



Murrumbidgee  
Irrigation

# 2017 ANNUAL REPORT

Growing our future together  
Customers • Company • Community







Murrumbidgee  
Irrigation

## ANNUAL GENERAL MEETING 2017

The nineteenth Annual General Meeting of shareholders will be held on **Monday 13 November 2017** at the Historic Hydro Motor Inn, 58-66 Chelmsford Place, Leeton NSW 2705.

Registration is from 7.00pm for a 7.30pm start.

## MURRUMBIDGEE IRRIGATION LIMITED 2017 ANNUAL REPORT

This report is a summary of our company performance and key activities from 1 July 2016 to 30 June 2017.

We are focused on growing our future together with customers and the community. Our aim is to leverage our system and regional advantages in order to provide water products and services that are valued by our customers.

This report is available electronically on the Company website [www.mirrigration.com.au/About-Us/Annual-Reports](http://www.mirrigration.com.au/About-Us/Annual-Reports).

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## Chairman's review

To say 2016/17 was a significant period for the Company would be an understatement.

The Board set our CEO, Brett Jones, and his Leadership team a number of challenges throughout the course of the past year.

We asked them to review our pricing and make it simpler, fairer and reflective of the real costs of our business - delivering water. Combined with this, we also charged them with the task of delivering the most significant suite of modernisation projects in the Company's 105 year history.

Brett and his Leadership team have risen to, and met these challenges, and we couldn't be prouder of their achievements.

Our vision is to grow our future together with customers and the community. The projects we delivered in 2016/17 will support the continued growth and prosperity of the MIA, confirming our status as the most productive irrigation area in the nation.

While we stop to take a quick breath and reflect on what has been an extremely busy year, I would like to thank my Deputy Chairman Nayce Dalton, and fellow directors for their much valued support and dedication.

I would also like to thank our hardworking and innovative employees who led by Brett, have risen to the challenge over the past 12 months.

We are a forward thinking Company and this mindset will hold us in good stead for both the short and long term.

In this period of considerable change I am excited about what the future holds for this great region. I look forward to continuing to work with you, our customers and shareholders, to build our successful future in irrigation.

Together we are creating a legacy which will live on well past my time on the Board, for the benefit of both the current, and future generations.

A handwritten signature in black ink, appearing to read 'F. Sergi', with a long horizontal flourish underneath.

**Frank Sergi**  
Chairman



## Three year snapshot

GENERAL INFORMATION	Measure	2016/17	2015/16	2014/15
Total area of MIA	ha	670,000	660,000	660,000
Company water licences	ML	1,119,671	1,170,920	1,186,444
Total delivery entitlements in issue	Number	1,087,282	1,083,919	1,086,124
Landholdings	Number	3,314	3,316	3,152 <sup>1</sup>
Total area of irrigated crops	ha	117,900	116,053	135,284
Employees (Equivalent full-time. Inc. externally funded)	Number	181	175	172
Employees externally funded by PIOP	Number	29	20	11
Lost time injury frequency rate	I/MH	6.4	7.0	17.3

Notes: 1. Joint water supplies not accounted for individually.

FINANCIAL	Measure	2016/17	2015/16	2014/15
Consolidated profit before tax and depreciation	\$'000	39,855	57,841	54,116
Customer operations profit before tax and depreciation	\$'000	107	155	2,029
Customer operations loss before tax	\$'000	(7,750)	(7,675)	(4,836)
Water savings revenue	\$'000	1,602	3,228	2,799
Investment revenue	\$'000	5,345	6,123	5,033
Government revenue	\$'000	46,640	37,423	51,079
Consolidated net assets	\$'000	501,911	465,683	439,463
Asset reserve (book value)	\$'000	50,559	46,559	42,959
Sponsorship and donations	\$'000	27	17.5	3.7

WATER SUMMARY	Measure	2016/17	2015/16	2014/15
<b>Water available</b>				
Carryover from previous year	ML	164,664	173,067	190,708
Govt. announced allocation (all licences)	ML	964,088	699,570	860,504
Temporary transfers into MIA	ML	69,385	82,312	65,027
Supplementary flows from river	ML	23,736	43,903	25,126
Internal surplus flows (eg from rainfall) <sup>2</sup>	ML	49,226	0	0
<b>Total</b>	ML	<b>1,271,099</b>	998,852	1,141,365
<b>Water accounted</b>				
Total water delivered (all licences; inc. surplus flows)	ML	828,818	646,296	889,744
Temporary transfers out of MIA	ML	182,481	187,892	78,554
Carryover into following year	ML	242,383	164,664	173,067
Spill to Govt. resource set <sup>3</sup>	ML	17,417	0	0
<b>Total</b>	ML	<b>1,271,099</b>	998,852	1,141,365
<b>Allocations</b>				
Special purpose High Security (Towns, S&D)	% of entitlement	100%	100%	100%
High Security	% of entitlement	100%	95%	95%
General Security	% of entitlement	100%	37%	53%
Additional Water <sup>4</sup>	% of entitlement	4%	4%	4%

Notes: 2. This does not include flows released through the floodway and overland. 3. Water remaining in Licences that cannot be carried over into following year.

4. For eligible customers who hold more than 250 delivery entitlements.



## YEAR IN REVIEW

### JULY 2016

#### Green light for Wah Wah Stock & Domestic Pipeline Project

The much awaited \$48.7 million, government funded, Wah Wah Stock & Domestic Pipeline Project was given the green light to proceed. Project works will include the construction of a 280km Gunbar Water Pipeline and 14 private pipelines. The project is due to be completed by September 2018.

#### MIA the area of choice

Local filmmaker Vince Bucello was engaged to produce a video highlighting the diversity and value of the Murrumbidgee Irrigation Area ([www.mirrigration.com.au/About-Us/Company-Overview](http://www.mirrigration.com.au/About-Us/Company-Overview)).

#### Brett Jones appointed MD

CEO Brett Jones accepted an invitation by MI's Board to join the Board as Managing Director effective 1 July 2016.

### AUGUST

#### Celebrating 100 years of Griffith

We supported the Griffith City Council celebrations by painting bridges along the Main Canal and loaning our historic photo collection to Council for their foyer display. The collection was later donated to Pioneer Park Museum. We also took part in the Centenary Street Parade with an irrigation themed float.

#### Season commencement

Our 2016/17 irrigation season commenced on Monday 29 August, following consultation with customers and stakeholder groups. The commencement was several weeks later than initially planned due to the wet weather conditions over winter.

#### Winter weed management trials

We conducted weed management trials using Acrolein in some supply channels over winter (Acrolein was historically only used during the irrigation season). We also assessed the effectiveness of frost in managing weeds in empty channels. The results of both the Acrolein and the frost trials indicate that each treatment can be effective where conditions suit.

#### Leadership appointment

We welcomed Sharon Hansen to our Company, who took on the leadership of the Customer Services team.



## SEPTEMBER

### Solid winter soaking

Widespread rain over NSW in early September saw our key storages, Burrinjuck and Blowering dams, rise significantly with Burrinjuck Dam, rising from 90% to 102% over a weekend.

### Minor flooding of Mirrool Creek and Yanco

We worked with Griffith City Council, the SES and other flood management agencies to minimise impacts from the flooding. This included pre-releases from Barren Box Storage and the augmentation of our channels near Roaches Escape.

### Barren Box filled

The heavy and persistent rains resulted in significantly higher volumes of water passing down Mirrool Creek than was experienced in the 2012 floods. In total, 91,000 ML was contained in Barren Box with another 142,000 ML continuing down the watercourse.

## OCTOBER

### Deputy PM provides additional \$25M

We hosted the Deputy Prime Minister, The Hon. Barnaby Joyce, and Member for Farrer, Sussan Ley. They announced an additional \$25 million in funding for landholders across the MIA to fund on-farm water efficiency works.

### Lake Wyangan Management Strategy

Following Griffith City Council's public release of the Lake Wyangan and Catchment Management Strategy reports, we renewed our commitment to work with Council to achieve the best outcomes for the Lake and the community.

### Internal surplus available for Wah Wah & Mirrool Creek customers

An internal surplus water event for Wah Wah and Mirrool Creek customers started in October 2016, and continued through to January 2017.

### MIARA receives prestigious industry award

Our construction delivery alliance, MIARA, made up of MI, GHD, John Holland Group and UGL, received an award for setting new benchmarks for public participation on the Hanwood Modernisation Project. The award was delivered by International Association for Public Participation (IAP2) Australasia.

## NOVEMBER

### Annual General Meeting

Around 50 MI shareholders attended our eighteenth Annual General Meeting at the Exies Bagtown Function Centre in Griffith on 7 November. All resolutions were approved and we announced our significant 2017 winter works program and main canal outage, as well as our pricing review.

### Annual allocations reach 100%

On 15 November both High Security and General Security allocations reached 100%. This was a 24% increase for General Security (GS) and 5% for High Security (HS) allocations.

### MI elected to NSWIC Board

MI was elected onto the Board of the NSW Irrigators Council (NSWIC), the peak state body for water in NSW, protecting irrigators' rights and supporting the development and growth of sustainable irrigated agriculture.

## DECEMBER

### Customer survey

We conducted a customer satisfaction survey to gain feedback on our service, products, pricing, operations and value for money. The survey showed customers generally felt they received value for money and supported increased efficiencies. It also highlighted areas for improvement in customer services, particularly with consistency and timeliness of MI responses to customers.

### Channel safety campaign

We launched our 2016/17 channel safety program, which included media releases, articles in local papers, radio interviews, and a three-month television ad campaign on channel safety.

### Pricing engagement underway

We worked with our Customer Focus Group and began consultation with customers to discuss our pricing review.

## JANUARY 2017

### Supply shortage

In early January we experienced a supply shortage, triggered in the river system upstream of MI's control. We worked with WaterNSW to restore supply as quickly as possible. Customer impacts were largely limited to those with few or no DEs.



#### **MDBA & NIC visit region**

New National Irrigators' Council (NIC) CEO, Steve Whan, MDBA Chair, Neil Andrew, and CEO, Phillip Glyde toured local farms and our infrastructure. We were able to reinforce the message that water is the lifeblood of the MIA and a critical input for agriculture and our community.

#### **Basin Plan roundtable meeting**

MI Chair, Frank Sergi, and Policy Manager, Karen Hutchinson, attended a roundtable meeting on the implementation of the Murray-Darling Basin Plan, highlighting concerns about the impacts of water recovery on the community and the importance of water to our area.

### **FEBRUARY**

#### **IREC partnership**

We formed a partnership with the Irrigation Research Extension Committee (IREC) to work together for the benefit of irrigators in the MIA. As part of our partnership agreement, IREC offered a 50% membership discount to all MI customers.

