

SUCCESS IN CITRUS

2006 Annual Report



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## Murray Valley Citrus Board

ABN: 53 401 561 375

6 September 2006

The Honourable Bob Cameron MLA  
Minister for Agriculture,  
GPO Box 4440,  
MELBOURNE. VIC. 3001

Dear Minister,

The Murray Valley Citrus Board has pleasure in submitting its Annual Report for the year ending 30 June 2006.

One of the major challenges facing the Board is market access. Throughout the year the Board hosted many delegations from Asian countries aimed at improving market access for our citrus producers.

Work is continuing in this important area which includes area freedom from fruit fly as we strive to balance supply and demand to ensure the sustainability of our industry.

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.

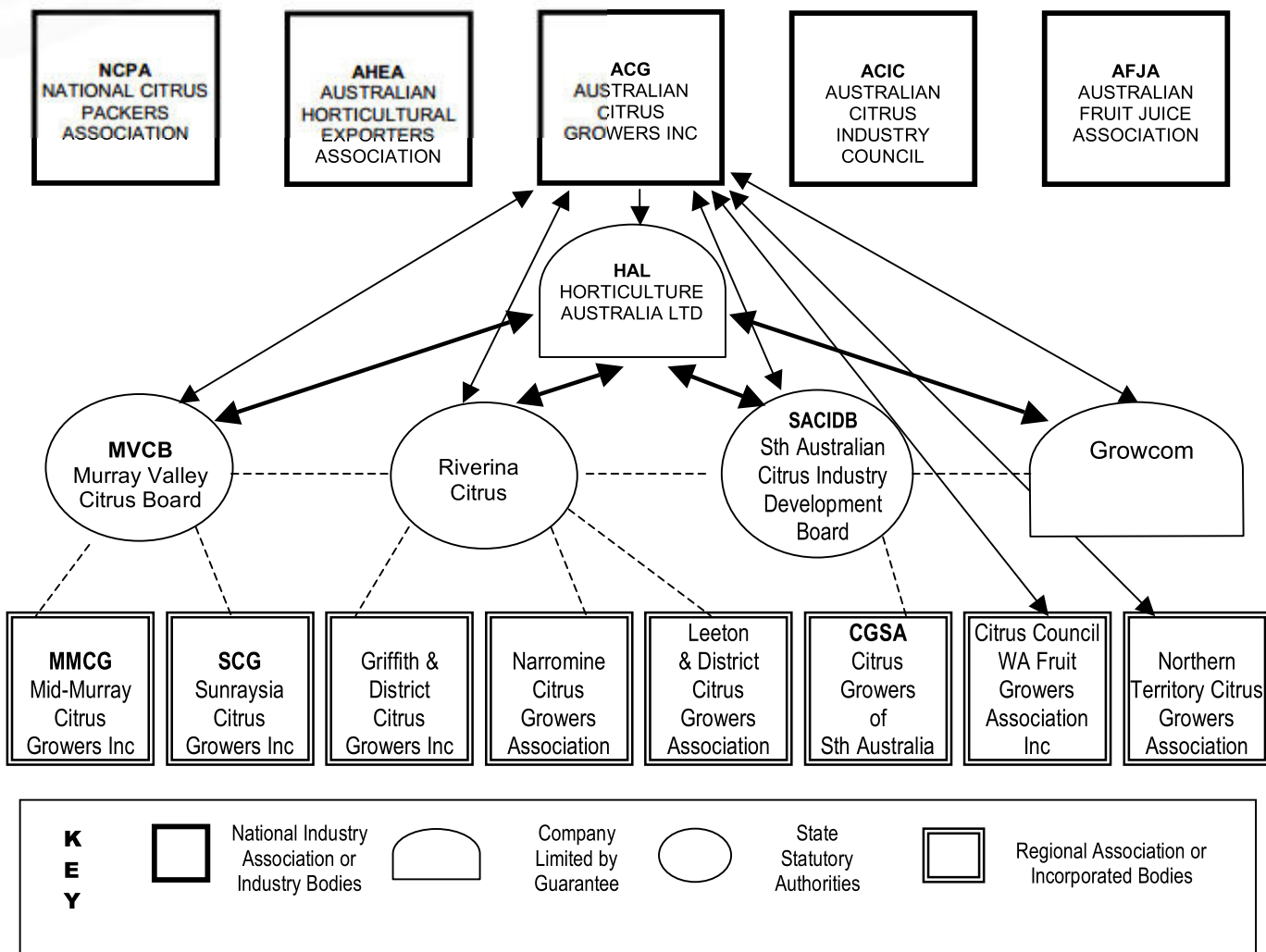
Finally, the Annual Report including audited financial statements reviews the operations and achievements of the Murray Valley Citrus Board for the 2005/06 financial year.

Yours sincerely,

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

Robert MANSELL,  
Chairman.

Affiliations



Board Directory



**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  
WH 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/ Cirtgoup Co-ordinator	2005
Adrian Clay	Field Officer	2005
Sarah O'Flaherty	Accountant	2004 - Jan 2006
Karen Burrows	Accountant	2006
Marian Tobin	PA to CEO/Administration	1999
Kerry Needs	Administrative Officer	1996
Casual 1	Administration Assistant	



John Tesoriero  
Chief Executive



Tony Filippi  
Industry Development Officer



Adrian Clay  
Field Officer



Marian Tobin  
PA to Chief Executive



Kerry Needs  
Administrative Officer



Karen Burrows  
Accountant

### Bankers

National Australia Bank, Deakin Avenue, Mildura.  
Bank of South Australia, Eighth Street, Mildura

### Auditors

*Auditor General's Department, Victoria*

### Office

58 Pine Avenue, Mildura, Victoria, 3500,  
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E-mail: executive@mvcitrus.org.au  
Web Site: 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 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".

The preceding Board, Murray Valley Citrus Marketing Board was established by the Murray Valley Citrus Marketing Acts 1989 of Victoria and New South Wales to cover citrus produced in the defined areas of Victoria and southern New South Wales.

The Murray Valley Citrus Marketing Board commenced operations on 1 July 1990, succeeding the Citrus Fruit Marketing Board of Victoria and the Murray Valley (NSW) Citrus Marketing Board.

## 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 organization as are Australian Citrus Growers Inc and their region affiliates Sunraysia Citrus Growers Inc and Mid Murray Citrus Growers Inc. The MVCB previously had a role in setting minimum prices; however, National Competition Policy prevents the Board from assuming this role.

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

These last twelve months have probably been the toughest year in the history of citrus in the Murray Valley. Never before have we seen such large volumes of fruit dumped into paddocks and returns from markets for lesser grade fruit being sold at prices that would give growers a substantial bill.

I believe this is just the start of issues the huge swing to Navel production has brought about. Processors don't require large volumes of Navels and with the planting of common type oranges for processing, increasing the demand for Navels for processing will be very difficult.

We ask ourselves, what can we do?

We have several options or challenges as I see it.

1. If we continue as we are by increasing Navel production over the next decade we, the growers, need to realize that between 25% and 40% of fruit will be dumped at nil return or will be sold at ridiculously low prices on domestic markets.
2. During good times for graziers, they are unlikely to want oranges dumped on their property for stock feed and municipal tips will not take it either.
3. We get smart and find and develop new viable markets for this lesser quality fruit.
4. Packers send back fruit to the grower that doesn't get packed, for the grower to dispose of. This is an added cost. Remember, every tonne that is dumped has already cost the grower in excess of \$100 for picking and freight.
5. Growers only send fruit to the packer that can be packed, through improved management practices and/or select pick, as is currently the practice of many other tree fruit industries such as apples and stone fruits.

We do have good value markets but we need to be sure that we look after these markets by providing the right product.

The MVCB has been very active this year in giving advice to growers through CITT groups on how to improve fruit quality and better pack outs.

With Navels, we need to judge our farm production by packed fruit per hectare, not tonnes per hectare.

The MVCB has also been very busy meeting delegations from China, India, Pakistan, Sri-Lanka, etc. Hopefully these will translate into new export market opportunities for your citrus. While the Board is a Statutory Authority and is not responsible for lobbying politicians, we have had several meetings with Federal Ministers and senior bureaucrats (often at their request) and have been able to provide them with factual comment and information on the status of this industry and the important issues it faces (such as anti-dumping issues, market access, economic downturn in the region etc.).

MVCB representatives have been to Europe to Fruit Logistica, a major fruit marketing convention, where businesses from all around the world attend to meet and build business relationships. In 2006 this included 1450 exhibitors and 16,000 participants attracting 30,000 visitors from 64 countries.



## Chairman's Report cont...

The MVCB has also sent a representative to India as part of an Austrade delegation to meet with potential importers, where many contacts were made. India has the potential to develop into a very important market for our fruit.

MVCB was also represented on the Post Australian Citrus Growers (ACG) Conference Tour of South Africa to gain a better understanding of one of our southern hemisphere competitors.

It is a tough world out there and we need to keep up with changes in the market place and the changes our competitors are making, so that we can keep ahead of them. Australia is a high cost producer and it is difficult to compete with countries like South Africa and South America. We must focus on growing high quality fruit for niche markets where reasonable returns for our growers can be achieved. As Australian citrus represents less than 1% of world citrus production, we also need to sell our clean and green image.

