

Annual Report 2020



INSIDE FRONT COVER

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Chairman and Chief Executive Officer's Report

30 June 2020

The FY2020 year was highlighted by a significant restructure of Coleambally Irrigation Co-operative Limited (CICL) following a positive special postal vote by Members on proposed rule changes. An overwhelming 92% of Members that voted were in favour of the proposal. The restructure occurred following concerns that the dual co-operative structure was at risk of future non-compliance with the Water Management Act. This led to CICL converting to a non-distributing co-operative and establishing a Sinking Fund (refer page 6) to fund the future replacement of CICL's irrigation infrastructure, which was one of the objectives of Coleambally Irrigation Mutual Co-operative Limited (CIMCL). Converting to a non-distributing co-operative enabled CICL to be classified as a "public authority" by the Australian Tax Office and a private binding ruling was obtained granting CICL income tax-exempt status. The Directors believe that this change has significant benefits for Members which include ongoing compliance with the Water Management Act as well as lower water access charges. The Board would also like to reiterate that this restructure does not impact on its ability to provide a Member Benefit out of efficiency savings should circumstances allow. A significant amount of time and effort went into this project, which required a detailed disclosure statement, independent expert's report, and a private binding ruling application, and we thank our staff who were heavily engaged in, and committed to, this project.

The FY2020 irrigation season was characterised by continued drought conditions in much of Australia, including the catchment areas of the Murrumbidgee River. The season's starting general security water allocation was 0% but carryover (on average 8%) was available. The prior season's opening allocation was 3% plus carryover. The final allocation for the year was 11% compared to 7% of the year before. CICL was in a position to offer a 6% additional water allocation in July and a 6% Member Benefit in August. Both of these were at no cost and based on Delivery Entitlement (DE) held. In addition, a 4% water offer at a discounted price, based on DE held, was made in August. The Member Benefit, additional water allocation and water offer arose due to efficiency savings and CICL's carryover. Owing to these offers, Members are becoming increasingly aware of the value of DE and we understand that demand for DE is increasing. The ability of CICL to provide a Member Benefit, and to make additional water offers, enabled irrigators to either plant a crop or trade their water entitlement on the temporary market. Undoubtedly CICL would prefer that Members utilise these offers to irrigate crops, however, we remain cognisant that our Members make decisions that are in the best interests of their businesses. With temporary water prices being very high, significantly more water was traded than utilised. The magnitude of the Member Benefit, additional allocation and water offer (totalling 16% of DE held) was greater than ever before and should not be relied upon by Members going forward.

In May 2020 the Board announced a repricing reduction to water access charges of 8% for FY2020. In addition, it reduced the infrastructure levy (Sinking Fund Levy) by 10% from the announced CIMCL Asset Replacement Levy. This repricing was made possible due to CICL attaining tax-exempt status which has essentially reset the water access charges going forward. Members would be aware that the FY2021 water access charges have reduced by a further 1% from the FY2020 repriced charges and that the FY2021 access fee for general security delivery entitlement is \$10.21 which is \$1.01 below the original FY2020 charge of \$11.22. This continues the Board's policy of stable pricing and together with the 12% additional water from carryover and water efficiency savings at no cost, and the 4% water offer at a discounted price, provides significant value to Members.

CICL made a profit before tax of \$8.3m in FY2020 compared to \$5.5m in FY2019. It must be noted, however, that \$5m of this is due to maintenance expenses being reimbursed by CIMCL, \$1.5m of Sinking Fund Levies, and \$0.2m of Sinking Fund investment returns, thus the comparable profit to FY2019 would be \$1.6m. Operating revenue was higher than in FY2019 due to higher water access charges given the significant repricing that occurred that year. Expenses were above those of FY2019 mainly due to higher maintenance expenses. Returns from our equity investment portfolio were significantly impacted by the economic side-effects of the COVID-19 pandemic and CICL incurred a loss on investments of \$0.7m, which was well below the gain of \$3m in FY2019. However, the loss in percentage terms was not as great as the overall market which gives comfort that the "balanced with alternatives" investment strategy is providing the downside protection that was expected. Employee benefit expenses were 6% greater than in FY2019 owing to a CPI increase, the hiring of an additional staff member, and greater use of casual staff given the additional maintenance work undertaken. Material and contract expenses were 30% greater than FY2019 owing to a decision to take advantage of the dry conditions by undertaking an extensive maintenance program which allowed maintenance to catch-up on some outstanding projects and bring forward others. CICL was also able to keep local contractors employed which was beneficial for their businesses and the community given the lack of on-farm work.

Chairman and Chief Executive Officer's Report

30 June 2020

We draw your attention to the tax line of the income statement which shows a tax credit of \$9.6m which primarily arose due to the reversal of the deferred tax liability and deferred tax asset. Once CICL became tax-exempt this net liability was no longer payable and hence reversed. We would like to point out that the underlying asset for this transaction was already accounted for and is included in our cash and investment portfolio at year end.

The very low water demand by irrigators created management challenges for the Water Operations division with many irrigation channels being left empty for much of the season. Water ordering directly through Waterways was also disabled to customers. We believe that this strategy worked very well and that the end of season losses, which were less than FY2019, bear testament to the professional way the system was managed. Irrigators still had their orders filled and it was pleasing to note that there were no order or take restrictions imposed on Members during the year. The announcement of a supplementary event in May posed further challenges for the Water Operations' division especially where water was required at the end of channels that had been empty for the season. The efforts of the Water Operations and Maintenance divisions in overcoming the season's challenges were greatly appreciated by the Board.

We are again pleased to report that there were no lost time injuries during the year and that we retained our OHSAS accreditation with no non-conformities reported. Workplace health and safety remains a priority of the Board and management, with every effort made to ensure a safe working environment is provided to our staff, contractors and visitors. The COVID-19 pandemic was taken very seriously and strict hygiene, isolating and distancing measures were implemented, which included: hand sanitising; having staff work from home; limiting numbers in the buildings and meeting rooms; not allowing visitors on site unless they had made appointments in advance; and conducting meetings via video conferencing. We do not believe that the measures we took impacted significantly on our services and we thank Members for their understanding and for respecting our decisions during this period.

Other focus areas of the Board and Management in FY2020 included:

- Continuing to work closely with CIMCL on the restructure and the management of the sinking funds collected for infrastructure replacement. The CIMCL Board's support for the CICL restructure was greatly appreciated.
- Managing operational funds of circa \$46m in accordance with CICL's investment policy and strategy.
- Continuing to maintain appropriate levels of asset maintenance, including an extensive examination of structures along the WCC, and bringing necessary work forward by taking advantage of the dry weather.
- Maximising the performance of CICL's water operating system to deliver the maximum benefit to our Members.
- Upgrading CICL's information systems, servers and communication systems.
- Forming a Technical Committee to provide input into the future technology needs of the Co-operative in order to guide information systems' development.
- Refurbishing the main office to make it more practical and improve the work flow.
- Working through the strategic objectives and initiatives as per the CICL Strategic Plan 2018-2023.
- Having to revise the Schedule of Water Access Charges to comply with the Water Charge Rules 2010, which came into effect on 1 July 2020.
- Providing the ACCC with their extensive requests for their Murray-Darling Basin water markets inquiry.
- Assisting Members who received allocation under the Water for Fodder program.
- Taking control of WaterMart and managing the platform ourselves.
- Continuing a review of the unauthorised use of CICL's assets, including land, channels and drainage areas.
- Reviewing numerous policies and fact sheets including: Channel Capacity and Capacity Sharing; Managing a Restriction or Constraint; High Security Delivery Entitlements; Water Use Intensity; and Security over Access Charges.

Chairman and Chief Executive Officer's Report

30 June 2020

CICL continues to be very active in representing the interests of its Members through the NSW and National Irrigators' Councils, with our delegates being Peter Sheppard and Jenny McLeod respectively. Jenny serves on the Board of National Irrigators. Following concerns regarding the performance of NSW Irrigators' Council, a review of its benefits to Members was undertaken and the decision was made to remain a Member for the FY2021 year. In FY2020, Peter Sheppard served as CICL's delegate to WaterNSW's Murrumbidgee Customer Service Committee and the River Operations Stakeholder Consultation Committee, Anthony Mannes as a Member of the Murrumbidgee Environmental Water Advisory Group (EWAG) and Steve Oosthuysen, General Manager Operations, on the Yanco Creek Technical Advisory Committee that was established to advise on the Yanco Creek SDLAM projects. Jenny McLeod, CICL's Policy & Communication Manager, also made a major contribution to the analysis of emerging issues and the development of strategy across these bodies.

This year remained very busy from an advocacy perspective with many meetings and video conferences attended and numerous submissions made. In addition to representations to the NSW Water Minister on various topics, submissions were also made to the Independent Social and Economic Panel; Interim Inspector-General of the Murray-Darling Basin; our Local Member; and the NSW Government regarding the Water Sharing and Water Resource Plans. Please refer to the External Matters' Report on page 7 of this annual report for more detail on the issues we have been involved in.

During the year, before COVID-19, we conducted a series of Members' breakfast meetings and were pleased with the attendances. We aim to resume with similar meetings in the coming year once circumstances allow.

We had an unfortunate incident during the year when we hired an Information System's Officer who turned out to be a person previously convicted of fraud who supplied falsified documentation and referees. As soon as management heard rumours that the person in question had served jail time for prior fraudulent activities they contacted the local police and worked with them to resolve the matter. The person in question was arrested and has appeared in court not only for defrauding CICL but also two other businesses, one being a NSW University. Management engaged a cybersecurity firm to audit CICL's systems to ensure that no damage was done to our information systems and that no financial fraud occurred. This review, as well as the annual financial audit, has not uncovered anything untoward as of the date of writing this report. Whilst management regret the incident occurring, the Board is of the opinion that management acted in an appropriate and timely manner once they became aware of the rumours. Needless to say, improvements to recruiting processes have been implemented.

On a more positive note, Russell Rutledge re-joined the Co-operative during the year in the position of Maintenance Officer. Russell's knowledge, organisational ability and skills make him a good addition to the maintenance division. On 1 July 2020, a new position was created with the aim of improving our customer service. Bernard Star has been appointed to this position, which is titled Customer Service and Licencing Officer, and reports to Bronwyn Vearing. In April, Wayne "Skinny" Fuller retired after several decades of service to CICL and the State Government. Skinny worked on several projects for CICL and most recently was heavily involved in its spraying program. We wish Skinny well in his retirement, however, you may well see him around from time-to-time reading piezometers.

CICL continues to recognise its wider responsibility to the Coleambally Community: Christine Chirgwin is a Councillor on Murrumbidgee Council; Bronwyn Vearing the Secretary of the Coleambally Chamber of Commerce; Paul Clarke and Graeme Rayner were on the Board of the Cypress View Lodge; and Clifford Ashby serves on the Murrumbidgee Council's Economic and Tourism Advisory Group. Many of our staff serve on sporting committees, act as honorary auditors for various charitable and sports clubs, or are members of divisions of the Rural Fire Service. CICL continues to provide support to many community organisations, charities and sporting clubs, and continues to provide an accounting and payroll function for the Coleambally Community Club. An important initiative that we have been sponsoring for the past two years has been swimming lessons at the two primary schools. Incorporated in these lessons is a strong message regarding the dangers of swimming in CICL channels and this practice being prohibited.