#### **Automation trial**

We commenced a trial of the complete automation of one of our irrigation Divisions at Gogelderie. The trial aims to demonstrate the benefits of automation technology and quantify network cost savings. Results from the trial will be used to inform future investment.

#### **House of Representatives Standing Committee**

We hosted members of the House of Representatives Standing Committee on Agriculture and Water Resources on a tour of our irrigation network. Our customers showed the committee first-hand the benefits of investment in infrastructure and the diversity of the MIA.

### **MARCH**

#### **Alternative supply agreement brings 20,000 ML to the MIA**

We secured a three year agreement with an existing customer to expand their access to our supply network. This means that a significant volume of water (upwards of 20,000 megalitres per annum) that would otherwise be used outside our area of operations (pumped directly from the river) will now be delivered through our supply network.

#### **NBC expansion approved**

The project to expand the Northern Branch Canal (NBC) received strong customer support and was subsequently approved to commence over winter. The project further increases the flow capacity of the NBC and is being jointly funded by MI and customers.



When complete the NBC will be able to deliver up to 750 ML per day - more than double the original capacity.

The increased delivery sales from the issue of delivery entitlements from this expansion and the alternative supply agreement will increase revenue for the business, reducing our costs per customer.

### **Area expansion**

Our area of operations expanded into Ballandry Station as part of the Northern Branch Canal expansion project.

## **APRIL**

### **Critical winter water needs**

Recognising the particular winter water needs of citrus, including for frost management, we held several meetings with the local citrus associations to work through solutions for the extended irrigation shutdown period. We subsequently rearranged our works program and developed an engineering solution to provide some water to most of our network throughout the major works period.

### **Amendments to Water Entitlement and Water Delivery Contracts**

We made some changes to our Water Entitlements and Water Delivery Contracts. The changes are to ensure that our contracts are consistent with section 23 of the Australian Consumer Law which was extended in November 2016 to protect small businesses from unfair terms in standard form contracts. We also made some minor changes to update the terms and to improve readability.

### **Working with the Leeton community**

MI worked in collaboration with Leeton Council to clean up the entrance to Leeton High School Ovals that are used by numerous sporting groups across the region. The project involved tree, vegetation and rubbish removal and the backfilling of an easement.

## **MAY**

### **Main Canal Refurbishment commences**

Draining of the Main Canal started, allowing our modernisation works to commence in earnest. The \$15 million government funded works will automate the Main Canal.

All regulating structures in the Canal downstream of Narrandera regulator to

Mirrool Creek are to be upgraded. This is a once-in-a-lifetime opportunity and will help us to reduce our operating costs and increase the Main Canal flow capacity.

To minimise the shutdown period MI is coordinating their works with Water NSW, who will be conducting essential repairs at Berembeld Weir during this time.

### **Inaugural Forward Water Sale**

The very high level of local rainfall, coupled with changes to operational practices meant that we were in a position to offer water allocation for forward sale to our customers. The water was offered at a discounted forward sale price of \$75/ML but limited to 5% of customers' delivery entitlements.

### **MI attended the Riverina Field Days**

We welcomed the opportunity to meet and talk to customers about the benefits of the Australian Government funded on-farm water efficiency program, as well as our pricing changes at the Riverina Field Days.

## **JUNE**

### **New 2017/18 Schedule of Charges**

Our new 2017/18 Schedule of Charges was sent to all customers in mid-June. The new schedule has some significant changes from our old pricing structure. There is a new flat rate for DEs for most customers and a significantly reduced number of pricing groups. Access charges have also changed. The new schedule is simple to understand and fairer for customers.

### **Modernisation projects across MIA**

The biggest construction period since the MIA was built over 100 years ago was in full swing. By June construction was well advanced on both the Main Canal refurbishment and Northern Branch Canal expansion and lining, while works also started to ramp up on Division Automation and the Lake View Branch Canal lining.

### **Ministers meet to consider Basin Plan**

Ahead of a Water Ministers meeting in Canberra we issued a joint media release with Murray Irrigation and Coleambally Irrigation, urging the Ministers to use the plan mechanisms to deliver for communities as well as the environment.



## BOARD OF DIRECTORS AND LEADERSHIP TEAM

**Frank Sergi** *BBus, CPA*

### Shareholder-elected Chairman

Frank Sergi was appointed to the Board as a shareholder-elected Director in February 2013 and elected Chair in November 2015. Frank has 30 years' experience in taxation and business services. His family have been farming since 1958 and he has an ongoing involvement in horticulture and the wine industry. Frank is the sole director of group companies MI Energy Pty Ltd and MI EasyTrade Pty Ltd.

**James (Nayce) Dalton** *AdvDipAg, GAICD*

### Deputy Chairman

Nayce Dalton was appointed to the Board as a shareholder-elected Director in 2013. Nayce is the manager of a successful mixed farming business in Binya, which has been operating for over 30 years. He is currently Chairman of group company, MI Holdings Pty Ltd.

**Ian Blight**

### Shareholder-elected Director

Ian Blight was appointed to the Board as a shareholder-elected director in November 2015. Ian has an active interest in on-farm efficiency and innovation. He has run a successful primary production business at Willbriggie for 30 years.

**Leith Bouilly** *BRuSc, DipBusStud, FAICD, FAIM, CDec*

### Independent Director

Leith Bouilly was appointed as an Independent Director in 2005. Leith has extensive experience in water and natural resource management. She is currently the Independent Chair of Queensland bulk water provider, SunWater.

**Peter Borrows** *BE (UQ), Grad Dip in Bus Admin (QIT - now QUT), FIE (Aust), FAIM, FAICD*

### Independent Director

Peter Borrows was appointed as an Independent Director in 2015. He is the former CEO of Queensland Bulk Supply Authority (Seqwater) and was MI's CEO from July 2013 to July 2015. Peter is MI's alternate delegate for the National Irrigators' Council.

**Kaye Dalton** *BSc (Forestry), GAICD*

### Independent Director

Kaye Dalton was appointed in 2014 as an Independent Director. Kaye has over 25 years experience in water policy, corporate strategy, and public & private sector investment. Kaye is MI's alternate delegate for the NSW Irrigators' Council and is a director of MI Holdings Pty Ltd.

**Antonio (Tony) Sergi**

### Shareholder-elected Director

Tony Sergi was appointed to the Board as a shareholder-elected Director in 2005. He has been a horticultural farmer for over 40 years in the MIA growing and exporting prunes, grapes, peaches and vegetables.

*Photo back row: Peter Borrows, Nayce Dalton, Tony Sergi, Frank Sergi. Front row: Ian Blight, Kaye Dalton. Not pictured: Leith Bouilly*





**Brett Jones** *BE(Hons), MEngSc, GradDipAppFin, HBS  
AMP, FIE (Aust), MAIPM, MAICD*

**Chief Executive Officer and  
Managing Director**

Brett Jones commenced as Chief Executive Officer in October 2015 and was appointed to the Board as Managing Director in July 2016. Brett is an experienced executive with qualifications in engineering, project management and finance.

**Dorian Radue** *BA, MBA, MSc (Strategic Focus),  
Grad Dip ACG, CA, ACMA, AGIA, GAICD, JP*

**Company Secretary;**

**General Manager - Corporate Services**

Dorian Radue was appointed as Company Secretary in 2009. In addition to statutory secretarial duties, her responsibilities include administering the business of the Board and managing the Company's corporate services functions.

**Alan Shea** *B.Eng (Honours), MBA, MAICD*

**General Manager - Operations**

Alan Shea joined the Company in February 2016. Alan is responsible for the operation and maintenance of all infrastructure that services MI's customers, including storage, supply and drainage assets.

**Jody Rudd**

**General Manager - Asset Delivery**

Jody Rudd joined the Company in 2005 and was appointed General Manager - Asset Delivery in 2015. Jody is responsible for managing Australian Government funded modernisation projects, MI funded capital projects and business development initiatives.

**Sharon Hansen**

**General Manager - Customer Services**

Sharon Hansen joined the Company in August 2016. Sharon is responsible for managing our customer services and ensuring that customers are the centre of what we do.

**Christina Onley** *BCom, GDipEnvMan, CA*

**General Manager - Finance & ICT**

Christina Onley joined the Company in 2013 and was appointed General Manager - Finance & ICT in 2016. She is responsible for the Company's information and communication technology systems and financial integrity.

**Karen Hutchinson** *BSc (Hons), GAICD*

**General Manager - Policy & Communications**

Karen Hutchinson joined the Company in 2009 and was appointed General Manager Policy & Communications in 2016. Karen is responsible for company and corporate communications and external water policy. She is MI's delegate on the National and NSW Irrigators' Councils.

*Photo back row: Brett Jones, Karen Hutchinson,  
Sharon Hansen, Jody Rudd. Front row: Christina  
Onley, Dorian Radue. Not pictured: Alan Shea*

# Governance Statement

An organisation-wide commitment to conducting the business in accordance with best practice principles of corporate governance beyond mere legislative compliance underpins the actions of the Board and directs the ethical behaviour of directors and employees alike.

## Overview

Directors are committed to observing the highest standards of corporate governance. They recognise that they are responsible to shareholders for our short and longer term performance, and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Directors strive to align the commercial and governance imperatives facing the Company and are aware of the need to incorporate a range of complementary skills and experience amongst Board members. The Board is mindful of the community expectations of a company in which most customers are shareholders, and continues to adopt a cost recovery business model which is appropriate under such circumstances.

The Chairman is responsible for leading the Board, ensuring proper briefing of directors, facilitating Board discussions and managing the relationships between Board members and employees, particularly the Company's Chief Executive Officer.

Day-to-day management of the Company and the implementation of approved strategy and policy initiatives are formally delegated to the Chief Executive Officer.

An aspiration to high standards of financial accountability, ethical behaviour and legislative compliance guides the Board in its decision making. Board members continue to actively work to protect and promote the rights and interests of all shareholders as owners of a resilient and sustainable Company.

The Board's corporate governance objectives, and its duties, processes and practices are set out in the Board Charter. Each director formally acknowledges adherence to the principles set out in the Charter annually.

## Board composition

The Board comprises either seven or eight directors, being four member directors, three independent directors and the Managing Director, if a Managing Director has been appointed by the Board.

- The shareholder-elected directors are directly elected for four-year terms by shareholders in two voting colleges (A class and B class), through a postal ballot.
- Directors appoint independent directors subject to shareholder confirmation at Annual General Meetings. Appointments are for one, two or three years.
- At intervals not exceeding two years, all directors other than the Managing Director elect the Chairman and Deputy Chairman.
- Directors may appoint the Chief Executive Officer to the Board as Managing Director.

