

2021 ANNUAL REPORT

Western Murray Irrigation Ltd



WESTERN MURRAY IRRIGATION LTD (WMI)

A company limited by shares, proudly grower owned,
celebrating 27 years of operation.

Registered office: 5 Tapio Street, DARETON NSW 2717
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Website: www.westernmurray.com.au
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ABN: 93 067 197 853

Directors:

David Whitbread (Chair)
Allison McTaggart (Deputy Chair)
David Walker
Kevin Watson
Justin Kassulke
Matthew Cottrell
Michael Goodrem

CEO:

Judith Damiani

Company Secretaries:

Narelle Heard
Judith Damiani

Auditor:

William Buck
ADELAIDE SA 5000

Banker:

National Australia Bank
MILDURA VIC 3500

Solicitor:

Addisons
SYDNEY NSW 2000

2021 AGM:

WMI 27th Annual General Meeting
Tuesday 30 November 2021 at 6.00pm
Coomealla Memorial Sporting Club
Silver City Highway, Dareton NSW 2717





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CHAIR'S REPORT

Dear WMI Shareholders

I am pleased to present you with the 27th Annual Report for Western Murray Irrigation Ltd (WMI) for the year ended 30 June 2021.

The Board and staff must be congratulated on the way they have managed the business through the COVID-19 pandemic. WMI has been able to continue operating as an essential service in a COVID-safe way despite constantly changing State and border rules, restrictions, and regulations.

During the year, the Board undertook a review of its strategic plan and found no reason to change it, despite the changes and emerging trends that the global pandemic has created. This is a testament to the contributions from the Directors, management and shareholders who contributed to the development of the plan back in 2019 and sets the company up well for the future.

Other Board-directed reviews include insurances (considering the rise in premiums) and investment policy and fund management (considering COVID-19 impact on markets). We were able to minimise the insurance premium increase and strengthen our investment policy and fund manager performance criteria.

I have Chaired the Charges Review Committee and can report that the review is progressing well.

I also Chair the Unauthorised Water Use Committee which was formed by the Board early in 2020 as a result of the discovery of illegal works tapping into WMI pipelines. WMI regards interference with our water management works and taking water without lawful authority as very serious matters. I can report that the NSW Natural Resource Access Regulator's investigations into these matters are continuing.

Financially, WMI's surplus for the year ended 30 June 2021 was \$534,891 and the total equity increased by almost \$4 million to \$62.33 million. WMI's Asset Replacement Fund, under JBWere management, returned a healthy 18.3%.

WMI is in a strong position to continue its capital improvements over the next year with a focus on supporting growing irrigation demand in Coomealla.

I would like to thank the Directors and, in particular, Curlwaa Director Justin Kassulke who retires this year. Justin has capably served as WMI Director for 12 years including terms as Deputy Chair and Chair of the Infrastructure & Service Committee.

I welcome the reappointment of Kevin Watson as Coomealla Director at the conclusion of the 2021 AGM for a further two-year term. Unfortunately, there were no nominations for the Curlwaa Director position, therefore this position becomes vacant at the conclusion of the 2021 AGM. The Board may at any time appoint Member Directors to fill casual vacancies and this will be actively considered to ensure Curlwaa shareholders are represented.

We are fortunate to have a dedicated team who continue to service customers, shareholders, and the Board. In particular, I would like to acknowledge our senior management team who have calmly and safely steered us through office closures, border permits, and local COVID outbreaks on top of delivering good results for the company.

Dated: 14 October 2021

David Whitbread
Chair



CEO'S REPORT

WMI pumped 1% more water in 2020/21 compared to the previous year, despite a mild summer.

Water delivery and drainage was managed well despite the problems with water quality, particularly blue-green algae. Low dose hydrogen peroxide treatment continued in all the irrigation areas to assist manage the bryozoan problem.

Premium horticultural crops continue to do well despite labour shortages arising from the COVID-19 pandemic and the hit to red wine grape varieties following the imposition of Chinese tariffs.

New irrigation developments continue in Coomealla. WMI has completed hydraulic modelling (internally and confirmed by an independent expert) which has identified possible pipeline upgrades to improve service delivery. This has now moved into the design phase to upgrade laterals 36/39 and 40, with construction planned for winter 2022.

WMI's new pump station electricity contract has resulted in a 19% savings in electricity expense, compared to the previous year. We look forward to Transgrid's EnergyConnect project which will deliver Australia's biggest electricity connector expected to further lower electricity prices. WMI is hoping to be involved in a small way by delivering non-potable water to the Transgrid contractors for the western section of the project.

WMI's focus on reviewing its energy demand and maximising the use of its assets has resulted in a 3-year agreement with energy company Enel X. This will provide additional revenue using the Coomealla generators as part of a multi-state virtual power plant by supporting the electricity grid when there is a supply shortfall (without affecting their priority stand-by function). We are currently exploring options for Curlwaa and Buronga, as well as options to export electricity back into the grid.

The installation of new Siemens meters and Datacall telemetry units at all eligible outlets in Curlwaa, Coomealla and Buronga is complete. An updated online customer water ordering platform is being developed and expected to be available in 2022. New Siemens meters have also been installed at each of our pump stations in line with the NSW Non-Urban Water Metering Policy.

Our maintenance service agreement with Mourquong Co-operative Rural Society continued with WMI providing additional assistance with upgrades to the pump station and some outlets.


WMI continued to represent and advocate on behalf of its NSW high security irrigators including:-

- Engagement with the Murray Darling Basin Authority – including the new and growing local Mildura-based team and the MDBA Chair, Sir Angus Houston
- Murray Darling Basin Inspector General water compliance team
- NSW Irrigators Council
- National Irrigators Council
- WaterNSW Customer Advisory Group

- ACCC water market inquiry – WMI provided detailed transactional information to the ACCC under its compulsory request for information and assisted both the NSW and National Irrigators Councils in their submissions
- NSW strategic plan for Crown land – submission to support jobs growth, commercial opportunities, and economic progress in regional NSW.

I would like to thank our employees and contractors for their dedicated efforts during yet, another COVID-19 disrupted year.

As generally wetter conditions in south-eastern Australia have resulted in increased water storage levels, including welcome flows into the Menindee Lakes, and with easing COVID-19 restrictions, we look forward to more innovation and improvements for WMI customers in the next twelve months.



