



2022-2023 Annual Report



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Pioneer Valley Water (Business Structure)

From 24 March 2016 Pioneer Valley Water has operated under a dual co-operative business structure comprising Pioneer Valley Water Mutual Co-operative Limited (PVMutual) and Pioneer Valley Water Co-operative Limited (PVWater).

PVMutual

Pioneer Valley Irrigation Scheme assets (pump stations, pipelines, balancing storages, meter outlets, SCADA network, etc.) associated property (depot land and buildings, pipeline easements etc.), and renewals reserves are owned by PVMutual. Infrastructure is licensed to PVWater for operational purposes.

Please note the **2022-2023 Annual Report for PVMutual** is a separate document.

PVWater

Distribution of supply to allocation holders falls to PVWater as the service provider and distribution operations license (DOL) holder under the relevant legislation. To this end PVWater engages employees, and owns operations assets (vehicles, tools, office furniture and equipment etc.).

You are currently reading the 2022-2023 Annual Report for PVWater.

CHAIRMAN'S REPORT 2023 AGM

Pioneer Valley Water celebrates its twenty-fifth year of operation and I would like to recap on some of the issues we have faced over that period. We started in 1997 with nothing, borrowed a lot of money and built an irrigation water supply scheme.

We had all the systems operating by the end of 1998 but that then saw the start of a very bad run not only for the irrigation scheme but for the sugar industry in general. Heavy rain in August 1998, orange rust in 1999 and low sugar price from 2000 placed a heavy toll on all associated with sugar cane in Mackay.

2002 and 2003 were particularly dry years and we were very encouraged by the performance of the scheme in delivering very high volumes of water in those years. Our available water was severely diminished with Announced Allocations of 30% in 2003/04, and zero in both 2004/05 and 2005/06. In 2006 Teemburra Dam dropped to its lowest level of 18.5% or 27,400 megalitres. Since 2007 -2008 we have had 100% allocation available and this year is the sixteenth consecutive year.

For the past three years particularly, we have enjoyed intermittent rain across much of the year and many water allocation holders have complained that they are holding allocation that they do not need. Our water usage for 2022-23 was only 2041 ML or 4.3% of the available allocation. This was the third lowest annual use in the scheme since it was established in 1997. The lowest use years were 2010/11 and 1998/99 both at 1% of total allocation. This is a clear demonstration of the variability of seasonal conditions where our highest use was 93% of total allocation in 2004/05. This huge variability does make managing the scheme challenging at times.

We are all aware that the prediction for the coming years is for an El Nino climate pattern in the Pacific Ocean that will affect our weather here. Those of you who have been in the scheme from the outset will remember the dry years between 2003 and 2008 and I am sure you will appreciate having access to the scheme in the coming years.

Water allocations were originally viewed as an asset, now unfortunately, many view their allocation as a liability and in many cases as a deterrent to farm transfers. There is no doubt however, irrigators who embrace irrigation and use their allocation to its potential are benefiting from higher production especially through this period of high sugar prices. Unfortunately, poor mill performance is negating the benefits of this higher production.

For the past six years, as we saw at the last AGM, we have endeavoured to maintain the water charges at the same rates with only very small changes each year, however this year we have incurred the same increases in our costs that you have with marked increases across the board. As you will see in the financial report for 2022-23 we again incurred a loss – smaller than last year but a loss all the same. This year based on our costs of operation we have had to increase our charges across the zones. As previously stated with an El Nino year in front of us we may be pleased that we do have water available.

In these times of escalating costs and uncertainty largely exacerbated by a government out of touch with agriculture and particularly irrigation schemes, it is crucial that your Board remains focused on the need to balance the costs to irrigators for maintenance and renewal of scheme infrastructure against the potential for rendering use of that infrastructure unaffordable.

In-line with our Co-operative Vision to maintain a cost effective and technologically sustainable infrastructure and water distribution service for our customers into the future, we recognize the need to

replace and upgrade some assets, that have passed their useful performance life. For this purpose, we reviewed the value of our assets and resolved to keep an asset refurbishment fund (an annuity) rather than imposing an additional levy every time we have to upgrade or replace an asset.

