



NIC CEO Report 2019-20

I like to take the 'glass half full' approach, and on that basis this past year had a few positives. We finish the year with more water in most storages than we had this time last year, allocations have improved, electricity prices have stabilised in most states, and the positive of COVID, is that more people have thought about where their food comes from.

We've also seen completion of – and responses to – a number of inquiries into the Basin Plan and positive engagement over next steps.

NIC continues to play a respected and constructive role with decision makers at all levels and from all sides of politics and that enables us to have impact. Being an effective lobby group is about access and influence, not headlines.

On the less positive side, we still face a number of real challenges as we head up to 2024 with the Basin Plan. Challenges, which if ignored or kicked down the road, could leave us facing more water recovery. We need to keep Governments (and our communities) focused on getting things done.

We can't afford to live in a fantasy world where we think turning back the clock is an option and we need to be prepared to be able to demonstrate when the Basin Plan is 'finished', how building on what has been done, and using the water that has been recovered effectively, will achieve that vital balance – healthy rivers, healthy communities and continuing capacity to produce food and fibre for Australia.

The alternative is dealing with calls for the 'next' Basin Plan to include a recovery target with a 4 in front of it.

We've worked effectively on the energy front this year, though lack of resources continues to put agriculture at a disadvantage in pushing the case for a better deal for regional industries.

Nevertheless, we have enjoyed great access to the energy Minister, Angus Taylor, and his staff and we have seen the Minister, and many of the Government's policy documents, specifically mention agriculture, including issues we have raised.



We continue to enjoy good access to Ministers and Shadow Ministers.

The Hon Keith Pitt MP replaced the Hon David Littleproud as water Minister in February this year. NIC has been able to meet with Minister

Pitt as well as having him join a number of our online meetings. Similarly, we have had excellent access to Shadow Minister Terri Butler along with State Ministers when required.

National water policy - NIC has been an active 'watcher' of the work the Federal and State Governments are doing to expand irrigation in some areas using particularly the National Water Grid authority and expanded federal funding. We hear quite a bit about Northern Australia, but Tasmania is securing quite consistent approvals of new areas.

We've consistently advocated Government looking at sustainable irrigation expansion as a key regional development policy, and it remains a concern that the principles outlined in the National Water Initiative don't take flow on benefits and multipliers into account in the way they assess the cost/benefit of new projects. As a result, the Productivity Commission is suggesting that Governments are not adhering to the principles in funding new projects.

NIC has taken this up again with the Productivity Commission for this year's review of the NWI – among many other issues.

NWI means that irrigation areas outside the MDB are impacted by Federal policy in areas like charging, structure of entitlements, water markets and trading.

Outcome of MDB reports and reviews - This year saw another busy year of reviews, submissions and consultations. The tally of reviews or inquiries into the Basin Plan is now more than 43. When Minister Pitt was appointed, we made the strong point to him that we needed to see implementation of (sensible) review recommendations not more inquiries.

To his credit, the Minister has echoed that view and has clearly indicated that is his preference.

We have advocated for the implementation of the Productivity Commission 5-year review particularly and were critical of the response initially put out by the Basin Ministers. NIC had a very strong input into the "Sefton" independent panel and it was pleasing to see a number of the points put in our submissions (and in person) reflected in the report. It was also important to see the Sefton report reinforcing a number of the PC conclusions and to see them again reflected in the review of the Water for the Environment Special Account.




Managing the rivers to avoid bank damage, unnecessary losses and delivery problems has remained a high priority for NIC over the past year

Minister Pitt's Murray Darling communities investment package announced on 4 September, brought together responses to aspects of all the reviews above with some welcome commitments, and a clear response to some of the issues we have been raising.

We wrote to Minister Pitt and Shadow Minister Terri Butler with similar letters to Basin water ministers urging them to commence a bipartisan process recognising that 2024 deadlines will not be met and action is needed. We set out a number of actions on SDLAM projects, constraints and the up-water targets - pointing out the high likelihood that, without change, none of these will be delivered with consequent negative impacts on communities, industry and the environment.

In a sense our message is starting to get picked up, with welcome initiatives around lack of progress and a recognition that there are other supply projects that could be built in South Australia to deliver 'schedule 5' environmental outcomes.