Judith Damiani
CEO



WESTERN MURRAY IRRIGATION 2019-2024 STRATEGIC PLAN

VISION	Western Murray irrigators are growing and thriving			
MISSION	To provide competitive and modern irrigation services that support our customers to meet their business needs			
VALUES	CARE • INTEGRITY • ACCOUNTABILITY • SAFETY			
OUTCOMES	LEADERSHIP	CUSTOMER SERVICE	OPTIMISED INFRASTRUCTURE	HIGH PERFORMANCE
	We advocate and plan for a resilient and thriving future for our customers and region	We consistently provide a high level of service which enables our customers to undertake best practice irrigation	We effectively and efficiently manage, operate and maintain our water delivery & drainage infrastructure to meet our customers' needs today and in the future	We are a high performing workforce and Board built on outstanding people, systems, governance and culture
PRIORITY ACTIONS OVER THE NEXT FIVE YEARS	<ul style="list-style-type: none"> Develop a clear policy assessment of any external deliverability risks and work with governments and stakeholders to ensure that the risks are minimised Promote Western Murray as premium irrigation district Work with our stakeholders and partners to influence and inform state and national policies 	<ul style="list-style-type: none"> Improve and launch tech-driven customer service platforms Complete and implement the changes resulting from the charges review Improve customer communications by providing regular, timely and useful information 	<ul style="list-style-type: none"> Integrate the upgraded meters and new telemetry system into a new customer service platform Investigate alternate energy options and implement a long-term energy plan Develop asset management plans utilising the outcomes of a feasibility study/modelling of the WMI system network 	<ul style="list-style-type: none"> Enhanced WHS system Board and staff development underpinned by regular performance assessments and training plans Review constitution and governance to better reflect changing circumstances
MEASURES OF SUCCESS	<ul style="list-style-type: none"> Standard of service for water deliverability is improved during peak demand Irrigated land serviced by WMI increase by 10% 	<ul style="list-style-type: none"> Increase in customers reporting high or very high level of satisfaction with service Charges review outcome successfully implemented 	<ul style="list-style-type: none"> Long-term energy plan that is minimising costs and improving reliability New customer service platform with direct access to live usage data 	<ul style="list-style-type: none"> Zero time lost to injuries Increase in staff/contractors reporting high or very high level of satisfaction with WHS Appointment of an independent Chair

KEY ACHIEVEMENTS DURING 2020/21



▲ The proposed tri-state route for the new electricity interconnector – more reliability and lower bills are expected. WMI has been working with Transgrid to offer sites in Buronga and Coomealla for the western segment fill-points.



▲ L to R: Andrew Reynolds (MDBA), Kevin Watson (WMI Director), Judith Damiani (WMI CEO), Sir Angus Houston (MDBA Chair).



◀ MDBA staff met with WMI Directors and management to discuss deliverability concerns.

▶ Commonwealth compliance and engagement officers including the Deputy Inspector General of Water Compliance (3rd from right) visited WMI on 5 May 2021, pictured with the new Coomealla pump station mag meters.



KEY ACHIEVEMENTS DURING 2020/21



▲ New Curlwaa main mag meter being installed.



▲ Curlwaa - Church Road surface drain post maintenance.



▲ Coomealla - Coonah Road surface drain post maintenance.



▲ New Buronga pump station mag meter being installed.

▼ The third new KSB pump being installed at the Coomealla pump station.



◀ The second 300mm outlet in Coomealla ready for customer connection.

KEY ACHIEVEMENTS DURING 2020/21



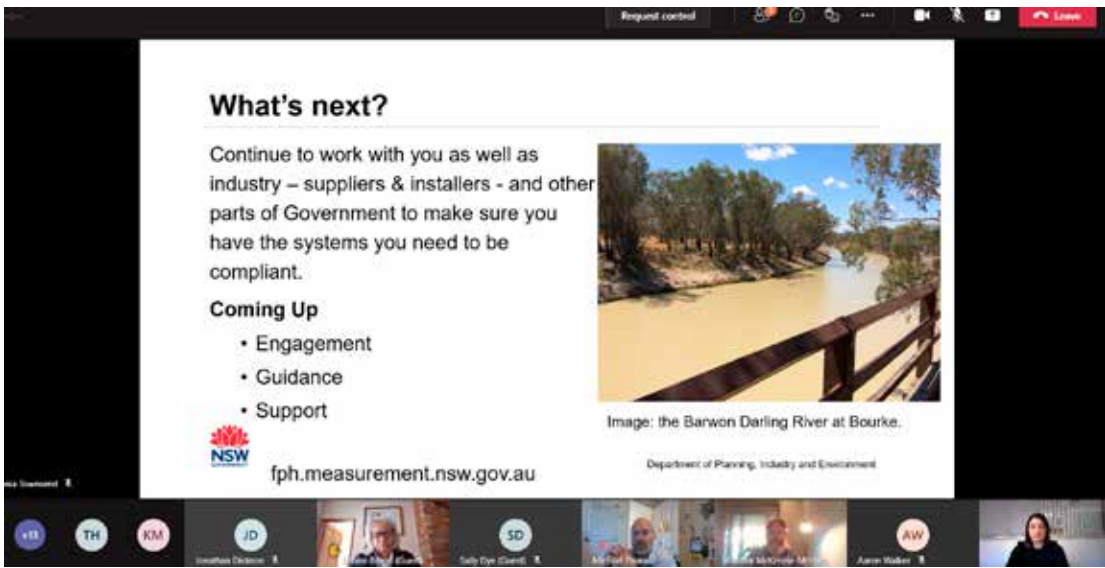
- ▲ The new meter and telemetry system continues to undergo monitoring and testing with some requiring pole extensions or double solar panels.



- ▲ New pump being lowered into the Mourquong pump station.



- ▲ One of the upgraded Mourquong farm outlets.



◀ The COVID-safe way of meeting with WaterNSW and Lower-Darling & Murray customers.

▶ The COVID-safe way of meeting – NSW Irrigators Council with guest Melinda Pavey, NSW Water Minister.





DIRECTORS' REPORT

Your Directors present their report together with the financial statements of Western Murray Irrigation Limited (the company) for the financial year ended 30 June 2021 and auditor's report thereon. This financial statement has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards.

PRINCIPAL ACTIVITIES

The principal activities of Western Murray Irrigation during the financial year were:-

- delivering water to irrigators within the Buronga, Coomealla and Curlwaa irrigation areas; and
- disposing of drainage water generated by irrigation activities undertaken by irrigators within the Buronga, Coomealla and Curlwaa irrigation areas.

No significant change in the nature of these activities occurred during the year ended 30 June 2021.

REVIEW OF OPERATIONS AND RESULTS FROM THOSE OPERATIONS

A total of 25,099ML was diverted for the year 1 July 2020 to 30 June 2021, compared to 24,816ML in the prior financial year, and compared to 25,765ML on average over the past five years. A summary of the company's financial performance, by irrigation area, is provided in the Unaudited Financial Statements.

DIRECTORS

The names of the persons who have been Directors, or appointed as Directors, during the period since 1 July 2020 and up to the date of this report are: David Whitbread, Allison McTaggart, David Walker, Matthew Cottrell, Michael (Mick) Goodrem, Justin Kassulke and Kevin Watson.

Particulars of the skills, experience, expertise, and responsibilities of the Directors at the date of this report are set out opposite.



DAVID WHITBREAD

Non-Member Director

Director since: Appointed Director and Chair on 06 February 2020

Current term of office expires: November 2022

Skills, experience and expertise: David is a highly experienced professional Director and Chair, and Board advisor to medium to large private family groups. He is a Director of several businesses and currently the Chair of St Andrews Hospital (SA), meeting Chair of Harcourts Cooper and Co (North Shore, Auckland) and has Chaired the Mitolo Agricultural and Wine Groups. David is a Chartered Accountant and former Partner and Board Member of Deloitte Australia. He holds a Bachelor of Economics from Adelaide University, is a Fellow of the Australian Institute of Company Directors (AICD) and was the first SA State Chair of the AICD on its inception.

