



ANNUAL 2020/21
REPORT

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01 REPORTS

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT

The most significant event for CICL in FY2021 was the transfer of the assets of Coleambally Irrigation Mutual Co-operative Limited (CIMCL) into Coleambally Irrigation Co-operative Limited (CICL) under the terms of a Sinking Fund Transfer Deed entered into by the two co-operatives. This transaction took effect on 1 March 2021 and resulted in CIMCL's sinking fund of \$31m being transferred to CICL. The primary reason behind the transaction was that the future operations of CIMCL were potentially non-compliant with the Water Management Act 2000 (NSW) and the directors of CIMCL believed it was in the best interests of their members to transfer CIMCL's sinking fund to CICL and wind up CIMCL. The transaction was unanimously approved by the members of CIMCL that voted in the special postal ballot. In return for the \$31m, CICL entered into a deed which makes CICL responsible for any unsettled CIMCL liabilities. At the date of this report, no such liabilities have arisen. In addition, CICL has given an undertaking via a deed poll to all CIMCL members that it will only expend the sinking fund on future expenses to be incurred for the maintenance, replacement and refurbishment of its irrigation assets until the CIMCL sinking fund is expended. For further information on the transfer please refer to Note 29 of the Financial Statements.

As you will recall, in FY2020 CICL converted to a non-distributing co-operative and established its own sinking fund for the collection of sinking fund levies. Its sinking fund is managed and maintained solely for the purpose of irrigation asset maintenance, refurbishment and replacement, essentially the same objectives of CIMCL. For a report on the sinking fund please refer to page 8.

An additional advantage of the transfer of the CIMCL assets to CICL is that CICL is tax-exempt and thus any investment earnings of the sinking fund will not be taxed as they were in CIMCL. Furthermore, as explained in the Disclosure Statement sent to CIMCL members in February 2021, CIMCL obtained a private binding ruling from the Australian Tax Office in which it confirmed that CIMCL's sinking fund status as non-assessable income would not be jeopardised by the transfer to CICL. On behalf of the CICL Board, we would like to thank the CIMCL directors for the significant work they invested into considering alternatives for CIMCL and working through many issues before they arrived at the decision to recommend the chosen path to CIMCL members. We would also like to thank the management team and staff for their efforts in bringing this transaction, and the restructure of the co-operatives, to fruition.

The FY2021 irrigation season saw a closing allocation of 100%, which was the first such season since FY2017. This 100% allocation followed three years of low allocations and drought conditions in the catchment areas of the Murrumbidgee River. The season's starting general security water allocation was 10% but carryover (Valley average 18%) was available. The prior season's opening allocation was 0% plus carryover (Valley average 8%). The final allocation for the year of 100%, announced in January 2021, compared to 11% in the previous year.

CICL was in a position to offer 8% additional water in early July and a 6% member benefit at the end of July. Both of these were at no cost and based on Delivery Entitlement (DE) held. In addition, a 3% water offer at a discounted price, based on DE held, was made in February. The magnitude of the member benefit, additional water and water offer (totalling 17% of DE held) was greater than the 16% of the year before. The member benefit, additional water and water offer arose due to efficiency savings and CICL's carryover. CICL and its members, over a number of years, have invested significantly in enhancements made to CICL's delivery system, and these enhancements, coupled with member foresight, are enabling CICL to provide its member benefit. Management have also been very cognisant of optimising carryover where possible and will continue to do so when circumstances allow. The ability of CICL to provide a member benefit and to make additional water offers early in a water season, coupled with realistic, early season water allocation announcements by DPIE-Water, enable irrigators to make early decisions as to whether they will plant a crop or trade their available water on the temporary market. Whilst CICL will continue to make early announcements regarding member benefit and additional water offers we remind members that this will not always be possible and not to rely on them.

Following CICL attaining tax-exempt status in FY2020, the Board announced a repricing reduction to water access charges of 8% for FY2020 and reduced those charges by a further 1% for FY2021 and has held those charges at the same level for FY2022. In addition, for FY2021, the Board reduced the sinking fund levy by 10% from the announced CIMCL asset replacement levy and announced a further 2% reduction for FY2022. The Board is very pleased to continue to provide stable pricing for its members and that following the structural changes made, and with prudent management of expenditure and financial investments, the general security access charges and compliance fee for FY2022 is \$11.27/DE compared to 2009's charge of \$12.50/DE and the sinking fund levy is \$3/DE for FY2022 compared with \$3.11 in 2009. It is not very often that service providers are able to deliver a reduction in charges to members over a thirteen year period. As has been mentioned in previous reports, the Board's policy of stable pricing together with the additional water from carryover and water efficiency savings provides considerable value to members and significantly enhances the value of DE.

In order to determine CICL's water access and compliance charges for FY2022, management undertook an analysis of funds required by CICL in order to ensure that it could cover all operational expenses for a period of three years should a prolonged business downturn occur. This analysis will be undertaken annually and will consider expense levels (both capital and operational) and likely investment returns. The aim of this analysis is to ensure stability of charges to members whilst protecting the business from unforeseen financial downturn.

When considering their recommendation to the CICL Board in respect of the sinking fund levy for FY2022, the sinking fund committee considered the MEERA and Mercer reports that were prepared based on the 30 June 2020 capital

Chairman and Chief Executive Officer's Report

assets of CICL. These reports were prepared a year ahead of CIMCL's scheduled 30 June 2021 due to the pending transfer of CIMCL's sinking fund and the CICL sinking fund committee wanting a sound basis for their levy recommendation.

CICL made a profit before tax of \$12.2m in FY2021 compared to \$8.3m in FY2020. This result is mainly due to very good investment returns achieved. Operating revenue was significantly lower than in FY2020 due to revenue from water sales being significantly down (\$6.6m) owing to the low water prices during the year, and the CIMCL maintenance reimbursement being lower (\$1.9m) due to the full CIMCL asset replacement fund being transferred to CICL in March 2021. Expenses were below those of FY2020 mainly due to lower material and contractor expenses (\$2.3m). Employee benefit expenses were 6% greater than in FY2020 owing to a general CPI increase and the hiring of a couple of additional staff members. Material and contract expenses were 33% lower than FY2020 owing to the decision in FY2020 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.

Returns from our operating investment portfolio rebounded significantly from the previous year which was severely impacted by the economic side-effects of COVID-19. The investment return of \$5.5m on the operating fund was significantly higher than the \$0.71m loss of FY2020. The sinking fund's investment return was \$4.5m which included the return from the CIMCL funds transferred on 1 March 2021. The sinking fund only operated for two months in FY2020 hence it is not possible to make meaningful investment return comparisons.

The FY2021 irrigation season's system fill started on 7 August with most of the winter works that were scheduled completed. A supplementary event announced early in the season led to earlier than anticipated high water demand which created management challenges for the Water Operations and Maintenance divisions with many of the irrigation channels that were left empty for much of the previous two seasons developing leaks or blow outs. In addition weed issues were experienced in channels that had not been drained over winter. Unfortunately, restrictions on a small number of supply channels needed to be imposed which impacted on some members' ability to take the water they ordered.

A combination of factors increased aquatic weed growth during the season which meant that channels needed to be continuously de-weeded and had to be managed by priority based on flow restrictions. There were also a large number of leaks that required fixing throughout the season. Overall though, given the conditions and the volume of water delivered, there were very few supply restrictions imposed on irrigators and it was pleasing that the majority of members worked with staff to achieve outcomes that were acceptable to most. In an effort to be flexible and meet the water demands of our members, we kept the main offtake open for longer than normal (closed 20 May) and delivered water until 5 June. We understand that this led to most members receiving what they requested. We remind members that whilst we try to be as flexible as possible for the benefit of all members, we are not always able to extend an irrigation season and/or have an early start to an irrigation season.

A constant issue for Water Operations is the unreliability of members' orders compared to CICL's seven day orders to the river operator. Whilst CICL does provide a minimum of two hour water ordering to members this is only possible if we have made the right call seven days in advance. The unreliability of forward orders makes management of our relationship with the river operator very difficult and increases the use of our limited storage. This season our storage was used more actively than previously as it was either being filled due to member orders being cancelled, or being emptied to meet late member water demand. Management tries to be as flexible as possible and assistance from members by making accurate forward orders is appreciated.

With regards to system losses, significant member usage at the end of the season meant that a very small volume needed to be drained out of the system which resulted in end of season losses being less than those of FY2020. This result is pleasing and our thanks go to the staff for their efforts and professionalism in the management of the system.

We are again pleased to report that there were no lost time injuries during the year and that we obtained ISO45001:2018 accreditation with no major non-conformities reported. The ISO accreditation is a more WHS risk orientated system and replaced the previous OHSAS accreditation that CICL held. Workplace health and safety remains a priority of the Board and management, and every effort is made to ensure a safe working environment is provided to our staff, contractors and visitors. This past year we have made a concerted effort to assist our contractors to improve their WHS practices where we believed improvement was necessary and we are pleased to report that the majority are working with us and adopting our recommendations.