The Minister's comments on these and the current Government's commitment to no buybacks is welcome. However, there is still a real worry around some deadlines which come after current terms of Government and leave open the very real possibility of failure to deliver, resulting in buybacks and a push for even more water recovery in the next iteration of the Plan.

Ongoing work on losses and delivery – NIC has continued to work with members on the issues around avoiding negative 3rd party impacts from conveyance loss and potential delivery shortfalls in the Murray system. It hasn't been an easy process and while we know the MDBA has done a lot of work in the area, we would have liked to have seen more industry engagement and transparency.

Our reference group working on this has suggested a round table process with the MDBA to work through issues and suggestions. The first meeting with the MDBA will take place next week.

Northern Basin metering etc - A lot of public and media debate about the Northern Basin tends to imply that nothing has changed since 2017. City based journos and headline seekers act as if issues highlighted around compliance three years ago haven't changed and that massive amounts of water take are illegal.

The truth is since the reviews of 2017 and onwards we have seen massive change and incredible strides by the industry to get all take accurately metered and where appropriated telemetrically monitored. Floodplain harvesting is also progressing along a very complicated process of moving from a property right to a volumetric entitlement. NIC's Northern Basin members have worked assiduously to try to make these processes practical and workable. They should be commended for the way they have engaged (not be subject to attack).

MDB Roundtable – one of the best ways to get action on something is to be able to show Government that there is a bit of consensus from across the spectrum. For some time we have known that there are many other groups in the community and even environmental groups who see the benefit of complementary measures, and agree that the SDLAM projects need to be delivered.

That includes groups with whom we might have normally disagree.

NIC has been working with a number of groups over the past few months to put together a round-table of non-government organisations to work out areas of Murray Darling Basin policy where there is common agreement. The initiative is driven by us, with the Wentworth Group and the Murray Darling Association.

It's a process of looking for things we agree on – understanding each other's perspective but knowing there will still be issues on which we don't agree. We have agriculture, fishing, environment, local government and tourism engaged. From NIC's point of view we would like more 'allies' in promoting action on NIC policy priorities including the SDLAM projects, complementary measures, better (independent) research, more river monitoring, native fish strategies etc.

There is a bit of time needed for this type of work but I hope it will be valuable in building some consensus but also better dialogue in a forum that isn't run and controlled by a Government agency.



Moxey Dairy in the Lachlan Valley generates up to 2.5Mw of power from two turbines using gas from their bio reactors

Energy: New policy directions and old network problems To be fair, over the past year we have seen electricity prices stay reasonably stable and in some cases slightly decrease, but it is off a high base and it is still difficult to see any real change to bring about more reasonable network charges. For the most part, this is an area where asset owners are getting a return which is well above the level justified by the risk they face.

NIC has had a long-standing policy of advocating a total price of 16 cents per kilowatt hour for electricity. Sometimes we get questions about whether that target price is realistic but experience has shown that having a firm target is better than just advocating for 'lower' prices.

This was reinforced for me over the past year, firstly when I met with the Qld energy Minister and he told me (without prompting) that he was confident they would get to our 16 cent target; and second when the great work from Dale Holliss and his fellow advocates in Qld actually resulted in an irrigator tariff of 16.3 cents.

As well as engaging in what are often intricate regulatory processes, we have actively engaged in the development of new policy directions from the Government this year.

The Government has been working on a series of 'roadmap' policies to identify the path toward lower emissions and an affordable energy future. Some of this will take us down the path to what might see Australia becoming a renewable energy superpower (to steal Ross Garnaut's book title). In the meantime however, there are issues relating to grid capability and stability that must be fixed.

There are some key elements in these plans that present great opportunities for agriculture and we've focused our input on identifying those and calling for rules and technology that enable irrigators to participate and benefit from new low emission, low cost opportunities.

On that basis we've had input to the 'Technology Roadmap', the 'Bioenergy Roadmap' and programs to reduce consumption. As well as engaging in a range of other areas including plans for hydrogen, batteries, standalone systems and microgrids etc.

There's a series of media releases and submissions on the NIC website on many of these, and there is quite a lot of detail and work to go. I do want to acknowledge though the outstanding hearing we get from Minister Taylor and his office.

