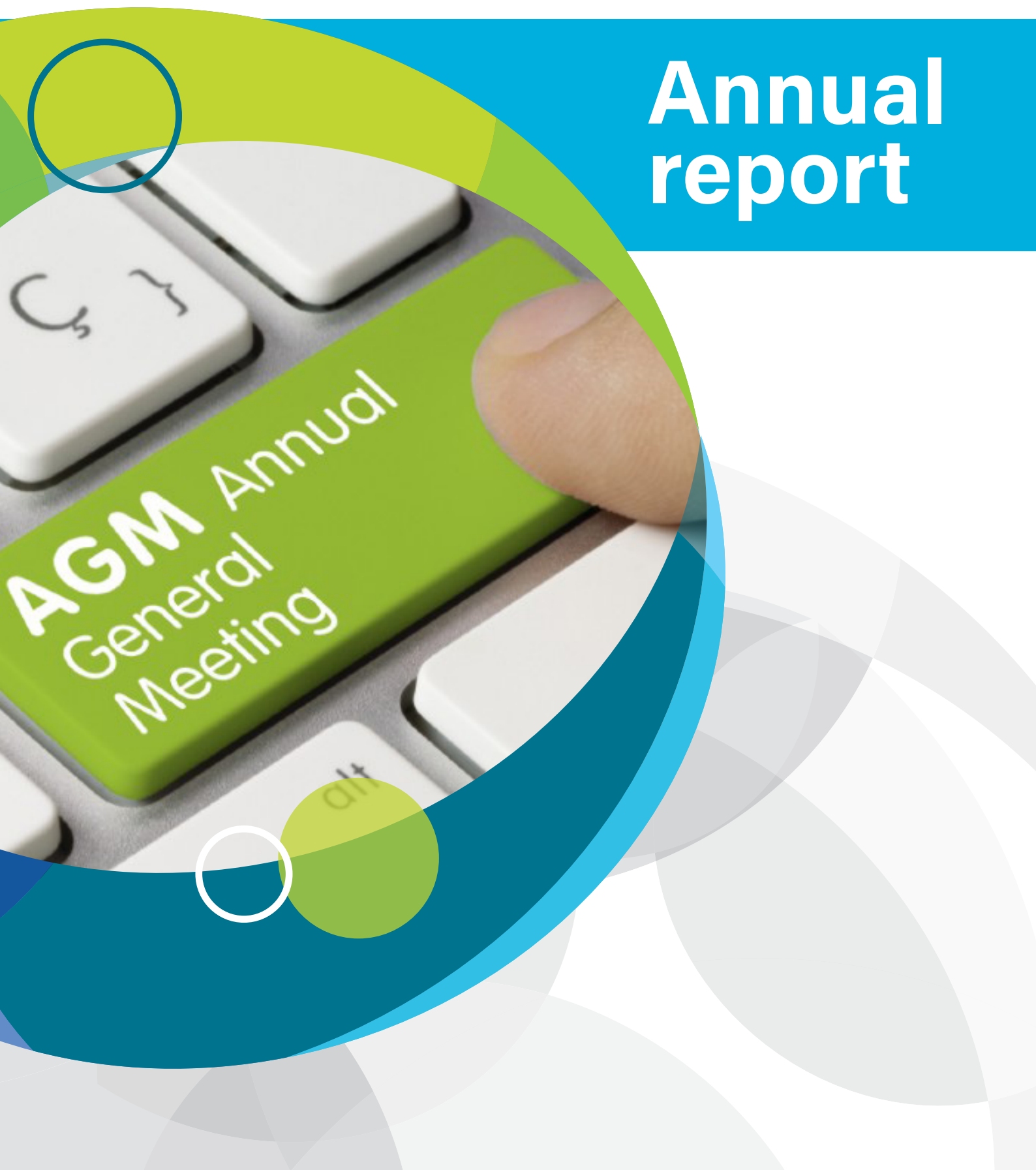


2021



**IRRIGATION
AUSTRALIA**

Annual report



From the Chairman and Chief Executive Officer

It is pleasing to report that despite the impact of COVID-19 your association has managed to end the year with a positive result. Board and management identified very early that to get through this pandemic would require an ability to quickly adapt to changing circumstances and this meant doing things differently. Adoption of online training, digital publications replaced printed magazines and travel costs were replaced with virtual meetings. The support received from government for JobKeeper payments was greatly appreciated as they enabled us to maintain our full staffing compliment during the year.

