



2022 ANNUAL REPORT

Western Murray Irrigation Ltd



Western Murray Irrigation Ltd (WMI)

A company limited by shares, proudly grower owned, celebrating 28 years of operation.

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ABN: 93 067 197 853

Directors

David Whitbread (Chair)

Allison McTaggart (Deputy Chair)

David Walker

Kevin Watson

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

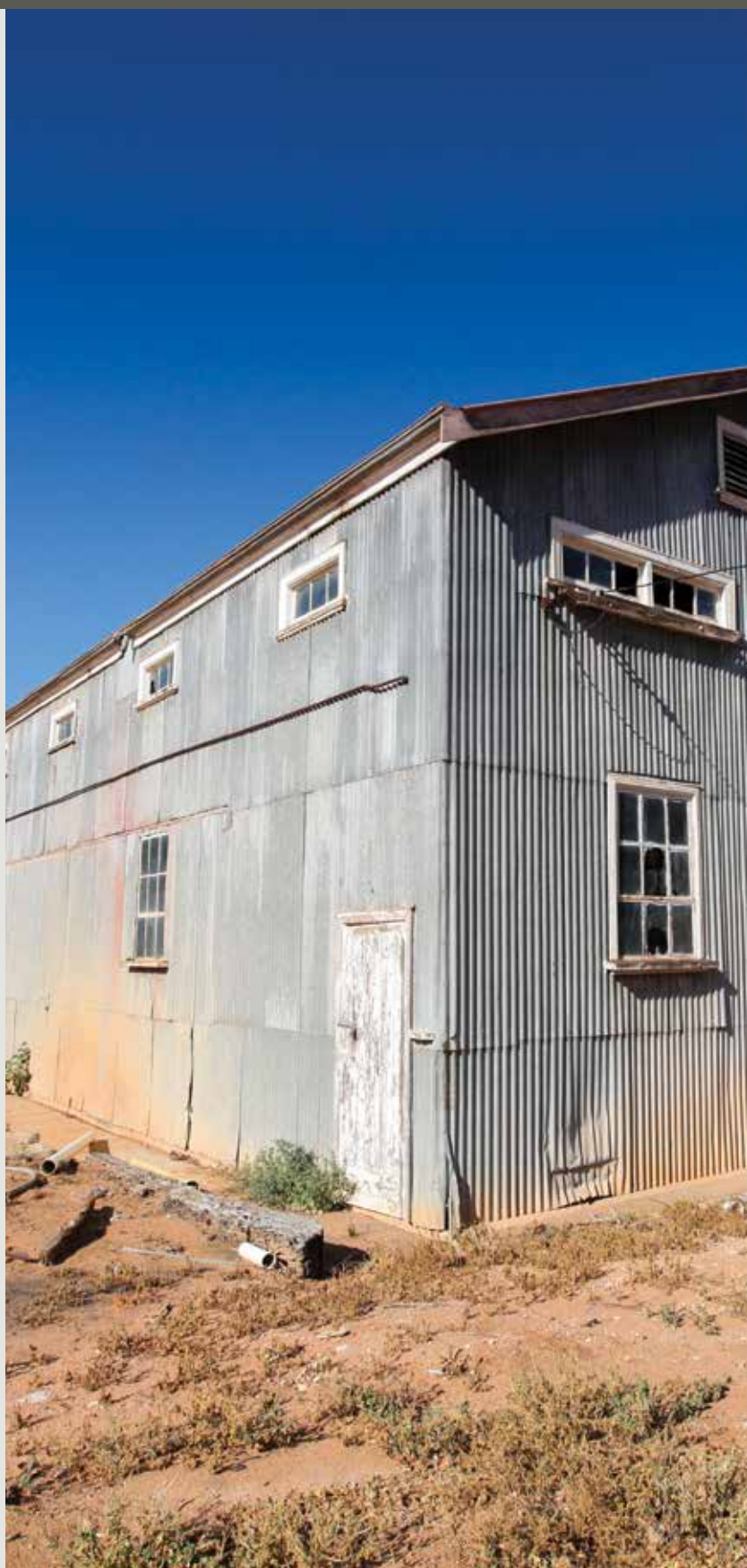
2022 AGM

WMI 28th Annual General Meeting

Tuesday 29 November 2022 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 28th Annual Report for Western Murray Irrigation Ltd (WMI) for the year ended 30 June 2022.

In a year that continued to be affected by the COVID-19 pandemic the WMI Board was able to initiate a tender of its insurance brokerage services; commission an executive remuneration review; review and approve policies including risk management/risk appetite, outlet/metering, and infection control; and approve

the \$2 million Coomealla pipeline upgrade project.

I continued to Chair the Charges Review Committee, which met seven times during 2021/22, and can report that the review has finally reached a conclusion. The charges review is the first comprehensive review of WMI's charges since privatisation in 1995 and has involved customer consultation, benchmarking against other water utilities, independent financial analysis, and financial modelling and analysis by irrigation area. The

review found that the current charges are complicated and no longer fit for purpose.