We continued to take the COVID-19 pandemic very seriously with strict hygiene, isolation and distancing measures imposed in line with Government requirements. We were also proactive in adopting the QR code sign-in to enable contact tracing were it to be necessary. Throughout the period of the pandemic we allowed staff to work from home if they felt uncomfortable in the workplace, however, the majority have operated from the premises where possible. The pandemic did, however, have impacts on some of our interstate contractors, who were unable to cross the state border to do scheduled work. This had a negative effect on our works programs. We do thank our members for understanding and respecting our decisions during the pandemic.

Chairman and Chief Executive Officer's Report

Focus areas of the Board and Management in FY2021 included:

- Managing operating investment funds of circa \$53m, and sinking funds of circa \$47m (both CICL and ex-CIMCL) in accordance with investment policy and strategy.
- Reviewing the investment strategies with Mercer and our investment advisor, Lonsec. It was agreed that the sinking fund would change to a 90:10 growth:defensive strategy given the current low returns for fixed income and this portfolio rebalancing is underway.
- Continuing to maintain appropriate levels of day-to-day asset maintenance e.g. weed control, bank repairs, clearing access tracks, and undertaking numerous winter works' projects e.g. extensive desilting at the main offtake; desilting of Yamma and Tubbo Mains; upgrading the Tubbo Wells and Grants regulators; continuing the drainage inlet replacement program; constructing a new communications tower; replacement of stock stops and fencing; concrete cancer treatment; refurbishment of the Col Bore; and the construction of a concrete slab in the main canal at the down stream Accusonic site in order to have a stable floor profile for accurate measurement of water flow.
- Continuing with monthly flow verifications at the offtake and twice yearly tip testing of irrigator FlumeGates. This year, the additional third party FlumeGate testing was performed by a CICL employee owing to COVID travel restrictions on the contractor. The employee conducting the tests was independent of the channel technicians.
- Working with the Department of Planning, Industry and Environment, Energy and Science to increase our environmental watering program to a greater volume and more sites.
- Complying with EPA requirements. It was disappointing that despite an appeal to irrigators who were using Metolachlor to register with CICL, many users failed to do so. As Metolachlor entering our drainage system remains a risk, it is imperative that CICL is aware of where the potential risk areas are and we rely on members' advice to assist us.
- Reviewing the strategic plan and continuing to work through the strategic objectives and initiatives as per the CICL Strategic Plan 2018-2023.
- Complying with the ACCC's Section 95ZK notices, which are compulsory requests, for significant volumes of information which assisted them with their Water Markets Inquiry.
- Continuing the review of the unauthorised use of CICL's assets, including land, channels and drainage areas.
- Reviewing and updating the CICL website, numerous policies and fact sheets.
- Having a third party undertake a detailed forensic review of our information technology systems which highlighted no breaches but made various recommendations for improvement which are being implemented.

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 and Peter was elected to the NSWIC Board in November 2020 for a two year term. In July/August 2020, the Board gave due consideration to the value of NSWIC membership and determined that it would remain a member and adopt a more active and influential approach. Unfortunately, both Murrumbidgee Irrigation and Murray Irrigation have resigned as members of NSWIC. In FY2021 Peter Sheppard continued to serve as CICL's delegate to 'WaterNSW' Murrumbidgee Customer Service Committee and the River Operations Stakeholder Consultation Committee, Anthony Mannes continued to serve as a Member of the Murrumbidgee Environmental Water Advisory Group, and Steve Oosthuysen, General Manager Operations, on the SDLAM projects Yanco Creek Technical Advisory Committee. These SDLAM projects are unlikely to provide the water savings that were initially envisaged.

With regards to industry collaboration, Murrumbidgee Irrigation, Murray Irrigation and CICL joined forces to initiate and implement a communications strategy regarding the SDLAM projects, their importance and their lack of progress. The strategy involved calling for adjustments to existing projects and allowing new projects and for the timeline for implementation to be extended. This strategy involved joint media releases and joint letters to politicians and Government departments. CICL remains concerned that if the savings from the SDLAM projects are not achieved by the time the Basin Plan reconciliation which is due in 2024 occurs, there will be a reduction in consumptive take which will have an adverse impact on our members and our communities.

This year remained extremely 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 and local Members (Murray and Albury) on various topics, submissions were also made regarding: the Productivity Commission National Water Reform Review; Water for Fodder program review; IPART regarding the WAMC, WaterNSW, and metering pricing; the ACCC Water Market Inquiry; Flood Plain Harvesting; and Ground Water Extraction Limits and options for addressing over extraction. During the year we met with the Federal Water Minister, Keith Pitt, the new Chair of the MDBA, Sir Angus Houston, the recently announced Inspector-General, Troy Grant, the Federal Minister for the Environment, Sussan Ley, and Senator Perin Davey on numerous occasions. From a NSW Government perspective Justin Clancy, Member for Albury, and the Minister for Energy and Environment, Matt Kean, visited CICL. CICL has also written to the Murrumbidgee Council requesting that it reassess road load limits, and upgrade roads where necessary, in order

Chairman and Chief Executive Officer's Report

to enable members to be more efficient in the transport of their harvest. For further information on these and other advocacy matters, please refer to the External Matters' Report on page 9 of this annual report.

This past year, due mainly to COVID-19, we did not conduct members breakfast meetings. We are hoping to restart these in the near future.

With regards to changes in CICL personal, in September 2020, we welcomed Adam Davis who joined as an Information Systems Officer. Adam has a Bachelor of Information Technology specializing in network technology and joined us following 7 years at Narrandera Shire Council. In January 2021, Mark Stratford, a returning Coleambally local, accepted the position of GIS Officer. Mark is very experienced in GIS and joined us from the NSW Housing Corporation in Sydney. Both Adam's and Mark's experience and expertise are welcome and will assist CICL in improving its technology capacity and capabilities. We also welcomed Luke Fox in January 2021 to the position of Mechanical/Channel Technician. Luke joined us from CopRice and has established a FlumeGate repair workshop at the depot. By setting up this facility we are able to repair FlumeGates without the costs and delays associated with transporting FlumeGates to Shepparton for repair. Our latest recruit is Paul Muir who joined in July 2021. Paul joined as Asset and Maintenance Assistant Manager and has extensive experience in leading and implementing maintenance programs, working on-farm, working for a CICL contractor and most recently, for the NSW Rural Fire Service. Paul is based at the depot and has taken on responsibility for the day-to-day leadership of the maintenance team and operations.

Unfortunately, in June 2021, Tessa Evans left CICL to work for CopRice. Tessa worked for us for just over three years as a Channel Technician and proved to be very capable. Brendan Mark has been employed as a Channel Technician and we welcome Brendan to the team. Later this financial year we shall be saying a sad farewell to Eric Hutchinson, our trusted and extremely capable TCC and Water System Supervisor. Eric is currently working for us three days a week and come January 2022 will be retiring after 43 years' service. Eric has guided Water Operations through many tough times, including the implementation of TCC. His experience and calm and considered disposition will be sorely missed and we wish him well in his retirement. Craig Mark, our Channel Technician Supervisor, will be replacing Eric. Craig has been learning the role over the past year and we are confident that he will continue to provide a high level of service to our members.

During the year we also celebrated some staff milestones, with Mark Robb being recognised for 26 years of service and Kevin Kelly and Graham White 25 years. We thank them for their dedication and service to CICL.

CICL continues to recognise its wider responsibility to the Coleambally Community and its staff take on many voluntary roles in many aspects of the community including: Murrumbidgee Council; Business Chamber; Cypress View; sporting committees; as honorary auditors for various charities and sports clubs; and as members of divisions of the Rural Fire Service. CICL continues to provide funding and in-kind support to many community organisations, charities and sporting clubs, and continues to do the accounting and payroll function for the Coleambally Community Club. We continue to sponsor swimming lessons at the two local primary schools which incorporate strong messages regarding the dangers of swimming in CICL channels and this practice being prohibited.

We would like to advise members of a Board Committee restructure that has taken effect from 1 July 2021. Prior to this date, the Board had the following committees: Asset Refurbishment & Maintenance Committee; Finance & Risk Management Committee; Corporate Governance & Policy Committee; Sinking Fund Committee; and the Coleambally Environmental & Reference Committee. Whilst most of these committees do not have all Directors sitting on them, the Finance & Risk Management Committee did, which meant that effectively the whole Board was making recommendations to the Board. An internal review of the committee structure by the Corporate Governance & Policy Committee recommended that the finance responsibilities of the Finance & Risk Management Committee be moved to the Board and that the risk and audit functions be combined with the functions of the Corporate Governance & Policy Committee to form an Audit, Risk & Corporate Governance Committee. This committee is chaired by Bruce Brown and in addition to Bruce, consists of Sharon Smith, Peter Sheppard and Craig Perkins. The Board is of the opinion that this committee restructure leads to greater efficiency operationally yet maintains the necessary independence and governance overview required.

Peter Sheppard, Member Director and Chairman, and Anthony Mannes, Member Director, are due to retire at the 2021 AGM. Both have renominated and have the Board's full support. Further nominations for the Director positions have been called for with a closing date of 23 September.

