

**MURRAY VALLEY
CITRUS BOARD**



ANNUAL REPORT

For Year Ended 30 June 2009

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Murray Valley Citrus Board

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18 September 2009

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 2009.

The year has again been particularly challenging with the region experiencing severe drought and as a result low water allocations especially in Victoria. 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 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 continuance of the Greater Sunraysia as a Pest Free Area. We commend the Department of Primary Industries for its fruit fly review assistance and look forward to sustainable outcomes in dealing with this significant quarantine pest. We are also pleased that in 2009 Japan has allowed the export of Sunraysia citrus under the Seasonal Area Freedom from Fruit Fly agreement, which has reduced costs to producers by eliminating the necessity of cold treatment during transit.

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 includes audited financial statements and reviews the operations and achievements of the Murray Valley Citrus Board for the 2008/09 financial year.

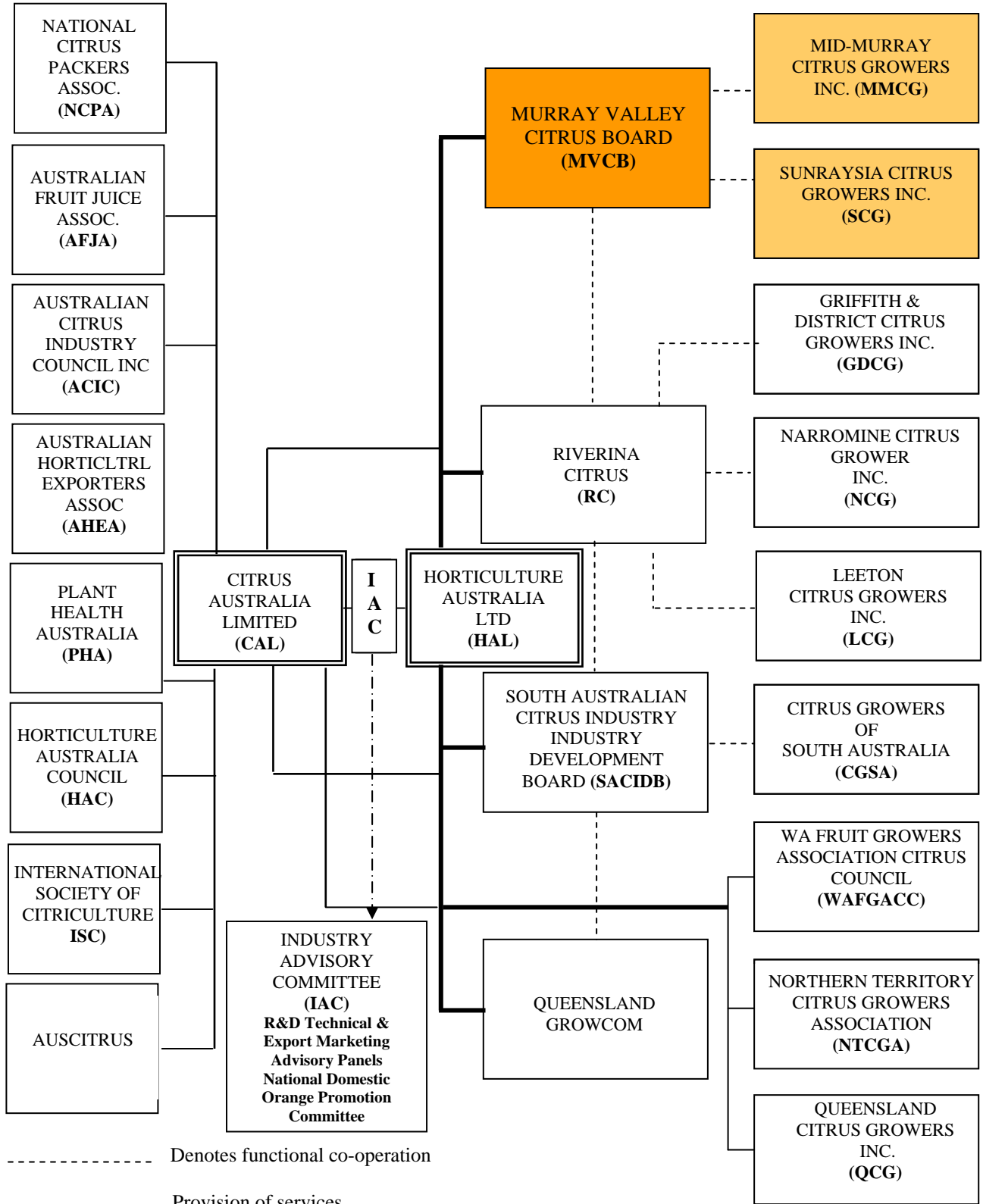
Jan DENHAM,
Chairman.

Affiliations

National Industry Association or Industry Bodies

State Statutory Authorities

Regional Association or Incorporated Bodies



----- Denotes functional co-operation

———— Provision of services

———— Denotes formal regular input and communication and/or provision of services

Board Directory

Board Members



Chairman
Jan Denham

Horticulturist
Ellerslie



Deputy Chairman
Trevor Radloff

Horticulturist
Ellerslie



Sam Chesson

Analyst
Seven Fields
Mildura



Paula Gordon

Horticulturist
Trentham Cliffs



Stuart Holland

Policy Manager - Plant Industries
Department of Primary Industries Victoria
Melbourne



Gina Petrascu

Horticulturist
Barham



Jeremy Giddings

Irrigation Officer
Department of Primary Industries
Dareton



Tony Filippi

Grower Liaison Officer
Mildura Fruit Company
Mildura



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
Shey Rochester	Administrative Officer	2007 to 2009
Deb Scott	Administrative Officer (Part-time)	2009
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)



Deb Scott
Administrative Officer
(Part-time)



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
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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 2008*.

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

When I accepted the role of Chairman of the Murray Valley Citrus Board (MVCB) in July 2008, I did so in the knowledge that the Board was in good shape and that I followed a Chairman, namely Robert Mansell, who had given so much leadership and commitment to the citrus industry over such a long period of time, not only to this region but also to the industry as a whole.

2008/09 presented many challenges to the Board and our industry. The continuing drought across the southern basin and low water allocations in Victoria were not conducive to profitable citrus production. Production for the 2008/09 season was down 28% on average annual production. In addition access to important export markets such as China and Korea are still less than satisfactory due to unworkable protocols. A lack of fruit fly area freedom into important Asian markets, e.g. Japan for the Greater Sunraysia Pest Free Area (PFA) resulted in the need to undertake costly cold disinfestation for our citrus producers. Finally, dealing with the citrus industry restructure and the national peak body's desire to form a single structure for the industry presented additional challenges for the MVCB.

In addressing these challenges, the Board saw the need to develop a strategic plan for 2009-13, and did so in consultation with growers and key stakeholders. This resulted in a very robust plan that meets the needs of our levy paying citrus producers and focuses our attention on assisting growers to be sustainable and to achieve profitable returns, providing industry leadership and working in partnership with other organisations for development and profitability, and being an efficient, accountable and professional organisation. The Board's Strategic Plan can be found on our website www.mvcitrus.org.au.