## Directors' information

There were no changes to the composition of the Board during 2016/17. Information about the directors, their qualifications and roles on the Board is contained in Table 2 in the Directors' Report.

As at 30 June 2017, MI's directors held the following significant directorships and offices:

- Frank Sergi is an officer of a number of companies, including Action Motor Corporation Pty Ltd, Transitional Investments Pty Ltd and Highland Towers Pty Ltd. Frank is also the sole director of MI group companies MI Energy Pty Ltd and MI EasyTrade Pty Ltd.
- Nayce Dalton is the Chairman of MI group company MI Holdings Pty Ltd. He is also a director of Yenda Producers Co-operative Society Pty Ltd and Yenda Producers Distribution Pty Ltd.
- Peter Borrows is a director of Kedron Consulting Pty Ltd and Bundaberg Irrigation Scheme, and is MI's alternate delegate to the National Irrigators' Council.
- Leith Bouilly holds a number of offices, including as Chairman of SunWater Ltd. She is also a director of Isis Central Sugar Mill and the Cooperative Research Centre for Water Sensitive Cities.



- Kaye Dalton is Managing Director of the Risorsa Group Pty Ltd. Kaye is MI's alternate delegate to the NSW Irrigators' Council and a director of MI Holdings Pty Ltd.
- Brett Jones is a director of MI Holdings Pty Ltd.

### Board remuneration

At the Annual General Meeting held on 7 November 2016, shareholders approved a change to the method of remunerating directors, which previously comprised a fixed annual fee and daily sitting fee for attendance. The new remuneration consists of an annual fee for each director based on their role on the Board and the level of responsibility taken on. The individual amounts are set by the Board itself, but in aggregate cannot exceed the total remuneration paid in 2015/16, adjusted annually for inflation. The cap set by shareholders through this mechanism for 2016/17 was \$427,800 (inclusive of superannuation contributions).

Information on directors' aggregate compensation for the financial year are shown in Note 26 to the financial statements.

### Committees

Board committees assist the Board by overseeing and advising the Board on complex or specialist issues which require particular focus. The standing committees at 30 June 2017 were:

- Audit and Risk Committee
- Remuneration and Nominations Committee
- Infrastructure Committee

#### Audit and Risk Committee

This committee assists the Board with financial reporting matters, internal and external audit processes, and oversight of risk management, governance and compliance. It also reviews and provides feedback on key areas of financial, operational and strategic risk. Kaye Dalton chairs the committee, which consists of two member directors and two independent directors.

#### Remuneration and Nominations Committee

This committee advises the Board on strategic employment and remuneration

issues. In particular, the Committee assists the Board with the recruitment and retention of the Chief Executive Officer, manages the performance and remuneration arrangements of the Chief Executive Officer, and oversees succession planning and performance of other leadership team members. In addition, the Committee manages the process for attracting and assessing suitable applicants for independent director positions, in light of the Board's skills and experience requirements and succession planning needs, and oversees directors' remuneration arrangements. Frank Sergi chairs the committee, which comprises two member directors and two independent directors.

#### Infrastructure Committee

The Infrastructure Committee oversees the Company's critical infrastructure assets strategy, planning and management functions, including planned asset maintenance and long-term infrastructure renewal and funding. The Committee is chaired by Nayce Dalton and its membership comprises one independent director and three member directors.

In addition, the Board establishes advisory committees from time to time if a particular need is identified. During 2016/17, a working group of independent directors was formed to oversee the governance of the company project to reform customer pricing.

The Board continually reviews the activities and composition of its committees.

### Directors' and managers' interests

Shareholder directors Frank Sergi, Nayce Dalton, Ian Blight and Tony Sergi all have interests in contracts with Murrumbidgee Irrigation Limited to acquire and deliver water. These contracts are based on normal customer terms and conditions. The individual contracts are not subject to discussion at directors' meetings. All directors declare any interests in matters relevant to the Company as they arise, and formally table disclosures of their interests at least annually. When matters are discussed in which a material personal interest might exist or be perceived to exist for an individual director, that director will excuse him or herself from the meeting and take no further part in decisions relating to those matters unless the

remaining directors determine whether it is in the Company's best interests for the director to participate.

Directors acknowledge that their overriding duty is to the Company and that Board decisions must be made in the best long-term interests of the Company. Directors are required to place the company's interests ahead of their personal business interests, and refrain from actions which constitute competing with the Company or taking personal advantage of information provided to them in their capacity as directors.

Our Constitution prohibits the Managing Director from holding voting shares in the Company. In addition, the Board has determined that the Chief Executive Officer and leadership team members may only hold voting shares in the Company if formally approved.

Aggregate information on shares and commercial transactions of key management personnel with the company are shown in note 26 to the financial statements.

### **Shares, options and loans**

Company shares are not listed on any share trading exchange.

There are no securities under option or in respect of which options have been created, nor have any options been exercised.

On winding up of the Company, any remaining assets may not be distributed to shareholders but must be transferred to another irrigation corporation in the MIA, or an entity with similar purposes to the Company.

Shares held by directors are disclosed in Table 1 in the Directors' Report.

No loan has been granted to any director during the year.

### **Code of conduct**

Murrumbidgee Irrigation Limited has continued to promote investment in its internal culture and corporate values, reflecting our accountability to shareholders and the wider stakeholder community. This recognises that to support ethical codes, it is necessary to demonstrate and continually practice behaviour that reinforces its values. The Code of Conduct provides guidance for both directors and employees.

### **Training and development**

Directors are encouraged to become members of, and to undertake training provided by, the Australian Institute of Company Directors and other professional organisations which add to the value, capability and competency directors bring to the Company. Individually and as a group, directors undertook a number of training and development sessions during the past year.

### **Independent professional advice**

Directors have the right, in connection with their duties and responsibilities as directors of the Company, at the Company's expense and with the permission of the Chairman, to seek independent professional advice on matters of concern.

### **Risk management**

Directors confirm that risk management processes and practices are in place, and that business risks continue to be managed at an appropriate level. The Board has formally adopted a statement of risk appetite which it applies when making decisions on behalf of the Company.

### **Compliance**

Significant areas such as workplace health and safety practices, and legislative and licence compliance, have continued to receive substantial attention. The Company has met the requirements of the NSW State government licences it operates under. Full compliance with the monitoring component of our Environmental Protection Licence 4651 was achieved.

### **Auditor's independence**

Audit firm Grant Thornton has no representation on the Board or on Board committees, nor is there any relationship between Company officers and auditor other than the normal business relationship between auditor and client.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Auditor's Independence Declaration is included with the financial statements. Fees paid to the external auditors for audit and non-audit services are fully disclosed in the notes to the financial statements.



# Directors' report

Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2017.

## Directors

The persons who served as directors of Murrumbidgee Irrigation Limited during the year in review and to the date of this report are listed in Table 2. Additional relevant information is also provided.

**Table 1: Particulars of directors' interests in shares at 30 June 2017**

Director	Directors' interest in shares		
	A Class	B Class	C Class
Frank Sergi	1648	-	-
Nayce Dalton	1109	3323	-
Antonio Sergi	220	-	-
Ian Blight	302	1094	-

## Company Secretary

The Company Secretary throughout the year under review was Dorian Radue (BA, MBA, MSc (Strategic Focus), GradDipACG, ACMA, AGIA, ACIS, CA, GAICD, JP).

## Meetings

The Board met in person 11 times during the year, with most meetings held in Griffith. The duration of meetings was one to two days, including Committee meetings, field trips, site visits, customer meetings and training. Meetings are generally held on-site and face-to-face, although teleconference and electronic meeting technology is used where cost effective.

The agenda for meetings is set through consultation between the Chairman, the Chief Executive Officer and other leadership team members. Prior to each meeting, directors are provided with briefing papers on matters to be considered, and are encouraged to participate in debate and to bring to meetings independent views on all relevant issues. Details of attendance at Board meetings are shown in Table 3 of this report.

## Principal activities

The consolidated entity continued its principal activity of delivering core water-related services to all customers while maintaining a competitive, resilient business through prudent fiscal management. This primary goal continues to guide the consolidated entity in achieving sustainable irrigation in our area.

There were no significant changes to the nature of the consolidated entity's principal activities during the financial year.

**Table 2: Information on directors during the year and to the date of this report**

Director	Special responsibilities and qualifications
Frank Sergi	Member Director. MI Chairman. Chair, Remuneration and Nominations Committee <i>Qualifications: BBus, CPA</i>
James (Nayce) Dalton	Member Director. MI Deputy Chairman. Chair, Infrastructure Committee <i>Qualifications: AdvDipAg, GAICD</i>
Ian Blight	Member Director
Peter Borrows	Independent Director <i>Qualifications: BE (UQ), Grad Dip in Bus Admin (QIT - now QUT), FIE (Aust), FAIM, FAICD</i>
Leith Bouilly	Independent Director <i>Qualifications: BRuSc, DipBusStud, FAICD, FAIM, CDec</i>
Kaye Dalton	Independent Director. Chair, Audit & Risk Committee <i>Qualifications: BSc (Forestry), GAICD</i>
Antonio (Tony) Sergi	Member Director
Brett Jones	Managing Director, appointed 1 July 2016 <i>Qualifications: BE(Hons), MEngSc, GradDipAppFin, HBS AMP, FIE (Aust), MAIPM, MAICD</i>

**Table 3: Directors' attendance at meetings**

Director	Directors' Meetings		Audit and Risk Committee		Remuneration and Nominations Committee		Infrastructure Committee	
	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Frank Sergi - Ex officio	11	11	2	2	3	3	6	6
Leith Bouilly	10	9	2	2	3	3	-	-
Kaye Dalton	11	11	4	4	-	-	-	-
James (Nayce ) Dalton	11	11	4	4	-	-	6	6
Antonio (Tony) Sergi	11	10	-	-	1	1	6	5
Peter Borrows	11	11	-	-	1	1	6	6
Ian Blight	11	11	2	2	2	2	4	4
Brett Jones - Ex officio	11	11	4	4	2	2	6	6

**Financial statements**

The financial statements for the 2016/17 year in review are contained within this Report.

**Basis of preparation of financial statements**

The financial statements for the year in review are presented as consolidated entity statements. They incorporate the results of the Company and its controlled entities, MI Holdings Pty Ltd, the Hanwood Estate Property Trust, MI Energy Pty Ltd and MI EasyTrade Pty Ltd on a consolidated basis, as required by Australian Accounting Standards (Reduced Disclosure Requirements).

