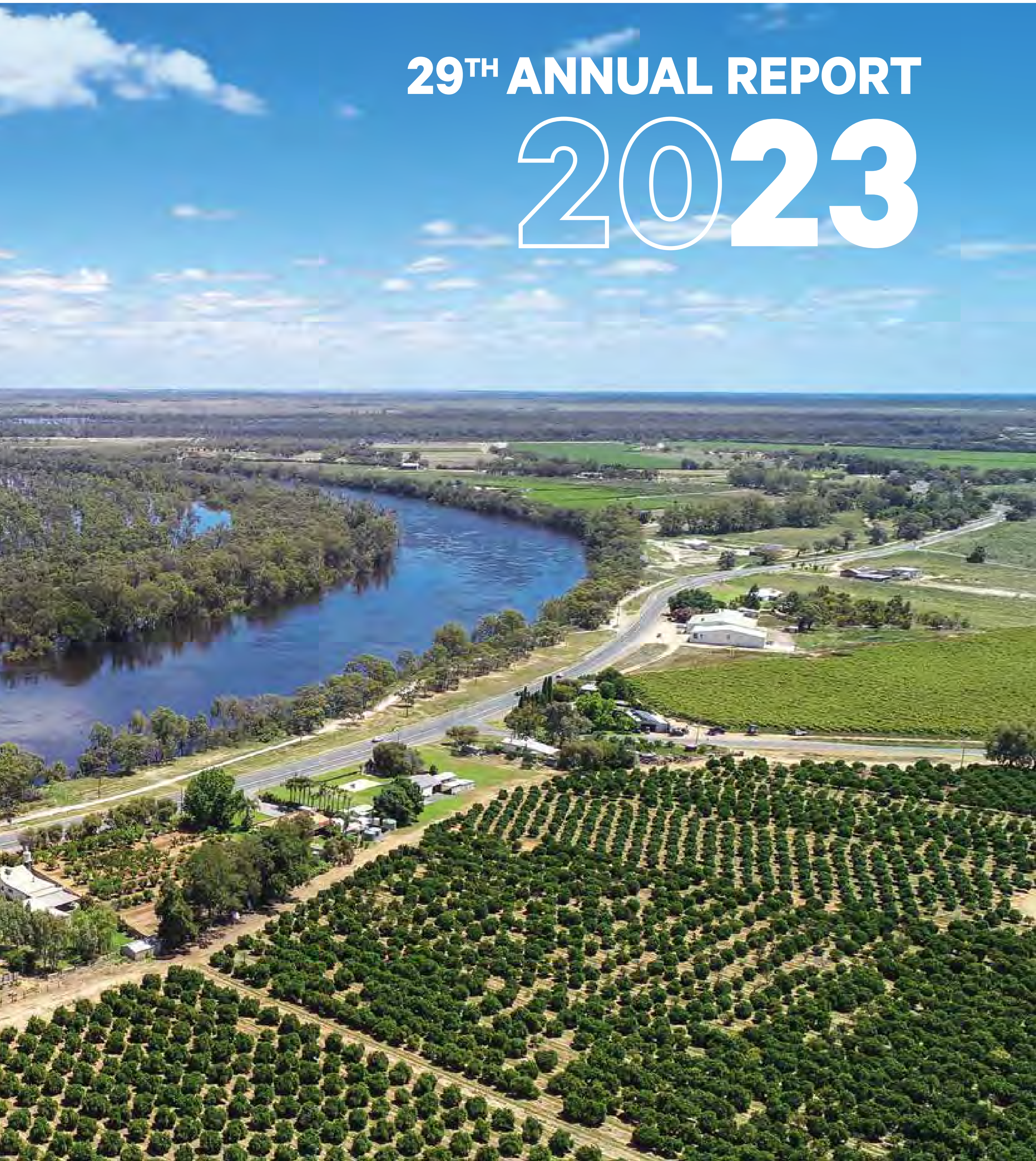
WESTERN MURRAY
IRRIGATION

29TH ANNUAL REPORT
2023



Western Murray Irrigation Ltd (WMI)
A company limited by shares, proudly grower owned, celebrating 29 years of operation.

Registered office:	5 Tapio Street, DARETON NSW 2717
Telephone:	03 5027 4953
Postal:	PO Box 346, DARETON NSW 2717
Website:	www.westernmurray.com.au
Email:	enquiries@westernmurray.com.au
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

2023 AGM
WMI 29th Annual General Meeting
Monday 27 November 2023 at 6.00pm
Buronga Midway Centre
6 Midway Drive, Buronga NSW 2739

Contents

Chair's Report

Dear WMI Shareholders,

I am pleased to present you with the 29th Annual Report for Western Murray Irrigation Ltd (WMI) for the year ended 30 June 2023.

