



Murrumbidgee  
Irrigation

# 2018

## ANNUAL REPORT



Growing our future together  
Customers • Company • Community





Murrumbidgee  
Irrigation

## ANNUAL GENERAL MEETING 2018

The twentieth Annual General Meeting of shareholders will be held on  
**Monday 12 November 2018** at Griffith Exies Club, Jondaryan Avenue, Griffith NSW 2680.  
Registration is from 7.00pm for a 7.30pm start.

## MURRUMBIDGEE IRRIGATION LIMITED 2018 ANNUAL REPORT

**This report is a summary of our company performance and key activities from 1 July 2017 to 30 June 2018.**

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.mirrigation.com.au/About-Us/Annual-Reports](http://www.mirrigation.com.au/About-Us/Annual-Reports).

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Frank Sergi, Chair.



Brett Jones, Chief Executive Officer.

## Foreword

Throughout 2017/18 we have been busy improving how we work with customers, modernising our asset base and changing the way we work together inside and outside of the company. Everything we now do has an emphasis on being a customer centric, commercial and team orientated business.

At Murrumbidgee Irrigation we are committed to acting in the best interests of all stakeholders and realise that only by having a mindset open to feedback and improvement, will we deliver on that commitment. With this in mind, we have spent a lot of time listening to customers about their current and future needs and how we can change together to support their future.

With numerous changes occurring, we understand that it is critical to maintain open and constructive communication. Hence, our customer engagement capability, and activity, has increased, along with the transparency of the company.

Our ongoing efforts to reduce costs has focused on automation benefits, reconfiguring our assets, improving our procurement practices and continuing to simplify the way we do business. Doing business with us has been made much easier over the past year through:

- Annual Trading remaining open to end of 2017/18 (allowing over 200 customers to trade 10GL)
- Releasing our new product to support customers managing their end of season water accounts
- Rather than limited winter watering, the Main Canal remained open throughout winter to support our horticultural customers, and
- Significantly less forms and red tape.

A tremendous amount was achieved over the past year, building confidence in the business for our customers and stakeholders:

- In 2017/18 we had positive net trade of allocation into the MIA for the first time this decade
- The 2017/18 year was the first year since DE's commenced that we have a significantly greater number on issue at end of year than at the start
- In 2017/18 we saw the first expansion project in operation since turning on the water last century, and
- The 2017/18 year was the first time since 2004 that we have ended the year with more general security entitlement on our licence.

The efficiency of our water deliveries has been, and will continue to be, a significant focus for us. Our efficiency programs include reducing seepage and evaporation by channel lining, reconstructing and reconfiguring channels, and reducing losses through automation and improved operations.

Murrumbidgee Irrigation's journey to the fully automated highly performing business we want is well underway, and we are excited about what the future holds.






# Three year snapshot

GENERAL INFORMATION	Measure	2017/18	2016/17	2015/16
Total area of MIA	ha	680,500	670,000	660,000
Company water licences	ML	1,115,229	1,119,671	1,170,920
Total delivery entitlements in issue	Number	1,171,297	1,087,282	1,083,919
Landholdings	Number	3,276	3,314	3,316
Total area of irrigated crops	ha	140,992	117,900	116,053
Employees (Equivalent full-time. Inc. externally funded)	Number	181	181	175
Employees externally funded by PIOP	Number	22	29	20
Lost time injury frequency rate	I/MH	9.4	6.4	7.0

FINANCIAL	Measure	2017/18	2016/17	2015/16
Consolidated profit before tax and depreciation	\$'000	88,539	39,855	57,841
Customer operations profit before tax and depreciation	\$'000	898	107	155
Customer operations loss before tax	\$'000	(9,451)	(7,750)	(7,675)
Water savings revenue	\$'000	9,154	1,602	3,228
Investment revenue	\$'000	5,613	5,345	6,123
Government revenue	\$'000	103,427	46,640	37,423
Consolidated net assets	\$'000	576,788	501,911	465,683
Asset reserve (book value)	\$'000	51,236	50,559	46,559
Sponsorship and donations	\$'000	19	27	17.5

WATER SUMMARY	Measure	2017/18	2016/17	2015/16
<b>Water available</b>				
Carryover from previous year	ML	242,383	164,664	173,067
Govt. announced allocation (all licences)	ML	714,109	964,088	699,570
Temporary transfers into MIA	ML	189,525	69,385	82,312
Supplementary flows from river	ML	12,288	23,736	43,903
Internal surplus flows (eg from rainfall) <sup>1</sup>	ML	1,603	49,226	0
<b>Total</b>	ML	<b>1,159,908</b>	1,271,099	998,852
<b>Water accounted</b>				
Total water delivered (all licences, inc. surplus flows)	ML	947,407	828,818	646,296
Temporary transfers out of MIA	ML	82,981	182,481	187,892
Carryover into following year	ML	129,520	242,383	164,664
Spill to Govt. resource set <sup>2</sup>	ML	0	17,417	0
<b>Total</b>	ML	<b>1,159,908</b>	1,271,099	998,852
<b>Allocations</b>				
Special purpose High Security (Towns, S&D)	% of entitlement	100%	100%	100%
High Security	% of entitlement	95%	100%	95%
General Security	% of entitlement	45%	100%	37%
Additional Water <sup>3</sup>	% of entitlement	4%	4%	4%

**Notes:** 1. This does not include flows released through the floodway and overland. 2. Water remaining in licences that cannot be carried over into following year. 3. For eligible customers who hold more than 250 Delivery Entitlements.

# Year in review

## July 2017

### Main Canal Modernisation in full swing

Our extended winter works program - including automation of our Main Canal - ran to schedule. The program of works required us to work closely with our customers to provide access to water for their critical winter water needs. This proved challenging in some areas and delivering water to citrus plantings for frost protection was a priority.

### Working with local Council to assure town water supply

We worked closely with our local councils to ensure town water supply was maintained during the dry 2017 winter. The combination of our Main Canal modernisation program and WaterNSW works being undertaken at Berembid Weir, meant no access to river water from early June 2017, with only water contained in the MI network available for town supply.

### NSW Water Reform makes headlines

An investigative journalism piece by ABC TV program Four Corners airs accusations of water theft and corruption inside the NSW Government. The public and political response to the report sets in train a series of high-level inquiries, an ICAC investigation and a period of instability inside the NSW Water bureaucracy.