We were also delighted to announce that George Payne was the inaugural recipient of the CICL Grant Latta Bonded Scholarship. This scholarship was created to acknowledge the outstanding contribution of Grant Latta, a former Independent Director of CICL. George is currently in his second year of studying a Bachelor of Agriculture degree at the University of Melbourne. CICL is also pleased to be assisting Ali Simmons, its Water Operations Engineer, with funding towards her Masters of Engineering Science.

Chairman and Chief Executive Officer's Report

30 June 2020

Sharon Smith, Independent Director, is due to retire at the 2020 AGM and has renominated. The Board fully supports Sharon's renomination and asks that you endorse her reappointment as an Independent Director. Craig Perkins, Member Director, is due to retire after a three year term at the 2020 AGM. Craig has renominated. Under CICAL's Rules nominations in additions to Craig's have been called for with a closing date of 22 September 2020. Craig's renomination has the Board's full support.

CICAL's continued success rests very much with you, our Members, and your continuing willingness to support major propositions put to you by CICAL and your compliance with the Co-operative's Rules. As previously mentioned, without your support, which we thank you for, the restructure and the benefits to members that it brings, would not have occurred.

The strong sense of common purpose and cohesion within, and across, the Board and staff continued during the year and the Board acknowledges CICAL's highly committed and experienced staff for their ongoing commitment to the Co-operative and its members.



Peter Sheppard
Chairman



Clifford Ashby
Chief Executive Officer

Sinking Fund Report

30 June 2020

As referred to in the Chairman and Chief Executive Officer's Report, following the restructure, under CICL's Rule 126, a Sinking Fund was established. An inaugural Sinking Fund committee was appointed and its members are: Sharon Smith (Chairman); Bruce Brown; Peter Sheppard; Craig Perkins; and Iain Stewart. Under the Rules both independent directors are required to be on the committee, one of which is to be the Chairman. The Board also invited CIMCL to nominate one of their Board members to serve on the Committee, with Iain Stewart nominated and appointed.

Following a recommendation from Lonsec, CICL's investment advisor, the committee adopted a "growth with alternatives" investment strategy which mirrors that of CIMCL. This strategy has a longer term view, compared to CICL's operational investments, and as there is a limited requirement for short term funding a more growth oriented approach was adopted. This strategy will be reviewed once the 2021 MEERA and Mercer reviews have been undertaken.

At 30 June 2020 the Sinking Fund's value was \$8.8m which comprised: \$5m of maintenance expenditure reimbursed from CIMCL; the remaining balance of CICL's Infrastructure Maintenance Reserve of \$2.1m; \$0.2m of investment return made during the months of May and June (since the Sinking Fund's inception); and a receivable of \$1.5m of Sinking Fund Levies which were invoiced in June. The latter will be invested when received in July/August. The Sinking Fund Levy remains at \$3.06 per DE held for FY2021.


The investment portfolio comprising the fund (including cash) is spread across investment categories as follows:

Australian Equities	46.8%
Growth Alternatives	2.6%
Defensive Alternatives	14.3%
Fixed Interest and Diversified Income	36.3%

The CICL budgeted capital expenditure for which funding will be sought from the Sinking Fund for FY2021 is \$1.6m with the major items being: FlumeGate replacements; drainage inlet replacements; the upgrading of control equipment of radial gates; road culvert replacements; replacing a communications tower and nodes; and replacing guard rails.



Sharon Smith
Chairman



Clifford Ashby
Chief Executive Officer

External Matters' Report

30 June 2020

Our external environment in FY2020 was dominated by deepening drought and government-initiated reviews or inquiries as the Commonwealth Government struggled to respond to the deepening concerns in the southern Basin with the social and economic impacts of low water availability and water reform, including the water market.

Welcome rain in the first six months of CY2020 has improved conditions, but not broken the drought, and storages across the Basin remain low with continued competition for access to water and pressure on trade out of the Murrumbidgee. FY2020 is the first year of the new sustainable diversion limits set by the Basin Plan. On 30 June the NSW Government submitted the Murrumbidgee Water Resource Plan (WRP) to the Murray-Darling Basin Authority (MDBA) for accreditation. Included in the WRP package is the draft replacement Water Sharing Plan (WSP) for the Murrumbidgee Regulated River Water Source.

CICL has diligently participated in the Stakeholder Advisory Panel and WRP/WSP review process to ensure the new WSP did not erode CICL or its members' "property rights". On a positive note the draft WSP maintains the current water allocation rules including to CICL's conveyance licence. The Government has not supported the efforts of some to change the allocation rules and reverse what are referred to as "voluntary" contributions. Changing allocation rules for high security as proposed would act to undermine past decisions to share the impact of water reform between general security and high security water entitlement holders. The 2004 WSP rules are in the Basin Plan baseline and any effort to allocate more to one licence type will reduce water availability to another, an outcome which CICL does not support.

A key disappointment of the WRP/WSP process is that the environmental flow rules remain unchanged despite these rules having been a priority for all stakeholders to review since the first WSP was made in 2004 because of their complexity.

CICL has participated in MDBA led discussions to investigate reasons for underuse of allocated water in the southern Murray-Darling Basin. CICL has argued strongly along with NSWIC and Ricegrowers' Association that the rules in the WSP should allow water use up to and equal to the sustainable diversion limit. We await with interest reporting of FY2020 water use compared to the sustainable diversion limit.

The final report of the Independent Panel which assessed the Social and Economic Conditions in the Basin was delivered to the Commonwealth Government at the end of April with its public release pending. CICL argued, when responding to the Panel, that it is imperative there is no further water recovery from the consumptive pool and the full benefit of the sustainable diversion limit adjustment mechanism must be achieved. Government needs to release the final report and detail its response to the social and economic and trust issues raised in the Panel's draft report.

Probably the most anticipated inquiry of FY2020 is the ACCC Murray-Darling Basin water markets inquiry. The ACCC's interim report was submitted to the Treasurer on the 30 June and released at the end of July. CICL's initial submission supported a forensic analysis of the water market because it is only through analysis that the assertions of market influence will be answered and opportunities for improving the transparency and operation of the market will be revealed. The ACCC has also requested CICL provide data on water entitlement and allocation trade. They argue this information is required to fully understand the water market and potential impact of market participants on the market. The ACCC, in its interim report, is proposing comprehensive change so that the full benefits and opportunities of water trading are available at the same time as addressing the negative impacts of poorly designed markets.

CICL continues to advocate for no more water to be removed from the consumptive pool. We are acutely concerned with the unwillingness of Governments to find solutions to the challenges facing several of the more complex sustainable diversion limit adjustment mechanism projects. The 2024 deadline for full implementation of these projects is approaching and it is abundantly clear key projects are at risk. If these projects do not deliver the "off set" volume assessed, the risk of further buyback is real. It is not acceptable that our community is exposed to further buyback under the Basin Plan because Governments choose not to confront the issues facing these difficult and complex projects. CICL continues to raise this concern directly with State and Federal Ministers, our elected representatives, the bureaucracy and with other stakeholders.

I thank the board and Clifford for their support and guidance on our approach to the complex array of external issues impacting CICL and its Members.



Jenny McLeod
Policy and Communications Manager

Coleambally Irrigation Co-operative Limited

ABN 75 951 271 684

FINANCIAL STATEMENTS

30 June 2020

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Directors' Report

30 June 2020

Your Directors present their report on Coleambally Irrigation Co-operative Limited for the year ended 30 June 2020.

Directors

The following persons were Directors of the Co-operative during the whole of the financial period and up to the date of this report:

P T Sheppard	Member Director (Chairman)
B M Brown	Independent Director
K H Burge	Member Director
A T Mannes	Member Director
C M Perkins	Member Director
S Smith	Independent Director

Principal Activities

During the year, the principal continuing activities of the Co-operative consisted of the provision of irrigation and agricultural services to Member landholders connected to the system of channels within the Coleambally Irrigation District.

Review of Operations

A summary of consolidated results is set out below:

	2020	2019
	\$'000	\$'000
Profit/(loss) before income tax expense	8,278	5,523
Income tax (expense)/credit	9,617	(1,528)
Net profit/(loss) after income tax	17,895	3,995

The financial result achieved during FY2020 needs to be seen in the context of:

- an 11% General Security water allocation, up from 7% in FY2019, and the provision of a Member Benefit of 6% additional water and an allocation of 6% at no cost;
- CICL access charges decreased by 8% from the original price set for the season as a result of a re-pricing decision;
- delivery of 26,948 Megalitres, down from 104,040 Megalitres in 2019, by CICL;
- revenue from the sale of water allocation of \$7,784,000, down from \$9,216,000 in FY2019;
- revenue from the sale of G Class water entitlements of \$640,000;
- additional revenue of \$5,023,000 for the reimbursement of maintenance expenditure received from Coleambally Irrigation Mutual Co-operative Limited. This amount was transferred to the Sinking Fund during May 2020;
- additional revenue of \$1,486,000 received from Members for the Sinking Fund Levy;
- fixed charge equivalent revenue of \$6,000 down from \$22,000 in FY2019;
- a net loss of \$710,000, down from a profit of \$3,061,000 achieved in FY2019, on our investment portfolio. The loss was attributable to the economic crisis caused by the COVID-19 pandemic;
- a net gain of \$167,000 on our Sinking Fund investment portfolio;
- lower WaterNSW charges due to the lower allocations and demand and the receipt of drought relief for access charges from the State Government which was passed on to members;
- a net tax credit of \$9,617,000 as a consequence of becoming a tax-exempt entity compared to a tax charge of \$1,528,000 in FY2019.

CICL's profit from its core business was \$2,294,000 (before OFIEP income and termination fees) compared to a corresponding profit of \$2,305,000 in the previous year.

Directors' Report

30 June 2020

Significant Changes in the State of Affairs

There have been significant changes in the state of affairs of the Co-operative during the financial year. CICL obtained a Private Binding Ruling from the Australian Taxation Office and, following approval from its Members, converted to a non-distributing Co-operative in April 2020, thereby becoming a public authority for taxation purposes and becoming tax-exempt. CICL then established an Asset Replacement Sinking Fund which took over the responsibility from CIMCL for the future replacement and refurbishment of the assets of the supply and drainage systems.

Matters Subsequent to the End of the Financial Year

No matter, transaction or event of a material and unusual nature has arisen since the end of the financial year likely, in the opinion of the Directors, to affect significantly the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative, in subsequent financial years.

Likely Developments and Expected Results of Operations

Information on likely developments in the Co-operative's operations and the expected results from operations has not been included in this report because the Directors believe it may result in unreasonable prejudice to the Co-operative.