The 2022/23 year was significant for many reasons.

Firstly, the Board's approval and implementation of a new charging system, following the first comprehensive review of WMI's charges since privatisation. It was the issue of most importance to WMI Directors at the time I was appointed as an independent Director and Chair in February 2020.

The Board also approved a comprehensive customer consultation and assistance program, allowing time for WMI to consult with all customers before the new charges took effect on 1 July 2023. Customer information sessions were run in September 2022 and by June 2023 every WMI customer (over 350) had been communicated with directly, some multiple times.

The company provided many opportunities and incentives for customers to re-arrange their affairs so as to minimise the impact of the new charges such as an 80% discount offer for the termination of delivery entitlements; an increase to the number of delivery entitlements a NSW High Security Water Entitlement customer can hold before requiring security and free downsize or removal of outlets.

Understandably some shareholders had concerns about the changes. I was able to engage directly with a group of shareholders to listen and provide information. The Board and management were also very receptive to any feedback received during the consultation and implementation process and this will continue through to the first year review of the new charges in 2024.

Secondly, the impact of the Murray River floods on our operations particularly with the works required on the Curlwaa levee. Thanks to our staff, contractors, Curlwaa residents, NSW SES and the Wentworth Shire Council who all pitched in to successfully protect the Curlwaa irrigation area.

Thirdly, the start of a prosecution in the NSW Land and Environment Court by the NSW Natural Resources Access Regulator (NRAR) against an irrigator and company who are alleged to have illegally interfered with a WMI pipeline and unlawfully taken water from it. WMI regards interference with our water management works and taking water without lawful authority very seriously and, as well as WMI's own disciplinary actions against the irrigator back in 2020, has assisted NRAR in its legal investigations since.

Financially, WMI's loss for the year ended 30 June 2023 was \$298,431, mainly due to additional costs related to strengthening and repairing the Curlwaa levee, the charges review and the associated downsize, removal and disposal of outlets. Total equity, however, increased by almost 3% to \$61,520,659 mainly due to a pleasing 10.6% return on the Asset Replacement Fund.

While our Asset Replacement Fund continues to grow satisfactorily, the WMI Board is confident that, over time, the new charging structure will assist to bring back operational surpluses and ensure long-term financial sustainability for WMI.

I would like to thank the Directors for their work and support during 2022/23, and in particular, to Coomealla Member Director Kevin Watson who retires after serving 21 years as a WMI Director – and 7 years as its Chair. Kevin selflessly supported stronger governance through the appointment of an independent Chair and I am grateful for his ongoing support and guidance. We all wish Kevin the best as he enjoys the non farming retirement life in the Wentworth region.

Finally, thank you to all our staff who worked very hard during an intense year. A special acknowledgement to our retiring CFO and company secretary Narelle Heard for over 7 years of dedication. We wish her all the best and safe travels.

Dated: 29 August 2023

David Whitbread
Chair

CEO's Report

Wet conditions continued across the Murray Darling Basin during the 2022/23 year resulting in the biggest floods in 50 years moving along the Murray River, with flood waters peaking at Mildura and Wentworth mid to late December 2022.

WMI commenced flood operations in the first quarter of the financial year, securing and monitoring pump stations, drainage assets and the Curlwaa levee.

As to be expected in a wet year WMI pumped only 21,572 ML - 16% lower than the previous year and 14% below the 5-year average. Basin storages were at capacity and full allocations were available for NSW Murray High Security and General Security water entitlement holders, with water allocation prices dropping to very low levels. The lack of demand and low prices were barriers for WMI conducting a bulk end of year surplus water allocation trade resulting in many customers missing out on an end of year water trade credit on their accounts. It is therefore important that customers conduct their own surplus water allocation trade at a more strategic time of the year to maximise their own returns.

Major capital projects

The $2 million Coomealla pipeline (Laterals 36/39 and 40) upgrade project commenced at the end of June 2022 with the bulk of the construction completed by October. Practical completion was awarded in January 2023 after successful testing and commissioning.

The fifth, and last, new KSB pump has been purchased, delivered, installed and commissioned, completing the upgrade of all major pumps at the Coomealla pump station.

Major asset revaluation

WMI owns 442ML of NSW High Security water entitlements which are recorded on the balance sheet at a cost price of $575,000.

WMI had an independent valuation conducted by Herron Todd White in June 2023 which resulted in a new valuation at $4.1 million ($9,300/ML). Under the Australian accounting standards this new valuation cannot be recorded in the company's financial statements however it is worth highlighting to shareholders. WMI does trade the allocation annually.

