

2023 Annual Report



Murrumbidgee Irrigation Limited 2023 Annual Report

ABN 39 084 943 037

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[murrirrigation.com.au/company/
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2023 Annual General Meeting

The 25th Annual General Meeting of
shareholders will be held on Wednesday
8th November 2023. It will be held at the
Leeton Soldiers Club, and online in our
first fully hybrid AGM. Registrations will
open from 1.30pm with the AGM to run
from 2pm to 4.30pm.

Acknowledgment of Country

Murrumbidgee Irrigation acknowledges
the Wiradjuri people as the Traditional
Owners and Custodians of the land
on which we operate, and pay our
respect to their Elders past, present
and emerging.

Murrumbidgee Irrigation is focused on growing our future together with customers and the community.

Our aim is to enable regional productivity through irrigation by delivering water in the best way possible.

Contents

At a glance 2022/23	2
Year in review 2022/23	4
Chair's message	6
CEO's message	8
Strategy in action	10
How we delivered in 2022/23	12
How Murrumbidgee Irrigation works	20
Murrumbidgee Irrigation assets	22
Our leadership team	23
Corporate Governance Overview	24
Board of Directors	28
Independent Board review	30
Directors' report	32
Auditor's independence declaration	36
Financial statements	37
Directors' declaration	70
Independent auditor's report	71
Company directory	73

At a glance 2022/23

378,911 ha 

Total area of Murrumbidgee Irrigation Area (MIA)

1,073,005 ML  1,322,023

Company water licences

Total delivery entitlements in issue

3,121 

Landholdings

103,672 ha 

Total area of irrigated crops

160  7.6  I/MH

Employees

Lost Time Injury Frequency Rate

General information

	Measure	2022/23	2021/22	2020/21
Total area of MIA	ha	378,911	378,911	378,911
Company water licences	ML	1,073,005	1,078,302	1,088,484
Total delivery entitlements in issue	Number	1,322,023	1,319,369	1,294,541
Landholdings	Number	3,121	3,124	3,164
Total area of irrigated crops	ha	103,672	133,828	135,913
Employees (equivalent full-time, including externally funded)	Number	160	155	150
Lost Time Injury Frequency Rate (LTIFR)	I/MH	7.6	0	0

Financial

	Measure	2022/23	2021/22	2020/21
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) from normal operations	\$'000	7,582	9,944	10,413
Government and other revenue ¹	\$'000	49,654	8,043	5,298
Net assets	\$'000	661,998	574,317	577,837
Asset renewal capital expenditure (excluding government funded)	\$'000	3,711	20,979	7,646

Water summary

	Measure	2022/23	2021/22	2020/21
Carryover from previous year ²	ML	0	0	0
Government announced allocation (all licences)	ML	1,075,565	1,088,181	1,084,729
Temporary transfers into MIA	ML	101,842	141,230	128,631
Supplementary flows from river	ML	36,011	30,027	34,245
Total water delivered (all licences; including surplus flows)	ML	613,614	684,959	880,456
Temporary transfers out of MIA	ML	192,048	247,203	238,658
Carryover into following year	ML	232,750	234,288	128,491
Spill to government resource set	ML	175,006	92,989	0
Allocations				
Special purpose high security (towns, S&D)	% of entitlement	100	100	100
High security (HS)	% of entitlement	100	100	100
General security (GS)	% of entitlement	100	100	100
Additional water ³	ML	47,519	36,541	39,157

Note 1: Other revenue includes items such as customer contributions and profit on sale of assets.

Note 2: Carry-over spilled from accounts due to 100% General Security allocation (in accordance with carry over rules).

Note 3: For eligible customers who hold more than 250 Delivery Entitlements (DEs) and issued as a proportion of DEs.

Year in review 2022/23



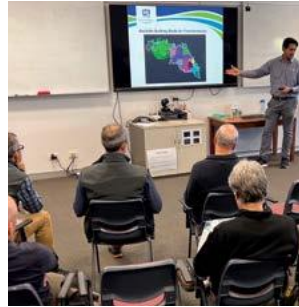
July

Trials using new 3D technology were carried out across our area of operations over June and July. These trials enable our excavator drivers to access a 3D profile of the channel they are desilting to take any guess work out of the process and prolong the life of the channel by avoiding over excavation.



August

Incoming Murray-Darling Basin Authority CEO, Andrew McConville, toured the MIA including the new Murrumbidgee Irrigation Customer Operations Centre. The Centre is now the key point of customer contact for our fully automated areas, accommodating System Control, Customer Services and Customer Engagement which provides the one stop shop for customer business needs.



September

Hosting the One Basin Co-operative Research Centre (CRC) Partner Forum for the new Griffith Hub brought together representatives from Commonwealth Environmental Water Holder (CEWH), NSW DPI, Riverina Local Lands Services, Bureau of Meteorology, several universities, irrigation companies as well as other stakeholder groups. The CRC is a focused collaboration developing policy, technical and financial solutions to support communities and reduce exposure to climate, water and environmental threats in the Murray-Darling Basin.



October

Customers told us that they wanted to understand how increased automation would work and so we showed them the new Customer Operations Centre in action via a combination of in-person tours and a bespoke video illustrating our efforts to improve outcomes for customers through investment in automation.

“The Customer Operations Centre is now the key point of customer contact for our fully automated areas, accommodating System Control, Customer Services and Customer Engagement, which provides the one stop shop for customer business needs.”

Water Delivery Manager, Chris Palmer



November

We worked closely with emergency services agencies, and local flood authorities, to proactively manage the inflows of flood water through the Mirrool Creek system. In line with flood protocols, actions were taken to manage flows, including reconstruction of a spillway to manage excess flows above the storage capacity of Barren Box.



December

Better methods of managing vegetation saw the introduction of a new weed cutter bucket, which enables us to cover a much larger area over a shorter period. At the same time this vastly reduces disturbance in the water, which helps to reduce the impacts of water turbidity on-farm.



January

Construction on the Roach's Surge Reservoir site picked up pace after the wet weather in the later stages of 2022. Once complete this 5,000ML reservoir will support spikes in demand throughout our integrated channel system, allowing us to provide additional surge capacity across the network, and enabling higher flowrates to customers in peak events.



February

Supporting improved production and environmental outcomes where we can, Murrumbidgee Irrigation participated in a CSIRO program involving the release of a biocontrol agent to help farmers tackle a particularly problematic weed, African boxthorn.



March

A private ruling received from the ATO qualified Murrumbidgee Irrigation as being exempt from income tax from 1 July 2022. The ruling also accepted Murrumbidgee Irrigation as a rebatable employer for FBT purposes.



April

Delivering water in the best way possible means tailoring supply options to the needs of various customers, hence our Residential Connections supply product was launched. The product is specifically for customers with water entitlements who require water to be used on an area up to 1 ha.



May

Supporting the broader community continues to be important to the Murrumbidgee Irrigation team and the Biggest Morning Tea raised \$2,684 for the Cancer Council. Since 2006, the team has raised over \$28,000 for cancer research and support services for the Cancer Council.



June

Good for the environment and for operating costs, battery recycling has been adopted by Murrumbidgee Irrigation. We are working with a local company with the first batch of recyclable batteries being collected in June.

Chair's message

The past year at Murrumbidgee Irrigation has seen us face some challenges, and yet at the same time, make significant strides forward. In a year that showed so much promise in terms of water availability, missed opportunities due to adverse weather conditions were disappointing for shareholders and Murrumbidgee Irrigation alike.

Flooding and excessive rainfall late in 2022 made life difficult for our shareholders, our team and the community more broadly. However, it was pleasing to see our organisation rise to the challenge and play a key role in managing that situation. I know many in the Murrumbidgee Irrigation team worked above and beyond expectations over that period of time.

Notwithstanding the delays caused by weather, we have made excellent progress on the works to complete the automation of our system. These upgrades will deliver a system which will underpin more flexible, timely and efficient water delivery for many years to come. Technology, data capture and analysis systems, and no doubt even Artificial Intelligence (AI), will increase in capability over time but these benefits can only be realised when we have a system that is fully automated and that is what we are setting Murrumbidgee Irrigation up with right now.

Strategic approach

Taking time to step outside the day to day and look afresh at our organisation is something that Murrumbidgee Irrigation values and once again this year the Board and Leadership Team took the opportunity to do so. We reflected on our values and core purpose and whilst we found them to be largely still appropriate, we did decide to review our values and behaviours and fine tune them to ensure that our culture remains aligned with a modern, customer centric and forward-looking business.

In the same vein, we discussed some of the broader challenges facing our society and economy including the transition to net zero, understanding our role in reconciliation, cyber security and the difficulty faced by many businesses in recruiting and retaining their workforce. In each of these areas, the Leadership team, ably led by Brett, is continuing to think strategically about how Murrumbidgee Irrigation can step up to these challenges.

Financial

Murrumbidgee Irrigation achieved an Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$7.6M in FY23, an outstanding result in the face of rapidly increasing expenses, lower than expected deliveries and additional costs related to severe weather events. Achieving sufficient EBITDA to enable continued investment in capital renewal, whilst maintaining customer pricing at CPI, ensures we have an organisation capable of delivering water in the best way possible for upcoming seasons and future generations.

“Although a mixed year in terms of weather conditions, Murrumbidgee Irrigation still made some impressive progress on behalf of shareholders.”

Hayden Cudmore

Water policy

Many Murrumbidgee Irrigation shareholders will no doubt be watching with some nervousness the indications from the Federal Government as to how they intend to deliver the Murray Basin Darling Plan in full. I believe we have well and truly moved on in this area and that all stakeholders understand the need to think creatively about how we fulfil the needs of all water users in an increasingly water constrained environment. This is also a long-term approach, in fact I cannot foresee a time when we will not need to have this ongoing conversation.

The solution is just not as simple as buying back productive water from irrigators. We know the devastating effect that would have on rural communities and our economy. We also know that “just adding water” is not an effective solution for the environment especially while significant river constraints remain. Governments must continue to seek out and support constructive solutions that meet the productive, environmental and cultural needs of our communities. Murrumbidgee Irrigation is determined to remain open minded, and solution focused whilst at the same time safeguarding the rights of our shareholders to use water in a sustainable way for irrigation.

Board

The skills required to oversee the governance of a water delivery company are varied. Reassuringly, Murrumbidgee Irrigation’s current Board has the sound diversity of skills and experience required.

It was with regret that I accepted the resignation of Independent Board member, Steve Whan MP earlier this year. Steve has since been elected, once again, to NSW Parliament and we wish him well in that role. The Board benefited greatly from Steve’s experience and insights, especially in the area of water policy and regulation. I have confidence that the person to be put forward to shareholders at the AGM for endorsement as our new Independent Director, will be a very valuable addition to the mix and provide fresh ideas and experience.

Thanks & acknowledgement

In my final year as Chair of Murrumbidgee Irrigation I have reflected on the role and the work we do. I have been honoured to lead our organisation which plays a fundamental role in underpinning the productivity and output of the MIA. I am grateful to have been so well supported both by my Board colleagues and the whole Murrumbidgee Irrigation team. I wish my successor, Board and Shareholders every success into the future. Your success is our success.



Hayden Cudmore
Chair



CEO's message

At the outset can I say that the past year has seen the Murrumbidgee Irrigation team supporting customers through a very up and down irrigation season. Floods, promptly followed by a sharp dry spell, only to be followed by an un-forecasted wetter period made for a bumpy ride for irrigators and water managers.

It's clear that automation is bringing with it a step change in how we understand and use data to drive our business. This means that efficient processes are even more important for supporting smooth operations. Going forward we are investing time into mapping these processes and embarking on a continuous improvement program.