CICL's continued success rests with all of us and particularly you, our members, and your continued willingness to support major propositions put to you by the Board and your compliance with CICL's Rules. Your support for the transfer of CIMCL's assets to CICL is appreciated and we are sure that the restructure will provide members with ongoing benefits.

Chairman and Chief Executive Officer's Report

The Board and management remain collaborative and aligned in pursuing CICL's goals and strategy which is important for members and the success of the business. We thank our committed staff who continue to work in the best interests of CICL and its members.



Peter Sheppard
Chairman



Clifford Ashby
Chief Executive Officer

SINKING FUND REPORT

As required under CICL's Rule 126.20, following is the annual update to members on the sinking fund. The members of the Sinking Fund Committee are: Sharon Smith (Chairman); Bruce Brown; Peter Sheppard; Craig Perkins; and Iain Stewart. The Sinking Fund Committee held 4 formal meetings during FY2021.

As members will have read in the CICL Chairman's and Chief Executive Officer's report, on 1 March 2021, the sinking fund received \$31m from CIMCL. These transferred funds, which are being separately accounted for, can only be expended on future expenses to be incurred for the maintenance, replacement and refurbishment of CICL's irrigation assets. All funds received have been invested in accordance with the "growth portfolio with alternatives" strategy which is targeting a return of 4.9%. This strategy mirrored CIMCL's investment strategy and was adopted when the CICL sinking fund was established in FY2020. One pleasing aspect of the transfer was that all managed funds' managers agreed to transfer the ownership of the funds from CIMCL to the sinking fund without the charging of a buy/sell fee.

As advised in last year's report, the five yearly MEERA and Mercer review was brought forward a year and completed in February 2021. Following an analysis of these reports and in line with the Mercer recommendations, the Committee recommended to the Board that the sinking fund levy for FY2022 be reduced by 2% from \$3.06 per DE held in FY2021 to \$3 per DE held. Additionally, the Mercer report recommended that given the long-term view/usage of the sinking fund, consideration should be given to adopting a higher growth orientated strategy and that it be amended from an 80:20 growth:defensive strategy to a 90:10 weighting. This recommendation was discussed by the Committee and approved by Lonsec in May 2021 and following the Committee recommending it to the Board, the rebalancing exercise has begun. It is believed that whilst this strategy carries greater risk, the potential higher growth outweighs the additional risk over the long-term and especially in the current environment of low interest and bond rates.

At 30 June 2021 the sinking fund's value was \$47.6m which included the \$31m transferred from CIMCL, \$8.1m of maintenance expenditure reimbursed by CIMCL over FY2020 and FY2021 prior to the bulk transfer occurring, and \$2.1m transferred from the Infrastructure Fund in the prior year. The sinking fund's investment return for the year was \$4.5m. At year end the sinking fund had a receivable of \$1.5m owing for the sinking fund levy and casual usage charge for FY2021 which was invoiced in June and will be invested when it is received in July/August. During the year, \$1.3m was reimbursed to CICL's operating reserves for allowable capital expenditure incurred in FY2020.

The fund's investment portfolio (including cash) is spread across investment categories as follows:

Australian Equities	25.3%
Global Equities	23.6%
Emerging Markets	4.0%
Property and Infrastructure	16.5%
Growth Alternatives	14.3%
Defensive Alternatives	4.9%
Fixed Interest and Diversified Income	9.2%
Cash	2.2%

CICL's capital expenditure which meets the criteria for reimbursement from the sinking fund for FY2021 was \$1.3m (\$1.6m budgeted) 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. This amount will be reimbursed to CICL's operating fund in August 2021.

The CICL budgeted capital expenditure for which funding will be sought from the sinking fund for FY2022 is \$1.5m with the major items being: upgrade to control equipment at the main offtake radial gates; FlumeGate replacements; drainage inlet and berm drain replacements; upgrading of communications infrastructure; constructing a concrete channel profile at the downstream Accusonic; and piezometer replacements.



Sharon Smith
Chairman



Clifford Ashby
Chief Executive Officer

EXTERNAL MATTERS REPORT

The improvement in seasonal conditions in FY2021 was welcome and helped reduce anxiety about water availability. Looking ahead, the threat of further reductions in the volume of water in the consumptive pool, because of challenges facing the Basin Plan's implementation, is real.

This year the Australian Government announced their Murray-Darling Communities Investment Package, which was their response to the 'Sefton' report, the Independent Assessment of Social and Economic Conditions in the Basin, which made strong recommendations supporting increased flexibility in the Basin Plan, more time and better community engagement.

Our view is governments need to go further and make changes to the Basin Plan to avoid irrigation dependent communities being exposed to the threat of further water recovery. CICL continues to advocate for a Basin Plan with increased flexibility in its implementation. There is abundant evidence that elements of the Plan cannot be achieved in the time allowed and that assumptions about key projects when the Basin Plan was made are now incorrect. The challenges facing the final steps of the Basin Plan are widely acknowledged by a raft of reports for government. What CICL expects is for governments to recognise the Basin Plan is a complex and difficult reform and respond constructively to address the obvious problems. The NSW government is starting to acknowledge this reality and the consequence of key projects not proceeding. CICL continues to argue strongly for the need to achieve a minimum of 605 GL of equivalent environmental outcomes and for extended timeframes and new projects to be brought forward to avoid a further reduction in the consumptive pool.

During the last year CICL participated in the Murray-Darling Basin Authority (MDBA) investigation of trends in water use against the Sustainable Diversion Limit (SDL). This work was undertaken in response to both SunRice and the Ricegrowers' Association advocacy. We await the release of the overdue report for the first year of SDL accounting, the 2019/20 year, which will provide a starting point for understanding the extent of any 'under use'.

The highly anticipated ACCC Murray-Darling Basin Water Markets Final Report was released in March. The ACCC made 29 recommendations and central to their recommendations is the creation of another regulator, a centralised Water Market Agency. This will require new legislation and the support of the states and the commonwealth. CICL argued in its submissions to the ACCC that they need to answer the assertions of 'corruption' with evidence. The ACCC 'did not find evidence of market manipulation and other market misconduct in Basin water markets over the period 1 July 2017 to 31 December 2019'. Assertions of corruption and market manipulation were a key driver for the establishment of this inquiry. It is disappointing the ACCC have constructed their recommendations, including recommending an un-costed new regulator, as an integrated package with many recommendations linked to this new regulator. This means that key elements for improvements to the water market, such as regulation of water brokers, will be delayed.

Our Water Resource Plan (Plan) has been withdrawn from the MDBA, despite the MDBA participating in the Stakeholder Advisory Panel established by the NSW government to provide advice on the development of Plan. There is no clear timeframe for its accreditation. This is a frustrating outcome.

This year we participated in the NSW Independent Pricing and Regulatory Tribunal's (IPART's) four-year pricing determinations for WaterNSW and the Water Administration Ministerial Corporation and we await the release of their final determination in September. These determinations will result in irrigators paying an increased share of government costs. CICL along with NSW Irrigators' Council do not agree with IPART's 'impactor pays' cost sharing methodology.

CICL also supported the government's regulations which were intended to bring flood plain harvesting into a licencing and metering framework and to provide an exemption from the requirement to have a licence for the capture of rainfall run-off from irrigation layouts. The disallowance of these regulations means that flood plain harvesting continues un-metered and outside of the licencing framework and there is no exemption for the capture of rainfall run-off in irrigation tail water systems. These are unsatisfactory outcomes.

Our external issues space is complex. CICL's advocacy is centred around ensuring we deliver on our members' interests and enhance our reputation. The guidance and support received from the Chief Executive Officer and the board on our approach and priorities for the unending list of external issues is valued.



Jenny McLeod
Policy and Communication Manager

02 FINANCIAL STATEMENTS

Coleambally Irrigation Co-operative Limited

ABN 75 951 271 684

30 June 2021

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DIRECTORS' REPORT

Your Directors present their report on Coleambally Irrigation Co-operative Limited for the year ended 30 June 2021.

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)	A T Mannes	Member Director
B M Brown	Independent Director	C M Perkins	Member Director
K H Burge	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:

	2021	2020
	\$'000	\$'000
Profit/(loss) before income tax expense	12,249	8,278
Income tax (expense)/credit	(2)	9,617
Net profit/(loss) after income tax	12,247	17,895

The financial result achieved during FY2021 needs to be seen in the context of:

- an 100% General Security water allocation, up from 11% in FY2020, and the provision of an additional 14% of DE held (8% additional water followed by 6% Member Benefit) at no cost;
- CICL access charges decreased by 9% from FY2020 announced prices, CICL sinking fund levy decreased by 10% whilst the compliance levy and infrastructure charges remained unchanged;
- delivery of 258,881 Megalitres, up from 26,948 Megalitres in FY2020;
- revenue from the sale of water allocation of \$1,230,000, down from \$7,784,000 in FY2020;
- no revenue from the sale of water entitlements, down from \$640,000 in FY2020;
- additional revenue of \$3,117,000 for the reimbursement of maintenance expenditure received from Coleambally Irrigation Mutual Co-operative Limited (CIMCL), down from \$5,023,000 in FY2020. This amount was transferred to the Sinking Fund;
- casual usage charge revenue of \$178,000, up from \$6,000 in FY2020;
- a net gain of \$5,544,000 on our investment portfolio, up from a loss of \$710,000 in FY2020. The loss in FY2020 was attributable to the economic crisis caused by the COVID-19 pandemic;
- a net gain of \$4,453,000 on our Sinking Fund investment portfolio, up from \$167,000 in FY2020. The gain includes the surplus derived on the CIMCL Sinking Fund portfolio between March 2021 and June 2021 following the transfer to CICL;
- higher WaterNSW charges due to the higher allocations and demand. This was partially offset by the receipt of drought relief for access charges from the State Government which was passed onto members;
- a net tax charge of \$2,000 due to the profit derived by Watermart Coleambally Pty Ltd. The credit of \$9,617,000 in FY2020 was a consequence of CICL becoming a tax-exempt entity.