Floods and the Curlwaa levee

WMI's scheduled maintenance program included a focus on improving drainage condition; an overhaul of several pumps and motors; balance tower inspections; and upgrading some IT. The program was partly disrupted by the need for high river operations and the focus on the Curlwaa levee.

WMI commenced preparing and maintaining infrastructure and assets in August 2022 following forecast high river flows. Significant works to strengthen and maintain the 19km Curlwaa levee began in October and urgent repairs to a levee breach over the 19-20 November weekend were successful.

Repairs and reinforcement options continued well into 2023 due to the prolonged peak and slow pace of receding water.

I would like to thank our staff and contractors who worked tirelessly on the Curlwaa levee and in particular those who were quickly on site working to repair the breach in quite hazardous conditions; Wentworth Shire Council for their collaboration and for cutting through Old Wentworth Road to alleviate the water pressure from Tucker's Creek overflow; and to those Curlwaa residents who assisted in many ways including monitoring the levee for any problems and allowing WMI to store fill material on their property.

Water quality was adversely affected by the bloated waterways and for the first time WMI struggled with unpleasant filter blockages caused by rapid breeding events of exotic fish species such as the oriental weather loach.

New charging system

WMI held customer information sessions; distributed information through the mail, website and SMS; held hundreds of one-on-one customer consultation sessions; scheduled in hundreds of outlet removals/downsize works and assisted with the termination of thousands of delivery entitlements under the discount offer. We will continue to assist customers through the changes including a new more flexible process for temporary trading delivery allowance.

Advocacy

The NSW election was a major focus for the year working through the NSW Irrigators Council and included meetings with Water Ministers/Opposition Ministers; members of parliament; advisors and public officers. It is pleasing to know that good relationships and policies have continued with the new Labor government and Water Minister.

Nationally, working through the National Irrigators Council, similar representations were made to the Commonwealth Water Minister/ Environmental Water Holder, departments, and agencies with a focus on the Murray Darling Basin Plan; compliance; water market reforms and energy.

This work will ramp up as we move closer to the Murray Darling Basin Plan review scheduled for mid-2024 (#BeyondBuybacks) and in finding practical solutions to improve water delivery through the Barmah-Millewa choke.

Looking forward

In the next twelve months we look forward to getting back to some sort of 'normality'; providing improved services such as a new online customer portal; integrating new staff members and commence planning for a new five-year strategic plan.

In 2024, WMI will not only be celebrating its 30-year anniversary but delighted to support the celebrations of the Dareton-Coomealla Centenary - honouring the pioneer irrigators of the 1920's, the soldier settlers returning from World War II right through to the modern irrigators of today.

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**	**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. We seek innovative ways to improve outcomes for staff and customers.
PRIORITY ACTIONS OVER THE NEXT FIVE YEARS	• 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	• 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	• 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	• 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	• Standard of service for water deliverability is improved during peak demand • Irrigated land serviced by WMI increase by 10%	• Increase in customers reporting high or very high level of satisfaction with service • Charges review outcome successfully implemented	• Long-term energy plan that is minimising costs and improving reliability • New customer service platform with direct access to live usage data	• 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 Events & Achievements During 2022/23

2022 Flood

> Normal river level at Curlwaa pump station

> Curlwaa pump station December 2022

> *Normal river level at Buronga pump station*

> *Buronga pump station December 2022*

> *Normal river level at the Coomealla pump station and depot*

> *Coomealla pump station and depot December 2022*

Curlwaa Levee

> *Extensive works were required to strengthen the Curlwaa levee*

> TOP: *Curlwaa levee breach (northern section along Tuckers Creek)*

> RIGHT: *Curlwaa levee breach November 2022*

> TOP: *Repairing the Curlwaa levee breach*

> LEFT: *Curlwaa levee breach being repaired during a hailstorm*

> **TOP:** *Wentworth Shire Council cut through Old Wentworth Road to alleviate the build-up of pressure on the Curlwaa levee from Tuckers Creek. Water was then directed naturally into Fletchers Lake.*

> **LEFT:** *Pumping water back over the levee*

> *Filters became choked with never-seen-before exotic fish species oriental weather loach as a result of breeding during the floods*

Outlet changes due to new charging system:

> Examples of downsized meters and/or infrastructure

> Before

> After

> Before

> After

> Before

> After

> *Examples of removals*

> *Before*

> *After*

> *Before*

> *After*

> *Before*

> *After*

General operations

> **TOP:** *Buronga Pump C being replaced following a service overhaul*

> **LEFT:** *Cleaning and inspection of the Coomealla balance tower*

> **RIGHT:** *National Irrigators Council Chair Jeremy Morton and WMI CEO Judith Damiani*

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 2023 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 2023.