On the 25 August 2022 the Board approved the change to the way we charge from 1 July 2023. This will allow time for WMI to consult with all customers before the new charges take effect. The new charges will simplify the charging system; better reflect a user-pays system; improve service delivery by more closely matching infrastructure and maintenance to customer usage; and ensure financial sustainability for the



company and its shareholders.

Financially, WMI's surplus for the year ended 30 June 2022 was \$591,769. Total equity decreased by 4% to \$59.9 million mainly due to the lower value of the Asset Replacement Fund and draw down of cash.

I would like to thank the Directors for their support and commitment, and in particular to, independent Directors Allison McTaggart and David Walker for their additional Charges Review Committee work.

I welcome the re-appointment

of Matthew Cottrell as Buronga Director at the conclusion of the 2022 AGM for a further two-year term. Unfortunately, there were no nominations for the General Member Director position and therefore, this position remains vacant at the conclusion of the 2022 AGM. The Board will consider the increasing challenge of filling Member Director positions and will make recommendations back to shareholders in the coming year.

I wish to acknowledge our dedicated employees and managers led by CEO Judith

Damiani, for all that we have achieved together. A special thanks to our CFO Narelle Heard for her tireless work supporting the Charges Review Committee.

Dated: 13 October 2022

David Whitbread
Chair



CEO's Report

Wet conditions across the Murray Darling Basin during the 2021/22 year resulted in the filling of the southern Basin storages to near capacity, full allocations for NSW Murray high security and general security entitlement holders and water allocation prices dropping to very low levels. WMI pumped 25,691 ML, 2.4 percent above the previous year but 1.4 percent below the 5-year average.

Major capital projects

WMI's meter upgrade and telemetry project is now complete having achieved practical completion in April 2022. I would like to acknowledge the WMI project team and our project partners Siemens, Datacall and GHD. Attention will now turn to completing the new online customer service platform with direct access to the 'live' data.

The new field meters and telemetry system (for meters 80mm and above) coupled with the new meters at each pump station will ensure a high degree of accuracy in measuring water extraction and customer use.

The Board-approved \$2 million Coomealla pipeline (Laterals 36/39 and 40) upgrade project commenced during the year with the procurement of materials and a construction tender, awarded to local Sunraysia company All

State Earthworks. Early works commenced at the end of June 2022 and the new pipelines are expected to be commissioned by mid-October 2022.

The fourth new KSB pump for Coomealla, which arrived in June 2022, was installed and commissioned the following month. The fifth KSB pump has been ordered for delivery and installation in 2023, completing the upgrade of all five major pumps at the Coomealla pump station.

Maintenance of Assets

WMI's scheduled maintenance program included a focus on improving drainage condition; an overhaul of several pumps and motors at all three pump stations; balance tower inspections including minor repairs; installation of the low river pump at Buronga due to Mildura Weir maintenance; and upgrading some IT.



Unscheduled maintenance included unblocking suction screens at Buronga pump station due to increased river flow and weeds; pipeline leaks; and a power outage caused by a bird.

Our maintenance service agreement with Mourquong Co-operative Rural Society continued with WMI providing additional assistance with upgrades to the pump station and outlets. The WMI Board will consider the integration of the Mourquong Co-operative involving the acquisition of its assets and changes to the WMI Constitution in the next year.

During the year, WMI's other achievements included:

- Reviewing its COVID-19 Safety Plan, implementing an Infection Control Policy, and following all NSW/VIC and Federal COVID health advice and regulations;
- Receiving a Statement of Compliance – Bushfire risk

management (required for our high voltage private network at Buronga and Coomealla);

- Achieving zero lost time injuries;
- Successfully negotiating a new Enterprise Agreement;
- Attending the launch of EnergyConnect at Buronga and welcoming Transgrid's construction partner SecureEnergy as a WMI customer;
- Concluding its Charges Review.

Advocacy

WMI represents and advocates on behalf of its NSW high security irrigators. Achievements in 2021/22 include:

- Providing advice and information to the Australian Government in developing their water markets reform roadmap

(following the ACCC water market inquiry);

- Engagement with the Murray Darling Basin Authority as a Conference steering committee member, and as a member of the newly formed Sunraysia and Lower Darling community forum;
- Contributing to government policies with the NSW Irrigators Council and the National Irrigators Council;
- Providing a voice to WaterNSW as a member of their Murray Lower Darling Customer Advisory Group;
- Advocating for solutions to the Murray River's deliverability and shortfall risk with the irrigator councils, MDBA and NSW / Federal Ministers;
- Meeting with the new Australian Minister for the Environment and Water The Hon Tanya Plibersek MP.

WMI's achievements, despite the challenges of the ongoing COVID pandemic, supply chain pressures and rising costs, are a testament to the dedicated work of our Board, employees and contractors. I would like to also acknowledge our Drainage Officer, Garry Matulick, for reaching his 25 years of service milestone.

In the next twelve months we look forward to assisting our customers understand, and transition to, the updated charges due to start on 1 July 2023 and providing improved services such as a new online customer portal.