Board Committee membership: Chair of the Charges Review Project and Unauthorised Water Use Special Purpose Committees, and Member of the Audit, Risk, Finance & Investment Committee



ALLISON MCTAGGART

Non-Member Director

Director since: October 2010, appointed Deputy Chair in December 2020

Current term of office expires: November 2023

Skills, experience and expertise: Allison is an experienced Company Director, a Fellow of the Australian Institute of Company Directors, affiliate of the Governance Institute of Australia, member of the Institute of Community Directors Australia and a member of the Australian Human Resources Institute. She provides a range of business, governance, recruitment, human resource management, and work health and safety consultancy services in her business Allison McTaggart & Associates – Human Capital Solutions.

Board Committee membership: Chair of the Remuneration & Governance Committee, and member of the Charges Review Project and Unauthorised Water Use Special Purpose Committees



DAVID WALKER

BBUS (ACC), FCPA, CA, RTA

Non-Member Director

Director since: August 2018

Current term of office expires: November 2024

Skills, experience and expertise: David is a Certified Practising Accountant (CPA) and is currently a Partner for Business Services (Tax & Accounting) with Findex Mildura. He is also Secretary for the Euston Co-operative Rural Society Ltd which comprises around 60 table grape growers covering 1,600 acres at Euston, NSW. The Co-op's primary function is to deliver water from the River Murray via high pressure pipeline to the growers for irrigation purposes. David oversees the financial and administrative functions of the Co-op and has held that position since 1994.

Board Committee membership: Chair of the Audit, Risk, Finance & Investments Committee and member of the Remuneration & Governance Committee and the Charges Review Project Special Purpose Committee



MATTHEW COTTRELL

Buronga Representative Director

Director since: November 2012

Current term of office expires: November 2022

Skills, experience and expertise: Matthew is a citrus, wine and table grape grower in Buronga, is a grower delegate to Australian Citrus Propagation Incorporated (AusCitrus) and a former Director of Sunraysia Citrus Growers Incorporated.

Board Committee membership: Member of the Audit, Risk, Finance & Investments, and Infrastructure & Service Committees



MICHAEL (MICK) GOODREM

General Member Director

Director since: November 2018

Current term of office expires: November 2022

Skills, experience and expertise: Mick is a citrus and wine grape grower in Curlwaa with a strong executive management background in the acute and community health sector, after several years as a Registered Nurse and General Manager.

Board Committee membership: Member of the Audit, Risk, Finance & Investments, and the Remuneration & Governance Committees



JUSTIN KASSULKE

Curlwaa Representative Director

Director since: November 2009

Current term of office expires: November 2021

Skills, experience and expertise: Justin is a citrus and wine grape grower in Curlwaa.

Board Committee membership: Chair of the Infrastructure & Service Committee



KEVIN WATSON

Comealla Representative Director

Director since: November 2002 (Chair from November 2013 to February 2020)

Current term of office expires: November 2021

Skills, experience and expertise: Kevin is a former wine grape grower in Comealla.

Board Committee membership: Member of the Infrastructure & Service Committee

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

Each Director attended the following meetings of the Board and Committees of the Board during the financial year ended 30 June 2021:

Director	Board		Audit, Risk, Finance & Investments Committee		Infrastructure & Service Committee		Remuneration & Governance Committee		Charges Review Project Special Purpose Committee	
	A	B	A	B	A	B	A	B	A	B
Matthew Cottrell	7	7	4	4	2	2	-	-	-	-
Michael Goodrem	7	7	4	4	-	-	2	2	-	-
Justin Kassulke	7	7	-	-	2	2	-	-	-	-
Allison McTaggart	7	7	-	1	-	-	2	2	3	3
David Walker	7	7	4	4	-	-	2	2	3	3
Kevin Watson	7	6	-	-	2	2	-	-	-	-
David Whitbread	7	7	2	4	-	2	-	2	3	3

A - Meetings eligible to attend as a Member

B - Meetings attended as a Member

The Charges Review Project Special Purpose Committee was formed by the Board specifically for the purpose of reviewing the company charges structure and options for reform. The membership of the Committee comprises Non-Member Directors only due to the conflict of interest confronted by Member Directors in considering such broad-scale reform.

DIRECTOR'S INTERESTS

The relevant interests of the directors in the share capital, water entitlements, and delivery entitlements of the company, as at 30 June 2021, are as follows:

Current Directors	Shareholding	Water Entitlements	Delivery Entitlements
Matthew Cottrell	319	319	319
Michael Goodrem	146	295	289
Justin Kassulke	323	89	368
Allison McTaggart	-	-	-
David Walker	-	-	-
Kevin Watson	-	-	-
David Whitbread	-	-	-

A Director's interest represents those held directly and indirectly, including where a Director is an authorised representative of a corporate entity. Non-shareholder Directors Allison McTaggart, David Walker and David Whitbread hold no company shares, water entitlements or delivery entitlements.

COMPANY SECRETARIES

Our Company Secretaries as at 30 June 2021 are as follows:

Judith Damiani was appointed Chief Executive Officer in January 2018 and a Company Secretary in February 2018. Judith has over 20 years of local, national, and international agribusiness executive experience with her last role as CEO of Mildura-based Citrus Australia Ltd. Judith is also a Director of Mildura Regional Development and the Chair of the Governance Committee. Judith holds a Bachelor of Science and a Bachelor of Business and is a member of the Australian Institute of Company Directors.

Narelle Heard was appointed Chief Financial Officer in February 2016 and a Company Secretary in September 2016. Narelle's accounting experience has encompassed both focus on profitability in the private sector to bringing in a balanced budget in the public arena, and has therefore involved all financial, compliance and management functions. Narelle has worked across many industries including agribusiness, manufacturing, automation, and mining, and served in various management positions. Narelle is a Certified Practising Accountant (CPA) with a Bachelor of Commerce in Accounting and Finance and is a graduate of the AICD Directors Course. Narelle is a member of CPA Australia and the Australian Institute of Company Directors.

OFFICERS

The person who was an officer of the company during the financial year to 30 June 2021 whose role involves making decisions affecting the whole or a substantial part of the company was Ms Judith Damiani.

DIVIDENDS

The Company is a not-for-profit entity, and no operating surplus may be paid or transferred by way of a distribution to the members.

ENVIRONMENTAL REGULATION

The company is committed to ensuring that the water supply and drainage disposal activities undertaken are sustainable. The environmental monitoring program has as its key component, the gathering of information to ensure compliance with the company's licences governing the supply and disposal of water.

EVENTS SUBSEQUENT TO REPORTING DATE

No events have arisen in the interval between the end of the year and the date of this report. No item, transaction or event of a material and unusual nature is likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

LIKELY DEVELOPMENTS

It is not foreseen that the company will undertake any change in its general direction during the coming financial year.

OPTIONS

No options over unissued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

No director has received or become entitled to receive during or since the financial year, an interest because of a contract made by the company or a related entity with the director, a firm of which the director is a member, or an entity in which the director has a substantial financial interest.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Each Director has signed a Deed of Access, Indemnity, and Insurance with the Company, and, during the financial year, the Company has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the Company. Officers indemnified include the Company Secretaries, all Directors and all executive officers participating in the management of the Company.

