficient manner.

### 3.3 Excellence in corporate governance

- Reviewed projected information technology and financial accountability requirements to ensure the Board has the capacity to comply.
- Finance, Audit & Legal, Best Practice, and Market, Export & Promotions committees met on a needs basis.
- Gained exemption from the Government's Financial Management Compliance Framework.

#### Board Meetings

The Board formally met on nine occasions throughout the year. Annual Consultative Meetings were held in June at Barham and Mildura. As mentioned above, Board sub-committees, as listed below, met on a needs basis.

#### Board Committees

**Finance, Audit & Legal:** Keith Richards, Stuart Holland, Rob Farnsworth, Paula Gordon and Robert Mansell.

**Best Practice:** Ken Bevington, Paula Gordon, Colin Nankivell, Mick Hollingworth, Keith Richards, David Hunt-Sharman, Robert Mansell and Justin McPhee (Riverlink).

**Market, Export & Promotions:** David Hunt-Sharman, Colin Nankivell, Mick Hollingworth, Ken Bevington, Robert Farnsworth and Robert Mansell

#### Financial Review of Operations and Financial Condition

	2006/07	2005/06	2004/05	2003/04	2002/03
Revenue from Government	233,418	227,669	95,019	224,767	70,054
Other revenue	1,035,801	928,931	704,141	797,248	1,232,217
Total income	1,269,219	1,156,600	799,160	1,022,105	1,302,271
Total expenses	1,058,708	1,081,944	974,581	1,116,787	1,475,927
Net result for the period	210,511	74,656	(175,421)	(94,682)	(175,555)
Net cash flow from operating activities	172,763	(30,373)	103,466	(228,450)	(16,180)
Total assets	1,306,272	1,092,133	1,074,761	1,251,779	1,370,765
Total liabilities	145,092	141,464	198,748	200,344	224,649

There were no significant changes in financial position during the year.

# *Board Governance Statements*

## **Equal Employment Opportunity**

MVCB is an equal opportunity employer. Appointments and promotions are based on merit and staff members receive appropriate training and experience to enhance their skills by training in a number of ways relevant and meaningful to the Board's activities and responsibilities.

## **Industry Participants**

No. of Registered Orchards: 631 (*based on citrus ID registration*)  
No. of growers: 450  
No. of Approved Receivers: Packers - 44, Processors - 10

## **Annual Report**

200 copies produced for distribution to industry participants and to meet statutory requirements.  
Cost per copy: \$12.00 excluding GST.

A copy of the Annual Report is available for download from the MVCB website at [www.mvcitrus.org.au](http://www.mvcitrus.org.au).

## **Declaration of Pecuniary Interests**

A comprehensive register is maintained relating to Board Members and senior Board staff.

## **Change in Prices or Fees**

With effect from 1 June 2002 the Board's levy was reduced from \$7.00 per tonne to \$5.50 per tonne. For the 2006/2007 year the levy remained at \$5.50 per tonne.

## **Details of Shares held in Statutory Authorities or Subsidiaries**

There is no record of any shares of this nature being held by the Board or staff members.

## **Disclosure Index**

An index identifying the Board's compliance with statutory disclosure requirements is contained at the end of the report.

## **Consultancies during the Year**

There were no consultants engaged over \$100,000.

## **Consultants engaged under \$100,000:**

There were no consultants engaged under \$100,000.

## **Major Contracts**

There were no major contracts entered into during the 2006/2007 year.

## **Occupational Health and Safety**

There were no OH&S issues recorded during the reporting period. An external OH&S Audit was completed on the MVCB Office and operations during the year.

## **Reporting of Office-Based Environmental Impacts**

There were no significant office-based environmental impacts during the reporting period.

### **Compliance with Building Act 1993**

The MVCB does not own or control any governmental buildings. The Board's office is located in leased premises and complies under the maintenance provision of the Building Act 1993.

### **Victorian Industry Participation Policy Disclosure (VIPD)**

During the year there were no contracts commenced in which the VIPD applied.

### **Industrial Relations**

During the year there were no industrial relation issues reported to management or Board members.

### **Freedom of Information (FOI)**

MVCB is a prescribed authority for the purposes of the Freedom of Information Act 1982. During the reporting period, twelve months ending 30 June 2007, no FOI requests were received by MVCB. The officer responsible to finality is Sue Chapman, Accountant and Authorised Officer. Freedom of Information requests must be made in writing and addressed to:

Mrs Sue Chapman  
Authorised FOI Officer  
Murray Valley Citrus Board  
PO Box 1384  
MILDURA VIC 3502

### **Availability of Information**

As required, relevant information in relation to the financial year is retained by the accountable officer and made available to the relevant Minister, Members of Parliament and the public upon request.

### **Multicultural Statement**

The MVCB is committed to policies, programs and strategies that deliver culturally appropriate services to all Australians. Special initiatives were not needed by the organisation during the period 1 July 2006 to 30 June 2007.

### **Ethical Standards**

The MVCB operates under the Code of Conduct for the Victorian Public Service which provides guidance addressing possible or perceived conflicts of interest. All employees are required to act with the utmost integrity and objectivity at all times in all dealings. Victorian Public Service guidelines for protecting merit and equity are observed.

### **External Auditors**

Mulqueen Griffen Rogers Pty Ltd, Bendigo Victoria are agents for the Auditor General Victoria for the 2006/2007 audit of accounts.

### **Ethnic Affairs Priorities Statement (EAPS)**

The MVCB is committed to principles of multi-culturalism.

### **National Competition Policy**

The MVCB does not receive competition payments from the Federal Government.

### **Whistleblowers Protection Act**

The Whistleblowers Protection Act 2001 came into effect on 1 January 2002. The Act is designed to protect people who disclose information about serious wrongdoing within the Victorian Public Sector and to provide a framework for the investigation of these matters.