Membership

Membership increased during the year, and we were extremely pleased that the irrigation industry recognises the importance of an effective industry association. Your Board and management are continuing to review the various categories and benefits of membership and will make changes if member value can be improved.

Training & Professional Development

The adaptation of training to a virtual online delivery method was important to ensure that employees and students had access to an ongoing learning process during the pandemic, however certain competencies are unable to be delivered in a virtual mode and we look forward to a return to face-to-face learning in the 2021/22 year. Continued focus on the measurement of non-urban water take has substantially increased the number of Certified Meter Installers and Validators and this category now makes up nearly 70% of total certified professionals.

The new trade qualification in irrigation of an Irrigation Technician - Certificate III in Irrigation Technology – AHC32419 was a major milestone for the association and the number of students undertaking study in this program is steadily increasing and enables a defined career path for irrigation employees and employers.

Waterwise

The 2020/21 year saw the roll-out of the Waterwise program in South West WA and in Victoria. We are confident that participation in these regions will increase over time.

Considerable planning by our staff at our Perth office with the assistance of the WA Regional Committee went into the 2021 Waterwise Expo and this was successfully held in August 2021 in Perth with a record number of participants and exhibitors.

We are extremely grateful for the ongoing support of the Waterwise program from both the Western Australian Department of Water and Environmental Regulation and the Water Corporation.

Certification

Irrigation Australia's certification programs continue to be well-supported by our members, and respected by end-users, especially in relation to those certifications addressing the metering of water. Irrigation Australia, with support from the relevant agencies, supplies the Governance Officer Metering – Metering to help ensure metering is consistent with agreed processes.

Irrigation Australia currently has over 750 people enrolled in our certification programs, and we expect to see continued growth.

Irrigation Australia Conference & Exhibition & ICID 24th Congress

The COVID-19 pandemic resulted in a further postponement of the Irrigation Australia Conference & Exhibition and the ICID 24th International Congress and 73rd International Executive Council meeting to October 2022 in Adelaide. This delay increases the likelihood of more delegates being able to attend and meets our objective to safeguard members and visitors' health and safety and not expose the association to potential financial risk.

Irrigation Modernisation Project – Subarnarekha Region, India

During the year Irrigation Australia was requested by the Department of Agriculture, Water, and the Environment to prepare a Scoping Study Proposal for an irrigation modernisation project in the Subarnarekha Region in India in conjunction with the Indian Central Water Commission. Our proposal has now been submitted and we are awaiting feedback.

Industry CRCs

During the year we made partnership proposals to the ONE Basin CRC and the Water Security CRC in the training and education category, and we wish both CRCs a successful outcome.

Financial performance

The profit for 2020/21 was \$290,135 (which included \$185,000 of government JobKeeper stimulus support). This is an outstanding result given the circumstances all businesses faced during a pandemic year, and added to the result from the previous year, has rebuilt balance sheet equity to a more satisfactory level and provides the opportunity for the board to consider new strategies to deliver additional member benefits.

Our committees

The value of member engagement in any member based not for profit association can never be understated and Irrigation Australia is very fortunate to have a large number of active participants in Regional Committees, our ICID National Committee, our Rainwater Harvesting Committee and our Certification Board. All these groups ensure that we have a national voice in areas of importance for our industry, we extend our thanks.

The future

Your Board and management are very mindful that the ongoing COVID-19 pandemic which has now impacted two financial years, will continue to present challenges in the year ahead and 'business as normal' may yet be some time away but we remain confident that we have put in place the necessary measures to position us well into the future.