NIC is also involved in other areas, including the Renewables in Agriculture Conference (which has been postponed until 2021) and as a minor in-kind contributor to the Federally funded

microgrids project being run by Queensland Farmers Federation, Cotton Australia and ReAqua.

The only real negative out of this past year's efforts on energy is that we have been still unable to secure funding assistance for the Agriculture Energy Taskforce to bring an energy policy person on board. This is quite a specialised area and agriculture just doesn't have the resourcing and the technological knowledge and expertise to compete effectively with the big energy companies around influencing regulatory and policy processes.

Thanks - This will be my last report to members as CEO and I thank all NIC members and the board for the last (nearly) four years. Even though we deal with challenging issues it has been a pleasure working with such a constructive group of members.

Thanks in particular to Joy for her work. Joy is a keeper of great corporate and policy knowledge for NIC and it has been a pleasure working with her.

I hope that I am departing an organisation that is well placed to continue to make a positive contribution to important policy issues. As I have mentioned to many members, my departure is about lifestyle. COVID has dealt a bit of blow to my travel agenda, but no doubt a few regional mountain bike tracks will be getting a workout!



*We always like to see 'boots on the ground' in this case confirming that we've had a little bit of welcome wet ...
Condobolin Oct 2020*

Steve Whan
ceo@irrigators.org.au
0429780883

NIC submissions

- [October 2020 – NIC response to ACCC interim Murray Darling water markets report](#)
- [August 2020 – NIC submission to Productivity Commission national water reform review.](#)
- [June 2020 – submission to AEMC compensation for affected market participants rule change proposal.](#)
- [June 2020 – Ag Energy Taskforce submission to Technology Roadmap for energy.](#)
- [June 2020 – submission on NSW energy security target and safeguard discussion paper.](#)
- [May 2020 – submission to ARENA bioenergy roadmap.](#)
- [April 2020 – submission to the draft independent social and economic review of the Murray Darling Basin.](#)
- [February 2020 – NIC submission to the Senate select committee on the multi-jurisdictional management and implementation of the Murray Darling Basin Plan.](#)
- [December 2019 – submission to ACCC Prohibit Market Misconduct](#)
- [December 2019 – submission to ACCC on draft guidelines for the Prohibiting Energy Market Misconduct Act](#)
- [December 2019 – NIC letter to Basin Water Ministers](#)
- [December 2019 – submission to the review of the Water for the Environment Special Account](#)
- [November 2019 – submission to ACCC water markets inquiry](#)

Media Releases

- Budget building Agriculture's capacity to produce food and fibre for the nation
- Positive focus on agriculture in low emissions tech statement
- NIC welcomes agriculture focus on energy technology investment
- Getting the Basin Plan on track, welcome
- ACCC water markets interim report, a catalyst for real improvement?
- Technology Roadmap needs to get costs, as well as emissions, down says Ag Energy Taskforce
- Basin Ministers need to act on supply projects
- Heroic leap from fact to assertion destroys credibility of report
- Inspector General's report reflects hard reality
- SA Irrigator slugged with retrospective \$60,000 per month electricity price rise
- Irrigators congratulate Pitt and thank Littleproud
- Not much for Christmas lunch without Australian Irrigators
- Better than expected? Basin Water Ministers
- Irrigators tell Basin Ministers to deliver not quiver
- Irrigators Council says, fix don't ditch, on Basin Plan
- Irrigators welcome release of additional water for agriculture

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**Item 3: NIC AGM
22 October 2020**

Chairman's report to Members

As 2020 draws to a close, it is clear that it has been an incredibly challenging one for all Australians, dealing with a global pandemic directly impacting our lives and delivering some harsh realities. This year has shown that we are adaptable in changing the way we live and work, finding new ways of interacting with friends and family and conducting our professional lives through the technologies available.

The pandemic as we know, followed hard on the heels of last summer's bushfires at the same time Australia was experiencing crippling drought in many regions, putting unwanted pressure on the Basin Plan implementation and accelerating the lack of water availability.

During this time of health and economic crisis, those of us in the business of irrigated agriculture understand our role in food and fibre production and associated issues around supply chains. And what has become clear is that food security is, and should be, front and centre during this period of disruption. Many industries have faced critical labour shortages, unable to secure seasonal workers at the right time, in part due to state border closures and putting pressure on many industries. Other industries though have experienced minimal disruption to their farming operations.