Over the last 10 to 15 years, the MVCB region has made major changes in varieties and growing techniques. These costs have been expensive and the returns in most cases haven't justified the expense to date. We need to get viable returns quickly to pay for these changes. FREE Trade only goes part of the way, as foreign governments generally subsidize their producers, e.g. the EU and USA. Growers must follow the fruit through the chain - become not just growers but marketers - and demand performance from their packers and exporters.

The MVCB continues to strive for better returns for growers through wise investment of your levy money. Participation in MVCB activities provides significant benefits to regional citrus producers and I encourage you to take advantage of the Board's resources, after all, our aim is to deliver benefits to your business.



Robert Mansell  
CHAIRMAN

## Management and Organisational Structure

The MVCB is a grower funded statutory authority established under the Agricultural Industry Development Act (1990) of Victoria and the Victoria and the Murray Valley Citrus Industry Development Order 2004. According to the order:

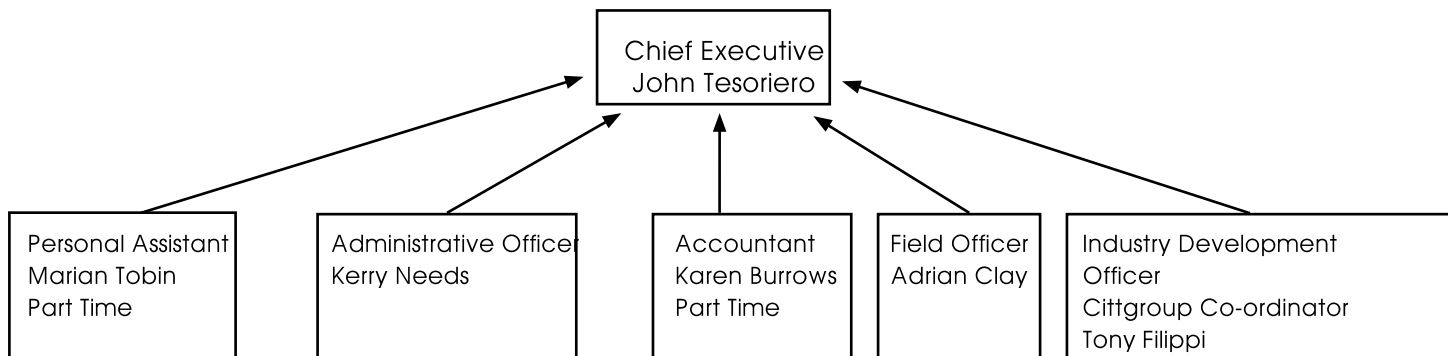
The Board consists of nine members appointed by the Minister of whom:

- (a) one shall be nominated by the Minister for Agriculture (Victoria);
- (b) one shall be nominated by the New South Wales Minister for Agriculture;
- (c) 4 shall be persons who are producers nominated by the selection panel established under clause 9; and
- (d) 3 shall be persons 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 organizational structure of the MVCB can be summarized as follows:

### Murray Valley Citrus Board



## Workforce Information

### 2004/2005

Male	Female
3	3

### 2005/2006

Male	Female
3	3

### Equivalent Full Time Employees 2005/06

5.26

## Business Environment

The MVCB provides research, extension, industry planning information and market development services to 450 citrus growers 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 50% of national citrus exports.

### Overview

Globalisation continues to impact on the competitiveness of our horticultural businesses. As a result, growers have seen lower returns with certainly no decline in production costs. On the domestic front, 2005/06 was a very difficult year for the citrus industry resulting in the dumping of large tonnages of low commercial value Navel oranges that would have traditionally been processed into juice. The remaining juicing Navels ended up on the Australian local market which depressed producer returns to approximately half of the prices received in the previous year.

There has also been an increase in corporate investment into the citrus industry. Companies like Timbercorp, San Miguel/National Foods Ltd (Berri) and Coca Cola Amtil (Crusta) have become prominent within our industry.

## Market Access

### China

In October 2005, official market access was gained into the Chinese market for Australian Citrus, however, to date there have been no shipments of Navel oranges into the Chinese market. The reasons being a difficult protocol, cold disinfestations at 1°C plus area freedom from Fullers Rose Weevil has meant producers are not prepared to take the risk of fruit being rejected upon arrival at Chinese ports. Unless there is some relaxation of the protocol, it is difficult to envisage any shipments of Navel oranges from the southern regions into China within the foreseeable future.

### Fruit Logistica (Germany)

The MVCB was successful in gaining funding from Horticulture Australia and sent a small delegation to Germany in February 2006 to participate in Fruit Logistica.

Fruit Logistica provides industries involved in fruit trading an opportunity to present their range of services from growing to selling to a global audience. Our delegation made contact with many importers and industry leaders and referrals have been made to facilitate connections between our packer/exporters and these contacts.

There are real opportunities for us in Europe if we can land product during periods when our Northern and Southern hemisphere competitors are out of the market, generally between September and mid October.

### India

Recognising the potential of India as a market for our citrus, the Board participated in an Austrade delegation from April 29 to May 6, 2006.

Australia is perceived in the Indian market as a supplier of quality product and there is certainly potential demand for our citrus. The importers we visited expressed a clear preference for Australian horticultural products.

The delegation visited three major Indian cities namely: Mumbai on the north-west coast, Bangalore in central-south and Chennai on the south-east coast.

## Business Environment cont...

India is not a dumping ground for low quality fruit, it is definitely a premium market requiring Class 1 and 2 fruit with count ranges of between 100 and 138 preferred. Quite clearly, Australia is a high cost producer and we need to target the premium market where price generally is not the only consideration.

## Research and Development

Optimising citrus fruit size by regulating flower numbers and crop load

Duration: February 2003 to December 2005 (HAL project CT03031 with VC from MVCB)

Agency: CSIRO Plant Industry

A final report detailing outputs of the work was prepared and delivered to HAL in December 2005. Briefly, the main findings were:

- The project successfully isolated a range of citrus flowering genes and their expression was measured in dormant winter buds over two seasons to assess their suitability for a floral index test. Despite success in isolating the genes, expression levels in the various treatments were inconclusive, such that a gene-based floral index test is not feasible at the present time
- Future research to develop a citrus floral index should be based on measuring assimilate availability for developing buds. Possible approaches include
- Determining stored carbohydrate (e.g. starch) levels directly, or
- Measuring genes, or other factors, regulated by stored carbohydrates
- A significant potential spin-off benefit is that the genes identified in this project could, with further research, be a basis for developing DNA fingerprinting for different citrus varieties.

Possible uses for DNA fingerprinting include:

- Unequivocal identification of varieties to reduce the likelihood of illegally imported material being introduced into, and grown in, Australia.
- Protection and identification of new scion and/or rootstock varieties developed in conventional breeding programs.
- A further potential spin-off benefit is that the genes identified in this project could, with further research, be a basis for developing perfect molecular markers to improve seedling selection in conventional breeding.

## Optimising the quality of citrus for Asian markets

Duration: August 2002 to August 2005

Agency: CSIRO Plant Industry

A final report detailing outputs of the work was prepared and delivered to MVCB in March 2006. Briefly the main findings were:

- Moisture loss was positively correlated with the chilling injury index (the higher the moisture loss the higher the level of chilling injury), supporting the hypothesis that moisture loss and time are important determinants of the expression of chilling injury.
- Trials with CSIRO's Moisture Control Technology (MCT) with Navel oranges showed that fruit stored with, as opposed to without, the MCT liner lost 80-90% less moisture at outturn, were 35-40% firmer and had 42-86% less chilling injury. In the export trial, fruit in the MCT liner also had 54% less albedo breakdown which was attributed to the fruit moisture retention properties imposed by the MCT liners

## Business Environment cont...

- Low oxygen environments (less than 5%) for extended periods of time were found to be detrimental to fruit survival and were associated with increased incidences of chilling injury.
- In both a domestic storage trial and an export trial, tangelos stored with, as opposed to without, the MCT liner lost significantly less moisture at out-turn, were significantly firmer and showed a lower incidence of physical rind injury. However, in both trials there was a higher incidence of scald in MCT lined cartons, most likely associated with the MCT 'bag-in-box' having a higher internal relative humidity. Mould incidence in both trials was low (less than 1%), but higher within the MCT 'bag-in-box' in the export trial.

## Physiology of postharvest rind breakdown in Navel oranges

Duration: January 2002 to September 2005

Agencies: CSIRO Plant Industry and La Trobe University

The PhD student is preparing her thesis, which will be submitted to the University for examination in September, 2006. A final report is also being prepared detailing outputs of the project and will be submitted to MVCB when the student's thesis is completed.