A highlight of the year has been the gaining seasonal fruit fly area freedom status (June to December) into the important Japanese market commencing in 2009. This was pleasing news for our industry and the wider community. It has created more optimism for the future as it means considerable savings for Murray Valley citrus growers exporting to Japan this year.

The MVCB along with other horticultural commodity groups from Sunraysia approached the Victorian Government and met with the Water Minister, the Hon. Tim Holding, for more water security for permanent plantings. Unfortunately we have not been successful to date and will continue to advocate for change in the high security water allocation priorities for Sunraysia's Victorian irrigators.

The Board also joined with other commodity groups from Sunraysia to respond to the Victorian Government's Draft Sustainable Water Strategy (Northern Region). A copy of our response can be downloaded from the MVCB website (refer above).

MVCB was successful in obtaining funding from Horticulture Australia Ltd (HAL) to attend the Asia Fruit Congress and Fruit Logistica in Hong Kong in September 2008. This was a very worthwhile event providing valuable information on Asian market trends/challenges and provided us with an opportunity to demonstrate the quality of our produce to Asian buyers.

The Board was disappointed to learn of CSIRO's decision to close its Merbein laboratory and not undertake any future work on citrus. The loss of this R & D facility with substantial scientific resources will have a bearing on how well the horticultural industries maintain or create competitive advantages in global markets.

MVCB and other Sunraysia Horticultural Industries agreed to co-fund a Feasibility Study/Business Case for an alternative R & D model to service the needs of our local horticultural industries and work on that important project is scheduled to be completed in early September 2009.

The Board has partnered with the children from the Nangiloc/Colignan school to promote citrus through their enterprise learning program's latest venture 'The Orange Drive. The Healthy

Alternative'. Under the guidance of Principal Eric Wright, the school has utilised the local area's citrus heritage to enter the Schools First Program by building on their long-running citrus juice ice-block enterprise in their canteen. Through their enterprise learning program, the children in years four, five and six have organised an orange drive for schools in the Mallee area and hope to expand it to include schools in Melbourne. The Board has developed strong links with the Nangiloc/Colignan school, and the school understands the need to promote Murray Valley Citrus, helping to ensure local families remain viable and employed. They will use local fruit, packed at a local packing house and all orders will be processed by the children as part of their enterprise learning program. This partnership was selected to promote the Schools First Program on national television, through Channel Seven's Sunrise breakfast show. Several live crosses from a local citrus packing shed featuring their weather presenter, Fifi Box, highlighted the School's enterprise learning program and Murray Valley citrus.

In February, the Murray Valley, Riverina and the South Australian citrus boards met with Citrus Australia Ltd (CAL) to commence dialogue on the way we could work together for the betterment of the citrus industry. MVCB reinforced the point that we wished to continue the dialogue and co-operate with CAL stressing the importance of the need to continue to complement each other's activities.

With six new members on the MVCB, this past year has been a steep learning curve for the new Board members. Despite this we were able to achieve our goals for the year with guidance from the Executive Officer and returning Board members. I would like to thank all Board members for their contribution and commitment to their task.

I would like to thank John Tesoriero for his support over the past year – John has at all times kept both myself as Chairman, and the Board informed and focused on our priorities. It has been a pleasure working with John.

Our thanks also go to the staff for their dedication to getting the job done – also their willingness to assist at events.

Sadly, the year has closed with a change in the leadership of the MVCB. Our Chief Executive for the past five years, John Tesoriero, has tendered his resignation. John will be taking up the position of General Manager, Water Supply with Southern Rural Water. John's professionalism and leadership has seen the MVCB continue to receive support and appreciation from the citrus growers in the Murray Valley.

As is the usual custom and a requirement under the Agricultural Industry Development Act 1990 Victoria, the Board held consultative meetings in June in Barham and Mildura to gain approval for our Plan of Operations, projects and budgets for 2009/10. It is pleasing that all projects were approved by a vote of levy paying producers and we look forward to a successful season and harvest in 2009/10.



Jan Denham
CHAIRMAN

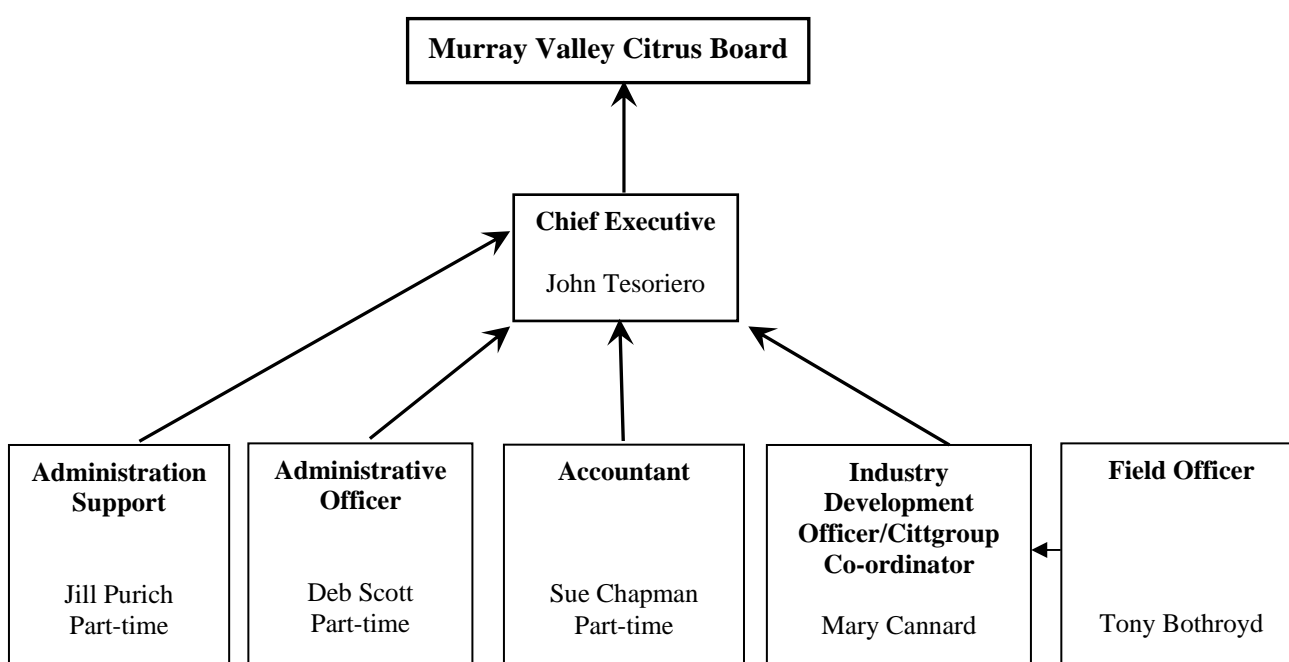
Management and Organisational Structure

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 2008 and will expire on 30 June 2011.

