

**MURRAY VALLEY
CITRUS BOARD**



ANNUAL REPORT

For Year Ended 30 June 2008

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Murray Valley Citrus Board

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18 September 2008

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 2008.

The year has been particularly challenging with the region experiencing severe drought and as a result low water allocations in both Victoria and New South Wales. These reduced allocations forced growers to take trees out of production, place others into survival mode and heavily prune to cope with the severe lack of water, particularly in Victoria. The impacts of these actions will be reduced production in the years to come as new citrus plantings take up to seven years to achieve full production.

The Board is grateful to the New South Wales Department of Water and Energy for making critical water available for permanent plantings from July 2007 to October 2007 this action proved invaluable to New South Wales citrus growers.

The Board is also grateful for the efforts of the Victorian Government in granting carry over water and Exceptional Circumstances for irrigated horticulture in Sunraysia aimed at assisting families and business suffering the effects of drought and reduced water allocations. We look forward to continued support in this regard.

Area freedom from fruit fly is a very important market access issue for our industry and we are pleased with the establishment of the Greater Sunraysia as a Pest Free Area. We commend the Department of Primary Industries for its fruit fly review initiative and look forward to sustainable outcomes in dealing with this significant quarantine pest.

The Board has also worked collaboratively with research institutes on projects aimed at improving productivity on farm and 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 2007/08 financial year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Mansell', written over a light blue horizontal line.

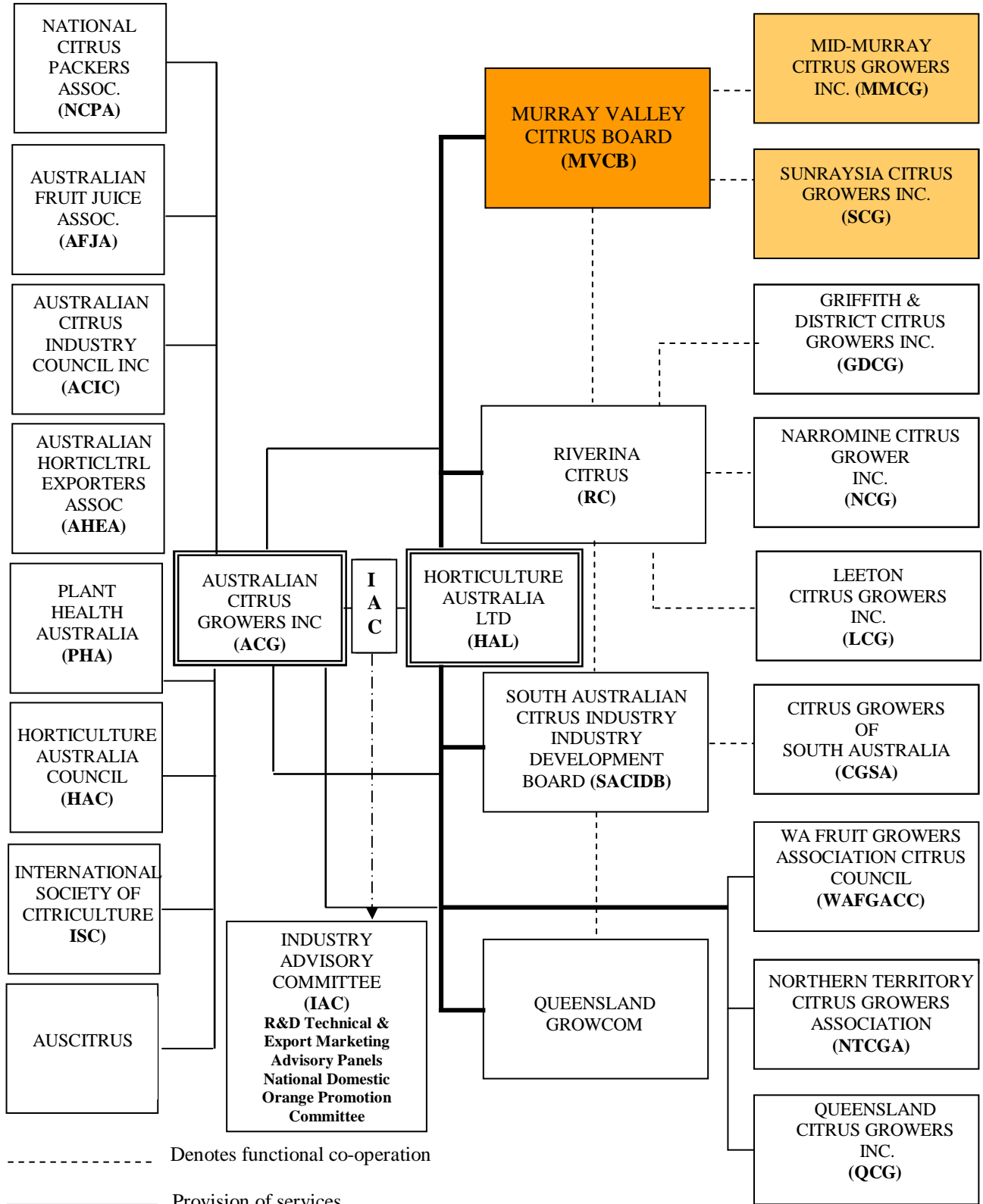
Robert MANSELL,
Chairman.

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
Mary Cannard	Industry Development Officer/ CITTgroup Co-ordinator	2007
Tony Bothroyd	Field Officer	2007
Sue Chapman	Accountant	2006
Marian Tobin	PA to CEO/Administration	1999 to 2008
Kerry Needs	Administrative Officer	1996 to 2007
Shey Rochester	Administrative Officer	2007
Jill Purich	Administrative Officer (Part-time)	2007



John Tesoriero
Chief Executive



Mary Cannard
Industry Development Officer



Tony Bothroyd
Field Officer



Jill Purich
Administration Support (Part-time)



Shey Rochester
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
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 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.

Chairman's Report

I say this every year and this year is no different. There is always a new challenge lurking around the corner that requires a change to our annual planning. Market access and water again proved to be major challenges.

A tough navel season saw Asian markets filled with South African early variety fruit normally bound for the USA. False Codling Moth protocol breeches saw South Africa significantly reduce volumes sent to the USA causing large volumes of cheap good quality fruit landing in Asia.

Southern Australia is still not marketing direct to China because of an unworkable protocol. This is a market that has the potential to take large volumes of fruit at good prices and to take the pressure off other export and domestic markets.

Japan is a high value market and also has a good market for composite fruit. Murray Valley growers couldn't get Fruit Fly Area Freedom access to Japan because of two separate wild Fruit Fly detections in Mildura in March and May 2007. South Australia filled most of the Japan markets because it has area freedom status.

We had insufficient markets for composite fruit as there were large numbers of US over run fruit packed and looking for a home.

The exchange rate (strong Australian Dollar) has significantly impacted on grower returns from exported fruit.

MVCB worked with the Departments of Primary Industry in New South Wales and Victoria to establish a Pest Free Area (PFA) for the Greater Sunraysia. It was pleasing that we actually reached the target of 12 months free of a single fruit fly detection on 18 May 2008. This is the requirement for area freedom market access to important export markets.

The MVCB hosted a Japanese inspector in June following our request for seasonal area freedom (June to December) Murray Valley desperately needs to have area freedom status to Japan to enable our growers to be more viable as they are currently a poor cousin to SA growers

We were hopeful of achieving seasonal freedom in time for the current navel season, however resource constraints within the Japanese Department of Agriculture Forestry and Fisheries (MAFF) has delayed consideration of our application until MAFF finalise access arrangements for Tasmanian cherries. This was very disappointing considering all the hard work and resources that have gone on to progress our application including visiting MAFF officials in Japan in April 2008.

