



# ANNUAL REPORT 2023





# TABLE OF CONTENTS

|           |   |           |
|-----------|---|-----------|
| <b>01</b> | <b>Reports</b>                                | <b>2</b>  |
|           | Chairman and Chief Executive Officer's Report | 3         |
|           | Sinking Fund Report                           | 7         |
|           | External Matters Report                       | 8         |
| <b>02</b> | <b>Financial Statements</b>                   | <b>10</b> |
|           | Directors' Report                             | 12        |
|           | Consolidated Income Statement                 | 17        |
|           | Consolidated Statement of Changes in Equity   | 17        |
|           | Consolidated Balance Sheet                    | 18        |
|           | Consolidated Statement of Cash Flows          | 19        |
|           | Notes to the Financial Statements             | 20        |
|           | Directors' Declaration                        | 42        |
|           | Independent Audit Report                      | 43        |
| <b>03</b> | <b>Biographies</b>                            | <b>45</b> |
|           | Director Biographies                          | 46        |
|           | Management Biographies                        | 48        |
| <b>04</b> | <b>Business Data And Trends</b>               | <b>50</b> |
|           | Business Data                                 | 51        |
|           | Business Trends                               | 52        |
|           | Your Co-operative at a Glance                 | 52        |

# 01 REPORTS



# CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT

FY2023 was the second full financial year following the incorporation of the assets of Coleambally Irrigation Mutual Co-operative Limited (CIMCL) into Coleambally Irrigation Co-operative Limited (CICL) and we are again able to report that no unrecorded CIMCL liabilities have arisen. CICL continues to honour its deed poll undertaking and only expended the transferred CIMCL sinking fund on construction, replacement and refurbishment of its irrigation assets and continues to manage its sinking fund in accordance with CICL's Rule 126. For FY2023's report on the sinking fund, please refer to page 7.

The 2022/23 water year saw a continuation of the wet conditions experienced in the 2021/22 water year. Throughout the year storages that feed the Murrumbidgee Valley remained near full and the focus of river operations was on managing flood risk with dams releasing water for airspace operations and flood mitigation.

On 1st July 2022 the NSW Department of Planning and Environment (DPE) made a 35% general security allocation announcement which led to 100% allocation in January 2023. This was the third 100% allocation year in a row. This irrigation season, 2023/24, allocations for general security started at 37%.

CICL was able to offer a 10% member benefit on 1st July 2022. This was made available due to efficiency savings and was at no cost and based on Delivery Entitlement (DE) held. In addition, in late-November 2022 a 4% water offer, at zero cost and based on DE, was offered to members. This compares to the previous water season when a 10% member benefit at no cost was made on 1st July and a 4% offer at a discounted price in August. The magnitude of these substantial benefits to members cannot be underestimated and often underpin the viability of our members' farms and the local community. Member benefits and additional water offers arise due to efficiency savings and in some years, CICL's carryover. We take the opportunity to remind readers of the Annual Report that CICL and its members, over nearly two decades, have invested significantly in enhancements made to CICL's delivery system, and these enhancements, coupled with member foresight, enable CICL to provide its member benefit. CICL's ability to provide a member benefit early in a water season, coupled with realistic, early season water allocation announcements by the DPE, enable irrigators to make timely decisions as to whether they will plant a crop or trade their available water on the temporary market. The early announcement of a member benefit continued for the 2023/24 water season with a 10% announcement on 3rd July 2023. CICL will continue, where possible, to make early announcements regarding member benefit and additional water offers, however, we remind members that this will not always be possible and not to rely on receiving a member benefit when making your business decisions. CICL is also concerned that the Water Market Reform Bill may have potential ramifications for discounted or zero cost water offers.

Following CICL's 2022 winter works programme, the main offtake was opened on Tuesday 2nd August with water available to members from Monday 15th August. For the 2023 winter works programme, the offtake was closed on 25th May with delivery ceasing on 7th June. In both these years, CICL has delivered water to our customers for a significantly longer period than the 200 days in our Delivery Entitlement policy. Whilst these longer delivery periods provide our irrigators with delivery flexibility, the consequences are a shorter window for winter works and a potential revision of charges to account for the longer operating period. Whilst management remains committed to providing delivery flexibility and meeting the needs of our customers, it is important to note that extended delivery periods may not always be possible.

For FY2023, following a period when CICL did not increase its charges, members were advised that charges were increased by approximately 4.85%. This increase was below the consumer price index (CPI) of 5.10% at the time, and appeared to be below other major irrigation infrastructure operators' increases. For FY2024, the Board increased its charges by 6.12% which was below CPI of 7%, Government charge increases of 7.7% and other major irrigation infrastructure operators whose charges increased by between 7% and 40%.

Keeping increases below CPI is consistent with the Board's stated intent, however, may not always be possible. The unavoidable increases in charges have resulted in the general security access charges and compliance fee for FY2024 being \$12.55/DE (FY2023 was \$11.82/DE) compared to 2009's charge of \$12.50/DE and the sinking fund levy being \$3.34/DE (FY2023 was \$3.15/DE) compared with \$3.11/DE in 2009. 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.

CICL made a profit before tax of \$6.0m in FY2023 compared to a loss before tax of \$3.2m in FY2022. This result is mainly due to the positive investment returns (including interest) achieved in FY2023 (\$9.6m) compared to the negative returns (-\$1.6m) achieved in the previous year. Global geopolitical factors, high inflation, increases in interest rates and the threat of recession, all contributed to a volatile year in financial markets. The investment return of \$4.8m on the operating fund was significantly higher than the negative return of \$0.2m of FY2022. The sinking fund's investment return was a positive \$4.8m which was significantly above the negative \$1.4m of the previous year. We were pleased that our investment portfolios performed better than the Lonsec Strategic Asset Allocation benchmarks which we use to evaluate our two portfolios' performance. This indicates that the portfolio investment strategies that we employ are performing as expected. Operating revenue was lower than in FY2022 due to CICL receiving very little income from water sales due to the low temporary sales price and the member water offer being at zero cost. Most expenses were above those of FY2022 with employee benefit expenses 7.9% greater than in FY2022 mainly due to a general CPI increase and a slight increase in headcount.

### **Chairman and Chief Executive Officer's Report**

The FY2023 irrigation season's system fill started with most of the major winter works that were scheduled completed, however, due to the high river we were unable to do works upstream of the main offtake. The major winter works' projects undertaken included: stabilising bridge abutments; installing culverts; upgrading the Node 1000 communication tower; upgrading regulators and FlumeGates; continuing the drainage inlet replacement program; replacing stock stops and fencing; zinc metal spraying and fitting sacrificial anodes; trimming channels to improve flow; desilting and upgrading the Rotorks. During the season there were the ongoing weed control programs, fixing yabby holes, bank repairs, and the clearing of channels and drains of flood materials and blowgrass. In certain places, blowgrass was a significant problem for much of the season.

As mentioned last year, forward ordering remains a big challenge for the Water Operations team, especially following climatic (rain or heatwave) events. It is a credit to our staff that in overall terms the majority of irrigators' water demands were met, however, for two days in January restrictions were imposed on irrigators. In order to meet 2-hour orders from our irrigators, your assistance is needed in helping us make our 7-day orders with WaterNSW as accurate as possible.

Due to the regular rainfall events throughout the season, irrigator usage was not as forecast, and some water releases were needed to be made through the escapes to prevent over topping of some regulator pools. These uncredited releases added to our losses for the season and resulted in them being a similar volume to the prior season. This season, management of water delivery and drainage was impacted by the rain and flooding. Overall, we believe the drainage system performed well and we thank CICL's staff for managing the water delivery and drainage system in a professional and efficient manner.

Work, health and safety (WHS) continues to be a priority for the business, and we continue to make every effort to ensure our staff, contractors and visitors are provided with a safe working environment. Unfortunately, this past year we had one lost time injury of 12 days, however, fortunately, the staff member who was injured has recovered well. During the year our ISO45001:2018 WHS accreditation was audited and no major non-conformities were reported. We also initiated a wellness program for staff that has been well attended and is achieving its goals.

In addition to the abovementioned, focus areas of the Board and Management in FY2023 included:

- Managing investment funds of circa \$100m in accordance with investment policy and strategies. Numerous meetings were held with our investment advisor, Lonsec, and existing and prospective fund managers.
- Working on a project to replace the Share Register.
- Undertaking a review of CICL systems and formulating a digital transformation roadmap.
- Installing monthly patches on the Windows, Exchange and SharePoint servers to protect against any vulnerabilities and cyber threats.
- Continuing with independent, monthly flow verifications at the offtake and twice-yearly tip testing of irrigator FlumeGates, including independent testing.
- Working with the DPE and the Commonwealth Environmental Water Holder (CEWH) on our environmental watering program, including with the assistance from some members. The CEWH visited some sites during the year and was very complimentary regarding the program and our staff's commitment to it.
- Complying with EPA requirements. Overall we had few reportable incidents, however, this could have been due to an approved suspension of testing due to the flooding. The EPA inspected our area of operations and advised that the operating conditions of our Environmental Protection Licence were complied with.
- Enforcing the rice soil suitability policy. Unfortunately, we had a few instances where the policy was breached and penalties were imposed on the transgressors. A member also had a penalty imposed for draining contaminated water into a supply channel.
- Having consultants assist the design of a potential increase of CICL's in-system storage.
- Advocating with Murrumbidgee Irrigation for a river optimisation study as a new SDLAM and efficiency project.
- Working on compliance with the NSW metering requirements for CICL's offtake, including upgrading the board of the Accusonic for the installation of a local intelligence device (LID), and replacing sensors and cables.
- Resetting the Strategic Plan for 2023-2028 and continuing to work through the strategic objectives and initiatives as per the 2018-2023 Strategic Plan. We thank the member focus group for their assistance.
- Continuing to raise concerns to governments, industry bodies and politicians regarding the SDLAM projects and the impacts on irrigators should the anticipated savings from these projects not eventuate when the Basin Plan reconciliation occurs. We also raised concerns regarding the 450GL efficiency projects for enhanced environmental outcomes and the potential for buybacks. We are very concerned that any reduction in the consumptive pool will have a direct impact on our members and community.
- Providing input into the Water Market Reform consultation which will have cost and reporting obligations on the business.

### **Chairman and Chief Executive Officer's Report**

- Managing the WaterMart platform.
- Continuing the review of the unauthorised use of CICL's assets, including land, channels, and drainage areas.
- Providing members with relevant and timely information by way of the member newsletter.
- Updating the CICL website, particularly the careers section, and updating the policy, procedures and induction manual, and numerous fact sheets.
- Holding a hybrid AGM for the first time.
- Attending careers days at schools and industry groups.
- Attending meetings held by the One Basin CRC and assisting in scoping research projects.

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. Peter serves on the board of NSWIC and Jenny serves as deputy-chair on the board of National Irrigators. It was very pleasing that in March 2023, NSWIC recognised Jenny naming her as an Honorary Delegate and in July 2023, a former Chair of CICL, Trent Gardiner, was made a Life Delegate. Our congratulations to both Jenny and Trent for their well-deserved recognition.