## August 2017

### Staggered season commencement meets early customer water demand

By staggering season commencement dates we were able to supply some customer water orders in late July with normal supply operations resuming by 5 August in most areas. To do this we worked closely with WaterNSW and the Office of Environment and Heritage (who were managing an environmental flow down the Murrumbidgee River). This assisted us to open up the network sooner than expected to meet the high customer demand after the extended winter works program.

### NBC expansion a success

The expansion program on the Northern Branch Canal was completed, with the additional joint customer and MI funded works complementing the government funded PIIOF modernisation program. The works essentially doubled the capacity of the Northern Branch Canal.

### 4% additional annual water allocation

MI announced a 4% additional annual water allocation to eligible customers as a result of company water savings and efficiency measures.

### Additional \$38M PIIOF3 funding

Former Deputy Prime Minister and Minister for Agriculture and Water Resources, Barnaby Joyce, announced a further \$38 million for MI under Round Three of the Australian Government's Private Irrigation Infrastructure Operators Program (PIIOF3) in New South Wales. The funding allowed us to continue to improve the efficiency of our water delivery system through further infrastructure upgrades across the network.

## September 2017

### House of Representatives Agriculture and Water Resources Committee in Griffith

MI representatives presented to the House of Representatives Agriculture and Water Resources Committee hearing in Griffith to highlight the benefits of infrastructure funding to our region. We were able to give examples of our positive experiences with delivering infrastructure programs and the benefits it brings to our region.

### Matthews Report interim findings released

The interim report from the independent review into the allegations of the ABC Four Corners program was released. The interim report identified significant failings in governance within the NSW Government and the lack of a culture of compliance. The NSW Government responded immediately with a commitment to build an action plan to address the findings.



## October 2017

### Channel safety campaign

We launched our revised summer channel safety program, which included articles in local papers, radio interviews, and a three-month television and radio campaign on safety around irrigation channels. The revised program highlights the changing infrastructure and hazards across the supply network with particular attention on automation and channel lining.

### Member Director Ian Blight resigns

Member Director Ian Blight resigned from his position as a B class shareholder-elected director when he identified that he was not eligible for the office, based on a technical interpretation of MI's constitution.

### NSW Ombudsman report into water compliance and enforcement released

The Acting NSW Ombudsman Professor John McMillan, released a report identifying concerns that the water compliance and enforcement function had not been properly understood, supported and resourced within Government and the function has suffered rather than benefitted from a frequent history of administrative restructuring.

## November 2017

### Annual General Meeting

Around 120 MI shareholders attended our nineteenth Annual General Meeting at the Historic Hydro Motor Inn in Leeton on 13 November. A motion of no confidence in the MI Board was comfortably defeated, with the majority demonstrating their confidence in current leadership to take the Company forward. At the meeting shareholders also voted in favour of appointing Kaye Dalton as an Independent Director for a further three-year term. Tony Sergi was re-elected as an A class Member Director and Nayce Dalton was re-elected unopposed as a B class Member Director.

### Customer survey

We completed an independent customer satisfaction survey to gain feedback on our service, products, pricing, operations and value for money. The survey showed most

customers still want improved maintenance and half want greater water delivery automation. It also highlighted that more than half of our customers want flexible billing (quarterly or half yearly), and online services such as tracking requests or trading.

## December 2017

### Hayden Cudmore elected

Hayden Cudmore was elected as a B class Member Director, filling the vacancy left by Ian Blight.

### Gunbar Water Pipeline works commence

Works commenced on the Gunbar Water Pipeline. The pipeline is part of the Wah Wah Stock & Domestic Pipeline Project that will supply pressurised piped water to 62 properties in the Wah Wah district, which covers 310,000 hectares from Carrathool to Hay in the south, and from Gunbar to Booligal in the north.



*Gunbar Water Pipeline sod turning ceremony.*

### MI welcomes report on water recovery programs

We welcomed the findings of a report into the economic effects of water recovery programs in the Murrumbidgee Irrigation Area. The report used predictive modelling to estimate the local and regional economic effects of Australian Government water recovery programs, intended to 'Bridge the Gap' under the Murray-Darling Basin Plan in the MIA. The report supported the policy position that MI have maintained throughout the development, and implementation, of the Plan. That is, investment in infrastructure programs supports communities - while buyback merely retires debt.

### December supply challenges

In the lead up to Christmas 2017, and despite our best forecasting efforts, there was a mismatch between supply from the Murrumbidgee River and our local customer demand, and we were faced with a potential 4-5 days of significant water supply restrictions. By using our new automated structures differently and working with key Council stakeholders to manage non-essential usage, we reduced the extent and severity of the supply impact on customers to one day of restriction each on the Sturt and Main Canal supply systems. Our new metering technology was put to good use during this period, helping us identify customers who were taking water without an order, or above their ordered flow rate. Our Customer Service and Delivery teams were then able to contact these customers and ensure their supply was adjusted, so as not to impact other customers.

### January 2018

#### Modernisation works in-season

Modernisation works commenced in-season throughout the south-western part of our network, as part of our shift to automation. We made provisions to pump around structures to enable construction activity while continuing to deliver water. In season works were focused on Bilbul and smaller structures in Widgee, Wah Wah, Tabbita and Benerembah.



*A newly automated farm outlet at Tabbita.*

### Ernst Young Report released – analysis of efficiency measures in the Murray-Darling Basin

The Ernst Young report assessed available methods to recover additional water for the environment with no social and economic impacts. The report supported State and system level infrastructure projects but recognised there were potential community impacts from on-farm programs.

### February 2018

#### Big water year continues

High demand for water continued through a hot dry summer resulting in customer water deliveries of over 800GL exceeding our budgeted water delivery expectations.

#### Yanco village network modernisation

As part of our Commonwealth funded modernisation program, plans to renew the Yanco Village irrigation network were announced. This \$10 million program provides opportunities to realign the network to current customer needs. Works include the Yanco Stock & Domestic Pipeline and Earthen Channel Rehabilitation projects.

#### Murray-Darling Basin Plan Amendment bill disallowed

The Australian Labor Party and the Greens joined forces to disallow an amendment to the Basin Plan that would reduce the water recovery target of the Northern Basin. The move threatened the bi-partisan support for the Basin Plan and in particular the future of the Sustainable Diversion Limit (SDL) Adjustment amendment which would reduce the water recovery target of the Southern Basin by 605GL. We immediately rallied with the NSW and National Irrigators' Council as well as members of the Basin Community Committee to successfully lobby against the disallowance.