**Review of operations**

2016/17 produced a consolidated result of \$31,694,000 net profit before tax. Total revenue for the year was \$90,779,000 compared with \$80,529,000 for the previous year. The key difference being the increase in government and other revenue, which was \$46,640,000 (2016: \$37,423,000), and is attributable to government funding for works under the PIIOP program.

Water deliveries for the year were 670 GL (2016: 484 GL) which contributed to total customer revenue of \$37,151,000.

Total expenditure for the year was \$59,085,000 compared with \$50,012,000 for the prior year. The key differences being increases in:

- recoverable contractor costs for PIIOP on-farm works;
- impairment expenses and loss on disposal of assets associated with the replacement of assets under PIIOP and the disposal of underutilised non-infrastructure assets; and
- employment costs associated with contract positions working on PIIOP projects and a \$1,200,000 contribution to reduce the deficit associated with the defined benefit superannuation scheme.

An actuarial review of the fair value for the Local Government Defined Benefits Superannuation Scheme (LGSS) resulted in an actuarial gain of \$5,784,000 (pre tax) for 2016/17 which was allocated directly to equity. The net liability as at 30 June 2017 was \$9,450,000.

**Significant changes in the state of affairs**

There are no significant changes in the state of affairs of the consolidated entity.

**Matters subsequent to the end of the year**

Between the end of the financial year and the date of this Directors' Report, no events have occurred, which in the opinion of directors, have the potential to significantly affect the state of affairs of the consolidated entity.



## Future developments

There is increased business confidence across the region reflected in existing and new investments. Our co-funded Northern Branch Canal project has created strong customer interest in expansion and automation projects across our network. We are currently working with customers near Gogelderie to automate an entire irrigation Division including the customer outlets. As part of the next stage of our modernisation works we have commenced exploring automation and network expansion opportunities in Wah Wah, Benerembah and Tabbita.

We are investing in our Hanwood and Leeton sites to ensure they are contemporary and continue to meet the service needs of our customers. The Hanwood office foyer is being updated to provide a dedicated customer service area with improved access and privacy for customers. Similarly, our Leeton premises will be redeveloped in 2017 to cut unnecessary costs and overheads and to provide more targeted support for our Leeton customer and maintenance needs. We are also upgrading our 20 year old phone system in both centres to enable better call capture and response.

## Water reform

We have successfully lobbied for a reduction in red tape and unnecessary regulation from Government. Our reporting obligations to the Bureau of Meteorology have been streamlined and the ACCC requirement to produce an audited Network Service Plan has been removed. We also successfully worked with the ATO, NFF and the Department of Agriculture and Water Resources to limit the administrative impact of the Foreign Ownership of Water Register on the business.

The implementation of the Murray Darling Basin Plan remains a key focus for the business. Significant efforts, including through the NSW and National Irrigators' Councils, have been directed towards maximising outcomes from the Plan's adjustment mechanism. As at June, indications were that the full 650GL of adjustment projects is attainable. The review of our Water Sharing Plan has also commenced and must be completed by 2019. The Water Sharing Plan is fundamental to the business and the MIA.

MI is represented on the Stakeholder Advisory Panel for the Murrumbidgee and is taking an active involvement in the review.

## Environmental regulation

Murrumbidgee Irrigation Limited holds an operating licence under the *Water Management Act 2000* to carry out the business and function of water delivery within the Area of Operations. A requirement of this operating licence is to hold an Environmental Protection Licence (EPL) under the *Protection of the Environment Operations Act 1997*. The EPL is issued by the Environmental Protection Authority (EPA) and requires monitoring and reporting of specified water quality parameters at sites that discharge water outside MI's Area of Operation.

To satisfy the requirements of our operating licence and EPL MI prepares and submits an Annual Compliance Report covering the licensed activities. A copy of our latest available report is available on our website [www.mirrigration.com.au](http://www.mirrigration.com.au). Full compliance with both licences was achieved. There have been no breaches of any licences or approval held by Murrumbidgee Irrigation Limited during the current reporting period.

## Indemnifying Directors and Officers

Murrumbidgee Irrigation Limited indemnifies directors and leadership team members for liabilities to third parties arising from their role as officers of the Company, unless that liability arises out of conduct involving a lack of good faith or a pecuniary penalty or compensation order under the *Corporations Act 2001*. The Company also provides an indemnity for directors and leadership team members against the cost of successfully defending themselves against civil or criminal proceedings. The Company has insurance policies that provide cover for permitted situations.

During 2016/17, the Company paid a premium of \$56,280 (exclusive of GST and stamp duty) to provide liability insurance cover for directors and leadership team members of the Company. The insured liabilities include any legal costs that may be incurred in defending civil or criminal proceedings which may be brought against the Company or leadership team members in their capacity as officers of the Company, and any other

payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers, or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

It is not possible to apportion the premium between amounts relating to insurance against legal costs and relating to other liabilities, or between the officers' insurance cover and the Company's cover.

### **Proceedings on behalf of the Company**

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

### **Dividends**

The Company is prohibited from declaring any dividends.

### **Rounding of amounts**

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the financial statements and Directors' Report have been rounded off in accordance with that Instrument to the nearest thousand dollars or to the nearest dollar.

# Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out below:



Grant Thornton

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525 Collins St  
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## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MURRUMBIDGEE IRRIGATION LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Murrumbidgee Irrigation Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

*E W Passaris*

E W Passaris  
Partner – Audit & Assurance  
Melbourne, 31 August 2017

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Directors are satisfied that the auditors, Grant Thornton, have met the general standard of independence for auditors imposed by the *Corporations Act 2001*.

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

*Frank Sergi*

Frank Sergi  
Chairman  
at Hanwood, NSW on 31 August 2017.



## Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>REVENUE</b>			
Operations	6	38,742	36,909
Government and other	6	46,640	37,423
Investments	6	5,397	6,197
<b>Total revenue</b>		<b>90,779</b>	<b>80,529</b>
<b>EXPENDITURE</b>			
Bulk water charge		7,239	6,428
Contractors and consultants - operating	7	1,295	1,402
Contractors and consultants - PIIOP (recoverable)		8,334	5,430
Depreciation	14	8,161	7,829
Employment related	7	20,110	18,206
Impairment of assets	14	1,558	836
Net loss/(gain) on disposal of assets	7	2,049	(31)
Operation and materials		6,287	5,537
Other	7	2,775	3,266
Utilities		1,277	1,109
<b>Total expenditure</b>		<b>59,085</b>	<b>50,012</b>
<b>Profit before tax</b>		<b>31,694</b>	<b>30,517</b>
Income tax (expense)/benefit	15	(101)	462
<b>Profit for the year</b>		<b>31,593</b>	<b>30,979</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Available for sale financial asset revaluation gains		835	133
Income tax expense on items recognised directly in equity		(250)	(40)
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial gains/(losses) of defined benefits plan recognised directly in equity		5,784	(6,931)
Income tax (expense)/benefit on items recognised directly in equity		(1,734)	2,079
<b>Other comprehensive income/(loss) for the year net of tax</b>	5	<b>4,635</b>	<b>(4,759)</b>
<b>Total comprehensive income for the year</b>		<b>36,228</b>	<b>26,220</b>

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated statement of financial position as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	132,922	84,163
Financial assets	13	3,517	7,458
Trade and other receivables	10	15,614	13,267
Inventories	11	1,124	868
Other assets	12	550	492
Current tax asset		434	2,504
<b>Total current assets</b>		<b>154,161</b>	<b>108,752</b>
<b>Non-current assets</b>			
Financial assets	13	49,127	29,586
Other receivables	10	300	725
Property, plant and equipment	14	322,874	297,904
Intangible assets	16	140,709	138,089
Shares in co-operative		36	30
<b>Total non-current assets</b>		<b>513,046</b>	<b>466,334</b>
<b>Total assets</b>		<b>667,207</b>	<b>575,086</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	17	15,716	7,396
Provisions	18	5,787	5,896
Deferred revenue	19	98,834	47,758
Other liabilities	20	1,300	1,021
<b>Total current liabilities</b>		<b>121,637</b>	<b>62,071</b>
<b>Non-current liabilities</b>			
Provisions	18	571	261
Deferred tax liabilities	15	34,938	32,858
Other liabilities	20	8,150	14,213
<b>Total non-current liabilities</b>		<b>43,659</b>	<b>47,332</b>
<b>Total liabilities</b>		<b>165,296</b>	<b>109,403</b>
<b>Net assets</b>		<b>501,911</b>	<b>465,683</b>
<b>EQUITY</b>			
Contributed equity	22	273,734	273,734
Retained earnings	23	176,940	145,297
Reserves	24	51,237	46,652
<b>Total equity</b>		<b>501,911</b>	<b>465,683</b>

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity

for the year ended 30 June 2017

	Share Capital \$'000	AFS Reval Reserve* \$'000	Asset reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance as at 1 July 2015</b>	<b>273,734</b>	<b>-</b>	<b>42,959</b>	<b>122,770</b>	<b>439,463</b>
Transfer - opening balance asset reserve	-	-	3,600	(3,600)	-
Profit for the year	-	-	-	30,979	30,979
Other comprehensive income/(loss) for the year	-	93	-	(4,852)	(4,759)
Total comprehensive income for the year	-	93	-	26,127	26,220
<b>Balance as at 30 June 2016</b>	<b>273,734</b>	<b>93</b>	<b>46,559</b>	<b>145,297</b>	<b>465,683</b>
Transfer retained earnings to asset reserve	-	-	4,000	(4,000)	-
Profit for the year	-	-	-	31,593	31,593
Other comprehensive income for the year	-	585	-	4,050	4,635
Total comprehensive income for the year	-	585	-	36,643	36,228
<b>Balance as at 30 June 2017</b>	<b>273,734</b>	<b>678</b>	<b>50,559</b>	<b>176,940</b>	<b>501,911</b>

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

\* Available For Sale (AFS) revaluation reserve - refer to notes 1 (q) and 1(t)



## Consolidated statement of cash flows

for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (including GST)		41,411	47,093
Payments to suppliers and employees (including GST)		(44,578)	(40,852)
Cash (used by)/ generated from operations		<b>(3,167)</b>	<b>6,241</b>
Receipts from annual water trading and leasing of water and land		1,773	3,437
Receipts from termination charges		40	73
Receipts from government contributions		100,471	22,037
Income tax paid/(refunded)		2,064	(3,676)
<b>Net cash generated by operating activities</b>		<b>101,181</b>	<b>28,112</b>
<b>Cash flows from investing activities</b>			
Payments to acquire financial assets		(30,841)	(12,707)
Proceeds on sale of financial assets		16,075	22,125
Payments for property, plant and equipment		(41,109)	(26,551)
Proceeds on sale of property, plant and equipment		698	348
Payments for water investments		(2,642)	(9,077)
Interest and investment income received		5,397	6,189
<b>Net cash used in investing activities</b>		<b>(52,422)</b>	<b>(19,673)</b>
<b>Cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>48,759</b>	<b>8,439</b>
Cash and cash equivalents at the beginning of the year		84,163	75,724
<b>Cash and cash equivalents at the end of the year</b>	9	<b>132,922</b>	<b>84,163</b>

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

## Notes to the financial statements as at 30 June 2017

### Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Where there has been a change in presentation format, prior year comparatives have been changed accordingly.