In FY2023 Peter Sheppard continued to serve as CICL's delegate to WaterNSW' Murrumbidgee Customer Service Committee and the River Operations Stakeholder Consultation Committee, Keith Thompson serves as a Member of the Murrumbidgee Environmental Water Advisory Group (EWAG) and Steve Oosthuysen on the Yanco Creek Technical Advisory Committee that has been advising on the Yanco Creek SDLAM projects.

FY2023 remained extremely busy from an advocacy perspective. The results of the state election certainly added to the workload with new relationships to nurture. During the year many meetings and video conferences were attended and numerous submissions were lodged. The amount of consultation remains substantial. From an advocacy perspective, during the year we met with the Federal Water Minister, Tanya Plibersek, the Shadow Minister for Water, Senator Perin Davey, and the Deputy Opposition Leader, Sussan Ley. In addition to meetings with the NSW Water Ministers (present, Rose Jackson, and former, Kevin Anderson) we also met with or made representations to local Members (Murray - Helen Dalton, Albury - Justin Clancy, and Wagga - Dr Joe McGirr) and Mark Banasiak of the Shooters, Fishers and Farmers party. We were also visited by Andrew McConville, MDBA CEO, and Dr Simon Banks, the Commonwealth Environmental Water Holder, and held quarterly meetings with Amanda Jones, DPE Deputy Secretary. Submissions were also made regarding: the rainfall runoff regulation; regional water strategies; the Productivity Commission's 5-year review; the IPART review of WaterNSW charges; the National Resources Commission review of the Water Sharing Plan; the Basin Plan water recovery; and the Roadmap for Water Market Reform. For further information on advocacy matters, please refer to the External Matters' Report on page 8.

During the year, other than the hybrid AGM we held one member meeting which was well attended. The meeting, in August 2022 was an update from DPE on water allocations.

Changes in CICL personnel since the last Annual Report are as follows. We appointed Laura Sleeman as GIS Officer, Genna Rixon as Administration Assistant, and Ben Hoare as Mechanical/Channel Technician. It was also an immense pleasure to award Emily Hibbert the Grant Latta Bonded Scholarship. Emily is studying for a Bachelor of Agricultural Science at CSU and will be working for our Compliance Division during her university vacations.

During the year Chris Chirgwin, Steve Knight and Mark Robb retired from the business. All were valued employees who were well respected within the business and the community. We thank them for their service to CICL and wish them well in their retirement. Luke Fox resigned during the year.

As announced to members in late March, Clifford Ashby declined the Board's offer to extend his contract in order to retire from full-time employment and transition to a non-executive director portfolio. Clifford has been with CICL for over six years and made a significant contribution to the business. Clifford's style empowered his staff promoting a greater sense of ownership. He leaves us with a five year strategic plan. A major achievement was changing the structure of CICL from a distributing cooperative to a non-distributing cooperative and successfully getting a private binding ruling to qualify as a public authority for tax purposes. This means that we are a non-tax paying entity which is an enduring benefit to CICL and its members.

On behalf of the Board, staff and members, as chair of the Board, I wish Clifford and Robin all the best in their retirement.

Following an extensive search, Julian Speed has been appointed to the role of CEO and will commence in October. Julian is an experienced CEO who until recently was CEO of South Australian Forestry Corporation. He has worked in a range of agricultural focused businesses, including the grain, water technology and irrigation sectors. Julian, his partner and children will be moving to Coleambally so please join us in welcoming them.

### **Chairman and Chief Executive Officer's Report**

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. CICL continues to provide funding and in-kind support to many community organisations, charities and sporting clubs, and continued to do the accounting and payroll function for the Coleambally Community Club until its recent audit. CICL continues 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.

At the 2022 AGM Denise Kelly was appointed to the Board. Denise has settled in well and been making valuable contributions.

Sharon Smith, independent director, is due to retire at the 2023 AGM and has renominated. The Board fully supports Sharon's renomination as independent director, and we ask you to endorse her reappointment.

Craig Perkins, a highly valued member director, is also due to retire at the 2023 AGM and has renominated. Craig's renomination has the Board's full support. Further nominations for the member director position have been called and will close on 20th September.

Following the closing of nominations, should a ballot be required, ballot papers will be sent on 21st September with the closing date for the return of ballot papers on 24th October.

Bruce Brown, independent director announced last year that he would be retiring in March 2024 after close to 20 years of service. Bruce has been an outstanding director, offering sound governance, commercial and financial expertise and will be sorely missed. We wish Bruce all the best for the future and thank him for his magnificent commitment and support and his passion for the Coleambally brand. The Board will be conducting an extensive search for a replacement for Bruce and will announce the appointee in due course.

Following a call for members to nominate for the CERC last year, the lack of nominations resulted in the committee going into recess and its activities being transferred to the Board in November 2022.

CICL's continued success rests with all of us and particularly you, our members. We appreciate your continued willingness to support major propositions put to you by the Board and your compliance with CICL's Rules.

The Board and management remain collaborative and aligned in pursuing CICL's goals and strategy and we thank our committed staff and Directors 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 (Chair); Bruce Brown; Peter Sheppard; and Craig Perkins. Iain Stewart stepped down from the Committee following the 2022 AGM. The Sinking Fund Committee held 6 formal meetings during FY2023.

At 30 June 2023 the sinking fund's value was \$52m (FY2022 - \$46.4m) which included the funds transferred from CIMCL in FY2021 and which at 30 June 2023 amounted to \$22.1m (FY2022 - \$25.1m). The sinking fund's investment return for the year was a positive \$4.8m compared to a negative \$1.4m the previous year. As mentioned in the Chairman's and CEO's report, the economic impact of global geopolitical factors, high inflation, increases in interest rates and the threat of recession, all contributed to the volatile year in financial markets. We were pleased that the sinking fund portfolio performed better than our target with an annual return of 9.5%. All funds in the sinking fund continue to be invested in accordance with the "growth portfolio with alternatives" strategy which is targeting a return of 6.4% with a growth:defensive strategy weighting of 90:10.

At year end the sinking fund had a receivable of \$1.6m owing for the sinking fund levy and casual usage charge for FY2023 which was invoiced in June and will be invested when it is received in July/August. During the year, \$0.9m was reimbursed to CICAL's operating reserves for allowable capital expenditure incurred in FY2023 (FY2022 - \$1.3m).

As mentioned in the Sinking Fund Report last year, the funds transferred from CIMCL are being separately accounted for and can only be expended on future expenses to be incurred for the maintenance, replacement and refurbishment of CICAL's irrigation assets. The CIMCL funds will be utilised first and will consequently reduce to zero over time.

Following an increase in the Sinking Fund levy from \$3.00/DE to \$3.15/DE for FY2023, the Committee recommended to the Board that the sinking fund levy for FY2024 be increased by 6% to \$3.34/DE. This increase is below CPI, which at the time the decision was made, was 7%. This increase was approved by the Board and advised to Members in June 2023. The Committee believes that it is imperative that the sinking fund continues to grow to meet the future asset maintenance, replacement and refurbishment requirements as forecast by management and assessed in the MEERA and Mercer reports.

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

|                                       | 2023   | 2022   |
|---------------------------------------|--------|--------|
| Australian Equities                   | 24.65% | 25.91% |
| Global Equities                       | 25.02% | 22.55% |
| Emerging Markets                      | 3.65%  | 3.80%  |
| Property and Infrastructure           | 18.08% | 24.07% |
| Growth Alternatives                   | 13.42% | 8.71%  |
| Defensive Alternatives                | 4.50%  | 4.86%  |
| Fixed Interest and Diversified Income | 8.13%  | 8.96%  |
| Term Deposits                         | 2.55%  | 1.14%  |

CICL's capital expenditure which meets the criteria for reimbursement from the sinking fund for FY2023 was \$1m (\$1.8m budgeted) with the major items being: FlumeGate and meter replacements; drainage inlet replacements; regulator upgrades; escape upgrades; culvert replacements; replacing a communications tower and nodes; and replacing berm drains. This amount will be reimbursed to CICAL's operating fund in August 2023.

The CICAL budgeted capital expenditure for which funding will be sought from the sinking fund for FY2024 is \$2.1m with the major items being: regulator upgrades; upgrade to control equipment at the Hort regulator; FlumeGate replacements; drainage inlet and berm drain replacements; upgrading of communications infrastructure; meter and meter outlet upgrades; and piezometer replacements.



Sharon Smith  
Chairman



Clifford Ashby  
Chief Executive Officer

# EXTERNAL MATTERS REPORT

Key deadlines are approaching for implementation of the Murray-Darling Basin Plan (Basin Plan), with the Hon. Tanya Plibersek, Minister for the Environment and Minister for Water (the Minister), acknowledging in late July 2023 the Murray-Darling Basin Plan (Basin Plan) could not be delivered by the June 2024 deadline.

In July 2023, the Murray-Darling Basin Authority (MDBA) formally advised the Minister full implementation of the Basin Plan will not be possible by 30 June 2024. The MDBA goes on to say that Basin Governments must find a clear pathway so that the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects can be delivered. The MDBA notes the importance for ecological outcomes of relaxing constraints is material and would provide a significant sustainable diversion limit off set.

In the last 12 months CICL, along with irrigation industry stakeholders, has focussed on the importance of Basin Governments acknowledging this reality and finding solutions to the challenges facing Basin Plan implementation to avoid the need for further buyback of water from the consumptive pool. CICL has supported timeframe extensions as well as the opportunity for new projects to be included in the SDLAM. The capacity to allow new projects is important because the Menindee Lakes Reconfiguration will not deliver the benefit previously assumed for this project.

CICL and Murrumbidgee Irrigation are working together on a "Murrumbidgee Optimisation" project. This builds on preliminary work completed by Blackwatch Consulting. We are seeking external funding for a feasibility study to understand the water efficiency and environmental benefits of increased mid-Murrumbidgee re-regulation capacity, and better integration of irrigation infrastructure operators and environmental water orders with river operational water in the Murrumbidgee. We started this project because of the risk our communities face if the SDLAM projects result in less than 605GL of "off sets" and acknowledgement that some of the SDLAM projects will not deliver the benefits to the mid-Murrumbidgee wetlands as first envisaged.

The Murrumbidgee Water Resource Plan (WRP) still has not been accredited by the MDBA despite consultation with the community on the WRP ending four years ago. CICL believes accountability for this failure rests with both the Murray-Darling Basin Authority and NSW Department of Planning and Environment, and is damaging to irrigators' reputations. The Water Sharing Plan (WSP) for the Regulated River Murrumbidgee Water Source was quietly updated by the NSW Water Minister in December 2022. The updated WSP is consistent with the WSP in the WRP documents submitted to the MDBA. The updated WSP includes several changes including removal of the 30 May closure date for annual allocation trades. However, key principles such as water account rules remain unchanged.