Over the last 12 months PVWater have increased advocacy efforts around energy and water pricing issues. I would like to thank those irrigators who have taken up PVWater's on-going invitation to participate in direct approaches to local MP's as we all strive to get the affordability message across to decision makers.

In 2022-2023, PVWater has:

- provided information to, sought meetings with and extended invitations for scheme inspection to the relevant Ministers and to government bodies at both the state and federal levels.
- We have actively contributed to the very large number of submissions made to various inquiries, prepared by the National Irrigators Council, Agriculture Industries Energy Taskforce and Queensland Farmers Federation;
- We have consulted with the Australian Energy Regulator, and with government owned corporations at both the Queensland electricity network (Energy Queensland), and electricity retail (Ergon Energy) level about appropriate electricity tariff design for agriculture.
- We were as surprised as anyone in the Valley to hear one afternoon that there would be the world's largest pumped hydro scheme in Pioneer Valley and like most others we wondered how they would link Teemburra and Kinchant Dams without trespassing on a lot of farms and private property! We were equally relieved to hear that this was not the plan but that three new dams would be constructed at the head of the Valley, and that they would not impact on our water allocations in any way. I think this project is more about the election next year than actually producing electricity but we will see.
- The Board and staff met with water allocation holders at several different shed venues this year to discuss issues of concern and ways to improve our performance. Following overwhelming support we initiated a plan for WA Holders to read their own meters. This allowed us to operate with one less Field Service person when Richard Faulkner quit. The associated savings were passed on in reduced water charges. Several allocation holders who did not actually read their meters each quarter and who forgot that they did actually use some water occasionally, received a bill for the whole year, rather than quarter by quarter, when Darren and Harley actually read the meters at the end of the year. It is definitely better to read the meter each quarter and send in the photo as they requested.

I would like to thank our small team who work well together and are very effective in their individual roles.

I would like to thank my fellow Directors for their time and contribution throughout the year.

Thank you all for attending this year's AGM as members of PV Water and PV Mutual.

Joseph Borg

Chairman

PVWater at a Glance (As at 30th June 2023)

Organisation Details	
Co-operative name:	Pioneer Valley Water Co-operative Limited
Business name:	Pioneer Valley Water
Co-operative Registration Number:	QC 0278 (established 16 June 2005)
Australian Business Number:	55 322 373 770
Service Provider Registration Number:	SPID 582
Distribution Operations Licence:	Pioneer River Water Supply Scheme
Address Details	
Principal Business Address:	Level A, Canegrowers' Building 120 Wood Street Mackay QLD 4740
Postal Address:	PO Box 275 Mackay QLD 4740
Electronic Mail:	pvwater@pvwater.com.au
Web-site:	www.pvwater.com.au
Telephone Details	
General	
Enquiries:	(07) 4957 8481
Staff Mobiles	
General Manager / Co-operative Secretary – Steven Ford:	0447 655 566
Water Services Officer – Darren Roberts:	0417 789 165
Operations Assistant – Harley Kruse:	0424 192 830
Water Orders	
Place an order ...	Tyeware Telemex Account
	Office (and <i>urgent</i> calls 24hrs): (07) 4957 8481
Cancel/amend an order ...	
	Only between 8am – 5pm: (07) 4957 8481
Statistics	
Total service area:	22,000 hectares (approx.)
Total pipeline length:	35 kilometres
Total channel and watercourse length:	105 kilometres
Total customers:	250 (approx.)
Total water allocations distributed:	375 (approx.)
Directors:	4
Staff:	4

PVWater in 2022-2023

Pioneer Valley Water Co-operative Limited (PVWater) is a small, locally owned and managed co-operative, with offices located in the tropical North Queensland coastal city of Mackay. PVWater distributes irrigation water and maintains irrigation infrastructure on a non-profit-making basis for the benefit of member and non-member irrigators in the Pioneer River Water Supply Scheme (PRWSS), which extends westward and inland from Mackay.

PVWater is currently responsible for annual distribution of up to 47,390 megalitres of water for irrigation purposes and is also engaged through a service agreement with Pioneer Valley Water Mutual Co-operative Limited (PVMutual) to maintain the irrigation infrastructure through which the allocation is distributed. The Pioneer River Irrigation Scheme infrastructure is owned by water allocation holders through their membership in PVMutual.