Environmental Regulation

The Co-operative is subject to significant environmental regulation under licencing in respect to its irrigation undertaking. The Directors, in submitting the Annual Compliance Report to Government Agencies, are conscious of the need for compliance with licence conditions. The Co-operative has complied with the licences issued by Government. The Board is aware of increasing risk and has planned works and measures to assist compliance with licence conditions. The Board, in setting the Co-operative's sustainability goals, is aware of the need to go beyond licence compliance and has developed the necessary systems to do so.

Insurance of Officers

During the financial year the Co-operative paid a premium of \$7,967 (2019: \$5,221) to insure its Directors and Officers in respect to liabilities that may arise from their position as Directors and Officers of the Co-operative.

Information On Directors

Director	Experience	Special Responsibilities
P T Sheppard	Commenced as a Director of the Co-operative on 9 November 2012. Previous Chairman of CIMCL from 27 November 2003 to 8 November 2012. Irrigation farmer. Graduate of the Australian Institute of Company Directors (GAICD).	Chairman of CICAL since November 2015. Member of the Corporate Governance and Policy Committee. Member of the Finance and Risk Management Committee. Board representative on the Coleambally Environmental and Reference Committee. Member of Murrumbidgee Customer Advisory Group. Member NSW Irrigators' Council. Member of the Sinking Fund Committee.
B M Brown	Commenced as a Director of the Co-operative on 20 July 2004. Director of CIMCL since 1 March 2007. Senior management roles with a number of large agribusiness groups including the National Rural Advisory Committee (1999-2005) and is currently a NSW Natural Resource Access Regulator Board Member.	Chairman of the Finance and Risk Management Committee. Member of the Sinking Fund Committee.
K H Burge	Commenced as a Director of the Co-operative on 8 November 2013. Irrigation farmer. Member of the Australian Institute of Company Directors.	Chairman of the Asset Refurbishment and Maintenance Committee. Member of the Finance and Risk Management Committee.
A T Mannes	Commenced as a Director of the Co-operative on 30 October 2015. Irrigation farmer. Graduate of the Australian Institute of Company Directors (GAICD).	Member of the Asset Refurbishment and Maintenance Committee. Member of the Finance and Risk Management Committee. Board representative on the EWAG.
C M Perkins	Commenced as a Director of the Co-operative on 31 October 2014. Irrigation farmer. Graduate of the Australian Institute of Company Directors (GAICD).	Deputy Chairman of CICAL since November 2015. Member of the Finance and Risk Management Committee. Chairman of the Corporate Governance and Policy Committee. Member of the Asset Refurbishment and Maintenance Committee. Member of the Sinking Fund Committee. Board representative on the National Irrigators' Council.
S Smith	Commenced as a Director of the Co-operative on 26 October 2018. Chartered Accountant. Graduate Diploma in Applied Finance. Senior management roles within a number of industries including water. Graduate of the Australian Institute of Company Directors (GAICD).	Member of the Finance and Risk Management Committee. Member of the Corporate Governance and Policy Committee. Chairman of the Sinking Fund Committee

Directors' Report

30 June 2020

Meetings of Directors

Committees of the Board are as follows:

1. Finance and Risk Management Committee
2. Asset Refurbishment and Maintenance Committee
3. Corporate Governance and Policy Committee
4. Coleambally Environmental and Reference Committee
5. Sinking Fund Committee

The number of meetings of the Co-operative's Board of Directors and each Board Committee held during the year ended 30 June 2020, and the number of meetings attended by each Director was:

	Board Meetings	Finance & Risk Management Committee	Asset Refurbishment & Maintenance Committee	Corporate Governance & Policy Committee	Coleambally Environmental & Reference Committee	Sinking Fund Committee
Number of meetings held	14	4	1	1	0**	1
B M Brown	14	4	*	*	*	1
K H Burge	13	3	1	*	*	*
A T Mannes	14	4	1	*	*	*
C M Perkins	14	4	1	1	*	1
P T Sheppard	14	4	1	1	0	1
S Smith	14	4	*	1	*	1

* = not a member of this committee

** = whilst there was no meeting held, the Committee considered various flying minutes during the year

Directors' Report

30 June 2020

Auditors' Independence Declaration

A copy of the Auditors' independence declaration as required by the Co-operatives' National Law is set out below.

Rounding of Amounts

The Co-operative is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial statements. Amounts in the Directors' report and financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.



Peter Sheppard
Director

Coleambally
3 September 2020

Auditors' Independence Declaration

As lead Auditor of the audit of Coleambally Irrigation Co-operative Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements in relation to the audit;
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Stephen Clarke
Director
JohnsonsMME

Albury
4 September 2020

Coleambally Irrigation Co-operative Limited
Consolidated Income Statement

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Income	3	24,237	17,474
Employee benefits expenses		(4,337)	(4,092)
Materials and contracts expenses		(6,821)	(5,242)
Cost of water entitlements disposed	4	(366)	0
Bulk water supply expenses	4	(617)	(1,023)
Depreciation and amortisation expenses	4	(1,685)	(1,561)
Other expenses	4	(2,133)	(33)
Profit before income tax expense	32	8,278	5,523
Income tax (expense)/credit	5	9,617	(1,528)
Profit for the year		17,895	3,995
Other comprehensive income		0	0
Total comprehensive result for the year		17,895	3,995

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Notes	Contributed Equity \$'000	Sinking Fund \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 30 June 2018		132,479	-	34,836	167,315
Profit/(Loss) for the year		-	-	3,995	3,995
Other comprehensive income		-	-	-	-
Balance as at 30 June 2019		132,479	-	38,831	171,310
Profit/(Loss) for the year		-	-	17,895	17,895
Sinking Fund Investment Return	20	-	167	(167)	-
Sinking Fund Levy	20	-	1,486	(1,486)	-
Other transfers	20	-	7,123	(7,123)	-
Other comprehensive income		-	-	-	-
Balance as at 30 June 2020		132,479	8,776	47,950	189,205

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	10,816	12,554
Trade and other receivables	7	13,159	12,924
Other current assets	8	302	221
Total current assets		24,277	25,699
Non-current assets			
Other financial assets	9	45,639	38,542
Property, plant and equipment	10	49,439	49,154
Deferred tax assets	11	0	288
Intangible assets	12	75,892	76,258
Total non-current assets		170,970	164,242
Total Assets		195,247	189,941
LIABILITIES			
Current liabilities			
Trade and other payables	13	1,828	3,516
Current tax liabilities	14	0	663
Provisions	15	708	627
Other	19	149	149
Total current liabilities		2,685	4,955
Non-current liabilities			
Provisions	16	70	45
Deferred tax liabilities	17	0	10,195
Members' shares	18	485	485
Other	19	2,802	2,951
Total non-current liabilities		3,357	13,676
Total Liabilities		6,042	18,631
Net Assets		189,205	171,310
EQUITY			
Contributed equity		132,479	132,479
Sinking Fund	20	8,776	0
Retained profits		47,950	38,831
Total Equity		189,205	171,310

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Notes	2020	2019
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		21,537	12,470
Payments to suppliers and employees		(13,430)	(11,678)
		8,107	792
Government grants		50	156
Interest and distributions received		237	353
Income tax (paid) received		(953)	(481)
Net cash inflow/(outflow) from operating activities	26	7,441	820
Cash flows from investing activities			
Payments for property, plant and equipment		(2,055)	(1,815)
Payments for investments		(11,461)	(6,500)
Proceeds from sale of property, plant and equipment		113	278
Proceeds from sale of water entitlements		640	0
Proceeds from sale of investments		3,584	7,398
Net cash inflow/(outflow) from investing activities		(9,179)	(639)
Cash flows from financing activities			
Redemption of Shares		0	(1)
Net cash inflow/(outflow) from financing activities		0	(1)
Net increase/ (decrease) in cash held		(1,738)	180
Cash at the beginning of the financial period		12,554	12,374
Cash at the end of the financial year	6	10,816	12,554

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Coleambally Irrigation Co-operative Limited
Notes to the Financial Statements

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30 June 2020

The consolidated financial statements and notes represent those of Coleambally Irrigation Co-operative Limited and Controlled Entities (the "consolidated group" or "group").

The separate financial statements of the parent entity, Coleambally Irrigation Co-operative Limited, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001.

Note 1 Summary of Significant Accounting Policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Co-operatives National Law as amended.

The following is a summary of material accounting policies adopted by the Co-operative in preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Coleambally Irrigation Co-operative Limited as at 30 June 2020 and the results of all subsidiaries for the year then ended. Coleambally Irrigation Co-operative Limited and its controlled entities together are referred to in these financial statements as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

A list of controlled entities is contained in Note 28. All controlled entities have a 30 June financial year end.

(a) COVID-19

The COVID-19 global pandemic has seen the Federal and State governments implement a range of measures and restrictions to protect the Australian Community from the spread of COVID-19. These measures and restrictions have adversely impacted the global and Australian economies, and this financial report has been prepared within that context.

The Co-operative has taken a number of measures to monitor and mitigate the effects of COVID-19 including maintaining social distancing, working from home and securing the supply of materials that are essential to operations.

As at 30 June 2020, the impact of COVID-19 on the Co-operative's operations and finances has not been significant. The Co-operative continues to monitor business activity and economic conditions to support this ongoing assessment.

(b) Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation.

Because the Co-operative's principle purpose is to provide cost effective services to its members, rather than the generation of profit, the Directors have determined that the Co-operative is a not-for-profit entity as defined by Australian Accounting Standards. Accordingly, the Co-operative has applied Accounting Standards as they apply to not-for-profit entities.

The accounting policies adopted have been consistently applied to all years presented. Comparative figures have been adjusted to conform with any changes in presentation in the current financial year.

Note 1 Summary of Significant Accounting Policies (Continued)

(c) Income recognition

Amounts disclosed as income are net of duties and taxes paid. Income is recognised for the major business activities as follows:

(i) Fixed Water Charges

Fixed water charges are levied on Members based on their Delivery Entitlement and reflect a fixed charge for access to the water conveyance infrastructure. Income is recognised **over time** on a pro-rata basis to reflect Members' continuous access but not invoiced to Members until June each year.

Government fixed water charges (Access Fees) are levied on Members based on their Water Entitlement and reflect a fixed charge for their water licence. Income is recognised **over time** on a pro-rata basis to reflect Members' continuous access but not invoiced to Members until June each year.

(ii) Variable Water Sales and Water Charges

Water sales from conveyance efficiency savings are billed in May and the revenue recognised then as the Co-operative has the right to receive consideration based on the volume of water delivered to Members.

Government variable water charges (Usage) are billed annually in June but revenue is recognised **over time** as the Co-operative has the right to receive consideration based on the volume of water delivered to Members. Variable water charges are recognised as income upon delivery of the water.

(iii) Reimbursements

Reimbursements for maintenance expenditure incurred on irrigation and drainage assets are recognised as income at the **point in time** expenditure is approved by CIMCL and performance obligations in the underlying service agreement are satisfied. Re-imbursements are billed twice yearly in arrears.