CICL's loss from its core business was \$2,390,000 (before termination fees) compared to a corresponding profit of \$2,294,000 in the previous year.

Directors' Report

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. Coleambally Irrigation Mutual Co-operative Limited (CIMCL) obtained a Private Binding Ruling from the Australian Taxation Office and, following approval from CIMCL Members, transferred its entire sinking fund amounting to \$31,056,000 to CICL. As this constituted CIMCL's entire business operation CIMCL Directors and Members agreed to place the co-operative into voluntary liquidation. The entire amount was transferred to CICL's Asset Replacement Sinking Fund which took over the responsibility from CIMCL for the capital expenditure for the construction, refurbishment and replacement of existing and future irrigation and drainage assets of the Co-operative. See Note 29 for full details.

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 \$9,626 (2020: \$7,967) to insure its Directors and Officers in respect to liabilities that may arise from their position as Directors and Officers of the Co-operative.

*Directors' Report***INFORMATION ON DIRECTORS**

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

Directors' Report**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 2021, 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	10	4	1	1	2	4
B M Brown	10	4	*	*	*	4
K H Burge	9	4	1	*	*	*
A T Mannes	9	3	1	*	*	*
C M Perkins	10	4	1	1	*	4
P T Sheppard	10	4	*	1	2	4
S Smith	10	4	*	1	*	3

* = not a member of this committee

Directors' Report**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
25 August 2021

AUDITORS' INDEPENDENCE DECLARATION

As lead Auditor of the audit of Coleambally Irrigation Co-operative Ltd for the year ended 30 June 2021, 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

Albury
25 August 2021

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2021	Notes	2021	2020
		\$'000	\$'000
Income	3	25,063	24,237
Employee benefits expenses		(4,603)	(4,337)
Materials and contracts expenses		(4,550)	(6,821)
Cost of water entitlements disposed		0	(366)
Bulk water supply expenses	4	(1,734)	(617)
Depreciation and amortisation expenses	4	(1,835)	(1,685)
Other expenses	4	(92)	(2,133)
Profit before income tax expense	30	12,249	8,278
Income tax (expense)/credit	5	(2)	9,617
Profit for the year		12,247	17,895
Other comprehensive income		0	0
Total comprehensive result for the year		12,247	17,895

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 2021	Notes	Contributed Equity	Sinking Fund	Retained Earnings	Total
		\$'000	\$'000	\$'000	\$'000
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	18	-	167	(167)	-
Sinking Fund Levy	18	-	1,486	(1,486)	-
Other transfers	18	-	7,123	(7,123)	-
Other comprehensive income		-	-	-	-
Balance as at 30 June 2020		132,479	8,776	47,950	189,205
Profit/(Loss) for the year		-	-	12,247	12,247
Sinking Fund Investment Return	18	-	4,453	(4,453)	-
Sinking Fund Levy and Casual Usage Charge	18	-	1,525	(1,525)	-
Transfer of CIMCL Sinking Fund	18	-	-	31,056	31,056
Other transfers	18	-	32,899	(32,899)	-
Other comprehensive income		-	-	-	-
Balance as at 30 June 2021		132,479	47,653	52,376	232,508

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

CONSOLIDATED BALANCE SHEET

As at 30 June 2021	Notes	2021	2020
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	6,287	10,816
Trade and other receivables	7	9,299	13,159
Other current assets	8	299	302
Total current assets		15,885	24,277
Non-current assets			
Other financial assets	9	97,107	45,639
Property, plant and equipment	10	50,089	49,439
Intangible assets	11	75,892	75,892
Total non-current assets		223,088	170,970
Total Assets		238,973	195,247
LIABILITIES			
Current liabilities			
Trade and other payables	12	2,219	1,828
Current tax liabilities	13	2	0
Provisions	14	897	708
Other	17	149	149
Total current liabilities		3,267	2,685
Non-current liabilities			
Provisions	15	60	70
Members' shares	16	485	485
Other	17	2,653	2,802
Total non-current liabilities		3,198	3,357
Total Liabilities		6,465	6,042
Net Assets		232,508	189,205
EQUITY			
Contributed equity		132,479	132,479
Sinking Fund	18	47,653	8,776
Retained profits		52,376	47,950
Total Equity		232,508	189,205

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 2021	Notes	2021	2020
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		18,786	21,537
Payments to suppliers and employees		(10,353)	(13,430)
		8,433	8,107
Government grants		30	50
Interest received		94	237
Income tax (paid)/received		0	(953)
Net cash inflow/(outflow) from operating activities	24	8,557	7,441
Cash flows from investing activities			
Payments for property, plant and equipment		(2,580)	(2,055)
Payments for investments		(22,832)	(11,461)
Transfer of CIMCL Sinking Fund Investments (net of cash transferred)	29	(28,562)	0
Proceeds from sale of property, plant and equipment		3	113
Proceeds from sale of water entitlements		0	640
Proceeds from sale of investments		9,829	3,584
Net cash inflow/(outflow) from investing activities		(44,142)	(9,179)
Net increase/(decrease) in cash held		(35,585)	(1,738)
Cash at the beginning of the financial period		10,816	12,554
Transfer of CIMCL Sinking Fund	29	31,056	0
Cash at the end of the financial year	6	6,287	10,816

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

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Notes to the Financial Statements

The consolidated financial statements and notes represent those of Coleambally Irrigation Co-operative Limited and Controlled Entity (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 2021 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 26. 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 2021, 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.

(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.

Notes to the Financial Statements

(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 17)

(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. Income Tax continues to be accrued on the profits derived by the Co-operative's subsidiary Watermart Coleambally Pty Ltd.

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 led to a change in accounting policy over income tax in the prior year. In the years prior to 2019 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) in the prior year 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 6.1% (2020: 6.25%) 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.

Notes to the Financial Statements**(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 28), 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 listed equities 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 in the prior financial year.

The volatility in equity markets was reflected through the investment valuation loss at the prior year balance date. World markets recovered during the current year.

(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.

Notes to the Financial Statements**(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.

Coleambally Irrigation Mutual Co-operative Limited (CIMCL) following approval from its Members, transferred its entire sinking fund amounting to \$31,056,000 to CICL. Under the terms of the Sinking Fund Transfer Deed CICL has agreed that it must only expend the CIMCL sinking fund on future expenses to be incurred after the transfer date in relation to the maintenance, replacement and refurbishment of the irrigation assets, until the sinking fund is fully expended.

Notes to the Financial Statements**(r) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary or business comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is credited directly to equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(s) 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 2020. The following standards became applicable from 1 July 2020:

AASB 1059 – Service Concession Arrangements

AASB 2018-7 – Amendments to Australian Accounting Standards – definition of material

AASB 2019-1 – Amendments to Australian Accounting Standards – references to the conceptual framework.

The standards have had no material impact on the Co-operative.

*Notes to the Financial Statements***NOTE 2 PARENT ENTITY DISCLOSURE****Income Statement of parent entity Coleambally Irrigation Co-operative Limited**

	2021	2020
	\$'000	\$'000
Income	25,043	24,433
Employee benefits expenses	(4,603)	(4,337)
Materials and contracts expenses	(4,542)	(6,807)
Bulk water supply expenses	(1,734)	(617)
Depreciation and amortisation expenses	(1,835)	(1,685)
Other expenses	(92)	(2,133)
Profit/(loss) before income tax expense	12,237	8,854
Income tax (expense)/credit	0	10,068
Profit/(loss) for the year	12,237	18,922
Other comprehensive income	0	0
Total comprehensive result for the year	12,237	18,922

Balance Sheet of parent entity Coleambally Irrigation Co-operative Limited

	2021	2020
	\$'000	\$'000
ASSETS		
Current assets	15,875	24,279
Non-current assets	223,088	170,970
Total Assets	238,963	195,249
LIABILITIES		
Current liabilities	3,264	2,683
Non-current liabilities	3,198	3,357
Total Liabilities	6,462	6,040
Net Assets	232,501	189,209
EQUITY		
Contributed equity	132,479	132,479
Sinking Fund	47,653	8,776
Retained profits	52,369	47,954
Total Equity	232,501	189,209

Notes to the Financial Statements

Guarantees

CICL has an enduring guarantee in relation to any debts of its subsidiary Watermart Coleambally Pty Ltd. The value of debts at balance sheet date amounted to \$2,497 (2020:Nil).