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



Workforce Data

Staffing Trends (Equivalent Full Time Employees)

2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
5.26	5.26	5.26	4.16	3.87

Staff Profile by Position

Position	Male		Female		Total	
	2009	2008	2009	2008	2009	2008
Executive	1	1	0	0	1	1
Field Staff	1	1	1	1	2	2
Administration Staff	0	0	3	2	3	3
Total Staff	2	2	4	3	6	6

Business Environment

Business Environment

The Murray Valley Citrus Board (MVCB) provides research, extension, industry planning information and market development services to 513 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 Victoria again faced low water allocations in the 2008/09 season with high reliability water shares peaking at 35% of allocation necessitating a need to purchase water and utilize carryover. New South Wales citrus growers on the other hand were allocated 95% of their high security water allocation. The reduced water allocations in Victoria had a direct effect on production, the Navel and Valencia harvest for the Murray Valley was down by 27% and 18% respectively compared to the 2007/08 season. Many Victorian growers were forced to turn off water, remove or mothball patches of low returning citrus, with Valencias 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.

Consultative Meetings

The MVCB consulted widely with citrus producers leading up to the development of its Strategic Plan for the period 2009/13. The Plan was completed and is available on our website www.mvcitrus.org.au.

Consultative meetings were also undertaken in Barham and Mildura in June to gain approval of the MVCB 2009/10 budget and projects in accordance with the requirements of our Industry Development Order 2008.

All projects/programs were approved by a vote of levy paying citrus producers.

Market Access

The Japanese Government has recognised the Greater Sunraysia Pest Free Area as seasonally fruit fly free. Citrus that is picked and packed in the Greater Sunraysia Area during the period 1 June to 31 December each year will be permitted to be exported to Japan without the requirement for cold treatment against fruit flies.

This pleasing decision will result in some significant savings back to growers as the current requirement of cold treatment is a significant cost in the production chain.

MVCB is hopeful that this seasonal recognition will lead the way to full year area freedom acceptance for citrus from the Greater Sunraysia Area to Japan in the near future.

In June 2009, MVCB co-ordinated a five day visit from an inspector from the Japanese Ministry of Agriculture Forestry and Fisheries (MAFF). The inspector visited eleven export packing sheds to check packing conditions in order that they be allowed to export citrus to Japan under seasonal area freedom.

Asia Fruit Congress and Fruit Logistica

MVCB Chairman, Jan Denham, and CEO, John Tesoriero, attended the Asia Fruit Congress and Asia Fruit Logistica in September 2008 in Hong Kong as part of the Horticulture Australia Ltd (HAL) and Austrade contingent. The Congress provided an insight into Asian retail trends from a global sourcing perspective, the significant growth in the middle class in China and changes in purchasing trends. Speakers at the Congress spoke about China's role as a consumer market and global supplier and the key challenges to China's future growth.

Conferences and Field Days

At the 58th Mildura Horticultural Field Days held on Tuesday 26th and Wednesday 27th May 2009, the MVCB's display, located in the ADFA tent, showcased the role of the Board. The display highlighted the threat of Huanglongbing (citrus greening disease) to the Australian citrus industry and informed growers on how to identify the disease and its vector. Information on management of pests such as Fuller's Rose Weevil and Citrus Gall Wasp was also available. The display included information on citrus publications and fact sheets and many growers took the opportunity to discuss issues relating to citrus production with Industry Development Officer, Mary Cannard and Field Officer, Tony Bothroyd.

Mildura Show a Successful Citrus Promotion

All things citrus were promoted at the Mildura Show again this year with the Board and the kids from the Nangiloc/Colignan Primary School sharing the stand. The children formed the 'Slurpie Squad' to market and sell frozen Blood Orange Slurpies, which are also produced by the children at the school from freshly squeezed blood orange juice. The 'Slurpies' proved very popular with more than 300 sold throughout the three days of the Show.

The stand was number 17 on the Elliott Emu trail with the Board giving out more than 1500 oranges as part of the produce collected to fill the Sunraysia Daily show bag. This year's theme of "come and try our five delicious citrus juices" proved very popular with many customers commenting on the juiciness of the Tangelos and sweetness of the Ruby Grapefruit. Due to the warm weather on all three days of the Show the stand was well patronised with the Board's stand selling freshly squeezed orange juice and fabulous blood orange juice.

Many customers commented on how they were 'hanging out' all year for the taste of our orange juice granitas with many coming back again and again to refresh their dry throats during the hottest part of the day.

The citrus packing competition was well supported by local pack houses, with Mildura Fruit Company, SS Packers and EJT Packers taking out the awards in the various classes.

The efforts of MVCB and the Nangiloc/Colignan Primary School children who designed and set up the show stand were well rewarded with the Show Society presenting them the Best Trade Display in the Show and the Best Pavilion Display in the Agricultural Hall for the second year running.

The Board would like to thank the growers and packers who provided fruit for tasting, juicing and give-aways. We would also like to thank Danika Andrew and Anne Barton, School Captains, and children from grades 4, 5 and 6, plus all others who donated their time and energy to help man the stand throughout the three days of the Show making this year's stand a very successful promotional venture.

Crop Forecasting

The MVCB collect fruit numbers 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 (PDAs) have been acquired for rapid data entry from field collection.

Melbourne Citrus Committee

During the 2008/2009 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 a 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 were 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:

- Facilitated orchard inspector training for all overseas markets;
- Timely media releases of seasonal events as they occur and information transfer continue to be the focal point within the industry
- Organised water trading and water outlook information sessions for all irrigators in the Murray Valley.
- Organised spray trials and workshops for the incursion of Citrus Gall Wasp in the Coomealla district.

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:

- Citrus Nutrition Technical Workshop
- Citrus Gall Wasp Spray Workshop
- Crop Forecast and New Citrus Varieties Update
- Water Outlook for the 2008/09 Season
- Water Trading Workshop
- Citrus Research Field Walk
- Citrus Gall Wasp Spray Trial Field Walk
- South African Budwood Scheme and Variety Trends
- DNE End of Season Review
- Citrus Greening
- Packing Shed Sanitation Workshop
- Irrigation Environmental Management Action Plan Workshop

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 Table Grape Association and Summer Fruit 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.

Market Access for the Greater Sunraysia

The outcome from this project is to achieve area freedom status with respect to Queensland Fruit Fly for the Pest Free Area allowing exports of summer fruit, citrus and table grapes to export markets including Taiwan and cost savings by avoiding the use of disinfestation protocols such as cold treatment.

Murray Valley Citrus Leadership Development

The *Impact on Citrus* Leadership Program is based on the knowledge that primary industries have a wealth of untapped human resources and that this is under-utilised due to people lacking the skills, knowledge and confidence to participate effectively at the various levels of industry. The program equips participants with skills, knowledge confidence and contacts in a learning environment together with the opportunities to use these tools in an industry context throughout the program. The *Impact on Citrus* Leadership Program was deferred for 2008/09 due to duplicated programs being run by DPI Victoria across all commodity groups

Tri-State Fruit Fly Awareness

This three year project aims to develop a multi-tiered community awareness program, designed to raise awareness with the traveling 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 Community Awareness 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. During the 2008/09 year a pilot group of 5 growers was set up with log-in ids and passwords to trial the system before it is rolled out to all growers.