#### (a) Basis of preparation

The Company's principal purpose is to provide cost effective services to its customers rather than to generate profits, as such, the directors have determined that the Company is a not-for-profit entity as defined under Australian Accounting Standards - Reduced Disclosure Requirements (RDR).

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

Murrumbidgee Irrigation Limited (the "Company") is a limited company incorporated in Australia. The registered office and principal place of business of Murrumbidgee Irrigation Limited is:

Lot 255 Research Station Road,  
Hanwood NSW 2680.

#### (b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Murrumbidgee Irrigation Limited and its controlled entities MI Holdings Pty Ltd, Hanwood Estate Property Trust, MI EasyTrade Pty Ltd and MI Energy Pty Ltd. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Control is achieved where Murrumbidgee Irrigation Limited:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

#### (c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities:

- (i) Revenue from the supply of water: Revenue from the supply of water and drainage services comprises both access and usage-based charges which are billed GST-free annually to all customers. Revenue is recognised as the services are delivered to customers.
- (ii) Contract and other revenue: Other revenue is raised from the provision of contract works,

including the installation of irrigation supply infrastructure, earthmoving, hire of plant and workshop activities, and is recognised using a percentage completion method.

- (iii) Revenue recognised from government contributions (LWMP and ARFD): Contributions received by the consolidated entity from these sources are recognised as revenue when the expenditure is incurred in the appropriate programs.
- (iv) Government contributions for Private Irrigation Infrastructure Operators Program 2 (PIIOP2): Contributions received from the government for infrastructure improvements are recognised as revenue as the relevant expenditure is incurred. As the consolidated entity is obliged under the terms of the funding agreement to undertake the relevant infrastructure works or refund the money, any unexpended funds at balance date are brought to account as a liability.
- (v) Government contributions for Private Irrigation Infrastructure Operators Program 3 (PIIOP 3): Contributions received from the government for infrastructure improvements are recognised as revenue on a percentage of completion basis, as the relevant expenditure is incurred and when water entitlements are returned. As this arrangement constitutes a bundled contract, revenue relating to each element is recognised proportional to their fair value at contract date as if they were sold performed independently of each other. As the consolidated entity is obliged under the terms of the funding agreement to undertake the relevant infrastructure works or refund the money, any unexpended funds, equivalent to any unperformed work, at balance date are brought to account as a liability.
- (vi) Leasing of water and property: Revenue is recognised on a straight line basis over the term of the lease.
- (vii) Interest income: Interest income is recognised as it accrues.
- (viii) Revenue from the sale of assets: Revenue from the sale of fixed assets is recognised when risks and rewards of ownership have passed to the buyer.
- (ix) Temporary transfer of water: Revenue from the temporary transfer of water is recognised when the risks and rewards have passed to the buyer.
- (x) Termination charges: A charge is levied on cancellation of delivery entitlements. This charge for 2016/17 was based on a multiple of 10 times fixed charges in accordance with ACCC water charge rules.

**(d) Income tax**

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that, at the time of the transaction, did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In 2013/14, the entity elected to adopt the NANE (non assessable non exempt) provisions for all PIOP revenue and expenses. Under these provisions all PIOP related revenue is exempt from tax and expenditure is not claimable.

**(e) Impairment of assets**

Assets are reviewed for impairment whenever events or changes in 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 value in use.

As the consolidated entity is a not-for-profit entity and the future economic benefits of the consolidated entity assets are not primarily dependent on their ability to generate cash flows, value in use is taken to be depreciated replacement cost provided that the consolidated entity would, if deprived of the asset, replace it.

Accordingly, the consolidated entity's non-current assets may be carried at amounts significantly in excess of the values that would be applied if it were a 'for profit' entity in accordance with Australian Accounting Standards - RDR and had applied the impairment rules of a 'for profit' entity.

**(f) Trade and other receivables**

Trade receivables are recognised at fair value. Trade receivables are raised at the end of April for fixed charges and the end of June for water use based charges and are due for settlement no more than 28 days from the date of raising of the invoices. Other debtors are due for settlement in no more than 28 days. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms. The amount of movement in the provision is recognised in the consolidated statement of profit or loss and other comprehensive income.

Chapter 7, Part 4, clauses 354 to 362 of the Water Management Act 2000 ('the Act') provides that a rate or charge imposed on the owner of any land by an irrigation corporation is a charge on the land to which it relates, thereby securing the debts.

Chapter 4, Part 1, Division 6, paragraph 136 of the Act further provides that on a change of ownership of land, the new landholder is liable to the irrigation corporation for the amount of any charges levied by the irrigation corporation in relation to the land and unpaid by the previous landholder as if the new landholder had entered into a contract with the irrigation corporation for the supply of the service or services to which the unpaid services relate.

Based on the above provisions of the Water Management Act 2000 the consolidated entity considers the provision for doubtful debts to be appropriate.

**(g) Inventories**

Raw materials and stores are stated at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of weighted average costs. No inventory is held for resale.

**(h) Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of non-current assets constructed by the consolidated entity includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of overheads. Land is not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful life, as follows:

	Years
Earth channels and drains	100
Infrastructure	15–100
Buildings and cottages	40
Plant	6–15
Office equipment	3–5
Scientific instruments	5–15
Motor vehicles	4–7



Assets are not depreciated until they have been commissioned. The assets' residual values and useful life are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer Note 1 (e)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit or loss and other comprehensive income.

**(i) Intangible assets**

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

**(j) Maintenance expenditure**

Routine maintenance expenditure of a regular and ongoing nature is charged as an operating expense to the profit or loss as and when incurred. Major refurbishments in respect of earth supply and drainage channels and other infrastructure are treated as capital.

**(k) Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity up to the reporting date which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(l) Employee benefits**

**(i) Short-term and long-term employee benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits, are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

- (ii) Retirement benefit obligations:** All employees of the consolidated entity are entitled to benefits on retirement, disability or death. Plans are either defined contribution or defined benefit. The defined benefit plan provides defined lump sum or pension benefits based on years of service and final average salary and is administered by the Local Government Superannuation Scheme. Under the accumulated plans, the consolidated entity makes contributions as determined by legislation.

A liability or asset in respect of defined benefit superannuation plans is recognised in the consolidated statement of financial position and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Movements in the value of the defined benefits plans' assets and liabilities are recognised directly to other comprehensive income. Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(m) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand and cash at bank.

**(n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**(o) Rounding of amounts**

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**(p) Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**(q) Financial assets**

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

- (i) Available-for-sale financial assets: Available-for-sale financial assets comprise investments in debt instruments such as fixed and floating rate notes. After initial recognition, these investments are measured at fair value with gains or losses recognised in other comprehensive income (available-for-sale reserve), except for impairment losses, which are recognised in profit or loss.

Reversals of impairment losses for available-for-sale debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For available-for-sale equity investments impairment reversals are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.

When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

- (ii) Impairment of financial assets: Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**(r) Financial liabilities**

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**(s) Provisions**

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

**(t) Reserves**

The Constitution provides that directors may, at their discretion, set aside reserves out of Company profits, to be used for any purpose that the profits of the Company can be properly applied. Such reserves can be used in the business of the Company or reinvested as the directors think fit.

- (i) Asset Reserve: The purpose of the Asset Reserve is to set aside funds for future investment in infrastructure. These funds are an accumulation of both the Asset Refurbishment contribution made annually by irrigators since privatisation and investment income attributed to these contributions over the same time.
- (ii) Available For Sale Reserve (AFS): The purpose of the AFS Reserve is to accumulate unrealised gains or losses on AFS revaluations.

**(u) Critical accounting judgments and key sources of estimation uncertainty**

In the application of the consolidated entity's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Note 1.****Summary of significant accounting policies *continued***

(i) Useful lives of property, plant and equipment: The directors periodically review operating infrastructure, plant and equipment to determine that their condition and remaining useful life are reasonable.

(ii) Provision for environmental remediation: The directors have recorded a provision for environmental remediation - Note 27.

(iii) Provision for long service leave: Oncosts do not include superannuation as the majority of leave is generally paid on termination.

(iv) Investments available for sale: The majority of available-for-sale investments held by the Company are not listed on an exchange and therefore no market price can be observed. Calculation of the fair value of these assets is therefore based on other methodologies, such as analysing off-market trading and considering the expected cash flows attached to the instruments, taking into account the instrument's estimated yield to maturity.

(v) Asset impairment: Assets are reviewed annually for impairment or whenever events or changes in 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 value in use.

As the Company is a not-for-profit entity and the future economic benefits of the Company's assets are not primarily dependent on their ability to generate cash flows, value in use is taken to be depreciated replacement cost provided that the Company would, if deprived of the asset, replace it.

Intangible assets with indefinite useful lives are reviewed annually as to whether their carrying

value exceeds their recoverable amount.

The commencement of the PIOP project created an expectation that a significant portion of the Company's capital assets will be replaced, decommissioned or handed over to the landholders in future years. Where the Company has been able to make a reasonable estimate of such items, the carrying amount of the relevant assets has been reduced to their recoverable amount. That reduction is recognised as an impairment loss through the consolidated statement of profit or loss.

**(v) Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

Accounting Standards include Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements were authorised for issue by the directors on 31 August 2017.

**(w) Application of new and revised Accounting Standards**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2016.

The adoption of the new and revised Standards and interpretations has had no material effect on the financial statement of the Group.

**(x) Comparatives**

Unless otherwise stated, all accounting policies applied are consistent with those of prior years. Where necessary, comparatives have been reclassified for consistency with current year disclosures.