The Commonwealth Roadmap to Water Market Reform prepared by Daryl Quinlivan was released in October 2022 with all its recommendations accepted by the Minister. Key recommendations include a Commonwealth mandatory intermediary code, Commonwealth regulation of market conduct including insider trading, and improved data and system integration. The Bureau of Meteorology will be the custodian of the data, with all trades and transfers (water allocation, water entitlements, delivery entitlements) reported to the Bureau which is building a National Water Data Hub. CICL and its members will be captured by these reforms. The Government is preparing amendments to the Water Act 2007 (Cth) and Murray-Darling Basin Plan 2012 (Cth) to support these changes. The supporting regulations are still to be written and will include the detail of the new data requirements, along with details of water announcements that will need to be publicly reported. CICL will need to make investments in its systems to allow it to efficiently comply with the new data requirements and potential information requests from the regulators - the ACCC and the Inspector-General Water Compliance. No funding is available to CICL to support compliance with this increased regulation.

The NSW Government, in its response to the NSW Upper House Status of Water Trading Inquiry, relies heavily on these Commonwealth reforms to address the concerns about market transparency and market conduct raised through this inquiry.

The NSW state election in March 2023 resulted in a change in Government and a new Water Minister, the Hon. Rose Jackson. The NSW Government is reliant on independents in the Lower House to pass legislation and this presents an opportunity. New South Wales Irrigators' Council (NSWIC) is actively working with the new Government and independents to raise awareness of the Basin Plan issues, including the approaching key deadlines. NSWIC have completed several key pieces of work in the last 12 months to draw attention to the issues facing communities and government and providing solutions. CICL continues to support NSWIC and Peter Sheppard, our chair, is a member of the NSWIC Board.

The southern Basin gravity irrigation infrastructure operators (IIO) CICL, Murray Irrigation Limited and Murrumbidgee Irrigation, are working together to improve communication of IIO issues to the NSW Government. This is a positive opportunity to improve dialogue with the NSW government on key issues critical to our businesses.

A positive outcome during the year is that the rainfall run-off regulation, which is required by CICL's members, remains in place after the Shooters, Fishers and Farmers party did not support its disallowance in the NSW Upper House. The regulations which allow flood plain harvesting licences and require the measurement of water take associated with flood plain harvesting remain in place.

The release of the next stage of the Regional Water Strategy for the Murrumbidgee was delayed, with further information expected later in 2023. CICL's view is the next version of these strategies must be more focussed and integrate with what is being considered as part of the Basin Plan, including the Roadmap to the Basin Plan review released by the MDBA in June 2023.

***External Matters Report***

The Murrumbidgee catchment again experienced high inflows in 2022/23, which resulted in full allocations for entitlement holders, extended periods of access to supplementary water, and water for the environment. Another year of high inflows requiring flood operations has again focused attention on WaterNSW' airspace management by communities and towns impacted by flooding.

I thank the Board for its support over the last 12 months as CICL has focussed on a range of important external policy issues. I thank Clifford Ashby, retiring Chief Executive Officer, for his guidance and support which has contributed to ensuring CICL's views on external issues are clearly communicated and understood by Governments.



Jenny McLeod  
Policy and Communication Manager



**02**  
**FINANCIAL**  
**STATEMENTS**

Coleambally Irrigation Co-operative Limited

ABN 75 951 271 684

30 June 2023

## FINANCIAL STATEMENTS

|   |    |
|---|----|
| Directors' Report                           | 12 |
| Consolidated Income Statement               | 17 |
| Consolidated Statement of Changes in Equity | 17 |
| Consolidated Balance Sheet                  | 18 |
| Consolidated Statement of Cash Flows        | 19 |
| Notes to the Financial Statements           | 20 |
| Directors' Declaration                      | 42 |
| Independent Audit Report                    | 43 |

# DIRECTORS' REPORT

Your Directors present their report on Coleambally Irrigation Co-operative Limited for the year ended 30 June 2023.

## **DIRECTORS**

The following persons were Directors of the Co-operative during the financial period:

|              |   |             |                      |
|--------------|---|-------------|----------------------|
| 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 (Resigned 26 October 2022)  | S Smith     | Independent Director |
| D M Kelly    | Member Director (Appointed 26 October 2022) |             |                      |

## **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:

|   | 2023         | 2022           |
|---|--------------|----------------|
|   | \$'000       | \$'000         |
| Surplus/(deficit) before income tax expense | 6,026        | (3,201)        |
| Income tax (expense)/credit                 | (1)          | (2)            |
| Net surplus/(deficit) after income tax      | <u>6,025</u> | <u>(3,203)</u> |

The financial result achieved during FY2023 needs to be seen in the context of:

- Another year of 100% General Security water allocation and the provision of an additional 10% of DE held at no cost;
- CICL access charges, compliance levy and infrastructure charges increased by 4.85% from FY2022 prices. CICL sinking fund levy increased by 5%;
- delivery of 240,796 Megalitres, down from 249,873 Megalitres in FY2022;
- revenue from the sale of water allocation of \$10,000, down from \$1,580,000 in FY2022;
- no revenue from the sale of water entitlements;
- casual usage charge revenue of \$282,000, down from \$286,000 in FY2022;
- a net gain of \$4,784,000 on our investment portfolio, up from a loss of \$133,000 in FY2022;
- a net gain of \$4,819,000 on our Sinking Fund investment portfolio, up from a loss of \$1,428,000 in FY2022;
- higher WaterNSW charges due to the higher prices.

CICL's deficit from its core business was \$5,166,000 compared to a corresponding deficit of \$3,156,000 in the previous year.

*Directors' Report****SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS***

There have been no significant changes in the state of affairs of the Co-operative during the financial year.

***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 \$12,775 (2022: \$9,871) 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 Sinking Fund 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>   |
| B M Brown    | <p>Commenced as a Director of the Co-operative on 20 July 2004.</p> <p>Director of CIMCL from 1 March 2007 to 18 May 2021.</p> <p>Senior management roles with a number of large agribusiness entities.</p> <p>In addition, he has served on a number of government committees including: National Rural Advisory Committee (1999-2005). He is currently a NSW Natural Resource Access Regulator Board Member.</p> | <p>Chairman of the Audit, Risk and Corporate Governance 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>Resigned as a Director of the Co-operative 26 October 2022.</p>  | <p>Member of the Asset Refurbishment and Maintenance Committee.</p>  |
| D M Kelly    | <p>Commenced as a Director of the Co-operative on 26 October 2022.</p> <p>Irrigation farmer.</p>   | <p>Member of the Asset Refurbishment and Maintenance 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 Audit, Risk and Corporate Governance Committee.</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>Chairman of the Asset Refurbishment and Maintenance Committee.</p> <p>Member of the Audit, Risk and Corporate Governance 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>Chairman of the Sinking Fund Committee.</p> <p>Member of the Audit, Risk and Corporate Governance Committee.</p>  |



**Directors' Report**

**MEETINGS OF DIRECTORS**

Committees of the Board are as follows:

1. Audit, Risk and Corporate Governance Committee
2. Asset Refurbishment and Maintenance Committee
3. Sinking Fund Committee

The Coleambally Environmental and Reference Committee went into recess on 30 November 2022.

The number of meetings of the Co-operative's Board of Directors and each Board Committee held during the year ended 30 June 2023, and the number of meetings attended by each Director was:

|                         | Board Meetings | Audit, Risk and Corporate Governance Committee | Asset Refurbishment & Maintenance Committee | Coleambally Environmental and Reference Committee | Sinking Fund Committee |
|-------------------------|----------------|--|---|---|------------------------|
| Number of meetings held | 12             | 4  | 1   | 0   | 6                      |
| B M Brown               | 12             | 4  | *   | *   | 5                      |
| K H Burge               | 4              | 1**  | *   | *   | *                      |
| D Kelly                 | 7              | 2**  | 0   | *   | 5**                    |
| A T Mannes              | 11             | 3  | 1   | *   | *                      |
| C M Perkins             | 12             | 4  | 1   | *   | 6                      |
| P T Sheppard            | 12             | 4**  | 1   | 0   | 6                      |
| S Smith                 | 12             | 4  | *   | *   | 6                      |

\* = not a member of this Committee

\*\* = attendance at this Committee meetings was as a guest.

**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  
23 August 2023

**AUDITORS' INDEPENDENCE DECLARATION**

As lead Auditor of the audit of Coleambally Irrigation Co-operative Ltd for the year ended 30 June 2023, 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.



Ryan Schischka  
Director  
Johnsons MME

Albury  
23 August 2023

## CONSOLIDATED INCOME STATEMENT

| For the year ended 30 June 2023                    | Notes | 2023          | 2022    |
|--|-------|---------------|---------|
|  |       | \$'000        | \$'000  |
| <b>Revenue</b>                                     | 3     | <b>12,320</b> | 13,207  |
| <b>Other Income</b>                                | 3     | <b>4,299</b>  | 3,563   |
|  |       | <b>16,619</b> | 16,770  |
| Employee benefits expenses                         |       | (5,205)       | (4,824) |
| Materials and contracts expenses                   |       | (4,679)       | (4,733) |
| Bulk water supply expenses                         | 4     | (3,339)       | (3,103) |
| Depreciation and amortisation expenses             | 4     | (1,924)       | (1,853) |
| Administration expenses                            |       | (749)         | (559)   |
| Other expenses                                     | 4     | (194)         | (110)   |
| <b>Operating Result</b>                            |       | <b>529</b>    | 1,588   |
| Other gains/(losses)                               | 5     | 5,497         | (4,789) |
| <b>Surplus/(deficit) before income tax expense</b> | 26    | <b>6,026</b>  | (3,201) |
| Income tax (expense)/credit                        | 6     | (1)           | (2)     |
| <b>Surplus/(deficit) for the year</b>              |       | <b>6,025</b>  | (3,203) |
| Other comprehensive income                         |       | 0             | 0       |
| <b>Total comprehensive result for the year</b>     |       | <b>6,025</b>  | (3,203) |

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 2023           | Notes | Contributed Equity | Sinking Fund  | Retained Surplus | Total          |
|---|-------|--------------------|---------------|------------------|----------------|
|   |       | \$'000             | \$'000        | \$'000           | \$'000         |
| <b>Balance as at 30 June 2021</b>         |       | 132,479            | 47,653        | 52,376           | 232,508        |
| Surplus/(deficit) for the year            |       | -                  | -             | (3,203)          | (3,203)        |
| Sinking Fund Investment Return            | 17    | -                  | (1,428)       | 1,428            | -              |
| Sinking Fund Levy and Casual Usage Charge | 17    | -                  | 1,517         | (1,517)          | -              |
| Other transfers                           | 17    | -                  | (1,296)       | 1,296            | -              |
| Other comprehensive income                |       | -                  | -             | -                | -              |
| <b>Balance as at 30 June 2022</b>         |       | <b>132,479</b>     | <b>46,446</b> | <b>50,380</b>    | <b>229,305</b> |
| Surplus/(deficit) for the year            |       | -                  | -             | 6,025            | 6,025          |
| Sinking Fund Investment Return            | 17    | -                  | 4,819         | (4,819)          | -              |
| Sinking Fund Levy and Casual Usage Charge | 17    | -                  | 1,589         | (1,589)          | -              |
| Other transfers                           | 17    | -                  | (877)         | 877              | -              |
| Other comprehensive income                |       | -                  | -             | -                | -              |
| <b>Balance as at 30 June 2023</b>         |       | <b>132,479</b>     | <b>51,977</b> | <b>50,874</b>    | <b>235,330</b> |