Fruit Fly outbreaks in Melbourne suburbs close to Footscray Market had the ability to put export market access at risk for the Murray Valley if not controlled quickly and we commend the Department of Primary Industries for its fruit fly review initiative and look forward to sustainable outcomes in dealing with this significant quarantine pest.

A Citrus Gall Wasp incursion at Coomealla required urgent action. Our Industry development Officer Mary Cannard has been working with the NSW DPI and implementing control measures to eradicate this pest. MVCB has been successful in gaining funding from Horticulture Australia Ltd (HAL) to manage the Gall Wasp incursion.

Our Promotional activities comprised co-funding the activities the Melbourne Citrus Committee's citrus marketing programme. The Board also attended local events such as Picnic at Hanging Rock, the Barham festival and both the Wentworth and Mildura Shows. National promotions were scaled down this year associated with reduced regional production.

The proposed re-structure of the Australian Citrus industry grower bodies took up a great deal of time and resources throughout the year. The Board responded to the Green Paper and participated in meetings and forums throughout the region.

Water Issues have been a major issue again this year. With small allocations throughout the year, planning by our growers was very difficult. Allocation announcements in September and October 2007 were poorly timed as most growers hesitated with irrigation at a critical period for flowering and fruit set. This will result in large reductions in production for our growers and place them under extra financial strain at a time when fertiliser and chemical costs are increasing significantly. At the end of the season both NSW and Victoria growers ended up with more water than they budgeted on with NSW receiving approximately 75% and Victoria 43%. Next season will see water as a major issue again.

Mary Cannard our IDO organised a water forum on behalf of the citrus and grape commodity groups with guest speakers from the New South Wales Department of Water and Energy, the Department of Sustainability and Environment and local water authorities to explain reasons for allocation decisions and how the Snowy Hydro scheme fits into the irrigation picture, this was well attended by between 250 and 300 participants.

It was pleasing that the Minister approved increases in Board member remuneration after 17 years with no change. I believe this should be adjusted annually.

As this is my last year on the MVCB, I would like to take this opportunity to thank all the Board members for their support over the year and wish them all the best in their future pursuits. There has been good debate on many topics and at the end I believe we have made the right decisions. It was good to have a board with such a diverse range of skills which makes it relevant in meeting the many issues that continue to challenge our industries viability and prosperity.

In particular I would like to thank Colin Nankivell, vice chair for his assistance and the long late phone calls on daily issues.

I would like to thank the staff for their professionalism. I especially would like to thank John Tesoriero, he has been great to work with. He got things done straightaway and kept me up to date on a daily basis. John has a good rapport with industry, ministers and their advisors. I have personally learnt so much working with John.

This year we saw the retirement of 6 board members. I would like to give the new board my best wishes in what will be a very challenging term with water, market access and higher costs of production impacting on their growers.

Robert Mansell
CHAIRMAN

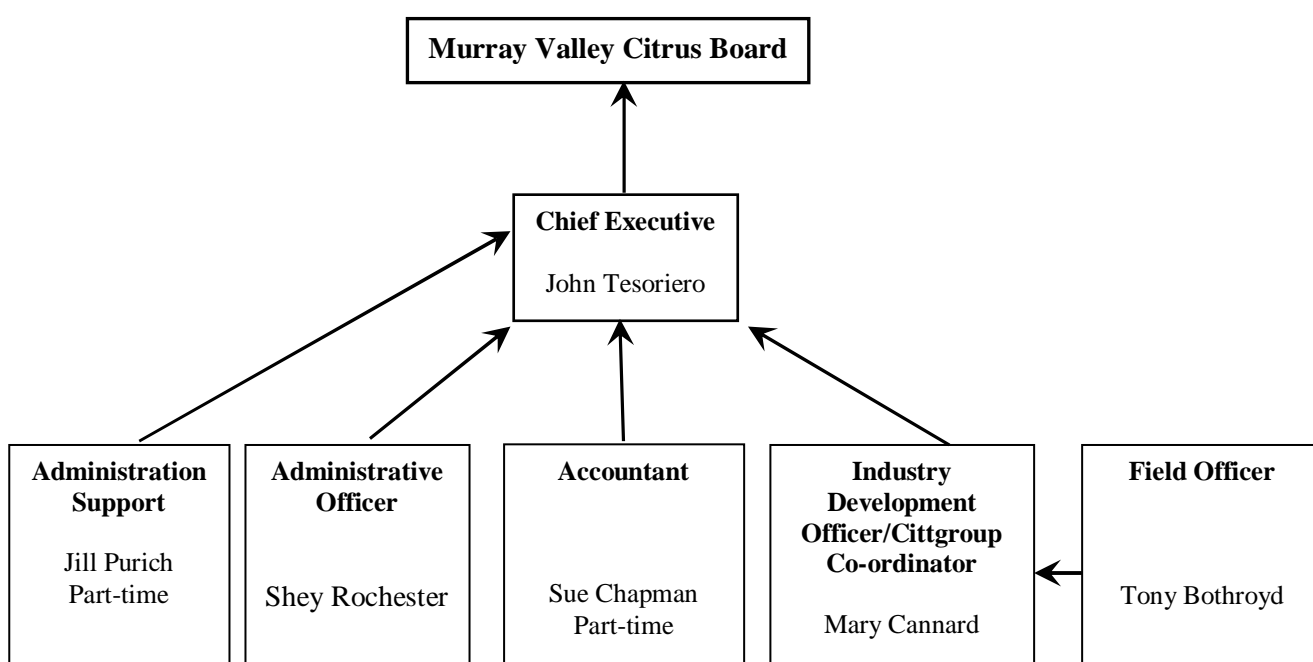
Management and Organisational Structure

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)

2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
6.25	5.26	5.26	5.26	4.16

Staff Profile by Position

Position	Male		Female		Total	
	2008	2007	2008	2007	2008	2007
Executive	1	1	0	0	1	1
Field Staff	1	2	1	0	2	2
Administration Staff	0	0	2	3	2	3
Total Staff	2	3	3	3	5	6

Business Environment

Business Environment

The Murray Valley Citrus Board (MVCB) provides research, extension, industry planning information and market development services to 430 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

Murray Valley citrus producers in both Victoria and New South Wales faced low water allocations in the 2007/08 season. Many growers were forced to turn off water, remove or mothball patches of low returning citrus, with Valencia's being the variety most often removed. Rapidly rising costs of inputs such as chemicals and fertilisers combined with low commodity prices intensified the effects of the drought on citrus producers.

Peruvian tangelos were also allowed into our usually lucrative US market for the first time. The high volume of low priced Peruvian tangelos moving into the US market caused the US summer citrus market to crash, leaving Australian Tangelo producers with little or no returns for their fruit. The high Australian dollar against the US dollar has exacerbated the situation by reducing returns to growers providing other citrus fruit for the US export market.

Renewing the Order under which MVCB Operates

The Order under which the Murray Valley Citrus Board operates expired on 30 June 2008. Citrus producers in the Murray Valley were polled to determine the level of industry support for a proposal to renew the order for a further four year term.

Leading up to the Poll two consultation meetings were held in April 2008 with growers and stakeholders in Barham and Mildura. More than 80% of those voting indicated their support for the MVCB to continue providing its services to the regions citrus producers.