Briefly, the main findings were:

- External symptoms of rind injury were correlated with patterns of cellular collapse in affected flavedo tissue, and a classification system developed to aid consistent symptom identification and to improve communication within the supply chain
- Susceptibility of Navel orange fruit to chilling-related postharvest rind breakdown increases as fruits age, and marked differences in susceptibility between selections were apparent. However, predictors of susceptibility to chilling-related post harvest rind breakdown of fruit age, viz. protein content, ion leakage and water loss during storage, do not relate to the difference in susceptibility to chilling-related postharvest rind breakdown between selections. These results suggest that while increased ion leakage and loss of moisture from the flavedo occur as a result of chilling, they are probably not directly related to chilling injury development
- Some pre-storage treatments, such as hot water and methyl jasmonate, were found to reduce chilling injury across a range of fruits
- Associations have been made between such treatments and oxidative stress during low temperature storage. The oxidative stress associated with low temperature storage was counter-acted by increases in lipophilic antioxidants. However, the protective effects of the pre-storage dips were not associated with changes in flavedo lipid hydroperoxide concentrations.

## Impact on Citrus Industry Training Program

Duration: June 2006

Agencies: MVCB and HAL

The Murray Valley Citrus Board initiated the program having recognised a need for succession planning within industry organisations and encouragement and support for younger people in our industry. Funding support was gained from Horticulture Australia Ltd.

Outcomes:

- Graduates with increased skills, knowledge, confidence and networks to enable them to participate more effectively in their industry
- Graduates who have planned, designed and implemented an industry project to assist the citrus industry or their citrus enterprise

## Business Environment cont...

- The industry and its potential leadership profiled to 50 industry, business and political leaders who participated in various aspects of the program
- The creation of a mentoring program which contributed to a learning culture
- Industry awareness of the potential leadership within its industry.

## Industry Development Officer (IDO) and CITTgroup activities

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

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

- Market access, 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
- 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:

- Drip Irrigation – A Citrus Growers Guide Book Launch
- Chemical Risk Management Workshop
- Communicating the Effects Of Production Conditions On Outturn Quality
- New Citrus Varieties for Australia
- Israel/USA Citrus Study Tour, Citrus Technology for the 21st Century.

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)

## Tri-State Fruit Fly Area Freedom

Fruit Fly control is a significant issue in the MVCB's overall operations. Currently, there is an initiative in progress that would see the Murray Valley region split into three sub-zones within the existing Fruit Fly Exclusion Zone (FFEZ).

Advantages, as we see them, would be:

- Greater potential to achieve and maintain area freedom status
- Enhanced level of fruit fly exclusion through enforceable measures, eg random mobile roadblocks
- Relative isolation from other Queensland Fruit Fly affected areas within and outside the 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)
- Maintenance of existing trade agreements (NZ, USA) whilst developing new markets.

In our initial discussions with Australian Quarantine and Inspection Service (AQIS) and Biosecurity Australia (BA) they indicated that the process could take twelve months to come to fruition, as they will need to enter into detailed discussions with our international trading partners.

## Business Environment cont...

### **Melbourne Citrus Committee**

The Melbourne Citrus Committee (MCC), under the Chairmanship of MVCB member, Mick Hollingworth, further expanded its promotional activities during 2005/06.

Apart from a contribution from the MVCB towards secretarial costs, all funds for promotions were provided by Melbourne wholesaler members of the Committee.

A major development of the MCC during the past year has been the adoption of a three year marketing plan to maximise returns on promotional activities. In developing this plan, the MCC identified issues and opportunities that fell into three broad areas – planning, customer and consumer marketing, and new product development. Significant initiatives include developing a consumer campaign for children and mums, participation in sporting sponsorships and a retailer program. As part of the retailer program, retailers were surveyed to obtain their input into the most effective types of promotion.

### **Crop forecasting**

The MVCB collects fruit numbers 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 categorized 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.

### **Spanish Study Tour**

The IDO was invited by Mildura Fruit Company (MFC) to accompany them on an 11 day study tour in March 06.

Key areas of investigation were:

- Irrigation and fertigation
- Pests and disease
- Cross pollination to prevent seeds
- Nursery production
- Methods of information transfer to industry
- Cultural behaviour for decision making

Other participants on the tour were MFC growers and key industry representatives. This was an invaluable experience not only for the information gathered from the Spanish citrus industry but the networking and establishing of closer links with the touring party.

The IDO and MVCB wish to thank MFC for the opportunity to allow people outside their organisation to share this invaluable experience.

## Summary of Operations

Prior to the commencement of the 2005/06 financial year, citrus producers approved a plan of operations for the MVCB. The following provides details of Operational Plan objectives, strategies and achievements for the year.

### 1.1 Greater uptake of best practice and innovation

- MVCB attended/participated in a wide range of events to ensure that growers were kept informed of the most current best practice and innovation occurring in the industry through CITTgroups, Citrep newsletter, etc. These included the ACG Conference in Western Australia, SQF and a breeding and evaluation workshop in SA, study tours of other citrus growing regions in Australia and overseas ie Spain and South Africa
- Co-ordinated the implementation of the China protocol within the Murray Valley region through education sessions and orchard inspections and managed strategic projects undertaken by the Board
- Conducted 30 CITTgroup (grower information and discussion groups) meetings throughout the year covering 21 topics
- Invited key citrus industry researchers to present findings to growers including; Professor Jim Syverster, University of Florida and Dr Ken Bevington (Rind quality project CSIRO Citrus varietal evaluation).

### 1.2 Provide high quality industry data Crop Forecasting & Planting databases

- Maintained the crop forecasting system and planting statistical databases and provided co-ordinated input into the national citrus plantings database
- Updated plantings data base
- Reviewed sample sites (November/ December)
- Implemented Global Positioning System (GPS) on all crop forecasting sites in the region
- Completed preliminary crop forecast in January '06
- Published detailed crop forecasts in April '06
- Undertook comprehensive blemish assessments (new initiative)
- Implemented new digital imagery for all Murray Valley citrus production areas
- Worked with ACG to develop more efficient data collection methods
- Developed licencing agreements for MVCB databases e.g. planting statistics.

### 1.3 Development of generic and targeted promotional strategies

- Continued to support the National Orange Promotion Committee including additional Valencia promotional activity
- Continued to support the Melbourne Citrus Committee
- Participated in regional promotional campaigns.

### 1.4 Risk minimization strategies for growers. Development of OH&S Manual

- Developed an OH&S manual for citrus producers in conjunction with other horticultural bodies
- Conducted trial OH&S workshops in Nov' 05 and May' 06
- Promoted irrigation efficiency programs and research findings utilizing MVCB website and publications and dissemination of findings through workshops and CITTgroups
- Included best practice articles, (eg water use efficiency) in the Citrep and MVCB website to reduce wastage and improve productivity
- Released the irrigation book, 'Drip Irrigation – A Citrus Growers Guide' in August' 05
- Distributed Citrus News and Market Report during major harvest periods to improve harvest and marketing strategies by growers and packers.

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

- Collated, analysed and communicated accurate market information and encouraged a market responsive approach throughout the industry by analysis of market manifests, shed door prices, processor meetings and dissemination of information to growers and stakeholders



## Summary of Operations cont...

- Industry advised of market conditions on a weekly basis
- Provided support to the industry to ensure market protocol requirements were met by coordinating regional training for packing shed staff, pest scouts re orchard inspections to meet market protocol requirements
- Market protocol requirements distributed to Industry eg China (Nov/Dec)
- Shed staff and pest scouts trained re Protocol requirements (Jan'06)
- Annual AQIS & BA information transfer sessions conducted in conjunction with ACG
- Orchard and Shed inspections (China) conducted (March'06)
- Regular meetings held with Vic DPI re Area Freedom & Market Access
- Surveys undertaken re exotic pests and diseases (Canker)
- Investigated market opportunities in Europe & India.

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

- Maintained active involvement in the identification and funding of R&D projects and partnerships by reviewing HAL's research priority list and identifying areas of involvement, investigating relevant funding opportunities and inviting expressions of interest for potential R&D projects
- Advertised in July'05 co-funding opportunities for regionally relevant research
- Potential projects assessed by the Boards Best Practice Committee
- Provided funding to University of NSW for fruit fly research
- Developed and maintained formal communication relationships with key research institutions and industry funding bodies, including DPI, Horticulture Australia and CSIRO.

### **2.3 Liaison with other industry organizations national strategic plan**

- Assisted in the development and review of the national strategic plan for the industry
- Initiated Tri-State management meetings with southern regional citrus Boards, ie Riverina Citrus and South Australian Citrus Industry Development Board (SACIDB) (two meetings in '05/06)
- Industry Development Officer (IDO) met regularly (7 occasions) with other Horticulture IDO's to eliminate duplication and improve efficiency and productivity
- Participated in Horticulture Alliance meetings
- Worked with MRCC and Wentworth Council to develop a strategy to deal with economic downturn in the Murray Valley
- Assisted in the development and review of a national citrus strategy with ACG aimed at the elimination of duplication and better service delivery.

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

- Chemical risk management project undertaken with DPI Vic (Workshop conducted in April'06)
- MRL and Food Safety information disseminated by Citrep and other media
- Article in Citrep (Nov'05) re food safety audits/MRL information on website
- Bio-security issues disseminated to Industry (Canker)
- MVCB continued to support the Fruit Fly Exclusion Zone (FFEZ) and the Community Awareness Program - \$30,000 towards random roadblocks to enhance reliability of market access and \$35,000 for the Community Awareness Program
- Partnered with governments to maintain the integrity of the FFEZ. The Board is represented on the Tri-State Fruit Fly (TSFF) committee.