Along with the Leadership team, I remain focussed on delivering our corporate plan in light of the move to full automation and the changing environmental and political landscape. A key focus for us has been to critically examine how we are currently working and refining our strategic organisational development plan, as well as testing some tools for working even better together. This really speaks to our goal – One Team, Doing Different and Staying Ahead of the Game!

At the same time, it is important to set performance indicators that show whether we are achieving the right outcomes. Such indicators can drive behaviours, so we've been careful to choose the right measures. Thanks to automation and new technologies, we have plenty of data – it is what we do with this data to improve what we do, and how we do it, that matters. For example, measuring our conveyance use is crucial to demonstrating that our focus on delivery efficiency is working. This data shows significant improvement on historical outcomes, as well as monthly improvements, as we automate more areas, and adjust how we run our integrated network.

Strategic approach

Earlier this year, the Board and Leadership team spent two very productive and rewarding days offsite for discussion on a range of topics, including the continuation of our three-year vision. We agreed that our One Team objective, and performance enabling culture, should continue to be the cornerstone of how we do things. Work has continued since to review the corporate values and behaviours of Murrumbidgee Irrigation with a view to refreshing them to be a little more contemporary, including demonstrating respect (Yindyamarra) to our Wiradjuri first nations people.

The Leadership team is also working on a plan to determine a pathway and timeframes to a net zero carbon future for Murrumbidgee Irrigation. In doing so we are being careful to ensure that such a plan is both meaningful and realistic, and we are determined to only make commitments in this space on which we are sure we can deliver.

At Murrumbidgee Irrigation we're never content to stand still and always look for the next improvement we can be making, whether that is in our assets, planning or customer service. This year has seen us taking the next step to better integrate our systems with customers' infrastructure and to provide them with information that supports their business decisions. Continuing to tailor our service offering has been a focus and a great example of this is the new Residential Connections product, which was launched for customers who don't require a full business connection.

Safety

Murrumbidgee Irrigation's culture extends beyond what we do to the way we do it. Our site safety inspections reflect our commitment to staying Switched On to safety, reporting things that aren't right and fixing them. However, further to this the introduction of a new safety procedure for psychosocial hazards this year is designed to help increase understanding of psychological safety in the workplace and promote positive well-being across the Murrumbidgee Irrigation team.

Financial performance

This financial year Murrumbidgee Irrigation successfully received a ruling from the ATO to be exempt from income tax, based upon our not-for-profit business model and corporate constitution. Whilst our business has continuously managed its tax obligations to ensure compliance with the ATO and maximise benefit for shareholders, the ruling now ensures the organisation's cashflow will not be impacted by income tax. The change, which was effective from 1 July 2022, has also strengthened Murrumbidgee Irrigation's balance sheet and net assets position.

I am pleased to be reporting these results which demonstrate that Murrumbidgee Irrigation continues to be managed in a responsible manner, and that our financial health and stability is assured.

Localised flooding

During months of excessive rainfall from mid-2022, the Murrumbidgee Irrigation team worked different and extended shifts to enable flood water to move through our system and then shifted quickly to deliver on high demand in December. I am very proud of our people, who worked in a highly collaborative manner to support Flood Management Authorities, as well as the State Emergency Service, police, and Rural Fire Service. I am similarly grateful to our customers who assisted and were patient with the process.

While we continue to learn lessons each time such a major flood event occurs, I believe that we were able to respond very well to minimise the impact of the 2022 flooding. This included the actioning of our Business Continuity Plan which exists to support appropriate leadership in times of significant incidents, whilst at the same time ensuring that employee well-being is monitored, and critical business functions continue uninterrupted. The smooth running of our Crisis Management Team reinforced to me how important it is to take the time to establish, refine and practice such protocols so that they can readily swing into action even in periods of high stress.

Water policy

Notwithstanding announcements from the Minister for Water flagging an extension to the deadline for the completion of the Murray Darling Basin Plan, our region remains very exposed to buy backs of productive water if the full suite of Sustainable Diversion Limit (SDLAM) Projects is not delivered. Given the woeful lack of progress on the projects, we envisage that our advocacy in this space, which has ramped up this year, will need to continue into the foreseeable future. We will continue to put forward evidence based insights, gathered from our on the ground operations, to show how productive and environmental outcomes can both be achieved.

Employer of choice

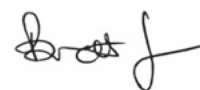
In our ongoing quest to be an employer of choice for both local employees and those we attract from further afield; I was pleased that we were able to successfully refresh our 2022 Enterprise Agreement (EA) with Fair Work Australia passing the Agreement in the 'Better Off Overall' test.

Most importantly, the Agreement received an extremely positive response from Murrumbidgee Irrigation employees, which reflects the fact that we have the balance right in our EA. We consistently strive to provide a supportive and rewarding workplace which, in turn, underpins the efficient delivery of water.

Thanks & acknowledgement

It was with regret that we saw General Manager, Customer Services, Sharon Hansen, leave Murrumbidgee Irrigation in December 2022. Since commencing at Murrumbidgee Irrigation in 2016, Sharon drove the customer services and engagement area into the modern professional unit we have today. Lindsay Golsby-Smith has ably stepped into this role and is already showing herself to be an outstanding leader.

I would also like to publicly thank the Board for the opportunity to extend my term with Murrumbidgee Irrigation for an additional three years which will allow me to see full automation embedded, and the improvements it brings leveraged to deliver water in the best way possible for customers.



Brett Jones
CEO & Managing
Director



“Never content to stand still – we’re always looking for the next improvement whether that is in our assets, skills, planning or customer service.”

Brett Jones

Strategy in action

Murrumbidgee Irrigation exists to enable regional productivity through irrigation. Our job is simple – to deliver water in the best way possible. In line with our corporate plan, we organise our efforts to succeed under three pillars:

01

One team

Listening to our customers and supporting their needs by delivering great customer service.

02

Staying ahead of the game

Using our modernised system to drive efficient operations and enable our region to grow in a time of less water.

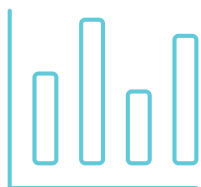
03

Doing different

Transforming how we do business by using the best available ways of working to innovate and adapt.

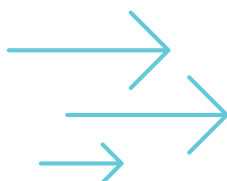


In FY23 we delivered our business strategy against the objective of setting customers and the MIA up for success through irrigation by:



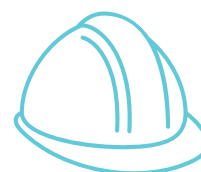
Intelligently using data to deliver

Measuring and using data intelligently to deliver excellent customer service.



Maximising productivity

Leveraging our modern system to enable our region to maximise productivity and sustainability.



Safety spotlight

Focusing on safety across our whole organisation to the benefit of our people and wider community.



How we delivered in 2022/23



Customers

Technology supporting a joined-up approach

Murrumbidgee Irrigation has focussed on developing tools to support our customers to do what they do best by employing technology and data analysis to make the delivery of water suit what the customer needs. Having a better understanding of the capacity of the system throughout the season allowed us to deliver tailored outcomes through a connected system. Technology, people, equipment and data are all being harnessed to deliver productivity gains via efficient delivery of water.

Managing water delivery costs

Always attuned to ways in which we can support customers in their bid to minimise costs, automation of the Murrumbidgee Irrigation system has allowed customers, particularly in fully automated zones, to adjust their orders when they need to, saving time and making water delivery more efficient and tailored to their operations. Likewise, having a 24/7 control room in peak times means that by solving any issue straight away, we deliver savings for our customers in water, time, and money.

Customer insights

Data collected in our annual crop survey helps us with our planning for the season ahead, and in being prepared to deliver water when customers need it. The wet end to 2022 resulted in significant access to Supplementary Water followed by high (100%) river allocations. Customers across the MIA took advantage of the improved conditions since December 2022 to produce a wide range of food and fibre crops. This includes larger areas than in the previous season planted to nuts, cotton, summer cereals, summer oilseeds and summer pasture crops. The areas irrigated for citrus, rice, and vines were similar to last year.

Customer satisfaction survey

Taking stock of what customers are telling us is always important and the annual customer satisfaction survey yielded some pleasing results with an overall score of 83%. Some of the key drivers of this result included system reliability due to investment in more automation and staff helpfulness.

“Water supply efficiency ensures costs are managed by reducing water losses throughout the system, and Murrumbidgee Irrigation’s maintenance program and high-tech water management system ensures this outcome.”

Stahmann Webster, Tree nut production,
Leeton and Griffith, NSW





People

Employee wellbeing

Wellbeing is more than a feel-good exercise, and we have taken a number of deliberate steps to embed a culture of care for our people. This, of course, includes safety in the workplace but it also means a focus on the mental and physical health of our team and being aware of psychosocial risks.

Remaining an employer of choice

The successful refresh of the Murrumbidgee Irrigation Enterprise Agreement, with a new four-year agreement ratified by Fair Work Australia, was an important endorsement of the conditions of work for our employees. As part of the refresh, the EA Review Committee took a good look at the Agreement and tested it against industry standards the National Employment Standards and the Water Industry Award.

The Agreement stood up well in this comparison and it was found to be more generous in a number of areas.

Skills pipeline

Having a well-regarded agreement is key to ensuring that our skills pipeline remains full and that we have the right people to deliver to customers. To this end, we had 12 trainees, 5 apprentices, 9 graduates and 1 cadet working across the business in 2022/23.

Looking to the future

Investing time to plan for the future is essential to organisational success and an offsite strategic meeting of the Leadership Team afforded us the opportunity to consider what the business will look like in three to five years' time as we take full advantage of a fully automated system and meet the challenges of the Basin Plan finalisation.

Safety of our people and community

Our safety-first culture continues to be a focus for the business. It is valued by our employees who appreciate being actively supported to not take short cuts but to always put safety of themselves, their colleagues and community, first.

“To compete in the current jobs market, and retain our highly skilled people, we know that we need to provide a supportive work environment, and attractive remuneration and conditions.”

Annaliese Giason, Manager People & Culture





Operations

Final phase of automation continues

The works to finalise the automation of the Murrumbidgee Irrigation system have progressed well, despite some challenging weather conditions over the past twelve months. When completed over the next year, the project will have upgraded 1,500 metered outlets, automated 360 regulators, refurbished 20 kilometres of open earth channels and constructed a new 5,000 ML surge reservoir that together will generate 6.3 GL per year of water savings for the environment and 1.1 GL for water users and the community.

Engaging customers in winter works

Over the 2022 winter period our teams worked with customers to deliver a range of works including the automation of 140 outlets and 80 regulators in Murrumbidgee and Yenda, as well as the lining of 4 kilometres of channels, as part of Stage 3 of our ongoing Automation Project.

Better information – better decisions

Drone technology has been introduced to the Murrumbidgee Irrigation fleet, aligning with our need to acquire, and provide, more information, optimise risk management, and improve our core function of delivering water in the best way possible. Drone surveying will map data about our channel geometry, allowing for a better understanding of Murrumbidgee Irrigation's system capacity, and enable us to make more informed decisions about our infrastructure and maintenance.

Maintenance program

Throughout the year, maintenance works occurred across the network with minimal disturbance by using equipment fitted with 3D sensing technology that helps the operator to have much greater finesse in removing earth.

“Automation is the greatest innovation. I can sit on a beach miles away and check the water at the outlet, stop or vary it with six hours’ notice. In the old days you had to beat the water bailiff to the Murrumbidgee Irrigation mailbox with a handwritten note by 7am!”

William Barnhill, Organic Farmer Leeton, NSW



An empty channel is mapped over a series of points by the drone to create the data which is analysed by the team.