Our focus continues to be on providing value and service for Irrigation Australia members; being the prime source of irrigation-related knowledge for all stakeholders; providing professional development for the irrigation industry and supporting economic sustainability in Australia.

Key areas of work in the coming year will include:

- growing the new trade qualification in irrigation and other competency and non-competency qualifications.
- continuing to promote the value of certification as a recognised irrigation standard.
- working with state government agencies to ensure VET-funded training is available to support continued growth of and professional development in our industry
- continuing to work with jurisdictions to improve water use efficiency through support for meter installation and validation
- enhancing the image of the Australian irrigation industry at home and abroad as we continue to plan for our upcoming conferences.
- working through regional committees to address local issues, including continued promotion of Waterwise programs

Our supporters

Irrigation Australia is grateful for the continued financial support for our Centre of Irrigation Excellence sponsors and our thanks go to: Advanced Industrial Products, Hunter Industries, IPLEX Pipelines, Isuzu Engines, Nelson Australia, Netafim, Philmac, Toro, Valmont (Valley), Vinidex and Brown Bros.

To all Irrigation Australia directors, board sub-committees and staff, who performed extremely well during a year of significant change and constant challenges, we extend our sincere thanks and appreciation.

Finally, and most importantly, thanks to our members for your input, support, feedback, and encouragement throughout the year.



Andrew Ogden
Chairman



Bryan Ward
Chief Executive Officer

Irrigation Australia Limited
Directors' report
30 June 2021

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2021.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Ogden
Peter Brueck
Momir Vranes
Simon Treptow
Peter Durand
John Pivac
Colin Bendall
Carl Walters
Les Olivieri – resigned – 29/10/2020
Greig Graham – appointed 29/10/2020
Rod Nadebaum – appointed 29/10/2020

Short-term Objectives

The Company's short-term objectives are to:

- promote the responsible use of water through training and certification schemes;
- provide irrigation training for the irrigation industry as an RTO;
- be the recognised national certifying body for irrigation;
- provide forums, conferences and expos to discuss, promote and disseminate new ideas, concepts and technologies;
- provide new opportunities to co-ordinate, facilitate and enhance national irrigation research; and
- provide the premier Australian irrigation journal.

Long-term objectives

The Company's long-term objectives are to:

- ensure all irrigation water is used efficiently and responsibly;
- promote environmental stewardship;
- develop into a high profile, stronger, more active and financially robust organisation, to which all segments of the Australian irrigation industry look for leadership and representation;
- have a robust, professional presence and capability in each state to better pursue Irrigation Australia Limited's interests at a state and local government level; and
- actively engage with the International Commission on Irrigation and Drainage, through representation on their Working Groups.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Advocacy and Public Relations;
- Training and Professional Development;
- Membership;
- Certification; and
- Commercial Activities.

Principal activities

The principal activity of Irrigation Australia Limited during the financial year was to provide services to the irrigation industry by way of professional development, certification and advocacy.

Irrigation Australia Limited is a not-for-profit member Association.

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

Irrigation Australia Limited
Directors' report
30 June 2021

Information on directors

Name: Andrew Ogden
Qualifications: B.Eng (Civil)
Experience: Andrew has been an active member of the WA Region of IAL for more than 20 years and has worked in the water resource contracting industry in Western Australia for over 25 years. He has extensive practical experience in the supply and distribution of water for the commercial, industrial, horticultural, mining and government sectors. Andrew is Managing Director of Western Irrigation, a contracting company involved in the drilling for, and pumping, treatment and distribution of, water for irrigation and other activities. He was a Director of the Australian Drilling Industry Association for 10 years, including a period from 2007 to 2012 as National President of that organisation. He is a Member of the AICD.
Special responsibilities: Chair of Irrigation Australia Limited

Name: Les Olivieri
Qualifications: Bachelor of Business Degree (Finance & Economics) Curtin University
Experience: Les was employed as General Manager for HR Products, a major wholesale supplier of irrigation equipment in the Australian market. Les was employed with HR Products for over 30 years in various senior roles until he retired in early 2019.
Special responsibilities: Chair of the Audit & Risk Management Committee until 29/10/20