### March 2018

#### NSW Water Reform Action Plan launched

The NSW Government launched its Water Reform Action Plan and commenced consultation on water take measurement and metering, transparency of water entitlement and allocation ownership, and better management of environmental water.



### **Productivity Commission – Five-year review of the Murray-Darling Basin Plan**

We met with Commissioners Doolan and Madden as part of the Productivity Commission's review of the Murray-Darling Basin Plan. We highlighted the benefits of infrastructure funding to our area and in particular the innovation opportunities for customers when on-farm infrastructure funding matches system infrastructure works.

### **April 2018**

#### **Alligator weed detection dog used at Barren Box**

The use of a detection dog was trialled at Barren Box Storage and Wetland. The dog and his handler were tasked to find patches of Alligator weed. This weed was a problem at Barren Box in the 1990's, but it is now kept under control by our Vegetation Control Officers. Alligator weed is extremely difficult to control once established but eradication is possible when infestations are detected early. The potential cost of uncontrolled Alligator weed infestations for irrigation farming in the MIA is estimated to be \$250 million a year.

#### **Leadership change**

We farewelled Christina Onley and welcomed Helen Bourne to our Company. Helen takes on the leadership of the Finance and Information and Communications Technology team.

### **May 2018**

#### **Meetings with Opposition Leader Tony Burke and NSW Labor Senator Jenny McAllister**

We met with key opposition members in the lead up to the Australian Parliament's consideration of the SDL Adjustment Mechanism Amendment Bill. The Amendment to the Murray-Darling Basin Plan provides for a reduced water recovery target of 605GL for the Southern Basin.

#### **Winter works: Sturt Canal, Benerembah, Wah Wah, Tabbita and Warburn**

We commenced a significant program of modernisation works on the Sturt Canal System and the South Western parts of our network to increase system capacity and improve delivery efficiency. The works involve the upgrade of regulating structures and outlets as well as some channel refurbishment.

The 2018 modernisation program continues the largest suite of works undertaken in the area in over 100 years and takes the total investment by the Australian Government in our region to almost \$348 million.



*Modernisation works at Bray's Dam.*

#### **MDBA released regional profiles report**

The MDBA released their regional profiles report which highlighted the resilience of the MIA to the impacts of the Murray-Darling Basin Plan.

### **June 2018**

#### **Main Canal access ongoing over winter**

We operated the Main Canal differently this winter to allow us to be more responsive to customers' critical water needs. Rather than shutting down the system, we let customers know when water was not available in their section. Sections were drained to allow for annual maintenance and some capital works. Main Canal customers had ongoing supply access, with intermittent interruptions until the system returned to normal operations in early August.

#### **Contract changes**

We introduced some changes to our Water Entitlements and Water Delivery Contracts, which took effect from 1 July 2018. These include: changes to ensure our contracts are fair and meet our obligations under Australian Consumer Law, changes to simplify some terminology and to better reflect business operations, and changes to address some grammatical issues.

# Board of Directors



**Frank Sergi** *BBus, CPA*

**Chair**

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 in the area 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 Chair**

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 Chair of group company, MI Holdings Pty Ltd.



**Hayden Cudmore** *AAICD*

**Shareholder-elected Director**

Hayden Cudmore was appointed to the Board as a shareholder-elected Director in 2017. He is a local third generation irrigator and has been farming at Benerembah for the past 34 years. Hayden has had 15 years' experience in the Rice Growers Association (RGA) and previously represented RGA at various rice and water industry forums.



**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), 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 the water sector, including water policy and reform, development of water infrastructure projects and stakeholder engagement. 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.



# Leadership Team



**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), GradDipACG, CA, ACMA, GAICD, FGIA, FCIS, 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 MI 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 functions and ensuring that customers are the centre of what we do.



**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.



**Helen Bourne** *BBus (Acc), CPA, MBA*

**General Manager - Finance & ICT**

Helen commenced as General Manager, Finance and ICT in April 2018. She is responsible for providing financial stewardship to the organisation along with effective management and oversight of the information and communication technology function.

# Governance Statement

An organisation-wide commitment to conducting our 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

During 2017/18, the following changes to the composition of the Board took place:

- B Class Director, Ian Blight resigned on 11 October 2017, after serving two years on the Board.
- On 3 January 2018 Hayden Cudmore was appointed as a B Class Member Director.

In 2017 the four-year terms of Member Directors Tony Sergi and Nayce Dalton were completed. Tony re-nominated for election as an A Class Director and was declared the successful candidate after a 3-way election. Nayce was the only B class nominee and was re-appointed unopposed.

At the 2017 AGM Kaye Dalton's first three-year term as an Independent Director was completed, and Kaye's re-appointment for a further three-year term was ratified by shareholders.

Frank Sergi served as company Chair throughout the year with Nayce Dalton as Deputy.

Information about the directors, their qualifications and roles on the Board is contained in Table 2 in the Directors' Report.

As at 30 June 2018, MI's Directors held the following significant directorships and offices:



- Frank Sergi is an officer of a number of companies, including Foleys Corner Vineyard 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 Chairman 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 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 Queensland Rural and Industry Development Authority.
- 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.

### Independent Board review

The Board of Directors regularly conducts reviews of its past performance, future needs and succession plans. Periodically, these reviews are undertaken by an external party in order to provide an opinion of the Board's effectiveness and its governance practices.

During the year the Company engaged consultants, Directors Australia, to undertake an independent review of the Board and of the directors. The aim was to obtain an assessment of the Board's activities, and to constructively recommend a program of actions aimed at continuous improvement of the Board collectively and directors individually. The scope included a review of MI's governance practices, and a survey of Board procedures and activities compared with best practice. The review also included an analysis of directors' skills and experience, the Board's skills gaps, Board succession, and recommendations for change.

The Board has embarked on a program of development activities to give effect to the recommendations.

### 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 2018 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. The company Chairman is not eligible to chair the Committee.

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

### Directors' remuneration

At the Annual General Meeting held on 7 November 2016, shareholders approved a change to the method of remunerating directors, which introduced an annual cap for directors' fees. The cap for 2017/18 was \$435,900 (inclusive of superannuation contributions).