Stakeholders

One Basin CRC

Murrumbidgee Irrigation has played a key role in supporting the establishment of the Griffith Hub of the One Basin CRC, with a partner workshop to hear priorities from stakeholders being held in Griffith. We continue to support the CRC and the Hub development, which will enable regionally based research and development supporting innovation and adaptation in our footprint and beyond.

Big Water

We understand how important it is to tell the story as to how much has been achieved in terms of water efficiency, and how the river is valued from many different perspectives – cultural, productive environmental and social. Our, 'The Murrumbidgee – Big water, big future' project, has continued to provide a platform that has raised awareness among the community, and key policy makers and influencers, about the Murrumbidgee and some of the initiatives and positive outcomes along the river. This, in turn, has been a helpful base for some of our advocacy efforts.

Ministerial visits and tours

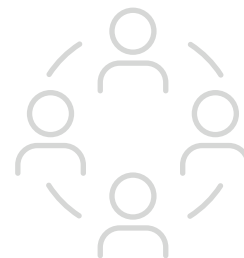
An important part of having a strong voice on water policy is using our position as on the ground operators to show, rather than just tell, the story of efficient and productive irrigation. To this end Murrumbidgee Irrigation has hosted several groups including the MDBA incoming CEO Andrew McConville, the new CEWH, Dr Simon Banks and the One Basin CRC Partners. Meetings throughout the year with various State and Federal Ministers including Kevin Anderson, Senator Perin Davey, Tanya Plibersek, Rose Jackson and Steph Cooke, informed discussion around water management and showcased efficiency in our region.

Advocacy for future water

Murrumbidgee Irrigation has made representations to decision makers and policy makers in relation to the negative impacts of any additional buy-back of productive water. We have reiterated our longstanding concerns around the woeful lack of progress of the delivery of SDLAM projects as we head toward 2024 and its deadline for water recovery. We joined with Coleambally Irrigation Co-operative Limited to lodge an application for funding under the SDLAM program, to undertake a feasibility study to improve efficiency and optimise management of the Murrumbidgee River.

“Collaborating with others to achieve a better outcome is part of how we do things – from research to flood management; from community safety to water policy.”

Karen Hutchinson, General Manager People & Policy



Community

Murrumbidgee Irrigation supporting in an emergency

Murrumbidgee Irrigation worked closely and collaboratively with local flood management authorities to help minimise the impacts of the excessive rainfall in the latter part of 2022. Our crews worked flexibly, and on long shifts, to deliver works to manage inflows through the Mirrool Creek and our storages were used to ameliorate the impact of flooding.

Supporting local community

Both Murrumbidgee Irrigation as a business, and our employees as individuals, have a strong history of supporting local community organisations. This year has seen our team, supported by Murrumbidgee Irrigation through matched giving, once again host an annual Biggest Morning Tea. Since 2006, the Murrumbidgee Irrigation team has raised over \$28,000 for cancer research and support services for the Cancer Council.

Each year the Murrumbidgee Irrigation team support local charity organisations Griffith Carevan, Leeton Community Op Shop and Bidjee Boxing. The Murrumbidgee Irrigation November team raised \$2,060 for men's health throughout November.

“Playing our part in managing excessive rainfall and flooding was important to us as a business but also as a team because we’re also part of the community who was being impacted.”

Alan Shea, General Manager Operations

Her Way 2680

Murrumbidgee Irrigation has come on board as a stakeholder in the Her Way 2680 project taking part in Co-Design and Walkshops with the community. Our support for this Safer Cities initiative, (aimed at enhancing the perception of safety for women, girls, and gender diverse people in Griffith), aligns with our goals to support safety within the community in which we operate.





Environment

837ML environmental water delivered across the MIA

As part of the Basin Plan, the environment now has its own water to irrigate environmental sites. Working with the CEWH our delivery system has ensured that 837ML reached identified environmental target areas, including the Nericon Swamp, Cudgel Creek, MacCaughy Lagoon and Turkey Flats, helping to deliver positive outcomes for important wildlife habitats.

Rising to the weed challenge

Weeds are an ongoing challenge for Murrumbidgee Irrigation's customers and our own operations teams, so we always look for innovations that will help us to manage them better. This year we have added a new weed cutter bucket, enabling us to cover a much larger area over a shorter period. Another benefit of the cutter is that there is far less disturbance in the water, as it is primarily picking up the weeds and not the silt. This method helps to reduce the impacts of water turbidity on-farm which improves outcomes for customers.

We have upped the ante in the fight against Alligator Weed with spraying and monitoring via helicopter, boat, and side-by-side vehicles. Another control measure which is proving to be effective is the use of alligator weed curtains in channels, to stop the spread of seed.

Solar energy

This year saw us initiate a pilot project to determine the efficacy of using solar panels to supply our pump stations with power. We will be assessing the potential for energy efficiencies and subsequent reduction in greenhouse gas emissions, and the results of the project will inform decisions around using solar energy in other parts of the business.

Species protection

Murrumbidgee Irrigation collaborated with the Department of Planning, Industry and Environment to deliver 300ML of environmental water down Cudgel Creek helping to deliver positive outcomes for important wildlife habitats in this area, including a number of platypi who have been sighted in the Creek.

"Being a rice farmer, water is the most important input. You can't be an organic rice farmer in Australia without water, which makes Murrumbidgee Irrigation the provider of the most important asset in irrigation farming."

William Barnhill Organic Farmer Leeton, NSW





How Murrumbidgee Irrigation works

Our core function is to leverage our extensive integrated supply and drainage network to deliver water to customers. Operating as an unlisted public company (limited by shares), Murrumbidgee Irrigation is owned by the irrigators we supply.

Murrumbidgee Irrigation operates as a modern business entity with a view to minimising the costs of water delivery to customers. All cost savings and efficiencies are passed on to customers in the form of reduced service fees and/or additional water allocations.

Murrumbidgee Irrigation's shares are based on the water entitlements (WEs) a customer owns. This means to be a shareholder, a person or entity must own WEs under a Water Entitlements Contract with Murrumbidgee Irrigation.

Stakeholders and how Murrumbidgee Irrigation engages

Murrumbidgee Irrigation understands that we are part of the broader story within the MIA which embodies excellence in irrigation, and a highly productive and diverse regional economy. Our organisation takes a leadership role in those issues that affect our shareholders, customers, employees and community. We seek to ensure that we deliver water in a cost effective and efficient manner to serve as an enabler of the efficient use of water and production of food and fibre.

We do this as active members of relevant organisations, providing the insights of an on-the-ground infrastructure operator and water management expert. Our team's expertise, coupled with insights from the data and information we are now able to capture, makes for a valuable contribution to policy, research and boarder public discussion around water use. Murrumbidgee Irrigation was pleased to support the ACCC findings into Water Trading which reflected the fact that Murrumbidgee Irrigation is ahead of the game in relation to our reporting obligations as a company.

We value a collaborative approach to working with our stakeholders including local Councils, industry bodies, community and environmental groups and other irrigation infrastructure operators. We meet with local Councils on a regular basis, at least every two to three months, although the frequency was increased significantly this year as our team took a key role in working with authorities to manage excessive rainfall.

National Irrigators' Council

Through the National Irrigators' Council (NIC) Murrumbidgee Irrigation remains a strong advocate on a range of issues such as the Murray Darling Basin Plan, water pricing rules, affordable energy and environmental watering. Taking a leadership role on the NIC, and providing submissions to the policy debate and direct conversations with policy makers, are important parts of our advocacy on behalf of shareholders.



Submissions

NSW DPIE Water

Draft Murrumbidgee Regional Water Strategy

Bureau of Meteorology Water Market Rules

Data Standards

Department of Climate Change, Energy and the Environment and Water & Minister Plibersek

Delivering the Murray Darling Basin Plan

Natural Resources Commission

Review of the Murrumbidgee Regulated Rivers Water Sharing Plan

NSW Senate Select Committee

Inquiry into the status of Water Trading in NSW (appeared in front of the committee)

Productivity Commission

consultation on the Review of the Murray Darling Basin Plan (appeared in front of the Commission)

Agency meetings

We continue to meet regularly and as required with a range of operational and regulatory agencies. This interaction supports our operations and helps to promote the region more broadly. This year we met with a range of agencies including Natural Resources Access Regulator (NRAR), WaterNSW, NSW Environment & Heritage, Murray-Darling Basin Authority (MDBA), Commonwealth Environmental Water Office (CEWO), NSW Department of Planning & Environment, Infrastructure NSW, ACCC, Bureau of Meteorology, Murray Darling Association and the Productivity Commission.

Team structure

Murrumbidgee Irrigation's aim is to enable regional productivity through irrigation by delivering water in the best way possible, a goal implemented by a leadership team of eight, headed by our CEO. The delivery of services to our customers is supported by the organisation's functional areas including Operations, Asset Delivery, Customer Services, Finance, Information Systems and Communications Technology, and People and Policy.

Diversity and gender balance

As part of a desire to ensure gender balance within its operations, Murrumbidgee Irrigation has several policies in place and annually submits its Workplace Gender Equality Agency (WGEA) public report. As well as providing flexible working arrangements and parental leave, we have in place strategies to identify and develop high potential women and use 'gender blind' promotion and recruitment processes.

Ongoing internal training and mentoring for emerging leaders allows people to identify their own development progression, with our philosophy very much allowing for employees to drive their own growth and learning pathways, which Murrumbidgee Irrigation steps in to support.

Murrumbidgee Irrigation's involvement in community projects that focus on equality in gender, such as the Her Way 2680 project run by Griffith City Council, underscores action we take to support equality, inside and outside our organisation.

Employee performance and remuneration processes

Being seen as an employer of choice, both locally and in the wider workforce, is critical to ensuring that we keep our pipeline of talent filled. Murrumbidgee Irrigation is especially cognisant of needing to have remuneration and conditions that attract employees in a tight labour market. That is why it was pleasing that the Enterprise Agreement refresh this year was overwhelmingly endorsed by employees and delivered a salary increase in line with inflation. In addition to offering competitive remuneration packages, we support our employees with a range of non-salary benefits, such as salary packaging, paid parental leave, life insurance cover as well as a suite of health and wellness programs.

Murrumbidgee Irrigation also recognises the importance of offering career pathways and continuous learning to develop capability and support retention of valued employees and maintain the skills of our people. In a world where technology is forcing changes to jobs and the nature of work itself is evolving, we need to be flexible and support employees to transition to new roles within the organisation. This occurs through a mix of training, secondment opportunities and mentoring.

As part of our commitment to nurturing our local talent as well as apprentices in electrical and mechanical trades, we engage business administration trainees in their first year after graduating school. To support our bid to engage specific skills from further afield, including graduates, we recognise the need to promote not just the benefits of working at Murrumbidgee Irrigation, but the opportunities and attraction of living in the region.

We place the wellbeing, safety and health of our employees at the centre of who we are, as evidenced by an organisation-wide focus on safety. This year has seen us instil a greater focus on the overall wellbeing and mental health of our team. Acceptance of the approach evidenced by the strong employee buy in to the Funky Shirt Friday initiative which is all about encouraging ownership of mental health, and positively supporting the mental health culture at Murrumbidgee Irrigation.

“To excel in challenging circumstances we need to have a well supported, highly skilled and engaged team.”