Against the backdrop of some of the restrictions imposed by COVID-19, there has however been movement on major Basin Plan related reports delivered to Government. In early September, the Water Minister Keith Pitt provided the Government's response to the Sefton report (*Independent Assessment of Social and Economic Conditions in the Basin*) and the Water for the Special Account (WESA) report.

The Government picked up many of the issues on which NIC has advocated, and most notably the issue of the handful of SDL projects assessed as achieving a significant part of the **605GL**, that are at risk of not being delivered. If it is found that those more challenging projects cannot be achieved, then the responsible states must find and put forward new projects or change the approach to the existing projects. We stress that with governments with an active role in ensuring that the SDL projects, assessed as delivering 605GL, are implemented and we will continue to push for common sense and a bipartisan approach on this.

The Sefton report did not specifically suggest that the timeframe for the delivery of the SDL projects be extended, though in expressing concern that projects could not be achieved by the 2024 legislative deadline, recommended that *if the existing SDL projects do not deliver the anticipated 605GL, there must be flexibility to allow new or other existing projects to close the SDLAM gap.*

From the commencement of the Basin Plan, NIC has kept a focus on the principle of **adaptive management**, as promised under the Basin Plan. It was right that the Sefton report made note of this suggesting that the intent of the Basin Plan should focus on outcomes and move to more adaptive management where communities have a greater say in matters affecting their future.

And aligning with NIC's continued advocacy on **complementary or non-flow** measures, highlighting that achieving improved environmental outcomes should be broader than a focus on flow targets, the Sefton report provided a strong recommendation on complementary measures, as did the Productivity Commission as part of its five year review of the Basin Plan.

In fact the Sefton report was quite specific; in recommending that work on complementary measures should be a priority, suggested that the framework developed by CSIRO and MDBA be extended to provide for evaluating how complementary measures can offset environmental water recovery targets as part of Basin Plan targets. We expect that with this clear recommendation, we will start to see real progress on this matter.

In our submission to the WESA (Water for the Environment Special Account) review, we again highlighted that we do not like or support the 450GL component of the Basin Plan, when the evidence of negative impact on buybacks on communities is unequivocal. We noted the little chance of anywhere near 450GL being achieved, and expressed concern that if a reasonable and genuine effort was not made to achieve the outcomes then a future Government may decide to buy the water (even though that is currently not allowed by the legislation).

The WESA review found that the recovery of 450 GL of additional environmental water and constraints projects are not on track to be achieved by 30 June 2024 without significant intervention. And it was a good outcome when in early September, the Water Minister made it clear the Government would not put further pressure on irrigators to recover 450GL up-water through buybacks and that the focus would be on off-farm efficiencies to improve environmental outcomes.

In our submission to the Australian Competition and Consumer Commission (ACCC) interim report on the operation of Murray–Darling Basin water markets, we said we want water markets to work fairly, efficiently and transparently. We highlighted the need for reduced complexity and confusion around the myriad of different exchanges and products and to ensure that sufficient information is publicly available for a competition authority to make an informed judgement regarding what constitutes anti-competitive or unfair behaviour.

There is opportunity to improve harmonisation across Basin State registers through consistent terminology and data structures as a starting point. However, what we do not need is additional regulation, administrative burden and costs imposed on our sector. We suggested that in delivering their final report, the ACCC must provide a cost benefit analysis accompanying any recommendations that ultimately impose additional regulation.

We suggested that Government environmental water holders, as significant owners of water, should provide transparent, advance information about intention to engage in particular markets and thereby assisting in minimising impact on the market, including third party impacts on other market participants.

Overall, any reform to the water market should enhance simplicity, transparency and consistency of information with the end result being all water market participants having equal access at a reasonable cost with the information they need to make informed business decisions.

We expect that the Northern Basin toolkit projects, to assist the NSW and Queensland Governments to implement environmental works and measures, are close to being finalised. These important measures from the Northern Basin review process include a focus on: arrangements to protect environmental flows; event-based mechanisms (such as options for pumping and store-and-release); improvements in the coordination and delivery of environmental water; environmental works and measures to promote fish movement and habitat (eg fishways); and removal of physical constraints in the Gwydir catchment to improve flows to the wetlands.