Judith Damiani

CEO



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
	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
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 the 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
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



OPTIMISED INFRASTRUCTURE		HIGH PERFORMANCE
	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. We seek innovative ways to improve outcomes for staff and customers.
	<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
	<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 2021/22



> Curlwaa balance tower maintenance



> Coomealla balance tower maintenance



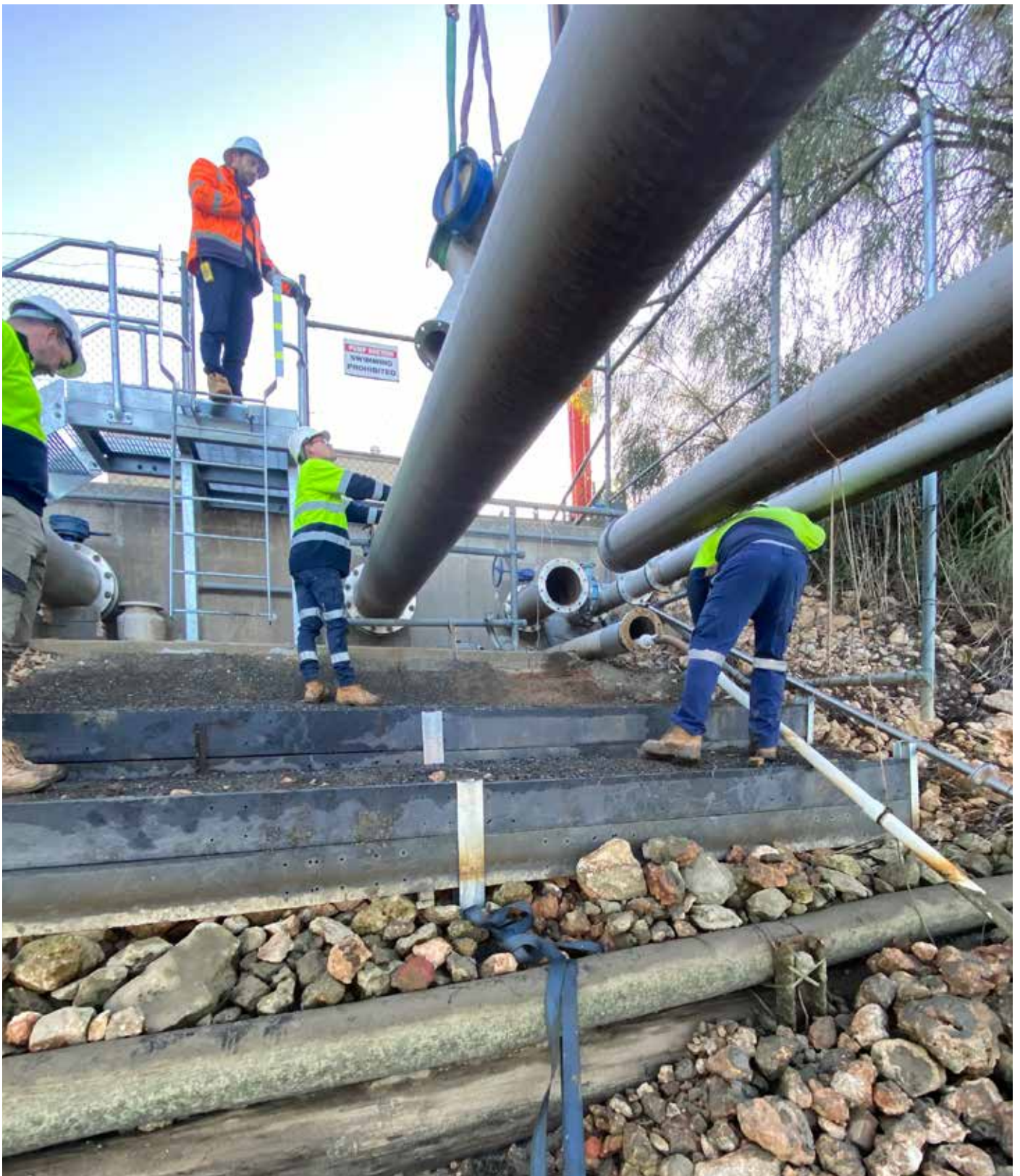
> **TOP:** Cyclone filter trial to assess effectiveness of shell removal prior to customer outlets – installed near Bernarra Road, Coomealla
 > **LEFT:** Curlwaa pump station trash rack cleaning
 > **RIGHT:** Extensive surface drain maintenance at Syphon and Hollands Lake Roads, Coomealla



> **ABOVE:** SecureEnergy's Buronga fill point, off Alcheringa Drive

> **RIGHT:** Transgrid's CEO Brett Redman launched EnergyConnect – a 900km interconnector which will enable sharing of energy between NSW, SA and VIC for the first time – with the start of construction at Buronga in May 2022. WMI welcomed Transgrid's construction partner, SecureEnergy, as a new Buronga **(ABOVE)** and Coomealla customer.