Review of Operations and Results from Those Operations

A total of 21,572ML was diverted for the year 1 July 2022 to 30 June 2023, compared to 25,691ML in the prior financial year, and compared to 24,984ML 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).

Directors

The names of the persons who have been Directors, or appointed as Directors, during the period since 1 July 2022 and up to the date of this report are: David Whitbread, Allison McTaggart, David Walker, Matthew Cottrell, Michael (Mick) Goodrem, 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 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 Andrew's Hospital (SA), meeting Chair of Roben Menz Confectioners 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 Foundation 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; 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 2026

Skills, experience, and expertise:
Allison is an experienced Company Director, Chair of Mallee CMA, 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.

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 2024

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.

Meetings of Directors

Each Director attended the following meetings of the Board and Committees of the Board during the financial year ended 30 June 2023:

Director	Board		Audit, Risk, Finance & Investments Committee		Infrastructure & Service Committee		Remuneration & Governance Committee	
	A	B	A	B	A	B	A	B
Matthew Cottrell	9	8	5	4	2	2	-	1
Michael Goodrem	9	9	5	5	2	2	2	2
Allison McTaggart	9	8	-	-	-	1	2	2
David Walker	9	9	5	5	-	1	2	2
Kevin Watson	9	7	-	1	2	2	-	1
David Whitbread	9	9	5	5	-	2	2	2

A - Meetings eligible to attend as a Member B - Meetings attended as a Member

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 2023, are as follows:

Current Directors	Shareholding	Water Entitlements	Delivery Entitlements
Matthew Cottrell	319	319	319
Michael Goodrem	144	160	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 2023 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 2023 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: 29 August 2023

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 2023

	Note	2023	2022
		$	$
Revenue	2	6,196,556	5,764,664
Depreciation expense	7(a)	(1,227,289)	(1,162,012)
Employee benefits expense		(1,365,551)	(1,353,142)
Utility expense		(639,821)	(788,515)
Repairs & maintenance expense		(1,151,533)	(428,190)
Government charges		(542,657)	(537,696)
Finance costs		(77,248)	(91,192)
Loss on disposal of fixed assets		(435,682)	(10,163)
Other expenses from operations		(1,055,206)	(801,985)
Total expenses		(6,494,987)	(5,172,895)
(Loss) / Surplus for the year		**(298,431)**	**591,769**
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		1,602,259	(2,846,693)
Realised fair value gain/(loss) on FVTOCI financial assets		362,655	(223,134)
Total other comprehensive income for the year		1,964,914	(3,069,827)
Total comprehensive income for the year		**1,666,483**	**(2,478,058)**

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2023

	Note	2023	2022
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	3,440,541	5,765,129
Receivables	4	1,649,289	1,711,251
Other assets	5	892,567	588,809
TOTAL CURRENT ASSETS		**5,982,397**	**8,065,189**
NON-CURRENT ASSETS			
Financial assets	6	27,988,139	24,329,691
Property, plant and equipment	7	28,641,437	28,924,261
Intangible assets	8	575,900	575,900
TOTAL NON-CURRENT ASSETS		**57,205,476**	**53,829,852**
TOTAL ASSETS		**63,187,873**	**61,895,041**
CURRENT LIABILITIES			
Trade and other payables	9	625,389	705,756
Borrowings	10	276,862	260,313
Provisions	11	117,610	152,067
TOTAL CURRENT LIABILITIES		**1,019,861**	**1,118,136**
NON-CURRENT LIABILITIES			
Borrowings	10	607,646	884,508
Provisions	11	39,707	38,221
TOTAL NON-CURRENT LIABILITIES		**647,353**	**922,729**
TOTAL LIABILITIES		**1,667,214**	**2,040,865**
NET ASSETS		**61,520,659**	**59,854,176**
EQUITY			
Contributed equity	12	39,095,400	39,095,400
Reserves	13	1,981,709	16,795
Accumulated surplus	14	20,443,550	20,741,981
TOTAL EQUITY		**61,520,659**	**59,854,176**

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2023

	Note	2023	2022
		$	$
Total equity at the beginning of the financial year		59,854,176	62,332,234
(Loss) / Surplus for the year		(298,432)	591,769
Other comprehensive income		1,964,914	(3,069,827)
Total equity at the end of the financial year		**61,520,659**	**59,854,176**