In the recent federal budget the Government made a further commitment to water security with an additional \$2 billion injected into the National Water Infrastructure Development Fund, now totalling \$3.5 billion. This is enabling increased capacity in the Wyangala and Dungowan dams in New South Wales, as well as supporting the development of new water infrastructure projects across Australia. NIC will continue to engage with the Water Grid Authority on progress on various initiatives.

Energy issues Australia's energy system is changing rapidly, presenting opportunities for our industries to be part of these changes, for example, in stand-alone systems and micro grids and to participate in the opportunities presented within the Government's Technology Investment Roadmap and ARENA's Bioenergy Roadmap. Evidence of these changes lies in the fact that in 2020 there are 2.2 million households in Australia with solar PV on their rooftops, up from 100,000 a decade ago.

At the same time, the rapid growth of variable renewable energy into the system poses challenges around system security and grid design, ensuring enough supply when solar and wind aren't generating, given that services such as frequency, voltage control and inertia are typically provided by baseload coal power stations. There are pressures on the system as the proportion of variable renewables increases, and as coal power generators close down.

At Central Irrigation Trust, the issue of grid stability became very real when we were slugged with a massive percentage increase in our bills in 2019-2020 with the addition of a so called "ancillary charge" as a result of AEMO (Australian Energy Market Operator) providing an "ancillary service". AEMO calls upon ancillary services to maintain grid stability and reliability and on this occasion, the service was due to an infrastructure failure in Victoria which left South Australia without an operating interconnector.

This is an example of the types of inconsistencies and challenges that are thrown up which put us squarely back at the forefront of the battle for fair and competitive electricity prices.

There is something very wrong with National Energy Market (NEM) rules which say these charges can be passed on, despite consumers having nothing to do with the problem that caused the ancillary charge to be imposed. We have raised this issue directly with the Energy Minister and it is clear from our discussions that he is attuned to the particular needs of the agriculture sector and the importance of the sector's capacity to be competitive

NIC and the Ag Energy Taskforce continue to be alert to the emerging opportunities in energy policy and the technologies that provide alternative options, enabling farm businesses greater control over their energy supply and costs. Gains have been made and due to the persistence of Dale Holliss, the target 16 cents per k/watt hour (which has been the basis of NIC's energy advocacy platform and underpinned the Ag Energy Taskforce 2019 federal election platform) is now acknowledged by the Queensland Energy Minister and referenced by the federal Energy Minister.

At the conclusion of my eight year tenure as Board Chairman, I must acknowledge the role of former Chair Stewart Ellis, and CEOs Danny O'Brian and Tom Chesson in the early years of National Irrigators' Council. As I noted in my report to the 2012 AGM, they led the organisation through the years of formation of the Council and through the most significant water reform the nation has seen.

I reflect on the wins NIC has had through our strong advocacy, including the 1500 GL cap on water buybacks. We have been at the forefront of key legislation and government related inquiries on water and energy issues. NIC has developed an organisational reputation that is measured and trusted; we have built collaborative partnerships with key organisations, establishing and leading the work of the Ag Energy Taskforce. We are prepared to stand up and highlight the issues that need fixing. And we have established a dialogue with water and energy Ministers and shadow Ministers, enabling direct access on critical issues when needed. There is more to do on the Basin Plan, with a handful of difficult issues to be resolved, and I have every confidence that NIC will continue its strong leadership role in this regard.

I thank my Board colleagues who turn up relentlessly and do the work required. And I thank you the members who dedicate your time when called upon, contributing your expertise to the work of the Council. The industry diversity and experience of our membership brings depth to the work we do.

Finally, I thank our outgoing CEO Steve Whan for his leadership of the Council during these past four years. Steve has made a strong contribution to the work of the Council and its future direction. Due to the pandemic related restrictions, we are unable to express our thanks to Steve in person but we look forward to doing so, hopefully in 2021 when normal circumstances resume.

Thank you

Gavin McMahon

Chairman: October 2020

NATIONAL IRRIGATORS' COUNCIL LIMITED

ABN 92 133 308 326

Financial Report

Year Ended 30 June 2020

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

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DIRECTORS REPORT

NATIONAL IRRIGATORS' COUNCIL

The directors present their report on the company for the financial year ended 30 June 2020.