Brett Jones, CEO

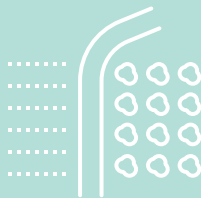
Murrumbidgee Irrigation assets



378,911 ha

Area of operations

Up to 190,000 ha irrigated



1,740 km

Supply systems

194 km piped, 100 km lined,
1,446 km earthen



1,547 km

Drainage



100%

Full coverage
communications

16 towers, 2 control centres



3

Storages

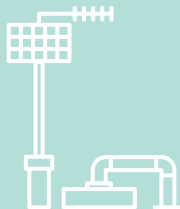
Yenda, Brays, Barren Box
with Roach's underway



4,040

Outlets

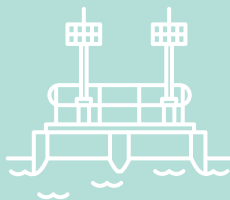
3,253 metered



3,253

Meters

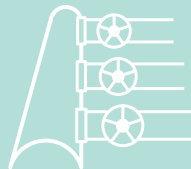
2,461 magflow, 606 dopplers,
25 slip meters, 161 other



1,450

Regulators

1,204 automated



50

Pump stations

12 IHS, 2 storages and 36 other

Our leadership team

Brett Jones

BEng (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.

Alan Shea

BEng (Hons), MBA, GAICD

General Manager, Operations

Alan Shea commenced at Murrumbidgee Irrigation in February 2016 and is responsible for the operation and maintenance of all infrastructure that services Murrumbidgee Irrigation's customers, including storage, supply and drainage assets, and the management of heavy plant and equipment.

Jody Rudd

General Manager, Asset Delivery

Jody Rudd commenced at Murrumbidgee Irrigation in 2005 is responsible for managing Australian Government funded modernisation projects, Murrumbidgee Irrigation funded capital projects and business development initiatives.

Lindsay Goldsby-Smith

BEnvSc (Hons)

General Manager, Customer Services

Lindsay Goldsby-Smith commenced at Murrumbidgee Irrigation in 2014 and is responsible for managing our customer services functions and ensuring that customers are at the centre of what we do.

Karen Hutchinson

BSc (Hons), GAICD

General Manager, People & Policy

Karen Hutchinson commenced at Murrumbidgee Irrigation in 2009 and is responsible for company and corporate communications, human resources, and external water policy. She is Murrumbidgee Irrigation's delegate to the National Irrigators' Council.

Dominic Puntoriero

BBus (Acc/Legal), CA, GAICD

General Manager, Finance

Dominic Puntoriero commenced at Murrumbidgee Irrigation in May 2018 and is responsible for providing sound financial stewardship of the organisation.

Andrew Pasquetti

BInfTech, MBA (Computing), AAICD

General Manager, Information Systems

Andrew Pasquetti commenced at Murrumbidgee Irrigation in 2008 and is responsible for managing Murrumbidgee Irrigation's Information Systems, Technology and Communications infrastructure strategy and performance.

Michael Turnell

LLB, BCom, GradDip Legal Practice, GAICD

Legal Advisor & Company Secretary

Michael Turnell joined the Company in 2017 as Legal Advisor and was appointed Company Secretary in July 2021. In addition to statutory secretarial duties and administering the business of the Board, Michael is responsible for managing the legal and compliance functions of Murrumbidgee Irrigation.

Below from left to right: Dominic Puntoriero, Alan Shea, Karen Hutchinson, Jody Rudd, Brett Jones, Michael Turnell, Lindsay Goldsby-Smith, Andrew Pasquetti



Corporate Governance Overview

Murrumbidgee Irrigation is committed to ensuring that its corporate governance framework, policies, and processes reflect a culture of compliance. To deliver on this objective, Murrumbidgee Irrigation's Board requires a clear understanding of current governance requirements and practices, while also keeping up to date with emerging trends and changing expectations of its stakeholders.

This overview outlines selected components of Murrumbidgee Irrigation's corporate governance framework, highlighting the key focus areas for the Board around governance in FY23. To review Murrumbidgee Irrigation's full Corporate Governance Statement (CGS), visit www.mirrigration.com.au/company/shareholders.

Murrumbidgee Irrigation's corporate governance approach continues to be guided by Australian Standard AS8000: Good Governance Principles and the best practice Corporate Governance Principles and Recommendations, fourth edition. As an unlisted public company, Murrumbidgee Irrigation is committed to continuous improvement and ensuring compliance to relevant standards of corporate governance and delivering in the best interests of all Murrumbidgee Irrigation stakeholders.

Board composition, skills, and areas of focus

In accordance with the Constitution, the following changes were made to the composition of the Board in FY23:

- Independent Director Michael Carter was offered a further four-year term by the Board and his appointment was approved by shareholders at the 2022 AGM.
- A class Director Tracey Valenzisi completed her first term on the Board and was nominated for re-election. Following an election process, Tracey Valenzisi was re-elected to the position of A class director and was appointed at the conclusion of the 2022 AGM for a period of four years.
- Independent Director Steve Whan resigned on 1 March 2023 to be eligible for election for a position in NSW Parliament.

The Board Skills Matrix (Table 1) summarises the range of essential knowledge, experience and skills assessed as ideal for the Murrumbidgee Irrigation Board to hold to drive Murrumbidgee Irrigation's current strategic direction and effectively govern. The Board considers that its current members have an appropriate mix of skills and experience to discharge its responsibilities and deliver on our organisation's strategic objectives.

When Directors join the Board, they are required 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. During the past year, Directors undertook several training and development sessions both individually and as a group.

The key areas of focus for the Board during FY23, in addition to standing agenda items, are set out in Table 2. The focus areas for the Board Committees, in addition to standing agenda items, are set out in Table 3, and Director attendance is set out in Table 4.

Underpinning the Board's priorities is oversight of Murrumbidgee Irrigation's risk management framework which includes legal and regulatory, strategic, financial, reputational, people and culture and business operational risks to ensure appropriate management of actual or potential risks. See Murrumbidgee Irrigation's full CGS for more detail.

Table 1: Board Skills Matrix

Key skill	Demonstrated by these attributes
Water and Irrigation Industries	Good working knowledge of, and ability to influence, the structure, operations and challenges of water policy and the irrigation industry.
Financial and Commercial	Demonstrated achievements in financial management, commerce, investment management and internal control systems.
Engineering, Infrastructure, Construction, and Project Management Expertise	Knowledge and experience in infrastructure and engineering, including the prioritisation, delivery, and management of investments in infrastructure assets.
Risk Management Expertise	Proven knowledge, background and experience balancing commercial imperatives with the agreed risk appetite in delivering company objectives.
Organisational Culture and Strategic Management	Experience and ability to promote and monitor Murrumbidgee Irrigation's culture; and mentor, support and evaluate the performance of the CEO and oversee and provide input to strategic management.
Information Systems and Data Management	Knowledge and experience in information and control systems including systems integration, cybersecurity, data driven decision making and customer information management.
Corporate and Business Governance	Skills, knowledge and experience in contemporary corporate governance and ability to apply those skills, knowledge, and experience to Murrumbidgee Irrigation.

Board composition



Board qualifications

Collectively, Board members have qualifications in the following fields: agriculture, engineering, finance, marketing, political advocacy, water policy, infrastructure technology and data management, risk management and strategic planning.



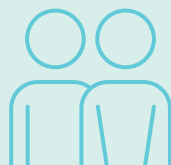
Industry experience

The Board views relevant skills and experience as adding strength to the Board. Directors' collective experience includes irrigated agriculture, water policy, infrastructure technology and data management, engineering, project management, financial and commercial management, strategy and governance.



Directors' average tenure

The Board considers it has an appropriate mix of new, mid, and longer tenured Directors. The average tenure of the current non-executive directors is 3.33 years (2022 – 2.5 years).



Diversity

The Board values, and is mindful of achieving a balance of diversity in Director experience, skills, qualifications and strives to increase diversity in terms of gender, age, and ethnicity.

Table 2: Board key focus areas FY23

Board key focus areas FY23	
Health and safety	Building on company values and culture to embed behavioural safety to keep people safe at work, home and in the community and invest in programs that support employee wellbeing.
Water Policy	Proactively advocating to protect Murrumbidgee Valley risks, particularly around the completion of the SDLAM projects.
Environmental, Social, and Governance (ESG)	Engaging with internal and external stakeholders to inform our identification of, and responses to, ESG risks and opportunities that face the company.
Automation and Connectivity	Continuing the long-term investment in modernisation projects and enabling greater connectivity to meet the needs of customers.
Company culture, values, and leadership	Oversight of the continued investment in enhanced company culture, promotion of Murrumbidgee Irrigation's corporate values and behaviours, and developing and empowering emerging leaders.

Table 3: Board Committees' key focus areas for FY23

Board Committees' key focus areas for FY23	
Audit and Risk Committee	Oversight of risk management, governance, compliance, and culture, with a continued focus on cyber security and privacy, asset reserves, and investments.
Remuneration and Nominations Committee	Focus on strategic employment and remuneration issues, succession planning and managing the process for attracting and assessing suitable applicants for independent director positions.
Operational Risk Committee	Continued focus on operational risks, such as safety and environmental risks, in addition to delivery of capital projects. Continued development of asset management, cyber security, infrastructure technology, and project management governance practices.

Board of Directors

The names of the persons who have been Directors, or appointed as Directors, during the financial period and up to the date of this Annual Report are outlined as follows, together with their tenure, qualifications, and other directorships.

Current

Hayden Cudmore

GAICD

Chair – Shareholder-elected Director

- Director since 2017; Chair since November 2021

Board Committees as at 30 June 2023

- Chair, Remuneration and Nominations Committee

Lil Bianchi

BSc (Economics), MSc (Computer Science), GAICD

Independent Director

- Director since 2021

Board Committees as at 30 June 2023

- Chair, Operational Risk Committee
- Member, Investments Working Group

Other Directorships as at 30 June 2023

- Chair of Audit and Risk Committee & Non-Executive Director, 4DMedical
- Non-Executive Director, Qscan Group
- Non-Executive Director, Atech Services Pty Ltd
- Director, Lirio Consulting Services Pty Ltd

Michael Carter

BEng (Mining), DipFinServ, GradCertMarketing, CertGovPrac&RiskMgmt, GAICD, FGIA

Independent Director and Deputy Chair

- Director since 2019, Deputy Chair since February 2022

Board committees as at 30 June 2023

- Chair, Audit and Risk Committee
- Chair, Investment Working Group
- Member, Remuneration and Nominations Committee

Other Directorships

- Director, Qualia Financial Group Pty Ltd,
- Director and Responsible Manager, GWP Financial Services Pty Ltd,
- Non-Executive Director, Sydney Institute of Traditional Chinese Medicine
- Director, Grange Wealth Advisors Pty Ltd

Allan (Grant) Delves

BSc, AAICD

Shareholder-elected Director

- Director since 2021

Board committees as at 30 June 2023:

- Member, Operational Risk Committee

Hayley Sergi

BPharm, AAICD

Shareholder-elected Director

- Director since 2021

Board committees as at 30 June 2023

- Member, Audit and Risk Committee
- Member, Remuneration and Nominations Committee
- Murrumbidgee Irrigation's delegate, National Irrigators' Council (since 1 March 2023)

Tracey Valenzisi

BBus, MAICD

Shareholder-elected Director

- Director since 2019

Board committees as at 30 June 2023

- Member, Audit and Risk Committee
- Murrumbidgee Irrigation's delegate, National Irrigators' Council (until 1 March 2023)

Brett Jones

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

Chief Executive Officer (CEO) and Managing Director (MD)

- CEO since October 2015; MD since July 2016

Board committees as at 30 June 2023

- Member, Investment Working Group

Opposite from left to right: Hayley Sergi, Lil Bianchi, Hayden Cudmore, Brett Jones, Michael Carter, Grant Delves, Tracey Valenzisi

Company Secretary

The following persons held the position of Company Secretary during the reporting period:

Michael Turnell

LLB, BCom, GradDip Legal Practice, GAICD

Dominic Puntoriero

BBus (Acc & Legal), CA, GAICD

Former

The following persons resigned from the position of Director during the reporting period:

Steve Whan

BA GradCertMgt, GAICD

Independent Director

- Appointed March 2021, retired 1 March 2023



Independent Board review

In line with good practice, the Board regularly reviews its own performance, and invites a suitably qualified external business to provide an independent assessment of governance, effectiveness and composition.