Contingent liabilities

At 30 June 2021, CICL had a contingent liability (2020: Nil) as a consequence of the transfer of Coleambally Irrigation Mutual Co-operative Limited's sinking fund. See Note 29 (h) and (i) for further details. As at balance date no liabilities have come to fruition.

Contractual commitments

At 30 June 2021, CICL had entered into contractual commitments for the acquisition of property, plant and equipment as set out in Note 22.

NOTE 3 INCOME

	Notes	2021 \$'000	2020 \$'000
Continued operations			
Revenue from contracts with customers	(a)	14,970	22,498
Revenue from outside the operating activities	(b)	10,093	1,739
Total income		25,063	24,237
Disaggregated revenue			
(a) Revenue from contracts with customers			
Sale of water		1,230	7,784
Sale of water entitlements		0	640
WaterNSW Charges		1,513	381
CICL Charges		6,979	6,893
CICL Sinking Fund Levy and Casual Usage Charge		1,525	1,486
Termination fees		0	18
CIMCL Reimbursements		3,117	5,023
Other sales		606	273
Total revenue		14,970	22,498
Timing of revenue recognition			
Products and services transferred to customer			
- at a point in time		3,723	5,314
- over time		11,247	17,184
		14,970	22,498
(b) Revenue from outside the operating activities			
Interest		94	237
Rentals		66	71
Net gain on distributions and changes in fair values of financial assets measured at fair value through profit or loss		9,903	1,353
Net gain on sale of property plant and equipment		0	28
Federal and State Government Grants		30	50
		10,093	1,739

Notes to the Financial Statements**NOTE 4 EXPENSES**

	2021	2020
	\$'000	\$'000
Expenses include the following specific items:		
Cost of sales of goods – bulk water charges	1,734	617
Depreciation		
Buildings	54	56
Plant and equipment	251	227
Water Distribution and Infrastructure	1,530	1,402
Total depreciation	1,835	1,685
Other expenses		
Net loss on distributions and changes in fair values of financial assets measured at fair value through profit or loss	0	2,133
Net loss on disposal of non-current assets	92	0
Total Other expenses	92	2,133

NOTE 5 INCOME TAX**(a) Income tax expense**

	2021	2020
	\$'000	\$'000
Current tax	2	290
Deferred tax (i)	0	(9,907)
Aggregate income tax expense/(credit)	2	(9,617)

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

Decrease/(increase) in deferred tax assets	0	288
(Decrease)/increase in deferred tax liabilities	0	(10,195)
	0	(9,907)

(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	12,249	8,278
Income tax expense/(credit) calculated @ 26% (2020: 27.5%)	3,185	2,276
Effect of change to tax-exempt status	(3,183)	(11,732)
Under/(over) provision in prior year	0	(161)
Income tax expense/(credit) attributable to operating profit	2	(9,617)

Notes to the Financial Statements
NOTE 6 CASH AND CASH EQUIVALENTS

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	6,287	10,816

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)	6,287	10,816
Other financial assets (Note 9)	97,107	45,639
	103,394	56,455

These funds are set aside for the following purposes:

Security for Termination Fees (Note 12)	770	733
Unused Termination Fees	248	285
Bio-diversity Crown Land Management funds	72	44
Infrastructure maintenance reserve	1,244	1,831
Sinking Fund Reserve (Note 18)	47,653	8,776
Unearned revenue (Note 17)	2,802	2,951
Unrestricted funds	50,605	41,835
	103,394	56,455

NOTE 7 TRADE AND OTHER RECEIVABLES

	2021	2020
	\$'000	\$'000
Trade debtors	9,316	13,178
Less: Allowance for expected credit losses	(17)	(19)
	9,299	13,159

Ageing

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

Not past due	9,316	13,176
Past due 31 to 60 days	0	0
Past due 61 to 90 days	0	0
Over 90 days	0	2
	9,316	13,178

*Notes to the Financial Statements***NOTE 8 OTHER CURRENT ASSETS**

	2021	2020
	\$'000	\$'000
Prepayments	<u>299</u>	<u>302</u>

NOTE 9 OTHER FINANCIAL ASSETS

	2021	2020
	\$'000	\$'000
Financial assets at fair value through the profit and loss	<u>97,107</u>	<u>45,639</u>

These are units in managed funds and listed equities managed in accordance with a documented investment strategy described at Note 28. Access to these funds is restricted as the funds are held for specific purposes (refer Note 6).

Notes to the Financial Statements

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$'000	\$'000
Land and Buildings		
Freehold land - At cost	1,804	1,804
Buildings - At cost	2,199	2,211
Less: Accumulated depreciation	(1,569)	(1,519)
	630	692
Total land and buildings	2,434	2,496
Plant and Equipment		
Plant and equipment – At cost	1,569	1,324
Less: Accumulated depreciation	(818)	(819)
	751	505
Motor Vehicles – At cost	1,181	971
Less: Accumulated depreciation	(731)	(609)
	450	362
Office Equipment and Software – At cost	1,262	1,324
Less: Accumulated depreciation	(1,136)	(1,142)
	126	182
Total Plant and Equipment	1,327	1,049
Water Distribution and Infrastructure		
Earth Channels – At cost	12,418	12,418
Less: Accumulated depreciation	(2,509)	(2,385)
	9,909	10,033
Infrastructure – At cost (a)	53,555	52,879
Less: Accumulated depreciation and impairment	(18,087)	(17,306)
	35,468	35,573
Total Water Distribution and Infrastructure	45,377	45,606
Capital Works in Progress		
At cost	951	288
Total Capital Works in Progress	951	288
Total Property, Plant and Equipment	50,089	49,439

Notes to the Financial Statements**(a) Leasehold Infrastructure**

Infrastructure includes road bridges and road culverts in the Coleambally Irrigation District with a net carrying value of \$1.96 million (2020: \$2.03 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	Plant & Equipment	Water Infrastructure	Construction In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated					
Carrying amount at 1 July 2020	2,496	1,049	45,606	288	49,439
Additions	0	529	1,196	951	2,676
Disposals	(8)	0	(183)	0	(191)
Transfers	0	0	288	(288)	0
Depreciation expense	(54)	(251)	(1,530)	0	(1,835)
Provision for impairment	0	0	0	0	0
Carrying amount at 30 June 2021	2,434	1,327	45,377	951	50,089

Notes to the Financial Statements
NOTE 11 INTANGIBLE ASSETS

	2021	2020
	\$'000	\$'000
Conveyance licence at cost	74,572	74,572
Other water entitlements at cost	1,320	1,320
	75,892	75,892

Movement in intangible assets

	Conveyance Licence	General Security Tradeable	G Class High Security Non-Tradeable	Total
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Carrying amount at 1 July 2020	74,572	794	526	75,892
Additions	0	0	0	0
Disposals	0	0	0	0
Transfers	0	0	0	0
Provision for impairment	0	0	0	0
Carrying amount at 30 June 2021	74,572	794	526	75,892

Valuation of Conveyance Licence

The Co-operative currently holds 117,342 ML (2020: 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 \$7,560 per ML (2020: \$6,984). Based on this value the Directors believe that the value of the Conveyance Licence is between \$762 million and \$887 million (2020: \$704 million and \$819 million).

NOTE 12 TRADE AND OTHER PAYABLES

	2021	2020
	\$'000	\$'000
Trade creditors	220	60
Accrued expenses	1,157	991
Amounts held on behalf of Members as security for Termination Fees	770	733
Amounts held on behalf of Coleambally Biodiversity Reserve	72	44
	2,219	1,828

*Notes to the Financial Statements***NOTE 13 CURRENT TAX LIABILITIES**

	2021	2020
	\$'000	\$'000
Income Tax	2	0

NOTE 14 CURRENT PROVISIONS

	2021	2020
	\$'000	\$'000
Employee entitlements - Annual Leave	509	384
Employee entitlements - Long Service Leave	349	281
Employee entitlements - Other	39	43
	<u>897</u>	<u>708</u>

NOTE 15 NON-CURRENT PROVISIONS

	2021	2020
	\$'000	\$'000
Employee entitlements - Long Service Leave	60	70

NOTE 16 MEMBERS' SHARES

	2021	2020
	Shares	Shares
Ordinary shares - fully paid @ \$1.00	485,256	485,445

Movement in Ordinary Shares

Details	No of Shares	Issue Price	\$
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
Issue of shares 2020/21	0	\$1.00	0
Cancellation of shares 2020/21	(189)	\$1.00	(189)
Balance 30 June 2021	485,256	\$1.00	485,256

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.