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

# CONSOLIDATED BALANCE SHEET

| As at 30 June 2023                            | Notes | 2023           | 2022           |
|---|-------|----------------|----------------|
|   |       | \$'000         | \$'000         |
| <b>ASSETS</b>                                 |       |                |                |
| <b>Current assets</b>                         |       |                |                |
| Cash and cash equivalents                     | 7     | 441            | 2,968          |
| Other financial assets                        | 9     | 3,828          | 973            |
| Trade and other receivables                   | 8     | 11,608         | 11,298         |
| Prepayments                                   |       | 342            | 365            |
| <b>Total current assets</b>                   |       | <b>16,219</b>  | <b>15,604</b>  |
| <b>Non-current assets</b>                     |       |                |                |
| Other financial assets                        | 9     | 101,296        | 93,912         |
| Property, infrastructure, plant and equipment | 10    | 49,818         | 50,546         |
| Intangible assets                             | 11    | 75,892         | 75,892         |
| <b>Total non-current assets</b>               |       | <b>227,006</b> | <b>220,350</b> |
| <b>Total Assets</b>                           |       | <b>243,225</b> | <b>235,954</b> |
| <b>LIABILITIES</b>                            |       |                |                |
| <b>Current liabilities</b>                    |       |                |                |
| Trade and other payables                      | 12    | 3,816          | 2,518          |
| Current tax liabilities                       | 13    | 0              | 0              |
| Provisions                                    | 14    | 1,025          | 935            |
| Other   | 16    | 149            | 149            |
| <b>Total current liabilities</b>              |       | <b>4,990</b>   | <b>3,602</b>   |
| <b>Non-current liabilities</b>                |       |                |                |
| Provisions                                    | 14    | 65             | 58             |
| Members' shares                               | 15    | 485            | 485            |
| Other   | 16    | 2,355          | 2,504          |
| <b>Total non-current liabilities</b>          |       | <b>2,905</b>   | <b>3,047</b>   |
| <b>Total Liabilities</b>                      |       | <b>7,895</b>   | <b>6,649</b>   |
| <b>Net Assets</b>                             |       | <b>235,330</b> | <b>229,305</b> |
| <b>EQUITY</b>                                 |       |                |                |
| Contributed equity                            |       | 132,479        | 132,479        |
| Sinking Fund                                  | 17    | 51,977         | 46,446         |
| Retained surplus                              |       | 50,874         | 50,380         |
| <b>Total Equity</b>                           |       | <b>235,330</b> | <b>229,305</b> |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| For the year ended 30 June 2023                                     | Notes | 2023           | 2022           |
|---|-------|----------------|----------------|
|   |       | \$'000         | \$'000         |
| <b>Cash flows from operating activities</b>                         |       |                |                |
| Receipts from customers   |       | 12,035         | 11,098         |
| Payments to suppliers and employees                                 |       | (12,655)       | (12,931)       |
|   |       | (620)          | (1,833)        |
| Government grants received  |       | 74             | 71             |
| Interest received   |       | 343            | 52             |
| Income tax (paid)/received  |       | (1)            | (4)            |
| <b>Net cash inflow/(outflow) from operating activities</b>          | 21    | <b>(204)</b>   | <b>(1,714)</b> |
| <b>Cash flows from investing activities</b>                         |       |                |                |
| Payments for property, infrastructure, plant and equipment          |       | (1,389)        | (2,491)        |
| Payments for investments  |       | (12,374)       | (9,228)        |
| Proceeds from sale of property, infrastructure, plant and equipment |       | 45             | 278            |
| Proceeds from sale of investments                                   |       | 11,395         | 9,836          |
| <b>Net cash inflow/(outflow) from investing activities</b>          |       | <b>(2,323)</b> | <b>(1,605)</b> |
| <b>Net increase/(decrease) in cash held</b>                         |       | <b>(2,527)</b> | <b>(3,319)</b> |
| Cash at the beginning of the financial period                       |       | 2,968          | 6,287          |
| <b>Cash at the end of the financial year</b>                        | 7     | <b>441</b>     | <b>2,968</b>   |

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

# NOTES TO THE FINANCIAL STATEMENTS

|         |   |    |
|---------|---|----|
| Note 1  | Summary of Significant Accounting Policies  | 21 |
| Note 2  | Parent Entity Disclosure  | 26 |
| Note 3  | Revenue and Other Income  | 27 |
| Note 4  | Expenses  | 27 |
| Note 5  | Other Gains/(Losses)  | 28 |
| Note 6  | Income Tax  | 28 |
| Note 7  | Cash and Cash Equivalents   | 28 |
| Note 8  | Trade Receivables   | 29 |
| Note 9  | Other Financial Assets  | 29 |
| Note 10 | Property, Infrastructure, Plant and Equipment   | 30 |
| Note 11 | Intangible Assets   | 31 |
| Note 12 | Trade and Other Payables  | 32 |
| Note 13 | Current Tax Liabilities   | 32 |
| Note 14 | Provisions  | 32 |
| Note 15 | Members' Shares   | 33 |
| Note 16 | Other Liabilities   | 33 |
| Note 17 | Sinking Fund Reserve  | 34 |
| Note 18 | Remuneration of Auditors  | 34 |
| Note 19 | Contingent Liabilities  | 34 |
| Note 20 | Commitments for Expenditure   | 35 |
| Note 21 | Reconciliation of Net Surplus/(Deficit) After Income Tax to Net Cash Inflow/(Outflow) from Operating Activities | 35 |
| Note 22 | Related Parties   | 36 |
| Note 23 | Subsidiary  | 37 |
| Note 24 | Events Occurring After the Reporting Date   | 37 |
| Note 25 | Financial Risk Management   | 38 |
| Note 26 | Segmental Reporting   | 41 |
| Note 27 | Statutory Information   | 41 |

## **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"). Coleambally Irrigation Co-operative Limited is a member owned co-operative, domiciled in Australia, which supplies irrigation water to its members and customers.

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

### **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with the Co-operatives (Adoption of National Law) Act 2012, and Interpretations of the Australian Accounting Standards Board. 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 for financial reporting purposes under Australian Accounting Standards.

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. Consequently, where appropriate the Group has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities.

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

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.

#### **(a) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Coleambally Irrigation Co-operative Limited (the Parent) as at 30 June 2023 and the results of all subsidiaries for the year then ended. Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The effects of all transactions between entities in the consolidated entity are eliminated in full on consolidation.

A list of controlled entities is contained in Note 23. All controlled entities have a 30 June financial year end. Uniform accounting policies are adopted by the Group.

#### **(b) Revenue and other income**

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

##### **(i) Water Sales**

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.

##### **(ii) WaterNSW Charges**

WaterNSW charges includes both fixed charges (Access Fees) and variable water charges (Usage). These charges to members are raised to recover costs charged to the Group by WaterNSW.

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

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

##### **(iii) CICL Charges**

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

### Notes to the Financial Statements

(iv) *CICL Sinking Fund Levy*

Sinking fund levies are fixed charges levied on Members based on their Delivery Entitlement. Revenue is recognised over time on a pro-rata basis over the financial year to reflect Members' continuous access but are not invoiced to Members until June each year. Refer to Note 17 for detail on the purpose of the sinking fund.

(v) *Termination Fees*

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

(vi) *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 16)

(vii) *Investment Distributions*

Investment distributions relate to distributions received from units held in managed funds which are recognised at a point in time when right to receive payment is established.

(viii) *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".

(ix) *Interest*

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

**(c) 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.

**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits at call with bank and short-term term deposits.

**(e) Trade and other receivables**

Trade and other receivables represent water charges for services provided by the Co-operative, which are billed annually in June each year, and other amounts due for goods and services provided. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally settled within 30-90 days from the date of recognition.

A provision for expected credit losses is also maintained based on the lifetime expected credit loss of revenue transactions.



**Notes to the Financial Statements****(f) Other financial assets at fair value through the profit and loss**

Other financial assets include investments in managed funds, equities and long-term term deposits. The Group has elected to recognise investments in managed funds and equities at fair value through profit or loss. These assets are initially recognised at cost and subsequently remeasured at fair value based on quoted market prices. Any fair value movements during the year are recognised within profit or loss as an 'other gains/ (losses)'. Term deposits are initially recognised at cost and subsequently at amortised cost.

These investments are classified as non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

**(g) Property, infrastructure, plant and equipment**

All property, infrastructure, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment. 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.

The cost of fixed assets constructed by the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, infrastructure, 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 |

**(h) Maintenance and repairs**

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

**(i) Impairment of non-financial 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.

**(j) 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(i)).

**(k) 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.

**(l) Goods and Services Tax**

Revenue, 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

### (m) 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.

### (n) 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". Members' Shareholdings are held at cost which represents the Group's obligation to repayment amounts in respect of any share that become inactive.

### (o) 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.

### (p) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

### (q) Financial Instruments

#### (i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Notes to the Financial Statements****(ii) Classification and subsequent measurement**

All financial liabilities held are subsequently measured at amortised cost.

The Group has elected to measure financial investments held at fair value through profit or loss. All other financial assets held are subsequently measured at amortised cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

**(r) Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts to the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of the assets and liabilities that are not readily apparent from other sources.

Depreciation is a key area of estimation and judgement in estimating the useful life of items of property, infrastructure, plant and equipment as detailed at Note 1 (g).

**(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. There have been no new accounting standards in the current reporting period, or issued but not yet effective, which the Directors have assessed as having a material impact on the consolidated financial statements.

**(t) Comparative balances**

Comparative balances have been reclassified where appropriate to enhance comparability.

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

|  | 2023         | 2022           |
|--|--------------|----------------|
|  | \$'000       | \$'000         |
| <b>Surplus/(deficit) for the year</b>          | <b>6,022</b> | <b>(3,200)</b> |
| Other comprehensive income                     | 0            | 0              |
| <b>Total comprehensive result for the year</b> | <b>6,022</b> | <b>(3,200)</b> |

**Balance Sheet of parent entity Coleambally Irrigation Co-operative Limited**

|                          | 2023           | 2022           |
|--------------------------|----------------|----------------|
|                          | \$'000         | \$'000         |
| <b>ASSETS</b>            |                |                |
| Current assets           | 16,196         | 15,600         |
| Non-current assets       | 227,006        | 220,350        |
| <b>Total Assets</b>      | <b>243,202</b> | <b>235,950</b> |
| <b>LIABILITIES</b>       |                |                |
| Current liabilities      | 4,970          | 3,603          |
| Non-current liabilities  | 2,905          | 3,047          |
| <b>Total Liabilities</b> | <b>7,875</b>   | <b>6,650</b>   |
| <b>Net Assets</b>        | <b>235,327</b> | <b>229,300</b> |
| <b>EQUITY</b>            |                |                |
| Contributed equity       | 132,479        | 132,479        |
| Sinking Fund             | 51,977         | 46,447         |
| Retained surplus         | 50,871         | 50,374         |
| <b>Total Equity</b>      | <b>235,327</b> | <b>229,300</b> |

**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 \$0 (2022:\$157).

**Contingent liabilities**

At 30 June 2023, CICL had a contingent liability (2022: same) as a consequence of the transfer of Coleambally Irrigation Mutual Co-operative Limited's sinking fund. 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. 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.