### **3.1 Effective leadership and advocacy Focus On Citrus (with HAL)**

- Three year Strategic and annual Operations Plan was reviewed in May'06
- The Board provided information to Government and policy makers on issues impacting on the citrus industry namely, access to China, area freedom, fair trade, anti-dumping, managed investment schemes (MIS) transport charges, proposed long term waste containment facility.

## Summary of Operations cont...

### 3.2 Focusing on customer satisfaction policy development

- Reviewed and updated relevant Board policies and practices following industry consultation to maintain relevance to customers and seasonal needs
- Growers and stakeholders survey has been developed to assess the effectiveness of the Board's communications. The results of the survey will form the foundation of the Board's communication plan to be implemented in 2006
- Conducted consultative meetings with growers and implemented regular staff visits to growers, packers and processors to provide regular and continuing feedback.

### 3.3 Excellence in corporate governance and meeting effective statutory requirements.

- Reviewed projected information technology and financial accountability requirements to ensure the Board has the capacity to comply
- Restructured the MVCB administrative operation. Appointments to key positions actioned
- Finance and Audit, Best Practice and Market and Export Committees met on a needs basis.

Statutory obligations as required under the Agriculture Industry Development Act 1990 have been complied with, including:

- Financial Management Compliance Framework
- Shed Audits
- Annual Reporting
- Board Meetings and sub committee meetings
- Auditor General requirements
- Financials, budgets and presentations for consultative meetings
- Privacy Officer requirements
- Authorised Officer requirements.

### Board Meetings

The Board formally met on eight occasions throughout the year while the Annual General Meeting was held in November. Smaller sub-committees, as listed below, also met or held teleconferences on a number of occasions to develop recommendations to the Board.

### Board Committees

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

**Best Practice:** Ken Bevington, Paula Gordon, Colin Nankivell, Mick Hollingworth, Keith Richards, David Hunt-Sharman, Robert Mansell

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

## 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 655 (based on citrus ID registration), 450 growers  
No. of Approved Receivers: Packers - 45, Processors - 9

### Annual Report

360 copies produced for distribution to industry participants and to meet statutory requirements.  
Cost per copy: \$6.23 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 2005/2006 year the levy remained at \$5.50 per tonne.

### Details of Shares held in Statutory Authorities or Subsidiary

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 8 consultancies engaged during the year at a total cost of \$47,308

### Major Contracts

There were no major contracts entered into during the 2005/2006 year.

### Occupational Health and Safety

There were no OH & S issues recorded during the reporting period.

### Reporting of Office-Based Environmental Impacts

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

### Compliance with Building Act 1993

The Board's office is located in leased premises and complies under the maintenance provision of the Building Act 1993.

## Board Governance Statements cont...

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

During the year there were no contracts commenced in which the VIPP 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 2006, no FOI requests were received by MVCB. The officer responsible to finality is Karen Burrows, Accountant and Authorised Officer. Freedom of Information requests must be made in writing and addressed to:

Mrs Karen Burrows  
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 2005 to 30 June 2006.

### **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**

Davidsons, Accountants and Business Consultants, Geelong Victoria are agents for the Auditor General Victoria for the 2005/2006 audit of accounts.

## Board Governance Statements cont...

### **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

### **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.

## Production and Distribution

### Australian Citrus Production 2005/06 Harvest

VARIETY	TONNES					
	SA	MVCB	RIVERINA & NSW	QLD	WA	TOTAL
Valencia	80,000	58,190	136,000	8,000	3,000	285,190
Navel	63,000	99,440	80,000	13,000	6,000	261,440
Lemon/Lime	7,000	6,000	13,000	11,000	1,000	38,000
Mandarin	15,000	8,220	6,000	67,000	5,000	101,220
Tangelo	NA	1,770	NA	NA	NA	1,770
Grapefruit	2,000	6,830	1,000	1,000	2,000	12,830
Total Tonnes	167,000	180,450	236,000	100,000	17,000	700,450

Source: Australian Citrus Growers Inc and Murray Valley Citrus Board  
NA = Not Available

### Australian Citrus Production 2006/07 Forecast

VARIETY	TONNES					
	SA	MVCB	RIVERINA & NSW	QLD	WA	TOTAL
Valencia	85,000	27,778	103,000	8,000	3,000	226,778
Navel	75,000	77,634	86,000	13,000	6,000	257,634
Lemon/Lime	6,000	3,020	8,000	12,000	1,000	30,020
Mandarin	19,000	8,532	5,000	68,000	6,000	106,532
Tangelo	NA	1,575	NA	NA	NA	1,575
Grapefruit	2,000	5,220	1,000	1,000	3,000	12,220
Total Tonnes	187,000	123,759	203,000	102,000	19,000	634,759

Source: Australian Citrus Growers Inc and Murray Valley Citrus Board as at 31 July 2006

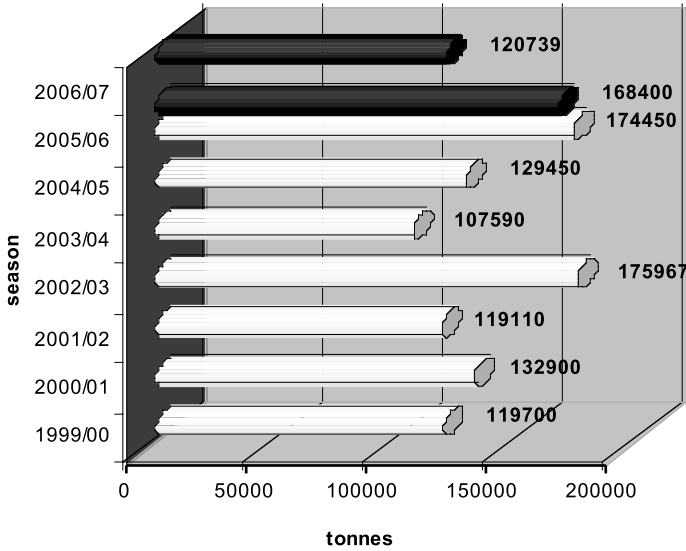
### Murray Valley Citrus Board Market Distribution 2005/06 Harvest

VARIETY	TONNES							
	EXPORT	MELB	SYD	BRIS	ADEL	PROCESSING	OTHER	TOTAL
Valencia	5,870	8,870	2,200	670	210	40,080	290	58,190
Navel	49,470	18,650	7,770	1,540	410	5,330	16,270	99,440
Mandarin	2,230	3,370	1,740	170	220	90	400	8,220
Grapefruit	170	1,150	710	260	130	4,340	70	6,830
Tangelo	1,030	400	320	2	15	-	3	1,770
Lemon/Lime	160	2,160	1,960	930	220	-	570	6,000
Total Tonnes	58,930	34,600	14,700	3,572	1,205	49,840	17,603	180,450

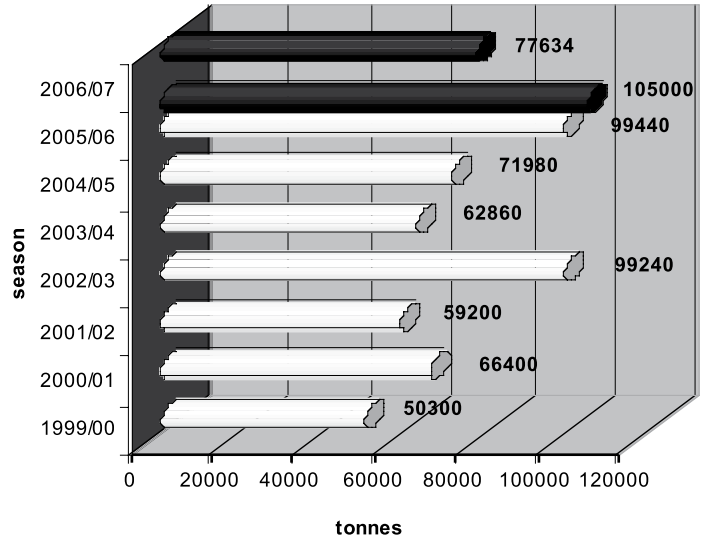
Source: Murray Valley Citrus Board

Murray Valley Citrus Forecast and Actual Production

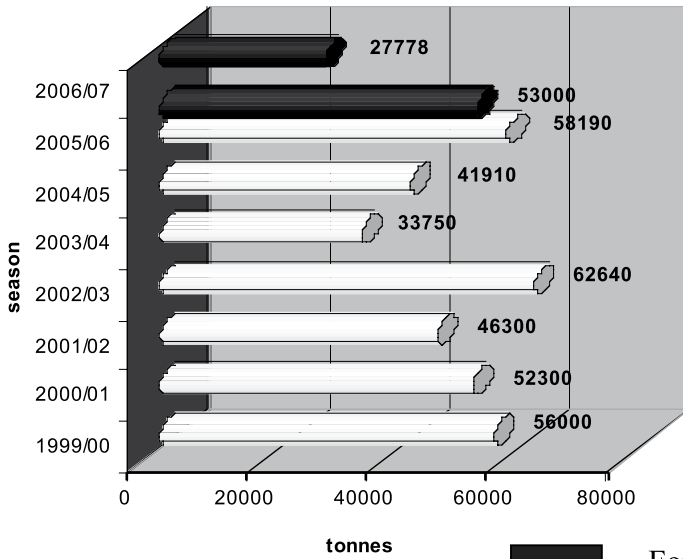
Murray Valley Seasonal Citrus Production excluding Lemons/Limes