Notes to the Financial Statements
NOTE 17 OTHER LIABILITIES

	2021	2020
	\$'000	\$'000
Unearned Revenue relating to long term supply agreements		
Current	149	149
Non-Current	2,653	2,802
	<u>2,802</u>	<u>2,951</u>

NOTE 18 SINKING FUND RESERVE

	2021	2020
	\$'000	\$'000
Balance as at 30 June 2020	8,776	0
Transfers from Retained Earnings (CIMCL Maintenance reimbursement and transfer of Infrastructure Fund)	3,117	7,123
Transfers to Retained Earnings (CICL Capital Expenditure)	(1,274)	0
Transfer from CIMCL (Note 29)	31,056	0
Sinking Fund Levy and Casual Usage Charge	1,525	1,486
Sinking Fund Investment Return for the year	4,453	167
Balance as at 30 June 2021	<u>47,653</u>	<u>8,776</u>

Represented by:

Cash at bank and on hand (Note 6)	1,034	1,642
Trade Debtors (Note 7)	1,486	1,486
Other financial assets (Note 9)	45,133	5,648
	<u>47,653</u>	<u>8,776</u>

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.

Coleambally Irrigation Mutual Co-operative Limited (CIMCL) following approval from its Members, transferred its entire sinking fund amounting to \$31,056,000 to CICL. Under the terms of the Sinking Fund Transfer Deed CICL has agreed that it must only expend the CIMCL sinking fund on future expenses to be incurred after the transfer date in relation to the "maintenance, replacement and refurbishment of the irrigation assets, until the sinking fund is fully expended".

The value of the CIMCL Sinking Fund after crediting the investment return and charging allowable expenditure was \$31,547,000

Notes to the Financial Statements

NOTE 19 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:

2021		Fixed Interest Maturing In					Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	6	2,285	4,002	0	0	0	6,287
Receivables	7	0	0	0	0	9,299	9,299
Financial assets at fair value through the profit and loss	9	0	0	0	0	97,107	97,107
		2,285	4,002	0	0	106,406	112,693
Weighted average interest rate		0.27%	0.45%				
Financial liabilities							
Trade and other payables	12	0	0	0	0	2,219	2,219
		0	0	0	0	2,219	2,219
Net financial assets/(liabilities)		2,285	4,002	0	0	104,187	110,474

2020		Fixed Interest Maturing In					Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	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 payables	12	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

Notes to the Financial Statements

(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 20 REMUNERATION OF AUDITORS

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

	2021	2020
	\$'000	\$'000
Audit of the financial statements	34	36
Other assurance services	0	4
Total audit and other assurance services	34	40
Taxation services	3	7
Other consulting services	1	22
Total other services	4	29
Total remuneration	38	69

NOTE 21 CONTINGENT LIABILITIES

At 30 June 2021, CICL had a contingent liability (2020: Nil) as a consequence of the transfer of Coleambally Irrigation Mutual Co-operative Limited's sinking fund. See Note 29 (h) and (i) for further details. As at balance date no liabilities have come to fruition.

NOTE 22 COMMITMENTS FOR EXPENDITURE

	2021	2020
	\$'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	822	545
Between 1 and 5 years	0	0
	822	545

The current year balance of \$822,000 (2020: \$545,000) relates to ongoing capital works.

*Notes to the Financial Statements***NOTE 23 EMPLOYEE ENTITLEMENTS**

	2021	2020
	\$'000	\$'000
Employee entitlement liabilities		
Provision for employee entitlements		
Current (Note 14)	897	708
Non-current (Note 15)	60	70
Aggregate employee entitlement liability	<u>957</u>	<u>778</u>

Superannuation Fund

Superannuation contributions have been paid into compliant superannuation funds of employee choice in accordance with statutory requirements. The Co-operative had a liability of \$292 at year end (2020: \$0).

NOTE 24 RECONCILIATION OF NET PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2021	2020
	\$'000	\$'000
Net profit after income tax	12,247	17,895
Depreciation and amortisation	1,835	1,685
Net (profit)/loss on sale of non-current assets	92	(28)
Net (profit)/loss on sale of water entitlements	0	(274)
(Increase)/decrease in fair value of financial assets	(9,903)	780
Change in operating assets and liabilities		
(Increase)/decrease in trade debtors	3,860	(235)
(Increase)/decrease in prepayments	3	(81)
Increase/(decrease) in trade creditors and accruals	214	(1,830)
Increase/(decrease) in Coleambally Biodiversity Reserve funds held	28	(7)
Increase/(decrease) in employee provisions	179	106
Increase/(decrease) in net tax liabilities	2	(10,570)
Net cash inflow/(outflow) from operating activities	<u>8,557</u>	<u>7,441</u>

Notes to the Financial Statements

NOTE 25 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).

	2021	2020
	\$'000	\$'000
Key management personnel compensation		
Short-term employee benefits	1,374	1,283
Post-employment benefits	130	122
	<u>1,504</u>	<u>1,405</u>

Included in the above amount are Directors' fees totalling \$293,209 (2020: \$277,885). 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 zero (2020: 1,476). The numbers of shares held directly, indirectly or beneficially by key management personnel or their related entities at balance date:

	2021	2020
	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	3,559
	<u>14,487</u>	<u>14,487</u>

Notes to the Financial Statements**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 year the Co-operative utilised the water broking services of an entity controlled by a key management person to trade \$82,500 of water allocation 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:

	2021	2020
	\$'000	\$'000
Value of transactions (incl GST)		
Water sales to related parties	280	465
Commission on water sale paid to related party	2	0
Balances at the reporting date		
Receivable from related parties	280	369
Payable to related parties	0	0

Other related parties

There are no other related party transactions.

NOTE 26 SUBSIDIARY

Name of Entity	Country of Incorporation	Class of Shares	2021	2020
			%	%
Watermart Coleambally Pty Ltd	Australia	Ordinary	100	100

Watermart Coleambally Pty Ltd continues to trade providing online temporary water trading services and is consolidated for accounting purposes. The tax exempt status of CICL does not extend to Watermart Coleambally Pty Ltd. Profits made by this entity are subject to normal company income tax.

NOTE 27 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 28 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 19. All financial liabilities as at balance date are due for payment in less than 12 months from balance date.

Notes to the Financial Statements

(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 19. Cash deposits are held with reputable banking institutions.

Units in managed funds and listed equities 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 2021 the investment portfolios (excluding cash) are spread across the following:

	2021	2020
Australian Equities	22.6%	26.0%
Global Equities	24.4%	19.6%
Property and Infrastructure	15.8%	15.5%
Growth Alternatives	12.1%	9.1%
Defensive Alternatives	4.4%	6.3%
Fixed Interest and Diversified Income	20.7%	23.5%

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%	-1%	-1%
	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000
Cash on call and term deposits	63	63	(63)	(63)

NOTE 29 BUSINESS COMBINATION

During the financial year the Co-operative entered into a Sinking Fund Transfer Deed (Deed) with Coleambally Irrigation Mutual Co-operative Limited (CIMCL) whereby CIMCL's sinking fund was transferred to Coleambally Irrigation Co-operative Limited (CICL). The CIMCL sinking fund constituted the entire business operation of CIMCL. The transfer of the CIMCL sinking fund is therefore regarded as a business combination achieved without the transfer of consideration as contemplated by paragraph 43 of Australian Accounting Standards Board Statement 3 – Business Combinations.

The standard requires disclosure of the following matters:

(a) The acquiree

The acquiree is Coleambally Irrigation Mutual Co-operative Limited. (CIMCL)

(b) Acquisition date

The effective date was 1 March 2021.

(c) Percentage of voting equity acquired

No voting equity interests were acquired.

Notes to the Financial Statements

(d) The primary reasons

On the 15th February 2021 a Disclosure Statement was sent to all members of CIMCL outlining that the current operation of the co-operative was incompatible with the Water Management Act 2000 (NSW) and that there may be a risk of future non-compliance with that act (in relation to future infrastructure ownership). It noted that after careful consideration, the CIMCL Board had decided that it was in the members' best interests that CIMCL transfer its sinking fund to CICL. Additionally, there is also a benefit to having CICL hold the sinking fund as CICL will not be required to pay income tax on the investment returns derived from the sinking fund for so long as CICL remains an income tax-exempt entity.

(e) The major steps in the process

The major steps in the process were:

- amending CICL's rules to, among other things, allow CICL to convert from a distributing to a non-distributing co-operative and establish its own sinking fund, the levy of which will be collected by CICL, and be managed and maintained solely for the purpose of irrigation asset construction, refurbishment and replacement. Members' approval of these amendments was obtained in March 2020;
- converting CICL to a non-distributing co-operative, which ensures CICL's sinking fund could never be distributed for purposes other than the construction, refurbishment and replacement of irrigation assets;
- obtaining a private binding ruling from the ATO under which CICL qualified as a "public authority", and is therefore an income tax-exempt entity for the purposes of the ITAA. This ruling was obtained on 14 January 2020;
- CIMCL amending its rules so that it is not obligated to raise a levy for the sinking fund. Members' approval of these amendments was obtained in October 2020;
- CIMCL ceasing to collect a levy for the sinking fund and CICL starting to collect a levy for its sinking fund;
- CIMCL obtaining a private binding ruling under which the ATO confirmed that its sinking fund's status as non-assessable income is not jeopardised by the transfer. This ruling was obtained on 14 October 2020;
- CICL and CIMCL entering into a Sinking Fund Transfer Deed on 12 February 2021;
- CIMCL members voting in a special postal ballot to approve the transfer of the CIMCL sinking fund to CICL;
- CIMCL members giving approval, by way of special resolution, for the Board to pass the necessary resolutions to wind up CIMCL and to appoint the liquidator approved by members after the transfer has taken place;
- approval of the special resolution by the Registrar of Co-operatives on 16 April 2021;
- the transfer of the sinking fund taking place; and
- the Board of CIMCL resolving to appoint a liquidator on 18 May 2021.