The Protected Disclosure Co-ordinator for the Department of Primary Industries (DPI) acts as an agent for the Authority to receive disclosures under the Act, and applies DPI procedures in managing disclosures. Disclosures of improper conduct by the Authority or its employees may be made to the following:

The Protection Disclosure Officer  
Stuart Atkins, Freedom of Information Officer  
Department of Primary Industries  
PO Box 500  
EAST MELBOURNE VIC 3002  
Telephone: (03) 9658 4030 Facsimile: (03) 9637 8129  
Email: [stuart.atkins@dpi.vic.gov.au](mailto:stuart.atkins@dpi.vic.gov.au)

The Ombudsman Victoria  
Level 22, 459 Collins Street  
MELBOURNE VIC 3000  
Telephone: (03) 9613 6222 Toll free: 1800 806 314

# *Production and Distribution*

## **Australian Citrus Production 2006/07 Harvest**

VARIETY	TONNES					
	SA	MVCB	RIVERINA & NSW	QLD	WA	TOTAL
Valencia	74,000	47,300	103,000	8,000	5,000	<b>237,300</b>
Navel	65,000	86,700	80,000	13,000	6,000	<b>250,700</b>
Lemon/Lime	4,000	1,500	7,000	12,000	1,000	<b>25,500</b>
Mandarin	20,000	8,700	5,000	68,000	6,000	<b>107,700</b>
Tangelo	NA	1,290	NA	NA	NA	<b>1,290</b>
Grapefruit	2,000	9,400	2,000	1,000	3,000	<b>17,400</b>
<b>Total Tonnes</b>	<b>165,000</b>	<b>154,890</b>	<b>197,000</b>	<b>102,000</b>	<b>21,000</b>	<b>639,890</b>

Source: ACG and MVCB 30 June 07 statistics

NA = Not Available

## **Australian Citrus Production 2007/08 Forecast**

VARIETY	TONNES					
	SA	MVCB	RIVERINA & NSW	QLD	WA	TOTAL
Valencia	63,000	34,530	104,000	8,000	4,000	<b>213,530</b>
Navel	70,000	89,100	61,000	13,000	6,000	<b>239,100</b>
Lemon/Lime	4,000	4,500	7,000	12,000	1,000	<b>28,500</b>
Mandarin	20,000	4,270	5,000	68,000	6,000	<b>103,270</b>
Tangelo	NA	1,340	NA	NA	NA	<b>1,340</b>
Grapefruit	2,000	5,370	2,000	1,000	2,000	<b>12,370</b>
<b>Total Tonnes</b>	<b>159,000</b>	<b>139,110</b>	<b>179,000</b>	<b>102,000</b>	<b>19,000</b>	<b>598,110</b>

Source: Australian Citrus Growers Inc and Murray Valley Citrus Board as at 30 June 2007

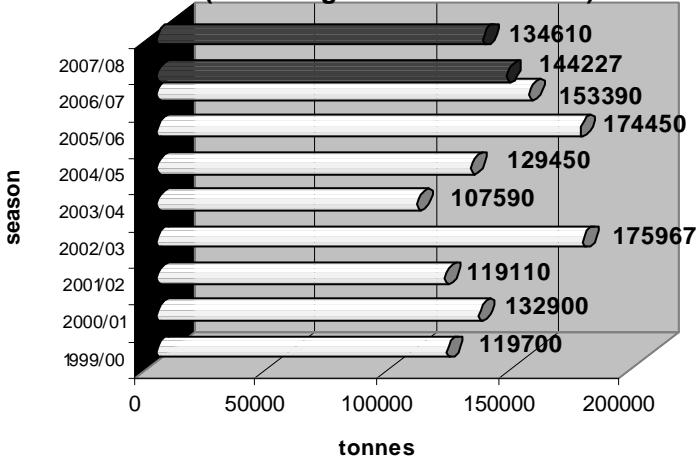
## **Murray Valley Citrus Board Market Distribution 2006/07 Harvest**

VARIETY	TONNES							
	EXPORT	MELB	SYD	BRIS	ADEL	PROCESSING	OTHER	TOTAL
Valencia	9,500	7,300	1,100	400	200	28,600	200	<b>47,300</b>
Navel	49,000	16,000	6,200	1,100	300	13,200	900	<b>86,700</b>
Lemon/Lime	20	430	160	240	80	530	40	<b>1,500</b>
Mandarin	3,000	3,000	1,200	100	200	1,100	100	<b>8,700</b>
Tangelo	1,020	200	50	5	15	-	-	<b>1,290</b>
Grapefruit	300	1,000	300	200	100	7,400	100	<b>9,400</b>
<b>Total Tonnes</b>	<b>62,540</b>	<b>26,930</b>	<b>8,710</b>	<b>1,845</b>	<b>795</b>	<b>43,430</b>	<b>1,240</b>	<b>145,490</b>

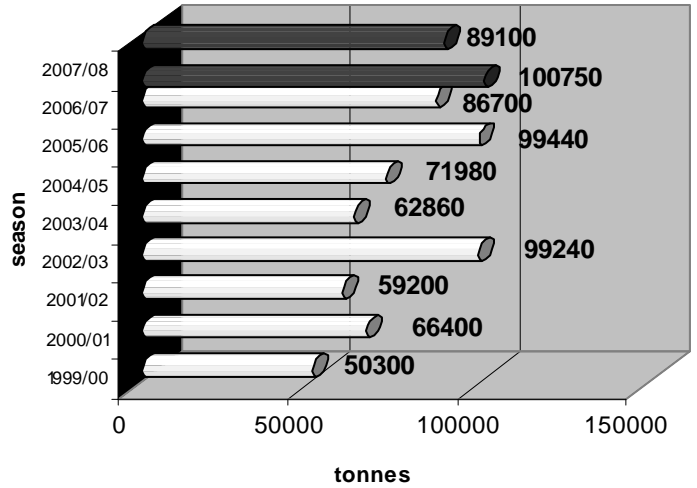
Source: Murray Valley Citrus Board

# Murray Valley Citrus Forecast and Actual Production

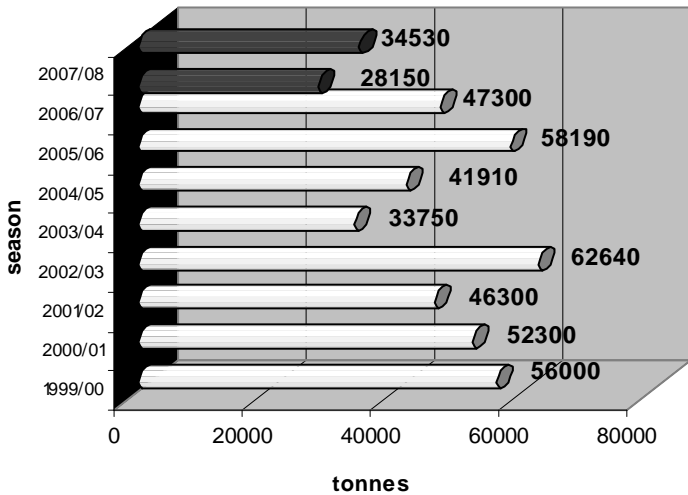
## Murray Valley Seasonal Citrus Production (excluding Lemons and Limes)