Market Access

The Federal Government announced \$1.33 million in July 2007 to fund vital research to combat Fuller's Rose Weevil. The project involves research into post-harvest disinfestations and examine orchard control regimes. Orchard management of this pest will allow exports of Australian citrus into mainland China.

In September 2007, Japan agreed to allow cold disinfestation treatment at 2-3⁰ C for all shipments of citrus after September 2007. They have also offered a climatic window for area freedom for Murray Valley citrus of June to December and we are hopeful that this will be in place prior to the 2009 navel season.

MVCB CEO and Chairman attended a number of overseas trade missions during the last 12 months. The first was to "Food and Hotel Vietnam" in November 2007, and was attended by Board Chief Executive John Tesoriero. John was part of a delegation arranged by the Sunraysia Mallee Economic Board. The venue brought senior buyers from Vietnam's food and hospitality industry together and presented an excellent chance to explore export opportunities for Murray Valley citrus.

Vietnam, from an economic growth perspective, is where China was 10 - 15 years ago. Consumer goods, such as fresh fruit for an emerging middle class in urban areas, presents an export opportunity. Demand is expected to gravitate towards the high quality end, as consumers become more sophisticated. The emergence of supermarkets in the distribution chain will also increase the potential of exporting higher priced product to Vietnam.

The market for imported agricultural products is growing strongly with:

- Export development policy from the Vietnam Government;
- Increases in disposable income;
- The emergence of the middle class;
- Growing consumerism and changing patterns of consumption; and
- Improvement in port infrastructure to receive bulk shipment from Australia.

There are definite opportunities to export citrus on a seasonal basis to supplement local production.

Both the Chairmen and the Chief Executive took part in a Horticulture Australia Ltd, sponsored group market visit to Singapore, United Kingdom, Germany and USA in December 2007. They found the market for Australian citrus in Singapore is still quite attractive, with our quality of flavour, food safety and excellent trading reputation quite evident in the Singapore marketplace. The continuing strength of the Australian currency is making our fruit increasingly expensive; however the Singapore market still values Australian fruit for its superior flavour.

In London, the market for organic produce is growing rapidly, and there is a push towards ethical consumerism, with the concept of 'food miles' and 'carbon footprint' becoming the latest point of differentiation between supermarkets.

Fruit Logistica in Berlin is an impressive Trade Fair, comprehensively covering all aspects of fresh produce retailing. Overall opportunities for Murray Valley citrus into the UK or European Markets are limited to specialty retailers, and quality wholesale markets. The potential to supply fruit into the major supermarket chains would require local growers to adopt EurepGAP or GLOBALGAP quality assurance programs; these are then duplicated by supermarkets' own programs, and require auditing by the Supermarkets' own auditors.

The American leg of the trip focused on the World Ag Fair at Tulare, in California's San Joaquin valley, advertised as the largest of its kind in the world.

MVCB Chief Executive formed part of a trade delegation to Japan, Hong Kong, Korea and China in April 2008 with the Minister for Agriculture Fisheries and Forestry, The Hon. Tony Bourke MP and his Ministerial Advisors.

The main purpose of the delegation from a citrus industry perspective was to discuss seasonal fruit fly area freedom (June – December) for citrus export to Japan from the Greater Sunraysia Pest Free Area (PFA). In addition discussions were held with Chinese quarantine officials aimed at amending the current citrus export protocol. With regard to China we are seeking recognition of a systems approach to the management of Fullers Rose Weevil in lieu of the current orchard freedom requirement, adoption of 2 and 3 degrees for cold treatment, recognition of inland Pest Free Areas, access to southern Chinese Ports and removal of the requirement for recalibration of temperature probes on arrival.

Crop Forecasting

The MVCB collect fruit number and size data from orchard sites 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 categorised by area with an ortho-imaged map of each property. Also to improve productivity, handheld Personal Digital Assistants (PDA) have been acquired for rapid data entry from field collection.

Water Crises

The ongoing drought in the Murray Valley is a significant threat for not only citrus producers but all horticultural production through the Murray Valley. NSW growers we given access to critical needs water to keep their permanent planting alive at the start of the irrigation season and were

eventually allocated 25% of their water allocation. Victorian growers started the irrigation season with 0% allocation, however, they finished with 43% allocation after gradually increases throughout the season.

In September 2007 the Federal Government announced additional drought assistance measures for Murray Valley irrigators, e.g.

- A grant of up to \$20,000 to irrigators to implement water saving strategies on farm;
- An exit grant of \$150,000 for producers who want to leave the farm;
- Access to \$5,500 professional advice and planning grant.

MVCB held drought workshops on topics such as

- Maintaining a Citrus Business when the River Dries Up,
- Pruning and Hedging Strategies for Drought Conditions,
- Water Saving Strategies – Irrigation Management and Cultural Practices,
- Drought Case Study – Back of Bourke Fruits,
- Water Budget Tutorial,
- What works with Water,
- Accessing Federal Government Drought Assistance.

A Murray River Information Session was organised in May 2007 for irrigators in the Murray Valley to enable them to have a better understanding of how the Murray River operates and to be better equipped to make decision to ensure the longevity of their businesses. More than 300 growers listened to speakers from, the Victorian Department of Sustainability and Environment, the NSW Department of Water and Energy, the First Mildura Irrigation Trust and Lower Murray Water, present information to growers on how the Murray River system operates and how Victoria and NSW allocates water. The session ended with the speakers forming a panel to answer the many and varied questions from the audience

Melbourne Citrus Committee

During 2007/2008 Financial year, the Melbourne Citrus Committee (MCC) expanded on promotional activities which had been developed from the MCC marketing plan. Apart from financial support from wholesaler members of the MCC the Committee, also received substantial support from the MVCB .

Promotional/Sponsorship activities for the year included.

- Continued sponsorship of Junior football in the Essendon District which included two Citrus Days featuring tasting sessions and giveaways to players and supporters.
- Sponsorship of Athletics Victoria and provision of fruit and promotional material during 2007/08. Events included, Schools knockout competition in approximately 50 schools. Schools and Senior State Cross Country Trials. Athletics Victoria Road Relay at Sandown Park and School knock-out finals at Olympic Park. MCC also supported the Elite Athletics Coach into schools program.
- Sponsorship of the Market Fresh Schools program which introduces primary school age children to the taste and benefits of fruit and vegetables. The number of children involved in the program increased considerably during the 2007/08 year. During October 2007 the program reached 1,100 in the Sunraysia area. Plans are to double the size of this program during 2008/09.
- During the 2007 Navel season MCC was able to promote Navels on 3AW (Melbourne's top AM Radio station) by "Piggybacking" on the Market Authority's Market (MMA) Market Fresh segment.
- Conducted approximately 60 in-store demonstrations of 4 hour duration each promoting Navels, mainly in the Melbourne Metropolitan area, were carried out during August/September 2007.
- The MCC strongly but unsuccessfully lobbied the Melbourne Market Authority to prevent the sale of citrus from the centre of the Market. Fortunately, to date, the opening up of the area to citrus sales, does not seem to have any marked detrimental affect on citrus sales from wholesale areas.

- In partnership with MMA the MCC promoted Oranges and Grapefruit at the Spring Harvest Picnic at Werribee during November 2007.
- Good Food Show, Melbourne Exhibition Centre, May 29-31. In conjunction with MMA and assistance from MVCB, the MCC promoted citrus at this very successful event. An estimated crowd of 50,000 “food focused” people attended the event.