Name: Peter Durand
Qualifications: BE (Hons), Civil and Environmental Engineering;
Graduate Diploma in Management
Experience: Peter is the Business Development Manager for Netafim Australia Pty Ltd. He has a Bachelor of Engineering, Civil and Environmental (hons) and a Graduate Diploma in Management. As an engineer he has acquired a range of experience in the water industry and has extensive experience in business planning and implementation, project management, sales, technical and staff management. Peter has been a member of Irrigation Australia via Netafim for 19 years and was responsible for starting and then acting as Chair of the Drip Irrigation Special Interest Group. This group was responsible for the preparation of an information sheet on drip, the creation of an information portal on Irrigation Australia's website and a number of meetings with government to offer information and training on drip irrigation.
Special responsibilities: Member of the Audit & Risk Committee
Member of the ICID Australian National Committee

Name: Peter Brueck
Qualifications: NSW Licenced plumber and Gasfitter
Advanced Diploma I Work Health and Safety
Cert II in Project Management
Certified Irrigation Designer
Experience: Peter Brueck has been a member of Irrigation Australia for over 11 years and is currently the Board's representative on the Certification Board. He is an Expert Panel Member of the Smart Approved Water Mark and has previously been a teacher at Ryde TAFE in the School of Horticulture. For more than 30 years Peter has specialised in the design of irrigation and water management systems for the landscape and sports turf industries in the public, private, domestic and golf sectors. He is the principal consultant at Water Wise Consulting. Previously, Peter has taught TAFE irrigation modules and has been a guest speaker at a number of IAL's national conferences.
Special responsibilities: Deputy Chair of Irrigation Australia Limited
Member of the Corporate Governance Committee
Board representative on the Certification Board

Irrigation Australia Limited
Directors' report
30 June 2021

Name: Momir Vranes
Qualifications: M. Sc., Civil Engineering, University of Zagreb, YU 1987 - 1988
Postgraduate Distinction Degree in Hydraulics (Dip HE), Delft, NL 1985 - 1986
B.Sc.(hons.), Civil Engineering University of Sarajevo, YU 1974 - 1979
Experience: Momir is a Senior Water Resources Specialist at Northern Queensland Water Infrastructure Authority. Until recent times, Momir was the Chief Technical Adviser and Team Leader at Food and Agriculture Organisation of the United Nations (FAO). He has over 30 years of expertise in water resources planning and development, sustainable water resources development, dam design and irrigation development. Momir has held various professional positions including Chief Technical Adviser; Project Coordinator; Regional Team Leader; UN Project Director and UN Program Officer / Manager. He has been an active Irrigation Australia member since 2000.
Special responsibilities: Chair of the ICID Australian National Committee

Name: John Pivac
Qualifications and experience: John is the General Manager Sales with Vinindex Pty Ltd, a position he has held since 2016. Prior to this John was General Manager Sales & Marketing, Australia & NZ with Philmac and held this role for 9 years. John held a senior executive role for Marley New Zealand for nearly 18 years. John believes that as a result of working in both New Zealand and Australia he has a great appreciation and insight into the water related sector in the irrigation markets of both countries.

Name: Simon Treptow
Qualifications: B.Bus (Management) Monash, MBA, Monash.
Experience: Simon is the General Manager of Irrigear Stores, a position he has held since 2010. Previous to this he was the Business Finance Manager. As a representative of nearly 70 independent businesses involved in all aspects of irrigation Simon keen to provide a further level of practical and relevant industry guidance and feedback from all over Australia. He believes that this kind of direct insight is very relevant to current policy making in the water industry and will lend credibility to IAL's efforts to establish professional recognition of the irrigation industry. Through his leadership role, Simon is also able to influence business owners employing upwards of 300 people who constitute IAL's key target audience and who stand to benefit most from IAL's services, benefits and activities.
Special responsibilities: Chair of the Audit & Risk Management Committee (appointed 29/10/2020)