Statement of Cash Flows for the year ended 30 June 2023

	Note	2023	2022
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operations		5,439,325	4,589,535
Payments for operations		(5,570,669)	(3,666,228)
Dividends received		968,541	1,167,870
Interest received		302,053	98,020
Borrowing costs		(72,831)	(91,192)
Net cash provided by operating activities	15	**1,066,419**	**2,098,005**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		8,323,418	4,442,749
Payments for financial assets		(10,042,202)	(5,559,116)
Proceeds from sale of property, plant and equipment		216,939	16,957
Payments for property, plant and equipment		(1,628,849)	(1,641,538)
Net cash used in investing activities		**(3,130,694)**	**(2,740,948)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of state government loans		(260,313)	(244,753)
Net cash used in financing activities		**(260,313)**	**(244,753)**
Net (decrease) in cash held		(2,324,588)	(887,696)
Cash and cash equivalents at beginning of financial year		5,765,129	6,652,825
Cash and cash equivalents at end of financial year	3	**3,440,541**	**5,765,129**

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2023

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 10.1% (2022: 6.85%) 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.

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.

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

No new Australian Accounting Standards have been issued that are mandatory for the 30 June 2023 reporting period.

Notes to the Financial Statements for the year ended 30 June 2023 continued

	Note	2023	2022
		$	$
NOTE 2 – REVENUE			
Operating and non-operating activities			
Water charges		3,167,650	3,365,149
Interest – non asset replacement fund		94,494	16,902
Contract service		192,403	174,806
Temporary water trade		25,104	13,226
Installation of outlets		17,338	47,820
Other revenue		73,080	102,862
		3,570,069	3,720,765
Investing Activities			
Termination fees		1,130,658	230,109
Interest – asset replacement fund		207,088	84,292
Dividends		692,961	1,079,431
Asset replacement fund contributions		554,298	583,178
Other income		41,482	66,889
		2,626,487	2,043,899
Total Revenue		**6,196,556**	**5,764,664**
NOTE 3 – CASH AND CASH EQUIVALENTS			
Cash on hand		700	700
Operating accounts		682,861	945,710
Investment accounts		1,518,690	2,970,033
Asset replacement fund cash account		974,400	1,555,165
General reserve account cash account		263,890	293,521
		3,440,541	**5,765,129**
NOTE 4 – RECEIVABLES			
Current			
Water debtors		980,210	1,150,446
Provision for doubtful debts		(56,444)	(15,150)
		923,766	1,135,296
Accrued income		263,351	539,402
Sundry debtors		462,172	36,553
		1,649,289	**1,711,251**
NOTE 5 – OTHER ASSETS			
Current			
Water distribution supplies		785,469	501,170
Provision for obsolescence		(63,338)	(63,703)
		722,131	437,467
Prepayments		170,436	151,342
		892,567	**588,809**

	Note	2023	2022
		$	$
NOTE 6 – FINANCIAL ASSETS			
Non-Current			
Equity investments		27,988,139	24,329,691
NOTE 7 – PROPERTY, PLANT & EQUIPMENT			
Buildings			
At cost		791,539	772,009
Less accumulated depreciation		(703,128)	(698,038)
		88,411	73,971
Land			
At cost		863,218	441,567
Total Land and Buildings		**951,629**	**515,538**
Plant and Equipment			
At cost		2,273,839	2,271,969
Less accumulated depreciation		(770,331)	(670,954)
		1,503,508	1,601,015
Water Distribution Works			
At cost		49,812,753	49,185,328
Less accumulated depreciation		(23,918,561)	(23,316,341)
		25,894,192	25,868,987
Motor Vehicles			
At cost		333,992	333,992
Less accumulated depreciation		(244,609)	(185,000)
		89,383	148,992
Office Equipment			
At cost		249,685	319,407
Less accumulated depreciation		(180,017)	(261,077)
		69,668	58,330
Construction in Progress			
At cost		133,057	731,399
Total plant and equipment		**27,689,808**	**28,408,723**
Total property, plant and equipment		**28,641,437**	**28,924,261**

Notes to the Financial Statements for the year ended 30 June 2023 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
	$	$	$
2023			
Balance at 01/07/2022	73,971	441,567	1,601,015
Additions	-	421,651	1,870
Disposals	-	-	-
Transfers	19,531	-	-
Depreciation expense	(5,091)	-	(99,377)
Written-off	-	-	-
Carrying amount at 30/06/2023	**88,411**	**863,218**	**1,503,508**
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**

Motor Vehicles	Office Equipment	Water Distribution Works	Construction in Progress	Total
$	$	$	$	$
148,992	58,330	25,868,987	731,399	28,924,261
-	33,308	24,461	1,115,795	1,597,085
-	-	(652,620)	-	(652,620)
-	-	1,694,606	(1,714,137)	-
(59,609)	(21,970)	(1,041,242)	-	(1,227,289)
-	-		-	-
89,383	**69,668**	**25,894,192**	**133,057**	**28,641,437**
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**

Notes to the Financial Statements for the year ended 30 June 2023 continued

	Note	2023	2022
		$	$
NOTE 8 – INTANGIBLE ASSETS			
Water entitlements		575,900	575,900

A formal valuation was conducted in June 2023 for the water entitlements held by the Company. The market value is estimated to be $4,110,000. Under AASB 138, an active market must exist for intangible assets to be revalued. Per guidance received from ASIC, the water market is not deemed to be an active market. Therefore, the water entitlements are carried at cost and not revalued in the accounts at 30 June 2023.