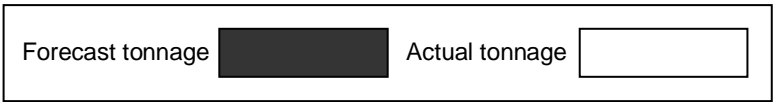
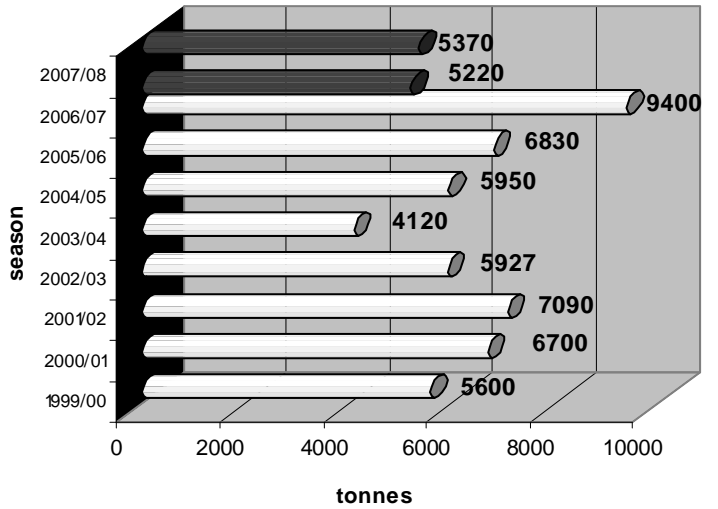
## Navel Production



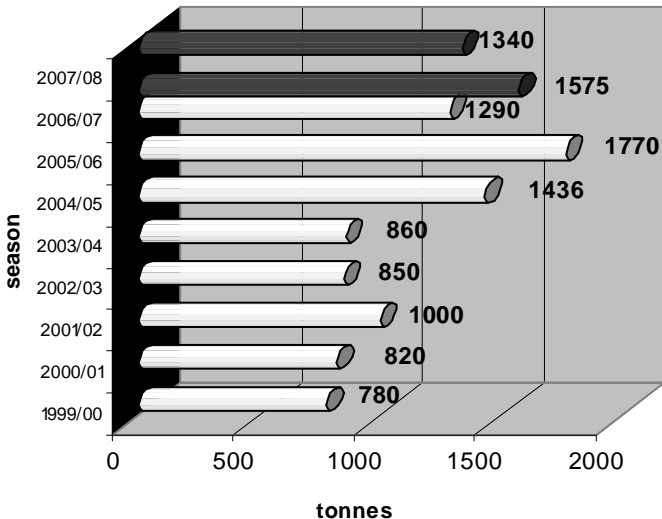
## Valencia Production



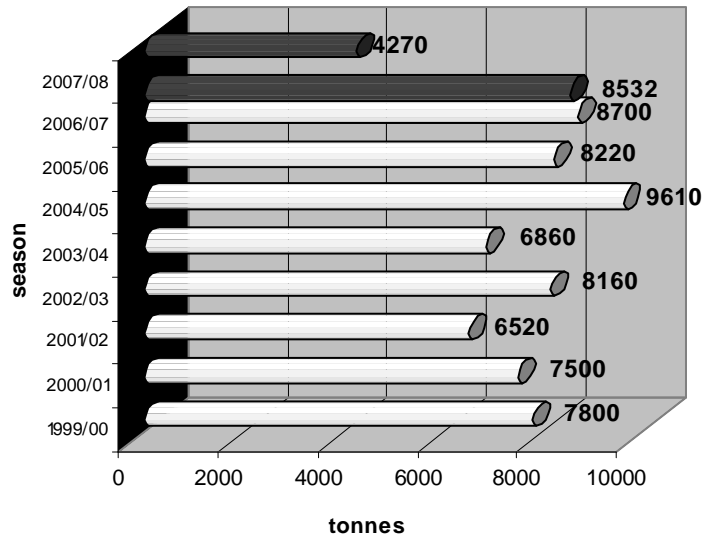
## Grapefruit Production



## Tangelo Production



## Mandarin Production



# Murray Valley Orchard Statistics

*Planting Statistics as at 31 December 2006*

VARIETY	Total Hectares Planted	Total Bearing Hectares	Total Non Bearing Hectares
<b>Blood Orange</b>	<b>23.8</b>	<b>18.2</b>	<b>5.7</b>
Grapefruit - Red Fleshed	24.5	19.8	4.7
Grapefruit - White Fleshed	183.8	162.9	20.9
<b>Grapefruit Total</b>	<b>208.2</b>	<b>182.7</b>	<b>25.5</b>
<b>Lemon</b>	<b>150.8</b>	<b>146.1</b>	<b>4.7</b>
<b>Lime</b>	<b>9.9</b>	<b>7.7</b>	<b>2.2</b>
Mandarin - Early Season	365.0	305.7	59.2
Mandarin - Mid Season	97.0	79.1	17.9
Mandarin - Late Season	60.6	59.5	1.1
Mandarin - Misc. Season	38.0	3.9	34.1
<b>Mandarin Total</b>	<b>560.6</b>	<b>448.3</b>	<b>112.3</b>
<b>Unspecified Varieties</b>	<b>43.7</b>	<b>34.6</b>	<b>9.1</b>
Navel - Early Season	1062.4	946.0	116.4
Navel - Mid Season	759.1	678.5	80.6
Navel - Late Season	2262.1	1957.8	304.4
Navel - Misc. Season	120.2	117.2	3.0
<b>Navel Total</b>	<b>4203.8</b>	<b>3699.5</b>	<b>504.3</b>
<b>Tangelo</b>	<b>112.5</b>	<b>102.9</b>	<b>9.6</b>
Valencia Seeded	1441.8	1426.9	14.9
Valencia Seedless	13.9	10.5	3.4
<b>Valencia Total</b>	<b>1455.7</b>	<b>1437.4</b>	<b>18.3</b>
<b>TOTAL PLANTINGS</b>	<b>6769.0</b>	<b>6077.3</b>	<b>691.7</b>