The Board engaged Johnson Partners to conduct an external review, which was completed in June 2023. This review followed on from a review conducted by Johnson Partners in 2021. The Company reviewed the findings and agreed to introduce minor changes designed to improve overall productivity and effectiveness. Overall, however, the review found the Board operates with a suitable governance framework, designed to take account of the prescribed composition (member elected and independent directors) with all Directors understanding and acquitting their duties well.

Directors' remuneration

At the Annual General Meeting held on 7 November 2016, shareholders approved a change to the method of remunerating directors. Aggregate remuneration is limited through an annual cap for directors' fees, escalating by CPI at the start of each year. The cap for FY23 was \$496,419 (inclusive of superannuation contributions), and actual compensation for the year was below the cap (FY22 cap \$467,878).

Information on Directors' aggregate compensation for the financial year is shown in Note 27 to the financial statements.

Directors' and managers' interests

Shareholder directors Hayden Cudmore, Allan (Grant) Delves, Hayley Sergi and Tracey Valenzisi all have interests in contracts with Murrumbidgee Irrigation Limited to own 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 standing 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 that 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 Independent Directors and the Managing Director from holding voting shares in the Company. In addition, the Board has determined that Independent Directors, the CEO, the General Manager – Finance, and the Accountant – Water Assets may not own or trade water entitlements in the Southern Connected Basin. Leadership team members (excluding the CEO and General Manager – Finance) 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 27 to the financial statements.

Table 4: Directors' attendance at meetings

Director	Directors' Meetings		Audit and Risk Committee		Remuneration and Nominations Committee		Operational Risk Committee	
	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Hayden Cudmore	7	7	1	1	6	6	-	-
Lil Bianchi	7	7	-	-	-	-	3	3
Michael Carter	7	7	3	3	6	6	-	-
Allan (Grant) Delves	7	7	-	-	-	-	3	3
Hayley Sergi	7	7	3	3	6	6	-	-
Tracey Valenzisi	7	7	1	1	-	-	2	2
Steve Whan	4	4	2	2	-	-	-	-
Brett Jones	7	6	-	-	-	-	-	-

Directors' report

Directors present their report on the Company and its controlled entities, listed at Note 4, for the financial year ended 30 June 2023.

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 on pages 28 to 29.

Company Secretary

The persons who served as Company Secretary during the year in review and up to date of this report are listed on pages 28 to 29.

Meetings

The Board met in person 6 times during the year, as well as once via videoconference. The duration of meetings varied between one to two days, including committee meetings, field trips, site visits, customer meetings, training, and an off-site strategy session. Meetings are preferably held on-site and face-to-face, however teleconference and electronic meetings are available if face-to-face is not appropriate in the circumstances.

The agenda for meetings is set through consultation between the Chair, the CEO, and the Company Secretary. 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 4 of the Corporate Governance Overview on page 31.

Principal activities

The consolidated entity continued its principal activity of water delivery and 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 supporting sustainable irrigation in the Murrumbidgee Irrigation Area.

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

Significant changes in the state of affairs

The continuation of infrastructure investment projects funded by the Commonwealth government has seen an increase in staffing and commercial transactions for the consolidated entity, and year-on-year variations in the entity's financials. There are no other significant changes to the state of affairs of the consolidated entity and the Commonwealth government funded projects have not impacted the entities principal activities or operations.

Financial statements

The financial statements for the 2022/23 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 (Simplified Disclosure).

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 (2022: Nil).

Auditor's independence

Audit firm Grant Thornton Audit Pty Ltd has no representation on the Board or Board committees, nor is there any relationship between company officers and the 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* (Cth).

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 Note 7 to the financial statements.

Risk management

Directors confirm that robust risk management processes and practices are in place, and that strategic, financial, reputational, and operational risks, including business continuity, continue to be managed appropriately. The Board has formally adopted a statement of risk appetite which it applies when making decisions on behalf of the Company, and which it reviews at least annually.

Compliance

The Company continues its strong focus on managing significant regulatory compliance, which is ultimately governed under the Compliance Management Framework. The Board is satisfied that compliance is satisfactorily managed to discharge our legal obligations.

Review of operations

An overview of the operations of Murrumbidgee Irrigation for the year in review can be found throughout pages 4 to 22.

The underlying earnings from the normal operations of Murrumbidgee Irrigation for FY23 was \$7.6M (FY22: \$9.9M). This number represents the EBITDA and is a measure of the Company's operating performance. This excludes earnings from government funded programs, and also excludes any customer capital contribution to infrastructure expansion projects. Revenue from normal operations, including customer operations, water savings and investment revenue was \$40.1M and expenditure was \$32.5M (2022: revenue was \$41.9M and expenditure was \$31.9M).

The Company continues to aim to match its earnings from normal operations to its capital renewal requirements over a rolling 5-year period. Water delivery in FY23 was once again down from previous years due to higher-than-average rainfall for the year. In FY23, capital expenditure on asset renewal (excluding government funded projects) was \$3.7M (FY22 \$21.0M) which was covered by the EBITDA for the year.

During FY23 Murrumbidgee Irrigation was successful in applying to the ATO for a private ruling to be exempt from income tax. The change in tax status required the derecognition of Murrumbidgee Irrigation's Deferred Tax Assets and Deferred Tax Liabilities and resulted in an income tax benefit of \$48.5M.

Murrumbidgee Irrigation continued with its automation strategy in FY23 using Commonwealth government funding under the Off Farm Efficiency Program which enabled us to conduct a range of works including progress on Roach's Surge Reservoir, channel refurbishments, and pipeline, regulator and outlet installations.

The Company maintains a strong financial position due to its fully funded asset reserve and 5-year financial plan, which continues to service the operational requirements of the Company and asset renewals as per the Company's 20-year capital renewal plan.

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

High allocations and a wetter than average past 12 months have resulted in full carryover conditions and full water storages, the combination of which provides good prospects for reasonable to high water allocations in FY24. With the Bureau of Meteorology forecasting a return to El Nino and dry climate conditions this is likely to translate to a higher-than-average irrigation demand year. The operational and delivery efficiency of our automated network will come into its own in supporting our customers drive regional productivity in such a year.

We continue to work with the newly established One Basin Cooperative Research Centre (CRC) to partner with researchers, government and other industry members to develop long term solutions to reduce exposure to climate, water and environmental threats in the Murray-Darling Basin. In addition to the two "QuickStart" projects commenced last year relating to irrigation network efficiency, Murrumbidgee Irrigation is involved in building a 3–5 year project for work on integrated network efficiency across the irrigation and river footprints and identifying and managing unaccounted water (also known as "losses").

Water reform

With the 2024 reconciliation of SDLAM projects still a legislated requirement, the failure of the NSW projects remains a very significant threat to our region. We have increased our advocacy efforts at all levels of government and in collaboration with Murray Irrigation Limited and Coleambally Irrigation Co-operative Limited (Coleambally Irrigation). Murrumbidgee Irrigation welcomes the recent acknowledgement of the Labor Government of the need to extend the timelines for completion of the Murray-Darling Basin Plan, and it will continue to advocate for productive ways of meeting the Basin Plan targets without the need for water buybacks. To this end we have partnered with Coleambally Irrigation to seek funding from the NSW government for a feasibility study to optimise operations in the Murrumbidgee River system including across our irrigation footprints.

Additionally, we note that the Commonwealth Government has committed to implementing all 23 recommendations proposed in the *Water Market Reform: Final Roadmap Report*. The first steps of this commitment have seen the tabling of an exposure draft of the *Water Amendment (Water Market Reform) Bill 2023 (Cth)*. This draft Bill underscores the critical role of water markets and seeks to promote more open, fair, and transparent trading. We are cognisant that our customers and our Company rely on fair and efficient water markets and need to remain alert to opportunities to advocate for increased transparency and simplification of trading rules on behalf of our customers. To this end, the Company is playing an active role in the consultation process with respect to this Bill and does not foresee any significant impacts to its business or processes.

Environmental regulation

Murrumbidgee Irrigation Limited holds an operating licence under the *Water Management Act 2000* (NSW) 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* (NSW). The EPL is issued by the Environmental Protection Authority and, among other conditions, requires monitoring and reporting of specified water quality parameters at sites that discharge water outside Murrumbidgee Irrigation's Area of Operation.

Murrumbidgee Irrigation met the requirements of our EPL for this reporting year.

To satisfy the requirements of our licences, Murrumbidgee Irrigation prepares and submits an Annual Compliance Report covering the licensed activities. A copy of our latest available report is located on our website: www.mirrigration.com.au/water/annual-compliance-report.

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* (Cth).

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 2022/23, the company paid a premium of \$100,928 (exclusive of GST and stamp duty) (2022: \$91,890) 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 its officers when acting in that capacity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, unless such liabilities arise out of conduct involving a wilful breach of duty by the officers, or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

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

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company, nor has any such application been made, under section 237 of the *Corporations Act 2001* (Cth).

Dividends

The company's Constitution prohibits it from declaring any dividends.

Table 5: Particulars of Directors' interests in Shares and Delivery Entitlements at 30 June 2023:

Director	A Class Shares	B Class Shares	C Class Shares	Delivery Entitlements
Hayden Cudmore		2,103		3,232
Allan (Grant) Delves	549			687
Hayley Sergi	355	3,175		5,948
Tracey Valenzisi	149		2	151
Lil Bianchi	-	-	-	-
Michael Carter	-	-	-	-
Brett Jones	-	-	-	-

Directors statement

Directors are satisfied that the auditor, Grant Thornton Audit Pty Ltd, has met the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

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



Hayden Cudmore
Chair

Hanwood NSW 2680
24 August 2023

Auditor's independence declaration

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



Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 2023, I declare that, to the best of my knowledge and belief, there have been:

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

Grant Thornton
Grant Thornton Audit Pty Ltd
Chartered Accountants

A handwritten signature in black ink, appearing to read "A C Pitts".

A C Pitts
Partner – Audit & Assurance
Melbourne, 24 August 2023

www.grantthornton.com.au
ACN-130 913 594

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Financial statements

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023

Revenue

	Notes	2023 \$'000	2022 \$'000
Operations	5	35,932	33,833
Government and other	5	49,654	9,782
Investments	5	5,322	8,350
Total revenue		90,908	51,965

Expenditure

	Notes	2023 \$'000	2022 \$'000
Professional services and consultants	6	1,591	1,512
Depreciation	17	15,266	14,755
Employment related	6	18,438	19,069
Net loss on disposal of assets	6	3,948	7,528
Operations and materials	6	6,584	6,056
Utilities	6	1,334	1,364
Other	6	4,561	4,265
Total expenditure		51,722	54,549

Profit/(loss) before tax		39,186	(2,584)
Income tax benefit/(expense)	8	48,473	(1,222)
Profit/(loss) for the year		87,659	(3,806)

Other comprehensive income

Items that will be reclassified subsequently to profit or loss

Financial asset at FVOCI ¹ revaluation gain/(loss)	155	(77)
Income tax benefit/(expense) on items recognised directly in equity	-	23

Items that will not be reclassified subsequently to profit or loss

Actuarial (loss)/gain of defined benefits plan recognised directly in equity	(130)	481
Income tax benefit/(expense) on items recognised directly in equity	-	(144)

Other comprehensive income for the year net of tax	9	25	283
Total comprehensive income/(loss) for the year		87,684	(3,523)

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

¹ Fair Value through Other Comprehensive Income (FVOCI).