Information on Directors

The names of each person who has been a director during the year and to the date of this report are:

Gavin McMahon
Michael Murray
Dale Holliss
Bernie George
Karen Hutchinson
Toby Smith
Tim Napier
Jenny McLeod
Jeremy Morton
Caren Martin (appointed 17th October 2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The profit of the company after providing for income tax amounted to \$83,016 (Compared to a profit of \$17,182 for the 2019 year).

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the year.

Principal Activities

The principal activities of the company during the financial year were National Irrigators' Council is a company that develops projects and policies to ensure the efficiency, viability and sustainability of Australian irrigated agriculture and the security and reliability of water entitlements and to promote those projects and policies with a view to having them adopted or ratified by governments, statutory authorities and other groups and organisations.

No significant changes in the nature of the company's activity occurred during the financial year.

Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

DIRECTORS REPORT NATIONAL IRRIGATORS' COUNCIL

Meeting of Directors

The number of meetings of directors held during the period was 13. The number of meetings attended by each director were as follows:

Director	Position	Number of meetings attended	Number of meetings eligible to attend
Gavin McMahon	Chair	13	13
Dale Holliss	Deputy Chair	10	13
Michael Murray	Treasurer	12	13
Bernie George	Director	11	13
Karen Hutchinson	Director	11	13
Toby Smith	Director	7	13
Tim Napier	Director	11	13
Jenny McLeod	Director	12	13
Jeremy Morton	Director	11	13
Caren Martin	Director	5	9

Contribution in winding up

The company is incorporated under the Corporation Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each toward meeting any outstanding obligations of the entity. At 30 June 2020 the total amount that members of the Company are liable to contribute if the Company wound up is \$3,400 (2019: \$3,400)

Auditors' Independence Declaration

The reviewers' independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2020 has been received and can be found on page 3.

Signed in accordance with a resolution of the Board of Directors:

Director: _____
Michael Murray

Director: _____
Gavin McMahon

Dated this day of October, 2020

**REVIEWERS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
NATIONAL IRRIGATORS' COUNCIL**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) no contraventions of the reviewer independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

C & W Financial Services
Chartered Accountants

S Louise Gett CA #75426
1/ 155 Maitland Street, Narrabri NSW 2390

Dated this day of October, 2020.

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income			
Revenue		500,529	467,284
Expenditure			
Accountancy expenses		(3,885)	(3,700)
Depreciation and amortisation expenses		(2,555)	(3,535)
Employee benefits expenses		(244,092)	(235,729)
Occupancy expenses		(21,570)	(21,060)
Administration Costs		(8,500)	(6,500)
Bad Debts Written Off		(17,691)	(-)
Consultancy Advise Fee		(15,000)	(23,278)
Leadership Program Expenditure		(70,887)	(47,917)
Unspent Leadership Program funding		(-)	(55,392)
Travel & Accommodation		(9,611)	(20,616)
Other expenses		(23,722)	(32,375)
Net Profit (Loss) for the year		83,016	17,182
Total comprehensive income for the year		83,016	17,182

The accompanying notes form part of these financial statements.

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	233,178	193,513
Trade and other receivables	4	3,776	14,253
Financial assets	5	319,242	314,444
Other current assets	6	1,076	1,022
TOTAL CURRENT ASSETS		<u>557,272</u>	<u>523,232</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,476	5,031
TOTAL NON-CURRENT ASSETS		<u>2,476</u>	<u>5,031</u>
TOTAL ASSETS		<u>559,748</u>	<u>528,263</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	8,367	12,356
Provision for Employee Entitlements	9	26,499	18,647
Deferred Income	10	-	55,394
TOTAL CURRENT LIABILITIES		<u>34,866</u>	<u>86,397</u>
TOTAL LIABILITIES		<u>34,866</u>	<u>86,397</u>
NET ASSETS		<u>524,882</u>	<u>441,866</u>
EQUITY			
Retained earnings	11	524,882	441,866
TOTAL EQUITY		<u>524,882</u>	<u>441,866</u>

The accompanying notes form part of these financial statements.