Source: Murray Valley Citrus Board annual property registrations

## *Other Compliance Information*

- (i) **Significant changes in financial position**  
There were no significant changes to the financial position during the year.
- (ii) **Major changes or factors affecting performance**  
There have been no major changes or factors which have affected the achievement of the operational objectives for the year.
- (iii) **Events subsequent to balance date**  
There were no events subsequent to the balance date.
- (iv) **Other material revenue by class including sale of non-goods assets and contribution of assets.**  
There was one asset disposal, being a motor vehicle, during the year.
- (v) **Financing costs**  
There were no financing costs on any event or item of equipment during the year.
- (vi) **Net increment or decrement on the revaluation of each category of assets**  
There was no adjustment in the accounts on net increment, decrement of asset category.
- (vii) **Intangible assets**  
There are no intangible assets or goodwill in the business to note in the accounts.
- (viii) **Bank loans, bills payable, promissory notes, debentures and other loans**  
None of the above instruments were used during the financial year.
- (ix) **Authorised capital, issued capital, reserves**  
There is no authorised capital or issued capital reflected in the accounts.
- (x) **Ex-gratia payments**  
There were no ex-gratia payments made during the financial year.
- (xi) **Charges against assets**  
There were no charges against assets.
- (xii) **Assets received without adequate consideration**  
There were no assets received without adequate consideration.
- (xiii) **Transactions with responsible persons and their related parties**  
There were no transactions with responsible persons and their related parties.
- (xiv) **Motor vehicle lease commitments**  
There is one motor vehicle lease commitments.
- (xv) **Contingent Liabilities**  
There are no contingent liabilities known to management during the period of operations to 30 June 2007.

(xvi) Government grants received or receivable and source

Debtor	For	Amount including GST	Date
Horticulture Australia Ltd	<b>CT05003</b> – MVC Leadership Development		
	Milestone 2 Payment Final Report	45,000 20,000	9/03/2007
Horticulture Australia Ltd	<b>CT05004</b> - Facilitating the communication and development of the Citrus Industry in the Murray Valley		
	Milestone 3 Payment Milestone 4 Payment	51,000 51,000	5/10/2006 16/2/2007
Horticulture Australia Ltd via Australian Citrus Growers	<b>CT05009</b> - CITTgroup Funding ACG Payment	23,555	28/9/2006

The MVCB contributes up front equally to the above projects before the remaining contribution is received from Horticulture Australia Ltd or Australian Citrus Growers Inc.

*Note: The above information does not form part of the audited financial accounts.*

# MURRAY VALLEY CITRUS BOARD



## *Financial Statements* For Year Ended 30 June 2007

# Auditor General Victoria

## Auditor General's Independence Declaration and Report

# VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

#### MURRAY VALLEY CITRUS BOARD

#### To the Members of the Parliament of Victoria and Members of the Murray Valley Citrus Board

##### *The Financial Report*

The accompanying financial report for the year ended 30 June 2007 of the Murray Valley Citrus Board which comprises Operating Statement, Balance Sheet, Statements of Changes in Equity, Cash Flow Statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the attached certification has been audited.

##### *The Responsibility of the Members of the Board for the Financial Report*

The Members of the Murray Valley Citrus Board are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

##### *Auditors Responsibility*

As required by the *Audit Act 1994*, under the delegated authority provided by the Auditor-General, 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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 internal control relevant to the Board Members' 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 Murray Valley Citrus Board'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 obtained is sufficient and appropriate to provide a basis for my audit opinion.

Level 24, 35 Collins Street, Melbourne Vic, 3000

Telephone 61 3 8001 7000 Facsimile 61 3 8901 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

Auditing in the Public Interest

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

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Level 24, 35 Collins Street, Melbourne Vic, 3000  
Telephone 61 3 8601 7000 Facsimile 61 3 8901 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

Auditing in the Public Interest

# *Certification*

## **MURRAY VALLEY CITRUS BOARD**

We hereby certify that the Financial Statements of the Murray Valley Citrus Board for the year ended 30 June, 2007 have been prepared in accordance with the provisions of the Financial Management Act 1994.

In our opinion, the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements present fairly the financial transactions during the year and the financial position of the Board as at 30 June, 2007.

At the date of signing the Financial Statements, we are not aware of any circumstances which would render any particulars included in the statements misleading or inaccurate.