The working relationship the MCC has been able to develop with MMA and MVCB during the year, has ensured that maximum benefit has been obtained for efforts and funds invested.

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.

This project is jointly funded by the MVCB and Horticulture Australia Limited. The objectives of the project are to:

- Undertake a comparative analysis of citrus business;
- 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; and
- Provide improved knowledge of the industry’s needs to service providers and provide a report on the findings.

Around 35 growers were involved in the benchmarking program, with data collected over the previous three years. The information has been analysed and compiled into a report that can be used by growers and the industry.

Growers meetings have been organised for September 2008 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.

Industry Development Officer (IDO) and CITTgroup Activities

The focus has been directed at providing strategies to maintain a viable citrus business with low water allocations and 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:

- Organised a quality control course for packing shed staff;
- Facilitated orchard inspector training for all overseas markets;
- Instigated funding for management of citrus gall wasp incursion;
- Initiated morning tea/get together for women working on citrus properties;
- Timely media releases of seasonal events as they occur and information transfer continue to be the focal point within the industry
- Organised Murray River Information Session for all irrigators in the Murray Valley.

The MVCB also continues to support the valuable Citrus Industry Technology Transfer Groups (CITTgroups) 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:

- Oleocellosis Risk Assessment Tools and Procedures;
- Pruning and Hedging Options for drought conditions;
- Managing a Citrus Business when the River Dries Up;
- On Farm Water Saving Options;
- Crop Manipulation for Fruit Size;
- Drought Assistance Workshop;
- A Murray River Perspective;
- Drought Case Study – Back of Bourke Fruits;
- Water Budget Tutorial;
- Managing Kelly’s Citrus Thrips; and
- Organic Citrus Farming.

For further details on the CITTgroup program and topics covered, refer to MVCB website at www.mvcitrus.org.au

Greater Sunraysia Pest Free Area (PFA)

Area freedom status for Japan, Taiwan and Korea remains as a high priority for Murray Valley producers and exporters. The outcome from this project is to achieve area freedom status with respect to Queensland fruit fly. Obtaining pest free status will allow cost savings when exporting to overseas markets such as Japan, by negating the need for expensive cold treatment. This is a four year project funded by DPI Vic, HAL, the MVCB, the Australian Tablegrape Association and Summerfruit Australia Ltd and includes a comprehensive communication and media strategy aimed at educating the traveling public and industry not to bring fruit into the PFA.

Tri-State Fruit Fly Awareness

This 3 year project aims to develop a multi-tiered community awareness program, designed to raise awareness with the travelling public and FFEZ residents of the need to protect the region from fruit fly; and advise them how they can play a role in the process.

Event organisers and tourism operators in Sunraysia were provided with a comprehensive resource enabling them to join the effort to protect local fruit industries from fruit fly. The Tri-State Fruit Fly program launched a CD ‘Spreading the Fruit Fly Message’ with print-ready brochures, images and articles aimed at raising awareness of fruit fly among visitors to Sunraysia.

Agrilate Project

This project, which will be rolled out over two years, will complement the existing website by providing secured access to information and applications. Growers will be able to update their registration and property ownership details securely on line. It will also allow access to MVCB documents in a secure environment. Benefits will be more accurate and timely crop forecasting and planning information to growers and also allow the board to provide more services with existing resources and to gain valuable feedback from growers on future online service directions.

Summary of Operations

Prior to the commencement of the 2007/2008 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:
 - Nutrition Workshop – Plant requirements Netafim, Mildura
 - Soil solution Workshop, DPI Dareton
 - Riverland Field Day
 - Riverland drought workshop
 - Citrus Nutrition – DPI Dareton
 - Western Murray Shareholders Meeting
 - Water Futures Forum
 - Australian Government Grant Information
 - Horticulture Natural Resource Management Summit
 - HAL Water Initiative Forum
 - Horticultural field days at Sunraysia Institute of TAFE
 - AQIS forum post season review.
- Conducted CITTgroups throughout the region covering 11 topics.
- Water template developed to help growers with water efficiency during drought
- Spray diary reviewed and updated
- Funded the following industry projects:
 - CT05004 – Industry Development Officer
 - CT05007 – Financial Benchmarking

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 February 2008 and detailed crop forecast published in April 2008.
- Undertook comprehensive blemish assessments.
- Plantings data base updated.
- 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, Picnic at Hanging Rock, Mildura and Wentworth shows in addition to agricultural field days at Mildura, Riverland and Swan Hill.

1.4 Risk minimisation strategies for growers

- Distributed OH&S manual for producers at CITTgroup meetings and advertised availability of manual in media.
- 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, (e.g. water use efficiency) in our quarterly magazine, *Citrep*, and MVCB website to promote reduced wastage and improve productivity.
- Water template developed to help growers with water efficiency during drought

2.1 Plan, fund and facilitate market development and maintenance

- Market Report forwarded to Stakeholders 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.
- Participated in trade missions to Vietnam, Singapore, Europe, USA, Japan, Hong Kong, Korea and China.

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.
- Successfully applied for continued funding from Hal for CITTGroup.

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.
- Made representations to NSW and Victorian Ministers regarding water requirements for citrus during July, August and September 2007.
- 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

- Graduates from "Impact on Citrus" represented on Riverlink and SCG
- 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.

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

	2007/08	2006/07	2005/06	2004/05	2003/04
Revenue from Government	126,913	233,418	227,669	95,019	224,767
Other revenue	899,144	1,035,801	928,931	704,141	797,248
Total income	1,026,057	1,269,219	1,156,600	799,160	1,022,105
Total expenses	919,352	1,058,708	1,081,944	974,581	1,116,787
Net result for the period	106,705	210,511	74,656	(175,421)	(94,682)
Net cash flow from operating activities	151,068	172,763	(30,373)	103,466	(228,450)
Total assets	1,367,892	1,306,272	1,092,133	1,074,761	1,251,779
Total liabilities	100,007	145,092	141,464	198,748	200,344

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: 638 (*based on citrus ID registration*)
No. of growers: 438
No. of Approved Receivers: Packers - 45, Processors - 9

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.

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 2007/2008 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 2007/2008 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 (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 2008, 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 2007 to 30 June 2008.

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 2007/2008 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

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 2007/08 Harvest

VARIETY	TONNES					
	SA	MVCB	RIVERINA & NSW	QLD	WA	TOTAL
Valencia	60,000	27,000	90,000	8,000	4,000	189,000
Navel	60,000	90,470	53,000	13,000	6,000	222,470
Lemon/Lime	4,000	1,500	1,000	12,000	1,000	19,500
Mandarin	20,000	6,292	2,000	68,000	5,000	101,292
Tangelo	NA	2,143	NA	NA	NA	2,143
Grapefruit	2,000	5,100	2,000	1,000	1,000	11,100
Total Tonnes	146,000	132,505	148,000	102,000	17,000	545,505

Source: ACG and MVCB 30 June 2008 statistics

NA = Not Available

Australian Citrus Production 2008/09 Forecast

VARIETY	TONNES					
	SA	MVCB	RIVERINA & NSW	QLD	WA	TOTAL
Valencia	55,000	19,221	100,000	7,000	4,000	185,221
Navel	50,000	66,699	56,000	12,000	6,000	190,699
Lemon/Lime	4,000	4,150	2,000	12,000	1,000	23,150
Mandarin	20,000	9,244	2,000	72,000	5,000	108,244
Tangelo	NA	1,203	NA	NA	NA	1,203
Grapefruit	1,000	3,338	2,000	1,000	1,000	8,338
Total Tonnes	130,000	103,855	162,000	104,000	17,000	516,855

Source: Australian Citrus Growers Inc and Murray Valley Citrus Board as at 30 June 2008.