> ABOVE: BGA low river pump

Coomealla pipeline upgrade

> Lateral 36





Coomealla pipeline upgrade

> Lateral 39







> **TOP LEFT & RIGHT:**
Comebunye Road crossing

> **LEFT:** Alba Road crossing



> **TOP LEFT:** Poly-welding new 710mm pipe along Gunya Road, Coomealla
 > **TOP RIGHT:** The Hon Tanya Plibersek, Federal Environment & Water Minister, and WMI CEO Judith Damiani
 > **ABOVE:** MDBA staff met with WMI Directors and management to discuss progress on the capacity and shortfall program for the Murray; and to tour the Coomealla pump station **(RIGHT)**



Director's 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 2022 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 2022.

Directors

The names of the persons who have been Directors, or appointed as Directors, during the period since 1 July 2021 and up to the date of this report are: David Whitbread, Allison McTaggart, David Walker, Matthew Cottrell, Michael (Mick) Goodrem, Kevin Watson and Justin Kassulke.

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

Review of Operations and Results from Those Operations

A total of 25,691 ML was diverted for the year 1 July 2021 to 30 June 2022, compared to 25,099 ML in the prior financial year, and compared to 26,043 ML 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, adjusted for the Financial Instrument reclassification (for comparative purposes).



DAVID WHITBREAD

Non-Member Director

Director since: Appointed Director and Chair on 06 February 2020

Current term of office expires: November 2026

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 (FAICD) and was the first SA State Chair of the AICD on its inception.

Board Committee Membership:

Chair of the Charges Review Project Special Purpose Committee; Chair of the Unauthorised Water Use Special Purpose Committee; Member of the Audit, Risk, Finance & Investment Committee; and Member of the Remuneration & Governance 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; Member of the Charges Review Project Special Purpose Committee; and Member of the Unauthorised Water Use Special Purpose Committee.



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; Member of the Remuneration & Governance Committee; and Member of 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:

Chair of the Infrastructure & Service Committee; and Member of the Audit, Risk, Finance & Investments Committee.



**MICHAEL (MICK)
GOODREM**

Curlwaa Representative Director

Director since: November 2018

Current term of office expires:
November 2023

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 Committee; Member of the Remuneration & Governance Committee; and Member of the Infrastructure & Service Committee.



KEVIN WATSON

**Coomealla Representative
Director**

Director since: November 2002

(Chair from November 2013 to February 2020)

Current term of office expires:
November 2023

Skills, experience, and expertise:

Kevin is a former wine grape grower in Coomealla.

Board Committee Membership:

Member of the Infrastructure & Service Committee.



JUSTIN KASSULKE

**Former Curlwaa
Representative Director**

Director Tenure: November 2009
to November 2021

Skills, experience, and expertise:

Justin is a citrus and wine grape grower in Curlwaa.

Board Committee Membership:

Former Chair of the Infrastructure & Service Committee.

Meetings of Directors

Each Director attended the following meetings of the Board and Committees of the Board during the financial year ended 30 June 2022:

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	9	9	5	5	2	2	-	-	-	-
Michael Goodrem	9	9	5	5	1	1	2	2	-	-
Justin Kassulke	4	4	-	-	1	1	-	-	-	-
Allison McTaggart	9	9	-	1	-	-	2	2	7	7
David Walker	9	9	5	5	-	-	2	2	7	7
Kevin Watson	9	8	-	-	2	2	-	-	-	-
David Whitbread	9	9	5	5	-	2	2	2	7	7

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 2022, are as follows:

Current Directors	Shareholding	Water Entitlements	Delivery Entitlements
Matthew Cottrell	319	319	319
Michael Goodrem	146	294	288
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 2022 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 2022 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 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: 13 October 2022



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 2022

	Note	2022	2021
		\$	\$
Revenue	2	5,764,664	6,147,811
Depreciation expense	7(a)	(1,162,012)	(1,159,026)
Employee benefits expense		(1,353,142)	(1,247,061)
Utility expense		(788,515)	(837,722)
Repairs & maintenance expense		(428,190)	(435,758)
Government charges		(537,696)	(485,138)
Finance costs		(91,192)	(106,381)
Loss on disposal of fixed assets		(10,163)	(268,132)
Other expenses from operations		(801,985)	(1,073,702)
Total expenses		(5,172,895)	(5,612,920)
Surplus for the year		591,769	534,891
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Unrealised fair value gain/(loss) on Fair Value Through Other Comprehensive Income (FVTOCI) financial assets		(2,846,693)	2,640,162
Realised fair value gain/(loss) on FVTOCI financial assets		(223,134)	722,219
Total other comprehensive income for the year		(3,069,827)	3,362,381
Total comprehensive income for the year		(2,478,058)	3,897,272