Consolidated statement of financial position as at 30 June 2023

Assets

	Notes	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	10	43,981	19,124
Trade and other receivables	11	19,831	21,127
Inventories	12	1,849	1,906
Other assets	13	507	644
Non-current assets held for sale	14	1,738	7,893
Total current assets		67,906	50,694
Non-current assets			
Financial assets	15	9,795	4,961
Property, plant and equipment	17	501,641	469,833
Intangible assets	18	137,552	137,124
Shares in co-operative		39	32
Total non-current assets		649,027	611,950
Total assets		716,933	662,644

Liabilities

Current liabilities			
Trade and other payables	19	10,852	13,950
Provisions	20	3,685	3,615
Borrowings	21	–	1,875
Deferred revenue	22	39,833	19,777
Total current liabilities		54,370	39,217
Non-current liabilities			
Provisions	20	565	515
Borrowings	21	–	125
Deferred tax liabilities	8	–	48,473
Total non-current liabilities		565	49,113
Total liabilities		54,935	88,330
Net assets		661,998	574,317

Equity

Contributed equity	23	273,734	273,734
Retained earnings	24	336,825	249,296
Reserves	25	51,439	51,284
Total equity		661,998	574,314

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 2023

	Contributed equity \$'000	FVOCI Reval Reserve* \$'000	Asset reserve^ \$'000	Retained earnings \$'000	Total \$'000
Balance as at 1 July 2021	273,734	102	51,236	252,765	577,837
(Loss) for the year	–	–	–	(3,806)	(3,806)
Other comprehensive income/(loss) for the year	–	(54)	–	337	283
Total comprehensive income/(loss) for the year	–	(54)	–	(3,469)	(3,523)
Balance as at 30 June 2022	273,734	48	51,236	249,296	574,314
Profit/(loss) for the year	–	–	–	87,659	87,659
Other comprehensive income for the year	–	155	–	(130)	25
Total comprehensive income for the year	–	155	–	87,529	87,684
Balance as at 30 June 2023	273,734	203	51,236	336,825	661,998

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

* Fair Value through Other Comprehensive Income (FVOCI) revaluation reserve – refer to notes 1(p) and 1(t).

^ Fair Value through Other Comprehensive Income (FVOCI) revaluation reserve and asset reserves are shown together as “Reserves” in the Consolidated statement of financial position.

Consolidated statement of cash flows for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers (including GST)		41,997	44,794
Payments to suppliers and employees (including GST)		(40,997)	(39,499)
Cash (used)/receipted by operations		1,000	5,295
Receipts from annual water savings and leasing of water and land		4,737	3,387
Receipts from government contributions		71,633	32,450
Interest and other finance costs paid		(136)	(126)
Net cash generated by operating activities		77,234	41,006
Cash flows from investing activities			
Payments to acquire financial assets		(4,737)	(3,414)
Proceeds on sale of financial assets		39	3,500
Payments for property, plant and equipment		(56,475)	(35,359)
Proceeds on sale of property, plant and equipment		615	1,166
Proceeds/(Payments) for water investments		5,778	(92)
Interest and investment income received		4,403	7,685
Net cash used in investing activities		(50,377)	(26,514)
Cash flows from financing activities			
(Repayments)/Proceeds from borrowings		(2,000)	2,000
Net cash (used in)/generated by investing activities		(2,000)	2,000
Net increase in cash and cash equivalents		24,857	16,492
Cash and cash equivalents at the beginning of the year		19,124	2,632
Cash and cash equivalents at the end of the year	10	43,981	19,124

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

Notes to the financial statements as at 30 June 2023

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements 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

Murrumbidgee Irrigation Limited's (the "Company" or "Group") 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 – Simplified Disclosure.

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.

The financial statements have been prepared on a going concern basis based on forecasts prepared for future years demonstrating the Company's solvency, the Company has financial reserves held in cash, deposits and convertible investments, and there are no known threats to the Company's viability.

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 as trustee for the 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) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations has not had a material effect on the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The consolidated entity has considered Accounting Standards and Interpretations which have been issued but are not yet effective, identifying the following which are relevant to the consolidated entity:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or non-current;
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates;
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies; and
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants.

When these amendments are first adopted for the year ending 30 June 2024 there will be no material impact on the financial statements.

Other Accounting Standards and Interpretations which have been issued but are not yet effective are not relevant to the consolidated entity, or their impact is editorial only.

Note 1. Summary of significant accounting policies (continued)

(d) 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.) **Customer Revenue:** 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 and the associated performance obligation is fulfilled.
- (ii.) **Other revenue:** Other revenue is raised from the provision of works, including the installation of irrigation supply infrastructure, and is recognised on completion of the works when rewards of ownership have passed to the buyer.
- (iii.) **Government contributions for Off Farm Efficiency Program (OFEP):** Contributions received from the government for infrastructure improvements are recognised as revenue on a percentage of completion basis, utilising the input cost method which includes labour and materials, 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 and 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.
- (iv.) **Leasing of water and property:** Revenue is recognised on a straight-line basis over the term of the lease.
- (v.) **Interest income:** Interest income is recognised as it accrues.
- (vi.) **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.
- (vii.) **Temporary transfer of water:** Revenue from the temporary transfer of water is recognised when the risks and rewards have passed to the buyer.
- (viii.) **Termination charges:** A charge is levied on cancellation of delivery entitlements. This charge for 2022/23 was based on a multiple of 10 times fixed charges in accordance with ACCC water charge rules.

(e) Income tax

Accounting policy applicable prior to 1 July 2022:

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.

Accounting policy applicable after 1 July 2022:

On 20 March 2023, the consolidated entity received a private ruling from the ATO confirming that Murrumbidgee Irrigation Limited is exempt from income tax for periods commencing from 1 July 2021 under the Income Tax Act 1997.

This exemption would no longer be available if Murrumbidgee Irrigation did not continue to maintain the requirements of the private ruling. This change in tax status has resulted in a reversal of recorded deferred tax balances as at 1 July 2022 and the recording of an income tax benefit as at that date. No additional deferred tax will be recognised from the date the exemption is granted.

Note 1. Summary of significant accounting policies (continued)

The effect of the change in accounting policy was to de-recognise the deferred tax asset and liability on 1 July 2022, with a corresponding adjustment through income tax expense/(benefit) as follows:

Tax Account	30 June 2022 (\$'000)	De-recognition (\$'000)	1 July 2022 (\$'000)
Deferred tax asset	21,088	(21,088)	-
Deferred tax liability	(69,561)	69,561	-
Income tax expense/(benefit)	48,473	(48,473)	-

(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. An allowance for expected credit loss 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 allowance for expected credit loss 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 allowance for expected credit losses 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.

Consequently, the consolidated entity considers the remaining service potential of inventories when assessing the net realisable value of items held for distribution or use in delivering a service to members.

(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:

Category	Years	Average
Earth channels, infrastructure and drains	10–100	35
Buildings and cottages	5–40	23
Plant	4–30	11
Office and scientific equipment	2–25	6
Motor vehicles	4–20	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 (w)(iii)). 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 (w)(iii)).

(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 capitalized.

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

(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 Company 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 Active Super 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.

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

(p) Financial assets

(i.) Recognition, initial measurement and derecognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurements of financial assets are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii.) Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- The entities business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

(iii.) Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at Debt FVOCI. Any gains or losses recognised in other comprehensive income will be reclassified to profit or loss upon derecognition of the asset. This category includes corporate bonds that were previously classified as 'available-for-sale' under AASB 139.

The classification of financial assets at FVOCI was an election determined by management at initial recognition, as it provided the most useful information.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses.

In using the practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(q) 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.

(r) 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).

(s) Leasing

For any new contracts entered into on or after 1 July 2020, the Company considers whether a contract is, or contains, a lease. At lease commencement date, a right-of-use asset and a lease liability is recognised on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the lease liability is measured at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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

(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. The revenue that the Company derives from the Asset Reserve investments funds the ongoing asset renewal program of the business.
- (ii.) **Fair Value through Other Comprehensive Income Reserve (FVOCI):** The purpose of the FVOCI Reserve is to accumulate unrealised gains or losses on financial asset revaluations.

(u) Non-current assets held for sale

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

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale only when the Company is committed to the sale and the sale is expected to qualify for recognition as a completed sale within one year from the date of classification.

(v) 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.) **Climate change:** Where specific impacts of climate change are identified, there may be impacts on useful lives of assets (increasing depreciation charged and reducing carrying values) and there may be changes to the basis of accounting for intangible assets. It is not possible, at the present time, to state the expected quantum of these impacts.
- (ii.) **Assets held for sale:** In 2022, the Company entered into contracts to transfer water over the period 2022 – 2024, which it classified as held for sale. These assets were previously held at cost, and their fair value is higher than their cost, therefore there was no impact other than reclassification from the change in treatment. There has been no material change to these assets or their fair value for 2023.

Management have determined that the assets are held for sale as the Company is committed to the sale, the assets are immediately available for transfer, and the only reason assets may not be transferred within 12 months is out of the control of the Company.

If the assets held for sale were deemed to not be held for sale, they would be recorded as intangible assets. There would be no impact on the statement of profit and loss.

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

(w) Significant estimates

- (i.) **Property, plant & equipment:** Depreciation is charged on property, plant and equipment as outlined in Note 17. Management have determined useful lives based on historical experience, as outlined within that note. Given the quantum of assets held by the Company, this is a significant estimate.

If the useful lives of assets were to reduce by 5% (an average of 1.7 years), depreciation would increase by \$0.8M per annum.

- (ii.) **OFEP revenue recognition:** Revenue relating to the OFEP funding is recognised as infrastructure projects are completed. The revenue is recognised over time as progress is made against budgeted expenditure on infrastructure projects. There is a risk that spend on these infrastructure projects may be higher or lower than budgeted, with any changes in the forecast costs to complete having a consequential impact on the revenue which would be recognised.

Management do not consider there to be a significant risk of a material adjustment in the next 12 months based on historical experience of major infrastructure projects.

If forecast costs to complete were +/- 5% against the original budget in the current year, the Company would have recognised +/- \$2M of OFEP revenue.

- (iii.) **Impairment of assets:** Assets are reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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. In the current year, no impairment loss has been recognised, as the fair value of intangible assets is significantly in excess of their carrying value (Note 18).

The commencement of the OFEP project created an expectation that a significant portion of the Company's capital assets will be replaced or decommissioned 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.

It is impracticable as at 30 June 2023 to estimate the impact of planned replacements over the medium-to-longer term as these are subject to management and Board decisions, ongoing availability of funding, progress against current infrastructure projects and workforce capacity.

(x) 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 – Simplified Disclosures.

The financial statements were authorised for issue by the directors on 24 August 2023.

(y) 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

2023 \$'000	Customer operations	Water savings	Investments	Government and other activities	Hanwood Estate Property Trust	Inter- company	Total \$'000
Revenue	31,319	4,618	5,158	49,654	993	(834)	90,908
Expenses	(46,955)	-	-	(4,608)	(993)	834	(51,722)
(Loss)/profit before tax	(15,636)	4,618	5,158	45,046	-	-	39,186

2022 \$'000	Customer operations	Water savings	Investments	Government and other activities	Hanwood Estate Property Trust	Inter- company	Total \$'000
Revenue	30,585	3,248	7,684	9,782	1,447	(781)	51,965
Expenses	(45,954)	-	-	(7,929)	(1,447)	781	(54,549)
(Loss)/profit before tax	(15,369)	3,248	7,684	1,853	-	-	(2,584)

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'), defined as the Leadership Team/Board.

The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The information reported to the CODM is on a monthly basis.