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained earnings \$	Total \$
Balance at 30 June 2018		424,684	424,684
Profit attributable to members		17,182	17,182
Balance at 30 June 2019		441,866	441,866
Profit attributable to members		83,016	83,016
Balance at 30 June 2020		524,882	524,882

The accompanying notes form part of these financial statements.

NATIONAL IRRIGATORS' COUNCIL
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STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30TH JUNE 2020

	2020 \$	2019 \$
Operating Activities		
Receipts from Customers	401,527	350,261
Receipts from Grants	20,043	28,932
Payments to Suppliers & Employees	(387,180)	(396,586)
Interest Received	10,073	4,671
Net Cash Provided By Operating Activities	<u>44,463</u>	<u>(12,721)</u>
Investing Activities		
Payments for Property, Plant & Equipment	<u>-</u>	<u>(2,339)</u>
Net Cash used in Investing Activities	<u>-</u>	<u>(2,339)</u>
Other Activities		
Other Activities	<u>-</u>	<u>-</u>
Net Cash provided by Financing Activities	<u>-</u>	<u>-</u>
Net Cash Flows	44,463	(15,061)
Cash & Cash Equivalents		
Cash and Cash Equivalents at Beginning of Period	507,957	523,018
Cash and Cash Equivalents at the End of Period	3 & 5 <u>552,420</u>	<u>507,957</u>
Net change in cash for period	<u>44,463</u>	<u>(15,061)</u>

This Statement of Cash Flows should be read in conjunction with the accompanying notes

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

The financial report covers National Irrigators' Council as an individual entity. National Irrigators' Council is a company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of National Irrigators' Council is Australian dollars.

1 Basis of Preparation

In the directors' opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates, Errors and AASB 1054 Australian Additional Disclosures.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, is depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

NATIONAL IRRIGATORS' COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the income Tax Assessment Act 1997.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

NATIONAL IRRIGATORS' COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
3 Cash and Cash Equivalents		
CBA Premium Business Account (*4006)	19,214	34,169
CBA Business Online Saved (*4014)	213,964	96,721
CBA Business Account Leadership (*3718)	-	62,623
	<u>233,178</u>	<u>193,513</u>
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>233,178</u>	<u>193,513</u>
	<u>233,178</u>	<u>193,513</u>
4 Trade and Other Receivables		
Current		
Trade Debtors	-	14,253
Other Debtors - GST	244	-
Other Debtors – Qantas Credits	3,532	-
	<u>3,776</u>	<u>14,253</u>
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
5 Financial Assets		
Current		
ME Bank Term Deposit (*4070)	181,840	180,000
CBA Term Deposit (*8304)	137,402	134,444
	<u>319,242</u>	<u>314,444</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
6 Other Non-Financial Assets		
Current		
Prepayments	1,076	1,022
7 Property, Plant and Equipment		
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	11,588	11,588
Accumulated depreciation	(9,112)	(6,557)
Total Plant and Equipment	<u>2,476</u>	<u>5,031</u>
8 Trade and Other Payables		
Current		
Trade Creditors	2,630	1
Other Creditors – Rent	-	1,780
Other Creditors – GST	-	5,028
PAYG Withholding Payable	5,535	5,448
Salary Packaging	202	99
	<u>8,367</u>	<u>12,356</u>
9 Provision for Employee Entitlements		
Provision for Annual Leave	21,204	18,647
Provision for Long Service Leave	5,295	-
	<u>26,499</u>	<u>18,647</u>
10 Deferred Income		
Unspent Leadership Program Funds	-	55,394

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<hr/>		
11 Retained Earnings		
Retained earnings at the beginning of the financial year	441,866	424,684
Net profit (Net loss) attributable to members of the company	<u>83,016</u>	<u>17,182</u>
Retained earnings at the end of the financial year	<u>524,882</u>	<u>441,866</u>

12 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total number of members is 34 (2019: 34)

NATIONAL IRRIGATORS' COUNCIL
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DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 15 are in accordance with the Corporations Act 2001;
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

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

Director: _____
Michael Murray

Director: _____
Gavin McMahon

Dated

**INDEPENDENT REVIEWER'S REPORT
TO THE MEMBERS OF NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326**

Report on the Financial Report

We have reviewed the accompanying financial report of National Irrigators' Council which comprises the statement of financial position as at 30 June 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report, and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Reviewers' Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 30 June 2020 and its performance for the year ended on that date. As the reviewer of the National Irrigators' Council, ASRE 2410 requires that we comply with ethical requirement relevant to the audit of the annual

A review of a financial report consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A Review is substantially less in scope than an audit conducted in accordance with Australian Auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the company, would be in the same terms if provided to the directors as at the date of this reviewer's report.