Establishment of Citrus Gall Wasp Parasites in the Murray Valley Region

An incursion of Citrus Gall Wasp (CGW) has occurred in the Coomealla region across 10 properties. CGW has the potential to spread throughout the Murray Valley region, therefore, MVCB sought and gained HAL funding to purchase and release large numbers of the native parasitic wasps over a period of three years so they can establish within the Murray Valley region. This reduces the incidence of galling and enables the management of this serious pest to be ongoing with minimal inputs.

Summary of Operations

Prior to the commencement of the 2008/2009 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:
 - Australian Citrus Growers Annual Conference
 - Poster presentation at International Citrus Congress, Wuhan, China
 - Riverland Field Day
 - Riverland Drought Workshop
 - Citrus Nutrition Technical Workshop – DPI Dareton
 - Horticultural Field Days at Sunraysia Institute of TAFE
 - AQIS Forum post season review.
- Conducted CITTgroups throughout the region covering 11 topics
- Participated in the HAL Industry Needs Assessment
-

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 2009 and detailed crop forecast published in April 2009.
- Undertook comprehensive blemish assessments
- Crop forecast sites have been GPS
- Plantings data base updated.
- Funding received for aerial photography
- Funding received for data base review
- Distributed weekly Market Report during major harvest periods to improve harvest and marketing strategies by growers and packers
- 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. This is now being tested by a small group of growers

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.
- Provided funding for in-store citrus promotions.
- Working with primary schools to encourage healthy eating, especially oranges, by purchase of citrus sectionisers.
- Working with Nangiloc/Colignan Primary School to develop Orange Drive.
- Participated in regional promotional campaigns such as the Golden Rivers Food Festival, Picnic at Hanging Rock, Harvest Picnic at Werribee, Mildura and Wentworth Shows in addition to agricultural field days at Mildura and Riverland.

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.
- Responded to the Victorian Northern Region Sustainable Water Strategy.

- Responded to Enquiry into Drought Relief Funding.
- Met with Premier John Brumby and Water Minister Tim Holding seeking critical water for permanent plantings.

2.1 Plan, fund and facilitate market development and maintenance

- Attendance at Hong Kong Fruit Logistica and other export seminars and market access opportunities arranged by Austrade.
- Funded a Japanese MAFF inspector for Area Freedom status.
- Japan accepts seasonal area freedom for the Greater Sunraysia PFA.
- Japanese inspector signs off on Murray Valley export packing sheds.
- Japan accepts fruit sourced from the Riverland can be packed in Sunraysia under area freedom.
- Provided funding and contributed to the development of Greater Sunraysia PFA.
- Administered Tri-State Fruit Fly Committee Community Awareness Program
- Presentation on export requirements to visiting Chinese horticulture students
- Facilitate AQIS and BA information transfer session in March 2009
- Attended Understand the Citrus Supply Chain in March 09
- Market Report forwarded to Stakeholders on a weekly basis.
- Market protocol requirements distributed to Industry, eg China, Japan.
- Regular meetings held with Vic DPI re Area Freedom & Market Access.

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 CITTgroups.
- Organised citrus research field day at NSW DPI Dareton Research Centre
- Facilitated export crop monitors course 2009

2.3 Liaison with other industry organisations

- Funding application and HAL approval for a collaborative research and development facility in Merbein
- Provided funding for the SARDI citrus post harvest project
- Attended and provided input to Post Harvest Steering Committee, FRW project, Riverlink Extension Meeting, Horticultural Natural Resource Management Summit, Victorian Land and Water Management Consultation Workshop, HAL Water Initiative Forum
- Worked with other commodity groups to develop drought strategies
- Attendance at Sunraysia IDO Extension Group monthly meetings
- MVCB represented on ACG Restructure Steering Committee
- Met with Citrus Australia Limited to discuss roles and responsibilities of our respective organizations.
- Hosted tri-state meetings with southern citrus growing regions.
- Attended meetings with Riverland and Riverina statutory Boards.

2.4 Promote industry awareness of required management and accreditation systems

- Attended citrus industry Huanglongbing workshop
- Safety information disseminated via Citrep and other media.
- Responded to Chemicals of Security Concern report
- Responded to the Biosecurity legislative changes
- Up to date MRL information posted 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* Leadership Program represented on Riverlink, MVCB and SCG Boards
- Obtained HAL funding for future *Impact on Citrus* Leadership Courses
- Contributed to the Citrus Australia Limited green paper
- 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), 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.
- Completed 2009/13 Strategic Plan
- All enquiries dealt with in a prompt and efficient manner.

3.3 Excellence in corporate governance

- All statutory obligations met including Board Meetings, Auditor General requirements and annual reporting
- Unqualified Audit Opinion achieved re financial performance of the MVCB.
- Provided corporate governance training course for Board members and staff.
- 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 eight 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, Sam Chesson and Jan Denham

Best Practice/IDO Steering: Paula Gordon, Trevor Radloff, Tony Filippi, Sam Chesson, Jeremy Giddings, Gina Petrascu plus industry members Michael Treeby, Keith Leamon and Glen Goldup

Market, Export & Promotions: Gina Petrascu, Keith Richards, Paula Gordon, Tony Filippi

Financial Review of Operations and Financial Condition

	2008/09	2007/08	2006/07	2005/06	2004/05
Revenue from Government	212,112	126,913	233,418	227,669	95,019
Other revenue	711,489	899,144	1,035,801	928,931	704,141
Total income	923,601	1,026,057	1,269,219	1,156,600	799,160
Total expenses	976,378	919,352	1,058,708	1,081,944	974,581
Net result for the period	(52,777)	106,705	210,511	74,656	(175,421)
Net cash flow from operating activities	16,457	151,068	172,763	(30,373)	103,466
Total assets	1,331,428	1,367,892	1,306,272	1,092,133	1,074,761
Total liabilities	116,320	100,007	145,092	141,464	198,748

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: 592 (*based on citrus ID registration*)
No. of growers: 513
No. of Approved Receivers: Packers - 45, Processors - 8

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 2008/2009 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 2008/2009 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 2009, 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 2008 to 30 June 2009.

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 2008/2009 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, Manager FOI & Privacy
Department of Primary Industries
GPO Box 4400
MELBOURNE VIC 3001
Telephone: (03) 9658 4030 Facsimile: (03) 9658 4207
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 2008/09 Harvest

VARIETY	TONNES					TOTAL
	SA	MVCB	RIVERINA & NSW	QLD	WA	
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 2009 statistics

NA = Not Available

Australian Citrus Production 2008/09 Forecast

VARIETY	TONNES					TOTAL
	SA	MVCB	RIVERINA & NSW	QLD	WA	
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.