**Note 2.****Segment reporting**

Revenue and expenses by activities (\$'000)

	Customer operations	Water savings	Investments	Government and other activities	Hanwood Estate Property Trust	Inter-company	Total
<b>2017</b>							
Revenue	37,151	1,602	5,345	46,640	893	(852)	<b>90,779</b>
Expenses	(44,901)	-	(17)	(14,126)	(893)	852	<b>(59,085)</b>
<b>(Loss)/profit before tax</b>	<b>(7,750)</b>	<b>1,602</b>	<b>5,328</b>	<b>32,514</b>	<b>-</b>	<b>-</b>	<b>31,694</b>
<b>2016</b>							
Revenue	33,692	3,228	6,123	37,423	910	(847)	<b>80,529</b>
Expenses	(41,367)	-	(791)	(7,791)	(910)	847	<b>(50,012)</b>
<b>(Loss)/profit before tax</b>	<b>(7,675)</b>	<b>3,228</b>	<b>5,332</b>	<b>29,632</b>	<b>-</b>	<b>-</b>	<b>30,517</b>



### Note 3. Parent entity disclosure

Statement of profit or loss and other comprehensive income of the parent entity  
Murrumbidgee Irrigation Limited

	2017 \$'000	2016 \$'000
Operations revenue	44,098	43,043
Government and other revenue	46,640	37,423
<b>Total revenue</b>	<b>90,738</b>	<b>80,466</b>
Customer expenditure	44,918	42,158
Government and other expenditure	14,126	7,791
<b>Total expenditure</b>	<b>59,044</b>	<b>49,949</b>
<b>Profit before tax</b>	<b>31,694</b>	<b>30,517</b>
Income tax (expense)/benefit	(101)	462
<b>Profit for the year</b>	<b>31,593</b>	<b>30,979</b>
<b>Other comprehensive income</b>		
Actuarial gain/(loss) of defined benefit plan recognised directly in equity	5,784	(6,931)
Available for sale financial asset revaluation gains	835	133
Income tax (expense)/benefit on items recognised directly in equity	(1,984)	2,039
<b>Other comprehensive income/(loss) for the year net of tax</b>	<b>4,635</b>	<b>(4,759)</b>
<b>Total comprehensive income for the year net of tax</b>	<b>36,228</b>	<b>26,220</b>

Statement of financial position of the parent entity Murrumbidgee Irrigation Limited

Current assets	154,131	107,999
Non-current assets	513,069	467,081
<b>Total assets</b>	<b>667,200</b>	<b>575,080</b>
Current liabilities	121,613	62,047
Non-current liabilities	43,659	47,332
<b>Total liabilities</b>	<b>165,272</b>	<b>109,379</b>
<b>Net assets</b>	<b>501,928</b>	<b>465,701</b>
Contributed equity	273,734	273,734
Reserves	51,237	46,652
Retained earnings	176,957	145,315
<b>Total equity</b>	<b>501,928</b>	<b>465,701</b>

### Note 4. Subsidiaries

Information about the composition of the Group at the end of the reporting period is as follows.

Name of Entity	Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries		Proportion of interest and voting power held	
			2017	2016	2017	2016
MI Holdings Pty Ltd	Trustee Company	Australia	1	1	100%	100%
Hanwood Estate Property Trust	Investment	Australia	1	1	100%	100%
MI EasyTrade Pty Ltd	Not active	Australia	1	1	100%	100%
MI Energy Pty Ltd	Not active	Australia	1	1	100%	100%
Number of wholly-owned subsidiaries			4	4		

Note 5.	Amounts recognised directly in equity
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The following amounts were recognised directly to equity:	2017 \$'000	2016 \$'000
Actuarial gains/(losses) of defined benefits plan recognised directly in equity	5,784	(6,931)
Available for sale financial asset revaluation gains	835	133
Income tax (expense)/benefit on items recognised directly in equity	(1,984)	2,039
<b>Net income/(loss) recognised directly in equity</b>	<b>4,635</b>	<b>(4,759)</b>

Note 6.	Revenue
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<b>Customer Revenue</b>	2017 \$'000	2016 \$'000
Fixed charges - other	20,270	19,844
Usage	7,537	5,911
Bulk water	6,962	6,243
Contract and other	2,371	1,683
<b>Total customer revenue</b>	<b>37,140</b>	<b>33,681</b>
Water savings sales	1,602	3,228
<b>Total operating revenue</b>	<b>38,742</b>	<b>36,909</b>
<b>Government and other revenue</b>		
PIIOP - infrastructure funding	46,149	29,695
PIIOP - sale of water	292	6,859
Asset refurbishment	199	393
Other	-	476
<b>Total government and other revenue</b>	<b>46,640</b>	<b>37,423</b>
<b>Investment revenue</b>		
Interest	2,085	2,469
Water allocation sales	3,312	3,728
<b>Total investment revenue</b>	<b>5,397</b>	<b>6,197</b>

Note 7.	Expenses
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The statement of profit or loss and other comprehensive income includes the following expenses:

	2017 \$'000	2016 \$'000
Salaries and wages	14,048	13,631
Superannuation	1,536	1,396
Labour on-costs	3,357	3,125
Defined benefit contribution	1,200	459
Labour recoveries	(31)	(405)
<b>Total employment related</b>	<b>20,110</b>	<b>18,206</b>
Legal	229	160
Consultants	628	517
Audit and taxation advisors	104	79
Environmental	330	620
Other	4	26
<b>Total contractors and consultants - operating</b>	<b>1,295</b>	<b>1,402</b>
Insurance	751	679
Information Technology	1,285	911
Fees and charges	(25)	281
Water allocation purchased (associated with investments)	17	791
Other	747	604
<b>Total other</b>	<b>2,775</b>	<b>3,266</b>
Non – infrastructure	1,742	(76)
Infrastructure	307	45
<b>Total net loss/(gain) on disposal of assets</b>	<b>2,049</b>	<b>(31)</b>

Note 8.	Remuneration of auditors
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	2017 \$	2016 \$
(a) Auditor of the parent entity		
Audit of the financial report	63,000	61,200
Taxation services	40,959	17,040
Other assurance services	25,415	10,000
	<b>129,374</b>	<b>88,240</b>
(b) Other auditors		
Audit or review of the financial report of Hanwood Estate Property Trust	1,555	1,545
Other assurance services	43,518	61,903
	<b>45,073</b>	<b>63,448</b>

Other assurance services (other auditors) relate to audits of the MIARA expenditure and PIOP milestone reports by Pitcher Partners and Johnsons MME.

Note 9.	Cash and cash equivalents
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	2017 \$'000	2016 \$'000
Cash at bank and on hand	132,922	84,163
<b>Total cash and cash equivalents</b>	<b>132,922</b>	<b>84,163</b>
Included in the above cash and cash equivalents are the following:		
Cash held for Private Irrigation Infrastructure Operators Program (PIOP)	113,891	59,196
Unrestricted operational cash	19,031	24,967
<b>Total cash and cash equivalents</b>	<b>132,922</b>	<b>84,163</b>

Note 10.	Trade and other receivables
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	2017 \$'000	2016 \$'000
Current trade and other receivables:		
Trade receivables	3,760	3,344
Less: Allowance for doubtful debts	(154)	(156)
	<b>3,606</b>	<b>3,188</b>
Other receivables	12,016	10,085
Less: Allowance for doubtful debts	(8)	(6)
	<b>12,008</b>	<b>10,079</b>
<b>Total current receivables</b>	<b>15,614</b>	<b>13,267</b>
Non-current trade and other receivables:		
Other receivables	300	725
<b>Total non-current receivables</b>	<b>300</b>	<b>725</b>
<b>Total receivables</b>	<b>15,914</b>	<b>13,992</b>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. No interest is charged on trade receivables for the first 35 days from the date of the invoice. Thereafter, interest is charged at the maximum rate permissible under the *Water Management Act 2000* on the outstanding balance. The provision for doubtful debts on trade receivables is influenced by the security the consolidated entity holds over lands on which the debt relates in terms of Note 1 (f). The consolidated entity has recognised an allowance for doubtful debts based on the identification of all unsatisfactory accounts with debt greater than 90 days.

	2017 \$'000	2016 \$'000
Movement in the allowance for doubtful debts:		
Balance at the beginning of the year	162	165
Impairment losses recognised on receivables	58	41
Amounts written off during the year as uncollectable	(26)	(13)
Amounts recovered during the year	(32)	(31)
<b>Balance at end of the year</b>	<b>162</b>	<b>162</b>

<b>Note 11. Current assets — inventories</b>		
	2017 \$'000	2016 \$'000
General inventory, chemicals and construction materials – at cost	1,124	868
<b>Total inventories</b>	<b>1,124</b>	<b>868</b>

<b>Note 12. Other assets - other</b>		
	2017 \$'000	2016 \$'000
Prepayments	460	402
Assets held for re-sale	90	90
<b>Total other assets</b>	<b>550</b>	<b>492</b>

Note 13. Financial assets			
	Notes	2017 \$'000	2016 \$'000
Available for sale (AFS) financial assets at fair value		52,644	37,044
<b>Total financial assets</b>		<b>52,644</b>	<b>37,044</b>

Included in the above AFS financial assets are the following:

Financial assets held for asset reserve	24	13,203	11,845
Unrestricted AFS financial assets		43,441	25,199
<b>Total financial assets</b>		<b>52,644</b>	<b>37,044</b>
Current		3,517	7,458
Non-current		49,127	29,586
<b>Total financial assets</b>		<b>52,644</b>	<b>37,044</b>

Note 14. Property, plant and equipment		
Net book values:	2017 \$'000	2016 \$'000
Land	8,324	8,324
Earth channels and infrastructure	244,092	248,451
Buildings and cottages	9,386	9,710
Plant	1,442	1,817
Office and scientific equipment	2,471	4,530
Motor vehicles	2,068	2,860
In course of construction	55,091	22,212
Balance as at 30 June	322,874	297,904

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

	Land (\$'000)	Earth channels and infrastructure (\$'000)	Buildings and cottages (\$'000)	Plant (\$'000)	Office and scientific equipment (\$'000)	Motor vehicles (\$'000)	In course of construction (\$'000)	Total (\$'000)
<b>Carrying amount at 1 July 2016</b>	<b>8,324</b>	<b>248,451</b>	<b>9,710</b>	<b>1,817</b>	<b>4,530</b>	<b>2,860</b>	<b>22,212</b>	<b>297,904</b>
Acquisitions	-	-	26	116	400	417	36,412	<b>37,371</b>
Disposals	-	(307)	-	-	(1,716)	(659)	-	<b>(2,682)</b>
Depreciation	-	(5,667)	(350)	(491)	(1,103)	(550)	-	<b>(8,161)</b>
Transfers in/(out)	-	3,152	-	-	381	-	(3,533)	-
Impairment of Assets <sup>1</sup>	-	(1,537)	-	-	(21)	-	-	<b>(1,558)</b>
<b>Balance at 30 June 2017</b>	<b>8,324</b>	<b>244,092</b>	<b>9,386</b>	<b>1,442</b>	<b>2,471</b>	<b>2,068</b>	<b>55,091</b>	<b>322,874</b>

The consolidated entity's policy for accounting for depreciation of assets is described in Note 1(h).