	Note	2023	2022
NOTE 9 – TRADE AND OTHER PAYABLES			
Current			
Trade creditors and accruals		625,389	705,756
NOTE 10 – BORROWINGS			
Current - Unsecured Liabilities			
Borrowings		276,862	260,313
Non-Current - Unsecured Liabilities			
Borrowings		607,646	884,508
Total borrowings		**884,508**	**1,144,821**

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	2023	2022
NOTE 11 – EMPLOYEE BENEFITS			
Current			
Annual leave		96,613	101,493
Long service leave		16,552	45,261
Other employee provisions		4,445	5,313
		117,610	152,067
Non-Current			
Long service leave		39,707	38,221
Aggregate Employee Benefits Liability		**157,317**	**190,288**
NOTE 12 – CONTRIBUTED EQUITY			
Issued and paid-up capital			
9,241 (2022: 9,463) Class A shares	12(a)	11,516,811	11,516,811
3,858 (2022: 3,858) Class B shares	12(b)	2,032,810	2,032,810
20,121 (2022: 22,038) 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

		2023	2022
		$	$

NOTE 12 – CONTRIBUTED EQUITY - CONTINUED

(c) Class C shares

	2023	2022
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 13 – RESERVES

		2023	2022
Intangible asset deemed cost reserve	13(a)	575,900	575,900
Financial assets reserve	13(b)	1,405,809	(559,105)
		1,981,709	**16,795**

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:

	2023	2022
Opening balance	(559,105)	2,510,722
Fair value re-measurement gain / (loss)	1,602,259	(2,846,693)
Gain / (loss) on disposals	362,655	(223,134)
Closing balance	**1,405,809**	**(559,105)**

NOTE 14 – ACCUMULATED SURPLUS

	2023	2022
Accumulated surplus at the beginning of the financial year	20,741,981	20,150,212
Net surplus attributable to members of the entity	(298,431)	591,769
Accumulated surplus at the end of the financial year	**20,443,550**	**20,741,981**

NOTE 15 – CASH FLOW INFORMATION

	2023	2022
Reconciliation of cash flow from operations with surplus from operations after income tax		
(Loss) / Surplus from operations after income tax	(298,431)	591,769
Non-cash flows in surplus from operations:		
• Depreciation	1,227,289	1,162,012
• (Decrease) / increase in provision for obsolescence	(365)	9,057
• Increase in provision for doubtful debts	41,294	6,015
• Net loss on disposal of property, plant and equipment	467,445	13,806
• Written-off property, plant and equipment	-	-
• Loss / (gain) on sale of financial asset	25,250	(45,698)
Changes in assets and liabilities:		
• Decrease in receivables and accrued income	20,668	122,655
• (Increase) in water distribution supplies	(284,299)	(69,361)
• (Increase) / decrease in prepayments and other assets	(19,094)	1,773
• (Decrease) / increase in creditors and accruals	(80,367)	289,683
• (Decrease) / increase in employee benefits	(32,971)	16,294
Cash flows from operations	**1,066,419**	**2,098,005**

	Note	2023	2022
		$	$

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:

	Note	2023 $	2022 $
Financial Assets			
Cash and cash equivalents	3	3,440,541	5,765,129
Trade receivables	4	1,649,289	1,711,251
Equity investments	6	27,988,139	24,329,691
Total Financial Assets		**33,077,969**	**31,806,071**
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	9	625,389	705,756
Borrowings	10	884,508	1,144,821
Total Financial Liabilities		**1,509,897**	**1,850,577**