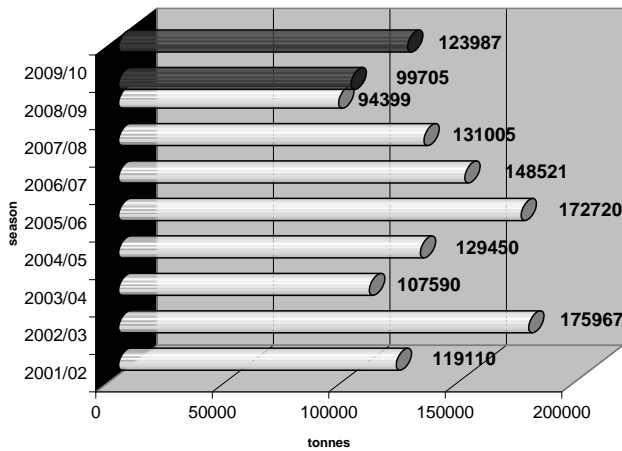
Murray Valley Citrus Board Market Distribution 2008/09 Harvest

VARIETY	TONNES							TOTAL
	EXPORT	MELB	SYD	BRIS	ADEL	PROCESSING	OTHER	
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

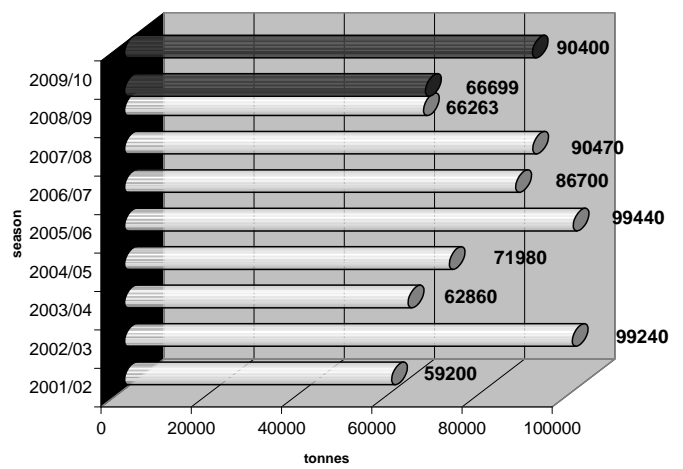
Source: Murray Valley Citrus Board

Murray Valley Citrus Forecast and Actual Production

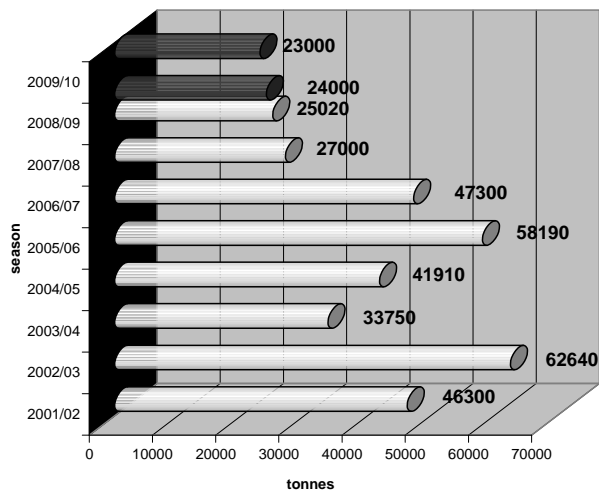
Murray Valley Seasonal Citrus Production



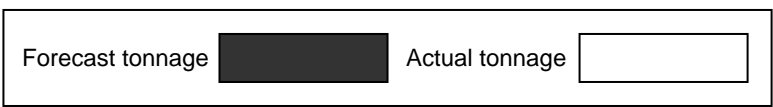
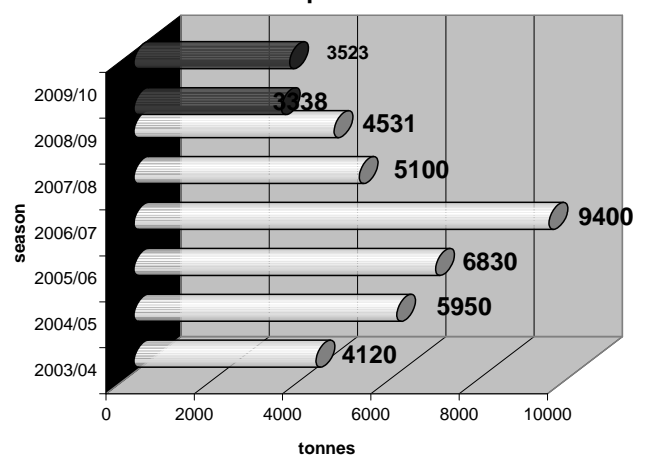
Navel Production



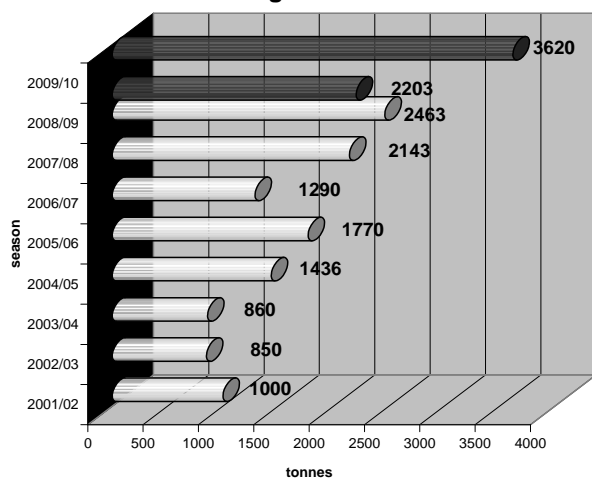
Valencia Production



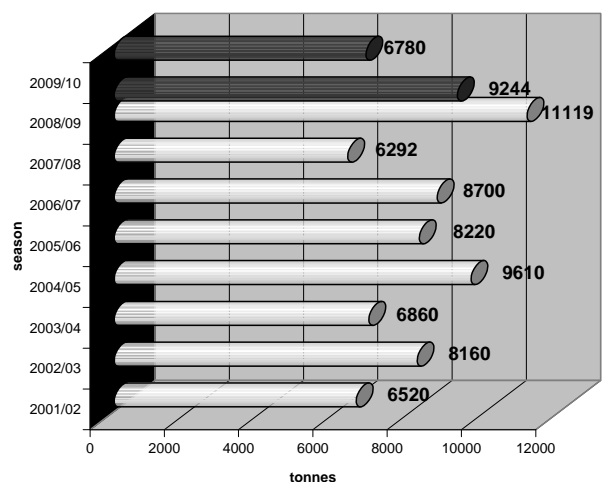
Grapefruit Production



Tangelo Production



Mandarin Production



Murray Valley Orchard Statistics

Planting Statistics as at 31 January 2009

MURRAY VALLEY CITRUS BOARD

Plantings Statistics to 31 January 2009			
VARIETY	Total Hectares Planted	Total Bearing Hectares	Total Non Bearing Hectares
Blood Orange	29.1	21.5	7.6
Grapefruit - Red Fleshed	36.5	29.8	6.7
Grapefruit - White Fleshed	154.5	148.8	5.7
Grapefruit Total	191.0	178.6	12.4
Lemon	12.3	117.1	6.2
Lime	4.2	3.0	1.2
Mandarin - Early Season	408.2	316.4	91.8
Mandarin - Mid Season	78.0	72.7	5.3
Mandarin - Late Season	55.8	53.0	2.8
Mandarin - Misc. Season	195.1	13.6	181.5
Mandarin Total	737.1	455.7	281.4
Unspecified Varieties	51.2	38.3	12.9
Navel - Early Season	978.1	913.4	64.7
Navel - Mid Season	756.0	648.1	107.9
Navel - Late Season	2262.3	1995.6	266.7
Navel - Misc. Season	71.9	71.6	0.3
Navel Total	4068.3	3628.7	439.6
Tangelo	90.5	82.8	7.7
Valencia Seeded	1109.8	1098.0	11.8
Valencia Seedless	15.5	12.2	3.3
Valencia Total	1125.3	1110.2	15.1
TOTAL PLANTINGS	6309.0	5635.9	784.1

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 2009.