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

### Directors' and managers' interests

Shareholder directors Frank Sergi, Hayden Cudmore, Nayce Dalton 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 and managers 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.

### Code of conduct

Murrumbidgee Irrigation 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 of directors. Directors undertook a number of training and development sessions during the past year individually and as a group.

### 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, regulatory and licence compliance, remain focus areas. The Company has met the requirements of the NSW State government licences it operates under and full compliance with the monitoring requirements of our Environmental Protection Licence was achieved.

# Directors' report

Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2018.

## Directors

The persons who served as directors of Murrumbidgee Irrigation Limited during the year in review and up to the date of this report are listed in Table 2.

## Company Secretary

The Company Secretary throughout the year under review was Dorian Radue (*BA, MBA, MSc (Strategic Focus), GradDipACG, ACMA, FGIA, FCIS, 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, training and a strategy session. 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.

## Financial statements

The financial statements for the 2017/18 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).

## 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.

## 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.



## Review of operations

The consolidated result for 2017/18 was \$77,895,000 net profit before tax. The total revenue for the year was \$157,187,000 compared with \$90,779,000 for the prior year.

The key drivers for the increase in revenue include:

- An increase in government funding for works under the PIOP program with total government and other revenue of \$103,427,000 (2017: \$46,640,000);
- Water savings sales of \$9,154,000 (2017: \$1,602,000);
- Total water deliveries for the year of 802 GL (2017: 670 GL) which contributed to total customer revenue of \$38,928,000 (2017: \$37,140,000).

Total expenditure for the year was \$79,292,000 compared with \$59,085,000 for the prior year.

The key drivers for the increase in expenditure include:

- Recoverable contractor costs for PIOP on-farm works \$15,410,000 (2017: \$8,334,000);
- Depreciation \$10,644,000 (2017: \$8,161,000);
- Impairment expenses associated with the replacement of assets under PIOP \$2,541,000 (2017: \$1,558,000);
- Water allocation purchased \$4,172,000 (2017: \$17,000); and
- Operation and materials costs \$10,409,000 (2017: \$6,287,000).

An actuarial review of the fair value for the Local Government Defined Benefits Superannuation Scheme (LGSS) resulted in an adjustment of \$2,541,000 for 2017/18 of which \$1,675,000 was allocated directly to equity and \$571,000 was expensed to the profit or loss statement. The net liability as at 30 June 2018 was \$7,204,000.

## 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

As our modernisation program continues, getting the most from the automation of our network remains a key focus. This involves reskilling and building technical capacity in our staff. We have also commenced exploring opportunities to include surge reservoirs in our network to increase our delivery efficiency and flexibility. Our expansion projects continue to be well subscribed and are driving a renewed interest in Delivery Entitlements and higher flow rates. We are responding to this by increasing our customer engagement.

## Water reform

The NSW Water Reform Action Plan was released this year in response to a series of public investigations and inquiries into the NSW government Water Department. Concerns around water sharing plan governance, metering adequacy and water take compliance have resulted in an urgent reform agenda, the loss of senior bureaucrats and the establishment of a new regulator the Natural Resources Access Regulator.

The loss of confidence in NSW water governance also manifested itself in a threat to the Sustainable Diversion Limit Adjustment Mechanism – part of the Murray-Darling Basin Plan.

The adjustment mechanism reduces the water recovery target by 650GL and was the subject of a Disallowance motion in the Australian Parliament. We increased our lobbying efforts including directly through key opposition members and the Ministerial Council to ensure that the Disallowance motion did not succeed.

## 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 its 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.

MI achieved full compliance with our EPL for this reporting year.

To satisfy the requirements of our licences, 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.mirrigation.com.au](http://www.mirrigation.com.au).

**Table 1:** Particulars of directors' interests in shares at 30 June 2018

Director	Directors' interest in shares		
	A Class	B Class	C Class
Frank Sergi	1608	-	-
Hayden Cudmore	-	2103	-
Nayce Dalton	1154	2921	-
Antonio Sergi	220	-	-

**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. Resigned 11 October 2017
Peter Borrows	Independent Director <i>Qualifications: BE (UQ), Grad Dip in Bus Admin (QIT - now QUT), FIE (Aust), FAICD</i>
Leith Bouilly	Independent Director <i>Qualifications: BRuSc, DipBusStud, FAICD, FAIM, CDec</i>
Hayden Cudmore	Member Director. Appointed 3 January 2018 <i>Qualifications: AAICD</i>
Kaye Dalton	Independent Director. Chair, Audit & Risk Committee <i>Qualifications: BSc (Forestry), GAICD</i>
Antonio (Tony) Sergi	Member Director
Brett Jones	Managing Director <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	11	9			5	5		
Frank Sergi - Ex officio			2	2			3	3
Ian Blight	3	3			2	2		
Peter Borrows	11	11			5	5	3	3
Leith Bouilly	8	7	2	2	4	4		
Hayden Cudmore	5	5	2	2				
Kaye Dalton	11	11	4	4				
James (Nayce) Dalton	11	11	4	4			3	3
Antonio (Tony) Sergi	11	10			2	2	3	3
Brett Jones	11	11						
Brett Jones - Ex officio			4	4	5	5	3	3

### 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 2017/18, the Company paid a premium of \$59,770 (exclusive of GST and stamp duty) to provide liability insurance cover for directors and officers and 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 officers 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.

### 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:



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727 Collins Street  
Melbourne VIC 3008

Correspondence to:  
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Melbourne VIC 3001

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E [info.vic@au.gt.com](mailto:info.vic@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## 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 2018, 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 Audit Pty Ltd  
Chartered Accountants

E W Passaris  
Partner – Audit & Assurance

Melbourne, 30 August 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

[www.grantthornton.com.au](http://www.grantthornton.com.au)

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Liability limited by a scheme approved under Professional Standards Legislation.

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  
Chairman  
at Hanwood, NSW on 30 August 2018.