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2022

	Note	2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	5,765,129	6,652,825
Receivables	4	1,711,251	1,839,921
Other assets	5	588,809	530,280
TOTAL CURRENT ASSETS		8,065,189	9,023,026
NON-CURRENT ASSETS			
Financial assets	6	24,329,691	26,237,451
Property, plant and equipment	7	28,924,261	28,475,498
Intangible assets	8	575,900	575,900
TOTAL NON-CURRENT ASSETS		53,829,852	55,288,849
TOTAL ASSETS		61,895,041	64,311,875
CURRENT LIABILITIES			
Trade and other payables	9	705,756	416,073
Borrowings	10	260,313	244,753
Provisions	11	152,067	140,446
TOTAL CURRENT LIABILITIES		1,118,136	801,272
NON-CURRENT LIABILITIES			
Borrowings	10	884,508	1,144,821
Provisions	11	38,221	33,548
TOTAL NON-CURRENT LIABILITIES		922,729	1,178,369
TOTAL LIABILITIES		2,040,865	1,979,641
NET ASSETS		59,854,176	62,332,234
EQUITY			
Contributed equity	12	39,095,400	39,095,400
Reserves	13	16,795	3,086,622
Accumulated surplus	14	20,741,981	20,150,212
TOTAL EQUITY		59,854,176	62,332,234

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Total equity at the beginning of the financial year		62,332,234	58,434,962
Surplus for the year		591,769	534,891
Other comprehensive income		(3,069,827)	3,362,381
Total equity at the end of the financial year		59,854,176	62,332,234

Statement of Cash Flows for the year ended 30 June 2022

	Note	2022	2021
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operations		4,589,535	4,810,460
Payments for operations		(3,666,228)	(4,330,423)
Dividends received		1,167,870	724,648
Interest received		98,020	126,701
Borrowing costs		(91,192)	(102,975)
Net cash provided by operating activities	15	2,098,005	1,228,411
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		4,442,749	9,391,585
Payments for financial assets		(5,559,116)	(10,391,547)
Proceeds from sale of property, plant and equipment		16,957	31,182
Payments for property, plant and equipment		(1,641,538)	(1,132,392)
Net cash used in investing activities		(2,740,948)	(2,101,172)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of state government loans		(244,753)	(230,123)
Net cash used in financing activities		(244,753)	(230,123)
Net (decrease) in cash held		(887,696)	(1,102,884)
Cash and cash equivalents at beginning of financial year		6,652,825	7,755,709
Cash and cash equivalents at end of financial year	3	5,765,129	6,652,825

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2022

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 – Simplified Disclosure Requirements as set out in AASB 1060: Simplified Disclosures for for-profit and not-for-profit tier 2 entities.

The financial statements are general-purpose financial statements that have been prepared in accordance with Australian Accounting Standards Disclosures issued by the Australian Accounting Standards Board ('AASB') 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 three 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 6.85% (2021: 6.1%) 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 uncollectible 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 2022 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.

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

Notes to the Financial Statements for the year ended 30 June 2022 continued

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 - 20%	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.

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.

q) New or Amended Accounting Standards and Interpretations Adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, and financial instruments.

Notes to the Financial Statements for the year ended 30 June 2022 continued

	Note	2022	2021
		\$	\$
NOTE 2 – REVENUE			
Operating and non-operating activities			
Water charges		3,365,149	3,344,302
Interest – non-asset replacement fund		16,902	26,013
Contract service		174,806	137,043
Temporary water trade		13,226	79,341
Gain on sale of property, plant & equipment		-	31,182
Installation of outlets		47,820	65,772
Other revenue		102,862	321,588
		<u>3,720,765</u>	<u>4,005,241</u>
Investing Activities			
Termination fees		230,109	410,278
Interest – asset replacement fund		84,292	93,937
Dividends		1,079,431	964,888
Asset replacement fund contributions		583,178	583,317
Other income		66,889	90,150
		<u>2,043,899</u>	<u>2,142,570</u>
Total Revenue		<u>5,764,664</u>	<u>6,147,811</u>
NOTE 3 – CASH AND CASH EQUIVALENTS			
Cash on hand		700	700
Operating accounts		945,710	803,746
Investment accounts		2,970,033	3,642,881
Asset replacement fund cash account		1,555,165	1,637,875
General reserve account cash account		293,521	567,623
		<u>5,765,129</u>	<u>6,652,825</u>
NOTE 4 – RECEIVABLES			
Current			
Water debtors		1,150,446	1,128,416
Provision for doubtful debts		(15,150)	(9,135)
		<u>1,135,296</u>	<u>1,119,281</u>
Accrued income		539,402	624,667
Sundry debtors		36,553	95,973
		<u>1,711,251</u>	<u>1,839,921</u>
NOTE 5 – OTHER ASSETS			
Current			
Water distribution supplies		501,170	431,809
Provision for obsolescence		(63,703)	(54,644)
		<u>437,467</u>	<u>377,165</u>
Prepayments		151,342	153,115
		<u>588,809</u>	<u>530,280</u>