(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 7 Payment	\$34,870	1/8/2008
	Milestone 8 Payment	\$86,130	12/1/2009
Horticulture Australia Ltd	CT08000 – Establishment of Citrus Gall Wasp Parasites in the Sunraysia Region		
	Milestone 1 Payment	\$15,840	30/3/2009
Horticulture Australia Ltd	CT08024 – Citrus Board to Asia Fruit Congress		
	Milestone 1 Payment	\$21,975	9/10/2008
	Final Milestone Payment	\$5,494	30/3/2009

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 2009

Auditor General Victoria

Auditor General's Independence Declaration and Report

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Murray Valley Citrus Board

The Financial Report

The accompanying financial report for the year ended 30 June 2009 of the Murray Valley Citrus Board which comprises the 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 Member's Responsibility for the Financial Report

The Board Members of the Murray Valley Citrus Board are responsible for the preparation and 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 the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

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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

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Murray Valley Citrus Board for the year ended 30 June 2009. The Board Members of the Murray Valley Citrus Board are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. 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 website.

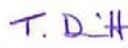
Independence

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 the Murray Valley Citrus Board as at 30 June 2009 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 2009

For 
D D R Pearson
Auditor-General

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 2009 and the financial position of the Board as at 30 June 2009.

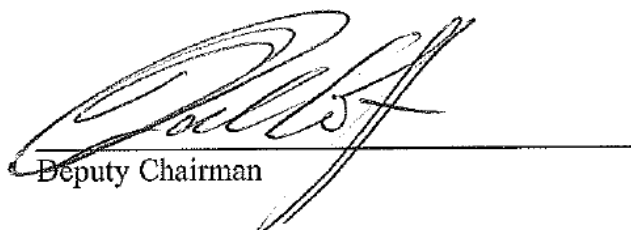
At the date of signing the Financial Statements, we are not aware of any circumstances which would render any particulars included in the statements misleading or inaccurate.


Chairman

17 September 2009.


Chief Executive Officer

17 September 2009.


Deputy Chairman

17 September 2009.

MURRAY VALLEY CITRUS BOARD

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 \$	2008 \$
REVENUE FROM OPERATING ACTIVITIES			
Levy Revenue		578,357	773,495
Industry Project Funding		212,112	126,913
Sale of Goods	14	34,033	41,687
Interest Received		66,331	77,707
Other Revenue		32,768	6,255
Total Revenue		923,601	1,026,057
EXPENSES FROM OPERATING ACTIVITIES			
Best Practice	3	240,690	221,679
Industry Data	4	112,382	96,349
Promotional	5	62,213	60,832
Risk Minimisation	6	45,428	31,953
Market Development	7	128,355	118,128
Research & Development Opportunities	8	41,271	35,730
Industry Partnerships	9	72,264	57,144
Management Systems	10	74,406	107,408
Leadership & Advocacy	11	31,179	28,678
Customer Focus	12	77,500	79,154
Corporate Governance	13	54,919	37,470
Cost of Goods Sold	14	35,771	44,827
Total Expenses		976,378	919,352
NET RESULT FOR THE YEAR		(52,777)	106,705

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

MURRAY VALLEY CITRUS BOARD

BALANCE SHEET AS AT 30 JUNE 2009

	NOTE	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	15	1,124,685	1,113,530
Receivables	16	94,939	129,960
Inventories	17	39,216	34,969
Total Current Assets		1,258,840	1,278,459
NON-CURRENT ASSETS			
Property, Plant & Equipment	18	72,588	89,433
Total Non-Current Assets		72,588	89,433
TOTAL ASSETS		1,331,428	1,367,892
LIABILITIES			
CURRENT LIABILITIES			
Payables	19	71,107	67,309
Employee Benefits	20	28,170	26,924
Total Current Liabilities		99,277	94,233
NON-CURRENT LIABILITIES			
Employee Benefits	20	17,043	5,774
Total Non-Current Liabilities		17,043	5,774
TOTAL LIABILITIES		116,320	100,007
NET ASSETS		1,215,108	1,267,885
EQUITY			
Reserves	21(b)	124,984	99,988
Retained Profits	21(a)	1,090,124	1,167,897
TOTAL EQUITY	21(c)	1,215,108	1,267,885

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 2009

	CONTRIBUTED CAPITAL \$	ACCUMULATED FUNDS \$	TOTAL \$
Total Equity at 30 June 2007	1,294,877	(133,697)	1,161,180
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>
Net Result for the year	0	(52,777)	(52,777)
Total Equity at 30 June 2009	<u>1,294,877</u>	<u>(79,769)</u>	<u>1,215,108</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 2009

	NOTE	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		898,931	1,013,221
Interest Received		59,691	66,958
Payments to Suppliers and Employees		(942,165)	(929,111)
Net cash provided by Operating Activities	22	<u>16,457</u>	<u>151,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		0	27,436
Payments for Property, Plant & Equipment		(5,303)	(61,684)
Net cash used in Investing Activities		<u>(5,303)</u>	<u>(34,248)</u>
Net increase in cash held		11,154	116,820
Cash & cash equivalents at beginning of the financial year		1,113,530	996,710
CASH & CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	15	<u>1,124,684</u>	<u>1,113,530</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 2009

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 2009

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.

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

Valuation of Non-Current Physical Assets

All non-current physical assets except land under declared roads and water infrastructure assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of FRD103D. Revaluations are conducted using management expertise and are classified as a managerial revaluation.

Plant, equipment and vehicles are measured at fair value.

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as expense in determining the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

Impairment of Assets

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount. All other assets are assessed annually for indicators of impairment, except for:

- inventories; and
- financial instrument assets.