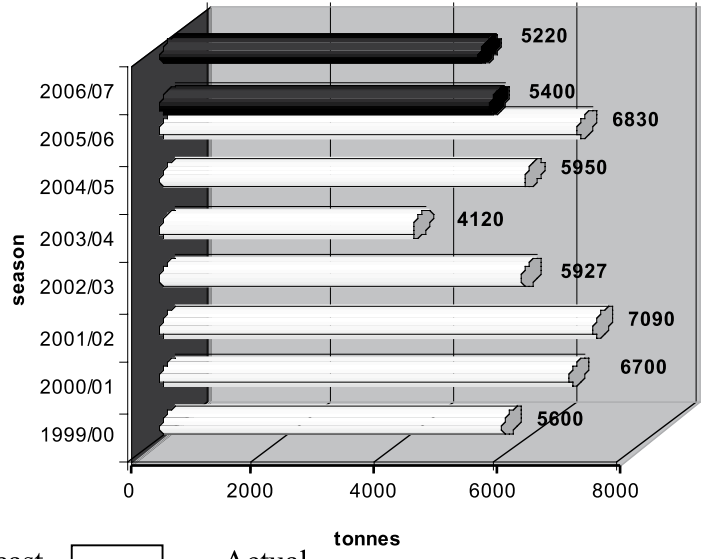
Naval Production



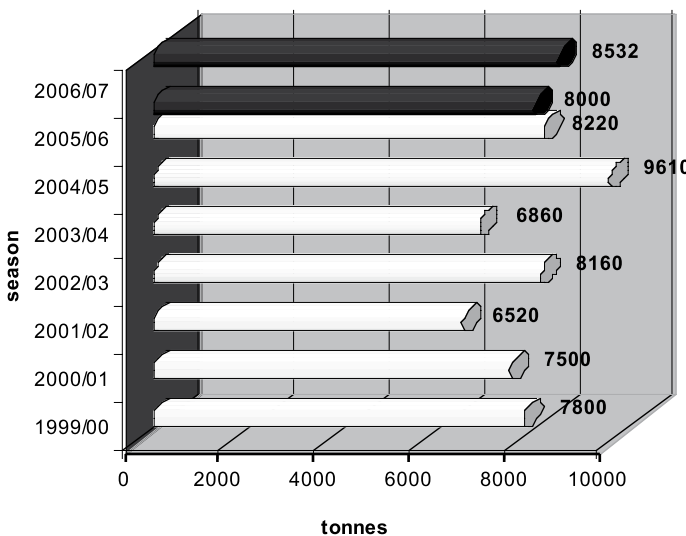
Valencia Production



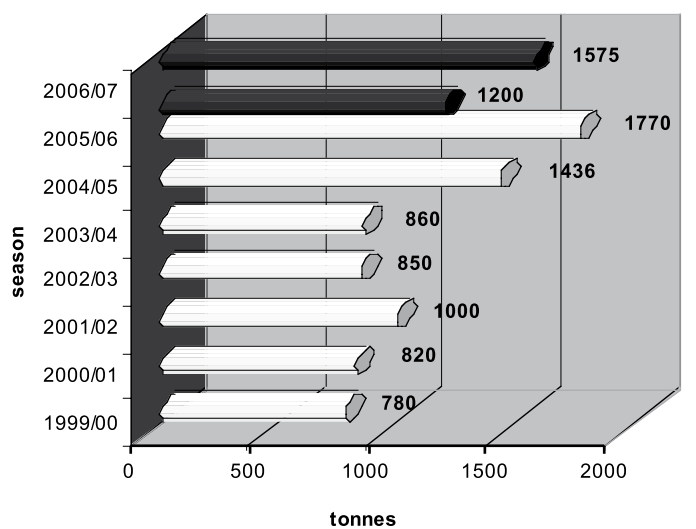
Grapefruit Production



Manarin Production



Tangelo Production



Forecast Actual

## Murray Valley Orchard Statistics

Planting Statistics as at 31 January 2006

VARIETY	Total Hectares Planted	Total Bearing Hectares	Total Non Bearing Hectares
Blood Orange	21.5	15.0	6.5
Grapefruit - Red Fleshed	23.6	16.6	7.0
Grapefruit - White Fleshed	186.0	158.0	28.0
<b>Total Grapefruit</b>	<b>209.5</b>	<b>174.5</b>	<b>35.0</b>
<b>Lemon</b>	<b>151.3</b>	<b>138.4</b>	<b>13.0</b>
<b>Lime</b>	<b>9.8</b>	<b>5.1</b>	<b>4.7</b>
Mandarin - Early Season	365.6	292.3	73.4
Mandarin - Mid Season	96.1	80.0	16.2
Mandarin - Late Season	63.3	61.1	2.2
Mandarin - Misc. Season	41.2	4.0	37.2
<b>Total Mandarin</b>	<b>566.3</b>	<b>437.3</b>	<b>129.0</b>
<b>Unspecified Varieties</b>	<b>61.4</b>	<b>33.3</b>	<b>28.1</b>
Navel - Early Season	1058.5	906.4	152.2
Navel - Mid Season	761.3	663.3	98.0
Navel - Late Season	2254.5	1894.8	359.7
Navel - Misc. Season	121.2	115.2	6.0
<b>Total Navel</b>	<b>4195.5</b>	<b>3579.7</b>	<b>615.9</b>
<b>Tangelo</b>	<b>113.7</b>	<b>87.3</b>	<b>26.4</b>
Valencia Seeded	1482.2	1466.5	15.7
Valencia Seedless	9.6	2.9	6.7
<b>Total Valencia</b>	<b>1491.8</b>	<b>1469.4</b>	<b>22.4</b>
<b>TOTALS</b>	<b>6820.9</b>	<b>5940.0</b>	<b>880.9</b>

Please note that all varieties have now been brought under national seasonality standards.

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 were two asset disposals, being motor vehicles, 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) Commitments for expenditure**

Commitments for expenditure in future years

Year	2004-2005	2005-2006	2006 -2007	2007 onwards
Amount	\$90,000	\$179,000	\$335,000	\$79,000

**(xiii) Assets received without adequate consideration**

There were no assets received without adequate consideration.

**(xiv) Transactions with responsible persons and their related parties**

There were no transactions with responsible persons and their related parties.

**(xv) Motor vehicle lease commitments**

There are no motor vehicle lease commitments.

Other Compliance Information cont...

(xvi) Government grants received or receivable and source

Debtor	For	Amount including GST	Date
Horticulture Australia Ltd	Facilitating the communication and development of the Citrus Industry in the Murray Valley		
	Milestone Payment CT05004	10,000	18/07/2005
	Milestone Payment CT05004	44,000	31/03/2006
	Milestone Payment CT05004	50,000	30/06/2006
Horticulture Australia Ltd via Australian Citrus Growers	Cittgroup Funding ACG CT05009	25,514	30/09/2005
	CT05009	25,514	10/03/2006
Horticulture Australia Ltd	Lead on Project		
	Milestone 1 Payment CT05003	45,000	31/03/2006
	Milestone 2 Payment CT05003	10,000	30/06/2006

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.

(xvii) Contingent Liabilities

There are no contingent liabilities known to management during the period of operations to 30 June 2006.

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

MURRAY VALLEY  
CITRUS BOARD



Financial Statements  
For Year Ended 30 June 2006



AUDITOR GENERAL  
VICTORIA

**INDEPENDENT AUDIT REPORT  
MURRAY VALLEY CITRUS BOARD**

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

**Scope**

*The Financial Report*

The accompanying financial report for the year ended 30 June 2006 of Murray Valley Citrus Board consists of Operating Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity, notes to and forming part of the financial report, and the attached certification.

*Members' Responsibility*

The Members of the Board of Murray Valley Citrus Board are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

*Audit Approach*

As required by the *Audit Act* 1994, an independent audit has been carried out under the delegated authority provided by the Auditor-General in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the Financial Management Act, so as to present a view which is consistent with my understanding of the Murray Valley Citrus Board's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.



AUDITOR GENERAL  
VICTORIA

**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. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

**Audit Opinion**

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the Financial Management Act 1994, the balance sheet of Murray Valley Citrus Board as at 30 June 2006 and its operating statement and cash flows for the year then ended.

Davidsons  
Delegate of  
J.W. CAMERON  
*Auditor-General*  
27/08/06

## Certification

### MURRAY VALLEY CITRUS BOARD

We hereby certify that the Financial Statements of the Murray Valley Citrus Board for the year ended 30 June, 2006 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, 2006.

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.