(iv) Termination Fees

Termination fees are charged and recognised at the time Delivery Entitlements are terminated.

(v) Government Grants

Amounts received from Government are recognised as income at the **point in time** when the Co-operative satisfies its performance obligations as specified in the underlying agreement. Government grants received where the performance obligation remains unsatisfied are deferred and reflected in the balance sheet as a liability titled "Amounts held on behalf of Government".

(vi) Interest

Interest income is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

(vii) Long Term Supply Agreements

Income from long term supply agreements is recognised **over time** as the performance obligations under the agreements are satisfied, which are expected to occur over 25 years. Income received where the performance obligation remains unsatisfied is deferred and reflected in the balance sheet as unearned revenue. (Refer Note 19)

Note 1 Summary of Significant Accounting Policies (Continued)

(d) Income Tax

The Co-operative is exempt from income tax pursuant to section 50-1 of the Income Tax Assessment Act 1997 because it is deemed a public authority constituted under Australian law as described in section 50-25 of the Income Tax Assessment Act 1997.

Change in accounting policy

The Co-operative was deemed income tax-exempt effective 1 July 2019. The change in the Co-operative's income tax status has led to a change in accounting policy over income tax. In previous years the Co-operative was not income tax-exempt and recognised an income tax expense or credit based on the tax payable on the current year's income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying values in the financial statements, and to unused tax losses. Deferred tax assets and liabilities were recognised for temporary differences at the tax rates expected to apply when the assets were expected to be recovered or the liabilities settled.

The effect of the change in accounting policy was to de-recognise deferred tax asset and liability on 1 July 2019, with a corresponding adjustment through income tax expense/(credit) as follows:

	30 June 2019	De-recognition	1 July 2019
	\$000	\$000	\$000
Deferred tax asset	288	(288)	-
Deferred tax liability	(10,195)	10,195	-
Income tax	(9,907)	9,907	-

(e) Cash and cash equivalents

Cash and cash equivalents include deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(f) Trade and other receivables

Water charges for services provided by the Co-operative are billed annually in June each year. Water charges representing the recoupment of the bulk charges received for water delivered by the State are now billed annually having previously been billed quarterly. All water charges are due in 30 days. Interest is charged on overdue amounts at the rate of 6.25% (2019: 7%) per annum. Sales of goods or services are invoiced on delivery and are due and receivable in 30 days.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for expected credit losses is made based on an assessment of historical credit losses and other impairment factors. Debtor recoverability has been assessed in light of COVID-19 and no material impact is expected to the Co-operative's expected credit loss.

(g) Other financial assets at fair value through the profit and loss

Financial assets at fair value through the profit and loss are financial assets that are managed and their performance evaluated on a fair value basis, in accordance with a documented investment strategy (summarised at Note 31), and information about these investments is provided and monitored internally by the Board on a regular basis. These financial assets comprise investments in managed funds and are reflected at fair value based on advice from the fund managers. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Changes in the fair value of "financial assets at fair value through the profit and loss" are recognised in the income statement in the period in which they arise. The economic consequences of COVID-19 had a material impact on world markets and the value of financial assets. The volatility in equity markets has been reflected through the investment valuation loss at balance date.

Note 1 Summary of Significant Accounting Policies (Continued)

(h) Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life to the Co-operative. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Buildings	40 years
Plant and equipment	3 to 15 years
Water Distribution Assets	100 years
Water Infrastructure	10 to 100 years

(i) Maintenance and repairs

All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(j) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use.

As the Co-operative is a not-for-profit entity, value in use is taken to be the depreciated replacement cost provided that the Co-operative would, if deprived of the asset, replace it.

Accordingly, the Co-operative's non-current assets may be carried at amounts significantly different to the values that would be applied if the Co-operative were a "for profit" entity in accordance with the Accounting Standards and if it was required to apply the impairment rules of a "for profit" entity.

(k) Non-current assets constructed by the Co-operative

The cost of non-current assets constructed by the Co-operative includes the cost of all materials used in construction, direct labour on the project, borrowing costs incurred during construction and an appropriate proportion of variable and fixed overhead.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Co-operative 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.

(m) Goods and Services Tax

Income, 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 balance sheet are shown inclusive of GST.

Note 1 Summary of Significant Accounting Policies (Continued)

(n) Employee entitlements

(i) Short-term employee provisions

Provision is made for the Co-operative's obligation for short-term employee benefits. Short-term employee benefits are benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the amounts expected to be paid when the obligation is settled.

(ii) Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits 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 are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in the income statement as a part of employee benefits expense.

The Co-operative's obligations for long-term employee benefits are presented as non-current employee provisions in its balance sheet, except where the Co-operative 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 provisions.

(o) Intangible assets

Water licences are brought to account at cost. The licences have indefinite useful lives and accordingly no amortisation is charged. The licences are checked for impairment annually (refer Note 1(j)).

(p) Member's Shareholdings

Under the Co-operative's constitution, Members have the unconditional right to redeem their shares. Consequently, all the Co-operative's share capital is described as a liability in accordance with UIG2 "Members Shares in Co-operative entities and similar interests".

(q) Sinking Fund Reserve

Under the Co-operative's Rule 126 the Co-operative is required to collect a levy and establish a Sinking Fund for the purpose of providing funds for capital expenditure for the construction, refurbishment and replacement of existing and future irrigation and drainage assets of the Co-operative. The fund is managed by an independent committee and is required to report annually to Members on its activities.

Note 1 Summary of Significant Accounting Policies (Continued)

(r) New Accounting Standards and interpretations

The AASB has issued new and amended accounting standards and interpretations for the current and future reporting periods. The Directors have decided not to early adopt any accounting standards not yet effective, as they are not expected to have a material impact on the Co-operative. The Co-operative has adopted all new and revised accounting standards issued by the AASB that are relevant to its operations and effective for the reporting period beginning 1 July 2019 as follows:

Initial Application of AASB 15: Revenue from Contracts with Customers and AASB 1058: Income for Not-for-Profits - The Co-operative has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying any adjustments resulting from their initial application as an adjustment to the opening balance of equity at 1 July 2019.

AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue requires the Co-operative to recognise revenue when the Co-operative satisfies a performance obligation by transferring a promised good or service to a customer. After applying the 5 step model per AASB 15 the Directors have assessed there was no material difference in the recognition of revenue between AASB 15 and the former AASB 118, therefore no adjustment was required to the opening balance of equity at 1 July 2019.

AASB 1058 Income for Not-for-Profits replaces requirements of income transactions previously accounted for under AASB 1004 Contributions. It establishes principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives. It will apply to capital grants from government and grants with no sufficiently specific performance obligation. An entity needs to determine whether a transaction falls under AASB 1058 or actually a contract with a customer under AASB 15. The Directors have assessed there were no material transactions impacted by AASB 1058, therefore no adjustment was required to the opening balance of equity at 1 July 2019.

AASB 16: Leases - AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main change introduced by the standard requires all leases to be recognised on the statement of financial position at the inception of the lease with the exception of short-term leases (less than 12 months) and leases of low value assets. The lessee must recognise a right-of-use asset and a corresponding lease liability in the amount of the net present value of the lease payments. Subsequent to the initial measurement, the right-of-use asset is depreciated over the lease term, whilst lease payments are separated into principal and interest in order to wind up the lease liability over the term of the lease.

The Co-operative has no lease arrangements in place where it is the lessee, therefore the introduction of AASB 16 has had no material impact on the Co-operative.

Coleambally Irrigation Co-operative Limited
Notes to the Financial Statements

30 June 2020

Note 2 Parent Entity Disclosure

Income Statement of parent entity Coleambally Irrigation Co-operative Limited

	2020	2019
	\$'000	\$'000
Income	24,433	17,002
Employee benefits expenses	(4,337)	(4,092)
Materials and contracts expenses	(6,807)	(5,172)
Bulk water supply expenses	(617)	(1,023)
Depreciation and amortisation expenses	(1,685)	(1,561)
Other expenses	(2,133)	(33)
Profit/(loss) before income tax expense	8,854	5,121
Income tax (expense)/credit	10,068	(1,528)
Profit/(loss) for the year	18,922	3,593
Other comprehensive income	0	0
Total comprehensive result for the year	18,922	3,593

Balance Sheet of parent entity Coleambally Irrigation Co-operative Limited

	2020	2019
	\$'000	\$'000
ASSETS		
Current assets	24,279	25,690
Non-current assets	170,970	163,226
Total Assets	195,249	188,916
LIABILITIES		
Current liabilities	2,683	4,953
Non-current liabilities	3,357	13,676
Total Liabilities	6,040	18,629
Net Assets	189,209	170,287
EQUITY		
Contributed equity	132,479	132,479
Sinking Fund	8,776	0
Retained profits	47,954	37,808
Total Equity	189,209	170,287

Note 2 Parent Entity Disclosure (Continued)

Guarantees

CICL has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2020, CICL had no contingent liabilities (2019: Nil).

Contractual commitments

At 30 June 2020, CICL had entered into contractual commitments for the acquisition of property, plant and equipment as set out in Note 24.

Note 3 Income

	Notes	2020 \$'000	2019 \$'000
Continued operations			
Revenue from contracts with customers	(a)	22,498	14,119
Revenue from outside the operating activities	(b)	1,739	3,355
Total income		24,237	17,474
Disaggregated revenue			
(a) Revenue from contracts with customers			
Sale of water		7,784	9,216
Sale of water entitlements		640	0
WaterNSW Charges		381	720
CICL Charges		6,893	3,901
CICL Sinking Fund Levy		1,486	0
Termination fees		18	1
CIMCL Reimbursements		5,023	0
Other sales		273	281
Total revenue		22,498	14,119
Timing of revenue recognition			
Products and services transferred to customer			
- at a point in time		5,314	282
- over time		17,184	13,837
		22,498	14,119
(b) Revenue from outside the operating activities			
Interest		237	353
Rentals		71	65
Net gain on distributions and changes in fair values of financial assets measured at fair value through profit or loss		1,353	2,708
Net gain on sale of property plant and equipment		28	73
Federal Government Grants		50	0
OFIEP Management Fee		0	156
		1,739	3,355

Note 4 Expenses

	2020	2019
	\$'000	\$'000
Expenses include the following specific items:		
Cost of sales of goods – water entitlements	366	0
Cost of sales of goods – bulk water charges	617	1,023
Depreciation		
Buildings	56	64
Plant and equipment	227	149
Water Distribution and Infrastructure	1,402	1,348
Total depreciation	1,685	1,561
Other expenses		
Net loss on distributions and changes in fair values of financial assets measured at fair value through profit or loss	2,133	0
Net loss on disposal of non-current assets	0	33
Total Other expenses	2,133	33

Note 5 Income Tax

(a) Income tax expense

	2020	2019
	\$'000	\$'000
Current tax	290	872
Deferred tax (i)	(9,907)	656
Aggregate income tax expense/(credit)	(9,617)	1,528