Further disclosure required under Section 300(9) of the *Corporations Act 2001* (Cth) is prohibited under the terms of the contract.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

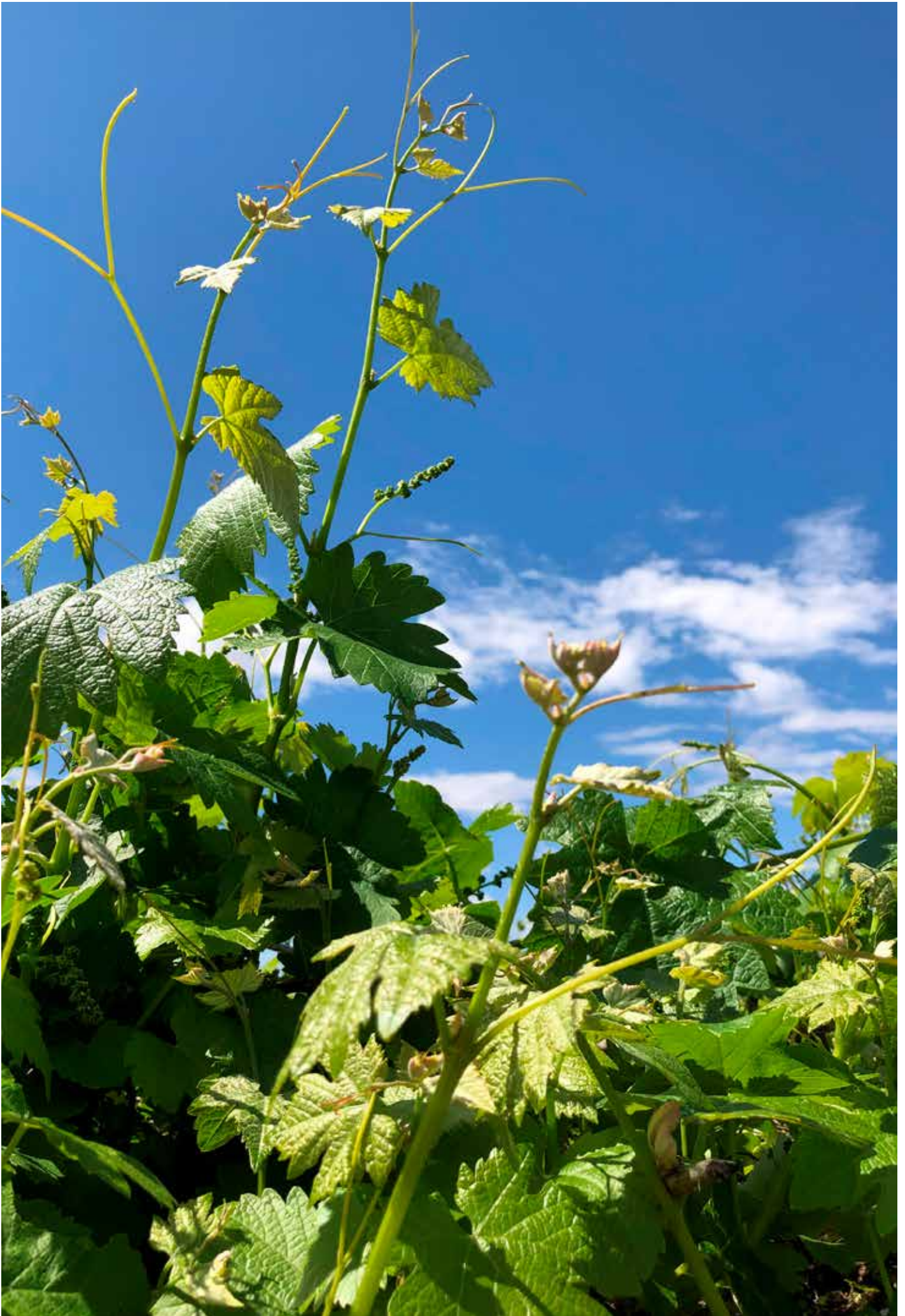
Dated: 14 October 2021



David Whitbread
Chair
Board of Directors



David Walker
Chair
Audit, Risk, Finance & Investments Committee



FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
Revenue	2	6,147,811	6,177,439
Depreciation expense	7(a)	(1,159,026)	(1,084,371)
Employee benefits expense		(1,247,061)	(1,157,109)
Utility expense		(837,722)	(1,037,855)
Repairs & maintenance expense		(435,758)	(334,659)
Government charges		(485,138)	(499,680)
Finance costs		(106,381)	(119,846)
Loss on disposal of fixed assets		(268,132)	-
Other expenses from operations		(1,073,702)	(872,272)
Total expenses		(5,612,920)	(5,105,792)
Surplus for the year		534,891	1,071,647
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Unrealised fair value gain/(loss) on FVTOCI* financial assets		2,640,162	(1,949,764)
Realised fair value gain/(loss) on FVTOCI financial assets		722,219	(844,783)
Items that have been reclassified to profit or loss:			
Reclassification of fair value gain/(loss) on financial assets to profit or loss		-	-
Total other comprehensive income for the year		3,362,381	(2,794,547)
Total comprehensive income for the year		3,897,272	(1,722,900)

* FVTOCI - Fair Value Through Other Comprehensive Income

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	6,652,825	7,755,709
Receivables	4	1,839,921	1,171,950
Other assets	5	530,280	487,489
TOTAL CURRENT ASSETS		9,023,026	9,415,148
NON-CURRENT ASSETS			
Financial assets	6	26,237,451	21,848,272
Property, plant and equipment	7	28,475,498	28,891,674
Intangible assets	8	575,900	575,900
TOTAL NON-CURRENT ASSETS		55,288,849	51,315,846
TOTAL ASSETS		64,311,875	60,730,994
CURRENT LIABILITIES			
Trade and other payables	9	416,073	525,798
Borrowings	10	244,753	230,123
Provisions	11	140,446	127,277
TOTAL CURRENT LIABILITIES		801,272	883,198
NON-CURRENT LIABILITIES			
Borrowings	10	1,144,821	1,389,574
Provisions	11	33,548	23,260
TOTAL NON-CURRENT LIABILITIES		1,178,369	1,412,834
TOTAL LIABILITIES		1,979,641	2,296,032
NET ASSETS		62,332,234	58,434,962
EQUITY			
Contributed equity	12	39,095,400	39,095,400
Reserves	13	3,086,622	(275,759)
Accumulated surplus	14	20,150,212	19,615,321
TOTAL EQUITY		62,332,234	58,434,962

The accompanying notes form part of these financial statements

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
Total equity at the beginning of the financial year		58,434,962	60,157,862
Surplus for the year		534,891	1,071,647
Other comprehensive income		3,362,381	(2,794,547)
Total equity at the end of the financial year		62,332,234	58,434,962