Note 3. Parent entity disclosure

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

	2023 \$'000	2022 \$'000
Operations revenue	41,096	41,520
Government and other revenue	49,654	9,782
Total revenue	90,750	51,302
Customer expenditure	47,082	46,119
Government and other expenditure	4,608	7,929
Total expenditure	51,690	54,048
Profit/(loss) before tax	39,060	(2,746)
Income tax benefit/(expense)	48,473	(1,222)
Profit/(loss) for the year	87,533	(3,968)
Other comprehensive income		
Actuarial (loss)/gain of defined benefit plan recognised directly in equity	(130)	481
Financial asset at FVOCI revaluation gains/(losses)	155	(77)
Income tax (expenses)/benefit on items recognised directly in equity	–	(121)
Other comprehensive income/(loss) for the year net of tax	25	283
Total comprehensive income/(loss) for the year net of tax	87,558	(3,685)
Statement of financial position of the parent entity Murrumbidgee Irrigation Limited		
Current assets	66,852	51,497
Non-current assets	666,713	627,618
Total assets	733,565	679,115
Current liabilities	57,195	42,780
Non-current liabilities	15,036	62,560
Total liabilities	72,231	105,340
Net assets	661,334	573,775
Contributed equity	273,734	273,734
Reserves	51,439	51,284
Retained Earnings	336,161	248,757
Total Equity	661,334	573,775

Note 4. Subsidiaries

Information about the composition of the Company 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	
			2023	2022	2023	2022
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. Revenue

	2023 \$'000	2022 \$'000
Customer revenue		
Fixed charges	22,275	21,127
Usage	7,778	8,012
Bulk water conveyance	953	988
Contract and other	308	458
Total customer revenue	31,314	30,585
Water savings	4,618	3,248
Total operating revenue	35,932	33,833
Investment revenue		
Interest and dividends	585	412
Water allocation	4,737	7,938
Total investment revenue	5,322	8,350
Government and other revenue		
OFEP – Infrastructure	28,559	9,743
OFEP – Water transfer	20,974	0
Customer contributions	121	39
Total investment revenue	49,654	9,782

Note 6. Expenses

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

	2023 \$'000	2022 \$'000
Salaries and wages	13,068	13,972
Superannuation	1,540	1,442
Labour on-costs	3,830	3,655
Total employment related	18,438	19,069
Legal	136	170
Consultants	1,045	1,082
Audit and taxation advisors	277	128
Environmental	133	132
Total professional services and consultants	1,591	1,512
Plant maintenance and hire	905	708
Materials	2,103	1,688
Fuels and oils	735	651
Contractors	1,461	1,499
Other	1,380	1,510
Total operations and materials	6,584	6,056
Utilities	1,334	1,364
Insurance	1,216	1,266
Information Technology	1,909	1,638
Fees and charges	131	(50)
Bulk water conveyance	477	483
Other	828	928
Total utilities and other	5,895	5,629
(Gain)/loss on disposal of non – infrastructure assets	(457)	(342)
Infrastructure disposals*	4,405	7,870
Total net loss on disposal of assets	3,948	7,528

*Infrastructure disposals includes impairment of infrastructure assets of \$4.4M (FY22 \$7.8M), taken up due to the pending replacement of the assets under the scheduled OFEP capital works.

Note 7. Remuneration of auditors

	2023 \$'000	2022 \$'000
(a) Auditor of the parent entity		
Audit of the financial report	82,500	75,000
Taxation services*	180,744	50,825
Other assurance services**	10,000	-
Total auditor remuneration of the parent entity	273,244	125,825
(b) Other auditors		
Audit of the financial report of Hanwood Estate Property Trust	3,550	2,367
Total remuneration of other auditors	3,550	2,367

* Taxation services for 2023 includes investigation, documentation, and lodgment to the ATO for the private ruling described in Note 1 (e).

** Other assurance services relate to audit of the Murrumbidgee Irrigation Off Farm Efficiency Program as required by the NSW Department of Planning and Environment.

Note 8. Income taxes

Tax benefit comprises:

	2023 \$'000	2022 \$'000
Current tax benefit in respect of the current year	-	-
Total current tax benefit	-	-
Deferred tax (expense) relating to the recognition and reversal of temporary differences	-	(1,235)
Research and development tax offset	-	13
Decrease in deferred tax assets	(21,088)	-
Decrease in deferred tax liabilities	69,561	-
Total deferred tax (expense)/benefit	48,473	(1,222)
Total current tax (expense)/benefit relating to continuing operations	48,473	(1,222)

The benefit/(expense) for the year can be reconciled to the accounting profit as follows:

	2023 \$'000	2022 \$'000
Profit from continuing operations	-	(2,584)
Income tax (benefit)/expense calculated at 30%	-	775
Effect of net PIIOP revenue/expense that is exempt	-	(2,347)
Under/over – property, plant and equipment	-	343
Reversal of prior year under/over – property, plant and equipment	-	7
Adjustment to derecognise deferred tax assets and deferred tax liabilities	48,473	-
Income tax (expense)/benefit recognised in profit or loss	48,473	(1,222)

On 20 March 2023, the consolidated entity received a private ruling from the ATO confirming that Murrumbidgee Irrigation Limited is exempt from income tax for periods commencing from 1 July 2021 under the Income Tax Act 1997.

This exemption would no longer be available if Murrumbidgee Irrigation did not continue to maintain. This change in tax status has resulted in a reversal of recorded deferred tax balances as at 1 July 2022 and the recording of an income tax benefit as at that date. No additional deferred tax will be recognised from the date the exemption is granted.

The effect of the change in accounting policy was to de-recognise the deferred tax asset and liability on 1 July 2022, with a corresponding adjustment through income tax expense/(benefit) as follows:

Tax Account	30 June 2022 (\$'000)	De-recognition (\$'000)	1 July 2022 (\$'000)
Deferred tax asset	21,088	(21,088)	-
Deferred tax liability	(69,561)	69,561	-
Income tax expense/(benefit)	48,473	(48,473)	-

Note 9. Amounts recognised directly in equity

The following amounts were recognised directly in equity:

	2023 \$'000	2022 \$'000
Actuarial (loss)/gain of defined benefits plan recognised directly in equity	(130)	481
Financial asset at FVOCI revaluation gain/(loss)	155	(77)
Income tax (expense)/benefit on items recognised directly in equity	–	(121)
Net gain/(loss) recognised directly in equity	25	283

Note 10. Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank and on hand	43,981	19,124
Total cash and cash equivalents	43,981	19,124

Included in the above cash and cash equivalents are the following:

Cash held for OFEP	40,386	17,818
Unrestricted operational cash	3,595	1,306
Total cash and cash equivalents	43,981	19,124

Cash held for OFEP constitutes amounts held in a separate bank account to meet the requirements of the OFEP. These amounts are available for use on eligible activities under the OFEP funding deed and are maintained separate internally to meet the needs of the consolidated entity.

Note 11. Trade and other receivables

Current trade and other receivables:

	2023 \$'000	2022 \$'000
Trade receivables	4,290	5,025
Less: Expected credit losses	(16)	(25)
	4,274	5,000
Other receivables	15,557	16,128
Less: Expected credit losses	–	(1)
	15,557	16,127
Total current receivables	19,831	21,127
Total receivables	19,831	21,127

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 28 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. In accounting for the loss allowance for trade and other receivables, the consolidated entity uses the simplified approach to recognise this equal to the expected lifetime credit losses. The consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

	2023 \$'000	2022 \$'000
Movement in the allowance for credit losses:		
Balance at the beginning of the year	26	24
Impairment (gains)/losses recognised on receivables	(10)	2
Amounts written off during the year as uncollectable	–	–
Amounts recovered during the year	–	–
Balance at end of the year	16	26

Note 12. Current assets – inventories

	2023 \$'000	2022 \$'000
General inventory, chemicals and construction materials – at cost	1,849	1,906
Total inventories	1,849	1,906

Note 13. Other assets – other

	2023 \$'000	2022 \$'000
Prepayments	401	439
Retirement benefit asset	106	205
Total other assets	507	644

Note 14. Non-current assets held for sale

	2023 \$'000	2022 \$'000
Water – Conveyance at cost	1,738	3,123
Water – High Security and General Security	–	4,770
Total non-current assets held for sale	1,738	7,893

In April 2022, Murrumbidgee Irrigation agreed to transfer 6,290ML of Conveyance water entitlements to the Commonwealth Government, in accordance with the OFEP funding deed. The OFEP deed has been executed and Murrumbidgee Irrigation is committed to the transfer, which is expected to be completed before the end of March 2024. At 30 June 2023, 2,790ML of Conveyance water entitlements have been transferred to the Commonwealth and 3,500ML remain committed.

The amount recorded as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in no gain or loss being recognised. The fair value of the water was determined using a market approach (based on quoted prices for similar assets). The entitlements remain committed and qualify as held for sale and there has been no material movement in their fair value.

Note 15. Financial assets

	Notes	2023 \$'000	2022 \$'000
Financial assets at FVOCI		9,795	4,961
Total financial assets		9,795	4,961
Included in the above financial assets at FVOCI are the following:			
Financial assets held for asset reserve	25	2,506	2,779
Unrestricted financial assets at FVOCI		7,289	2,182
Total financial assets		9,795	4,961
Current		–	–
Non-current		9,795	4,961
Total financial assets		9,795	4,961

Note 16. Financial instruments

The consolidated entity's activities expose it primarily to the financial risks of liquidity, credit risk, and market risk.

The directors and senior management are responsible for monitoring and managing the financial risks of the consolidated entity. They monitor these risks through board meetings where 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 2022, with amendments to the overall investment portfolio in 2023. The consolidated entity's financial instruments consist mainly of deposits with banks, fixed and floating rate notes, investments in Australian and international equities, 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. 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.

- (d) **Market risk:** Market risk consists of foreign exchange risk, interest rate risk, and price risk.

- (i) Foreign exchange risk exposure:

The consolidated entity's functional currency is Australian dollars. Foreign exchange rate risk arises from financial assets and financial liabilities denominated in a currency that is not the consolidated entity's functional currency. Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument fluctuating due to the movement in foreign exchange rates of currencies in which the consolidated entity holds financial instruments which are other than the Australian dollar functional currency of the consolidated entity. Given the nature of the consolidated entity's operations, this risk is not material, as material transactions and balances are denominated in the consolidated entity's functional currency. The cost of hedging at this time outweighs any benefits that may be obtained.

- (ii) Interest rate risk exposure:

As at 30 June 2023, the consolidated entity had \$44M of cash and cash equivalents. Cash and cash equivalents consist of cash in banks and bank deposits. Such interest-earning instruments carry a degree of interest rate risk. The primary objectives of our investment activities are the preservation of capital, the fulfilment of liquidity needs, and the fiduciary control of cash. The effect of a hypothetical 10% change in interest rates would have resulted in +/- \$0.2M impact for the year-ended 30 June 2023.

- (iii) Price risk exposure:

As at 30 June 2023, the consolidated entity had \$4.3M of financial assets held in equity investments. If the equity indexes had increased by 5% with all other variables held constant and all the entity's equity instruments moved according to the historical correlation with the index, there would have been an impact of \$0.2M for the year-ended 30 June 2023.