28 August 2006

Chairman



28 August 2006

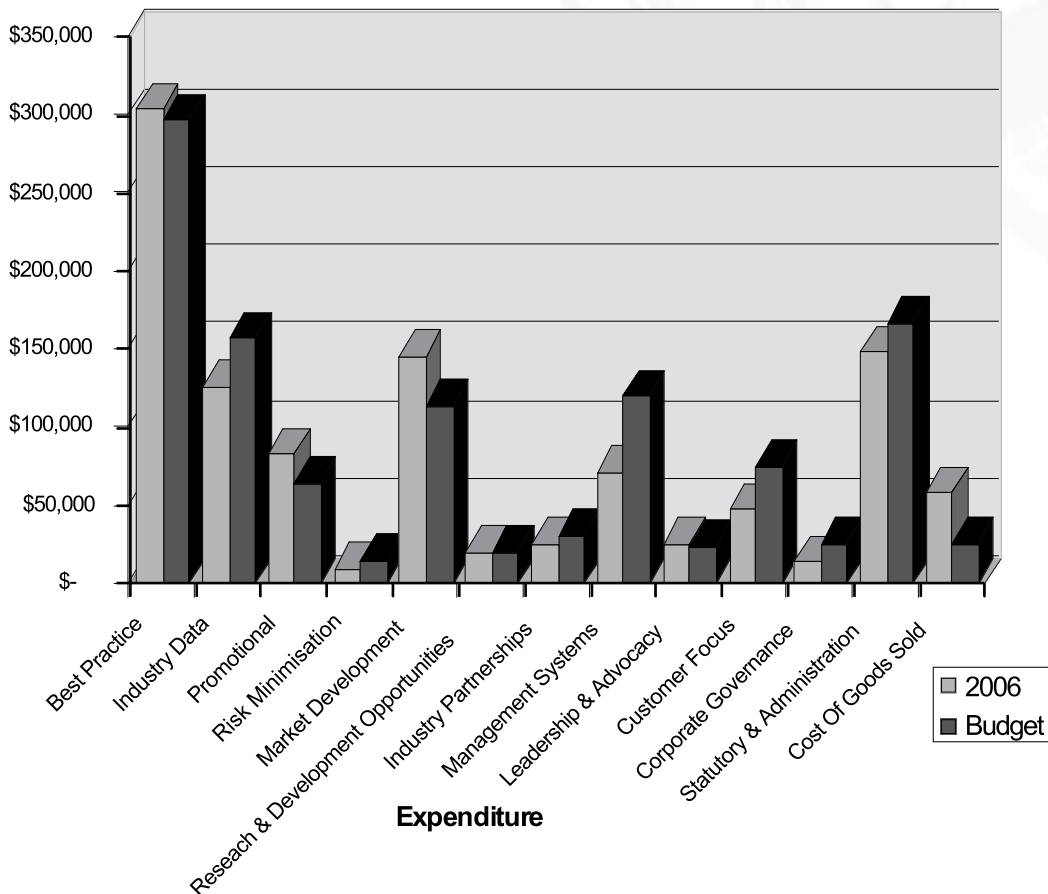
Chief Executive Officer



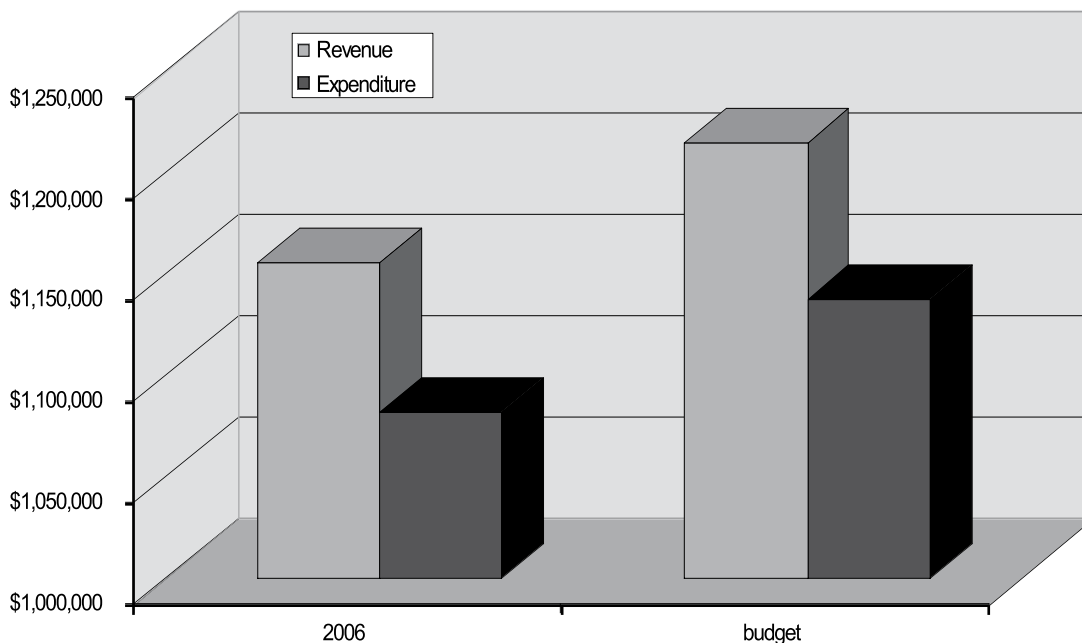
28 August 2006

Deputy Chairman

**2005/06 Expenditure Actual Against Budget**



**2005/06 Revenue/Expenditure Actual Results Against Budget**



OPERATING STATEMENT  
 FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
<b>REVENUE FROM OPERATING ACTIVITIES</b>			
Levy Revenue		824,478	612,426
Industry Project Funding		227,669	95,019
Sale of Goods	15	47,444	31,966
Interest Received		42,745	41,069
Other Revenue		14,264	18,680
<b>Total Revenue</b>		<b>1,156,600</b>	<b>799,160</b>
<b>EXPENSES FROM OPERATING ACTIVITIES</b>			
Best Practice	3	304,168	231,247
Industry Data	4	126,327	75,014
Promotional	5	82,935	125,122
Risk Minimisation	6	9,654	9,606
Market Development	7	145,800	159,886
Research & Development Opportunities	8	20,750	11,721
Industry Partnerships	9	26,212	26,584
Management Systems	10	71,347	57,727
Leadership & Advocacy	11	25,411	11,971
Customer Focus	12	47,811	59,704
Corporate Governance	13	14,414	26,526
Statutory & Administration	14	148,249	190,313
Cost Of Goods Sold	15	58,866	33,660
Doubtful Debts		-	(44,500)
<b>Total Expenses</b>		<b>1,081,944</b>	<b>974,581</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>74,656</b>	<b>(175,421)</b>

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



Murray Valley Citrus Board  
**Annual Report 2006**  
*Financials*

**BALANCE SHEET AS AT 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	16	815,818	862,908
Receivables	17	128,853	36,976
Inventories	18	35,107	42,824
<b>Total Current Assets</b>		<b>979,778</b>	<b>942,708</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	19	112,355	132,053
<b>Total Non-Current Assets</b>		<b>112,355</b>	<b>132,053</b>
<b>TOTAL ASSETS</b>		<b>1,092,133</b>	<b>1,074,761</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	20	102,977	106,882
Employee Entitlements	21	30,941	86,662
<b>Total Current Liabilities</b>		<b>133,918</b>	<b>193,544</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Entitlements	21	7,546	5,204
<b>Total Non-Current Liabilities</b>		<b>7,546</b>	<b>5,204</b>
<b>TOTAL LIABILITIES</b>		<b>141,464</b>	<b>198,748</b>
<b>NET ASSETS</b>		<b>950,669</b>	<b>876,013</b>
<b>EQUITY</b>			
Reserve	22(b)	49,996	25,000
Retained Profits	22(a)	900,673	851,013
<b>TOTAL EQUITY</b>	22(c)	<b>950,669</b>	<b>876,013</b>

The above balance sheet should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006**

NOTE	2006 \$	2005 \$
Net income recognised directly in equity		
Net result for the period	74,656	(175,421)
Total recognised income and expense for the period	<u><b>74,656</b></u>	<u><b>(175,421)</b></u>

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		1,026,404	1,192,587
Interest Received		42,745	41,069
Payments to Suppliers and Employees		(1,099,522)	(1,130,190)
<b>Net cash provided by Operating Activities</b>	<b>23</b>	<b>(30,373)</b>	<b>103,466</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		35,173	24,580
Payments for Property, Plant & Equipment		(51,890)	(49,316)
<b>Net cash used in Investing Activities</b>		<b>(16,717)</b>	<b>(24,736)</b>
<b>Net Increase in cash held</b>		<b>(47,090)</b>	<b>78,730</b>
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		862,908	784,178
CASH & CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	16	<b>815,818</b>	<b>862,908</b>

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

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

### 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, Urgent Issues Group Interpretations and the requirements of the Financial Managements 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.

##### Application of AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first MVCB financial statements to be prepared in accordance with AIFRSs. AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of MVCB until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing 30 June 2006 financial statements, management has amended certain accounting, valuation and consolidated methods applied in the AGAAP financial statements to comply with AIFRS.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRSs on the entity's equity and its net income are in note 2.

##### Early adoption of standard

MVCB has elected to apply AASB 119 Employee Benefits (issued in December 2004) to the reporting period beginning 1 July 2005. This includes applying AASB 119 to the comparatives in accordance with AASB 108 Accounting Policies, *Changes in Accounting Estimates and Errors*.

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

### Note 1. Significant Accounting Policies cont...

#### *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.

#### *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 operation 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.

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

### Note 1. Significant Accounting Policies cont...

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.