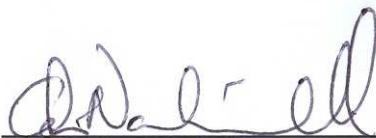
\_\_\_\_\_  
Chairman

13 September 2007.



\_\_\_\_\_  
Chief Executive Officer

13 September 2007.



\_\_\_\_\_  
Deputy Chairman

13 September 2007.

## MURRAY VALLEY CITRUS BOARD

### OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
<b>REVENUE FROM OPERATING ACTIVITIES</b>			
Levy Revenue		873,625	824,478
Industry Project Funding		233,418	227,669
Sale of Goods	14	58,127	47,444
Interest Received		56,611	42,745
Other Revenue		47,438	14,264
<b>Total Revenue</b>		<b>1,269,219</b>	<b>1,156,600</b>
<b>EXPENSES FROM OPERATING ACTIVITIES</b>			
Best Practice	2	271,990	304,168
Industry Data	3	190,144	126,327
Promotional	4	46,225	82,935
Risk Minimisation	5	19,136	9,654
Market Development	6	116,008	145,800
Research & Development Opportunities	7	26,515	20,750
Industry Partnerships	8	44,266	26,212
Management Systems	9	58,101	71,347
Leadership & Advocacy	10	108,453	25,411
Customer Focus	11	77,972	47,811
Corporate Governance	12	27,616	14,414
Statutory & Administration	13	0	148,249
Cost of Goods Sold	14	72,282	58,866
<b>Total Expenses</b>		<b>1,058,708</b>	<b>1,081,944</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>210,511</b>	<b>74,656</b>

The above Operating Statement should be read in conjunction with the accompanying notes

# MURRAY VALLEY CITRUS BOARD

## BALANCE SHEET AS AT 30 JUNE 2007

	NOTE	2007 \$	2006 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	15	996,710	815,818
Receivables	16	184,082	128,853
Inventories	17	46,586	35,107
<b>Total Current Assets</b>		<b>1,227,378</b>	<b>979,778</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	18	78,894	112,355
<b>Total Non-Current Assets</b>		<b>78,894</b>	<b>112,355</b>
<b>TOTAL ASSETS</b>		<b>1,306,272</b>	<b>1,092,133</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	19	90,931	102,977
Employee Benefits	20	43,685	30,941
<b>Total Current Liabilities</b>		<b>134,616</b>	<b>133,918</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Benefits	20	10,476	7,546
<b>Total Non-Current Liabilities</b>		<b>10,476</b>	<b>7,546</b>
<b>TOTAL LIABILITIES</b>		<b>145,092</b>	<b>141,464</b>
<b>NET ASSETS</b>		<b>1,161,180</b>	<b>950,669</b>
<b>EQUITY</b>			
Reserves	21(b)	74,992	49,996
Retained Profits	21(a)	1,086,188	900,673
<b>TOTAL EQUITY</b>	21(c)	<b>1,161,180</b>	<b>950,669</b>

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

## MURRAY VALLEY CITRUS BOARD

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	CONTRIBUTED CAPITAL \$	ACCUMULATED FUNDS \$	TOTAL \$
<b>Total Equity at 30 June 2005</b>	1,294,877	(418,864)	876,013
Profit/(Loss) for the year	0	74,656	74,656
<b>Total Equity at 30 June 2006</b>	<u>1,294,877</u>	<u>(344,208)</u>	<u>950,669</u>
Profit/(Loss) for the year	0	210,511	210,511
<b>Total Equity at 30 June 2007</b>	<u>1,294,877</u>	<u>(133,697)</u>	<u>1,161,180</u>

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

## MURRAY VALLEY CITRUS BOARD

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		1,153,553	1,026,404
Interest Received		56,611	42,745
Payments to Suppliers and Employees		(1,037,401)	(1,099,522)
<b>Net cash provided by Operating Activities</b>	22	<u>172,763</u>	<u>(30,373)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant & Equipment		25,727	35,173
Payments for Property, Plant & Equipment		(17,598)	(51,890)
<b>Net cash used in Investing Activities</b>		<u>8,129</u>	<u>(16,717)</u>
Net increase in cash held		180,892	(47,090)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		815,818	862,908
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	15	<u>996,710</u>	<u>815,818</u>

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

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

##### *General*

This financial report of the Murray Valley Citrus Board (MVCB) is a general purpose financial report that consists of an Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements. The general purpose financial report complies with Australian Equivalents to International Financial Reporting Standards (A-IFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions.

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

The financial report has also been prepared under the historical cost convention, except where specifically stated in note 1(d).

##### *Accounting policies*

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.

##### *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.

##### *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, certain classes of property, plant and equipment.

##### *Critical accounting estimates*

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

#### (b) Revenue Recognition

##### *Levy Revenue*

Levy charges are recognised as revenue when levied or determined.

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

### *Services acquired for no cost*

The value of services received free of charge are recognised as revenue when received.

### *Government contributions*

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the Operating Statement as *Industry Project Funding*. However, grants and contributions received from the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Agriculture have indicated are in the nature of owners' contributions, are accounted for as *Equity - contributed Capital*.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Board will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the Operating Statement over the period necessary to match them with the costs that they are intended to compensate.

Under AASB 1004 *Contributions*, a not-for-profit entity accounts for the receipt for non-taxable government grants as income rather than as deferred income when those grants are controlled by the Authority. As such, a temporary difference does not arise. AASB 1004 is only applicable to not-for-profit entities.

### *Interest and rents*

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

## **(c) Recognition and Measurement of Assets**

### *Acquisition*

The purchase method of accounting is used for all acquisitions of assets, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

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

Plant and equipment represent non-current assets comprising, equipment and motor vehicles, used by the Board in its operations. Items with a cost or value in excess of \$300 and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

### *Repairs and Maintenance*

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

Plant, equipment and vehicles are measured at cost.

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

In accordance with FRD 103 *Non-current Physical Assets*, assets are to be measured at cost less any accumulated depreciation and any accumulated impairment losses.

All assets must be tested for impairment on an annual basis. Such assets are tested to ascertain whether the carrying amounts exceed their recoverable amounts.

### **(d) Depreciation and Amortisation of Non-current Assets**

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

Depreciation on other assets is calculated using the diminishing value 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. The assets residual values and useful lives are 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:

	<i>2007</i>	<i>2006</i>
Plant & Equipment	4-9 years	4-9 years
Furniture and computers	2 years	2 years
Motor Vehicles	4 years	4 years

### **(e) Cash and Cash Equivalent Assets**

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

### **(f) Receivables**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from month end.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

### **(g) Inventories**

Inventories comprise stores and materials used in the construction of net bags and finished products. All inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on a first-in, first-out basis (FIFO).

### **(h) Trade and Other Payables**

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

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

### **(i) Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values, using the remuneration rate expected to apply at the time of settlement.

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

#### *Employee Benefit On-Costs*

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

### **(j) 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 - ie, 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.