Note 17. Property, plant and equipment

Net book values:

	2023 \$'000	2022 \$'000
Land	9,659	9,709
Earth channels, infrastructure and drains	432,914	421,555
Buildings and cottages	8,399	8,809
Plant	4,224	3,291
Office and scientific equipment	1,228	998
Motor vehicles	1,903	1,859
In course of construction	43,314	23,612
Balance as at 30 June	501,641	469,833

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)
Carrying amount at 1 July 2022	9,709	421,555	8,809	3,291	998	1,859	23,612	469,833
Acquisitions	-	-	77	1,418	604	713	48,823	51,635
Disposals	(50)	(4,617)	-	-	-	(108)	-	(4,775)
Depreciation	-	(13,359)	(487)	(485)	(374)	(561)	-	(15,266)
Impairment	-	214	-	-	-	-	-	214
Transfers in/(out)	-	29,121	-	-	-	-	(29,121)	-
Balance at 30 June 2023	9,659	432,914	8,399	4,224	1,228	1,903	43,314	501,641

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

Note 18. Intangible assets

	2023 \$'000	2022 \$'000
Reconciliation – water		
Water – Conveyance at cost (parent entity)	88,177	88,177
Water – High Security and General Security at cost	48,933	48,505
Water – at cost (controlled entity)	442	442
Carrying amount	137,552	137,124
Reconciliation – water		
Carrying amount 1 July	137,124	144,925
Water – conveyance sold/held for sale during year	–	(3,123)
Water – High Security and General Security sold/held for sale during year	–	(5,124)
Water – High Security and General Security acquired during year	428	446
Carrying amount	137,552	137,124

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(w)(iii) and 1(i).

Water investments are held at the lower of cost and net realisable value. As at 30 June 2023, the market value of the water investments was approximately \$176.5M (2022 – \$176M).

Note 19. Trade and other payables

	2023 \$'000	2022 \$'000
Trade payables	2,542	2,284
Accruals	8,310	11,666
Total trade and other payables	10,852	13,950

Generally no interest is charged on trade payables for the first 28 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 20. Provisions

Employee entitlements:

	2023 \$'000	2022 \$'000
Annual leave	1,299	1,299
Long service leave	2,951	2,831
Carrying amount	4,250	4,130
Current	3,685	3,615
Non-current	565	515
Total provisions	4,250	4,130

Note 21. Borrowings

Assets pledged as security

The bank loans are secured by first mortgages over the consolidated entity's High Security Water Entitlements WAL11299.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Total facilities:

	2023 \$'000	2022 \$'000
Working capital loan facility	5,000	5,000
Bank loan	11,250	13,125
Total facilities	16,250	18,125
Used at reporting date:		
Working capital loan facility	-	-
Bank loan	-	2,000
Total used at reporting date	-	2,000
Unused at reporting date:		
Working capital loan facility	5,000	5,000
Bank loan	11,250	11,125
Total unused at reporting date	16,250	16,125
Current	-	1,875
Non-current	-	125
Total liability at reporting date	-	2,000

Any principal repayments due within the next 12 months are classified as current liabilities in the consolidated statement of financial position.

Note 22. Deferred revenue

	Notes	2023 \$'000	2022 \$'000
Off Farm Efficiency Program	1 (d) (iii)	39,274	19,762
Other	1 (d) (ii)	559	15
Total deferred revenue		39,833	19,777

Note 23. Contributed equity

(a) Ordinary shares – fully paid

	2023 \$'000	2022 \$'000
Contributed equity	273,734	273,734

Shares are cancelled or forfeited as a result of customers' water entitlement transactions including sales of water entitlement out of Murrumbidgee Irrigation Limited's water access licences.

The contributed equity is reflective of the equity in the Company upon privatisation in 1999. In accordance with the Company's Constitution, the Company cannot declare dividends, and in the event of winding up or dissolution, any remaining property must not be paid or distributed among members but must be given or transferred to an irrigation corporation as defined in the *Water Act 2000*. Therefore, there is no impact on contributed equity for the forfeiture or cancellation of shares.

(b) Movement in number of shares

	2023 Shares No.	Forfeited or cancelled shares No.	2022 Shares No.
A Class Shares	209,622	(7,244)	216,866
B Class Shares	512,083	(15,988)	528,071
C Class Shares	14,261	(349)	14,610
Total ordinary shares	735,966	(23,581)	759,547

As at 30 June 2023 – 49,433 (2022 – 25,852) previously forfeited shares are under the control of the Directors and are available to be re-issued.

(c) Voting rights

	2023	2022
Voting rights attached to A Class shares	1,313	1,337
Voting rights attached to B Class shares	891	896
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 24. Retained earnings

	2023 \$'000	2022 \$'000
Retained earnings at the beginning of the financial year	249,296	252,765
Total comprehensive income/(loss) for the year	87,529	(3,469)
Retained earnings at the end of the financial year	336,825	249,296

Note 25. Reserves

	Notes	2023 \$'000	2022 \$'000
Asset reserve at the beginning of the year		51,236	51,236
Asset reserve at the end of the year		51,236	51,236
FVOCI revaluation reserve at the beginning of the year		48	102
FVOCI revaluation reserve gains/(losses)		155	(54)
FVOCI revaluation reserve at the end of the year		203	48
Total reserves at the end of the year		51,439	51,284
Reserves are funded by the following investments:			
Water investments	18	48,933	48,505
Financial assets	15	2,506	2,779
Total funding		51,439	51,284

The purpose of the asset reserve is to set aside funds for future investment in infrastructure. The revenue that Murrumbidgee Irrigation derives from the Asset Reserve investments funds the ongoing asset renewal program of the business. While there are no restrictions on use, these financial assets are maintained and monitored internally to enable assessment of whether sufficient financial assets are being maintained on an ongoing basis to support the aims of the consolidated entity.

Note 26. 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 Active Super 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 (Active Super 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 2021 by Mercer Consulting (Australia) Pty Ltd. The next actuarial valuation is due as at 30 June 2024 and will be released in the 2024/25 financial year. Actuarial assessments are made in the intervening periods for financial reporting purposes, with Mercer Consulting (Australia) Pty Ltd conducting an assessment as at 30 June 2023. The Directors rely on the assessments 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.
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.
Counterparty risk	The risk arising from the insurance policies purchased by the Fund. The key risk involved would be the default by the insurer as the Fund would still be liable to pay member benefits.

Note 26. Retirement benefit plans (continued)

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:

	2023 \$'000	2022 \$'000
Present value of defined benefit obligations	24,830	24,630
Fair value of defined benefit plan assets	(26,515)	(25,852)
Adjustment for effect of asset ceiling	1,579	1,017
Net (asset)/liability	(106)	(205)

For FY23 the retirement benefit plan net asset has been recognised in Other Assets – see Note 13.

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

	2023 \$'000	2022 \$'000
Opening present value of defined benefit obligation	24,630	31,525
Current service cost	86	127
Interest cost	1,272	876
Actuarial (gains)/losses arising from changes in demographic assumptions	–	1,306
Actuarial (gains)/losses arising from changes in financial assumptions	(807)	(7,908)
Actuarial (gains)/losses arising from liability experience	577	(127)
Benefits paid	(836)	(1,061)
Taxes, premiums and expenses paid	(92)	(108)
Closing defined benefit obligation	24,830	24,630

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

	2023 \$'000	2022 \$'000
Opening fair value of plans assets	25,852	31,277
Interest income	1,338	870
Movement in value on fund assets less interest income	149	(5,231)
Employer contributions	104	105
Benefits paid	(836)	(1,061)
Taxes, premiums and expenses paid	(92)	(108)
Closing fair value of plans assets	26,515	25,852

Note 26. Retirement benefit plans (continued)

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

		Quoted prices in active markets for identical assets	Significant observable inputs	Unobservable inputs
	Total (\$'000)	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)
Unlisted and listed Securities Employer Reserve	1,787,379	1,510,495	260,065	16,819**
Unlisted and listed Securities Member Investment Choice	1,571,078	*	*	–
Total	3,358,457			

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

** Includes the value of the Challenger annuity policy held by Trustee valued on the AASB119 basis.

As shown in the table above, some Active Super assets are invested in accordance with member investment choices.

For Active Super assets supporting the Employer Reserve, the percentage invested in each asset class at the reporting date is:

	2023	2022
Equities	44%	41%
Property	10%	11%
Fixed Income	30%	28%
Cash	5%	8%
Other*	11%	12%
Total	100%	100%

* Other includes private equity, private credit, growth alternative and defensive alternative assets.

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

	2023	2022
Discount rate at 30 June	5.61%	5.26%
Salary growth rate	3.50%	3.50%
Expected rate of CPI increase*	6.60%	5.30%

* The rate of CPI increase has been assessed at 6.60% for FY23, then 2.50% per annum thereafter.

Note 27. 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 Chair:	H P Cudmore
Non-executive Directors:	L Bianchi, M K Carter, A G Delves, H Sergi, T C Valenzisi, S J R Whan (1/7/22 to 1/3/23)
Managing Director:	B A Jones

(ii) Leadership team

B A Jones	Chief Executive Officer
S J Hansen	General Manager Customer Services (1/7/22 to 31/12/22)
L Golsby-Smith	General Manager Customer Services (from 1/1/23)
K J Hutchinson	General Manager People and Policy
A R Pasquetti	General Manager Information Systems
D F Puntoriero	Company Secretary/General Manager Finance
J J Rudd	General Manager Asset Delivery
A P Shea	General Manager Operations
M J Turnell	Company Secretary/Legal Advisor

- (b) Key management personnel compensation:

(i) Directors (excluding Managing Director/Chief Executive Officer)	2023 \$	2022 \$
Short-term benefits	408,151	404,056
Post-employment benefits	42,856	40,465
Total compensation	451,006	445,121
 (ii) Leadership (including Managing Director/Chief Executive Officer)	 2023 \$	 2022 \$
Short-term benefits (including payment of leave entitlements on termination)	2,533,523	2,377,005
Post-employment benefits	197,583	172,200
Total compensation	2,731,106	2,549,205

- (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:

Ordinary shares	2023	Movement	2022
A Class	1,053	–	1,053
B Class	5,278	–	5,278
C Class	2	–	2
Total ordinary shares	6,333	–	6,333

Note 27. Key management personnel compensation (continued)

(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.

Value of transactions:

Ordinary shares	2023 \$	2022 \$
Water supply and drainage services	300,603	448,425
Receivable balance at reporting date	–	–

(e) Loans to key management personnel

There are no loans to key management personnel in the current or prior year.

Note 28. Related parties

Related party transactions with key management personnel are disclosed in Note 27.

While other related party relationships have been identified by management, there were no material transactions with those related parties in the year-ended 30 June 2023 (2022: none). Other than the entities controlled within the Group, which are consolidated within these financial statements and for which intragroup transactions are not disclosed as a result, no other related parties where control exists have been identified.

Note 29. Commitments

Capital commitments	2023 \$'000	2022 \$'000
Commitments for the acquisition of plant and equipment contracted for at the reporting date, but not recognised as liabilities.	25,852	31,277

Note 30. Contingent liabilities

The consolidated entity is not aware of any contingent liabilities at the reporting date (2022 – Nil).

Note 31. Events occurring after balance date

At the date of this report, no matter or event has occurred since the balance date that has not been disclosed elsewhere in the financial statements.

Directors' declaration

The Directors declare that the financial statements and notes set out on pages 37 to 69:

- (a) comply with Accounting Standards – Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the Directors' opinion:

- (c) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

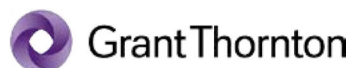
This declaration is made in accordance with a resolution of the Directors.



Hayden Cudmore
Chair

Hanwood NSW 2680
24 August 2023

Independent auditor's report



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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 (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 consolidated 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 2023 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A C Pitts
Partner – Audit & Assurance

Melbourne, 24 August 2023

Murrumbidgee Irrigation Limited Company directory

as at 24 August 2023

ABN	39 084 943 037
Directors	Hayden Cudmore Lil Bianchi Michael Carter Allan (Grant) Delves Hayley Sergi Tracey Valenzisi Brett Jones
Company Secretary	Michael Turnell Dominic Puntoriero
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