**Contractual commitments**

At 30 June 2023, CICL had entered into contractual commitments for the acquisition of property, infrastructure, plant and equipment as set out in Note 20.

## Notes to the Financial Statements

**NOTE 3 REVENUE AND OTHER INCOME**

|   | Notes | 2023          | 2022          |
|---|-------|---------------|---------------|
|   |       | \$'000        | \$'000        |
| <b>(a) Revenue</b>  |       |               |               |
| Sale of water   |       | 10            | 1,580         |
| WaterNSW Charges  |       | 3,032         | 2,839         |
| CICL Charges  |       | 7,393         | 7,065         |
| CICL Sinking Fund Levy (including share of Casual Usage Charge) |       | 1,589         | 1,517         |
| Other revenue   |       | 296           | 206           |
| <b>Total revenue</b>  |       | <b>12,320</b> | <b>13,207</b> |
| <b>Timing of revenue recognition</b>                            |       |               |               |
| Products and services transferred to customer                   |       |               |               |
| - at a point in time  |       | 296           | 206           |
| - over time   |       | 12,024        | 13,001        |
|   |       | <b>12,320</b> | <b>13,207</b> |
| <b>(b) Other income</b>   |       |               |               |
| Interest  |       | 343           | 52            |
| Rentals   |       | 73            | 58            |
| Distributions from managed funds and dividends received         |       | 3,763         | 3,175         |
| Net gain on sale of property, plant and equipment               |       | 46            | 207           |
| Federal and State Government Grants                             |       | 74            | 71            |
|   |       | <b>4,299</b>  | <b>3,563</b>  |

**NOTE 4 EXPENSES**

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>Expenses include the following specific items:</b> |              |              |
| Cost of sales of goods – bulk water charges           |              |              |
|   | 3,339        | 3,103        |
| Depreciation  |              |              |
| Buildings   | 40           | 45           |
| Plant and equipment                                   | 380          | 322          |
| Water Distribution and Infrastructure                 | 1,504        | 1,486        |
| <b>Total depreciation</b>                             | <b>1,924</b> | <b>1,853</b> |
| Other expenses  |              |              |
| Net loss on disposal of non-current assets            | 194          | 110          |
| <b>Total Other expenses</b>                           | <b>194</b>   | <b>110</b>   |

**Notes to the Financial Statements****NOTE 5 OTHER GAINS/(LOSSES)**

|   | 2023         | 2022           |
|---|--------------|----------------|
|   | \$'000       | \$'000         |
| Net gain/(loss) on changes in fair values of financial assets measured at fair value through profit or loss | 5,497        | (4,789)        |
|   | <u>5,497</u> | <u>(4,789)</u> |

**NOTE 6 INCOME TAX**

|  | 2023     | 2022     |
|--|----------|----------|
|  | \$'000   | \$'000   |
| <b>Numerical reconciliation of income tax expense to prima facie tax payable</b>   |          |          |
| The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating profit. The differences are reconciled as follows: |          |          |
| Net surplus/(deficit) before income tax  | 6,026    | (3,201)  |
| Income tax expense/(credit) calculated @ 25% (2022: 25%)   | 1,506    | (800)    |
| Effect of change to tax-exempt status  | (1,505)  | 802      |
| Income tax expense/(credit) attributable to operating profit   | <u>1</u> | <u>2</u> |

**NOTE 7 CASH AND CASH EQUIVALENTS**

|                          | 2023       | 2022         |
|--------------------------|------------|--------------|
|                          | \$'000     | \$'000       |
| Cash at bank and on hand | <u>441</u> | <u>2,968</u> |

**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) | 441            | 2,968         |
| Other financial assets (Note 9)  | 105,124        | 94,885        |
|                                  | <u>105,565</u> | <u>97,853</u> |

These funds are set aside for the following purposes:

|  |                |               |
|--|----------------|---------------|
| Security for Termination Fees (Note 12)            | 852            | 751           |
| Unused Termination Fees                            | 164            | 207           |
| Biodiversity Crown Land Management funds (Note 12) | 331            | 63            |
| Infrastructure maintenance reserve                 | 0              | 355           |
| Sinking Fund Reserve (Note 17)                     | 51,977         | 46,446        |
| Unearned revenue (Note 16)                         | 2,504          | 2,653         |
| Unrestricted funds                                 | <u>49,737</u>  | <u>47,378</u> |
|  | <u>105,565</u> | <u>97,853</u> |

**Notes to the Financial Statements**
**NOTE 8 TRADE RECEIVABLES**

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| Trade receivables                          | 11,625        | 11,315        |
| Less: Allowance for expected credit losses | (17)          | (17)          |
|  | <b>11,608</b> | <b>11,298</b> |

**Ageing**

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

|                        |               |               |
|------------------------|---------------|---------------|
| Not past due           | 11,592        | 11,315        |
| Past due 31 to 60 days | 0             | 0             |
| Past due 61 to 90 days | 0             | 0             |
| Over 90 days           | 33            | 0             |
|                        | <b>11,625</b> | <b>11,315</b> |

All receivables are due in 30 days. Interest is charged on overdue amounts at the rate of 6% above the prevailing RBA Cash Rate. As at the 30 June 2023 the rate was 10.1% (2022: 6.85%) per annum. The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The main source of credit risk to the Group at balance date relates to trade debtors above. The Group has no significant concentration of credit risk with respect to any single counterparty. The 'allowance for expected credit losses' is measured based on the lifetime expected credit loss for trade receivables held and reflects the Group's history of no significant credit losses in respect to trade receivables. Collectability of receivables is reviewed on an ongoing basis and amounts which are deemed to be uncollectible are written off. Amounts written off for the year ended 30 June 2023 was Nil (2022: Nil).

**NOTE 9 OTHER FINANCIAL ASSETS**

|  | 2023           | 2022          |
|--|----------------|---------------|
|  | \$'000         | \$'000        |
| <b>Current other financial assets</b>  |                |               |
| Term Deposits  | 3,828          | 973           |
| Total current other financial assets   | 3,828          | 973           |
| Non-current other financial assets at fair value through the profit and loss | 101,296        | 93,912        |
| <b>Total other financial assets</b>  | <b>105,124</b> | <b>94,885</b> |

These are units in managed funds, listed equities and term deposits managed in accordance with a documented investment strategy described at Note 25. Access to these funds is restricted as the funds are held for specific purposes (refer Note 7).

Units held are measured at fair value using the market approach based on rates quoted by fund managers in an active market. For fair value hierarchy purposes, in accordance with AASB 13 *Fair Value Measurement*, these assets are categorised as 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*. There has been no change in valuation technique used the current period.

*Notes to the Financial Statements***NOTE 10 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| <b>Land and Buildings</b>                                  |               |               |
| Freehold land - At cost                                    | 1,784         | 1,784         |
| Buildings - At cost  | 1,529         | 2,199         |
| Less: Accumulated depreciation                             | (1,042)       | (1,615)       |
|  | 487           | 584           |
| Total land and buildings                                   | 2,271         | 2,368         |
| <b>Plant and Equipment</b>                                 |               |               |
| Plant and equipment – At cost                              | 1,961         | 1,808         |
| Less: Accumulated depreciation                             | (691)         | (650)         |
|  | 1,270         | 1,158         |
| Motor Vehicles – At cost                                   | 1,276         | 1,315         |
| Less: Accumulated depreciation                             | (853)         | (677)         |
|  | 423           | 638           |
| Office Equipment and Software – At cost                    | 1,357         | 1,282         |
| Less: Accumulated depreciation                             | (1,266)       | (1,201)       |
|  | 91            | 81            |
| Total Plant and Equipment                                  | 1,784         | 1,877         |
| <b>Water Distribution and Infrastructure</b>               |               |               |
| Earth Channels – At cost                                   | 12,418        | 12,418        |
| Less: Accumulated depreciation                             | (2,757)       | (2,633)       |
|  | 9,661         | 9,785         |
| Infrastructure – At cost (a)                               | 55,413        | 54,703        |
| Less: Accumulated depreciation and impairment              | (20,457)      | (19,272)      |
|  | 34,956        | 35,431        |
| Total Water Distribution and Infrastructure                | 44,617        | 45,216        |
| <b>Capital Works in Progress</b>                           |               |               |
| At cost  | 1,146         | 1,085         |
| Total Capital Works in Progress                            | 1,146         | 1,085         |
| <b>Total property, infrastructure, plant and equipment</b> | <b>49,818</b> | <b>50,546</b> |



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

Infrastructure includes road bridges and road culverts in the Coleambally Irrigation District with a net carrying value of \$1.81 million (2022: \$1.89 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        |
| <b>Carrying amount at 1 July 2021</b>  | 2,434            | 1,327             | 45,377               | 951                      | 50,089        |
| Additions                              | 0                | 922               | 484                  | 1,085                    | 2,491         |
| Disposals                              | (21)             | (50)              | (110)                | 0                        | (181)         |
| Transfers                              | 0                | 0                 | 951                  | (951)                    | 0             |
| Depreciation expense                   | (45)             | (322)             | (1,486)              | 0                        | (1,853)       |
| <b>Carrying amount at 30 June 2022</b> | <b>2,368</b>     | <b>1,877</b>      | <b>45,216</b>        | <b>1,085</b>             | <b>50,546</b> |
| Additions                              | 0                | 243               | 0                    | 1,146                    | 1,389         |
| Disposals                              | (57)             | (1)               | (135)                | 0                        | (193)         |
| Transfers                              | 0                | 45                | 1,040                | (1,085)                  | 0             |
| Depreciation expense                   | (40)             | (380)             | (1,504)              | 0                        | (1,924)       |
| <b>Carrying amount at 30 June 2023</b> | <b>2,271</b>     | <b>1,784</b>      | <b>44,617</b>        | <b>1,146</b>             | <b>49,818</b> |

**NOTE 11 INTANGIBLE ASSETS**

|                                  | 2023          | 2022          |
|----------------------------------|---------------|---------------|
|                                  | \$'000        | \$'000        |
| Conveyance licence at cost       | 74,572        | 74,572        |
| Other water entitlements at cost | 1,320         | 1,320         |
|                                  | <b>75,892</b> | <b>75,892</b> |

**Movement in intangible assets**

|  | Conveyance Licence | General Security Tradeable | G Class High Security Non-Tradeable | Total         |
|--|--------------------|----------------------------|-------------------------------------|---------------|
|  | \$'000             | \$'000                     | \$'000                              | \$'000        |
| <b>Carrying amount at 1 July 2021</b>  | 74,572             | 794                        | 526                                 | 75,892        |
| Movements                              | 0                  | 0                          | 0                                   | 0             |
| <b>Carrying amount at 30 June 2022</b> | <b>74,572</b>      | <b>794</b>                 | <b>526</b>                          | <b>75,892</b> |
| Movements                              | 0                  | 0                          | 0                                   | 0             |
| <b>Carrying amount at 30 June 2023</b> | <b>74,572</b>      | <b>794</b>                 | <b>526</b>                          | <b>75,892</b> |

**Notes to the Financial Statements****Valuation of Conveyance Licence**

The Co-operative currently holds 117,342 ML (2022: 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 \$9,113 per ML (2022: \$7,987). Based on this value the Directors believe that the value of the Conveyance Licence is between \$918 million and \$1,069 million (2022: \$804 million and \$937 million).