Distribution Network

PVWater distributes to irrigation customers in the riparian areas of Palm Tree Creek, Cattle Creek (below Gargett), Pioneer River and to four reticulation supply areas, being Palm Tree Creek (including Cattle Creek below Tannalo), Palmyra, Septimus and Silver McGregor.

Water for irrigation within PVWater's distribution area is sourced from natural stream flow in the Pioneer Valley, supplemented as required from Teemburra Dam. Distribution is achieved by various means including diversion through pump stations, pipelines, earth channels and existing natural watercourses. Major PVWater diversion points for reticulated schemes are located at Gargett and Septimus (from Cattle Creek) and near Pleystowe (from Dumbleton Rocks Weir on the Pioneer River). PVWater also operates a gravity-fed high-pressure pipeline reticulation scheme directly from Teemburra Dam near Pinnacle.

The 375 (approx.) water allocations which fall within PVWater's distribution area are devoted in a very large part to the production of sugar by PVWater's 250 (approx.) customers, although opportunities for diversification into alternative crops are increasingly under scrutiny. There has also been significant conversion of traditional sugar cane farming land to beef cattle production over recent years.

Management Structure

Directors

The Board of PVWater consists of 3 Member Directors elected by PVWater's members, and may have up to 2 Independent Directors appointed by the Board. The Board Chair and Deputy Chair are appointed by the directors.

Two directors retire annually on a rotational basis but may be eligible to be nominated for re-election/re-appointment. If the number of nominees for election to the Board exceeds the number of Member Directors retiring, a postal ballot is accordingly held. If an Independent director has retired in the rotation, the Board may nominate the same or another qualified person to fill the vacated seat. This process is ordinarily completed by ratification at the Annual General Meeting for PVWater.

Directors for the 2022 - 2023 Water Year included:

Joseph Borg



Chairman, Member Director (appointed as Chair in January 2021)

Joseph is a sugar cane grower, accessing his water entitlement in the PRWSS from the Pioneer River in the Riparian irrigation area. He was initially elected to the board of PVWater in 2016. Joseph holds a Diploma of Agriculture and occupies positions in several industry bodies including:

Director on the Board of Mackay CANEGROWERS Limited,
Chairman of CANEGROWERS Mackay Area Committee.

Kevin Ross



**Member Director (appointed as Deputy Chairman 21st January 2021),
Re-elected November 2022**

Kevin is a third-generation cane farmer, farming at Te Kowal. He accesses his water entitlements in the PRWSS via the Palmyra Irrigation Area (Bakers Creek). Kevin was first elected in 2019 and has extensive practical experience in irrigation processes and has served on the Boards of Mackay Taxis and several sporting organizations. Kevin also has other off-farm interests.

Byron Nicholson



Member Director (elected November 2021)

Byron is a 4th generation sugarcane and grain grower in the Mirani and Benholme areas sourcing water from the riparian scheme above Mirani weir. He has completed a trade in Mechanical fitting and machining, and worked in maintenance operations in both coal mining and sugar milling and refining.

William (Bill) Cooper



Independent Director (re-appointed 2022)

Bill was initially appointed as an Independent Director to the Boards of Pioneer Valley Water Board and PVWater simultaneously in 2009. He holds a Bachelor of Business Accounting, a Bachelor of Law, and Diploma in Legal Practice and has a demonstrated depth and breadth of experience across wide ranging financial and legal interests. Bill provides the Board with valued guidance, particularly in legal matters.

Personnel

PVWater employs a compact team of dedicated personnel, to provide a reliable and sustainable irrigation water supply to PVWater members. Staff over the 2022-2023 Water Year included:

Administration



Steven Ford - General Manager / Co-operative Secretary (October 2019)



Sadeta Jakupovic – Administration Officer (started March 2022)

Operations



Darren Roberts – Operations Manager (September 2021)



Harley Kruse – Water Services Officer August 2022

Administrative Arrangements

There is a **Service Agreement**, between PVMutual as the owner of Pioneer River Irrigation Scheme Infrastructure, and PVWater as the Distribution Operations Licence (DOL) holder for the Pioneer River Water

Supply Scheme. Under the **Service Agreement**, PVWater is engaged to maintain PVMutual's irrigation infrastructure, and to perform administrative functions on PVMutual's behalf.