	Note	2022	2021
		\$	\$
NOTE 6 – FINANCIAL ASSETS			
Non-Current			
Equity investments		<u>24,329,691</u>	<u>26,237,451</u>
NOTE 7 – PROPERTY, PLANT & EQUIPMENT			
Buildings			
At cost		772,009	772,009
Less accumulated depreciation		<u>(698,038)</u>	<u>(692,900)</u>
		<u>73,971</u>	<u>79,109</u>
Land			
At cost		<u>441,567</u>	<u>441,567</u>
Total Land and Buildings		<u>515,538</u>	<u>520,676</u>
Plant and Equipment			
At cost		2,271,969	2,260,241
Less accumulated depreciation		<u>(670,954)</u>	<u>(575,348)</u>
		<u>1,601,015</u>	<u>1,684,893</u>
Water Distribution Works			
At cost		49,185,328	47,358,344
Less accumulated depreciation		<u>(23,316,341)</u>	<u>(22,342,671)</u>
		<u>25,868,987</u>	<u>25,015,673</u>
Motor Vehicles			
At cost		333,992	333,992
Less accumulated depreciation		<u>(185,000)</u>	<u>(125,390)</u>
		<u>148,992</u>	<u>208,602</u>
Office Equipment			
At cost		319,407	301,889
Less accumulated depreciation		<u>(261,077)</u>	<u>(242,488)</u>
		<u>58,330</u>	<u>59,401</u>
Construction in Progress			
At cost		<u>731,399</u>	<u>986,253</u>
Total plant and equipment		<u>28,408,723</u>	<u>27,954,822</u>
Total property, plant and equipment		<u>28,924,261</u>	<u>28,475,498</u>

Notes to the Financial Statements for the year ended 30 June 2022 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.

	Buildings	Land	Plant and Equipment
	\$	\$	\$
2022			
Balance at 01/07/2021	79,109	441,567	1,684,893
Additions	-	-	14,514
Disposals	-	-	-
Transfers	-	-	-
Depreciation expense	(5,138)	-	(98,392)
Written-off	-	-	-
Carrying amount at 30/06/2022	73,971	441,567	1,601,015
2021			
Balance at 01/07/2020	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 30/06/2021	79,109	441,567	1,684,893

Motor Vehicles	Office Equipment	Water Distribution Works	Construction in Progress	Total
\$	\$	\$	\$	\$
208,602	59,401	25,015,673	986,253	28,475,498
-	6,555	32,505	1,587,964	1,641,538
-	-	(30,763)	-	(30,763)
-	10,964	1,831,854	(1,842,818)	-
(59,610)	(18,590)	(980,282)	-	(1,162,012)
-	-	-	-	-
148,992	58,330	25,868,987	731,399	28,924,261
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

Notes to the Financial Statements for the year ended 30 June 2022 continued

	Note	2022	2021
		\$	\$
NOTE 8 – INTANGIBLE ASSETS			
Water entitlements		575,900	575,900
NOTE 9 – TRADE AND OTHER PAYABLES			
Current			
Trade creditors and accruals		705,756	416,073
NOTE 10 – BORROWINGS			
Current - Unsecured Liabilities			
Borrowings		260,313	244,753
Non-Current - Unsecured Liabilities			
Borrowings		884,508	1,144,821
Total borrowings		1,144,821	1,389,574
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			
Annual leave		101,493	98,547
Long service leave		45,261	38,454
Other employee provisions		5,313	3,445
		152,067	140,446
Non-Current			
Long service leave		38,221	33,548
Aggregate Employee Benefits Liability		190,288	173,994
NOTE 12 – CONTRIBUTED EQUITY			
Issued and paid-up capital			
9,463 (2021: 9,530) Class A shares	12(a)	11,516,811	11,516,811
3,858 (2021: 3,950) Class B shares	12(b)	2,032,810	2,032,810
22,038 (2021: 22,268) 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.

	Note	2022	2021
		\$	\$
NOTE 13 – RESERVES			
Intangible asset deemed cost reserve	13(a)	575,900	575,900
Financial assets reserve	13(b)	(559,105)	2,510,722
		<u>16,795</u>	<u>3,086,622</u>
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		2,510,722	(851,659)
Fair value re-measurement gain / (loss)		(2,846,693)	2,640,162
Gain / (loss) on disposals		(223,134)	722,219
Closing balance		<u>(559,105)</u>	<u>2,510,722</u>
NOTE 14 – ACCUMULATED SURPLUS			
Accumulated surplus at the beginning of the financial year		20,150,212	19,615,321
Net surplus attributable to members of the entity		591,769	534,891
Accumulated surplus at the end of the financial year		<u>20,741,981</u>	<u>20,150,212</u>
NOTE 15 – CASH FLOW INFORMATION			
Reconciliation of cash flow from operations with surplus from operations after income tax			
Surplus from operations after income tax		591,769	534,891
Non-cash flows in surplus from operations:			
• Depreciation		1,162,012	1,159,026
• Increase / (decrease) in provision for obsolescence		9,057	8,946
• Increase / (decrease) in provision for doubtful debts		6,015	(3,041)
• Net loss / (gain) on disposal of property, plant and equipment		13,806	236,950
• Written-off property, plant & equipment		-	121,410
• (Gain) / loss on sale of financial asset		(45,698)	(26,837)
Changes in assets and liabilities:			
• (Increase) / decrease in receivables and accrued income		122,655	(664,930)
• (Increase) / decrease in water distribution supplies		(69,361)	(54,759)
• Decrease / (increase) in prepayments and other assets		1,773	3,022
• (Decrease) / increase in creditors and accruals		289,683	(109,725)
• Increase / (decrease) in employee benefits		16,294	23,458
Cash flows from operations		<u>2,098,005</u>	<u>1,228,411</u>