The accompanying notes form part of these financial statements

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operations		4,810,460	5,419,011
Payments for operations		(4,330,423)	(3,975,210)
Dividends received		724,648	941,654
Interest received		126,701	245,298
Borrowing costs		(102,975)	(116,725)
Net cash provided by operating activities	15	1,228,411	2,514,028
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		9,391,585	4,315,563
Payments for financial assets		(10,391,547)	(4,495,133)
Proceeds from sale of property, plant and equipment		31,182	15,000
Payments for property, plant and equipment		(1,132,392)	(2,650,532)
Net cash used in investing activities		(2,101,172)	(2,815,102)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of state government loans		(230,123)	(216,368)
Net cash used in financing activities		(230,123)	(216,368)
Net increase / (decrease) in cash held		(1,102,884)	(517,442)
Cash and cash equivalents at beginning of financial year		7,755,709	8,273,151
Cash and cash equivalents at end of financial year	3	6,652,825	7,755,709

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Note 1 – Summary of Significant Accounting Policies

The financial statements were authorised for issue by the Directors as at the date of the Directors' Declaration.

a) Basis of preparation of the financial statements

Western Murray Irrigation Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general-purpose financial statements that have been prepared in accordance with Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

b) Revenue

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations;
5. Recognise revenue as and when control of the performance obligations is transferred.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the company are:

i) Supply of water charges

Revenue from the supply of water and drainage services comprise both access and usage-based charges which are billed GST-free to all customers. Revenue from fixed water charges is recognised on a pro-rata basis throughout the year. Fixed water charges include asset

replacement fund contributions which are separately disclosed. Water usage charges by measure are recognised as revenue when the water is provided.

ii) Termination Charges

Termination charges are levied at the time Western Murray Irrigation Limited receives written Notice of Termination. This charge is calculated in accordance with ACCC water charge rules.

iii) Contract Services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

iv) Interest

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

v) Dividends

Dividend revenue is recognised when the right to receive a dividend has been established.

c) Income Tax

The entity is exempt from income tax under section 50-1 of the *Income Tax Assessment Act 1997* (Cth) on the basis that it is a public authority.

d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of four months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the Statement of Financial Position.

e) Trade and Other Receivables

Trade receivables are recognised at their fair value. Water charges are billed on a quarterly basis and are due within 28 days. Interest is charged on overdue amounts at the rate of 6.1% (2020: 6.25%) per annum. As receivables are short term in nature the invoice amount is not materially different to amortised cost.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

Chapter 7, Part 4, clauses 354 to 362 of the *Water Management Act 2000* (NSW) ('the Act') provides that a rate or charge imposed on the owner of any land by an irrigation corporation is a charge on the land to which it relates, thereby securing the debts.

Chapter 4, Part 1, Division 6, paragraph 136 of the Act further provides that on a change of ownership of land, the new landholder is liable to the irrigation corporation for the amount of any charges levied by the irrigation corporation in relation to the land and unpaid by the previous landholder as if the new landholder had entered into a contract with the irrigation corporation for the supply of service or services to which the unpaid services relate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement

Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity Instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.

Impairment of Financial Assets

The company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General Approach

Under the general approach, at each reporting period, the company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified Approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or Originated Credit Impaired Approach

For financial assets that are considered to be credit impaired (not on acquisition or originations), the company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low Credit Risk Operational Simplification Approach

If a financial asset is determined to have low credit risk at the initial reporting date, the company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-months expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Derecognition

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. On derecognition of an investment in equity which the company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured at cost.

Plant, Equipment and Water Distribution Works

Plant, equipment and water distribution works are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant, equipment and water distribution works is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Non-Current Asset	Rate/s	Basis
Buildings	4 - 10%	Straight line
Plant and Equipment	6 - 20%	Straight line
Motor Vehicles	20%	Straight line
Office Equipment	10 - 50%	Straight line
Water Distribution Works	1 - 10%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Purchases of assets for less than \$5,000 are fully depreciated in the year they are acquired.

Gains and losses are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

h) Construction in Progress

Costs associated with construction works in progress are maintained in the Construction in Progress account until such time as the works have been completed and the assets are identifiable.

i) Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where the future economic benefits of the assets are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

j) Intangibles

Water Entitlements

After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment costs. Water entitlements have an indefinite useful life, and are thus not subject to amortisation, but are tested for impairment by comparing their recoverable amount with their carrying amount.

k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 in the Statement of Financial Position are shown inclusive of GST.

m) Borrowings

Non-interest bearing (NSW State Government) loans are measured at amortised cost being the present value of the annual loan payments based on market interest rates at the time of commencement of the loan. Loan payments are allocated between the reduction in the loan liability and interest expense. There is no actual interest payable and the annual repayments remain the same for the life of the loan.

n) Employee Benefits

Short-term Employee Benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position.

Other Long-term Employee Benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision

is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and discounted corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Contributions are made by the company to an employee superannuation fund and charged as expenses when incurred. The company has no legal obligation to provide benefits to employees on retirement.

o) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

p) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Account balances that are subject to estimates and judgments are:

- Doubtful debts;
- Depreciation; and
- Employee entitlements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

	Note	2021	2020
		\$	\$
Note 2 – Revenue			
Operating and Non-Operating Activities			
Water charges		3,344,302	3,272,301
Interest – non-asset replacement fund		26,013	82,621
Contract service		137,043	-
Temporary water trade		79,341	86,147
Gain on sale of property, plant & equipment		31,182	15,000
Installation of outlets		65,772	-
Other revenue		321,588	272,735
		4,005,241	3,728,804
Investing Activities			
Termination fees		410,278	589,602
Interest – asset replacement fund		93,937	136,712
Dividends		964,888	1,051,693
Asset replacement fund contributions		583,317	581,202
Other income		90,150	89,426
		2,142,570	2,448,635
Total Revenue		6,147,811	6,177,439
Note 3 – Cash and Cash Equivalents			
Cash on hand		700	700
Operating accounts		803,746	430,285
Investment accounts		3,642,881	4,936,025
Asset replacement fund cash management account		1,637,875	1,452,062
General reserve account cash management account		567,623	936,637
		6,652,825	7,755,709
Note 4 – Receivables			
Current			
Water debtors		1,128,416	755,315
Provision for doubtful debts		(9,135)	(12,176)
		1,119,281	743,139
Accrued income		624,667	391,537
Sundry debtors		95,973	37,274
		1,839,921	1,171,950
Note 5 – Other Assets			
Current			
Water distribution supplies		431,809	377,050
Provision for obsolescence		(54,644)	(45,698)
		377,165	331,352
Prepayments		153,115	156,137
		530,280	487,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

	Note	2021	2020
		\$	\$
Note 6 – Financial Assets			
Non-Current			
Equity investments		26,237,451	21,848,272
Note 7 – Property, Plant & Equipment			
Buildings			
At cost		772,009	763,270
Less accumulated depreciation		(692,900)	(696,739)
		79,109	66,531
Land			
At cost		441,567	441,567
Total Land and Buildings		520,676	508,098
Plant and Equipment			
At cost		2,260,241	2,234,765
Less accumulated depreciation		(575,348)	(489,223)
		1,684,893	1,745,542
Water Distribution Works			
At cost		47,358,344	46,765,830
Less accumulated depreciation		(22,342,671)	(21,946,059)
		25,015,673	24,819,771
Motor Vehicles			
At cost		333,992	309,467
Less accumulated depreciation		(125,390)	(155,990)
		208,602	153,477
Office Equipment			
At cost		301,889	360,961
Less accumulated depreciation		(242,488)	(287,270)
		59,401	73,691
Construction in Progress			
At cost		986,253	1,591,095
Total Plant and Equipment		27,954,822	28,383,576
Total Property, Plant and Equipment		28,475,498	28,891,674