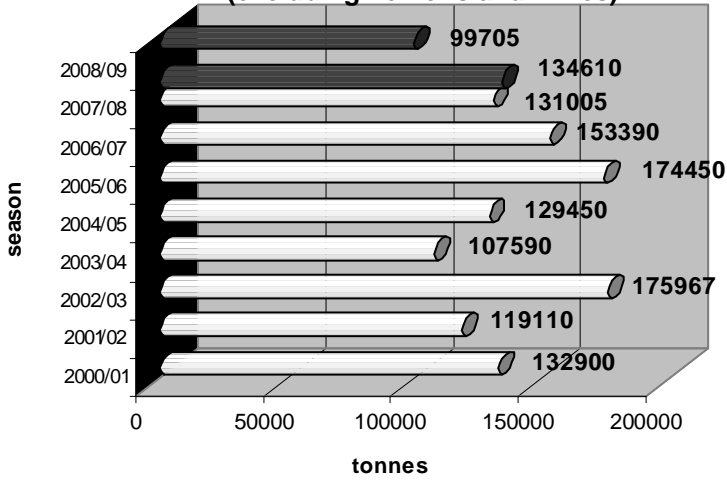
Murray Valley Citrus Board Market Distribution 2007/08 Harvest

VARIETY	TONNES							
	EXPORT	MELB	SYD	BRIS	ADEL	PROCESSING	OTHER	TOTAL
Valencia	3,298	2,522	511	227	48	20,204	190	27,000
Navel	48,253	11,384	5,206	1,432	328	19,917	3,950	90,470
Lemon/Lime	20	430	160	240	80	530	40	1,500
Mandarin	2,784	1,459	822	115	96	738	278	6,292
Tangelo	1,781	155	123	27	12	-	45	2,143
Grapefruit	190	722	330	170	64	3,580	44	5,100
Total Tonnes	56,136	15,950	6,822	2,041	564	41,389	4,503	127,405

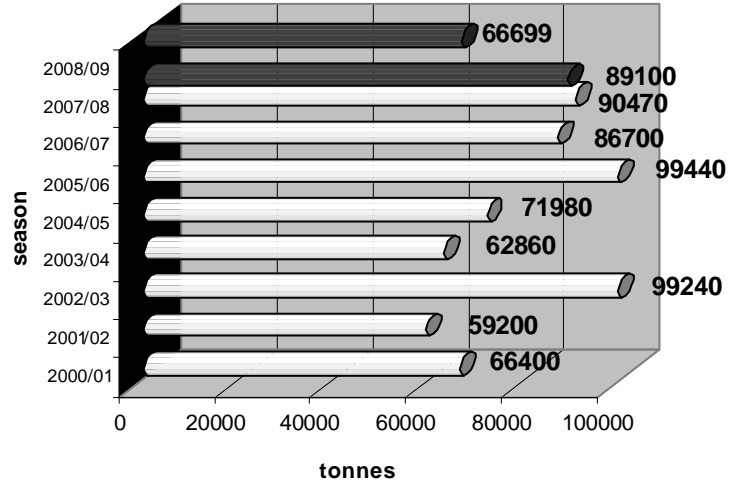
Source: Murray Valley Citrus Board

Murray Valley Citrus Forecast and Actual Production

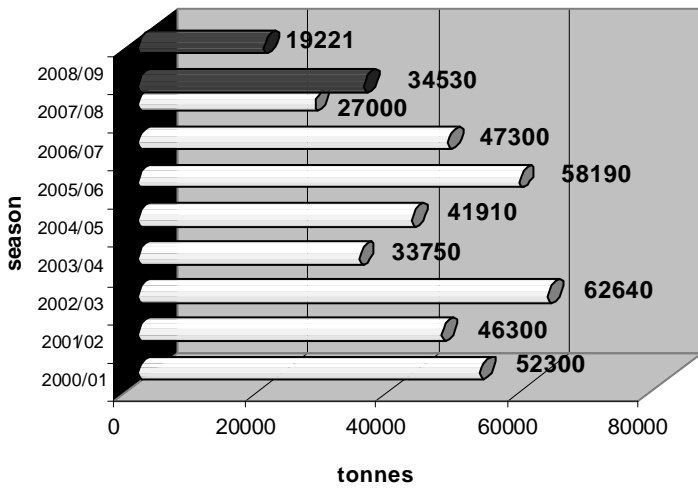
Murray Valley Seasonal Citrus Production (excluding Lemons and Limes)