<sup>1</sup> A provision for asset impairment has been raised for assets to be replaced under the PIOP program of works.



Note 15.	Income taxes
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Tax (expense)/benefit comprises:

	2017 \$'000	2016 \$'000
Current tax (expense)/benefit		
In respect of the current year	(521)	746
<b>Total current tax (expense)/benefit</b>	<b>(521)</b>	<b>746</b>

Deferred tax expense

Deferred tax (expense) relating to the recognition and reversal of temporary differences	(749)	(1,086)
Adjustments recognised in the current year in relation to the tax of prior years	641	817
Movement in deferred tax asset - asset disposals	511	-
Research and development tax offset	17	80
Other timing differences	-	(95)

<b>Total deferred tax benefit/(expense)</b>	<b>420</b>	<b>(284)</b>
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<b>Total current tax (expense)/benefit relating to continuing operations</b>	<b>(101)</b>	<b>462</b>
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The expense for the year can be reconciled to the accounting profit as follows:

	2017 \$'000	2016 \$'000
Profit from continuing operations	31,694	30,517
Income tax expense calculated at 30%	(9,508)	(9,155)
Effect of revenue that is exempt from taxation	8,238	8,831
Effect of expenses that are not deductible in determining taxable profit	-	(16)
Adjustments recognised in the current year in relation to the tax of prior years	641	817
Movement in deferred tax asset - asset disposals	511	-
Other timing differences	-	(95)
Research and development tax offset	17	80
<b>Income tax (expense)/benefit recognised in profit or loss</b>	<b>(101)</b>	<b>462</b>

Deferred tax balances are presented in the statement of financial position as follows:

	2017 \$'000	2016 \$'000
Capital allowances and depreciation	40,868	40,557
Retirement obligation	(2,835)	(1,508)
Employee entitlements	(1,598)	(4,570)
Asset impairment	868	-
Early PIIOP establishment costs	-	(103)
Tax losses and research and development tax offset	(323)	(827)
Other	(306)	(691)
<b>Deferred tax liabilities</b>	<b>34,938</b>	<b>32,858</b>

Note 16.	Intangible assets
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	2017 \$'000	2016 \$'000
Water - conveyance at cost (parent entity)	102,911	102,933
Water - High Security and General Security	37,356	34,714
Water - at cost (controlled entity)	442	442
<b>Total water</b>	<b>140,709</b>	<b>138,089</b>

**Reconciliation - water**

Carrying amount 1 July	138,089	130,204
Water - conveyance sold during year	(22)	(1,192)
Water - High Security and General Security sold during year	(644)	(13,930)
Water - High Security and General Security acquired during year	3,098	23,007
Water - High Security and General Security reclassified from land	188	-
<b>Carrying amount</b>	<b>140,709</b>	<b>138,089</b>

Intangible assets are carried at the lower of their cost or cost less impairment. The consolidated entity's policy for accounting for water and impairment of assets is described in Notes 1(e) and 1 (i).

**Note 17. Trade and other payables**

	2017 \$'000	2016 \$'000
Trade payables	1,524	1,906
Accruals	14,192	5,490
<b>Total trade and other payables</b>	<b>15,716</b>	<b>7,396</b>

Generally no interest is charged on trade payables for the first 30 days from date of the invoice. Thereafter, interest may be charged on outstanding balances. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

**Note 18. Provisions**

	Notes	2017 \$'000	2016 \$'000
Environmental remediation	27		
Opening balance		719	785
Expense of provision		-	-
Expenses		(11)	(66)
<b>Closing balance</b>		<b>708</b>	<b>719</b>
Employee entitlements			
Annual leave		1,370	1,306
Long service leave		4,280	4,132
<b>Total provisions</b>		<b>6,358</b>	<b>6,157</b>
Current		5,787	5,896
Non-current		571	261
<b>Total provisions</b>		<b>6,358</b>	<b>6,157</b>

**Note 19. Deferred revenue**

	Notes	2017 \$'000	2016 \$'000
MIA EnviroWise	1 (c) (iii)	7,012	7,012
Asset refurbishment	1 (c) (iii)	17,294	18,962
Private Irrigation Infrastructure Operators Program	1 (c) (iv & v)	70,418	20,716
Customer security deposits		-	47
Other		4,110	1,021
<b>Total deferred revenue</b>		<b>98,834</b>	<b>47,758</b>

**Note 20. Other liabilities**

	Notes	2017 \$'000	2016 \$'000
Retirement benefit obligation	21	9,450	15,234
<b>Total other liabilities</b>		<b>9,450</b>	<b>15,234</b>
Current		1,300	1,021
Non-current		8,150	14,213
<b>Total other liabilities</b>		<b>9,450</b>	<b>15,234</b>

**Note 21. Retirement benefit plans**

All employees are entitled to benefits on retirement, disability or death. The entity has two retirement plans, the defined benefits plan and the accumulation plan. The accumulation plan provides benefits on accumulations based on contribution and investment income.

The defined benefits superannuation plans are administered by the Local Government Superannuation Scheme (the Scheme) in accordance with legislation. The defined benefits plans provide benefits based on years of service and final average salary. Employees contribute to the plans at various percentages of their wages and salaries. In respect of contributions to the defined benefits plans, the company has applied the rate of employer contribution advised by the actuary and by the Scheme administrators (Local Government Superannuation Scheme).

The Scheme was established on 30 June 1997 by a Trust Deed made under an Act of the NSW Parliament for the purpose of providing retirement benefits for public sector employees of certain Local Government bodies in NSW. The Scheme has received an exemption from annual actuarial valuation and therefore actuarial valuations are only required triennially.

**Note 21. Retirement benefit plans *Continued***

The last actuarial valuation of the Scheme was performed as at 30 June 2015 by Mercer Consulting (Australia) Pty Ltd. The next actuarial investigation is due as at 30 June 2018 and will be released in the 2018/19 financial year. However actuarial assessments are made in the intervening period for financial reporting purposes, with Mercer Consulting (Australia) Pty Ltd conducting an assessment as at 30 June 2017. The Directors rely on the reviews and valuations performed by Mercer Consulting (Australia) Pty Ltd to determine the entity's obligation in respect of its defined benefit plans.

There are a number of risks to which the plan exposes the Employer. The more significant risks relating to the defined benefits are:

Interest rate risk	The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation. A decrease in market yield on high quality corporate bonds will increase the entity's defined benefit liability.
Investment risk	The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
Longevity risk	The risk that pensioners live longer than assumed, increasing future pensions.
Pension indexation risk	The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
Salary growth risk	The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
Legislative risk	The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

A reconciliation of the entity's defined benefit obligation and plan assets to the amount presented in the consolidated statement of financial position for each of the reporting periods is presented below:

	2017 \$'000	2016 \$'000
Present value of defined benefit obligations	31,003	34,688
Fair value of defined benefit plan assets	(21,553)	(19,454)
<b>Net liability</b>	<b>9,450</b>	<b>15,234</b>

The details of the entity's defined benefit obligation are as follows:

	2017 \$'000	2016 \$'000
Present value of defined benefit obligation at 1 July	34,688	27,614
Current service cost	337	290
Interest cost	1,151	1,228
Actuarial (gains)/losses arising from changes in financial assumptions	(3,159)	4,710
Actuarial losses arising from changes in demographic assumptions	-	1,662
Actuarial losses (gains)/arising from liability experience	(765)	444
Benefits paid	(952)	(1,072)
Taxes, premiums and expenses paid	(297)	(188)
<b>Defined benefit obligation 30 June</b>	<b>31,003</b>	<b>34,688</b>

The reconciliation of the balance of the assets held for the defined benefit plans is presented below:

	2017 \$'000	2016 \$'000
Fair value of plans assets at 1 July	19,454	19,311
Interest income	641	867
Actual return/(loss) on fund assets less interest income	1,241	(206)
Employer contributions	1,466	742
Benefits paid	(952)	(1,072)
Taxes, premiums and expenses paid	(297)	(188)
<b>Fair value of plans assets 30 June</b>	<b>21,553</b>	<b>19,454</b>

**Note 21. Retirement benefit plans** *Continued*

All Division B, C and D assets are held in Pool B of the Scheme. As such, assets are not separately invested for each employer and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities, and the disclosures below relate to total assets of Pool B of the Scheme.

	Total (\$'000)	Quoted prices in active markets for identical assets Level 1 (\$'000)	Significant observable inputs Level 2 (\$'000)	Unobservable inputs Level 3 (\$'000)
Unlisted and listed Securities Employer	1,813,519	999,612	813,908	-
Unlisted and listed Securities Member Investment Choice	1,629,559	*	*	-
<b>Total</b>	<b>3,443,078</b>			

\*The split of the Member Investment Choice assets by level is not available

As shown in the table above some Local Government Super assets are invested in accordance with member investment choices. For Local Government Super assets supporting the Employer Reserve, the percentage invested in each asset class at the reporting date is:

	2017
Equities	59.0%
Property	11.4%
Fixed Income	18.6%
Cash	8.3%
Other	2.7%
<b>Total</b>	<b>100%</b>

The significant actuarial assumptions used for the valuation are as follows:

	2017	2016
Discount rate at 30 June	4.18%	3.38%
Salary growth rate	3.50%	3.50%
Expected rate of CPI increase	2.50%	2.50%

**Note 22. Contributed equity**

(a) Ordinary shares – fully paid

	2017 \$'000	2016 \$'000
Contributed equity	273,734	273,734

Shares are cancelled as a result of transformation of water entitlement out of Murrumbidgee Irrigation Limited's water access licences. There is no impact on contributed equity.

(b) Movement in number of shares

	2017 Shares No.	Terminated or cancelled shares No.	2016 Shares No.
A Class Shares	244,926	(11,950)	256,876
B Class Shares	570,701	(27,323)	598,024
C Class Shares	16,715	(522)	17,237
<b>Total ordinary shares</b>	<b>832,342</b>	<b>(39,795)</b>	<b>872,137</b>

(c) Voting rights

	2017	2016
Voting rights attached to A Class shares	1,445	1,472
Voting rights attached to B Class shares	1,035	1,051
Voting rights attached to C Class shares	-	-

The Constitution prescribes one vote per landholding.

A Class and B Class shareholders have voting rights at general meetings and for the election of Member Directors in their voting college. Where a shareholder holds both 'A' Class and 'B' Class shares, the holder votes in the college in which they hold the greater number of shares.

C Class shareholders generally have no voting rights other than in respect of matters affecting their class rights.