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Note 7 – Property, Plant & Equipment (continued)

a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Note	Buildings	Land	Plant and Equipment
		\$	\$	\$
2021				
Balance at 01/07/20		66,531	441,567	1,745,542
Additions		-	-	6,991
Disposals		-	-	(3,334)
Transfers		17,954	-	34,430
Depreciation expense		(5,096)	-	(98,736)
Written-off		(280)	-	-
Carrying amount at 30/06/21		<u>79,109</u>	<u>441,567</u>	<u>1,684,893</u>
2020				
Balance at 01/07/19		29,526	441,567	268,541
Additions		-	-	6,037
Disposals		-	-	-
Transfers		52,020	-	1,552,452
Depreciation expense		(15,015)	-	(81,488)
Written-off		-	-	-
Carrying amount at 30/06/20		<u>66,531</u>	<u>441,567</u>	<u>1,745,542</u>

Motor Vehicles	Office Equipment	Water Distribution Works	Construction in Progress	Total
\$	\$	\$	\$	\$
153,477	73,691	24,819,771	1,591,095	28,891,674
108,880	3,153	2,712	1,010,656	1,132,392
-	-	(264,799)	-	(268,133)
-	4,016	1,437,969	(1,494,369)	-
(53,755)	(21,459)	(979,980)	-	(1,159,026)
-	-	-	(121,129)	(121,409)
208,602	59,401	25,015,673	986,253	28,475,498
77,024	60,608	25,460,096	988,151	27,325,513
98,664	31,583	-	2,514,248	2,650,532
-	-	-	-	-
-	-	306,832	(1,911,304)	-
(22,211)	(18,500)	(947,157)	-	(1,084,371)
-	-	-	-	-
153,477	73,691	24,819,771	1,591,095	28,891,674

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

	Note	2021	2020
		\$	\$
Note 8 – Intangible Assets			
Water entitlements		575,900	575,900
Note 9 – Trade and Other Payables			
Current			
Trade creditors and accruals		416,073	525,798
Note 10 – Borrowings			
Current			
Unsecured liabilities			
Borrowings		244,753	230,123
Non-Current			
Unsecured liabilities			
Borrowings		1,144,821	1,389,574
Total Borrowings		1,389,574	1,619,697
Funds borrowed are in relation to the NSW State Government loan for the Coomealla Rehabilitation Joint Venture Project. There is no security provided in relation to these borrowings.			
Note 11 – Employee Benefits			
Current			
Employee benefits		140,446	127,277
Non-Current			
Employee benefits		33,548	23,260
Aggregate Employee Benefits Liability		173,994	150,537
Note 12 – Contributed Equity			
Issued and paid up capital			
9,530 (2020: 9,565) Class A shares	12(a)	11,516,811	11,516,811
3,950 (2020: 4,083) Class B shares	12(b)	2,032,810	2,032,810
22,268 (2020: 22,400) Class C shares	12(c)	25,545,779	25,545,779
		39,095,400	39,095,400
(a) Class A shares			
At the beginning of the reporting period		11,516,811	11,516,811
At reporting date		11,516,811	11,516,811
(b) Class B shares			
At the beginning of the reporting period		2,032,810	2,032,810
At reporting date		2,032,810	2,032,810
(c) Class C shares			
At the beginning of the reporting period		25,545,779	25,545,779
At reporting date		25,545,779	25,545,779

Shares in Western Murray Irrigation Limited are issued to landholders within the Buronga, Coomealla and Curlwaa Irrigation Areas.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

	Note	2021	2020
		\$	\$
Note 13 – Reserves			
Intangible asset deemed cost reserve	13(a)	575,900	575,900
Financial assets reserve	13(b)	2,510,722	(851,659)
		3,086,622	(275,759)

- a) The intangible asset deemed cost reserve records initial recognition of the water entitlements disclosed in Note 8. There have been no movements recorded to this reserve account during the year.
- b) The financial assets reserve records revaluation increments and decrements, and gains or losses on disposals, for the financial assets that are classified as equity investments in Note 6.

Movements during the financial year:

Opening balance	(851,659)	1,942,888
Fair value remeasurement gain/(loss)	2,640,162	(1,949,764)
Gain/(loss) on disposals	722,219	(844,783)
Closing balance	2,510,722	(851,659)

Note 14 – Accumulated Surplus

Accumulated surplus at the beginning of the financial year	19,615,321	18,543,674
Net surplus attributable to members of the entity	534,891	1,071,647
Accumulated surplus at the end of the financial year	20,150,212	19,615,321

Note 15 – Cash Flow Information

Reconciliation of cash flow from operations with surplus from operations after income tax

Surplus from operations after income tax	534,891	1,071,647
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Non-cash flows in surplus from operations:

Depreciation	1,159,026	1,084,371
Increase/(decrease) in provision for obsolescence	8,946	(20,103)
(Decrease)/increase in provision for doubtful debts	(3,041)	(1,710)
Net loss/(gain) on disposal of property, plant and equipment	236,950	(15,000)
Written-off property, plant & equipment	121,410	-
(Gain)/loss on sale of financial asset	(26,837)	-

Changes in assets and liabilities:

(Increase)/decrease in receivables and accrued income	(664,930)	443,523
(Increase)/decrease in water distribution supplies	(54,759)	(65,640)
Decrease/(increase) in prepayments and other assets	3,022	(23,405)
(Decrease)/increase in creditors and accruals	(109,725)	26,060
Increase/(decrease) in employee benefits	23,458	14,285
Cash flows from operations	1,228,411	2,514,028

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

	Note	2021	2020
		\$	\$

Note 16 – Financial Risk Management

The Company's investment activities expose it to a variety of financial risks: market risk (including fair value, interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The overall risk management program is to use an independent financial advisor, currently JBWere (JBW) and follow the investment guidelines for a low risk investment portfolio.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, listed shares, short-term investments, accounts receivable and payable and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	3	6,652,825	7,755,709
Trade receivables	4	1,839,921	1,171,950
Equity investments	6	26,237,451	21,848,272
Total Financial Assets		34,730,197	30,775,931

Financial Liabilities

Financial liabilities at amortised cost:

Trade and other payables	9	416,073	525,798
Borrowings	10	1,389,574	1,619,697
Total Financial Liabilities		1,805,647	2,145,495

a) Net Fair Values

The Company's equity investments are measured at fair value through other comprehensive income (FVTOCI) on a recurring basis after their initial recognition under AASB 9. The net fair values for FVTOCI financial assets have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred.

The Company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

There has been no change in valuation techniques used to calculate the fair values disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

	2021	2020
	\$	\$

Note 17 – Related Party Transactions

a) Key Management Personnel

Key management are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company either directly or indirectly. The key management personnel of the Company comprise the Board of Directors and Chief Executive Officer.

b) Key Management Personnel Remuneration

Key management personnel remuneration	192,435	188,684
Board of Directors remuneration	138,843	120,794

c) The relevant interests of the Key Management Personnel of the Company are:

	Total Qty.	Total Qty.
Total number of shares	788	1,510
Total number of water entitlements	703	1,176
Total number of delivery entitlements	976	1,470

d) Other transactions

During the year the Company raised fees and charges to Directors or their related entities on commercial terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with them at arm's length in the same circumstances. The value of transactions totalled \$97,029 (2020: \$91,002).