Notes to the Financial Statements for the year ended 30 June 2022 continued

	Note	2022	2021
		\$	\$

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	5,765,129	6,652,825
Trade receivables	4	1,711,251	1,839,921
Equity investments	6	24,329,691	26,237,451
Total Financial Assets		31,806,071	34,730,197

Financial Liabilities

Financial liabilities at amortised cost:

Trade and other payables	9	705,756	416,073
Borrowings	10	1,144,821	1,389,574
Total Financial Liabilities		1,850,577	1,805,647

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.

Note	2022	2021
	\$	\$

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's Remuneration

Key management personnel remuneration	196,448	192,435
Board of Directors remuneration	156,236	138,843

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

	Total Qty	Total Qty
Total number of shares	465	788
Total number of water entitlements	613	703
Total number of delivery entitlements	607	976

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 \$87,446 (2021: \$97,029).

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

Water accounts receivable	17,745	32,399
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NOTE 18 – REMUNERATION OF AUDITORS

Audit services	32,000	31,570
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NOTE 19 – CONTINGENT LIABILITIES

WMI has entered into a contract for the purchase of Lots 3, 4 and 5 of Section 2 in DP 758338 (13 Tapio Street, Dareton) being the land next door to the Office at 5 Tapio Street, Dareton. The purchase price is \$55,000 inclusive of GST. There were no contingent liabilities at 30 June 2021.

NOTE 20 – COMMITMENTS

Capital expenditure commitments contracted for:

Coomealla Laterals Project	888,965	-
Coomealla Pump #5	145,079	-
Coomealla Generator – Connection to Grid Investigations	31,548	-
Meter Upgrade and Telemetry Project	-	813,787
Coomealla Pump #4	129,567	129,567
AC Pipe Condition Assessment Program	16,535	-
	<u>1,211,694</u>	<u>943,354</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 2022 continued

Directors' Declaration

The Directors of the Company declare that:

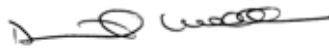
1. The financial statements and notes, as set out on pages 26 to 41 are in accordance with the *Corporations Act 2001* (Cth) and:
 - a) Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b) Give a true and fair view of the Company's financial position as at 30 June 2022 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: 13 October 2022



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 2022 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, 13th October 2022

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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 2022, 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 2022 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Simplified Disclosures 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 (including Independence Standards)* (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 included in the Company's annual report for the year ended 30 June 2022, 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 accordingly we do not express any form of assurance conclusion thereon.

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.

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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 – Simplified Disclosures 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, 13th October 2022

Unaudited Financial Statements



Statement of Comprehensive Income - Irrigation Area Summary - for the year ended 30 June 2022

	Buronga	Coomealla	Curlwaa	Total
	\$	\$	\$	\$
Revenue				
<i>Operating Activities - Water Revenue</i>				
Access Fee for Delivery Entitlement	287,973	890,325	332,213	1,510,511
Casual Users Fee	54,022	89,515	23,023	166,560
Fixed & Variable Government Charges	47,596	338,464	142,790	528,850
Infrastructure Loan Repayment	60,495	-	-	60,495
Joint Venture Repayment	-	258,764	-	258,764
Membership Levies	1,089	7,742	3,266	12,097
Stock & Garden and Commercial & Industrial and Other Charges	19,909	105,512	65,532	190,953
Water Usage Above Access Fee and Water Above Allocation	48,079	550,662	37,197	635,938
Additional Water Fee - Fee for Service	88	626	264	978
Total Water Revenue	519,251	2,241,610	604,285	3,365,146
<i>Non-Operating Activities</i>				
Gross Distribution of Managed Funds – General Reserves	-	75,790	32,481	108,271
Interest – Non-Asset Replacement Fund	722	14,957	5,570	21,249
Profit on Sale of Assets	-	-	-	-
Sales – Water Allocation	244	3,099	9,882	13,225
Fee for Services	18,648	72,691	16,857	108,196
Contract Services	15,732	111,876	47,198	174,806
Sundry Income	1,453	36,675	4,357	42,485
Total Non-Operating Activities Revenue	36,799	315,088	116,345	468,232
Total Operating and Non-Operating Revenue	556,050	2,556,698	720,630	3,833,378
Expenses from Operating Activities				
Consulting & Advisory	19,693	85,797	32,498	137,988
Contract Labour & Services	16,704	24,952	11,660	53,316
Depreciation	132,493	815,737	213,782	1,162,012
Employee Related Costs	146,842	843,531	362,770	1,353,143
Electricity	151,832	546,173	68,877	766,882
Government Charges	48,393	344,125	145,178	537,696
Motor Vehicles	4,022	28,600	12,065	44,687
Insurance	11,843	84,215	35,528	131,586
Interest	4,347	88,340	-	92,687
Loss on Sale of Assets/Written off PP&E	2,314	913	6,936	10,163
Provisions – Doubtful Debts & Obsolescence	14,365	(1,304)	2,013	15,074
Repairs & Maintenance	37,671	292,148	88,633	418,452
Contract Services	13,560	96,426	40,680	150,666
Other Operating Expenses	24,163	126,509	54,295	204,967
Total Operating Activities Expense	628,242	3,376,162	1,074,915	5,079,319
Profit / (Loss) from Ordinary Activities	(72,192)	(819,464)	(354,285)	(1,245,941)