# Financial Statements

## Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2018

### REVENUE

	Notes	2018 \$'000	2017 \$'000
Operations	6	48,082	38,742
Government and other	6	103,427	46,640
Investments	6	5,678	5,397
<b>Total revenue</b>		<b>157,187</b>	<b>90,779</b>

### EXPENDITURE

	Notes	2018 \$'000	2017 \$'000
Bulk water charge	7	8,193	7,239
Contractors and consultants - operating	7	1,755	1,295
Contractors and consultants - PIIOF (recoverable)		15,410	8,334
Depreciation	14	10,644	8,161
Employment related	7	20,163	20,110
Impairment of assets	14	2,541	1,558
Net loss on disposal of assets	7	1,526	2,049
Operation and materials		9,369	6,287
Other	7	7,880	2,775
Utilities		1,784	1,277
<b>Total expenditure</b>		<b>79,292</b>	<b>59,085</b>

<b>Profit before tax</b>		<b>77,895</b>	<b>31,694</b>
Income tax expense	15	(3,415)	(101)
<b>Profit for the year</b>		<b>74,480</b>	<b>31,593</b>

### Other comprehensive income

#### Items that will be reclassified subsequently to profit or loss:

Available for sale financial asset revaluation (loss)/gains	(861)	835
Income tax benefit/(expense) on items recognised directly in equity	258	(250)

#### Items that will not be reclassified subsequently to profit or loss:

Actuarial gains of defined benefits plan recognised directly in equity	1,675	5,784
Income tax (expense) on items recognised directly in equity	(674)	(1,734)

<b>Other comprehensive income for the year net of tax</b>	5	<b>398</b>	<b>4,635</b>
<b>Total comprehensive income for the year</b>		<b>74,878</b>	<b>36,228</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 2018

### ASSETS

	Notes	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	9	109,344	132,922
Financial assets	13	20,116	3,517
Trade and other receivables	10	25,482	15,614
Inventories	11	1,209	1,124
Other assets	12	544	550
Current tax asset		-	434
<b>Total current assets</b>		<b>156,695</b>	<b>154,161</b>
<b>Non-current assets</b>			
Financial assets	13	18,732	49,127
Other receivables	10	20	300
Property, plant and equipment	14	401,152	322,874
Intangible assets	16	144,415	140,709
Shares in co-operative		38	36
<b>Total non-current assets</b>		<b>564,357</b>	<b>513,046</b>
<b>Total assets</b>		<b>721,052</b>	<b>667,207</b>

### LIABILITIES

<b>Current liabilities</b>			
Trade and other payables	17	20,082	15,716
Provisions	18	5,451	5,787
Deferred revenue	19	72,149	98,834
Other liabilities	20	1,200	1,300
<b>Total current liabilities</b>		<b>98,882</b>	<b>121,637</b>
<b>Non-current liabilities</b>			
Provisions	18	610	571
Deferred tax liabilities	15	38,768	34,938
Other liabilities	20	6,004	8,150
<b>Total non-current liabilities</b>		<b>45,382</b>	<b>43,659</b>
<b>Total liabilities</b>		<b>144,264</b>	<b>165,296</b>
<b>Net assets</b>		<b>576,788</b>	<b>501,911</b>

### EQUITY

Contributed equity	22	273,734	273,734
Retained earnings	23	251,743	176,940
Reserves	24	51,311	51,237
<b>Total equity</b>		<b>576,788</b>	<b>501,911</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 2018

	Share Capital \$'000	AFS Reval Reserve* \$'000	Asset reserve \$'000	Retained Earnings \$'000	Total \$'000
<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	-	35,643	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>
Transfer retained earnings to asset reserve	-	-	677	(677)	-
Profit for the year	-	-	-	74,480	74,480
Other comprehensive income for the year	-	(603)	-	1,001	398
Total comprehensive income for the year	-	(603)	-	75,480	74,878
<b>Balance as at 30 June 2018</b>	<b>273,734</b>	<b>75</b>	<b>51,236</b>	<b>251,743</b>	<b>576,788</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 2018

	Notes	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (including GST)		30,494	41,411
Payments to suppliers and employees (including GST)		(59,644)	(44,578)
Cash used by operations		<b>(29,150)</b>	<b>(3,167)</b>
Receipts from annual water trading and leasing of water and land		9,304	1,773
Receipts from termination charges		47	40
Receipts from government contributions		85,501	100,471
Income tax paid		434	2,064
<b>Net cash generated by operating activities</b>		<b>66,136</b>	<b>101,181</b>
<b>Cash flows from investing activities</b>			
Payments to acquire financial assets		(14,358)	(30,841)
Proceeds on sale of financial assets		27,293	16,075
Payments for property, plant and equipment		(102,769)	(41,109)
Proceeds on sale of property, plant and equipment		482	698
Payments for water investments		(6,039)	(2,642)
Interest and investment income received		5,678	5,397
<b>Net cash used in investing activities</b>		<b>(89,714)</b>	<b>(52,422)</b>
<b>Cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(23,578)</b>	<b>48,759</b>
Cash and cash equivalents at the beginning of the year		132,922	84,163
<b>Cash and cash equivalents at the end of the year</b>	9	<b>109,344</b>	<b>132,922</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 2018

### 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:

86 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 2017/18 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 current 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**

Licensed water share components are brought to account at cost. The licences have indefinite useful life and accordingly no amortisation is charged. The licensed 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. Post service costs and net interest expense or income are recognised in profit or loss in the period. 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.

- (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 current 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 30 August 2018.

#### (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 2017.

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>2018</b>							
Revenue	38,938	9,154	5,613	103,427	906	(851)	<b>157,187</b>
Expenses	(48,389)	-	(4,172)	(26,676)	(906)	851	<b>(79,292)</b>
<b>(Loss)/profit before tax</b>	<b>(9,451)</b>	<b>9,154</b>	<b>1,441</b>	<b>76,751</b>	<b>-</b>	<b>-</b>	<b>77,895</b>
<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>

### Note 3. Parent entity disclosure

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

	2018 \$'000	2017 \$'000
Operations revenue	53,704	44,098
Government and other revenue	103,427	46,640
<b>Total revenue</b>	<b>157,131</b>	<b>90,738</b>
Customer expenditure	52,563	44,918
Government and other expenditure	26,673	14,126
<b>Total expenditure</b>	<b>79,236</b>	<b>59,044</b>
Profit before tax	77,895	31,694
Income tax expense	(3,415)	(101)
<b>Profit for the year</b>	<b>74,480</b>	<b>31,593</b>
<b>Other comprehensive income</b>		
Actuarial gain of defined benefit plan recognised directly in equity	1,675	5,784
Available for sale financial asset revaluation gains	(603)	835
Income tax expense on items recognised directly in equity	(674)	(1,984)
<b>Other comprehensive income for the year net of tax</b>	<b>398</b>	<b>4,635</b>
<b>Total comprehensive income for the year net of tax</b>	<b>74,878</b>	<b>36,228</b>