Water Allocation holders are party to a deemed *Distribution Contract* with PVWater as the Distribution Operations Licence (DOL) holder for the Pioneer River Water Supply Scheme. The *Distribution Contract* was developed in consultation with the state government as part of the final round of legislative changes required to enable conversion from the statutory authority (PVWB) to the dual co-operative structure (PVMutual / PVWater) in March of 2016. One of the impacts of the *Distribution Contract* is that it enables simplification of the rules and administration for both co-operatives.

2022-2023 Operations Overview

General

Throughout the financial year PV Water carried out several repairs and upgrades to all schemes. FY22 also saw the region hit with a flood event and it is pleasing to say that we had no damaged to our pump stations or facilities. Building on last years aim to carry out in house repairs, Harley and I are now both qualified with the poly welding and meter installation/validation. We still used sub-contractors for some repairs when required.

During the year the asset register was updated using GHD. For this to be completed we took the auditors to each scheme to visually inspect all assets and infrastructure.

We carried out pump inspections during this period on all schemes and pump stations and during that time looked at options for upgrade ideas to save energy costs. (Currently waiting for the quotes and options to come back to us from Xylem.)

For the second year now, we held shed talks for each scheme, it was pleasing to see more attendees than the previous year. Feed back has been for the most part positive and we will continue to hold the shed talk meetings.

Palm Tree Creek Pipeline

The previous year we carried out five repairs on the PTC system compared to four for FY22, one of which was a leak in one of the scour valves. We had ongoing problems during the repair of a leak on lateral one which took longer than it should have. We carried out an after-action review and took away the lessons learnt which lead to re writing the standard operating procedures. Just as the repair was being completed, we had a new leak on the same line about 600m away and using the new procedures this repair was carried out in a three day turn around.

Septimus

We carried out two repairs on the scheme for FY22 with roughly 12hours of down time to water supply. The surge tanks require some minor upgrades and currently looking at options and costs. We got quotes to look

at changing to a variable speed drive for the pump station but due to costs we are also in the process of reviewing data in Scada and setting up the pumps to refill the two storage facilities during certain times to save on energy costs.

Silver McGregor

Like Septimus the surge tanks on the scheme are due for repairs and we carried out some minor maintenance on both. We also continued with checking and cleaning the culverts on the river to try help with water flow. There was also a leak in the pipeline that had some unique issues due to a large slab of concrete blocking access to clamp the repair.

Palmyra

Spraying of the channel is ongoing and we also had the channel cleared with an excavator at the start of the channel and will continue to clear this over time section by section.

Riparian

A number of pumping pools required some maintenance after the flood event and we also repaired a number of meters that had stopped working.

Water Usage and Charges by Irrigation area

Zone		Nominal Allocation	Announced Allocation ML	ML Used 21 - 22	Usage %	Access Charge \$/ML	Usage Charge \$/ML
PTC Cattle Creek	22	2824	2824	45	1.6%	\$42.08	\$4.41
PTC Pipeline	30	4889	4889	179	3.7%	\$61.43	\$7.70
Palmyra	55	6216	6216	154	2.5%	\$53.58	\$38.64
Riparian	196	24325	24325	1356	5.6%	\$37.34	\$3.43
Septimus	33	4157	4157	281	6.8%	\$58.40	\$54.88
Silver McGregor Creek	36	4852	4852	26	0.5%	\$48.32	\$45.60
Silver McGregor Pipeline	3	127	127	0	0%	\$50.32	\$45.84
Total	375	47390	47390	2041	4.3%		

Environmental Monitoring

Under the Pioneer Valley Resource Operations Plan (ROP), Pioneer Valley Water Co-operative Limited (PVWater) as the Distribution Operations Licence (DOL) holder has a responsibility to monitor bank condition and fish stranding in streams where supply is supplemented by irrigation infrastructure.

PVWater also has an obligation under the *Environmental Protection Act 1994* to take "...all reasonable and practicable measures to prevent or minimise ... environmental harm (the *general environmental duty*)".