### **(k) Web Site Costs**

Costs in relation to web sites controlled by the Authority are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefits. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits controlled by the entity that can be reliably measured, are capitalised as an asset and amortised over the period of the expected benefits, which vary from three to five years.

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
<b>NOTE 2. BEST PRACTICE</b>		
Methods/Systems/Technology	8,843	33,388
Grower Education	186,292	230,187
Field Day	600	848
OH Operating Expenses	76,255	39,745
	<u>271,990</u>	<u>304,168</u>
 <b>NOTE 3. INDUSTRY DATA</b>		
Maintain Databases	64,212	46,098
Data Collection Methods	14,606	17,940
Industry Database	655	6,414
IT based packouts	195	231
OH Operating Expenses	110,476	55,644
	<u>190,144</u>	<u>126,327</u>
 <b>NOTE 4. PROMOTIONAL</b>		
Participation	34,515	18,509
Market Committees	596	585
Other Promotional	7,393	59,866
OH Operating Expenses	3,721	3,975
	<u>46,225</u>	<u>82,935</u>
 <b>NOTE 5. RISK MINIMISATION</b>		
OHS Manual	3,305	2,632
Irrigation Efficiency	3,315	1,096
Market Information	1,045	1,643
MV Risk Minimisation	4,031	308
OH Operating Expenses	7,440	3,975
	<u>19,136</u>	<u>9,654</u>
 <b>NOTE 6. MARKET DEVELOPMENT</b>		
Market Information	32,322	46,161
Market Protocols	7,185	7,797
Market Opportunities	8,153	56,971
Subscriptions/Publications	90	425
OH Operating Expenses	68,258	34,446
	<u>116,008</u>	<u>145,800</u>

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
<b>NOTE 7. R&amp;D OPPORTUNITIES</b>		
R&D Funding	2,885	4,186
R&D Relationships	3,101	2,060
Technology Transfer	1,187	3,905
OH Operating Expenses	19,342	10,599
	<u>26,515</u>	<u>20,750</u>
<b>NOTE 8. INDUSTRY PARTNERSHIPS</b>		
National Strategic Plan	1,694	3,077
Industry Responsibilities	9,185	2,116
IDO Co-ordination	135	160
TSFF	4,730	4,334
Industry Committees	1,740	3,277
OH Operating Expenses	26,782	13,248
	<u>44,266</u>	<u>26,212</u>
<b>NOTE 9. MANAGEMENT SYSTEMS</b>		
Information & Consistencies	3,424	3,693
Promote Compliance	6,973	4,443
Pest & Disease Outbreak	1,034	1,035
TSFF & Education	1,935	40,907
FFEZ	11,629	5,371
OH Operating Expenses	33,106	15,898
	<u>58,101</u>	<u>71,347</u>
<b>NOTE 10. LEADERSHIP &amp; ADVOCACY</b>		
Citrus Leadership Training	79,164	962
Policies	1,071	3,985
Government Issues	5,903	4,492
Role of MVCB	741	5,373
OH Operating Expenses	21,574	10,599
	<u>108,453</u>	<u>25,411</u>

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
<b>NOTE 11. CUSTOMER FOCUS</b>		
Policies	1,767	3,117
Communication Plan & Stakeholders Meetings	2,123	1,832
Customer Service Training	151	350
Consult Meetings & Stakeholder	4,398	2,980
Customer Enquiries	2,646	247
Citrep & Other Publications	30,904	21,183
Website Costs & Maintenance	2,878	1,078
Media Releases	0	1,125
OH Operating Expenses	33,105	15,899
	<u>77,972</u>	<u>47,811</u>

### NOTE 12. CORPORATE GOVERNANCE

Risk Management Plan	963	0
Financial Systems	236	0
Performance Systems	241	0
Strategic Plan	1,544	0
Organisational Structure	262	0
Professional Development	935	1,098
OH Operating Expenses	23,435	13,316
	<u>27,616</u>	<u>14,414</u>

### NOTE 13. STATUTORY & ADMINISTRATION

Salaries	0	28,372
Vic Auditor General	0	7,100
Annual Report Costs	0	2,040
AGM Costs	0	851
Board Member Salaries	0	45,734
Board Member Superannuation	0	1,342
Board Member Meetings	0	12,675
Levy Audit Costs	0	1,619
Sundry Expenses	0	821
OH Operating Expenses	0	47,695
	<u>0</u>	<u>148,249</u>

Please note costs for 2006/2007 have been included in OH Operating Expenses in Note 2 to Note 12

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
<b>NOTE 14. TRADING STOCK ITEMS</b>		
Sales	<u>58,127</u>	<u>47,444</u>
Opening Stock	35,107	42,824
Plus Purchases	<u>87,501</u>	<u>51,149</u>
Closing Stock	<u>46,586</u>	<u>35,107</u>
Cost of Sales	76,022	58,866
Gross Profit/ (Loss)	<u><b>(17,895)</b></u>	<u><b>(11,422)</b></u>
 <b>NOTE 15. CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	500	139
Cash at Bank	<u>10,934</u>	<u>44,383</u>
<i>Total Cash</i>	11,434	44,522
Monies at Call	219,775	50,144
Term Deposits	<u>765,501</u>	<u>721,152</u>
	<u><b>996,710</b></u>	<u><b>815,818</b></u>
 <b>NOTE 16. RECEIVABLES</b>		
Trade Debtors	145,465	55,194
Provision for FBT refund	0	4,086
Other Debtors	20,173	60,000
GST Receivable	<u>18,444</u>	<u>9,573</u>
	<u><b>184,082</b></u>	<u><b>128,853</b></u>
 <b>NOTE 17. INVENTORIES</b>		
Finished Goods at cost	<u>46,586</u>	<u>35,107</u>
	<u><b>46,586</b></u>	<u><b>35,107</b></u>
 <b>NOTE 18. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Plant & Equipment - at cost	144,410	163,759
<i>less: Accumulated Depreciation</i>	<u>(101,454)</u>	<u>(118,681)</u>
	42,956	45,078
Motor Vehicles - at cost	54,736	85,417
<i>less: Accumulated Depreciation</i>	<u>(18,798)</u>	<u>(18,140)</u>
	<u>35,938</u>	<u>67,277</u>
	<u><b>78,894</b></u>	<u><b>112,355</b></u>