Statement of financial position of the parent entity Murrumbidgee Irrigation Limited

Current assets	135,157	154,131
Non-current assets	585,889	513,069
<b>Total assets</b>	<b>721,046</b>	<b>667,200</b>
Current liabilities	97,577	121,613
Non-current liabilities	46,663	43,659
<b>Total liabilities</b>	<b>144,240</b>	<b>165,272</b>
<b>Net assets</b>	<b>576,806</b>	<b>501,928</b>
Contributed equity	273,734	273,734
Reserves	51,310	51,237
Retained earnings	251,762	176,957
<b>Total equity</b>	<b>576,806</b>	<b>501,928</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	Number of wholly-owned subsidiaries		Proportion of interest and voting	
			2018	2017	2018	2017
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

The following amounts were recognised directly to equity:	2018 \$'000	2017 \$'000
Actuarial gains of defined benefits plan recognised directly in equity	1,675	5,784
Available for sale financial asset revaluation (losses)/gains	(861)	835
Income tax expense on items recognised directly in equity	(416)	(1,984)
<b>Net income recognised directly in equity</b>	<b>398</b>	<b>4,635</b>

#### Note 6. Revenue

<b>Customer Revenue</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Fixed charges - other	20,191	20,270
Usage	9,183	7,537
Bulk water	8,207	6,962
Contract and other	1,347	2,371
<b>Total customer revenue</b>	<b>38,928</b>	<b>37,140</b>
Water savings sales	9,154	1,602
<b>Total operating revenue</b>	<b>48,082</b>	<b>38,742</b>
<b>Government and other revenue</b>		
PIIOP - infrastructure funding	75,956	46,149
PIIOP - sale of water	11,463	292
Asset refurbishment	13,508	199
Other	2,500	-
<b>Total government and other revenue</b>	<b>103,427</b>	<b>46,640</b>
<b>Investment revenue</b>		
Interest	2,077	2,085
Water allocation sales	3,601	3,312
<b>Total investment revenue</b>	<b>5,678</b>	<b>5,397</b>

#### Note 7. Expenses

The statement of profit or loss and other comprehensive income includes the following expenses:

	2018 \$'000	2017 \$'000
Salaries and wages	15,129	15,248
Superannuation	1,609	1,536
Labour on-costs	3,465	3,357
Labour recoveries	(40)	(31)
<b>Total employment related</b>	<b>20,163</b>	<b>20,110</b>
Legal	279	229
Consultants	1,045	557
Audit and taxation advisors	133	174
Environmental	298	330
Other	-	4
<b>Total contractors and consultants - operating</b>	<b>1,755</b>	<b>1,295</b>
Entitlement	4,542	3,201
Regulated river water usage	3,651	4,038
<b>Total bulk water</b>	<b>8,193</b>	<b>7,239</b>
Insurance	736	751
Information Technology	1,259	1,285
Fees and charges	726	(25)
Water allocation purchased (associated with investments)	4,172	17
Other	987	747
<b>Total other</b>	<b>7,880</b>	<b>2,775</b>
Non – infrastructure disposals	56	1,742
Infrastructure disposals	1,470	307
<b>Total net loss on disposal of assets</b>	<b>1,526</b>	<b>2,049</b>

#### Note 8. Remuneration of auditors

	2018 \$	2017 \$
(a) Auditor of the parent entity		
Audit of the financial report	63,000	63,000
Taxation services	23,693	40,959
Other assurance services	22,662	25,415
	<b>109,355</b>	<b>129,374</b>
(b) Other auditors		
Audit or review of the financial report of Hanwood Estate Property Trust	1,585	1,555
Other assurance services	21,902	43,518
	<b>23,487</b>	<b>45,073</b>

Other assurance services (other auditors) relate to audits of the MIARA expenditure by Pitcher Partners.

#### Note 9. Cash and cash equivalents

	2018 \$'000	2017 \$'000
Cash at bank and on hand	109,344	132,922
<b>Total cash and cash equivalents</b>	<b>109,344</b>	<b>132,922</b>
Included in the above cash and cash equivalents are the following:		
Cash held for Private Irrigation Infrastructure Operators Program (PIIOP)	104,229	113,891
Unrestricted operational cash	5,115	19,031
<b>Total cash and cash equivalents</b>	<b>109,344</b>	<b>132,922</b>

#### Note 10. Trade and other receivables

	2018 \$'000	2017 \$'000
Current trade and other receivables:		
Trade receivables	4,516	3,760
Less: Allowance for doubtful debts	(182)	(154)
	<b>4,334</b>	<b>3,606</b>
Other receivables	21,150	12,016
Less: Allowance for doubtful debts	(2)	(8)
	<b>21,148</b>	<b>12,008</b>
<b>Total current receivables</b>	<b>25,482</b>	<b>15,614</b>
Non-current trade and other receivables:		
Other receivables	20	300
<b>Total non-current receivables</b>	<b>20</b>	<b>300</b>
<b>Total receivables</b>	<b>25,502</b>	<b>15,914</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.

	2018 \$'000	2017 \$'000
Movement in the allowance for doubtful debts:		
Balance at the beginning of the year	162	162
Impairment losses recognised on receivables	30	58
Amounts written off during the year as uncollectable	(8)	(26)
Amounts recovered during the year	-	(32)
<b>Balance at end of the year</b>	<b>184</b>	<b>162</b>

#### Note 11. Current assets — inventories

	2018 \$'000	2017 \$'000
General inventory, chemicals and construction materials – at cost	1,209	1,124
<b>Total inventories</b>	<b>1,209</b>	<b>1,124</b>

#### Note 12. Other assets - other

	2018 \$'000	2017 \$'000
Prepayments	454	460
Assets held for re-sale	90	90
<b>Total other assets</b>	<b>544</b>	<b>550</b>

#### Note 13. Financial assets

	Notes	2018 \$'000	2017 \$'000
Available for sale (AFS) financial assets at fair value		38,848	52,644
<b>Total financial assets</b>		<b>38,848</b>	<b>52,644</b>