Name: Carl Walters
Qualifications: (Assoc. Dip (Civil), MIE Aust) GAICD
Experience: Carl is the Manager Sustainable Irrigation at the Goulburn Broken Catchment Management Authority (GBCMA)
Carl has been involved in the water and natural resource management industries in northern Victoria for over 40 years and currently manages the Sustainable Irrigation Program for the Goulburn Broken Catchment Management Authority. This position followed a role managing the River Health Implementation program for the CMA bringing a balanced view to the irrigation sector. Prior to commencement with the GBCMA Carl worked with Goulburn-Murray Water in many roles. His extensive background in the irrigation industry has helped provide a different perspective to operations within the GBCMA.
Special responsibilities: Member of the ICID National Australia Committee
Member of the Governance Committee

Name: Colin Bendall
Qualifications: Assoc.Dip Applied Science Farm Water Supplies
Grad. Of AICD; Dipl. Project Management
Experience: Colin is the Executive General Manager Operations and Services at SunWater based in Brisbane QLD. He has over 35 years' experience in Investigation, Design, Operations and Maintenance of Bulk Water Infrastructure and significant experience in Change Management and Business Improvement. SunWater has been a member of Irrigation Australia since 2000 and Colin currently also serves on the Irrigation Australia Queensland Regional Committee. He is also a member of the Water

Irrigation Australia Limited

Directors' report

30 June 2021

Special responsibilities:	Services Australia Utility Excellence Committee and CEDA Trustee. Chair of the Governance Committee
Name	Greig Graham
Qualifications:	Adv.Dip.Business Mgt, Business; Adv.Dip.Business Executive, Business Administration and Management, General
Experience:	Greig is the Managing Director of Rivulis South East Asia Pacific Business Unit, responsible for manufacturing, marketing and sales in Australia, New Zealand and South East Asia. Greig prior to Rivulis served in several senior operational roles and has over 25 years' experience in operations (manufacturing/supply chain/sales and marketing) and international business management in micro/drip irrigation industries.
Special responsibilities:	Member of the Audit & Risk Management Committee
Name	Rob Nadebaum
Qualifications:	Commerce, Marketing / Management – University of Melbourne
Experience:	Rob is the General Manager of Rain Bird Australia and New Zealand, a position he has held for the last four years. Prior to this Rob spent 15 years at Reece in the wholesale and distribution space across irrigation, plumbing and civil industries. Rob has strong experience across distribution, marketing and manufacturing including experience across industry verticals such as retail, commercial, golf and agriculture.

Company secretary

The following person held the position of Company Secretary during the financial year.

Chris Delphin has been the company secretary since 28 February 2017. Chris Delphin has also worked for Irrigation Australia Limited in the position of Business Administration Manager since February 2017.

Meetings of directors

During the year ended 30 June 2021, 7 meetings of directors were held including one extraordinary meeting. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Andrew Ogden	7	7
Peter Brueck	7	5
Peter Durand	7	7
Les Olivieri	2	1
Momir Vranes	7	6
John Pivac	7	7
Simon Treptow	7	7
Colin Bendall	7	6
Carl Walters	7	5
Rob Nadebaum	5	5
Greig Graham	5	4

Contributions on winding up

Irrigation Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5.00, subject to the provisions of the company's constitution.

At 30 June 2021, the total number of members was 1,801 (2020: 1,757) of which 734 (2020: 718) were the primary (eligible to vote) members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Irrigation Australia Limited
Directors' report
30 June 2021

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Ogden
Director

24 September 2021



Simon Treptow
Director

24 September 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 FOR IRRIGATION AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- I. the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- II. any applicable code of professional conduct in relation to the audit.

FSA Audit Pty Ltd



Mark du Plessis

Partner

Registered Company Auditor

ASIC Registration Number 471680

Date: 24 September 2021

Brisbane

Irrigation Australia Limited**Contents****30 June 2021**

Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	21
Independent auditor's report to the members of Irrigation Australia Limited	22

General information

The financial statements cover Irrigation Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Irrigation Australia Limited's functional and presentation currency.