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	2023	2022
		$	$
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		203,658	196,448
Board of Directors remuneration		169,448	156,236
c) The relevant interests of the Key Management Personnel of the Company are:		**Total Qty**	**Total Qty**
Total number of shares		463	465
Total number of water entitlements		479	613
Total number of delivery entitlements		607	607
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 $68,504 (2022: $87,446).			
Aggregate amounts receivable from Directors or their related entities as at balance date:			
Water accounts receivable		12,800	17,745
NOTE 18 – REMUNERATION OF AUDITORS			
Audit services		32,500	32,000
NOTE 19 – CONTINGENT LIABILITIES			
As at 30 June 2023 the Company had no contingent liabilities (2022: $55,000).			
NOTE 20 – COMMITMENTS			
Capital expenditure commitments contracted for:			
Coomealla Laterals Project		-	888,965
Coomealla Pump #5		39,567	145,079
Coomealla Generator – Connection to Grid Investigations		-	31,548
Coomealla Pump #4		-	129,567
AC Pipe Condition Assessment Program		30,415	16,535
BillNow software		80,000	-
		149,982	**1,211,694**

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 2023 continued

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 22 to 37 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 2023 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: 29 August 2023

David Whitbread
Chair
Board of Directors

David Walker
Chair
Audit, Risk, Finance & Investments Committee

Auditor's Independence Declaration

William Buck
ACCOUNTANTS & ADVISORS

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 2023 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.

William Buck

William Buck (SA)
ABN 38 280 203 274

G.W. Martinella
Partner

Adelaide, 29th August 2023

Level 6, 211 Victoria Square, Adelaide SA 5000
GPO Box 11050, Adelaide SA 5001
+61 8 8409 4333
sa.info@williambuck.com
williambuck.com

Independent Auditor’s Report

William Buck
ACCOUNTANTS & ADVISORS

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 2023, 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 2023 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 2023, 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.

Level 6, 211 Victoria Square, Adelaide SA 5000
GPO Box 11050, Adelaide SA 5001
+61 8 8409 4333
sa.info@williambuck.com
williambuck.com

William Buck
ACCOUNTANTS & ADVISORS

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.

William Buck

William Buck (SA)
ABN 38 280 203 274

G.W. Martinella
Partner

Adelaide, 29th August 2023

Unaudited Financial Statements

Statement of Comprehensive Income - Irrigation Area Summary - for the year ended 30 June 2023

	Buronga	Coomealla	Curlwaa	Total
	$	$	$	$
Revenue				
Operating Activities - Water Revenue				
Access Fee for Delivery Entitlement	297,683	901,913	339,981	1,539,577
Casual Users Fee	56,653	29,840	10,139	96,632
Fixed & Variable Government Charges	47,727	339,389	143,180	530,296
Infrastructure Loan Repayment	58,665	-	-	58,665
Joint Venture Repayment	-	214,131	-	214,131
Membership Levies	1,039	7,390	3,118	11,547
Stock & Garden and Commercial & Industrial and Other Charges	25,273	110,537	69,273	205,083
Water Usage Above Access Fee and Water Above Allocation	13,066	463,022	32,378	508,466
Additional Water Fee – Fee for Service	293	2,082	878	3,253
Total Water Revenue	**500,399**	**2,068,304**	**598,947**	**3,167,650**
Non-Operating Activities				
Gross Distribution of Managed Funds – General Reserves	-	63,766	27,330	91,096
Interest – Non-Asset Replacement Fund	3,574	95,911	26,224	125,709
Profit on Sale of Assets	-	-	-	-
Sales – Water Allocation	757	5,629	18,717	25,103
Fee for Services	4,788	32,598	16,832	54,218
Contract Services	17,317	123,138	51,949	192,404
Sundry Income	1,098	22,907	12,195	36,200
Total Non-Operating Activities Revenue	**27,534**	**343,949**	**153,247**	**524,730**
Total Operating and Non-Operating Revenue	**527,933**	**2,412,253**	**752,194**	**3,692,380**

Note: This statement is not subject to audit

Statement of Comprehensive Income – Irrigation Area Summary – for the year ended 30 June 2023 continued

	Buronga	Coomealla	Curlwaa	Total
	$	$	$	$
Expenses from Operating Activities				
Consulting & Advisory	15,806	125,925	49,117	190,848
Contract Labour & Services	7,412	41,454	14,301	63,167
Depreciation	133,595	860,175	233,520	1,227,290
Employee Related Costs	135,240	841,619	388,691	1,365,550
Electricity	117,475	444,517	56,142	618,134
Government Charges	48,839	347,301	146,518	542,658
Motor Vehicles	4,813	35,894	15,061	55,768
Insurance	12,267	87,235	36,802	136,304
Interest	31,219	72,808	12	104,039
Loss on Sale of Assets / Written Off PP&E	62,320	333,045	40,317	435,682
Provisions – Doubtful Debts & Obsolescence	37,463	2,905	1,171	41,539
Repairs & Maintenance	71,701	577,425	491,409	1,140,535
Contract Services	15,428	109,713	46,285	171,426
Other Operating Expenses	30,897	183,354	76,809	291,060
Total Operating Activities Expense	**724,475**	**4,063,370**	**1,596,155**	**6,384,000**
Profit / (Loss) from Ordinary Activities	**(196,542)**	**(1,651,117)**	**(843,961)**	**(2,691,620)**