(f) Acquisition-date fair value of assets acquired

The assets acquired consisted of the investment funds amounting to \$28,562,000 and cash amounting to \$2,494,000, totalling \$31,056,000.

(g) Liabilities acquired

The obligation to settle the cost of liquidation of CIMCL was accepted by CICL under the terms of the transfer deed. The cost is capped at \$10,500 and has been accrued for.

(h) Contingent liabilities acquired

With effect from the transfer date, CICL is responsible for all obligations and liabilities of CIMCL which arose before the transfer date and remain outstanding on the transfer date; and which arise on or after transfer date. No such liabilities have come to fruition.

(i) Additional undertakings by CICL

Under the terms of the Sinking Fund Transfer Deed CICL has undertaken two material commitments. CICL has agreed that it must only expend the CIMCL sinking fund on future expenses to be incurred after the transfer date in relation to "the maintenance, replacement and refurbishment of the irrigation assets, until the sinking fund is fully expended". CICL has entered into a Deed Poll in favour of each person who is a member of CIMCL on the date on which CIMCL is wound up and who continues, from time to time, to be an "Active Member" (as that term is defined in CICL's rules) of CICL, in which CICL will undertake to only expend the sinking fund for the purposes set out above.

Notes to the Financial Statements
(j) The resulting entries in the books of the acquirer

The net asset value acquired of \$31,056,000 was credited directly to an equity account in the books of CICL. The account is named CIMCL Sinking Fund.

(k) The surplus derived from the date of acquisition until 30 June 2021

The gross surplus derived from the transfer of the CIMCL sinking fund from 1 March 2021 to 30 June 2021 amounted to \$2,422,000.

(l) The surplus that would have been derived had the acquirer owned the acquiree for the entire financial year

The gross surplus that would have been derived if the transfer had occurred on 1 July 2020 would have amounted to \$4,171,000.

NOTE 30 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 stable pricing of access charges.

Sinking Fund

The sinking fund was established under Rule 126. 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	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales & other revenue	10,394	16,070	0	0	1,525	1,486	11,919	17,556
CIMCL Reimbursement Transferred to Sinking Fund	0	0	0	0	3,117	5,023	3,117	5,023
Interest	0	0	93	236	1	1	94	237
Other investment income	0	0	5,450	1,187	4,453	166	9,903	1,353
Government Grants	30	50	0	0	0	0	30	50
Total Revenue	10,424	16,120	5,543	1,423	9,096	6,676	25,063	24,219
Employee expenses	4,603	4,337	0	0	0	0	4,603	4,337
Operating expenses	8,211	9,489	0	0	0	0	8,211	9,489
Investment Losses	0	0	0	2,133	0	0	0	2,133
Total expenses	12,814	13,826	0	2,133	0	0	12,814	15,959
Underlying profit/(loss)	(2,390)	2,294	5,543	(710)	9,096	6,676	12,249	8,260
Termination fees	0	18	0	0	0	0	0	18
Consolidated profit/(loss)	(2,390)	2,312	5,543	(710)	9,096	6,676	12,249	8,278

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 17 to 43 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 2021 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
25 August 2021

INDEPENDENT AUDIT REPORT



520 Swift St
PO Box 375
Albury NSW 2640

P 02 6023 9100
F 02 6021 2154
W johnsonsmme.com.au

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 entity (the consolidated entity), which comprises the consolidated balance sheet as at 30 June 2021, 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 2021 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 2021 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 Audit Report***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.

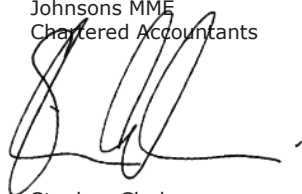
Auditor's Responsibilities for the Audit of the Financial Report

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
26 August 2021

03

BIOGRAPHIES

DIRECTOR BIOGRAPHIES



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.



Anthony Mannes
Member Director

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.



Craig Perkins
Member Director

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.



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 recognised as an Honorary Councillor.

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

Director Biographies



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



Sharon Smith
Independent Director

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.



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.

MANAGEMENT BIOGRAPHIES



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 Clarke
General Manager - Finance and Environmental Compliance

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 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 and tax. In 2020 Paul completed a Graduate Diploma in Applied Finance (Investment Management) graduating with distinction.

He became a member of Chartered Accountants Australia and New Zealand in 2001 and was admitted as a Fellow in December 2020. He is also a member of the Chartered Institute for Securities & Investment (UK).



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.

Management Biographies



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 Whittred
 Manager - Information Systems

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.



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

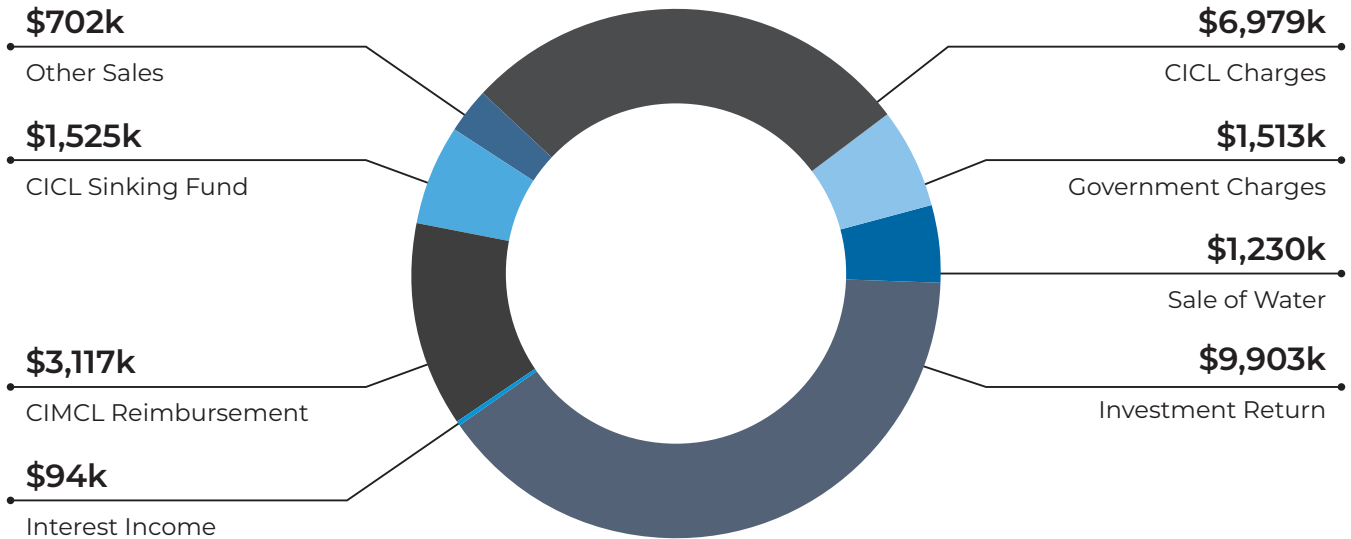
Jenny operates a mixed irrigation enterprise with her family in Finley, NSW and is also a director of Finley Regional Care.

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.