Aggregate amounts receivable from Directors or their related entities as at balance date:

Water accounts receivable	32,399	18,584
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Note 18 – Remuneration of Auditors

Audit services	31,570	30,650
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Note 19 – Contingent Liabilities

No contingent liabilities are known to exist at the time of signing these statements (2020: Nil).

Note 20 – Commitments

Capital expenditure commitments contracted for:

Groundwater monitoring and salt interception scheme	-	33,897
Coomealla Pump #3	-	113,258
Buronga Pump Station – Noise study	-	5,477
Meter Upgrade and Telemetry Project	813,787	1,307,499
Coomealla Pump #4	129,567	-
	<u>943,354</u>	<u>1,460,131</u>

Note 21 – Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Directors' Declaration

The Directors of the Company declare that:

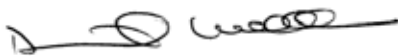
1. The financial statements and notes, as set out on pages 19 to 35 are in accordance with the *Corporations Act 2001* (Cth) and:
 - a) Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b) Give a true and fair view of the Company's financial position as at 30 June 2021 and performance for the financial year ended on that date of the Company.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Declaration is made in accordance with a resolution of the Board of Directors.

Dated: 14 October 2021



David Whitbread
Chair
Board of Directors



David Walker
Chair
Audit, Risk, Finance & Investments Committee

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 370C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WESTERN MURRAY IRRIGATION LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2021 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads "William Buck".

William Buck (SA)
ABN 38 280 203 274

A handwritten signature in black ink that reads "G. Martinella".

G.W. Martinella
Partner

Adelaide, 14th October 2021

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
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Adelaide SA 5001
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Liability limited by a scheme approved under Professional Standards Legislation.
(WB016_2007)



INDEPENDENT AUDITOR'S REPORT



Western Murray Irrigation Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Murray Irrigation Ltd. (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.



William Buck (SA)
ABN 38 280 203 274



G.W. Martinella
Partner

Adelaide, 14th October 2021



UNAUDITED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME – IRRIGATION AREA SUMMARY FOR THE YEAR ENDED 30 JUNE 2021

	Buronga	Coomeealla	Curlwaa	Total
	\$	\$	\$	\$
Revenue				
<i>Operating Activities - Water Revenue</i>				
Access Fee for Delivery Entitlement	290,417	861,266	318,603	1,470,286
Casual Users Fee	62,398	217,593	25,232	305,223
Fixed & Variable Government Charges	43,640	310,329	130,920	484,889
Infrastructure Loan Repayment	62,149	-	-	62,149
Joint Venture Repayment	-	262,405	-	262,405
Membership Levies	863	6,138	2,590	9,591
Stock & Garden and Commercial & Industrial and Other Charges	13,718	100,464	62,436	176,618
Water Usage Above Access Fee and Water Above Allocation	44,572	495,901	28,499	568,972
Additional Water Fee - Fee for Service	375	2,667	1,125	4,167
Total Water Revenue	518,132	2,256,763	569,405	3,344,300
<i>Non-Operating Activities</i>				
Gross Distribution of Managed Funds – General Reserves	-	107,883	47,990	155,873
Interest – Non-Asset Replacement Fund	1,464	20,587	9,928	31,979
Profit on Sale of Assets	3,118	20,268	7,795	31,181
Sales – Water Allocation	-	1,491	77,851	79,342
Fee for Services	10,487	117,022	19,859	147,368
Contract Services	12,334	87,707	37,002	137,043
Sundry Income	50,600	143,885	45,507	239,992
Total Non-Operating Activities Revenue	78,003	498,843	245,932	822,778
Total Operating and Non-Operating Revenue	596,135	2,755,606	815,337	4,167,078
Expenses from Operating Activities				
Consulting & Advisory	39,613	133,081	90,825	263,519
Contract Labour & Services	8,830	41,894	18,307	69,031
Depreciation	164,422	793,748	200,856	1,159,026
Employee Related Costs	128,038	786,239	332,783	1,247,060
Electricity	156,029	595,610	67,229	818,868
Government Charges	43,662	310,488	130,987	485,137
Motor Vehicles	4,152	29,526	12,457	46,135
Insurance	11,454	81,451	34,363	127,268
Interest	5,966	102,975	-	108,941
Loss on Sale of Assets/Written off PP&E	77,204	173,162	134,766	385,132
Provisions – Doubtful Debts & Obsolescence	979	2,629	2,296	5,904
Repairs & Maintenance	62,282	272,536	86,346	421,164
Contract Services	10,181	72,395	30,542	113,118
Other Operating Expenses	28,144	152,125	66,371	246,640
Total Operating Activities Expense	740,956	3,547,859	1,208,128	5,496,943
Profit / (Loss) from Ordinary Activities	(144,821)	(792,253)	(392,791)	(1,329,865)

Note: This statement is not subject to audit

UNAUDITED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME – IRRIGATION AREA SUMMARY FOR THE YEAR ENDED 30 JUNE 2021 (continued)

	Buronga	Coomealla	Curlwaa	Total
	\$	\$	\$	\$
Investment Revenue				
Asset Replacement Fund Contribution	82,534	407,298	93,486	583,318
Gross Distribution of Managed Funds – Asset Replacement Fund	-	590,616	218,399	809,015
Interest – Asset Replacement Fund	-	68,149	25,788	93,937
Termination Fees	80,438	295,056	34,784	410,278
Other Portfolio Income	-	65,813	24,337	90,150
Total Investment Revenue	162,972	1,426,932	396,794	1,986,698
Investment Expenses				
Asset Replacement Fund Management	-	42,798	15,830	58,628
Other Portfolio Expenses	-	46,221	17,093	63,314
Total Investment Expense	-	89,019	32,923	121,942
Profit / (Loss) from Investment Activities	162,972	1,337,913	363,871	1,864,756
Total Net Profit / (Loss) Before Income Tax Expense	18,151	545,660	(28,920)	534,891
Income Tax Expense – Continuing Activities	-	-	-	-
Total Net Profit / (Loss) After Income Tax Expense	18,151	545,660	(28,920)	534,891
Total Changes in Equity	18,151	545,660	(28,920)	534,891
Accumulated Profit at beginning of financial year	779,145	15,096,411	3,739,766	19,615,322
Rounding	-	-	1	1
Accumulated Profit at end of financial year	797,296	15,642,071	3,710,847	20,150,214

Note: The State Government Loan for the Coomealla Joint Venture rehabilitation project is a 30 year non-interest bearing loan. In order to comply with Accounting Standard AASB 139 the annual loan repayment of \$333,093 is split between interest and principal.