(i) Deferred income tax expense included in income tax expense comprises:

Decrease/(increase) in deferred tax assets (Note 11)	288	(23)
(Decrease)/increase in deferred tax liabilities (Note 17)	(10,195)	679
	(9,907)	656

(b) Numerical reconciliation of income tax expense to prima facie tax payable

The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating profit and extraordinary item. The differences are reconciled as follows:

Net profit/(loss) before income tax	8,278	5,523
Income tax expense/(credit) calculated @ 27.5% (2019: 27.5%)	2,276	1,519
Effect of change to tax-exempt status	(11,732)	0
Depreciation on assets revalued at privatisation not deductible	0	25
Under/(over) provision in prior year	(161)	(16)
Income tax expense/(credit) attributable to operating profit	(9,617)	1,528

Note 6 Cash and Cash Equivalents

	2020	2019
	\$'000	\$'000
Cash at bank and on hand	10,816	12,554

Restrictions on use of cash and investments

Access to the above funds and to other financial assets (see Note 9) is restricted as the funds are held for specific purposes as follows:

Cash at bank and on hand (above)	10,816	12,554
Other financial assets (Note 9)	45,639	38,542
	56,455	51,096

These funds are set aside for the following purposes:

Security for Termination Fees (Note 13)	733	741
Unused Termination Fees	285	318
Bio-diversity Crown Land Management funds	44	51
Infrastructure maintenance reserves	1,831	4,536
Sinking Fund Reserve (Note 20)	8,776	0
Deferred tax liabilities (Note 17)	0	10,195
Unearned revenue (Note 19)	2,951	3,100
Unrestricted funds	41,835	32,155
	56,455	51,096

Note 7 Trade and Other Receivables

	2020	2019
	\$'000	\$'000
Trade debtors	13,178	12,943
Less: Allowance for expected credit losses	(19)	(19)
	13,159	12,924

Ageing

The ageing of trade debtors for the consolidated entity at balance date was:

Not past due	13,176	12,943
Past due 31 to 60 days	0	0
Past due 61 to 90 days	0	0
Over 90 days	2	0
	13,178	12,943

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Note 8 Other Current Assets

	2020	2019
	\$'000	\$'000
Prepayments	302	221

Note 9 Other Financial Assets

	2020	2019
	\$'000	\$'000
Financial assets at fair value through the profit and loss	45,639	38,542

These are units in investment trusts managed in accordance with a documented investment strategy described at Note 31. Access to these funds is restricted as the funds are held for specific purposes (refer Note 6).

Note 10 Property, Plant and Equipment

	2020	2019
	\$'000	\$'000
Land and Buildings		
Freehold land - At cost	1,804	1,733
Buildings - At cost	2,211	2,268
Less: Accumulated depreciation	(1,519)	(1,512)
	692	756
Total land and buildings	2,496	2,489
Plant and Equipment		
Plant and equipment – At cost	1,324	1,139
Less: Accumulated depreciation	(819)	(780)
	505	359
Motor Vehicles – At cost	971	935
Less: Accumulated depreciation	(609)	(492)
	362	443
Office Equipment and Software – At cost	1,324	1,262
Less: Accumulated depreciation	(1,142)	(1,087)
	182	175
Total Plant and Equipment	1,049	977
Water Distribution and Infrastructure		
Earth Channels – At cost	12,418	12,418
Less: Accumulated depreciation	(2,385)	(2,260)
	10,033	10,158
Infrastructure – At cost (a)	52,879	51,147
Less: Accumulated depreciation and impairment	(17,306)	(16,086)
	35,573	35,061
Total Water Distribution and Infrastructure	45,606	45,219
Capital Works in Progress		
At cost	288	469
Total Capital Works in Progress	288	469
Total Property, Plant and Equipment	49,439	49,154

Note 10 Property, Plant and Equipment (Continued)

(a) Leasehold Infrastructure

Infrastructure includes road bridges and road culverts in the Coleambally Irrigation District with a net carrying value of \$2.03 million (2019: \$2.11 million) which are constructed on land owned by local government. However, the Co-operative has control of these assets and it is responsible for maintaining them. Accordingly, these assets have been brought to account as assets of the Co-operative on the basis of control.

(b) Reconciliations

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current financial year are set out below:

	Land & Buildings \$'000	Plant & Equipment \$'000	Water Infrastructure \$'000	Construction In Progress \$'000	Total \$'000
Consolidated					
Carrying amount at 1 July 2019	2,489	977	45,219	469	49,154
Additions	77	300	1,390	288	2,055
Disposals	(14)	(1)	(70)	0	(85)
Transfers	0	0	469	(469)	0
Depreciation expense	(56)	(227)	(1,402)	0	(1,685)
Provision for impairment	0	0	0	0	0
Carrying amount at 30 June 2020	2,496	1,049	45,606	288	49,439

Note 11 Deferred Tax Assets

	2020 \$'000	2019 \$'000
The Deferred tax balance is attributable to:		
Doubtful debt	0	5
Employee entitlements	0	185
Professional fees	0	6
Other	0	92
	0	288

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Note 12 Intangible Assets

	2020	2019
	\$'000	\$'000
Conveyance licence at cost	74,572	74,572
Other water entitlements at cost	1,320	1,686
	75,892	76,258

Movement in intangible assets

	Conveyance Licence	General Security Tradeable	High Security Tradeable	G Class High Security Non- Tradeable	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated					
Carrying amount at 1 July 2019	74,572	794	366	526	76,258
Additions	0	0	0	0	0
Disposals	0	0	(366)	0	(366)
Transfers	0	0	0	0	0
Provision for impairment	0	0	0	0	0
Carrying amount at 30 June 2020	74,572	794	0	526	75,892

Valuation of Conveyance Licence

The Co-operative currently holds 117,342 ML (2019: 117,342 ML) of Conveyance Licence. The percentage of water allocated against this licence has varied between 86% and 100% over the last 10 years in line with the varying general security allocation. There is currently no active market for Conveyance Water however, in the opinion of the Directors, Conveyance Water has similar attributes to High Security Water Entitlements, which does have an active market. The volume weighted average price of High Security Water Entitlements for the financial year was \$6,984 per ML (2019:\$5,212). Based on this value the Directors believe that the value of the Conveyance Licence is between \$704 million and \$819 million (2019: \$525 million and \$612 million).

Note 13 Trade and Other Payables

	2020	2019
	\$'000	\$'000
Trade creditors	60	1,730
Accrued expenses	991	994
Amounts held on behalf of Members as security for Termination Fees	733	741
Amounts held on behalf of Coleambally Biodiversity Reserve	44	51
	1,828	3,516

Coleambally Irrigation Co-operative Limited
Notes to the Financial Statements

30 June 2020

Note 14 Current Tax Liabilities

	2020	2019
	\$'000	\$'000
Income Tax	0	663

Note 15 Current Provisions

	2020	2019
	\$'000	\$'000
Employee entitlements - Annual Leave	384	303
Employee entitlements - Long Service Leave	281	285
Employee entitlements - Other	43	39
	708	627

Note 16 Non-current Provisions

	2020	2019
	\$'000	\$'000
Employee entitlements - Long Service Leave	70	45

Note 17 Deferred Tax Liabilities

	2020	2019
	\$'000	\$'000
The deferred tax liability is attributable to:		
Property, Plant & Equipment	0	10,195
	0	10,195

30 June 2020

Note 18 Members' Shares

	2020	2019
	Shares	Shares
Ordinary shares - fully paid @ \$1.00	485,445	485,445

Movement in Ordinary Shares

Details	No of Shares	Issue Price	\$
Balance 30 June 2018	485,509	\$1.00	485,509
Issue of shares 2018/19	0	\$1.00	0
Cancellation of shares 2018/19	(64)	\$1.00	(64)
Balance 30 June 2019	485,445	\$1.00	485,445
Issue of shares 2019/20	0	\$1.00	0
Cancellation of shares 2019/20	0	\$1.00	0
Balance 30 June 2020	485,445	\$1.00	485,445

Under the Co-operative's rules it has an obligation to repay the paid up capital amount in respect of any shares that become inactive. As the Co-operative does not have an unconditional right to refuse this repayment this amount is brought to account as a liability rather than as equity.

Note 19 Other Liabilities

	2020	2019
	\$'000	\$'000
Unearned Revenue relating to long term supply agreements		
- Current	149	149
- Non-Current	2,802	2,951
	2,951	3,100

Note 20 Sinking Fund Reserve

	2020	2019
	\$'000	\$'000
Balance as at 30 June 2019	0	0
Transfers from Retained Earnings	7,123	0
Sinking Fund Levy	1,486	0
Sinking Fund Investment Return for the year	167	0
Balance as at 30 June 2020	8,776	0
Represented by:		
Cash at bank and on hand (Note 6)	1,642	0
Trade Debtors (Note 7)	1,486	0
Other financial assets (Note 9)	5,648	0
	8,776	0

The purpose of the Sinking Fund Reserve is providing funds for capital expenditure for the construction, refurbishment and replacement of existing and future irrigation and drainage assets of the Co-operative. The fund is managed by an independent committee and is required to report annually to Members on its activities.

Note 21 Financial Instruments

(a) Credit risk exposures

The credit risk on financial assets which have been recognised in the balance sheet is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest risk exposure

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table:

2020		Fixed Interest Maturing In					
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non- interest bearing	Total	
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets							
Cash and deposits	6	5,280	5,536	0	0	0	10,816
Receivables	7	0	0	0	0	13,159	13,159
Financial assets at fair value through the profit and loss	9	0	0	0	0	45,639	45,639
		5,280	5,536	0	0	58,798	69,614
Weighted average interest rate		0.25%	1.40%				
Financial liabilities							
Trade and other creditors	13	0	0	0	0	1,828	1,828
		0	0	0	0	1,828	1,828
Net financial assets (liabilities)		5,280	5,536	0	0	56,970	67,786
2019							
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non- interest bearing	Total	
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets							
Cash and deposits	6	3,138	9,416	0	0	0	12,554
Receivables	7	0	0	0	0	12,924	12,924
Financial assets at fair value through the profit and loss	9	0	0	0	0	38,542	38,542
		3,138	9,416	0	0	51,466	64,020
Weighted average interest rate		0.95%	2.40%				
Financial liabilities							
Trade and other creditors	13	0	0	0	0	3,516	3,516
		0	0	0	0	3,516	3,516
Net financial assets (liabilities)		3,138	9,416	0	0	47,950	60,504

Note 21 Financial Instruments (Continued)

(c) Net fair value of financial assets and liabilities

Financial assets at fair value through the profit and loss

The Co-operative measures and recognises its financial assets at fair value through the profit and loss on a recurring basis after initial recognition.

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Measurements based on unobservable inputs for the asset or liability.

The Co-operative's financial assets at fair value through the profit and loss are classified as level 1. There has been no change in the valuation technique used to calculate the fair values disclosed in the financial statements.

Other financial assets and liabilities

The carrying value of other financial assets and liabilities approximates fair value.