Note: This statement is not subject to audit

Statement of Comprehensive Income - Irrigation Area Summary - for the year ended 30 June 2022 continued

	Buronga	Coomealla	Curlwaa	Total
	\$	\$	\$	\$
Investment Revenue				
Asset Replacement Fund Contribution	84,390	401,646	97,142	583,178
Gross Distribution of Managed Funds – Asset Replacement Fund	-	708,420	262,740	971,160
Interest – Asset Replacement Fund	-	61,253	23,039	84,292
Termination Fees	19,382	182,641	28,086	230,109
Other Portfolio Income	-	48,772	18,117	66,889
Total Investment Revenue	103,772	1,402,732	429,124	1,935,628
Investment Expenses				
Asset Replacement Fund Management	-	55,680	21,045	76,725
Other Portfolio Expenses	-	15,462	5,733	21,195
Total Investment Expense	-	71,142	26,778	97,920
Profit / (Loss) from Investment Activities	103,772	1,331,590	402,346	1,837,708
Total Net Profit / (Loss) Before Income Tax Expense	31,580	512,126	48,061	591,767
Income Tax Expense - Continuing Activities	-	-	-	-
Total Net Profit / (Loss) After Income Tax Expense	31,580	512,126	48,061	591,767
Total Changes in Equity	31,580	512,126	48,061	591,767
Accumulated Profit at beginning of financial year	797,296	15,642,071	3,710,847	20,150,214
Rounding	1	(1)	-	-
Accumulated Profit at end of financial year	828,877	16,154,196	3,758,908	20,741,981

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

Statement of Financial Position - Irrigation Area Summary - for the year ended 30 June 2022

	Buronga	Coomealla	Curlwaa	Total
	\$	\$	\$	\$
Current Assets				
Cash & Cash Equivalents	-	4,558,437	1,897,744	6,456,181
Accounts Receivable	147,305	893,106	131,439	1,171,850
Buronga Loan Receivable	-	111,655	47,852	159,507
Water Distribution Supplies	107,678	250,669	79,120	437,467
Accrued Income & Interest	56	392,666	146,680	539,402
Other Assets & Prepayments	14,636	96,562	40,143	151,341
Total Current Assets	269,675	6,303,095	2,342,978	8,915,748
Non-Current Assets				
Water Entitlement	-	14,300	561,600	575,900
Land	13,199	168,121	260,247	441,567
Water Distribution Works	3,729,468	16,477,701	5,661,820	25,868,989
Construction - Work in Progress	-	731,398	-	731,398
Buildings	7,399	48,077	18,495	73,971
Plant and Equipment	19,933	1,438,537	142,545	1,601,015
Office Equipment	9,066	35,328	13,935	58,329
Motor Vehicles	14,900	96,845	37,248	148,993
Buronga Loan Receivable	-	191,474	82,061	273,535
Other Financial Assets	-	17,651,755	6,677,935	24,329,690
Total Non-Current Assets	3,793,965	36,853,536	13,455,886	54,103,387
Total Assets	4,063,640	43,156,631	15,798,864	63,019,135
Current Liabilities				
Overdraft	691,052	-	-	691,052
Accounts Payable & Accruals	60,733	547,249	97,774	705,756
Loan – Buronga Expansion	159,507	-	-	159,507
Loan – State Government	-	260,313	-	260,313
Payroll Provisions	13,686	97,323	41,058	152,067
Total Current Liabilities	924,978	904,885	138,832	1,968,695
Non-Current Liabilities				
Payroll Provisions	3,440	24,461	10,320	38,221
Loan – Buronga Expansion	273,535	-	-	273,535
Loan – State Government	-	884,508	-	884,508
Total Non-Current Liabilities	276,975	908,969	10,320	1,196,264
Total Liabilities	1,201,953	1,813,854	149,152	3,164,959
Net Assets	2,861,687	41,342,777	15,649,712	59,854,176
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	-	(371,498)	(187,607)	(559,105)
Accumulated Surplus	828,877	16,154,196	3,758,908	20,741,981
Total Shareholder Equity	2,861,687	41,342,777	15,649,712	59,854,176

Note: This statement is not subject to audit