Irrigation Australia Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2021. The directors have the power to amend and reissue the financial statements.

Irrigation Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Training income		890,126	809,161
Membership income		358,864	344,950
Publications and bookshop		81,956	102,543
Regional income		162,690	217,000
Certification income		237,065	305,081
Surplus recovery – projects		54,644	62,400
Interest received		82	6,536
Government stimulus		185,000	60,000
Other income		11,654	65,002
Expenses			
Employee benefits expense		(901,532)	(833,869)
Training expenses		(245,614)	(292,382)
Administration expense		(182,169)	(176,616)
Publications expense		(80,016)	(111,406)
Regional expenses		(99,241)	(153,097)
Other expenses		(92,805)	(199,002)
Rental expense		(19,074)	-
Depreciation and amortisation expense		(71,555)	(71,166)
Surplus (deficit) before income tax expense		290,075	135,135
Income tax expense		-	-
Surplus (deficit) after income tax expense for the year attributable to the members of Irrigation Australia Limited	15	290,075	135,135
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income (deficit) for the year attributable to the members of Irrigation Australia Limited		<u>290,075</u>	<u>135,135</u>

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

Irrigation Australia Limited
Statement of financial position
As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	3	575,172	364,277
Short-term bank deposits	3	500,095	200,013
Trade and other receivables	4	343,770	415,778
Inventories at cost		23,030	19,680
Other assets	5	106,889	23,764
Total current assets		<u>1,548,956</u>	<u>1,023,512</u>
Non-current assets			
Property, plant and equipment	7	25,048	30,545
Right-of-use asset	8	174,594	226,972
Other assets	6	18,000	15,000
Total non-current assets		<u>217,642</u>	<u>272,517</u>
Total assets		<u>1,766,598</u>	<u>1,296,029</u>
Liabilities			
Current liabilities			
Trade and other payables	9	197,080	182,380
Income in advance	10	668,329	458,092
Lease liabilities	11	53,470	45,124
Employee benefits	13	54,833	56,356
Total current liabilities		<u>973,712</u>	<u>741,952</u>
Non-current liabilities			
Lease liabilities	12	150,607	202,414
Employee benefits	14	6,579	6,038
Total non-current liabilities		<u>157,186</u>	<u>208,452</u>
Total liabilities		<u>1,130,898</u>	<u>950,404</u>
Net assets		<u>635,700</u>	<u>345,625</u>
Equity			
Regional equity reserve		-	307,548
Retained surpluses	15	635,700	38,077
Total equity		<u>635,700</u>	<u>345,625</u>

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

Irrigation Australia Limited
Statement of changes in equity
For the year ended 30 June 2021

	Accumulated Surplus or (Loss) \$	Regional Equity Reserves \$	Trust Reserve \$	Total \$
Balance at 1 July 2019	(133,492)	307,548	36,434	210,490
Surplus (Deficit) for the year	135,135	-	-	135,135
Transfer from Trust Reserve to Retained Surplus	36,434	-	(36,434)	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	135,135	-	-	135,135
Balance at 30 June 2020	<u>38,077</u>	<u>307,548</u>	<u>-</u>	<u>345,625</u>
	Accumulated Surplus or (Loss) \$	Regional Equity Reserves \$	Trust Reserve \$	Total \$
Balance at 1 July 2020	38,077	307,548	-	345,625
Surplus (Deficit) for the year	290,075	-	-	290,075
Transfer from Regional Equity Reserve to Retained Surplus	307,548	(307,548)	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	290,075	-	-	290,075
Balance at 30 June 2021	<u>635,700</u>	<u>-</u>	<u>-</u>	<u>635,700</u>