Note 22 Remuneration of Auditors

During the year the auditor of the group earned the following remuneration:

	2020	2019
	\$'000	\$'000
Audit of the financial statements	36	36
Other assurance services	4	2
Total audit and other assurance services	40	38
Taxation services	7	7
Other consulting services	22	7
Total other services	29	14
Total remuneration	69	52

Note 23 Contingent Liabilities

There are no known contingent liabilities as at the date of this report.

Note 24 Commitments for Expenditure

	2020	2019
	\$'000	\$'000
Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:		
Not later than one year	545	52
Between 1 and 5 years	0	0
	545	52

The current year balance of \$545,000 (2019: \$52,000) relates to ongoing capital works.

Note 25 Employee Entitlements

	2020	2019
	\$'000	\$'000
Employee entitlement liabilities		
Provision for employee entitlements		
Current (Note 15)	708	627
Non-current (Note 16)	70	45
Aggregate employee entitlement liability	778	672

Superannuation Fund

Superannuation contributions have been paid into compliant superannuation funds of employee choice in accordance with statutory requirements. The Co-operative had no liability (2019: \$0) at year end.

Note 26 Reconciliation of Net Profit/(Loss) After Income Tax to Net Cash Inflow/(Outflow) From Operating Activities

	2020	2019
	\$'000	\$'000
Net profit after income tax	17,895	3,995
Depreciation and amortisation	1,685	1,561
Net (profit)/loss on sale of non-current assets	(28)	(40)
Net (profit)/loss on sale of water entitlements	(274)	0
(Increase)/decrease in fair value of financial assets	780	(2,708)
Change in operating assets and liabilities		
(Increase)/decrease in trade debtors	(235)	(1,773)
(Increase)/decrease in prepayments	(81)	(39)
Increase/(decrease) in trade creditors and accruals	(1,830)	(266)
Increase/(decrease) in OFIEP funds held	0	(1,047)
Increase/(decrease) in Coleambally Biodiversity Reserve funds held	(7)	(8)
Increase/(decrease) in employee provisions	106	98
Increase/(decrease) in net tax liabilities	(10,570)	1,047
Net cash inflow/(outflow) from operating activities	7,441	820

Note 27 Related Parties

Key management personnel

The names of persons who were Directors of the Co-operative at any time during the financial period are as follows: P T Sheppard, B M Brown, K H Burge, A T Mannes, C M Perkins and S Smith.

The following Executive Officers had authority and responsibility for planning, directing and controlling the activities of the Co-operative, directly or indirectly, during the financial year:

C Ashby (Chief Executive Officer) , P Clarke (General Manager Finance & Environmental Compliance), S Oosthuysen (General Manager Water Operations) and B Vearing (Company Secretary).

	2020	2019
	\$'000	\$'000
Key management personnel compensation		
Short-term employee benefits	1,283	1,243
Post-employment benefits	122	118
	1,405	1,361

Included in the above amount are Directors' fees totalling \$277,885 (2019: \$277,228). The AGM approved ceiling is \$325,000.

Loans to key management personnel

There were no loans to key management personnel or their related entities.

Transactions with related parties concerning shares

The number of shares issued by the consolidated entity to key management personnel or related entities during the year was 1,476 (2019: 1,390). The numbers of shares held directly, indirectly or beneficially by key management personnel or their related entities at balance date:

	2020	2019
	Number	Number
P T Sheppard	4,238	4,238
K H Burge	5,300	5,300
A T Mannes	1,390	1,390
C M Perkins	3,559	2,083
	14,487	13,011

Note 27 Related Parties (Continued)

Other transactions with related parties

During the year the Co-operative sold water to key management personnel of the Co-operative or their related entities on 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. During the prior year the Co-operative purchased an asset from a member of key management personnel's related entity on 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 total value of transactions and balances with key management personnel and their related entities during the year and at balance date is set out below:

	2020	2019
	\$'000	\$'000
Value of transactions (incl GST)		
Water sales to related parties	465	369
Purchase of Asset	0	35
Balances at the reporting date		
Receivable from related parties	369	321
Payable to related parties	0	0

Other related parties

There are no other related party transactions.

Note 28 Subsidiaries

Name of Entity	Country of Incorporation	Class of Shares	2020	2019
			%	%
Watermart Coleambally Pty Ltd	Australia	Ordinary	100	100
Aquilex Pty Ltd	Australia	Ordinary	0	100

Watermart Coleambally Pty Ltd continues to trade providing online temporary water trading services and is consolidated for accounting purposes, but not for tax.

Aquilex Pty Ltd ceased trading and was deregistered during the course of the financial year. Aquilex's assets were disposed of or transferred to the Co-operative prior to deregistration.

Note 29 Events Occurring After the Reporting Date

No other matter or event has arisen since the reporting date that is considered likely to have a significant effect on the Co-operative in future financial years.

Note 30 Government Funded Program - On Farm Irrigation Efficiency Program ("OFIEP")

The Co-operative was the manager of the OFIEP programs in the Coleambally Irrigation District and surrounding areas. The program was completed during the previous financial year. There were no transactions during the current year. Details of the transactions of the OFIEP programs for the previous year ended 30 June 2019 are:

	2020	2019
	\$'000	\$'000
Opening amounts held on behalf of government/(owing by government)	0	1,047
Government grants – OFIEP Round 5 received	0	20
Interest received	0	5
Interest paid to Government	0	(57)
Paid to proponents in Coleambally Irrigation Area	0	(261)
Paid to proponents in Other Areas	0	(595)
Paid to administration service providers	0	(2)
Management fees	0	(157)
Net closing amounts held on behalf of government/(owing by government)	0	0

As stated in Note 1(c)(v) Government Grants are recognised as income as the works for which the grants were received are undertaken. As no OFIEP funds are used on Co-operative works, no income other than management fees is recognised. Grants received in advance are brought to account as a liability titled *Amounts held on behalf of Government*. Grants owing by Government are brought to account as an asset titled *Amounts owing by Government*. There were no amounts outstanding at 30 June 2020 (2019: \$0).

Note 31 Financial Risk Management

The Co-operative's activities expose it primarily to the financial risks of liquidity and credit risk. The Board of Directors and senior management are responsible for monitoring and managing the financial risks of the Co-operative. They monitor these risks through monthly Board meetings where monthly management reports are presented and analysed. The Co-operative does not enter into derivative financial instruments and does not speculate in any type of financial instrument.

(a) Liquidity Risk

Liquidity risk is the risk that the Co-operative will not be able to meet its financial obligations as they fall due. The Co-operative has both short term and long term facilities which enable sufficient cash to be available to settle obligations as they fall due. The Chief Executive Officer monitors the cash position of the Co-operative on a regular basis. The Co-operative's financial liabilities are disclosed at Note 21. All financial liabilities as at balance date are due for payment in less than 12 months from balance date.

(b) Credit risk

Credit risk is the risk of financial loss to the Co-operative if a party to a financial instrument fails to meet its contractual obligations. Credit risk arises from the financial assets disclosed in Note 21. Cash deposits are held with reputable banking institutions.

Units in investment trusts are managed in accordance with a documented investment strategy. The investment strategy has been developed to optimise the investment return and minimise the risk of volatility over the time the funds are expected to be held. As at 30 June 2020 the investment portfolio is spread across the following:

	2020	2019
Australian Equities	26.0%	27.2%
Global Equities	19.6%	28.1%
Property and Infrastructure	15.5%	15.1%
Growth Alternatives	9.1%	9.6%
Defensive Alternatives	6.3%	5.0%
Fixed Interest and Diversified Income	23.5%	15.0%

The performance of these investments are reported to, and monitored by the Board each month. In addition, the performance of our investment advisor is also closely monitored.

In respect of debtors the risk is significantly mitigated by a charge over customers water entitlements afforded by the Water Management Act 2000.

(c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Co-operative's cash on call and term deposits. The following table summarises the sensitivity of the Co-operative's financial assets and liabilities to a 1% movement in the interest rate:

	1%		-1%	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash on call and term deposits	108	108	(108)	(108)

Note 32 Segmental Reporting

There are three distinct segments of the Co-operative's business as follows:

Irrigation

This is the core business undertaking which manages the irrigation infrastructure and the delivery of water and services to customers.

Investment

The Co-operative invests funds held for the long-term replacement of infrastructure.

Sinking Fund

The Sinking Fund was established under Rule 126 during the course of the year. The purpose of the Sinking Fund Reserve is providing funds for capital expenditure for the construction, refurbishment and replacement of existing and future irrigation and drainage assets of the Co-operative. The fund is managed by an independent committee and is required to report annually to Members on its activities.

The contributions of each of these segments to the Co-operative's consolidated profit/(loss) for the year are set out below:

	Irrigation		Investment		Sinking Fund		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales & other revenue	16,070	14,256	0	0	1,486	0	17,556	14,256
CIMCL Reimbursement								
Transferred to Sinking Fund	0	0	0	0	5,023	0	5,023	0
Interest	0	0	236	353	1	0	237	353
Other investment income	0	0	1,187	2,708	166	0	1,353	2,708
Government Grants	50	0	0	0	0	0	50	0
Total Revenue	16,120	14,256	1,423	3,061	6,676	0	24,219	17,317
Employee expenses	4,337	4,092	0	0	0	0	4,337	4,092
Operating expenses	9,489	7,859	0	0	0	0	9,489	7,859
Investment Losses	0	0	2,133	0	0	0	2,133	0
Total expenses	13,826	11,951	2,133	0	0	0	15,959	11,951
Underlying profit/(loss)	2,294	2,305	(710)	3,061	6,676	0	8,260	5,366
OFIEP recoveries	0	156	0	0	0	0	0	156
Termination fees	18	1	0	0	0	0	18	1
Consolidated profit/(loss)	2,312	2,462	(710)	3,061	6,676	0	8,278	5,523

Directors' Declaration

30 June 2020

The Directors declare that the financial statements and notes set out on pages 14 to 41 are in accordance with the Co-operatives National Law, including:

- (a)** complying with Accounting Standards and other mandatory professional reporting requirements; and
- (b)** giving a true and fair view of the Co-operative's financial position as at 30 June 2020 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Peter Sheppard
Director

Coleambally
3 September 2020



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Independent audit report to the members of Coleambally Irrigation Co-operative Limited

Opinion

We have audited the financial statements of Coleambally Irrigation Co-operative Ltd and its controlled entities (the consolidated entity), which comprises the consolidated balance sheet as at 30 June 2020, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of accounting policies, other explanatory notes and the Directors' declaration.

In our opinion, the accompanying financial report of the consolidated entity is in accordance with the *Co-operatives (Adoption of National Law) Act 2012 (NSW)*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Co-operatives (New South Wales) Regulation 2014*.

Basis of 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 consolidated entity in accordance with the auditor independence requirements of the *Co-operatives (Adoption of National Law) Act 2012 (NSW)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Co-operatives (Adoption of National Law) Act 2012 (NSW)*, which has been given to the directors of the consolidated entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report

The directors of the consolidated entity are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2020 but does not include the financial report and our 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.