Weeds of National Significance were identified in the riparian habitat at Cattle Creek and Bakers Creek. These species should be addressed by the landholder, as this is a breach of the landholders' general biosecurity obligations. Future projects that aim to rehabilitate the section of Bakers Creek Channel are again recommended.

Regulatory Environment

On 24 March 2016, the *Water Amendment Regulation (No.1), 2016* dissolved Pioneer Valley Water Board (PVWB) and converted the statutory body to alternative institutional structures – Pioneer Valley Water Mutual Co-operative Limited (PVMutual) and Pioneer Valley Water Co-operative Limited (PVWater).

Under the *Water Act, 2000*, PVMutual became the "water infrastructure owner" for infrastructure associated with the Distribution Operations Licence (DOL) for the Pioneer River Water Supply Scheme. As the "approved nominee" of PVMutual, PVWater now holds the DOL.

As the DOL holder, PVWater is

- party to a *Distribution Contract* pursuant to s691A of the *Water Act, 2000* with the holder of each water allocation distributed under PVWater's DOL; and
- responsible for implementing rules and requirements of the Pioneer Valley Resource Operations Plan that relate to the water allocations PVWater distributes.

Under the *Water Supply (Safety and Reliability) Act, 2008*, PVMutual became the "relevant infrastructure owner" of the relevant infrastructure. As the "prescribed related entity" of PVMutual, PVWater is registered as a service provider under the *Water Supply (Safety and Reliability) Act, 2008*.

Arrangements between PVMutual and PVWater are set out in a *Service Agreement*.

Following a Special Postal Ballot, at the end of 2019-2020 financial year, all members of PVWater are also members of PVMutual. The requirement for reciprocal membership of co-operatives ensures that all water allocation holders under PVWater's DOL have the opportunity to become members and have a say in how PVWater and PVMutual are conducted, and to support voting agreement on issues impacting both co-operatives.

The Service Agreement between PVWater and PVMutual was endorsed by 82% of members who voted at the Special Postal Ballot. PVWater will continue to operate and maintain PVMutual's irrigation assets in the Pioneer Valley Irrigation Scheme, provide administration and secretarial services to PVMutual and license the irrigation assets in the Scheme from PVMutual.

Pioneer Valley Water Co-operative Limited

ABN 55 322 373 770

Annual Report 30th June 2023

Pioneer Valley Water Co-operative Ltd

ABN 55 322 373 770

Annual Report - 30 June 2023

Pioneer Valley Water Co-operative Ltd
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Pioneer Valley Water Co-operative Ltd
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the Co-operative for the year ended 30 June 2023.

Meetings of directors

The number of meetings of the Co-operative's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	No of Eligible Meetings	No of Meetings Attended
Joseph Borg	8	8
Kevin Ross	8	8
Byron Nicholson	8	8
Bill Cooper	8	5
Luke Malan (resigned November 2022)	3	3

Principal activities

The principal activity of Pioneer Valley Water Co-operative Ltd during the financial year was to act as a service provider in distributing water for irrigation purposes to water allocation holders in the Pioneer Valley Water Supply Scheme, and to maintain irrigation infrastructure owned by Pioneer Valley Water Mutual Co-operative Ltd.

No significant changes in the nature of the Co-operative's principal activity occurred during the financial year.

Review of operations for the year

The net profit for the financial year was \$38,487. This is the seventh full financial year of trading.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Co-operative during the year.

Future developments and results

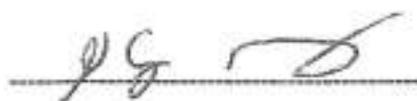
Likely developments in the operations of the Co-operative and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Co-operative.

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.

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 board of directors



Joseph Borg – Chairman

...7... November 2023

Pioneer Valley Water Co-operative Ltd
Independence declaration
30 June 2023

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pioneer Valley Water Co-operative Ltd. As the lead audit partner for the audit of the financial report of Pioneer Valley Water Co-operative Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor 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.