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

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

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

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

(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:

	2009	2008
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 2009

(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. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

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 2009

(I) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. As at 30 June 2009, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2009. The Board has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on departmental financial statements
AASB 8 Operating Segments	Supersedes AASB 114 <i>Segment Reporting</i>	Beginning 1 Jan 2009.	Not applicable.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009.	Impact expected to be not significant.
AASB 123 Borrowing Costs.	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets. In February 2009, the AASB decided that not-for-profit public sector entities could continue to expense borrowing costs attributable to qualifying assets pending the outcome of various IPSASB/AASB projects.	Beginning 1 Jan 2009.	The MVCB has no borrowings.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12].	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009.	Same as AASB 123 above.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on departmental financial statements
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107].	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 Jul 2009.	Impact is being evaluated.
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs5, 7 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038].	A suite of amendments to existing standards following issuance of IASB Standard Improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 Jan 2009.	Impact is being evaluated.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements project [AASB 1 & AASB 5].	The amendments require all the assets and liabilities of a for-sale subsidiary's to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.	Beginning 1 Jul 2009.	Not applicable.
AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136].	Changes mainly relate to treatment of dividends from subsidiaries or controlled entities.	Beginning 1 Jan 2009.	Not applicable.
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139].	The amendments to AASB 139 clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations.	Beginning 1 Jul 2009.	Not applicable.
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101.	Amendments to AASB 1049 for consistency with AASB 101 (September 2007) version.	Beginning 1 Jan 2009.	Not applicable to public sector entities except for certain presentation formats.

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

NOTE 2. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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 2009	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	44,446	(889)	(889)	444	444	-	-	-	-
Receivables	94,939	-	-	-	-	-	-	-	-
Term Deposits	1,079,758	-	-	-	-	(21,595)	(21,595)	43,190	43,190
Monies at Call	481	(10)	(10)	5	5	(10)	(10)	19	19
Financial Liabilities									
Payables	71,107	-	-	-	-	-	-	-	-
Total increase/(decrease)		(899)	(899)	449	449	(21,605)	(21,605)	43,209	43,209

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

(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 2008 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 2009

	2009	2008
	\$	\$
NOTE 3. BEST PRACTICE		
Methods/Systems/Technology	62,780	42,566
Grower Education	74,770	75,302
Field Day	0	660
OH Operating Expenses	103,140	103,151
	<u>240,690</u>	<u>221,679</u>
 NOTE 4. INDUSTRY DATA		
Maintain Databases	41,659	28,390
Data Collection Methods	9,581	5,369
Industry Database	2,398	594
IT based packouts	264	181
OH Operating Expenses	58,480	61,815
	<u>112,382</u>	<u>96,349</u>
 NOTE 5. PROMOTIONAL		
Participation	34,672	38,844
Market Committees	1,545	639
Other Promotional	9,462	5,238
OH Operating Expenses	16,534	16,111
	<u>62,213</u>	<u>60,832</u>
 NOTE 6. RISK MINIMISATION		
OHS Manual	131	429
Irrigation Efficiency	18,521	6,689
Market Information	2,939	1,695
MV Risk Minimisation	2,317	585
OH Operating Expenses	21,520	22,555
	<u>45,428</u>	<u>31,953</u>
 NOTE 7. MARKET DEVELOPMENT		
Market Information	21,511	24,955
Market Protocols	6,644	6,177
Market Opportunities	39,532	28,955
OH Operating Expenses	60,668	58,041
	<u>128,355</u>	<u>118,128</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 8. R&D OPPORTUNITIES		
R&D Funding	7,352	940
R&D Relationships	4,322	2,276
Technology Transfer	4,228	7,797
OH Operating Expenses	25,369	24,717
	<u>41,271</u>	<u>35,730</u>

NOTE 9. INDUSTRY PARTNERSHIPS

National Strategic Plan	2,116	5,272
Industry Responsibilities	10,108	11,644
IDO Co-ordination	958	758
TSFF	7,062	3,246
Industry Committees	24,420	2,900
OH Operating Expenses	27,600	33,324
	<u>72,264</u>	<u>57,144</u>

NOTE 10. MANAGEMENT SYSTEMS

Information & Consistencies	681	328
Promote Compliance	543	803
Pest & Disease Outbreak	19,335	1,607
TSFF & Education	5,492	36,597
FFEZ	22,417	41,745
OH Operating Expenses	25,938	26,328
	<u>74,406</u>	<u>107,408</u>

NOTE 11. LEADERSHIP & ADVOCACY

Citrus Leadership Training	668	5,851
Policies	1,372	1,406
Government Issues	4,560	4,332
Role of MVCB	872	427
OH Operating Expenses	23,707	16,662
	<u>31,179</u>	<u>28,678</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 12. CUSTOMER FOCUS		
Policies	810	790
Communication Plan & Stakeholders Meetings	2,517	183
Customer Service Training	0	148
Consult Meetings & Stakeholder	7,584	1,124
Customer Enquiries	3,471	6,738
Citrep & Other Publications	25,236	38,165
Website Costs & Maintenance	3,374	4,067
Media Releases	303	0
OH Operating Expenses	34,205	27,939
	<u>77,500</u>	<u>79,154</u>
NOTE 13. CORPORATE GOVERNANCE		
Risk Management Plan	316	283
Financial Systems	818	909
Performance Systems	431	227
Strategic Plan	9,858	1,420
Organisational Structure	1,056	305
Professional Development	2,199	1,002
OH Operating Expenses	40,241	33,324
	<u>54,919</u>	<u>37,470</u>
NOTE 14. TRADING STOCK ITEMS		
Sales	<u>34,033</u>	<u>41,687</u>
Opening Stock	34,969	46,586
Plus Purchases	<u>39,229</u>	<u>60,665</u>
Closing Stock	<u>39,216</u>	<u>34,969</u>
Cost of Sales	35,771	44,827
Gross Profit/ (Loss)	<u>(1,738)</u>	<u>(3,140)</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 15. CASH & CASH EQUIVALENTS		
Cash on Hand	500	500
Cash at Bank	43,946	(9,617)
<i>Total Cash</i>	<u>44,446</u>	<u>(9,117)</u>
Monies at Call	481	61,060
Term Deposits	1,079,758	1,061,587
	<u>1,124,685</u>	<u>1,113,530</u>
NOTE 16. RECEIVABLES		
Trade Debtors	73,132	108,183
Other Debtors	21,807	10,750
GST Receivable	0	11,027
	<u>94,939</u>	<u>129,960</u>
NOTE 17. INVENTORIES		
Finished Goods at cost	39,216	34,969
	<u>39,216</u>	<u>34,969</u>
NOTE 18. PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment - at fair value	162,494	157,191
<i>less: Accumulated Depreciation</i>	<u>(125,427)</u>	<u>(113,593)</u>
	37,067	43,598
Motor Vehicles - at fair value	53,187	53,187
<i>less: Accumulated Depreciation</i>	<u>(17,665)</u>	<u>(7,352)</u>
	35,522	45,835
	<u>72,589</u>	<u>89,433</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

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

	Plant & Property	Motor Vehicles	Totals
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>
Balance at 1 July 2008	43,598	45,835	89,433
Additions	5,303	0	5,303
Depreciation Expense	(11,834)	(10,313)	(22,147)
Carrying amount at end of the year	<u>37,067</u>	<u>35,522</u>	<u>72,589</u>

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

	2009	2008
	\$	\$
Proceeds from disposal	0	27,436
Less: Written Down Value of Assets sold	0	(29,700)
Net Profit/(Loss) from Disposal of Assets	<u>0</u>	<u>(2,264)</u>