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:

	2006	2005
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.

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

### Note 1. Significant Accounting Policies cont...

#### **(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.

#### **(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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

Note 1. Significant Accounting Policies cont...

**(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 probably 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.

**(l) Impacts of Adopting Australian Equivalents to International Financial Reporting Standards**

The organisation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations, and effective for accounting periods commencing 1 July 2005. The adoption of these new accounting standards has not resulted in any material changes to the accounting policies or amounts reported for the current or prior year.



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**Note 2.**

**EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs**

**a) At the end of the last reporting period under previous AGAAP: 30 June 2005**

	Previous AGAAP \$	Effect of transition to \$	AIFRS AIFRS \$
<b>CURRENT ASSET</b>			
Cash & Cash Equivalents	130,824	732,084	862,908
Receivables	36,976		36,976
Inventories	42,824		42,824
Other Financial Assets	732,084	(732,084)	-
<b>Total Current Assets</b>	<b>942,708</b>		<b>942,708</b>
<b>NON-CURRENT ASSETS</b>			
Plant & Equipment	132,053		132,053
Total Non-Current Assets	132,053		132,053
<b>TOTAL ASSETS</b>	<b>1,074,761</b>		<b>1,074,761</b>
<b>CURRENT LIABILITIES</b>			
Payables	106,882		106,882
Employee Entitlements	86,662		86,662
<b>Total Current Liabilities</b>	<b>193,544</b>		<b>193,544</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Entitlements	5,204		5,204
Total Non-Current Liabilities	5,204		5,204
<b>TOTAL LIABILITIES</b>	<b>198,748</b>		<b>198,748</b>
<b>NET ASSETS</b>	<b>876,013</b>		<b>876,013</b>
<b>EQUITY</b>			
Reserve	25,000		25,000
Retained Profits	851,013		851,013
<b>TOTAL EQUITY</b>	<b>876,013</b>		<b>876,013</b>

There was no effect on either the Cash Flow statement or operating statement in respect of transition to Australian Equivalents to IFRS.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006**

NOTE	2006 \$	2005 \$
<b>Note 3. BEST PRACTICE</b>		
Methods/Systems/Technology	33,388	27,506
Grower Education	230,187	158,538
Field Day	848	1,251
OH Operating Expenses	39,745	43,952
	<b>304,168</b>	<b>231,247</b>
<b>Note 4 INDUSTRY DATA</b>		
Maintain Databases	46,098	6,741
Data Collection Methods	17,940	-
Industry Database	6,414	6,740
IT based packouts	231	-
OH Operating Expenses	55,644	61,533
	<b>126,327</b>	<b>75,014</b>
<b>Note 5 PROMOTIONAL</b>		
Participation	18,509	28,841
Market Committees	585	2,000
Other Promotional	59,866	89,886
OH Operating Expenses	3,975	4,395
	<b>82,935</b>	<b>125,122</b>
<b>Note 6 RISK MINIMISATION</b>		
OHS Manual	2,632	-
Irrigation Efficiency	1,096	5,211
Market Information	1,643	-
MV Risk Management	308	-
OH Operating Expenses	3,975	4,395
	<b>9,654</b>	<b>9,606</b>
<b>Note 7 MARKET DEVELOPMENT</b>		
Market Information	46,161	106,502
Market Protocols	7,797	-
Market Opportunities	56,971	15,291
Subscriptions/Publications	425	-
OH Operating Expenses	34,446	38,092
	<b>145,800</b>	<b>159,886</b>
<b>Note 8 R&amp;D OPPORTUNITIES</b>		
R&D Funding	4,186	-
R &D Relationships	2,060	-
Technology Transfer	3,905	-
OH Operating Expenses	10,599	11,721
	<b>20,750</b>	<b>11,721</b>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...

	2006 \$	2005 \$
<b>Note 9. INDUSTRY PARTNERSHIPS</b>		
National Strategic Plan	3,077	-
Industry Responsibilities	2,116	3,433
IDO Co-Ordination	160	500
TSFF	4,334	-
Industry Committees	3,277	8,000
OH Operating Expenses	13,248	14,651
	<b>26,212</b>	<b>26,584</b>
<b>Note 10. MANAGEMENT SYSTEMS</b>		
Information & Consistencies	3,693	-
Promote Compliance	4,443	-
Pest & Disease Outbreak	1,035	-
TSFF & Education	40,907	40,146
FFEZ	5,371	-
OH Operating Expenses	15,898	17,581
	<b>71,347</b>	<b>57,727</b>
<b>Note 11. LEADERSHIP &amp; ADVOCACY</b>		
Citrus Leadership Training	962	-
Policies	3,985	-
Government Issues	4,492	250
Role of MVCB	5,373	-
OH Operating Expenses	10,599	11,721
	<b>25,411</b>	<b>11,971</b>
<b>Note 12. CUSTOMER FOCUS</b>		
Policies	3,117	-
Communication Plan & Stakehold	1,832	-
Customer Service Training	350	-
Consult Meetings & Stakeholder	2,980	2,900
Customer Enquires	247	600
Citrep & Other Publications	21,183	36,718
Website Costs & Maintenance	1,078	1,655
Media Releases	1,125	250
OH Operating Expenses	15,899	17,581
	<b>47,811</b>	<b>59,704</b>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...

	2006 \$	2005 \$
<b>Note 13. CORPORATE GOVERNANCE</b>		
Strategic Plan	-	2,382
Organisational Structure	-	9,493
Professional Development	1,098	-
OH Operating Expenses	13,316	14,651
	<b>14,414</b>	<b>26,526</b>
<b>Note 14. STATUTORY &amp; ADMINISTRATION</b>		
Salaries	28,372	44,689
Vic Auditor General	7,100	6,527
Annual Report Costs	2,040	7,131
AGM Costs	851	900
Board Member Salaries	45,734	48,252
Board Member Super	1,342	2,788
Board Member Meetings	12,675	11,742
Levy Audit Costs	1,619	4,312
Sundry Expenses	821	938
OH Operating Expenses	47,695	63,034
	<b>148,249</b>	<b>190,313</b>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...

	2006 \$	2005 \$
<b>Note 15. TRADING STOCK ITEMS</b>		
Sales	47,444	31,966
Opening Stock	42,824	21,183
Plus Purchases	51,149	55,301
Closing Stock	35,107	42,824
Cost of Net Bags Sold		
Cost of Sales	58,866	33,660
Gross Profit / (Loss)	<b>(11,422)</b>	<b>(1,694)</b>
<b>Note 16. CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	139	245
Cash at Bank	44,383	130,579
Total Cash Assets	44,522	130,824
Monies at Call	50,144	1,515
Term Deposits	721,152	730,569
	<b>815,818</b>	<b>862,908</b>
<b>Note 17 RECEIVABLES</b>		
Trade Debtors	55,194	27,597
Provision for FBT refund	4,086	-
Other Debtors	60,000	-
GST Receivable	9,573	9,141
Prepaid Expenses	-	238
	<b>128,853</b>	<b>36,976</b>
<b>Note 18 INVENTORIES</b>		
Finished Goods at cost	<b>35,107</b>	<b>42,824</b>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...

	2006 \$	2005 \$
<b>Note 19. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Plant & Equipment - at cost	163,759	161,964
less Accumulated Depreciation	(118,681)	(103,515)
Motor Vehicles - at cost	45,078	58,449
less Accumulated Depreciation	(18,140)	(20,488)
	<b>67,277</b>	<b>73,604</b>
	<b>112,355</b>	<b>132,053</b>

**19(a) Reconciliation of Movement of Fixed Assets**

	Plant & Equipment	Motor Vehicles	Total
Balance at 1 July 2004	63,393	83,209	146,602
Additions	18,634	30,682	49,316
Disposals	(3,350)	(20,708)	(24,058)
Depreciation Expense	(20,228)	(19,579)	(39,807)
Carry amount at end of the year	58,449	73,604	132,053
Balance at 1 July 2005	58,449	73,604	132,053
Additions	1,439	50,451	51,890
Disposals	-	(39,406)	(39,406)
Depreciation Expense	(14,810)	(17,372)	(32,182)
Carry amount at end of the year	<b>45,078</b>	<b>67,277</b>	<b>112,355</b>

	2006 \$	2005 \$
<b>19(b) Net Profit from disposal of asset</b>		
Proceeds from disposal	35,173	24,580
Less: Written Down Value of Assets sold	(39,406)	(24,058)
Net Profit/(Loss) from Disposal of Assets	<b>(4,233)</b>	<b>522</b>

<b>19(c) Depreciation</b>		
Property, Plant & Equipment	14,810	20,228
Motor Vehicles	17,372	19,579
Total Depreciation	<b>32,182</b>	<b>39,807</b>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...