**NOTE 12 TRADE AND OTHER PAYABLES**

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Trade creditors  | 983          | 252          |
| Accrued expenses   | 1,650        | 1,452        |
| Amounts held on behalf of Members as security for Termination Fees | 852          | 751          |
| Amounts held on behalf of Coleambally Biodiversity Reserve         | 331          | 63           |
|  | <b>3,816</b> | <b>2,518</b> |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**NOTE 13 CURRENT TAX LIABILITIES**

|            | 2023   | 2022   |
|------------|--------|--------|
|            | \$'000 | \$'000 |
| Income Tax | 0      | 0      |

**NOTE 14 PROVISIONS**

|  | 2023         | 2022       |
|--|--------------|------------|
|  | \$'000       | \$'000     |
| <b>Current Provisions</b>                  |              |            |
| Employee entitlements - Annual Leave       | 641          | 534        |
| Employee entitlements - Long Service Leave | 338          | 357        |
| Employee entitlements - Other              | 46           | 44         |
| <b>Total Current Provisions</b>            | <b>1,025</b> | <b>935</b> |
| <b>Non-current provisions</b>              |              |            |
| Employee entitlements - Long Service Leave | 65           | 58         |
| <b>Total Non-current Provisions</b>        | <b>65</b>    | <b>58</b>  |

**Notes to the Financial Statements**
**NOTE 15 MEMBERS' SHARES**

|                                       | 2023    | 2022    |
|---------------------------------------|---------|---------|
|                                       | Shares  | Shares  |
| Ordinary shares - fully paid @ \$1.00 | 485,256 | 485,256 |

| <b>Movement in Ordinary Shares</b> |                |               |                |
|------------------------------------|----------------|---------------|----------------|
| Details                            | No of Shares   | Issue Price   | \$             |
| <b>Balance 30 June 2021</b>        | 485,256        | \$1.00        | 485,256        |
| Issue of shares 2021/22            | 0              | \$1.00        | 0              |
| Cancellation of shares 2021/22     | 0              | \$1.00        | 0              |
| <b>Balance 30 June 2022</b>        | <b>485,256</b> | <b>\$1.00</b> | <b>485,256</b> |
| Issue of shares 2022/23            | 0              | \$1.00        | 0              |
| Cancellation of shares 2022/23     | 0              | \$1.00        | 0              |
| <b>Balance 30 June 2023</b>        | <b>485,256</b> | <b>\$1.00</b> | <b>485,256</b> |

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. Each member has one voting right irrespective of the number of shares held.

**NOTE 16 OTHER LIABILITIES**

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Unearned Revenue relating to long term supply agreements |              |              |
| Current  | 149          | 149          |
| Non-current  | 2,355        | 2,504        |
|  | <b>2,504</b> | <b>2,653</b> |

Unearned revenue relating to long term supply agreements relates to an advance payment received in respect to a 25-year long term water supply agreement. The payment received has been deferred as unearned revenue and is being released to revenue over the 25-year period to which this agreement relates.

**Amounts are expected to be released to revenue as follows:**

|                      |              |              |
|----------------------|--------------|--------------|
| Within 1 year        | 149          | 149          |
| Between 1 to 5 years | 596          | 596          |
| Over 5 years         | 1,759        | 1,908        |
|                      | <b>2,504</b> | <b>2,653</b> |

*Notes to the Financial Statements***NOTE 17 SINKING FUND RESERVE**

|   | 2023          | 2022    |
|---|---------------|---------|
|   | \$'000        | \$'000  |
| <b>Balance as at beginning of financial year</b>          | <b>46,446</b> | 47,653  |
| Transfers to Retained Earnings (CICL Capital Expenditure) | (877)         | (1,296) |
| Sinking Fund Levy and Casual Usage Charge                 | 1,589         | 1,517   |
| Sinking Fund Investment Return for the year               | 4,819         | (1,428) |
| <b>Balance as at end of financial year</b>                | <b>51,977</b> | 46,446  |

**Represented by:**

|                                 |               |        |
|---------------------------------|---------------|--------|
| Term Deposits (Note 9)          | 1,285         | 61     |
| Trade Debtors (Note 8)          | 1,528         | 1,456  |
| Other financial assets (Note 9) | 49,164        | 44,929 |
|                                 | <b>51,977</b> | 46,446 |

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 during the 2021 financial year. 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 \$22,095,000 (2022: \$25,121,000).

**NOTE 18 REMUNERATION OF AUDITORS**

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

|   | 2023      | 2022   |
|---|-----------|--------|
|   | \$'000    | \$'000 |
| Audit of the financial statements               | 33        | 31     |
| Other assurance services                        | 0         | 0      |
| <b>Total audit and other assurance services</b> | <b>33</b> | 31     |

**NOTE 19 CONTINGENT LIABILITIES**

At 30 June 2023, CICL had a contingent liability (2022: same) as a consequence of the transfer of Coleambally Irrigation Mutual Co-operative Limited's sinking fund. As at balance date no liabilities have come to fruition.

## Notes to the Financial Statements

**NOTE 20 COMMITMENTS FOR EXPENDITURE**

|  | 2023       | 2022       |
|--|------------|------------|
|  | \$'000     | \$'000     |
| <b>Capital commitments</b>   |            |            |
| 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  | 572        | 181        |
| Between 1 and 5 years  | 0          | 0          |
|  | <u>572</u> | <u>181</u> |
| The current year balance of \$572,000 (2022: \$181,000) relates to ongoing capital works   |            |            |
| <b>Investment commitments</b>  |            |            |
| Commitments for an additional investment in a venture capital fund that had been contracted for at the prior year reporting date but not yet called or recorded as a liability, payable: |            |            |
| Not later than one year  | 0          | 400        |
| Between 1 and 5 years  | 0          | 0          |
|  | <u>0</u>   | <u>400</u> |

**NOTE 21 RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER INCOME TAX TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

|  | 2023         | 2022           |
|--|--------------|----------------|
|  | \$'000       | \$'000         |
| Net surplus/(deficit) after income tax                                 | 6,025        | (3,203)        |
| Depreciation and amortisation  | 1,924        | 1,853          |
| Net (profit)/loss on sale of non-current assets                        | 148          | (97)           |
| Distributions reinvested   | (3,763)      | (3,175)        |
| (Increase)/decrease in fair value of financial assets                  | (5,497)      | 4,789          |
| <b>Change in operating assets and liabilities</b>                      |              |                |
| (Increase)/decrease in trade debtors                                   | (310)        | (1,999)        |
| (Increase)/decrease in prepayments                                     | 23           | (66)           |
| Increase/(decrease) in trade creditors, accruals and other liabilities | 881          | 159            |
| Increase/(decrease) in Coleambally Biodiversity Reserve funds held     | 268          | (9)            |
| Increase/(decrease) in employee provisions                             | 97           | 36             |
| Increase/(decrease) in net tax liabilities                             | 0            | (2)            |
| <b>Net cash inflow/(outflow) from operating activities</b>             | <u>(204)</u> | <u>(1,714)</u> |

**Non-cash financing and investment activities**

Distributions from units held in managed funds to a value of \$3,763,000 (2022: \$3,175,000) were not paid to the Group but instead were reinvested to purchase additional units during the year.

**Notes to the Financial Statements****NOTE 22 RELATED PARTIES**

The Group's related parties consist of key management personnel, close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

**Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity, is considered 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, D M Kelly, 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).

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| <b>Key management personnel compensation</b> |              |              |
| Short-term employee benefits                 | 1,484        | 1,412        |
| Post-employment benefits                     | 156          | 141          |
|  | <b>1,640</b> | <b>1,553</b> |

Included in the above amount are Directors' fees totalling \$338,399 (2022: \$324,232). The AGM approved ceiling is \$397,875 (2022: \$375,000). At the AGM held on 28 October 2021, members resolved that the ceiling would increase by CPI each year. An increase of 6.1% was applied for the financial year.

**Loans to key management personnel**

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

**Transactions with related parties concerning shares**

No shares were issued by the consolidated entity to key management personnel or related entities during the year (2022: 0). The numbers of shares held directly, indirectly or beneficially by key management personnel, their close family members or their related entities at balance date:

|              | 2023          | 2022          |
|--------------|---------------|---------------|
|              | Number        | Number        |
| P T Sheppard | 5,880         | 5,880         |
| K H Burge    | 5,300         | 5,300         |
| D M Kelly    | 6,661         | 0             |
| A T Mannes   | 1,390         | 1,390         |
| C M Perkins  | 3,559         | 3,559         |
|              | <b>22,790</b> | <b>16,129</b> |

**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.

Key management personnel or their related entities periodically utilise the water trading platform operated by controlled entity Watermart Coleambally Pty Ltd 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 current and prior year the Co-operative utilised the real estate and equipment sale services of an entity controlled by a key management person to sell vehicles and equipment for the value of \$24,750 (2022:\$166,100) and sell residential land for a value of \$0 (2021:\$36,000) 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 current year the Co-operative utilised the consulting services of an entity controlled by a related party of a key management person to provide staff health and welfare consulting for the value of \$6,423 (2022:\$0) 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:

|   | 2023   | 2022   |
|---|--------|--------|
|   | \$'000 | \$'000 |
| <b>Value of transactions (incl GST)</b>                               |        |        |
| Water sales to related parties  | 528    | 385    |
| Commission paid by related parties to Watermart Coleambally Pty Ltd   | 1      | 2      |
| Commission on land, vehicle and equipment sales paid to related party | 1      | 8      |
| Consulting fees paid to related parties                               | 6      | 0      |
| <b>Balances at the reporting date</b>                                 |        |        |
| Receivable from related parties                                       | 503    | 384    |
| Payable to related parties  | 0      | 0      |

**Other related parties**

There are no other related party transactions.

**NOTE 23 SUBSIDIARY**

| Name of Entity                | Country of Incorporation | Class of Shares | Ownership interest held |      |
|-------------------------------|--------------------------|-----------------|-------------------------|------|
|                               |                          |                 | 2023                    | 2022 |
|                               |                          |                 | %                       | %    |
| 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 24 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.

**Notes to the Financial Statements****NOTE 25 FINANCIAL RISK MANAGEMENT**

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, units in managed funds and listed equities and trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| <b>FINANCIAL ASSETS</b>                        |                |                |
| <b>Held at amortised cost</b>                  |                |                |
| Cash and cash equivalents                      | 441            | 2,968          |
| Receivables                                    | 11,608         | 11,298         |
| <b>Fair value through profit or loss</b>       |                |                |
| Other financial assets                         | 105,124        | 94,885         |
| <b>Total financial assets</b>                  | <b>117,173</b> | <b>109,151</b> |
| <b>FINANCIAL LIABILITIES</b>                   |                |                |
| <b>Financial liabilities at amortised cost</b> |                |                |
| Trade and other payables                       | 3,816          | 2,518          |
| <b>Total financial liabilities</b>             | <b>3,816</b>   | <b>2,518</b>   |

The carrying amounts of financial instruments above represents their fair values.