Name of Firm: Tait's Accountants Pty Ltd

Auditor's
Signature:



Stephen Amos (Director)

Address

Level 1, City Plaza,
45 Wood Street,
Mackay QLD 4740

Dated this 7 day of November 2023

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Pioneer Valley Water Co-operative Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Interest revenue		11,566	7,024
Charges (capital, maintenance and distribution) revenue		2,121,318	2,121,167
Services revenue	3	499,961	712,366
Other revenue	4	77,376	430
Total revenue		<u>2,710,221</u>	<u>2,840,987</u>
Expenses			
Administration expenses	5	(161,517)	(153,099)
Distribution expenses		(978,842)	(1,127,384)
Services expenses		(1,083,536)	(1,156,618)
Employee benefits expense		(434,202)	(500,490)
Depreciation and amortisation expense		(12,046)	(16,320)
Total expenses		<u>(2,670,143)</u>	<u>(2,953,911)</u>
Profit/(loss) before income tax expense		40,078	(112,924)
Income tax expense		-	-
Profit/(loss) after income tax expense for the year attributable to the members of Pioneer Valley Water Co-operative Ltd		40,078	(112,924)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Pioneer Valley Water Co-operative Ltd		<u>40,078</u>	<u>(112,924)</u>

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

Pioneer Valley Water Co-operative Ltd
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	561,914	583,670
Trade and other receivables	7	96,078	37,900
Total current assets		<u>657,992</u>	<u>621,570</u>
Non-current assets			
Property, plant and equipment	8	38,331	50,377
Total non-current assets		<u>38,331</u>	<u>50,377</u>
Total assets		<u>696,323</u>	<u>671,947</u>
Liabilities			
Current liabilities			
Trade and other payables	9	325,701	320,665
Employee benefits	10	36,207	56,945
Total current liabilities		<u>361,908</u>	<u>377,610</u>
Total liabilities		<u>361,908</u>	<u>377,610</u>
Net assets		<u>334,415</u>	<u>294,337</u>
Equity			
Retained earnings		<u>334,415</u>	<u>294,337</u>
Total equity		<u>334,415</u>	<u>294,337</u>

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

Pioneer Valley Water Co-operative Ltd
Statement of changes in equity
For the year ended 30 June 2023

	Members interest \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2021	-	-	407,261	407,261
Loss after income tax expense for the year	-	-	(112,924)	(112,924)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(112,924)	(112,924)
Balance at 30 June 2022	-	-	294,337	294,337
	Members interest \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022	-	-	294,337	294,337
Profit after income tax expense for the year	-	-	40,078	40,078
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	40,078	40,078
Balance at 30 June 2023	-	-	334,415	334,415

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

Pioneer Valley Water Co-operative Ltd
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,641,687	2,903,597
Payments to suppliers and employees (inclusive of GST)		<u>(2,673,799)</u>	<u>(2,916,134)</u>
		(32,112)	(12,537)
Interest received		<u>10,356</u>	<u>6,741</u>
Net cash used in operating activities		<u>(21,756)</u>	<u>(5,796)</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(21,756)	(5,796)
Cash and cash equivalents at the beginning of the financial year		<u>583,670</u>	<u>589,466</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>561,914</u></u>	<u><u>583,670</u></u>

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

Pioneer Valley Water Co-operative Ltd
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies

The financial report covers Pioneer Valley Water Co-operative Ltd as an individual entity. Pioneer Valley Water Co-operative Ltd is constituted under the Co-operatives National Law Act 2020 and is domiciled in Australia.

Basis of preparation

In the director's opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

The financial statements are special purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Co-operatives National Law Act 2020 and Corporations Act 2001. The directors have determined the accounting policies adopted are appropriate to meet the needs of the members of Pioneer Valley Water Co-operative Ltd. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Australian Accounting Standards require accounting policies that will result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Revenue recognition

The Co-operative recognises revenue as follows:

Charges representing water access fees are recognised when earned on a straight-line basis across the financial year. All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Interest

Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue

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

Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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.

Trade and other receivables

Trade and other receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision of impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is assessed periodically with provision being made for impairment.