Included in the above AFS financial assets are the following:

Financial assets held for asset reserve	24	7,915	13,203
Unrestricted AFS financial assets		30,933	39,441
<b>Total financial assets</b>		<b>38,848</b>	<b>52,644</b>

Current	20,116	3,517
Non-current	18,732	49,127
<b>Total financial assets</b>	<b>38,848</b>	<b>52,644</b>

#### Note 14. Property, plant and equipment

Net book values:	2018 \$'000	2017 \$'000
Land	8,902	8,324
Earth channels and infrastructure	309,611	244,092
Buildings and cottages	9,151	9,386
Plant	1,196	1,442
Office and scientific equipment	1,872	2,471
Motor vehicles	2,138	2,068
In course of construction	68,282	55,091
<b>Balance as at 30 June</b>	<b>401,152</b>	<b>322,874</b>

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 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>
Acquisitions	578	-	129	285	439	922	91,072	<b>93,425</b>
Disposals	-	(1,471)	-	(38)	(126)	(327)	-	<b>(1,962)</b>
Depreciation	-	(8,329)	(364)	(493)	(933)	(525)	-	<b>(10,644)</b>
Transfers in/(out)	-	77,881	-	-	-	-	(77,881)	-
Impairment of assets	-	(2,562) <sup>1</sup>	-	-	21	-	-	<b>(2,541)</b>
<b>Balance at 30 June 2018</b>	<b>8,902</b>	<b>309,611</b>	<b>9,151</b>	<b>1,196</b>	<b>1,872</b>	<b>2,138</b>	<b>68,282</b>	<b>401,152</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

##### Tax (expense)/benefit comprises:

	2018 \$'000	2017 \$'000
Current tax benefit/(expense)		
In respect of the current year	74	(521)
<b>Total current tax benefit/(expense)</b>	<b>74</b>	<b>(521)</b>
Deferred tax (expense) relating to the recognition and reversal of temporary differences	(3,414)	(749)
Adjustments recognised in the current year in relation to the tax of prior years	(158)	641
Movement in deferred tax asset - asset disposals	-	511
Research and development tax offset	83	17
<b>Total deferred tax (expense)/benefit</b>	<b>(3,489)</b>	<b>420</b>
<b>Total current tax expense relating to continuing operations</b>	<b>(3,415)</b>	<b>(101)</b>

##### The expense for the year can be reconciled to the accounting profit as follows:

	2018 \$'000	2017 \$'000
Profit from continuing operations	77,895	31,694
Income tax expense calculated at 30%	(23,368)	(9,508)
Effect of revenue that is exempt from taxation	20,028	8,238
Adjustments recognised in the current year in relation to the tax of prior years	(158)	641
Movement in deferred tax asset - asset disposals	-	511
Research and development tax offset	83	17
<b>Income tax expense recognised in profit or loss</b>	<b>(3,415)</b>	<b>(101)</b>

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

	2018 \$'000	2017 \$'000
Capital allowances and depreciation	47,501	40,868
Retirement obligation	(2,161)	(2,835)
Employee entitlements	(1,549)	(1,598)
Asset impairment	(1,837)	(868)
Tax losses and research and development tax offset	(426)	(323)
Other	(2,760)	(306)
<b>Deferred tax liabilities</b>	<b>38,768</b>	<b>34,938</b>

#### Note 16. Intangible assets

	2018 \$'000	2017 \$'000
Water - conveyance at cost (parent entity)	100,578	102,911
Water - High Security and General Security	43,395	37,356
Water - at cost (controlled entity)	442	442
<b>Total water</b>	<b>144,415</b>	<b>140,709</b>

##### Reconciliation - water

Carrying amount 1 July	140,709	138,089
Water - conveyance sold during year	(2,333)	(22)
Water - High Security and General Security sold during year	-	(644)
Water - High Security and General Security acquired during year	6,039	3,286
<b>Carrying amount</b>	<b>144,415</b>	<b>140,709</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

	2018 \$'000	2017 \$'000
Trade payables	968	1,524
Accruals	19,114	14,192
<b>Total trade and other payables</b>	<b>20,082</b>	<b>15,716</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	2018 \$'000	2017 \$'000
Environmental remediation:	27		
Opening balance		708	719
Expenses		(18)	(11)
<b>Closing balance</b>		<b>690</b>	<b>708</b>
Employee entitlements			
Annual leave		1,276	1,370
Long service leave		4,095	4,280
<b>Total provisions</b>		<b>6,061</b>	<b>6,358</b>
Current		5,451	5,787
Non-current		610	571
<b>Total provisions</b>		<b>6,061</b>	<b>6,358</b>

#### Note 19. Deferred revenue

	Notes	2018 \$'000	2017 \$'000
MIA EnviroWise	1 (c) (iii)	7,027	7,012
Asset refurbishment	1 (c) (iii)	8,644	17,294
Private Irrigation Infrastructure Operators Program	1 (c) (iv & v)	55,894	70,418
Other		584	4,110
<b>Total deferred revenue</b>		<b>72,149</b>	<b>98,834</b>

#### Note 20. Other liabilities

	Notes	2018 \$'000	2017 \$'000
Retirement benefit obligation	21	7,204	9,450
<b>Total other liabilities</b>		<b>7,204</b>	<b>9,450</b>
Current		1,200	1,300
Non-current		6,004	8,150
<b>Total other liabilities</b>		<b>7,204</b>	<b>9,450</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.