**Financial Risk Management Policies**

The Group is exposed to a variety of financial risks through its use of financial instruments with the main risks being credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

The directors have overall responsibility for the Group's risk management strategy. There have been no substantive changes in the types of risks the Co-operative is exposed to, how these risks arise, or the Group's objectives, policies and processes for managing or measuring the risks from the previous period. The Group manages its main risks as follows:

**(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 table below represents a maturity analysis of financial instruments held. The Group does not hold any derivative financial liabilities directly.

**(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 held as detailed above. Cash deposits are held with reputable banking institutions. In respect of receivables the risk is significantly mitigated by a charge over customers' water entitlements afforded by the Water Management Act 2000.



**Notes to the Financial Statements**
**(c) Interest risk exposure**

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

| <b>2023</b>  |       | <b>Fixed Interest Maturing In</b> |                           |                              |                              |                                 |                |
|--|-------|-----------------------------------|---------------------------|------------------------------|------------------------------|---------------------------------|----------------|
|  |       | <b>Floating<br/>interest rate</b> | <b>1 year or<br/>less</b> | <b>Over 1 to<br/>5 years</b> | <b>More than<br/>5 years</b> | <b>Non-interest<br/>bearing</b> | <b>Total</b>   |
|  | Notes | \$'000                            | \$'000                    | \$'000                       | \$'000                       | \$'000                          | \$'000         |
| <b>Financial assets</b>                                    |       |                                   |                           |                              |                              |                                 |                |
| Cash and cash equivalents                                  | 7     | 441                               | 0                         | 0                            | 0                            | 0                               | 441            |
| Receivables  | 8     | 0                                 | 0                         | 0                            | 0                            | 11,608                          | 11,608         |
| Financial assets at fair value through the profit and loss | 9     | 0                                 | 3,828                     | 0                            | 0                            | 101,296                         | 105,124        |
|  |       | 441                               | 3,828                     | 0                            | 0                            | 112,904                         | 117,173        |
| Weighted average interest rate                             |       | 0.75%                             | 4.33%                     |                              |                              |                                 |                |
| <b>Financial liabilities</b>                               |       |                                   |                           |                              |                              |                                 |                |
| Trade and other payables                                   | 12    | 0                                 | 0                         | 0                            | 0                            | 3,816                           | 3,816          |
|  |       | 0                                 | 0                         | 0                            | 0                            | 3,816                           | 3,816          |
| <b>Net financial assets/(liabilities)</b>                  |       | <b>441</b>                        | <b>3,828</b>              | <b>0</b>                     | <b>0</b>                     | <b>109,088</b>                  | <b>113,357</b> |

| <b>2022</b>  |       | <b>Fixed Interest Maturing In</b> |                           |                              |                              |                                 |                |
|--|-------|-----------------------------------|---------------------------|------------------------------|------------------------------|---------------------------------|----------------|
|  |       | <b>Floating<br/>interest rate</b> | <b>1 year or<br/>less</b> | <b>Over 1 to<br/>5 years</b> | <b>More than<br/>5 years</b> | <b>Non-interest<br/>bearing</b> | <b>Total</b>   |
|  | Notes | \$'000                            | \$'000                    | \$'000                       | \$'000                       | \$'000                          | \$'000         |
| <b>Financial assets</b>                                    |       |                                   |                           |                              |                              |                                 |                |
| Cash and cash equivalents                                  | 7     | 2,968                             | 0                         | 0                            | 0                            | 0                               | 2,968          |
| Receivables  | 8     | 0                                 | 0                         | 0                            | 0                            | 11,298                          | 11,298         |
| Financial assets at fair value through the profit and loss | 9     | 0                                 | 973                       | 0                            | 0                            | 93,912                          | 94,885         |
|  |       | 2,968                             | 973                       | 0                            | 0                            | 105,210                         | 109,151        |
| Weighted average interest rate                             |       | 0.75%                             | 2.25%                     |                              |                              |                                 |                |
| <b>Financial liabilities</b>                               |       |                                   |                           |                              |                              |                                 |                |
| Trade and other payables                                   | 12    | 0                                 | 0                         | 0                            | 0                            | 2,518                           | 2,518          |
|  |       | 0                                 | 0                         | 0                            | 0                            | 2,518                           | 2,518          |
| <b>Net financial assets/(liabilities)</b>                  |       | <b>2,968</b>                      | <b>973</b>                | <b>0</b>                     | <b>0</b>                     | <b>102,692</b>                  | <b>106,633</b> |

**Notes to the Financial Statements**

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 | 43     | 43     | (43)   | (43)   |

**(d) Other price risk**

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Other price risk relates mainly to units held in managed funds and listed equities which are managed in accordance with a documented investment strategy. Such risk is managed through diversification of investments across industries and geographic locations. As at 30 June 2023 the investment portfolios are spread across the following:

|                                       | 2023   | 2022   |
|---------------------------------------|--------|--------|
| Australian Equities                   | 22.35% | 22.50% |
| Global Equities                       | 20.95% | 18.37% |
| Emerging Markets                      | 3.67%  | 3.72%  |
| Property and Infrastructure           | 17.08% | 20.19% |
| Growth Alternatives                   | 11.86% | 9.69%  |
| Defensive Alternatives                | 3.98%  | 4.26%  |
| Fixed Interest and Diversified Income | 16.47% | 17.63% |
| Term Deposits                         | 3.64%  | 3.64%  |

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.

## Notes to the Financial Statements

### NOTE 26 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 surplus/(deficit) for the year are set out below:

|  | Irrigation     |                | Investment   |              | Sinking Fund |              | Consolidated  |                |
|--|----------------|----------------|--------------|--------------|--------------|--------------|---------------|----------------|
|  | 2023           | 2022           | 2023         | 2022         | 2023         | 2022         | 2023          | 2022           |
|  | \$'000         | \$'000         | \$'000       | \$'000       | \$'000       | \$'000       | \$'000        | \$'000         |
| Revenue & other income                                 | 10,850         | 11,955         | 0            | 0            | 1,589        | 1,517        | 12,439        | 13,472         |
| Interest   | 0              | 0              | 209          | 51           | 134          | 1            | 343           | 52             |
| Other investment income                                | 0              | 0              | 1,827        | 1,306        | 1,937        | 1,869        | 3,764         | 3,175          |
| Government Grants                                      | 74             | 71             | 0            | 0            | 0            | 0            | 74            | 71             |
| Net gain on changes in fair values of financial assets | 0              | 0              | 2,748        | 0            | 2,748        | 0            | 5,496         | 0              |
| <b>Total Revenue</b>                                   | <b>10,924</b>  | <b>12,026</b>  | <b>4,784</b> | <b>1,357</b> | <b>6,408</b> | <b>3,387</b> | <b>22,116</b> | <b>16,770</b>  |
| Employee expenses                                      | 5,205          | 4,824          | 0            | 0            | 0            | 0            | 5,205         | 4,824          |
| Operating expenses                                     | 10,885         | 10,358         | 0            | 0            | 0            | 0            | 10,885        | 10,358         |
| Net loss on changes in fair values of financial assets | 0              | 0              | 0            | 1,490        | 0            | 3,299        | 0             | 4,789          |
| <b>Total expenses</b>                                  | <b>16,090</b>  | <b>15,182</b>  | <b>0</b>     | <b>1,490</b> | <b>0</b>     | <b>3,299</b> | <b>16,090</b> | <b>19,971</b>  |
| <b>Underlying surplus/(deficit)</b>                    | <b>(5,166)</b> | <b>(3,156)</b> | <b>4,784</b> | <b>(133)</b> | <b>6,408</b> | <b>88</b>    | <b>6,026</b>  | <b>(3,201)</b> |
| Termination fees                                       | 0              | 0              | 0            | 0            | 0            | 0            | 0             | 0              |
| <b>Consolidated surplus/(deficit)</b>                  | <b>(5,166)</b> | <b>(3,156)</b> | <b>4,784</b> | <b>(133)</b> | <b>6,408</b> | <b>88</b>    | <b>6,026</b>  | <b>(3,201)</b> |

### NOTE 27 STATUTORY INFORMATION

The registered office and principle place of business of the co-operative is:

Coleambally Irrigation Co-operative Limited  
 7 Brolga Place,  
 Coleambally NSW 2707

## DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 17 to 42 are in accordance with the Co-operatives National Law, including:

- (a) complying with Australian 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 2023 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  
23 August 2023

# 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 entities (the consolidated entity), which comprises the consolidated balance sheet as at 30 June 2023, 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 2023 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 2023 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



Ryan Schischka  
Director

Albury  
23 August 2023



**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 Coleambally Irrigation Area.

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.



**Denise Kelly**  
Member Director

Denise and her husband, Ian run a farming business within the Coleambally Irrigation Area.

Denise has been actively involved in the Rice Growers Association, previously holding Leadership positions and serving on the Board.

Denise is undertaking her training with the Australian Institute of Company Directors.

Denise joined CICL as a Director in October 2022 and is serving 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 former 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 Chair of the National Apprentice Employment Network, Director of the Hunter Trade College, Director of the Central Coast Community College and Director 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 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 CICAL in July 2017. He is a Fellow of the Chartered Accountants Australia and New Zealand and holds a Bachelor's degree in Commerce. He is a graduate of the Australian Institute of Company Directors.

Clifford has over 30 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 CICAL in May 2013 as Chief Financial Officer. He was appointed General Manager - Finance & Environmental Compliance in July 2014.

He is a Fellow of Chartered Accountants Australia and New Zealand 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.



**Steve Oosthuysen**  
General Manager - Operations

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

After completing a Bachelor's 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 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 was the 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 CICAL 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 CICAL’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 CICAL in November 2015 and works closely with the Board and CEO to support CICAL’s advocacy efforts to protect and promote irrigated agriculture in the Coleambally Irrigation Area. 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 CICAL’s delegate to National Irrigators’ Council and is a board member of the council and was elected deputy chair in October 2022.