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

Irrigation Australia Limited
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from memberships (inclusive of GST)		394,750	379,445
Receipts from training (inclusive of GST)		979,139	890,960
Receipts from certification (inclusive of GST)		260,771	335,589
Receipts from sales (inclusive of GST)		90,151	112,797
Receipts from government stimulus		135,000	60,000
Other receipts including receipts from projects (inclusive of GST)		494,127	382,808
Payments to suppliers and employees (inclusive of GST)		<u>(1,766,962)</u>	<u>(1,924,589)</u>
		586,976	237,010
Interest expense		(18,940)	(21,988)
Interest received		<u>82</u>	<u>6,536</u>
Net cash from operating activities	19	<u>568,118</u>	<u>221,558</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(13,680)</u>	-
Net cash used in investing activities		<u>(13,680)</u>	-
Cash flows from financing activities			
Lease liability		<u>(43,461)</u>	<u>(31,812)</u>
Net cash from financing activities		<u>(43,461)</u>	<u>(31,812)</u>
Net increase in cash and cash equivalents		510,977	189,746
Cash and cash equivalents at the beginning of the financial year		<u>564,290</u>	<u>374,544</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>1,075,267</u></u>	<u><u>564,290</u></u>

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

Note 1. 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.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or 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 did not have any significant impact on the financial performance or position of the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Project revenue

During the period the entity administered projects with external grant funding, relating to research into ways of improving irrigation methods, training and extension of research results.

Project Funds – Overhead Recovery and Surpluses/Deficits

Overhead recovery of grant funds received is brought to account as grant funds are received, which is at the commencement of each project stage in accordance with the milestones set for each project by the relevant government/industry body.

The surplus or deficit of grants remaining after all expenses at the completion of each project is, in accordance with the applicable contract for that project, either brought to account as revenue in the statement of comprehensive income or returned to the grantor.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Note 1. Significant accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The company is exempt from paying income tax in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office furniture and equipment	20% - 33.33%
Hardware and software	20% - 33.33%
System development costs	25% - 40%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Note 1. Significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 3. Current assets - cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	575,172	364,277
Cash on deposit	500,095	200,013
	<u>1,075,267</u>	<u>564,290</u>

Note 4. Current assets - trade and other receivables

Trade receivables	255,058	328,245
Other receivable	88,712	87,533
	<u>343,770</u>	<u>415,778</u>

Note 5. Current assets - other

Prepayments	97,691	23,764
Accrued income	9,198	-
	<u>106,889</u>	<u>23,764</u>

Note 6. Non-current assets - other

Rental bond	<u>18,000</u>	<u>15,000</u>
-------------	---------------	---------------

Irrigation Australia Limited
Notes to the financial statements
30 June 2021

Note 7. Non-current assets - property, plant and equipment

	2021	2020
	\$	\$
Office furniture and equipment - at cost	22,036	20,607
Less: Accumulated depreciation	<u>(12,030)</u>	<u>(7,699)</u>
	<u>10,006</u>	<u>12,908</u>
Hardware and software - at cost	148,577	136,326
Less: Accumulated depreciation	<u>(133,535)</u>	<u>(118,689)</u>
	<u>15,042</u>	<u>17,637</u>
System development costs - at cost	131,016	131,016
Less: Accumulated depreciation	<u>(131,016)</u>	<u>(131,016)</u>
	<u>-</u>	<u>-</u>
	<u><u>25,048</u></u>	<u><u>30,545</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office furniture and equipment \$	Hardware and software \$	Total \$
Balance at 1 July 2019	17,029	32,304	49,333
Additions	-	-	-
Depreciation expense	<u>(4,121)</u>	<u>(14,667)</u>	<u>(18,788)</u>
Balance at 30 June 2020	<u><u>12,908</u></u>	<u><u>17,637</u></u>	<u><u>30,545</u></u>

	Office furniture and equipment \$	Hardware and software \$	Total \$
Balance at 1 July 2020	12,908	17,637	30,545
Additions	1,429	12,251	13,680
Depreciation expense	<u>(4,331)</u>	<u>(14,846)</u>	<u>(19,177)</u>
Balance at 30 June 2021	<u><u>10,006</u></u>	<u><u>15,042</u></u>	<u><u>25,048</u></u>