	2006 \$	2005 \$
<b>Note 20. PAYABLES (CURRENT)</b>		
Trade Creditors	57,921	71,846
Accrued Audit Fee	7,100	6,900
Accrued Superannuation	4,616	4,552
Accrued Salaries & Wages	4,746	14,222
Other Accruals	10,371	-
Group Tax Payable	6,550	4,918
GST Payable	11,673	4,444
	<b>102,977</b>	<b>106,882</b>

**Note 21 EMPLOYEE ENTITLEMENTS**

Current

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.	22,479	53,865
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	8,462	32,797
	<b>30,941</b>	<b>86,662</b>

**Non Current**

LSL representing less than 7 years of continuous service measured at present value

	7,546	5,204
	<b>38,487</b>	<b>91,866</b>

**Note 22. EQUITY**

**(a) Retained Profits**

Balance at beginning of reporting period	851,013	1,051,434
Total changes in equity recognised in the Statement of Financial Performance	74,656	(175,421)
Transfer to Emergence Response Reserve	(24,996)	(25,000)
<b>Total Retained Profits</b>	<b>900,673</b>	<b>851,013</b>

**(b) Emergency Response Reserve**

Balance at beginning of reporting period	25,000	-
Transfer from retained earnings	24,996	25,000
Emergency Response Reserve Balance	49,996	25,000

**(c) Equity**

Total Retained Profits	900,673	851,013
Emergency Response Reserve	49,996	25,000
<b>Total Equity</b>	<b>950,669</b>	<b>876,013</b>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...

	2006 \$	2005 \$
<b>Note 23</b> <i>RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES</i>		
Profit/(Loss) for the year	74,656	(175,422)
Depreciation	32,181	39,807
Loss/(Gain) on sale of assets	4,233	(522)
	<b>111,070</b>	<b>(136,137)</b>
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	(91,877)	262,842
(Increase)/Decrease in Inventories	7,716	(21,641)
Increase/(Decrease) in Payables	(53,378)	(17,501)
Increase/(Decrease) in Employee Entitlements	(3,904)	15,903
	<b>(30,373)</b>	<b>103,466</b>
<b>Net Cash provided by Operating Activities</b>	<b>(30,373)</b>	<b>103,466</b>



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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...**

**Note 24. SUPERANNUATION CONTRIBUTIONS**

Fund	No. of Employees		Contributions Made		Contributions Outstanding	
	04/05	05/06	04/05	05/06	04/05	05/06
National FlexiSuper Plus	2	2	\$25,443	\$21,892	\$1,949	\$161
ING Life Limited	0	1	Nil	\$748.13	Nil	\$341
Colonial First State Investments	1	2	\$22,551	\$30,886	\$2,061	\$2,442
Australian Primary	1	0	\$4,824	Nil	\$94	Nil
VicSuper	1	1	\$59	\$263	Nil	Nil
Macquarie Investment Management Ltd	1	0	\$1,342	Nil	\$111	Nil
Self Managed Super Funds	0	2	Nil	\$4,417	Nil	\$388
Legal Super	0	1	Nil	\$5,136	Nil	\$428
CARE Super	1	1	\$2,828	\$1,781	\$243	Nil
Australian Skandia Limited	1	1	\$2,532	\$2,719	\$206	\$238
Vision Super	1	0	\$193	Nil	Nil	Nil

**General**

- Applies to above Superannuation funds.
- At 30 June 2006 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 25. CAPITAL COMMITMENTS**

At 30 June 2006 there were no known commitments towards capital expenditure, not otherwise detailed in these Financial Statements. (2005: nil)

**Note 26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

At 30 June 2006, there are no contingent liabilities or contingent assets for the Murray Valley Citrus Board. (2005: nil)

**Note 27. RESPONSIBLE PERSONS**

- (i) Name of persons who are responsible persons throughout the year are:
- |  |                    |
|--|--------------------|
| The Honourable Bob Cameron MLA, 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    |

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...**

(ii) Remuneration of Responsible persons

Income Range	04/05	05/06
\$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. (2005: \$44,450).

Chief Executive remuneration is disclosed under Note 28.

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 \$ 26,801. (2005: \$23,893).

**Note 28. 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	
	04/05	05/06	04/05	05/06
110,000 – 119,999	1	1	1	1

**Note 29. FINANCE LEASE COMMITMENTS**

There are no finance lease commitments as at 30 June, 2006. (2005:nil)

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...**

**Note 30. AUDIT FEES**

The fees payable to the Auditor General for the audit of the financial statements for the year ending 30th June 2006 was \$ 7,100, plus applicable GST (2005: \$6900).

**Note 31. 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 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:

<b>Recognised Financial Instruments</b>	<b>Statement of financial position</b>	<b>Accounting Policies notes</b>	<b>Terms and Conditions</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 Profit and Loss Statement when earned.	The fixed term is 90 days maturity and effective interest rate of 5.50%.
<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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006 cont...

Note 32. FINANCIAL INSTRUMENTS

(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:

	1 year or less		Floating Interest		Non-interest bearing		Total carrying amount per statement of financial position		Weighted average effective interest rate	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Financial Assets</b>										
Cash	-	-	130,579	44,383	245	139	130,824		0.31 %	0.31%
Receivables	-	-	-	-	36,975	59,280	36,975	44,522	n/a	n/a
Term Deposits	732,084	771,296	-	-	-	-	732,084	59,280	5.3%	5.5%
<b>Total Financial Assets</b>	<b>732,084</b>	<b>771,296</b>	<b>130,579</b>	<b>44,383</b>	<b>37,220</b>	<b>59,419</b>	<b>899,883</b>	<b>875,098</b>	-	-
<b>(a) Financial Liabilities</b>										
Payables	-	-	-	-	106,822	102,977	106,822	102,977	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,822</b>	<b>102,977</b>	<b>106,822</b>	<b>102,977</b>	<b>-</b>	<b>-</b>

(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 Statement of Financial Position		Aggregate Fair Value	
	2005	2006	2005	2006
	\$	\$	\$	\$
Cash	130,824	44,522	130,824	
Receivables	36,975	59,280	36,975	44,522
Term Deposits	732,084	771,296	732,084	59,280
				771,296
<b>Total Financial Assets</b>	<b>899,883</b>	<b>875,098</b>	<b>899,883</b>	<b>875,098</b>
<b>(a) Financial Liabilities</b>				
Payables	106,822	102,977	106,822	102,977
<b>Total Financial Liabilities</b>	<b>106,822</b>	<b>102,977</b>	<b>106,822</b>	<b>102,977</b>

(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 statement of financial position and notes to the financial statements.

# Murray Valley Citrus Board Annual Report 2006

## Financials

### Disclosure Index

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

Legislation	Disclosure Required	Page
<i>Financial Management Act</i>		
FRD 2A	Contributions by owners	NA
FRD 03A	Accounting for Dividends	NA
FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	NA
FRD 8	Budget portfolio outcomes	31
FRD 08A	Consistency of Budget and Departmental Reporting	NA
FRD 09A	Departmental Disclosure of Administered Assets and Liabilities by Activity	NA
FRD 10	Disclosure Index	19, 53
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FRD 12A	Disclosure of Major Contracts	19
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FRD 15A	Executive Officer Disclosures	50
FRD 16A	Land Under Roads	NA
FRD 17A	Long Service Leave	47
FRD 19A	Private Provision of Public Infrastructure	NA
FRD 20A	Accounting for State Motor Vehicle Master Lease Arrangements prior 1 Feb 2004	NA
FRD 21A	Responsible Person and Executive Officer Disclosures in the Financial Report	6, 49, 50
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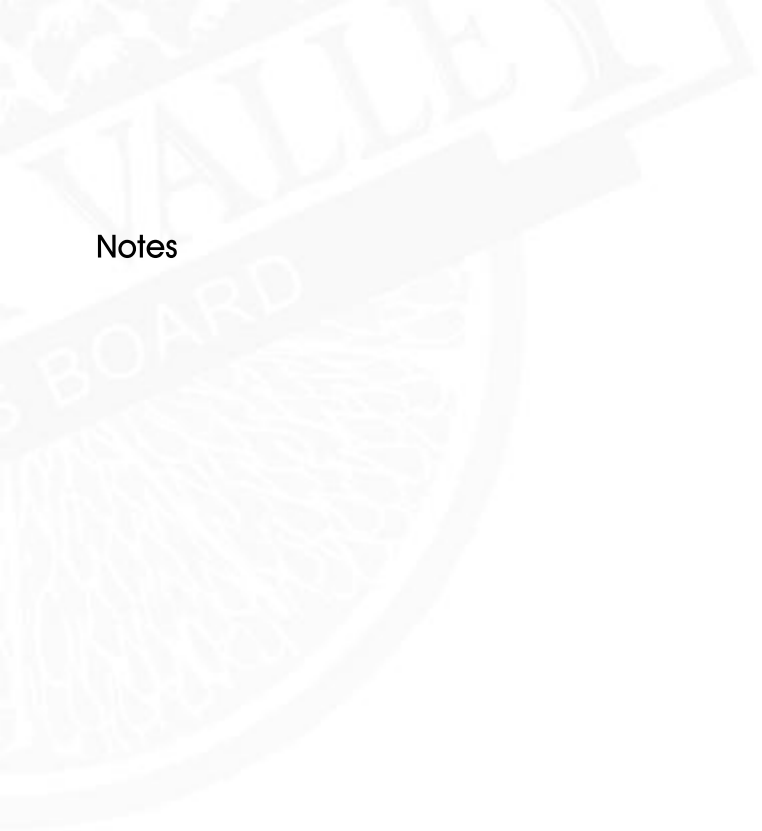
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Notes





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