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.

Independent auditor's report to the members (continued)

Responsibility of the Directors for the Financial Report

The directors of the consolidated entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Co-operatives (Adoption of National Law) Act 2012 (NSW)* 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 consolidated entity's ability 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 consolidated entity or to cease operations, or have no realistic alternative but to do so.

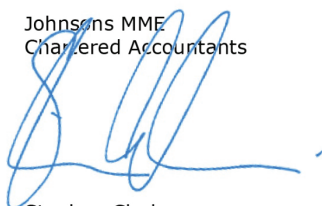
Auditor's Responsibilities for the Audit of the Financial Report

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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the director's financial reporting requirements under the *Co-operatives (Adoption of National Law) Act 2012 (NSW)*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Johnsons MME
Chartered Accountants



Stephen Clarke
Director

Albury
4 September 2020



Peter Sheppard
Chairman

Peter is involved in running a successful family farming business with his mother, Margaret and wife, Penny.

Peter was elected to the Board of Coleambally Irrigation Mutual Co-operative Limited in 2000 and served as Chairman of the Mutual from November 2003 until he retired to take up a position of Member Director on the CICL Board in November 2012.

Peter is a graduate of the Australian Institute of Company Directors and has served on various sub-committees of the Board.

Craig is involved in running a successful family farming business with his wife, Alicia.

Craig has previously participated in the RGA emerging leaders' program run by the Australian Rural Leadership Foundation and represented Coleambally on the Young Irrigators' Network.

Craig received a Bachelor of Applied Science Agriculture from CSU Wagga in 2002 and is a graduate of the Australian Institute of Company Directors.

Craig was elected to the CICL Board in October 2014 and has served on various sub-committees of the Board.



Craig Perkins
Member Director



Keith Burge
Member Director

Keith is the son of a pioneering family of Coleambally and together with his wife, Margaret, and family has been farming in the Coleambally area for 40 years. Keith received a Diploma of Applied Science (Hawkesbury Ag College) in 1980.

Keith is a Member of the Australian Institute of Company Directors. Keith has taken an active role in the administration of the Murrumbidgee Shire Community Experimental/Demonstration Farm and is recognized as an Honorary Councillor.

Keith joined CICL's Board in November 2013 and has served on various sub-committees of the Board.

Anthony, along with his wife Amanda, are involved with his father and brothers in their family farming partnership in the CIA.

In 2016, Anthony and Amanda established Mannes Agencies Pty Ltd, an independent livestock and property agency servicing a Riverina based clientele centred in Coleambally.

Anthony is a graduate of the Australian Institute of Company Directors.

Anthony was elected to the CICL Board in October 2015 and has served on various sub-committees of the Board.



Anthony Mannes
Member Director

Director and Management Biographies

30 June 2020



Bruce Brown
Independent Director

Bruce joined CICL's Board in 2004. He has had extensive senior management experience across a number of agribusiness industries. Additionally, he has been a member of a number of government committees including the National Rural Advisory Committee (1999-2005) and is currently a NSW Natural Resource Access Regulator Board Member. His roles at Elders Limited, Commonwealth Development Bank, ANZ and Queensland Cotton have involved profit centre and risk management, strategic planning, business development and marketing activities.

Bruce has a strong network across both the private and government agribusiness sectors. He has served on a number of Australian and State Government reviews into industries/entities such as the Victorian Wool Industry and the National Rural Counselling Service.

He is an honours graduate of both Wagga Agricultural College and UNE (Bachelor of Agricultural Economics) and has in the past served as an Advisory Council Member of Orange Agricultural College. Bruce has lectured in agricultural policy and farm management at Roseworthy Agricultural College, Orange Agricultural College and the University of New England.

Bruce holds a number of agribusiness directorships and also has farming interests involving grain production and cattle breeding.

Bruce was appointed to the NSW Natural Resource Access Regulator Board in December 2017.

Sharon joined the CICL Board in October 2018. She has had extensive Non-Executive Director and Senior Management experience within both private and public utility sectors.

Sharon holds a Bachelor of Commerce Degree, is a Chartered Accountant, has post graduate qualifications in Applied Finance and is a graduate of the Australian Institute of Company Directors.

Sharon has a strong finance and senior leadership background in the Public Water Utility Sector as CFO and later General Manager Finance and Corporate Services for the Hunter Water Corporation for 21 years.

She has a strong corporate governance focus including experience with Boards of Directors, as CEO, Non-Executive Director, Company Secretary and Chair of Audit Committee roles. She is currently Deputy Chair of the National Apprentice Employment Network, Director of the Hunter Trade College and CEO of HVTC (Apprentices and Trainees), employing over 700 apprentices and trainees across all trades in NSW.



Sharon Smith
Independent Director



Bronwyn Vearing
Company Secretary

Bronwyn joined CICL in August 2008 as its Executive Assistant, after moving to Coleambally with her husband and family.

Bronwyn assumed the role of the CICL and CIMCL Company Secretary in December 2014. Bronwyn continues to focus on ensuring that the business operates in compliance with its own rules and policies and those levied on it by State and Federal Governments and/or their agencies. In addition to her role at CICL, Bronwyn has a two-fold role as the Company Secretary and Director on National Irrigation Corporation Water Entitlement Register Pty Ltd (NICWER).

Bronwyn holds a Graduate Diploma of Applied Corporate Governance and a Bachelor of Business (Business Management /Marketing) and is a Graduate of the Governance Institute of Australia.

Director and Management Biographies

30 June 2020



Clifford Ashby
Chief Executive Officer

Clifford joined CICL in July 2017. He is a Fellow of the Chartered Accountants in Australia and holds a Bachelor's degree in Commerce. He is a graduate of the Australian Institute of Company Directors.

Clifford has over 25 years of extensive leadership and general management experience in listed and unlisted companies as Managing Director, Chief Executive Officer, Chief Financial Officer, Executive and Non-Executive Director, and General Manager, building on a corporate finance career. Clifford has lived and worked in South Africa, Europe and Australia and has extensive experience in agribusiness, having been Managing Director of one of Australia's largest horticultural companies.

Paul joined CICL in May 2013 as Chief Financial Officer. He was appointed General Manager - Finance & Environmental Compliance in July 2014.

He qualified as a Chartered Accountant with KPMG in South Africa and has over 30 years experience in accounting, finance and investment roles including senior financial roles in listed and unlisted businesses in Southern Africa, South East Asia, UK and in Australia.

Paul holds a Bachelor's and a Master's degree and post-graduate qualifications in accounting, tax and investment management. He is a member of Chartered Accountants Australia and New Zealand and the Chartered Institute for Securities & Investment (UK).



Paul Clarke
General Manager - Finance and
Environmental Compliance



Steve Oosthuysen
General Manager - Operations

Steve joined CICL in December 2017 as General Manager - Operations, following ten years in engineering roles at Griffith City Council.

After completing a bachelor degree in Civil Engineering, Steve worked for the national Department of Water Affairs in South Africa in catchment management and irrigation scheme management, followed by six years constructing bulk water infrastructure – supply channels, drains, syphons, tunnel, weirs, a pump station, an earth fill embankment dam and a scheme to collect and treat acid outflows from an abandoned coal mine. Steve then spent nine years in the operation and maintenance of large government owned dams, inter-basin water transfer schemes (channels & tunnels) and took part in negotiating and transferring the operations of government owned irrigation and water supply schemes to irrigation boards and local authorities.

Steve (and his family) migrated to Australia in 2007 to take up a position as engineer at Griffith City Council and have subsequently qualified and accepted Australian Citizenship.

Steve is a member of the Australian Water Association and Water Industry Operators Association.

Director and Management Biographies

30 June 2020



Kevin Kelly
Manager - Assets and
Maintenance

Kevin's initial exposure to irrigation in Coleambally was as a share farmer during the period 1979-1986. Following this, he assumed the role of Cropping and Irrigation Manager of Corynnia Station at Carrathool.

Kevin returned to Coleambally in 1996 as Coleambally Irrigation's Operations Manager. In 2006, he became the Assets and Maintenance Manager.

Kevin holds a Diploma of Applied Science (Agriculture) from Melbourne University and a Bachelor of Management, Farming (Sydney University).

Daniel grew up on a beef cattle property at Rosevale in South-East Queensland, with exposure to stock work, dairy cattle, small crops and pressurised irrigation.

Daniel joined CICL in December 2006 as an Assistant Engineer and has been a project manager for subprojects in the Water Smart Australia program and PIIOP, as well as developing CICL's channel capacity and hydraulic models. Daniel took on the role of Manager Water Operations in February 2014, and in October 2017 moved closer to his passion of electronics and ICT with the role of Manager - Information Systems.

Daniel holds a Bachelor of Engineering (Mechatronics – Robotics and Automation) from University of Southern Queensland (Toowoomba), and a Graduate Diploma in Engineering with a focus on water and hydraulic engineering.



Daniel Whittred
Manager - Information Systems



Jenny McLeod
Manager - Policy and
Communications

Jenny joined CICL in November 2015 and works closely with the Board and CEO to support CICL's advocacy efforts to protect and promote irrigated agriculture in the CIA. Jenny has extensive experience with and knowledge of government water reform having worked in the irrigation advocacy sector for several years in NSW. More recently Jenny has been invited to participate in aid programs supported by the Australian Water Partnerships which has involved sharing the Australian water policy experience with Vietnam.

Jenny previously worked for Murray Irrigation and led the company's response to external water policy issues during the millennium drought and the development of the Murray-Darling Basin Plan.