Note 8. Non-current assets - right-of-use assets

	2021	2020
	\$	\$
Buildings - right-of-use	279,350	279,350
Less: Accumulated depreciation	<u>(104,756)</u>	<u>(52,378)</u>
	<u>174,594</u>	<u>226,972</u>
	<u><u>174,594</u></u>	<u><u>226,972</u></u>

The entity leases buildings for its office, the primary term is for three years with an option to extend for further three years. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Irrigation Australia Limited
Notes to the financial statements
30 June 2021

Note 9. Current liabilities - trade and other payables

	2021 \$	2020 \$
Trade payables	37,155	1,362
Accrued expenses	18,599	51,302
Other payables	112,326	103,716
Project funds	29,000	26,000
	<u>197,080</u>	<u>182,380</u>

Note 10. Current liabilities – income in advance

Membership fees in advance	296,045	278,453
Conference income in advance	107,011	-
Training income in advance	198,896	179,639
WA expo 2019 income in advance	66,377	-
	<u>668,329</u>	<u>458,092</u>

Note 11. Current liabilities - lease liabilities

Lease liability	<u>53,470</u>	<u>45,124</u>
-----------------	---------------	---------------

A lease liability over the office space was recognised as a result of the adoption of the new accounting standard AASB 16 *Leases*. A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate.

Note 12. Non-current liabilities - lease liabilities

Lease liability	<u>150,607</u>	<u>202,414</u>
-----------------	----------------	----------------

Refer to note 11 above for information on lease liabilities.

Note 13. Current liabilities - employee benefits

Employee benefits – annual leave	44,591	48,352
Employee benefits – long service leave	<u>10,242</u>	<u>8,004</u>
	<u>54,833</u>	<u>56,356</u>

Note 14. Non-current liabilities - employee benefits

Employee benefits – long service leave	<u>6,579</u>	<u>6,038</u>
----------------------------------------	--------------	--------------

Irrigation Australia Limited
Notes to the financial statements
30 June 2021

Note 15. Equity - retained surpluses

	2021 \$	2020 \$
Retained surpluses at the beginning of the financial year	38,077	(133,492)
Surplus (deficit) after income tax expense for the year	290,075	135,135
Transfer from Trust reserve	-	36,434
Transfer from Regional Equity reserve	307,548	
	<u>635,700</u>	<u>38,077</u>
Retained surpluses (deficit) at the end of the financial year	<u>635,700</u>	<u>38,077</u>

Note 16. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

Aggregate compensation	<u>315,398</u>	<u>313,256</u>
------------------------	----------------	----------------

Note 17. Contingent liabilities

The company had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Note 18. Commitments

The company had no commitments for expenditure as at 30 June 2021 and 30 June 2020.

Note 19. Reconciliation of surplus after income tax to net cash from operating activities

	2021 \$	2020 \$
Surplus after income tax expense for the year	290,075	135,135
Adjustments for:		
Depreciation and amortisation	71,555	71,166
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	72,008	43,247
Decrease/(increase) in other assets	(86,125)	6,516
Decrease/(increase) in inventories	(3,350)	(12,977)
(Decrease)/increase in income in advance	210,237	(34,448)
(Decrease)/increase in trade and other payables	14,700	7,525
(Decrease)/increase in employee benefits	(982)	5,394
	<u>568,118</u>	<u>221,558</u>
Net cash from operating activities	<u>568,118</u>	<u>221,558</u>

Note 20. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 22. 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 \$5 each towards meeting any outstandings and obligations of the company. At 30 June 2021, the total number of members was 1,801 (2020: 1,757) of which 734 (2020: 718) were the primary (eligible to vote) members.

Irrigation Australia Limited
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Ogden
Director

24 September 2021



Simon Treptow
Director

24 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRRIGATION AUSTRALIA LIMITED

Opinion

We have audited the financial report of Irrigation Australia Limited, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Irrigation Australia Limited, is 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 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, 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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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/Home.aspx> at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

FSA Audit Pty Ltd



Mark du Plessis
(Registered Company Auditor 471680)
Date: 24 September 2021
Brisbane