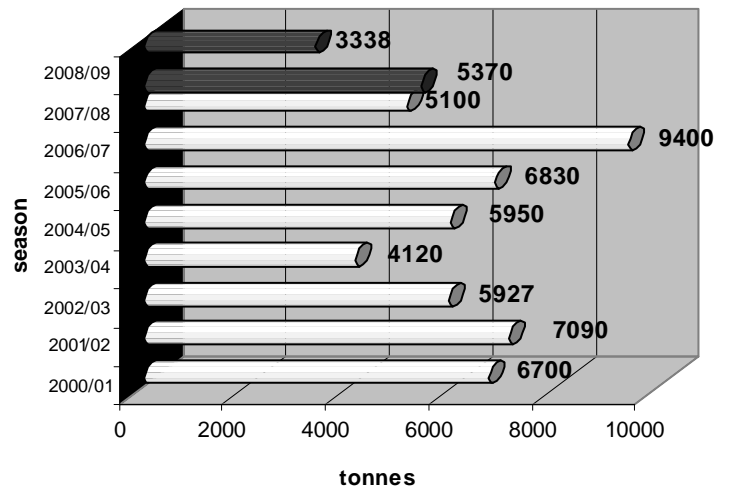
Navel Production



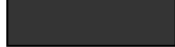
Valencia Production



Grapefruit Production



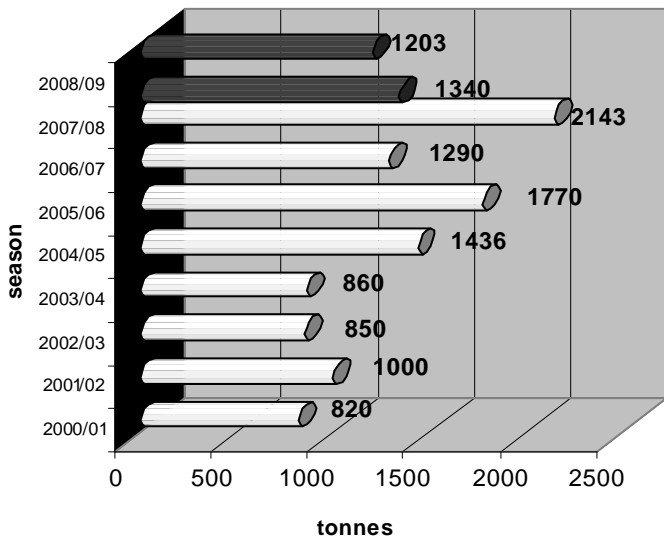
Forecast tonnage



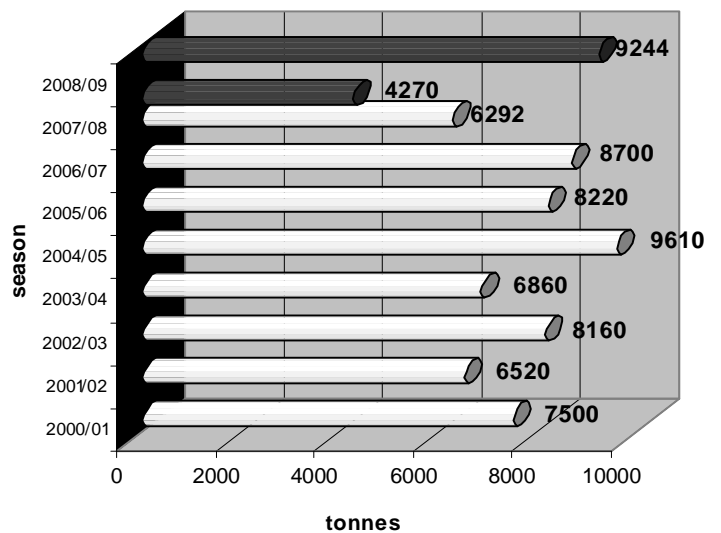
Actual tonnage



Tangelo Production



Mandarin Production



Murray Valley Orchard Statistics

Planting Statistics as at 31 January 2008

VARIETY	Total Hectares Planted	Total Bearing Hectares	Total Non Bearing Hectares
Blood Orange	26.8	19.2	7.6
Grapefruit - Red Fleshed	26.9	22.7	4.1
Grapefruit - White Fleshed	162.7	153.7	9.0
Grapefruit Total	189.6	176.4	13.1
Lemon	127.9	120.0	7.9
Lime	9.6	8.2	1.4
Mandarin - Early Season	378.1	295.5	82.5
Mandarin - Mid Season	54.4	50.8	3.6
Mandarin - Late Season	82.2	74.3	7.9
Mandarin - Misc. Season	180.1	7.3	172.8
Mandarin Total	694.8	427.9	266.8
Unspecified Varieties	42.9	34.2	8.7
Navel - Early Season	1000.3	888.8	111.6
Navel - Mid Season	718.0	622.8	95.2
Navel - Late Season	2268.5	1937.0	331.5
Navel - Misc. Season	97.5	96.6	0.1
Navel Total	4084.3	3545.2	538.4
Tangelo	100.9	94.2	6.8
Valencia Seeded	1161.6	1147.1	14.5
Valencia Seedless	14.4	11.2	3.2
Valencia Total	1176.0	1158.3	17.7
TOTAL PLANTINGS	6452.8	5583.6	868.4

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 2008.

(xvi) Government grants received or receivable and source

Debtor	For	Amount including GST	Date
Horticulture Australia Ltd	CT05004 - Facilitating the communication and development of the Citrus Industry in the Murray Valley		
	Milestone 5 Payment Milestone 6 Payment	\$60,000 \$29,300	1/7/2007 28/2/2008

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 2008

Auditor General Victoria

Auditor General's Independence Declaration and Report

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members of Murray Valley Citrus Board

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of Murray Valley Citrus Board which comprises an operating statement, balance sheet, statement of recognised income and expense, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification has been audited.

The Board Members Responsibility for the Financial Report

The Board 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:

- establishing 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.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of the Murray Valley Citrus Board for the year ended 30 June 2008. The Board Members of the Murray Valley Citrus Board are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Murray Valley Citrus Board web site.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Murray Valley Citrus Board as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
22 September 2008



D D R Pearson
Auditor-General

2

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

Auditing in the Public Interest

Certification

MURRAY VALLEY CITRUS BOARD

We certify that the Financial Statements of the Murray Valley Citrus Board have been prepared in accordance with Part 7 of the Directions of the Minister for Finance under the Financial Management Act 1994, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Recognised Income and Expense, Cash Flow Statement and notes to and forming part of the Financial Statements, present fairly the financial transactions during the year ended 30 June 2008 and the financial position of the Board as at 30 June 2008.

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.



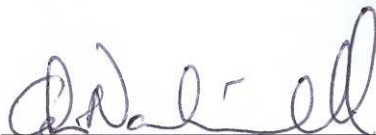
Chairman

19 September 2008.



Chief Executive Officer

19 September 2008.



Deputy Chairman

19 September 2008.

MURRAY VALLEY CITRUS BOARD

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
REVENUE FROM OPERATING ACTIVITIES			
Levy Revenue		773,495	873,625
Industry Project Funding		126,913	233,418
Sale of Goods	14	41,687	58,127
Interest Received		77,707	56,611
Other Revenue		6,255	47,438
Total Revenue		1,026,057	1,269,219
EXPENSES FROM OPERATING ACTIVITIES			
Best Practice	3	221,679	271,990
Industry Data	4	96,349	190,144
Promotional	5	60,832	46,225
Risk Minimisation	6	31,953	19,136
Market Development	7	118,128	116,008
Research & Development Opportunities	8	35,730	26,515
Industry Partnerships	9	57,144	44,266
Management Systems	10	107,408	58,101
Leadership & Advocacy	11	28,678	108,453
Customer Focus	12	79,154	77,972
Corporate Governance	13	37,470	27,616
Cost of Goods Sold	14	44,827	72,282
Total Expenses		919,352	1,058,708
NET RESULT FOR THE YEAR		106,705	210,511

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

MURRAY VALLEY CITRUS BOARD

BALANCE SHEET AS AT 30 JUNE 2008

	NOTE	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	15	1,113,530	996,710
Receivables	16	129,960	184,082
Inventories	17	34,969	46,586
Total Current Assets		1,278,459	1,227,378
NON-CURRENT ASSETS			
Property, Plant & Equipment	18	89,433	78,894
Total Non-Current Assets		89,433	78,894
TOTAL ASSETS		1,367,892	1,306,272
LIABILITIES			
CURRENT LIABILITIES			
Payables	19	67,309	90,931
Employee Benefits	20	26,924	43,685
Total Current Liabilities		94,233	134,616
NON-CURRENT LIABILITIES			
Employee Benefits	20	5,774	10,476
Total Non-Current Liabilities		5,774	10,476
TOTAL LIABILITIES		100,007	145,092
NET ASSETS		1,267,885	1,161,180
EQUITY			
Reserves	21(b)	99,988	74,992
Retained Profits	21(a)	1,167,897	1,086,188
TOTAL EQUITY	21(c)	1,267,885	1,161,180

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

MURRAY VALLEY CITRUS BOARD

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2008

	CONTRIBUTED CAPITAL \$	ACCUMULATED FUNDS \$	TOTAL \$
Total Equity at 30 June 2006	1,294,877	(344,208)	950,669
Net Result for the year	0	210,511	210,511
Total Equity at 30 June 2007	<u>1,294,877</u>	<u>(133,697)</u>	<u>1,161,180</u>
Net Result for the year	0	106,705	106,705
Total Equity at 30 June 2008	<u>1,294,877</u>	<u>(26,992)</u>	<u>1,267,885</u>

The above Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes

MURRAY VALLEY CITRUS BOARD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		1,013,221	1,153,553
Interest Received		66,958	56,611
Payments to Suppliers and Employees		(929,111)	(1,037,401)
Net cash provided by Operating Activities	22	<u>151,068</u>	<u>172,763</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		27,436	25,727
Payments for Property, Plant & Equipment		(61,684)	(17,598)
Net cash used in Investing Activities		<u>(34,248)</u>	<u>8,129</u>
Net increase in cash held		116,820	180,892
Cash & cash equivalents at beginning of the financial year		996,710	815,818
CASH & CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	15	<u>1,113,530</u>	<u>996,710</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 2008

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 Recognised Income and Expense, Cash Flow Statement and notes accompanying these statements. The general purpose financial report complies with Australian Accounting Standards, 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(c).