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**

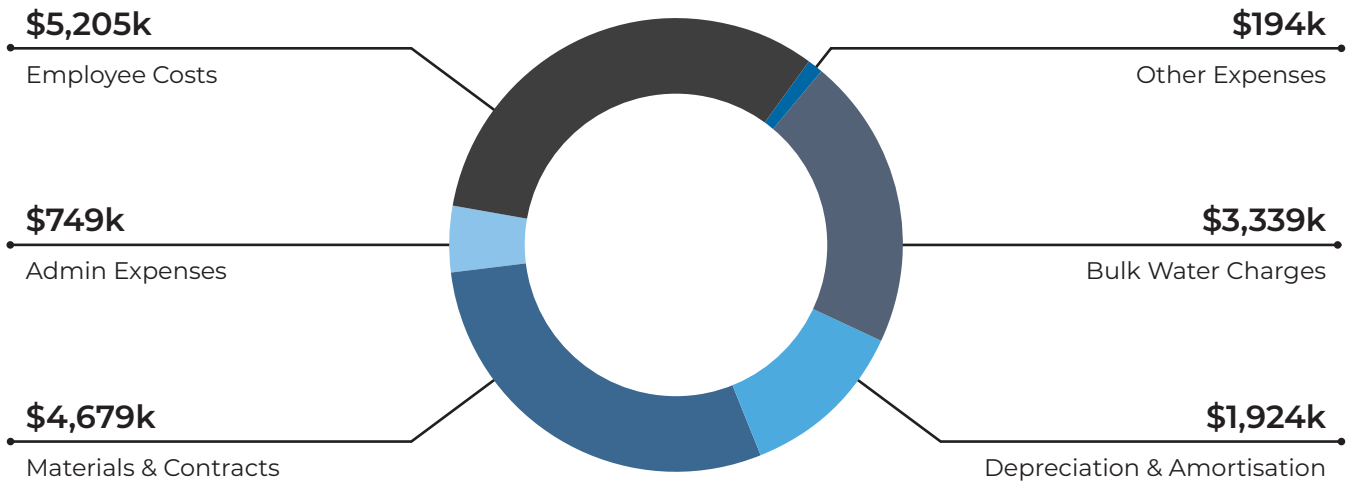
**BUSINESS DATA  
AND TRENDS**

# BUSINESS DATA

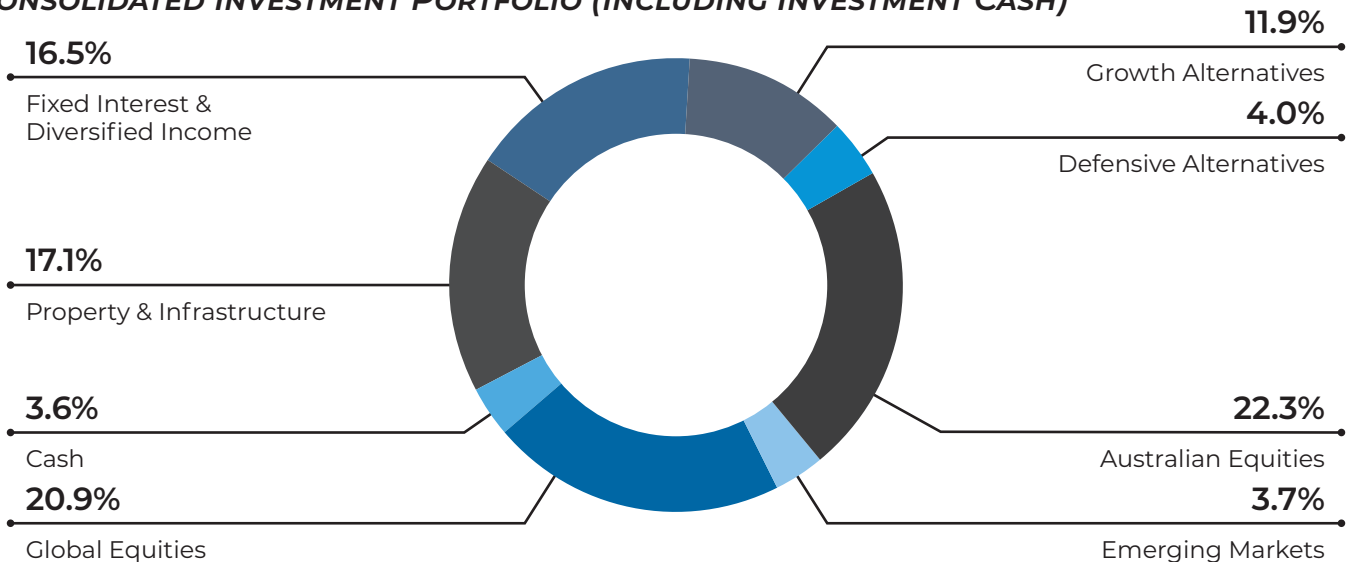
## REVENUE



## EXPENSES

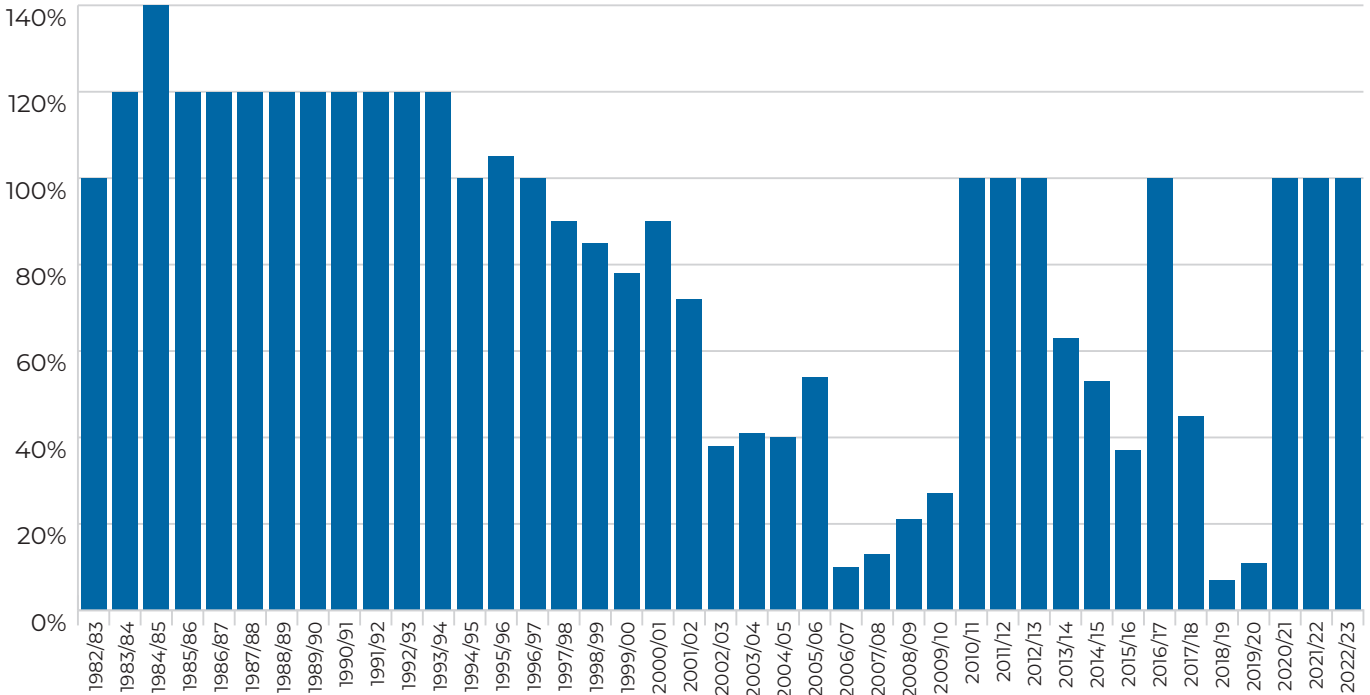


## CONSOLIDATED INVESTMENT PORTFOLIO (INCLUDING INVESTMENT CASH)

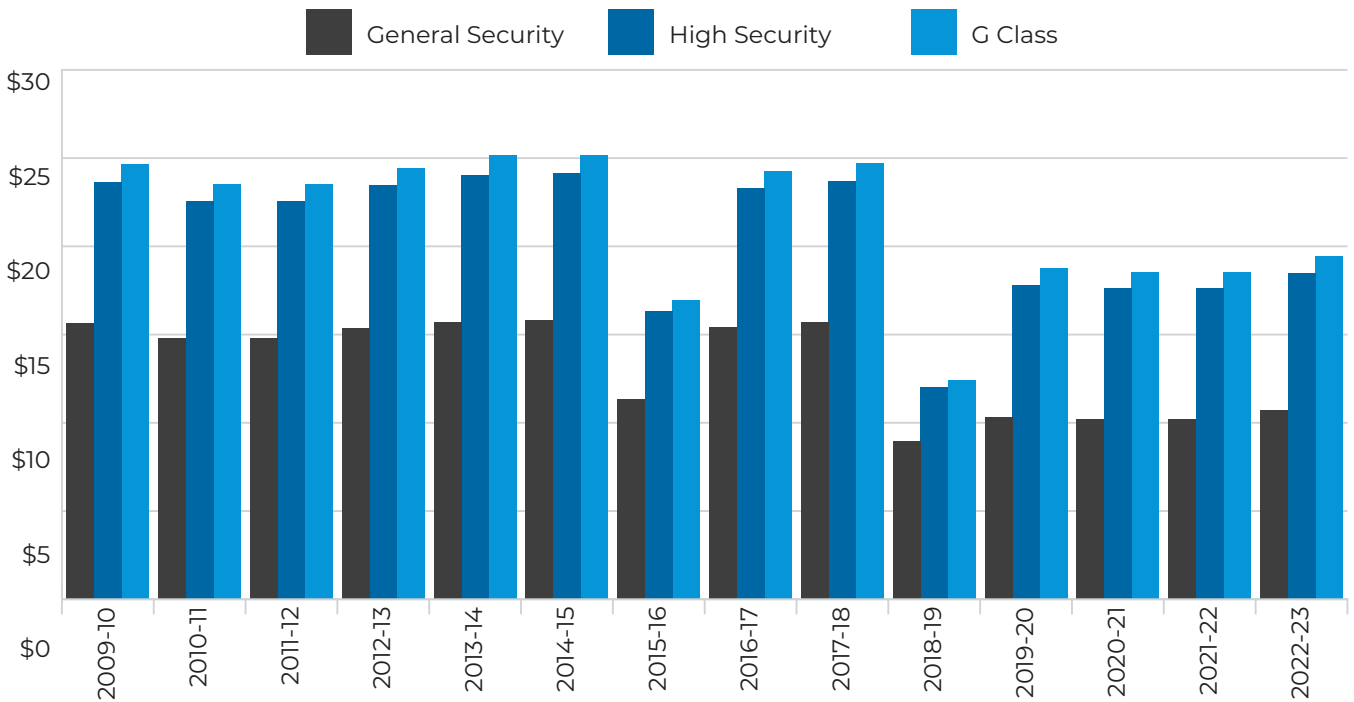


# BUSINESS TRENDS

## GENERAL SECURITY ALLOCATIONS



## WATER CHARGES



## YOUR CO-OPERATIVE AT A GLANCE

|  |            |
|--|------------|
| Number of business entities owning landholdings        | 330        |
| Number of Shareholders                                 | 280        |
| Number of Voting members                               | 234        |
| Farms within Coleambally Irrigation Area of Operations | 498        |
| Area of Operations                                     | 456,821 ha |



The background features a dark blue field with a large, stylized white arrow pointing towards the bottom right. This arrow is composed of multiple parallel lines, with the innermost being a vibrant cyan and the outermost being a deep blue. In the bottom right corner, a large green arrow points towards the top right, also composed of multiple parallel lines in varying shades of green. The overall design is modern and geometric.

## CONTACT

Phone: +61 2 6954 4003  
Email: [enquiries@colyirr.com.au](mailto:enquiries@colyirr.com.au)  
Website: [www.colyirr.com.au](http://www.colyirr.com.au)

## ADDRESS TO

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