**INDEPENDENT REVIEWER'S REPORT
TO THE MEMBERS OF NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of National Irrigators' Council is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our conclusion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

C & W Financial Services
Chartered Accountants

S Louise Gett CA #75426
1/ 155 Maitland Street,
NARRABRI

Dated this day of October, 2020

NATIONAL IRRIGATORS' COUNCIL
ABN: 92 133 308 326

PROFIT AND LOSS STATEMENT

	2020 \$	2019 \$
INCOME		
Revenue from Subscriptions	101,002	97,370
Revenue from Levies	278,106	251,681
Revenue from Interest Income	10,073	4,671
Other Income	-	5,450
Government Grant	15,000	4,800
Leadership in Agricultural Industries Fund	60,437	103,312
Cashflow Boost	30,504	-
	<u>495,122</u>	<u>467,284</u>
EXPENSES		
Accounting & Audit Fee Expense	3,885	3,700
Administration Costs	8,500	6,500
Annual Leave Provision	2,558	(3,476)
Bad Debts Written Off	17,691	(-)
Bank Charges	52	15
Computer Costs	2,541	3,738
Conferences	2,295	2,665
Consultancy Advice	15,000	23,278
Depreciation Expense	2,555	3,535
Donations	-	900
Filing Fees	826	195
Leadership Fund Expenditure	65,480	47,917
Insurance	3,625	3,518
Internet Costs	1,660	1,721
Long Service Leave Provision	5,295	-
Meeting Expenses	7,568	13,182
Office Expenses	312	1,900
Rental Expense	21,570	21,060
Staff Training & Amenities	75	213
Subscriptions	3,919	3,680
Superannuation Contributions	20,496	20,753
Teleconferences	848	647
Transfer Unspent Leadership Funding	-	55,394
Travel & Accommodation	9,611	20,616
Wages	215,744	218,451
	<u>412,106</u>	<u>450,102</u>
Profit (Loss) before income tax	<u>83,016</u>	<u>17,182</u>

The accompanying notes form part of these financial statements.

NATIONAL IRRIGATORS' COUNCIL
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SUPPLEMENTARY REPORT
GRANT INCOME & EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<hr/>			
Income			
Grant Monies Received		15,000	4,800
Expenditure			
Consultancy Advise Fee		(15,000)	(23,278)
Profit (Loss) for the year		(-)	(18,478)
Total project income (Loss) for the year		(-)	(18,478)

NATIONAL IRRIGATORS' COUNCIL

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SUPPLEMENTARY REPORT

**RURAL LEADERSHIP PROGRAM INCOME & EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<hr/>			
Income			
Grant Monies Received		65,844	103,311
Expenditure			
Leadership Program Expenditure		(70,887)	(47,917)
Unspent Leadership Program Funding		<u>(-)</u>	<u>(55,394)</u>
Profit (Loss) for the year		<u>(5,043)</u>	<u>(-)</u>
Total project income (Loss) for the year		<u>(5,043)</u>	<u>(-)</u>

NATIONAL IRRIGATORS' COUNCIL
ACN: 133 308 326

SUPPLEMENTARY REPORT
CORE BUSINESS INCOME & EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<hr/>			
Income			
Revenue		419,685	359,173
Expenditure			
Accountancy expenses		(3,885)	(3,700)
Depreciation and amortisation expenses		(2,555)	(3,535)
Employee benefits expenses		(244,092)	(235,729)
Occupancy expenses		(21,570)	(21,060)
Administration Costs		(8,500)	(6,500)
Bad Debt Written Off		(17,691)	(-)
Travel & Accommodation		(9,611)	(20,616)
Other expenses		(23,722)	(32,373)
Total Expenses		<hr/> (331,626) <hr/>	<hr/> (323,513) <hr/>
 Profit (Loss) for the year		 <hr/> 88,059 <hr/>	 <hr/> 35,660 <hr/>