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 Australian Accounting Standards 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 2008

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 2008

In accordance with FRD 103C *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>2008</i>	<i>2007</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. Bank overdrafts are shown within the interest bearing liabilities on the Balance Sheet.

(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 2008

(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 and there is no present entitlement to the benefit 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.

Superannuation

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

(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 - i.e., inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(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 2008

NOTE 2. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

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

(a) Market risk

(i) Foreign exchange risk

The Board does not have any foreign exchange dealings and therefore has no exposure to risk.

(ii) Price risk

The only exposure to price risk the Board has is for the resale of its assets and its investments. The Board manages its risk through the implementation of a cash investments policy which sets out minimum credit ratings and acceptable lines of investments which must be adopted. All new investments held by the Board should be held in cash or near cash equivalents, therefore negating any future exposure to price risk.

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

(iii) Cash flow and fair value interest rate risk

The Board has no interest bearing liabilities that are exposed to interest rate risk.

(iv) Summarised sensitivity analysis

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

30 June 2008	Carrying Amount \$	Interest rate risk				Other price risk			
		-2%		+1%		-2%		+4%	
		Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$
Financial Assets									
Cash and cash equivalents	(9,117)	182	182	(91)	(91)	-	-	-	-
Receivables	129,960	-	-	-	-	-	-	-	-
Term Deposits	1,122,647	(22,453)	(22,453)	11,226	11,226	(22,453)	(22,453)	44,906	44,906
Financial Liabilities									
Payables	67,309	-	-	-	-	-	-	-	-
Total increase/(decrease)		(22,271)	(22,271)	11,135	11,135	(22,453)	(22,453)	44,906	44,906

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

NOTE 2. FINANCIAL RISK MANAGEMENT AND OBJECTIVES - Continued

(b) Credit risk

The Board has exposure to Credit Risk from funding application approvals where the funding is yet to be received and the receipt of a compulsory charge on fruit sold from authorised packers.

The Board only accounts for funding to be received once final approval for the project has been declared. These receivables are government funding sources and are not expected to have any recoverability issues.

The majority of the Board's receivables are a compulsory charge of fruit supplied to authorised packers. The collection of this levy is covered by the Murray Valley Citrus Industry Development Order 2004 with a penalty imposed for contravening the order. These receivables are not expected to have any recoverability issues.

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

(c) Liquidity risk

The Board is conservative and ensures that operating expenditure is covered by the projected income for the year, should the need to draw on reserves arise then this must be explained to growers. Each year the Board is required to have a proposed budget for the year approved by its registered growers through a vote prior to the commencement of the programs.

The Board also holds considerable reserves that will enable operation for approximately 3 years should no income from levies or government funding be available.

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

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Board is the current bid price.

The carrying value of cash and cash equivalents, trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of financial instruments.

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 3. BEST PRACTICE		
Methods/Systems/Technology	42,566	8,843
Grower Education	75,302	186,292
Field Day	660	600
OH Operating Expenses	103,151	76,255
	<u>221,679</u>	<u>271,990</u>
 NOTE 4. INDUSTRY DATA		
Maintain Databases	28,390	64,212
Data Collection Methods	5,369	14,606
Industry Database	594	655
IT based packouts	181	195
OH Operating Expenses	61,815	110,476
	<u>96,349</u>	<u>190,144</u>
 NOTE 5. PROMOTIONAL		
Participation	38,844	34,515
Market Committees	639	596
Other Promotional	5,238	7,393
OH Operating Expenses	16,111	3,721
	<u>60,832</u>	<u>46,225</u>
 NOTE 6. RISK MINIMISATION		
OHS Manual	429	3,305
Irrigation Efficiency	6,689	3,315
Market Information	1,695	1,045
MV Risk Minimisation	585	4,031
OH Operating Expenses	22,555	7,440
	<u>31,953</u>	<u>19,136</u>
 NOTE 7. MARKET DEVELOPMENT		
Market Information	24,955	32,322
Market Protocols	6,177	7,185
Market Opportunities	28,955	8,153
Subscriptions/Publications	0	90
OH Operating Expenses	58,041	68,258
	<u>118,128</u>	<u>116,008</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 8. R&D OPPORTUNITIES		
R&D Funding	940	2,885
R&D Relationships	2,276	3,101
Technology Transfer	7,797	1,187
OH Operating Expenses	24,717	19,342
	<u>35,730</u>	<u>26,515</u>
NOTE 9. INDUSTRY PARTNERSHIPS		
National Strategic Plan	5,272	1,694
Industry Responsibilities	11,644	9,185
IDO Co-ordination	758	135
TSFF	3,246	4,730
Industry Committees	2,900	1,740
OH Operating Expenses	33,324	26,782
	<u>57,144</u>	<u>44,266</u>
NOTE 10. MANAGEMENT SYSTEMS		
Information & Consistencies	328	3,424
Promote Compliance	803	6,973
Pest & Disease Outbreak	1,607	1,034
TSFF & Education	36,597	1,935
FFEZ	41,745	11,629
OH Operating Expenses	26,328	33,106
	<u>107,408</u>	<u>58,101</u>
NOTE 11. LEADERSHIP & ADVOCACY		
Citrus Leadership Training	5,851	79,164
Policies	1,406	1,071
Government Issues	4,332	5,903
Role of MVCB	427	741
OH Operating Expenses	16,662	21,574
	<u>28,678</u>	<u>108,453</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 12. CUSTOMER FOCUS		
Policies	790	1,767
Communication Plan & Stakeholders Meetings	183	2,123
Customer Service Training	148	151
Consult Meetings & Stakeholder	1,124	4,398
Customer Enquiries	6,738	2,646
Citrep & Other Publications	38,165	30,904
Website Costs & Maintenance	4,067	2,878
OH Operating Expenses	27,939	33,105
	<u>79,154</u>	<u>77,972</u>
NOTE 13. CORPORATE GOVERNANCE		
Risk Management Plan	283	963
Financial Systems	909	236
Performance Systems	227	241
Strategic Plan	1,420	1,544
Organisational Structure	305	262
Professional Development	1,002	935
OH Operating Expenses	33,324	23,435
	<u>37,470</u>	<u>27,616</u>
NOTE 14. TRADING STOCK ITEMS		
Sales	<u>41,687</u>	<u>58,127</u>
Opening Stock	46,586	35,107
Plus Purchases	<u>60,665</u>	<u>87,501</u>
Closing Stock	<u>34,969</u>	<u>46,586</u>
Cost of Sales	44,827	72,282
Gross Profit/ (Loss)	<u>(3,140)</u>	<u>(14,155)</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 15. CASH & CASH EQUIVALENTS		
Cash on Hand	500	500
Cash at Bank	(9,617)	10,934
<i>Total Cash</i>	<u>(9,117)</u>	<u>11,434</u>
Monies at Call	61,060	219,775
Term Deposits	1,061,587	765,501
	<u>1,113,530</u>	<u>996,710</u>
NOTE 16. RECEIVABLES		
Trade Debtors	108,183	145,465
Other Debtors	10,750	20,173
GST Receivable	11,027	18,444
	<u>129,960</u>	<u>184,082</u>
NOTE 17. INVENTORIES		
Finished Goods at cost	34,969	46,586
	<u>34,969</u>	<u>46,586</u>
NOTE 18. PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment - at cost	157,191	144,410
<i>less: Accumulated Depreciation</i>	<u>(113,593)</u>	<u>(101,454)</u>
	43,598	42,956
Motor Vehicles - at cost	53,187	54,736
<i>less: Accumulated Depreciation</i>	<u>(7,352)</u>	<u>(18,798)</u>
	45,835	35,938
	<u>89,433</u>	<u>78,894</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