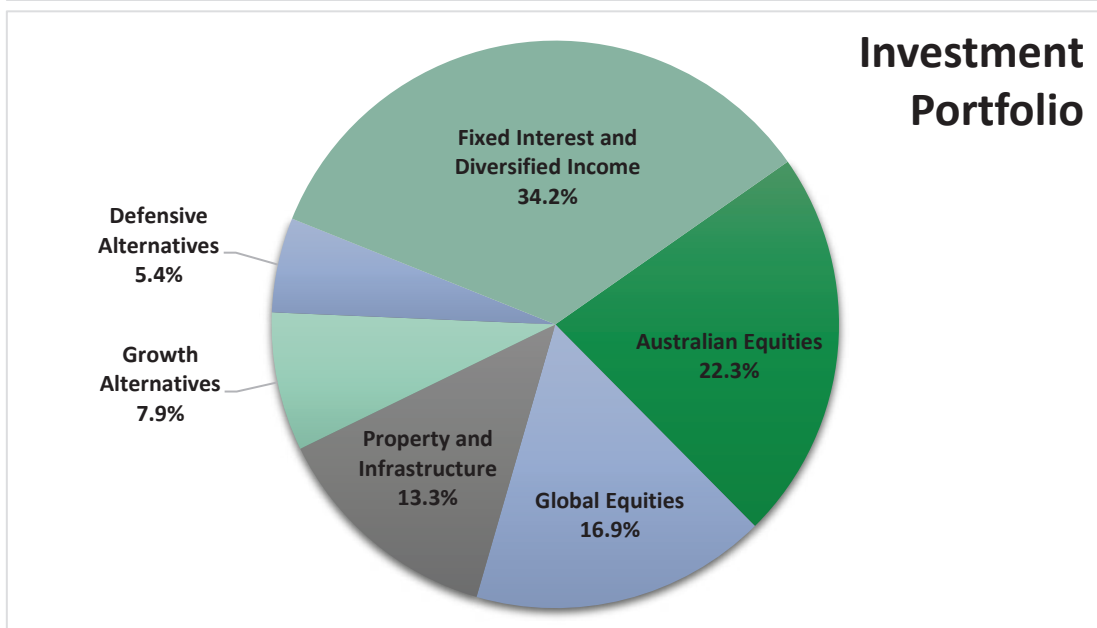
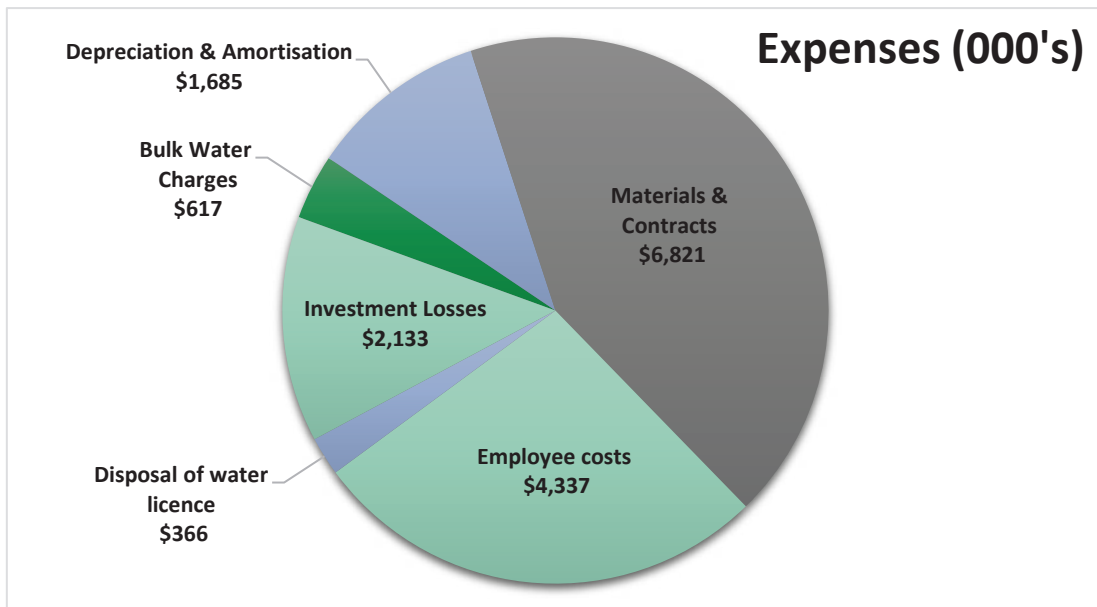
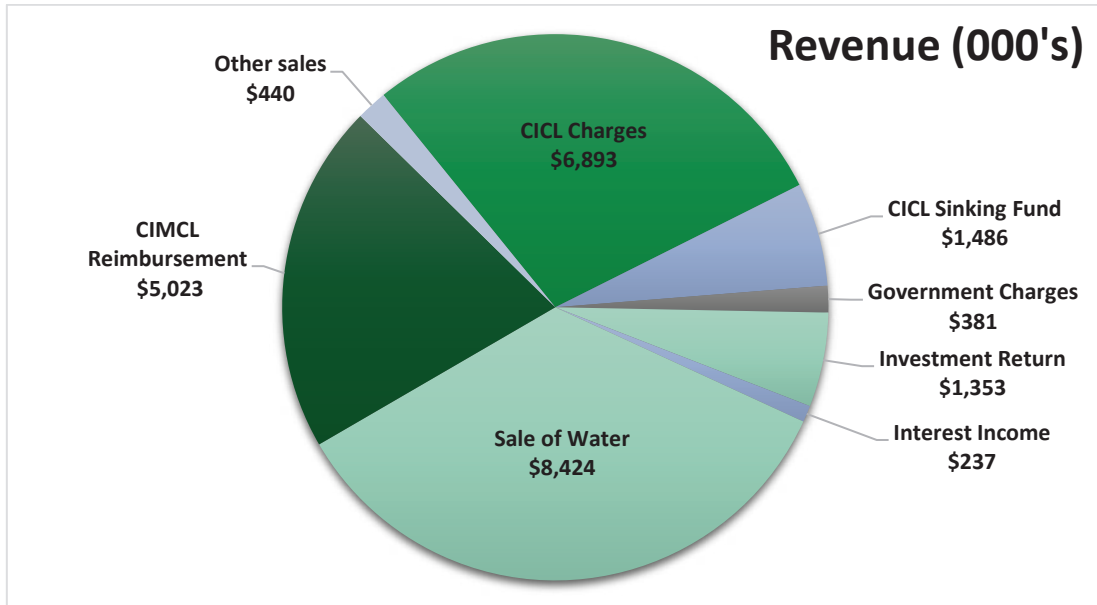
Jenny is CICL's delegate to National Irrigators' Council and is a board member of the council.

Jenny operates a mixed irrigation enterprise with her family in Finley, NSW.

Jenny holds a Bachelor of Agricultural Science (Hons) and a Master of Arts (Organisational Communication) and is a graduate of the Australian Institute of Company Directors.

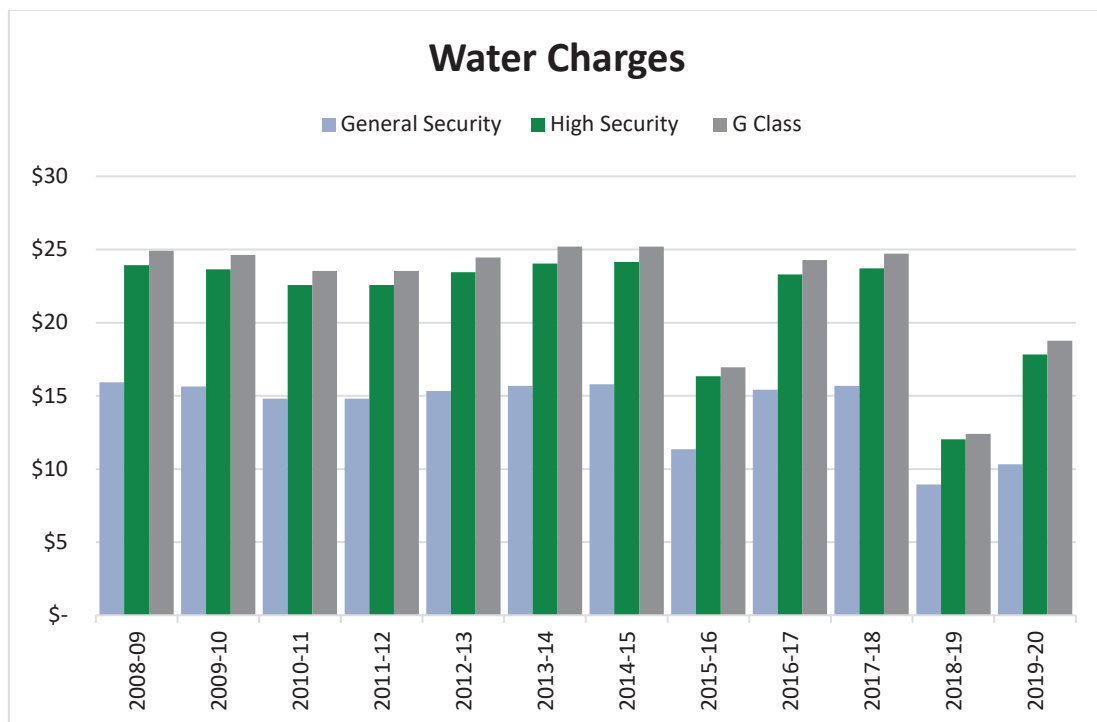
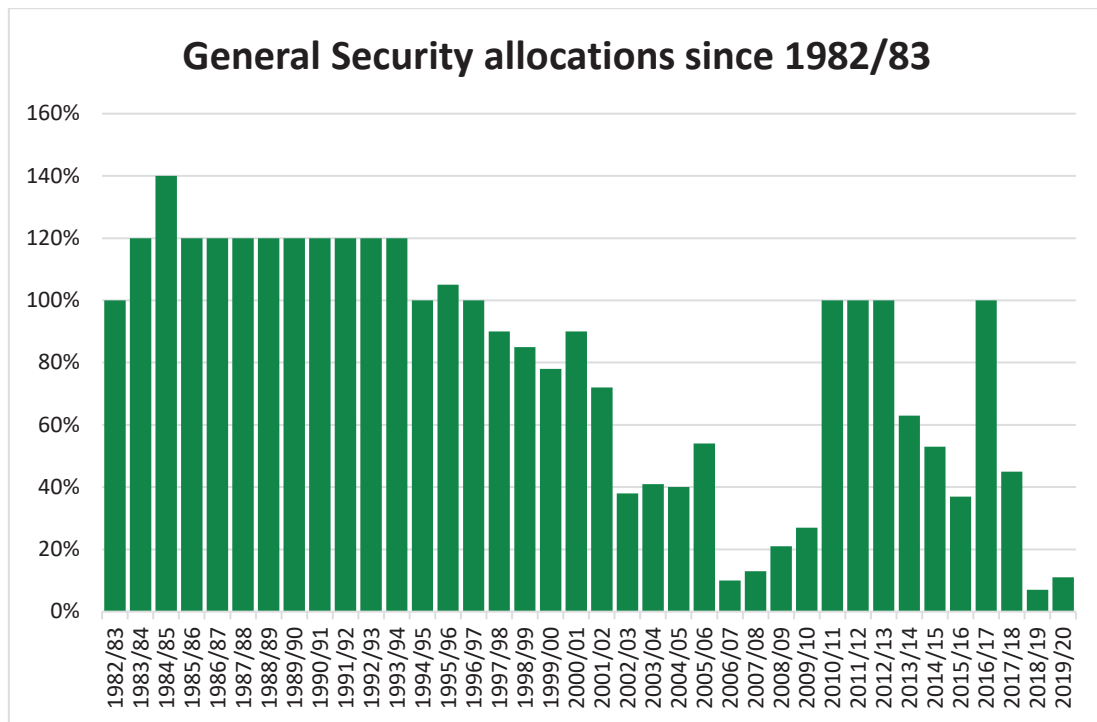
Business Data

30 June 2020



Business Trends

30 June 2020



Farms within Coleambally Irrigation District	497
Farms within Coleambally Irrigation Area	438
Number of business entities owning landholdings	325
Number of Shareholders	283
Number of Voting members	236
Area of Operations	456,821 ha

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INSIDE BACK COVER



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