(d) Rights to assets

Shares carry no rights to, or have residual interest in, any assets remaining on the winding up of the Company



Note 23.	Retained earnings
----------	-------------------

	2017 \$'000	2016 \$'000
Retained earnings at the beginning of the financial year	145,297	122,770
Total comprehensive income for the year	35,643	26,127
Transfer to asset reserve	(4,000)	(3,600)
<b>Retained earnings at the end of the financial year</b>	<b>176,940</b>	<b>145,297</b>

Note 24.	Reserves
----------	----------

	Notes	2017 \$'000	2016 \$'000
Asset reserve at the beginning of the year		46,559	42,959
Transfer from retained earnings	23	4,000	3,600
<b>Asset reserve at the end of the year</b>		<b>50,559</b>	<b>46,559</b>
Available for sale (AFS) revaluation reserve at the beginning of the year		93	-
AFS asset revaluation gains		585	93
<b>AFS reserve at the end of the year</b>		<b>678</b>	<b>93</b>
<b>Total reserves at the end of the year</b>		<b>51,237</b>	<b>46,652</b>
Asset reserve is funded by the following investments:			
Water - High Security and General Security	16	37,356	34,714
AFS financial assets	13	13,203	11,845
<b>Total funding</b>		<b>50,559</b>	<b>46,559</b>

The purpose of the asset reserve is to set aside funds for future investment in infrastructure. These funds are an accumulation of both the asset refurbishment contributions made by irrigators since privatisation and investment income attributed to these contributions over the same time.

Investments in water - High Security and General Security investments are held at the lower of cost and net realisable value. As at 30 June 2017, the market value of the water was approximately \$71,000,000.

Note 25.	Financial instruments
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The consolidated entity's activities expose it primarily to the financial risks of liquidity, credit risk and interest rate risk.

The directors and senior management are responsible for monitoring and managing the financial risks of the consolidated entity. They monitor these risks through monthly board meetings where monthly management reports are presented and analysed.

The consolidated entity manages its capital to ensure that entities in the consolidated entity will be able to continue as going concerns while maximising the returns to the consolidated entity through the optimisation of investment opportunities.

The consolidated entity's overall strategy remains unchanged from 2016. The consolidated entity's financial instruments consist mainly of deposits with banks, fixed and floating rate notes, accounts receivable and accounts payable. The Company is exposed to the following risks through holding financial instruments:

- (a) **Credit risk exposures:** Credit risk is the risk of financial loss to the consolidated entity if a party to a financial instrument fails to meet its contractual obligations. In respect of its cash and term deposits, the consolidated entity manages its risk by the application of the consolidated entity's investment policy which requires capital guaranteed investment with Standard and Poor's BBB rated investment houses. In respect of trade debtors, the credit risk is largely mitigated by the security described at Note 1 (f). The consolidated entity establishes allowances for impairment when it is expected that any receivables are not considered collectible.

The maximum exposure to credit risk as at balance date is the carrying amount as disclosed in the statement of financial position.

- (b) **Liquidity risk management:** Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due.

The consolidated entity has both short and long term facilities which enable sufficient cash to be available to settle obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which is continuously reviewing practices with the purpose of establishing an appropriate liquidity risk management framework for the consolidated entity's short, medium and long term funding and liquidity management requirements.

**Note 25. Financial instruments *Continued***

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the consolidated entity aims at maintaining flexibility in funding by keeping committed credit lines available. The credit risk on liquid funds is limited because the investment houses are banks with high credit ratings assigned by international credit rating agencies.

- (c) **Net fair value of financial assets and liabilities:** The directors consider that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the financial statements approximates their fair values.

**Note 26. Key management personnel compensation**

- a) The directors and other members of key management personnel of the consolidated entity during the year were:

(i) Directors

Non-executive Chairman: F S Sergi

Non-executive Directors: I H Blight, P C Borrows, L E Bouilly, J I Dalton, K L Dalton, A J Sergi

Managing Director: B A Jones (appointed 1 July 2016)

(ii) Leadership team

Name: Position:

B A Jones Chief Executive Officer

S J Hansen General Manager Customer Services (commenced 1 August 2016)

K J Hutchinson General Manager Policy and Stakeholder

C N Onley General Manager Finance and ICT

D P Radue Company Secretary/General Manager Corporate Services

J J Rudd General Manager Asset Delivery

A P Shea General Manager Operations

D M Gilbert Executive Manager Infrastructure Planning (redundant 6 July 2016)

- (b) Key management personnel compensation:

	2017 \$	2016 \$
(i) Directors (excluding Managing Director)		
Short-term benefits	385,889	389,817
Post-employment benefits	37,577	33,746
<b>Total compensation</b>	<b>423,466</b>	<b>423,563</b>
(ii) Leadership (including Managing Director)		
Short-term benefits (including payment of leave entitlements on termination)	1,519,786	1,375,96
Post-employment benefits	141,203	129,794
<b>Total compensation</b>	<b>1,660,989</b>	<b>1,504,990</b>

- (c) Equity instrument disclosures for key management personnel

The aggregate numbers of shares in the company held at balance date by key management personnel were:

	2017	Movement	2016
Ordinary shares			
A Class	3,387	-	3,387
B Class	4,427	-	4,427
C Class	-	-	-
<b>Total ordinary shares</b>	<b>7,814</b>	<b>-</b>	<b>7,814</b>

- (d) Other transactions with key management personnel

As active irrigator shareholders of the company a number of key management personnel entered into normal commercial transactions for the supply of water and drainage services in accordance with the Water Entitlements and Water Delivery Contracts.

	2017 \$	2016 \$
Value of transactions		
Water supply and drainage services	242,055	246,055
Receivable balance at reporting date	13,311	12,852

- (e) Loans to key management personnel

There are no loans to key management personnel.

**Note 27. Environmental remediation**

A provision was raised in the 2014/15 year for remediation costs for sites that have been identified as contaminated. The provision is based on management's estimate of costs derived from knowledge gained from remediation work performed in previous years. The balance as at 30 June 2017 was \$708,000 (2016: \$719,000).

The provision of \$708,000 (2016: \$719,000) included in Note 18, represents the directors' best estimate of the likely cost of remediating the sites currently identified as requiring remediation.

**Note 28. Commitments****Capital commitments**

Commitments for the acquisition of plant and equipment contracted for at the reporting date, but not recognised as liabilities

2017 \$'000	2016 \$'000
52,077	20,361

At 30 June 2017, the outstanding revenue to be received from the Commonwealth of Australia under the PIIOP 3 funding agreement is \$108,800,301 and the outstanding water to be handed back is the equivalent of 10,114 ML of conveyance water.

**Note 29. Events occurring after balance date**

At the date of this report, no matter or event has occurred since the balance date that is likely to materially impact the state of affairs of the consolidated entity in the short term.

**Note 30. Contingent liabilities**

The consolidated entity is not aware of any contingent liabilities at the reporting date.

**Note 31. Operating leases**

The Group's future minimum operating lease payments are as follows:

**Minimum lease payments due**

With 1 year

1 to 5 years

2017 \$'000	2016 \$'000
141	-
53	-

Lease expense during the period amounts to \$88,129 (2016: \$nil) representing the minimum lease payments. The vehicle lease commitments are non-cancellable operating leases with lease terms of between one and five years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

## Directors' declaration

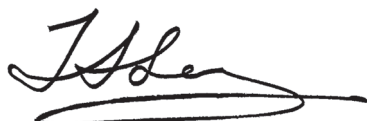
The directors declare that the financial statements and notes set out on pages 18 to 37:

- comply with Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the directors' opinion:

- the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- there are reasonable grounds to believe that the Company 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.



Frank Sergi  
Chairman  
Hanwood, NSW  
31 August 2017

# Independent auditor's report



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MURRUMBIDGEE IRRIGATION LIMITED

### Auditor's Opinion

We have audited the financial report of Murrumbidgee Irrigation Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report of Murrumbidgee Irrigation Limited is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Information other than the Financial Report and Auditor's Report**

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, 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.

**Responsibilities of the Directors for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. The Directors responsibility also includes 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 Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_files/ar7.pdf](http://www.auasb.gov.au/auditors_files/ar7.pdf).

This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



E W Passaris  
Partner – Audit & Assurance  
Melbourne, 31 August 2017

# Company directory

as at 31 August 2017

## Murrumbidgee Irrigation Limited

<b>ABN</b>	39 084 943 037
<b>Directors</b>	Frank Sergi (Chairman) Nayce Dalton (Deputy Chairman) Ian Blight Peter Borrows Leith Bouilly Kaye Dalton Tony Sergi Brett Jones
<b>Company Secretary</b>	Dorian Radue
<b>Registered office and Share Register</b>	Lot 255 Research Station Road HANWOOD NSW 2680 Tel: 02 6962 0200
<b>Leeton office</b>	Dunn Avenue LEETON NSW 2705 Tel: 02 6953 0100
<b>Postal</b>	Locked Bag 6010 GRIFFITH NSW 2680
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<b>Email</b>	<a href="mailto:info@mirrigration.com.au">info@mirrigration.com.au</a>
<b>Auditor</b>	Grant Thornton MELBOURNE VIC 3000
<b>Bankers</b>	Commonwealth Bank of Australia LEETON NSW 2705
<b>Insurance brokers</b>	Arthur J. Gallagher NORTH SYDNEY NSW 2060
<b>Solicitors</b>	Addisons SYDNEY NSW 2000

## Abbreviations and acronyms

ABN	Australian Business Number
ACCC	Australian Competition and Consumer Commission
ARFD	Asset Refurbishment Funding Deed
GL	Gigalitre
GS	General Security
GST	Goods and Services Tax
ha	Hectare
HS	High Security
IHS	Integrated Horticulture Supply
I/MH	Injuries per million hours
LWMP	Land and Water Management Plan
MDB	Murray-Darling Basin
MDBA	Murray-Darling Basin Authority
MI	Murrumbidgee Irrigation
MIA	Murrumbidgee Irrigation Area
MIARA	MIA Renewal Alliance
ML	Megalitre
PIIOP	Private Irrigation Infrastructure Operators Program
S&D	Stock and Domestic

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## Murrumbidgee Irrigation

### OUR VISION

Growing our future together - Customers, Company, Community

### OUR MISSION

We leverage our system and regional advantages to provide water products and services that are valued by our customers

### WE VALUE

**INTEGRITY.** We do the right thing, we behave honestly, openly and ethically in everything we do.

**CUSTOMERS.** We deliver excellent service that is timely and consistent; we work together for the long term.

**ACCOUNTABILITY.** We own our actions and are responsible for delivering what we promise.

**RESPECT.** We listen to others, acknowledge their needs and care for our environment.

**TEAMS.** We work together for a common goal, share what we know and do not compromise on safety.



Murrumbidgee  
Irrigation

**Murrumbidgee Irrigation Limited**

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