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006	
	\$	\$	
<b>NOTE 18(a). RECONCILIATION OF MOVEMENT OF FIXED ASSETS</b>			
	<b>Plant &amp; Property</b>	<b>Motor Vehicles</b>	<b>Totals</b>
Balance at 1 July 2005	58,449	73,604	132,053
Additions	1,439	50,451	51,890
Disposals	0	(39,406)	(39,406)
Depreciation Expense	(14,810)	(17,372)	(32,182)
Carrying amount at end of the year	<u>45,078</u>	<u>67,277</u>	<u>112,355</u>
Balance at 1 July 2006	45,078	67,277	112,355
Additions	17,598	0	17,598
Disposals	(1,086)	(20,815)	(21,901)
Depreciation Expense	(18,634)	(10,524)	(29,158)
Carrying amount at end of the year	<u><b>42,956</b></u>	<u><b>35,938</b></u>	<u><b>78,894</b></u>

### NOTE 18(b). NET PROFIT FROM DISPOSAL OF ASSETS

Proceeds from disposal	25,727	35,173
Less: Written Down Value of Assets sold	(21,901)	(39,406)
Net Profit/(Loss) from Disposal of Assets	<u><b>3,826</b></u>	<u><b>(4,233)</b></u>

### NOTE 18(c). DEPRECIATION

Property, Plant & Equipment	18,634	14,810
Motor Vehicles	10,524	17,372
Total Depreciation	<u><b>29,158</b></u>	<u><b>32,182</b></u>

### NOTE 19. PAYABLES (CURRENT)

Trade Creditors	36,768	57,921
Accrued Audit Fee	7,100	7,100
Accrued Superannuation	742	4,616
Accrued Salaries & Wages	8,248	4,746
Other Accruals	15,856	10,371
Group Tax Payable	4,109	6,550
GST Payable	18,108	11,673
	<u><b>90,931</b></u>	<u><b>102,977</b></u>

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
<b>NOTE 20. EMPLOYEE BENEFITS</b>		
<b>Current</b>		
All annual leave and LSL entitlements representing 7+ years of continuous service		
- Short-term employee benefits, that are all due within 12 months after the end of the period measured at nominal value	31,761	22,479
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	11,924	8,462
	<u>43,685</u>	<u>30,941</u>
<b>Non-Current</b>		
LSL representing less than 7 years of continuous service measured at present value	10,476	7,546
<b>Total Employee Benefits</b>	<u>54,161</u>	<u>38,487</u>
<b>NOTE 21. EQUITY</b>		
<b>(a) Retained Profits</b>		
Balance at beginning of reporting period	900,673	851,013
Total changes in equity recognised in the Operating Statement	210,511	74,656
Transfer to Emergency Response Reserve	(24,996)	(24,996)
Total Retained Profits	<u>1,086,188</u>	<u>900,673</u>
<b>(b) Emergency Response Reserve</b>		
Balance at beginning of reporting period	49,996	25,000
Transfer from Retained Profits	24,996	24,996
Emergency Response Reserve Balance	<u>74,992</u>	<u>49,996</u>
<b>(c) Equity</b>		
Total Retained Profits	1,086,188	900,673
Emergency Response Reserve	74,992	49,996
Total Equity	<u>1,161,180</u>	<u>950,669</u>

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
<b>NOTE 22. RECONCILIATION OF CASH FLOW</b>		
Profit/(Loss) for the year	210,511	74,656
Depreciation	29,158	32,181
Loss/(Gain) on sales of assets	(3,826)	4,233
	<u>235,843</u>	<u>111,070</u>
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	(55,229)	(91,877)
(Increase)/Decrease in Inventories	(11,479)	7,716
Increase/(Decrease) in Payables	(12,046)	(53,378)
Increase/(Decrease) in Employee Entitlements	15,674	(3,904)
	<u>172,763</u>	<u>(30,373)</u>

## NOTE 23. SUPERANNUATION CONTRIBUTIONS

Fund	No. of Employees		Contributions Made		Contributions Outstanding	
	05/06	06/07	05/06	06/07	05/06	06/07
MLC Superannuation (National FlexiSuper Plus)	2	1	\$21,892	\$3,354	\$161	Nil
ING Life Limited	1	1	\$748.13	\$1,287	\$341	Nil
Colonial First State Investments	2	2	\$30,886	\$34,672	\$2,442	Nil
VicSuper	1	0	\$263	Nil	Nil	Nil
Self Managed Super Funds	2	2	\$4,417	\$5,056	\$388	Nil
Legal Super	1	1	\$5,136	\$5,136	\$428	Nil
CARE Super	1	0	\$1,781	Nil	Nil	Nil
Australian Skandia Limited	1	1	\$2,719	\$2,761	\$238	Nil
Bendigo Superannuation Plan	0	1	Nil	\$46	Nil	Nil

### General

- Applies to above Superannuation funds.
- At 30 June 2007 there was no unfunded superannuation liability.
- Contributions are paid at the rate 9%. The remainder of contributions comes from salary sacrifice arrangements.
- There were no loans to the entity from the Superannuation Scheme.
- Each employee can nominate an approved superannuation fund to contribute their superannuation.

## NOTE 24. CAPITAL COMMITMENTS

At 30 June 2007 there were no known commitments towards capital expenditure, not otherwise detailed in these Financial Statements. (2006: nil)

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At 30 June 2007, there are no contingent liabilities or contingent assets for the Murray Valley Citrus Board. (2006: nil)

### NOTE 26. RESPONSIBLE PERSONS

- (i) Name of persons who are responsible persons throughout the year are:  
The Honourable Joe Helper MP, Minister for Agriculture, Victoria

Robert Mansell	Chairperson
Colin Nankivell	Deputy Chairperson
Andrew Hollingworth	Board Member
Robert Farnsworth	Board Member
David Hunt-Sharman	Board Member
Dr Ken Bevington	Board Member
Keith Richards	Board Member
Paula Gordon	Board Member
Stuart Holland	Board Member
John Tesoriero	Chief Executive

- (ii) Remuneration of Responsible persons

Income Range	05/06	06/07
\$0 - \$10,000	9	9
\$10,001 - \$20,000	1	1

Total Remuneration received, or receivable by Responsible persons during the year amounted to \$45,734. (2006: \$45,734).