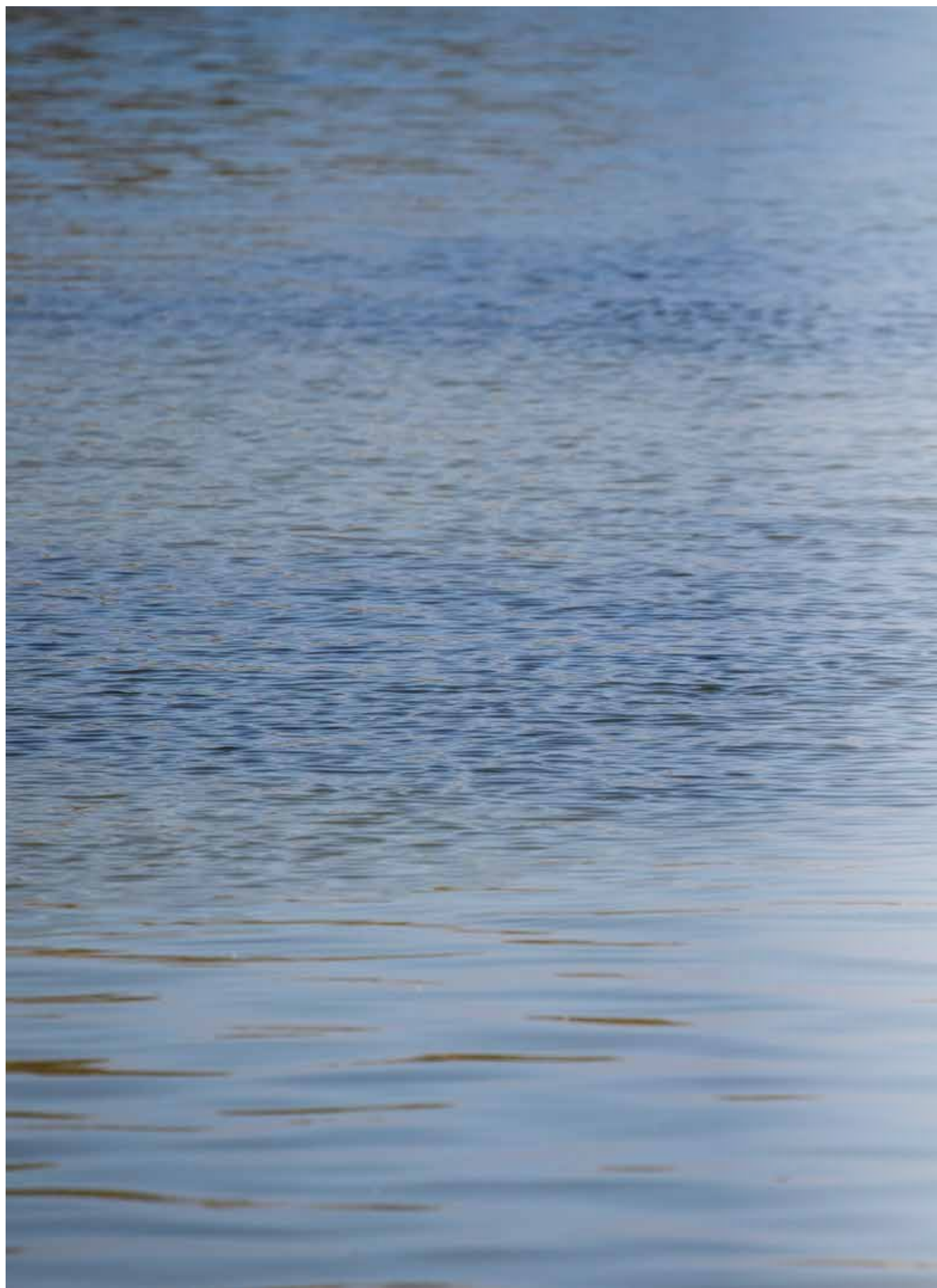
Note: This statement is not subject to audit

UNAUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION – IRRIGATION AREA SUMMARY FOR THE YEAR ENDED 30 JUNE 2021

	Buronga	Coomealla	Curlwaa	Total
	\$	\$	\$	\$
Current Assets				
Cash & Cash Equivalents	-	5,249,394	2,105,351	7,354,745
Accounts Receivable	151,350	962,575	101,328	1,215,253
Buronga Loan Receivable	-	106,736	45,744	152,480
Water Distribution Supplies	107,058	208,799	61,308	377,165
Accrued Income & Interest	18,543	433,152	172,972	624,667
Other Assets & Prepayments	15,421	96,994	40,701	153,116
Total Current Assets	292,372	7,057,650	2,527,404	9,877,426
Non-Current Assets				
Water Entitlement	-	14,300	561,600	575,900
Land	13,199	168,121	260,247	441,567
Water Distribution Works	3,672,002	16,083,426	5,260,245	25,015,673
Construction - Work in Progress	96,910	458,053	431,290	986,253
Buildings	7,913	51,417	19,779	79,109
Plant and Equipment	16,432	1,516,543	151,918	1,684,893
Office Equipment	9,925	35,385	14,091	59,401
Motor Vehicles	20,861	135,591	52,150	208,602
Buronga Loan Receivable	-	267,203	114,515	381,718
Other Financial Assets	-	19,044,761	7,192,690	26,237,451
Total Non-Current Assets	3,837,242	37,774,800	14,058,525	55,670,567
Total Assets	4,129,614	44,832,450	16,585,929	65,547,993
Current Liabilities				
Overdraft	701,920	-	-	701,920
Accounts Payable & Accruals	47,731	271,989	96,350	416,070
Loan – Buronga Expansion	152,480	-	-	152,480
Loan – State Government	-	244,753	-	244,753
Payroll Provisions	12,640	89,886	37,921	140,447
Total Current Liabilities	914,771	606,628	134,271	1,655,670
Non-Current Liabilities				
Payroll Provisions	3,019	21,471	9,058	33,548
Loan – Buronga Expansion	381,718	-	-	381,718
Loan – State Government	-	1,144,821	-	1,144,821
Total Non-Current Liabilities	384,737	1,166,292	9,058	1,560,087
Total Liabilities	1,299,508	1,772,920	143,329	3,215,757
Net Assets	2,830,106	43,059,530	16,442,600	62,332,236
Shareholder Equity				
Shareholder Equity	2,032,810	25,545,779	11,516,811	39,095,400
Asset Revaluation Reserve	-	14,300	561,600	575,900
Share Valuation Reserve	-	1,857,380	653,342	2,510,722
Accumulated Surplus	797,296	15,642,071	3,710,847	20,150,214
Total Shareholder Equity	2,830,106	43,059,530	16,442,600	62,332,236

Note: This statement is not subject to audit



VALE

Col Thomson



Col served the irrigation industry and his community, passionately advocating for their best interests.

Col worked tirelessly from the 1980's to 2014 representing NSW Murray high security irrigators.

In 1995 Western Murray Irrigation Ltd was formed as a result of the NSW Government's privatisation process and Col became a founding Director, serving on the Board until his retirement in 2014.

Col was also a foundation member of the NSW South-West Water Users, Chair of the NSW Irrigators Council (1998-2011), and Chair of the National Irrigators Council (2008-2012), amongst many other positions.

In 2015 Col was awarded an Order of Australia Medal (OAM) for services to environmental water management and the community.

Western Murray Irrigation would like to pay tribute to Col Thomson's leadership and his unwavering dedication to his irrigation community.