NOTE 18(c). DEPRECIATION

Property, Plant & Equipment	11,834	12,139
Motor Vehicles	10,313	9,306
Total Depreciation	<u>22,147</u>	<u>21,445</u>

NOTE 19. PAYABLES (CURRENT)

Trade Creditors	40,939	39,038
Accrued Audit Fee	8,000	7,500
Accrued Superannuation	161	92
Accrued Salaries & Wages	11,790	1,027
Other Accruals	8,753	6,679
Group Tax Payable	0	9,074
GST Payable	1,464	3,899
	<u>71,107</u>	<u>67,309</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
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	28,170	26,924
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	0	0
	<u>28,170</u>	<u>26,924</u>
Non-Current		
Long Service Leave representing less than 7 years of continuous service measured at present value	17,043	5,774
	<u>45,213</u>	<u>32,698</u>
NOTE 21. EQUITY		
(a) Retained Profits		
Balance at beginning of reporting period	1,167,897	1,086,188
Total changes in equity recognised in the Operating Statement	(52,777)	106,705
Transfer to Emergency Response Reserve	(24,996)	(24,996)
Total Retained Profits	<u>1,090,124</u>	<u>1,167,897</u>
(b) Emergency Response Reserve		
Balance at beginning of reporting period	99,988	74,992
Transfer from Retained Profits	24,996	24,996
Emergency Response Reserve Balance	<u>124,984</u>	<u>99,988</u>
(c) Equity		
Total Retained Profits	1,090,124	1,167,897
Emergency Response Reserve	124,984	99,988
Total Equity	<u>1,215,108</u>	<u>1,267,885</u>

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 22. RECONCILIATION OF CASH FLOW		
Net Result for the year	(52,777)	106,705
Depreciation	22,147	21,445
Loss/(Gain) on sales of assets	0	2,264
	<u>(30,630)</u>	<u>130,414</u>
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	35,021	54,122
(Increase)/Decrease in Inventories	(4,247)	11,617
Increase/(Decrease) in Payables	3,798	(23,622)
Increase/(Decrease) in Employee Entitlements	12,515	(21,463)
	<u>16,457</u>	<u>151,068</u>

NOTE 23. SUPERANNUATION CONTRIBUTIONS

Fund	No. of Employees		Contributions Made		Contributions Outstanding	
	2009	2008	2009	2008	2009	2008
MLC Superannuation (National FlexiSuper Plus)	0	1	Nil	\$2,083	Nil	Nil
Colonial First State Investments	2	1	\$42,396	\$38,363	Nil	Nil
Australian Super Fund	1	1	\$2,363	\$2,204	Nil	Nil
Self Managed Super Funds	1	2	\$540	\$2,239	Nil	Nil
Legal Super	1	1	\$6,000	\$6,431	Nil	Nil
BT Funds Management Limited	0	1	Nil	\$155	Nil	Nil
Australian Skandia Limited	1	1	\$1,435	\$3,150	Nil	Nil
Prime Super	2	2	\$3,917	\$3,587	Nil	\$1291
Uni Super	1	1	\$5,760	\$5,566	Nil	Nil
Bendigo Superannuation Plan	1	1	\$519	\$158	Nil	Nil
Vic Super Fund	1	1	\$540	\$193	Nil	\$194
AMP Life Superannuation	0	1	Nil	\$142	Nil	Nil
AXA Australia	2	0	\$9,805	Nil	Nil	Nil
Care Superannuation	1	0	\$540	Nil	Nil	Nil
Accrued Contributions	5	0	Nil	Nil	\$161	Nil

General

- Applies to above Superannuation funds.
- At 30 June 2009 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 2009

NOTE 24. CAPITAL COMMITMENTS

At 30 June 2009 there were no known commitments towards capital expenditure, not otherwise detailed in these Financial Statements. (2008: nil)

NOTE 25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At 30 June 2009, there are no contingent liabilities or contingent assets for the Murray Valley Citrus Board. (2008: 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

Jan Denham	Chairperson	Appointed 1 July 2008
Trevor Radloff	Deputy Chairperson	Appointed 1 July 2008
Sarah-Anne Chesson	Board Member	Appointed 1 July 2008
Tony Fillipi	Board Member	Appointed 1 July 2008
Jeremy Giddings	Board Member	Appointed 1 July 2008
Paula Gordon	Board Member	Appointed 1 July 2008
Stuart Holland	Board Member	Appointed 1 July 2008
Gina Petrascu	Board Member	Appointed 1 July 2008
Keith Richards	Board Member	Appointed 1 July 2008
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	2009	2008
\$0 - \$10,000	8	8
\$10,001 - \$20,000	1	1

Total Remuneration received, or receivable by Responsible persons during the year amounted to \$53,000. (2008: \$54,907).

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 \$3,465. (2008: \$2,436).

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

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	
	2009	2008	2009	2008
\$110,000 – \$119,999	1	1	1	1

NOTE 28. FINANCE LEASE COMMITMENTS

There are no finance lease commitments as at 30 June 2009. (2008: 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 2009 were \$8,250, plus applicable GST (2008: \$7,500).

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 \$669.32 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. (2008: \$1,985.10)

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

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 0.1% 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 4.15%.
(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.

(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		2009	2008	2009	2008
	2009	2008	2009	2008	2009	2008				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
(a) Financial Assets										
Cash	-	-	43,946	-9,617	500	500	44,446	-9,117	0.31%	0.31%
Term Deposits	1,079,758	1,061,587	481	61,060	-	-	1,080,239	1,122,647	4.5%	7.7%
Receivables	-	-	-	-	94,939	129,960	94,939	129,960	n/a	n/a
Total Financial Assets	1,079,758	1,061,587	44,427	51,443	95,439	130,460	1,219,624	1,243,490	-	-
(a) Financial Liabilities										
Payables	-	-	-	-	71,107	67,309	71,107	67,309	-	-
Total Financial Liabilities	-	-	-	-	71,107	67,309	71,107	67,309	-	-

MURRAY VALLEY CITRUS BOARD

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

NOTE 32. FINANCIAL INSTRUMENTS (Cont'd)

(c) Net fair Values

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

	Total Carrying Amount Balance Sheet		Aggregate Fair Value	
	2009 \$	2008 \$	2009 \$	2008 \$
(a) Financial Assets				
Cash	44,446	-9,117	44,446	-9,117
Term Deposits	1,080,239	1,122,647	1,080,239	1,122,647
Receivables	94,939	129,960	94,939	129,960
Total Financial Assets	1,219,624	1,243,490	1,219,624	1,243,490
a) Financial Liabilities				
Payables	71,107	67,309	71,107	67,309
Total Financial Liabilities	71,107	67,309	71,107	67,309

(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.

NOTE 33. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

Disclosure Index

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

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Acronyms

ABARE	Australian Bureau of Agricultural & Resources Economics
ACG	Australian Citrus Growers
AQIS	Australian Quarantine Inspection Service
BA	Biosecurity Australia
CEO	Chief Executive Officer
Citrep	MVCBs quarterly magazine
CITTGroups	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