04 BUSINESS DATA AND TRENDS

BUSINESS DATA

REVENUE

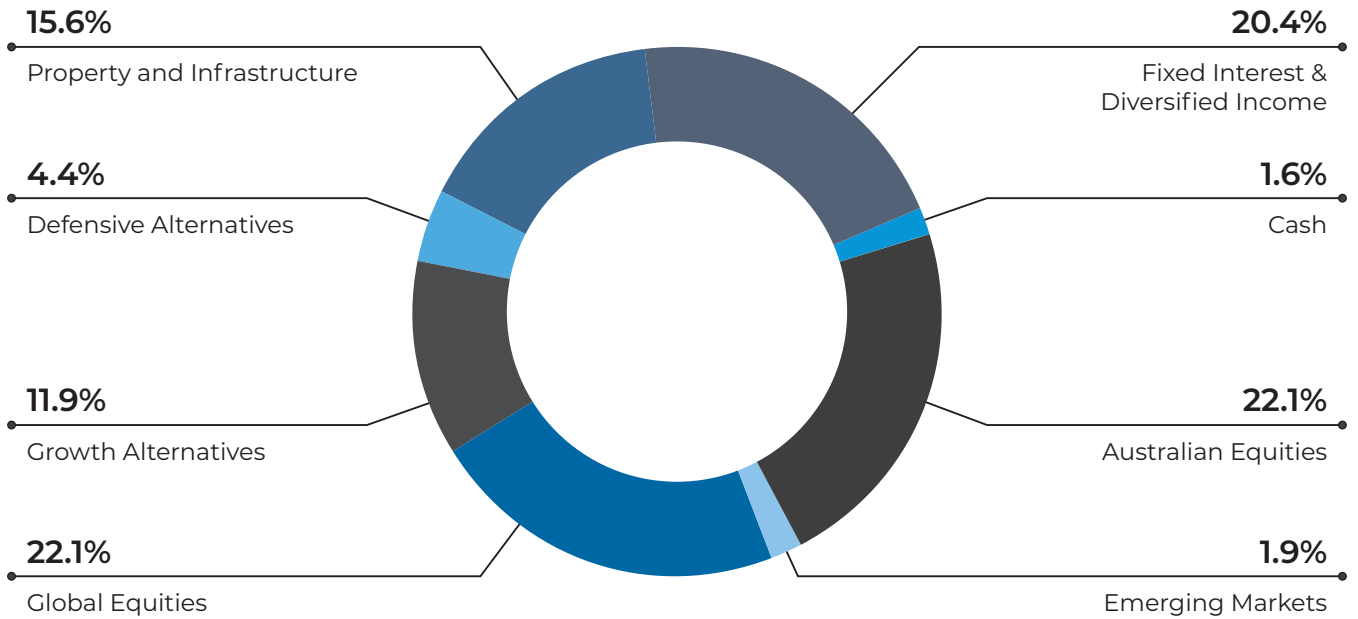


EXPENSES



Business Data

CONSOLIDATED INVESTMENT PORTFOLIO (INCLUDING INVESTMENT CASH)

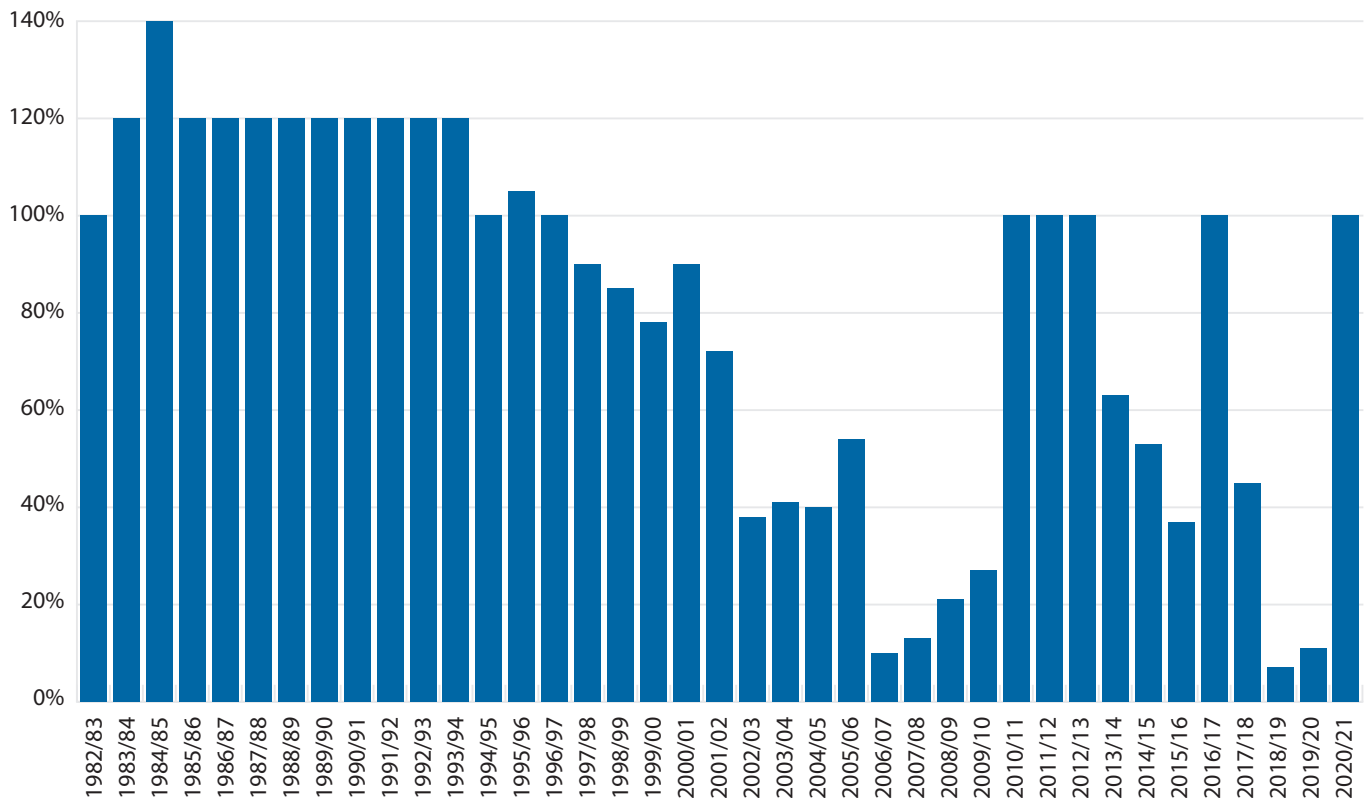


YOUR CO-OPERATIVE AT A GLANCE

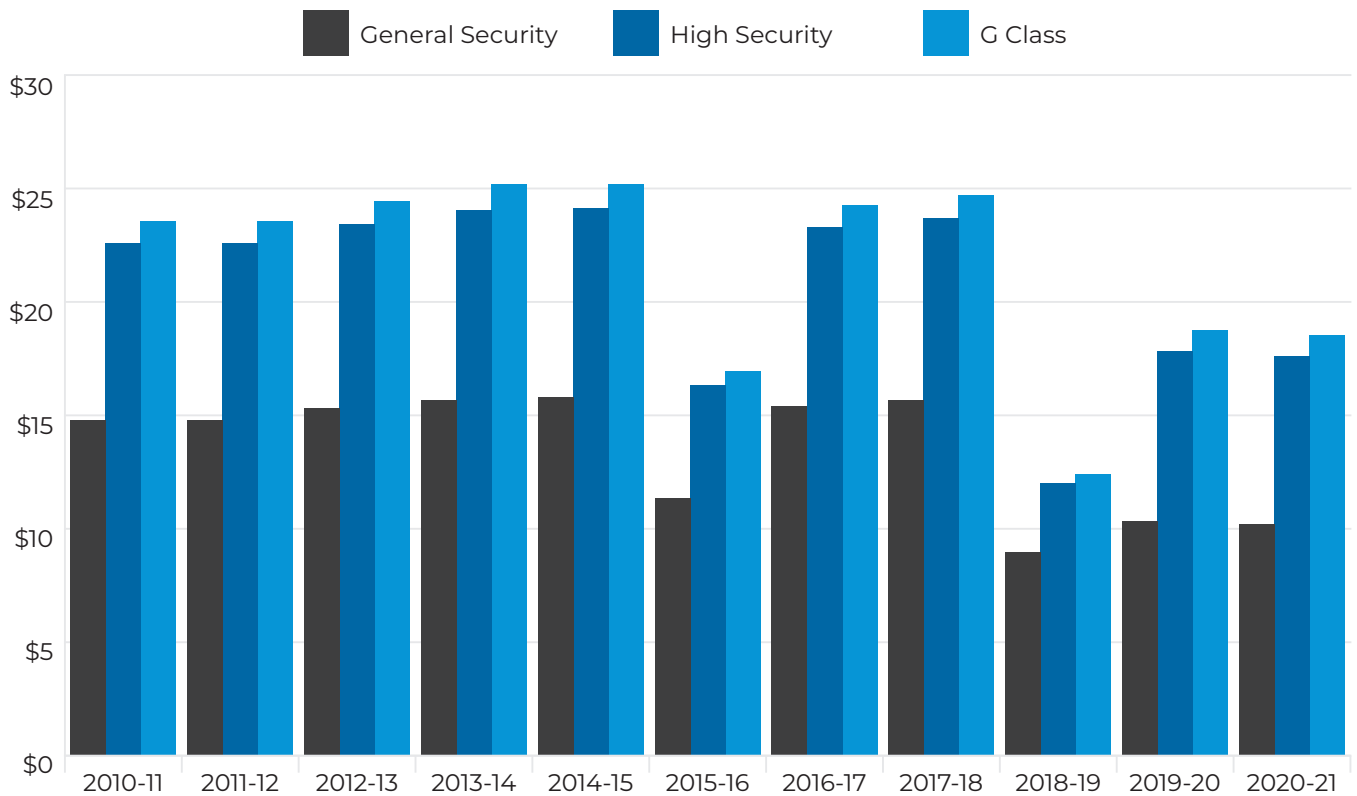
Farms within Coleambally Irrigation District	497
Farms within Coleambally Irrigation Area	438
Number of business entities owning landholdings	332
Number of Shareholders	284
Number of Voting members	231
Area of Operations	456,821 ha

BUSINESS TRENDS

GENERAL SECURITY ALLOCATIONS



WATER CHARGES



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CONTACT

Phone: +61 2 6954 4003

Email: enquiries@colyirr.com.au

Website: www.colyirr.com.au

ADDRESS TO

Coleambally Irrigation Co-operative Limited
PO Box 103, Coleambally NSW 2707