NOTE 18(a). RECONCILIATION OF MOVEMENT OF FIXED ASSETS

	Plant & Property	Motor Vehicles	Totals
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>42,956</u>	<u>35,938</u>	<u>78,894</u>
Balance at 1 July 2007	42,956	35,938	78,894
Additions	12,781	48,903	61,684
Disposals	0	(29,700)	(29,700)
Depreciation Expense	(12,139)	(9,306)	(21,445)
Carrying amount at end of the year	<u>43,598</u>	<u>45,835</u>	<u>89,433</u>

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

	2008	2007
	\$	\$
Proceeds from disposal	27,436	25,727
Less: Written Down Value of Assets sold	(29,700)	(21,901)
Net Profit/(Loss) from Disposal of Assets	<u>(2,264)</u>	<u>3,826</u>

NOTE 18(c). DEPRECIATION

Property, Plant & Equipment	12,139	18,634
Motor Vehicles	9,306	10,524
Total Depreciation	<u>21,445</u>	<u>29,158</u>

NOTE 19. PAYABLES (CURRENT)

Trade Creditors	39,038	36,768
Accrued Audit Fee	7,500	7,100
Accrued Superannuation	92	742
Accrued Salaries & Wages	1,027	8,248
Other Accruals	6,679	15,856
Group Tax Payable	9,074	4,109
GST Payable	3,899	18,108
	<u>67,309</u>	<u>90,931</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 20. EMPLOYEE BENEFITS		
Current		
All annual leave and Long Service Leave entitlements representing 7+ years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	26,924	31,761
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	0	11,924
	<u>26,924</u>	<u>43,685</u>
Non-Current		
Long Service Leave representing less than 7 years of continuous service measured at present value		
	5,774	10,476
Total Employee Benefits	<u>32,698</u>	<u>54,161</u>
NOTE 21. EQUITY		
(a) Retained Profits		
Balance at beginning of reporting period	1,086,188	900,673
Total changes in equity recognised in the Operating Statement	106,705	210,511
Transfer to Emergency Response Reserve	(24,996)	(24,996)
Total Retained Profits	<u>1,167,897</u>	<u>1,086,188</u>
(b) Emergency Response Reserve		
Balance at beginning of reporting period	74,992	49,996
Transfer from Retained Profits	24,996	24,996
Emergency Response Reserve Balance	<u>99,988</u>	<u>74,992</u>
(c) Equity		
Total Retained Profits	1,167,897	1,086,188
Emergency Response Reserve	99,988	74,992
Total Equity	<u>1,267,885</u>	<u>1,161,180</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 22. RECONCILIATION OF CASH FLOW		
Net Result for the year	106,705	210,511
Depreciation	21,445	29,158
Loss/(Gain) on sales of assets	2,264	(3,826)
	130,414	235,843
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	54,122	(55,229)
(Increase)/Decrease in Inventories	11,617	(11,479)
Increase/(Decrease) in Payables	(23,622)	(12,046)
Increase/(Decrease) in Employee Entitlements	(21,463)	15,674
	151,068	172,763

NOTE 23. SUPERANNUATION CONTRIBUTIONS

Fund	No. of Employees		Contributions Made		Contributions Outstanding	
	2008	2007	2008	2007	2008	2007
MLC Superannuation (National FlexiSuper Plus)	1	1	\$2,083	\$3,354	Nil	Nil
ING Life Limited	0	1	Nil	\$1,287	Nil	Nil
Colonial First State Investments	1	2	\$38,363	\$34,672	Nil	Nil
Australian Super Fund	1	0	\$2,204	Nil	Nil	Nil
Self Managed Super Funds	2	2	\$2,239	\$5,056	Nil	Nil
Legal Super	1	1	\$6,431	\$5,136	Nil	Nil
BT Funds Management Limited	1	0	\$155	Nil	Nil	Nil
Australian Skandia Limited	1	1	\$3,150	\$2,761	Nil	Nil
Prime Super	2	0	\$3,458	Nil	Nil	Nil
Uni Super	1	0	\$5,566	Nil	Nil	Nil
Bendigo Superannuation Plan	1	1	\$158	\$46	Nil	Nil
Vic Super Fund	1	0	\$193	Nil	\$194	Nil
AMP Life Superannuation	1	0	\$142	Nil	Nil	Nil
Unknown Fund	1	0	\$129	Nil	\$129	Nil

General

- Applies to above Superannuation funds.
- At 30 June 2008 there was no unfunded superannuation liability.
- Contributions are paid at the rate of 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.

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

NOTE 24. CAPITAL COMMITMENTS

At 30 June 2008 there were no known commitments towards capital expenditure, not otherwise detailed in these Financial Statements. (2007: nil)

NOTE 25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At 30 June 2008, there are no contingent liabilities or contingent assets for the Murray Valley Citrus Board. (2007: 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

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

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

Income Range	2008	2007
\$0 - \$10,000	8	8
\$10,001 - \$20,000	1	1

Total Remuneration received, or receivable by Responsible persons during the year amounted to \$54,907. (2007: \$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 \$2,436. (2007: \$1,342).

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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	
	2008	2007	2008	2007
\$110,000 – \$119,999	1	1	1	1

NOTE 28. FINANCE LEASE COMMITMENTS

There are no finance lease commitments as at 30 June 2008. (2007: nil)

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 2008 were \$7,500, plus applicable GST (2007: \$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 \$1,985.10 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. (2007: \$28,857.09)

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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
(a) Financial Assets			
Cash and Deposits at Call	15	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	16	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	15	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 7.7%.
(b) Financial Liabilities			
Payables	19	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 2008

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		2008	2007	2008	2007
	2008	2007	2008	2007	2008	2007				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
(a) Financial Assets										
Cash	-	-	-9,617	10,934	500	500	-9,117	11,434	0.31%	0.31%
Term Deposits	1,122,647	985,276	-	-	-	-	1,122,647	985,276	7.7%	6.15%
Receivables	-	-	-	-	129,960	165,465	129,960	165,465	n/a	n/a
Total Financial Assets	1,122,647	985,276	-9,617	10,934	130,460	165,965	1,243,490	1,162,175	-	-
(a) Financial Liabilities										
Payables	-	-	-	-	67,309	90,931	67,309	90,931	-	-
Total Financial Liabilities	-	-	-	-	67,309	90,931	67,309	90,931	-	-

(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	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash	-9,117	11,434	-9,117	11,434
Term Deposits	1,122,647	985,276	1,122,647	985,276
Receivables	129,960	165,465	129,960	165,465
Total Financial Assets	1,243,490	1,162,175	1,243,490	1,162,175
a) Financial Liabilities				
Payables	67,309	90,931	67,309	90,931
Total Financial Liabilities	67,309	90,931	67,309	90,931

(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.

Legislation	Disclosure Required	Page
<u>Charter & purpose</u>		
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FRD 22B	Objectives, functions, powers and duties	6
FRD 22B	Nature and range of services provided	6
<u>Management & structure</u>		
FRD 22B	Organisational structure	9
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FRD 22B	Summary of the financial results for the year	17, 30
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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