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 2018. 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:

	2018 \$'000	2017 \$'000
Present value of defined benefit obligations	30,832	31,003
Fair value of defined benefit plan assets	(23,628)	(21,553)
<b>Net liability</b>	<b>7,204</b>	<b>9,450</b>

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

	2018 \$'000	2017 \$'000
Present value of defined benefit obligation at 1 July	31,003	34,688
Current service cost	265	337
Interest cost	1,255	1,151
Actuarial losses/(gains) arising from changes in financial assumptions	567	(3,159)
Actuarial gains arising from liability experience	(314)	(765)
Benefits paid	(1,659)	(952)
Taxes, premiums and expenses paid	(285)	(297)
<b>Defined benefit obligation 30 June</b>	<b>30,832</b>	<b>31,003</b>

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

	2018 \$'000	2017 \$'000
Fair value of plans assets at 1 July	21,553	19,454
Interest income	891	641
Actual return/(loss) on fund assets less interest income	1,660	1,241
Employer contributions	1,468	1,466
Benefits paid	(1,659)	(952)
Taxes, premiums and expenses paid	(285)	(297)
<b>Fair value of plans assets 30 June</b>	<b>23,628</b>	<b>21,553</b>

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	1,881,400	1,480,646	400,754	-
Unlisted and listed Securities Member Investment Choice	1,682,780	*	*	-
<b>Total</b>	<b>3,564,180</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:

	2018
Equities	57%
Property	11%
Fixed Income	18%
Cash	11%
Other	3%
<b>Total</b>	<b>100%</b>

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

	2018	2017
Discount rate at 30 June	4.03%	4.18%
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

	2018 \$'000	2017 \$'000
<b>Contributed equity</b>	<b>273,734</b>	<b>273,734</b>

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

	2018 Shares No.	Terminated or cancelled shares No.	2017 Shares No.
A Class Shares	233,213	(11,713)	244,926
B Class Shares	563,425	(7,276)	570,701
C Class Shares	16,089	(626)	16,715
<b>Total ordinary shares</b>	<b>812,727</b>	<b>(19,615)</b>	<b>832,342</b>

(c) Voting rights

	2018	2017
Voting rights attached to A Class shares	1,405	1,445
Voting rights attached to B Class shares	1,015	1,035
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

	Notes	2018 \$'000	2017 \$'000
Retained earnings at the beginning of the financial year		176,940	145,297
Total comprehensive income for the year		75,480	35,643
Transfer to asset reserve	24	(677)	(4,000)
<b>Retained earnings at the end of the financial year</b>		<b>251,743</b>	<b>176,940</b>

#### Note 24. Reserves

	Notes	2018 \$'000	2017 \$'000
Asset reserve at the beginning of the year		50,559	46,559
Transfer from retained earnings	23	677	4,000
<b>Asset reserve at the end of the year</b>		<b>51,236</b>	<b>50,559</b>
Available for sale (AFS) revaluation reserve at the beginning of the year		678	93
AFS asset revaluation gains		(603)	585
<b>AFS reserve at the end of the year</b>		<b>75</b>	<b>678</b>
<b>Total reserves at the end of the year</b>		<b>51,311</b>	<b>51,237</b>
Asset reserve is funded by the following investments:			
Water - High Security and General Security	16	43,395	37,356
AFS financial assets	13	7,915	13,203
<b>Total funding</b>		<b>51,311</b>	<b>50,559</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 2018, the market value of the water investments was approximately \$109,000,000.

#### Note 25. Financial instruments

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 2017. 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.

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 (resigned 11/10/17), P C Borrows, L E Bouilly, H P Cudmore (appointed 03/01/18), J I Dalton, K L Dalton, A J Sergi

Managing Director: B A Jones

**(ii) Leadership team**

B A Jones Chief Executive Officer

H E Bourne General Manager Finance and ICT (commenced 30/04/18)

S J Hansen General Manager Customer Services

K J Hutchinson General Manager Policy and Stakeholder

C N Onley General Manager Finance and ICT (resigned 24/04/18)

D P Radue Company Secretary/General Manager Corporate Services

J J Rudd General Manager Asset Delivery

A P Shea General Manager Operations

- (b) Key management personnel compensation:

	2018 \$	2017 \$
(i) Directors (excluding Managing Director)		
Short-term benefits	371,318	385,889
Post-employment benefits	35,779	37,577
<b>Total compensation</b>	<b>407,097</b>	<b>423,466</b>
(ii) Leadership (including Managing Director)		
Short-term benefits (including payment of leave entitlements on termination)	1,772,224	1,519,786
Post-employment benefits	155,556	141,203
<b>Total compensation</b>	<b>1,927,780</b>	<b>1,660,989</b>

- (c) Equity instrument disclosures for key management personnel

The aggregate numbers of shares in the company at balance date that key management personnel have an interest in were:

	2018	Movement	2017
Ordinary shares			
A Class	3,090	(297)	3,387
B Class	5,024	597	4,427
C Class	-	-	-
<b>Total ordinary shares</b>	<b>8,114</b>	<b>300</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.

	2018 \$	2017 \$
Value of transactions		
Water supply and drainage services	346,221	242,055
Receivable balance at reporting date	7,193	13,311

- (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 2018 was \$690,000 (2017: \$708,000).

The provision of \$690,000 (2017: \$708,000) 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

2018 \$'000	2017 \$'000
105,074	52,077

At 30 June 2018, the outstanding funds to be received from the Commonwealth of Australia under the PIOP funding agreements are \$13,934,000. The outstanding water to be handed back under PIOP funding agreements is the equivalent of 21,332 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

2018 \$'000	2017 \$'000
53	141
-	53

Lease expense during the period amounts to \$141,398 (2017: \$88,129) 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

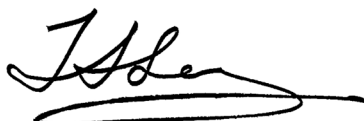
The directors declare that the financial statements and notes set out on pages 18 to 37:

- 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 2018 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  
30 August 2018

## Independent Auditor's Report

### To the Members of Murrumbidgee Irrigation Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Murrumbidgee Irrigation Limited and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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.

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

- a Giving a true and fair view of the Group's financial position as at 30 June 2018 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 Group 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.

### Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, 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 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Group 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\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



E W Passaris  
Partner – Audit & Assurance

Melbourne, 30 August 2018

# Company directory as at 30 August 2018

## **Murrumbidgee Irrigation Limited**

<b>ABN</b>	39 084 943 037
<b>Directors</b>	Frank Sergi (Chairman) Nayce Dalton (Deputy Chairman) Peter Borrows Leith Bouilly Kaye Dalton Tony Sergi Hayden Cudmore Brett Jones
<b>Company Secretary</b>	Dorian Radue
<b>Registered office and Share Register</b>	86 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
<b>Website</b>	<a href="http://www.mirrigration.com.au">www.mirrigration.com.au</a>
<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
PIOP	Private Irrigation Infrastructure Operators Program
S&D	Stock and Domestic

## **Photo Credits**

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Front cover: Stockpile of automated outlets ready to be installed as part of our modernisation program.





## 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

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Murrumbidgee Irrigation Limited

ABN 39 084 943 037