Chief Executive remuneration is disclosed under Note 27.

There were no retirement benefits paid to responsible persons of the reporting entity or related parties. There were no other transactions of responsible persons and their related parties. Total superannuation received, or receivable by responsible persons during the year amounted to \$1,342. (2006: \$1,342).

### NOTE 27. EXECUTIVE OFFICER REMUNERATION

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

Income Band	Total Remuneration		Base Remuneration	
	05/06	06/07	05/06	06/07
110,000 – 119,999	1	1	1	1

### NOTE 28. FINANCE LEASE COMMITMENTS

There are no finance lease commitments as at 30 June, 2007. (2006: nil)

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 29. AUDIT FEES

The fees payable to the Victorian Auditor General for the audit of the financial statements for the year ending 30 June 2007 was \$7,100, plus applicable GST (2006: \$7,100).

### NOTE 30. EMERGENCY RESPONSE RESERVE

The emergency response reserve is an allocation of funds from retained earnings that have been approved by growers that enable the Board to respond to an industry emergency. The funds are allocated annually, subject to grower approval, to enable the reserve to accumulate to a sizable amount to enable effective contribution to counteract the event.

### NOTE 31. MONIES HELD IN TRUST

The Murray Valley Citrus Board holds cash amounting to \$28,857.09 in trust for the Tri-State Fruit Fly Community Awareness Program in a separate bank account and ledger. A separate audited report is provided to the Tri-State Fruit Fly Committee.

### NOTE 32. FINANCIAL INSTRUMENTS

#### (a) Terms, Conditions and Accounting Policies

The Board's accounting policies including the terms and conditions of each class of financial asset and financial liability instrument are as follows:

Recognised Financial Instruments	Balance Sheet notes	Accounting Policies	Terms and Conditions
<b>(a) Financial Assets</b>			
Cash and Deposits at Call	11	Cash Deposits deemed to be in excess of short term needs are placed in bank term deposits.	Cash in the bank account has interest paid on a sliding scale, with an average rate of 0.22% for the year.
Receivables	12	Debtors are carried at the nominal amounts less any provision for doubtful debts. A doubtful debt provision is made for any amounts, which are considered unlikely to be collectable.	Normal terms for Levies outstanding are 28 days after the end of the month outstanding. For trading debtors, terms are 30 days from after month end.
Fixed Term Deposits	11	Term deposits are stated at the nominal amounts. Interest revenue is recognised in the Operating Statement when earned.	The fixed term is 90 days maturity and effective interest rate of 6.15%.
<b>(b) Financial Liabilities</b>			
Payables	15	Creditors and accruals are recognised for future amounts to be paid in respect of goods and services received, whether or not billed to the Board	Terms for the payment of creditors are 30 days from the end of the month of invoice.

# MURRAY VALLEY CITRUS BOARD

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 32. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Interest Rate Exposure

The Board's exposure to interest rate risks of financial assets and financial liabilities recognised and unrecognised at balance date are as follows:

Financial Instruments	Fixed Interest Maturing in:						Total carrying amount per Balance Sheet		Weighted average effective interest rate	
	1 year or less		Floating Interest		Non-interest bearing		2006	2007	2006	2007
	2006	2007	2006	2007	2006	2007				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>(a) Financial Assets</b>										
Cash	-	-	44,383	10,934	139	500	44,522	11,434	0.31%	0.31%
Receivables	-	-	-	-	59,280	165,465	59,280	165,465	n/a	n/a
Term Deposits	771,296	985,275	-	-	-	-	771,296	985,275	5.5%	6.15%
Total Financial Assets	771,296	985,275	44,383	10,934	59,419	165,965	875,098	1,162,174	-	-
<b>(a) Financial Liabilities</b>										
Payables	-	-	-	-	102,977	80,220	102,977	80,220	-	-
Total Financial Liabilities	-	-	-	-	102,977	80,220	102,977	80,220	-	-

#### (c) Net fair Values

The aggregate net fair values of financial assets and financial liabilities recognised and unrecognised a balance date, are as follows:

(a) Financial Assets	Total Carrying Amount Balance Sheet		Aggregate Fair Value	
	2006	2007	2006	2007
	\$	\$	\$	\$
Cash	44,522	11,434	44,522	11,434
Receivables	59,280	165,465	59,280	165,465
Term Deposits	771,296	985,275	771,296	985,275
Total Financial Assets	875,098	1,162,174	875,098	1,162,174
<b>a) Financial Liabilities</b>				
Payables	102,977	80,220	102,977	80,220
Total Financial Liabilities	102,977	80,220	102,977	80,220

#### (d) Credit Risk

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

# Disclosure Index

The Annual Report of the MVCB is prepared in accordance with all relevant Victorian Legislation. This index has been prepared to facilitate identification of MVCB's compliance with statutory disclosure requirements.

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## *Acronyms*

ABARE	Australian Bureau of Agricultural & Resources Economics
ACG	Australian Citrus Growers
AQIS	Australian Quarantine Inspection Service
BA	Biosecurity Australia
CEO	Chief Executive Officer
Citrep	MVCBs quarterly magazine
CITGroups	Citrus Industry Technology Transfer Groups
DAFF	Department of Agriculture, Fisheries & Forestry
DPI	Department of Primary Industry
EC	Exceptional Circumstances
FRW	Fullers Rose Weevil
IDO	Industry Development Officer
IT	Information Technology
HAL	Horticulture Australia Limited
MIS	Managed Investment Schemes
MRL	Maximum Residue Level
MOU	Memorandum of Understanding
MVCB	Murray Valley Citrus Board
OH&S	Occupational Health & Safety
PFA	Pest Free Area
R&D	Research and Development
SARDI	South Australian Research & Development Institute
SCG	Sunraysia Citrus Growers