Note: This statement is not subject to audit

Statement of Comprehensive Income - Irrigation Area Summary - for the year ended 30 June 2023 continued

	Buronga	Coomealla	Curlwaa	Total
	$	$	$	$
Investment Revenue				
Asset Replacement Fund Contribution	86,042	372,901	95,355	554,298
Gross Distribution of Managed Funds – Asset Replacement Fund	-	439,384	162,481	601,865
Interest – Asset Replacement Fund	-	146,416	60,672	207,088
Termination Fees	169,382	530,985	430,290	1,130,657
Other Portfolio Income	-	30,245	11,237	41,482
Total Investment Revenue	**255,424**	**1,519,931**	**760,035**	**2,535,390**
Investment Expenses				
Asset Replacement Fund Management	-	54,790	20,696	75,486
Other Portfolio Expenses	-	48,476	18,236	66,712
Total Investment Expense	-	**103,266**	**38,932**	**142,198**
Profit / (Loss) from Investment Activities	**255,424**	**1,416,665**	**721,103**	**2,393,192**
Total Net Profit / (Loss) Before Income Tax Expense	**58,882**	**(234,452)**	**(122,858)**	**(298,428)**
Income Tax Expense - Continuing Activities	-	-	-	-
Total Net Profit / (Loss) After Income Tax Expense	**58,882**	**(234,452)**	**(122,858)**	**(298,428)**
Total Changes in Equity	58,882	(234,452)	(122,858)	(298,428)
Accumulated Profit at beginning of financial year	828,877	16,154,196	3,758,908	20,741,981
Rounding	-	1	-	1
Accumulated Profit at end of financial year	**887,759**	**15,919,745**	**3,636,050**	**20,443,554**

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 2023

	Buronga	Coomealla	Curlwaa	Total
	$	$	$	$
Current Assets				
Cash & Cash Equivalents	-	3,200,219	1,061,647	4,261,866
Accounts Receivable	180,765	858,841	346,332	1,385,938
Buronga Loan Receivable	-	64,362	27,583	91,945
Water Distribution Supplies	135,985	436,678	149,468	722,131
Accrued Income & Interest	405	190,886	72,059	263,350
Other Assets & Prepayments	16,482	108,530	45,424	170,436
Total Current Assets	**333,637**	**4,859,516**	**1,702,513**	**6,895,666**
Non-Current Assets				
Water Entitlement	-	14,300	561,600	575,900
Land	18,636	203,464	641,118	863,218
Water Distribution Works	3,581,072	16,870,928	5,442,191	25,894,191
Construction - Work in Progress	2,067	120,708	10,282	133,057
Buildings	8,844	57,463	22,105	88,412
Plant and Equipment	16,612	1,354,348	132,548	1,503,508
Office Equipment	9,447	43,339	16,883	69,669
Motor Vehicles	8,939	58,099	22,345	89,383
Buronga Loan Receivable	-	28,308	22,309	50,617
Other Financial Assets	-	20,311,945	7,676,194	27,988,139
Total Non-Current Assets	**3,645,617**	**39,062,902**	**14,547,575**	**57,256,094**
Total Assets	**3,979,254**	**43,922,418**	**16,250,088**	**64,151,760**
Current Liabilities				
Overdraft	821,325	-	-	821,325
Accounts Payable & Accruals	80,640	401,047	143,701	625,388
Loan – Buronga Expansion	91,945	-	-	91,945
Loan – State Government	-	276,862	-	276,862
Payroll Provisions	10,585	75,270	31,754	117,609
Total Current Liabilities	**1,004,495**	**753,179**	**175,455**	**1,933,129**
Non-Current Liabilities				
Payroll Provisions	3,573	25,412	10,721	39,706
Loan – Buronga Expansion	50,617	-	-	50,617
Loan – State Government	-	607,646	-	607,646
Total Non-Current Liabilities	**54,190**	**633,058**	**10,721**	**697,969**
Total Liabilities	**1,058,685**	**1,386,237**	**186,176**	**2,631,098**
Net Assets	**2,920,569**	**42,536,181**	**16,063,912**	**61,520,662**
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	-	1,056,357	349,451	1,405,808
Accumulated Surplus	887,759	15,919,745	3,636,050	20,443,554
Total Shareholder Equity	**2,920,569**	**42,536,181**	**16,063,912**	**61,520,662**

Note: This statement is not subject to audit

Notes