Pioneer Valley Water Co-operative Ltd
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Expenditure is only capitalised if it increased the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

Property, plant and equipment depreciated on a straight-line basis over the assets useful life to commencing when the asset is ready for use. Depreciation is recognised in profit and loss.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

The depreciation rates used for each class of depreciable asset are shown below:

Plant and equipment	7.5% - 50%
Motor vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Profits or losses on disposals are determined by comparing proceeds with the carrying amount. These profits or losses are included in the statement of comprehensive income in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Co-operative 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.

Employee benefits

Short-term employee benefits

Provision is made for the Co-operative's liability for short term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be wholly settled within one year after the end of the annual reporting period in which the employee render the related service, including wages and salaries. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

The Co-operative classifies employee's long service leave and annual leave entitlements as other short-term employee benefits, as they are expected to be settled wholly within twelve months after the end of the annual reporting period in which the employees render the related service. Provisions are made for the obligation for other short-term employee benefits, which is measured at the nominal value to employees.

Obligations for employee benefits are presented as current provisions in the statement of financial position.

Financial instruments

Financial instruments are recognised initially on the date that Co-operative 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).

Pioneer Valley Water Co-operative Ltd
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Financial assets and liabilities

Significant receivables and payables 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.

Impairment of financial assets

At the end of the reporting period the Co-operative assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Impairment of non-financial assets

At the end of each reporting period the Co-operative determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

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.

Note 2. Critical accounting judgements, estimates and assumptions

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - impairment of property, plant and equipment

The Co-operative assesses the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or other events. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technical obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Services revenue

	2023	2022
	\$	\$
Corporate services revenue	426,285	473,643
Asset repairs and maintenance services revenue	<u>73,676</u>	<u>238,723</u>
	<u>499,961</u>	<u>712,366</u>

We note there has been a reduction in asset repairs and maintenance service charges due to reduced water usage for the 2023 year.

Pioneer Valley Water Co-operative Ltd
Notes to the financial statements
30 June 2023

Note 4. Other revenue

	2023	2022
	\$	\$
Sundry revenue	429	430
ETAS - Electrical Rebate	73,322	-
Consultancies	3,625	-
	77,376	430
	77,376	430

Note 5. Administration expenses

	2023	2022
	\$	\$
Administration expenses	67,393	59,094
Directors expenses	31,724	31,238
Insurance	23,659	18,899
Professional services	16,719	17,171
Rent	22,022	21,697
Provision for bad debts	-	5,000
	161,517	153,099
	161,517	153,099

Note 6. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	337,740	362,531
Cash on deposit	224,174	221,139
	561,914	583,670
	561,914	583,670

Note 7. Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	99,487	42,519
Less: Provision for bad debts	(5,000)	(5,000)
	94,487	37,519
Interest receivable	1,591	381
	96,078	37,900
	96,078	37,900

Pioneer Valley Water Co-operative Ltd
Notes to the financial statements
30 June 2023

Note 8. Property, plant and equipment

	2023 \$	2022 \$
Plant and equipment - at cost	84,042	84,042
Less: Accumulated depreciation	<u>(72,543)</u>	<u>(69,442)</u>
	11,499	14,600
Motor vehicles - at cost	163,210	163,210
Less: Accumulated depreciation	<u>(136,378)</u>	<u>(127,433)</u>
	26,832	35,777
	<u>38,331</u>	<u>50,377</u>

Reconciliations

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

	Plant and Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2022	14,600	35,777	50,377
Depreciation expense	<u>(3,101)</u>	<u>(8,945)</u>	<u>(12,046)</u>
Balance at 30 June 2023	<u>11,499</u>	<u>26,832</u>	<u>38,331</u>

Note 9. Trade and other payables

	2023 \$	2022 \$
Trade payables	145,269	137,681
Mastercard liability	-	7,166
Prepayments by farmers	170,350	161,057
BAS payable	<u>10,082</u>	<u>14,761</u>
	<u>325,701</u>	<u>320,665</u>

Note 10. Employee benefits

	2023 \$	2022 \$
Annual leave	36,207	30,088
Long service leave	<u>-</u>	<u>26,857</u>
	<u>36,207</u>	<u>56,945</u>

Note 11. General information

The financial statements cover Pioneer Valley Water Co-operative Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Pioneer Valley Water Co-operative Ltd's functional and presentation currency.

Pioneer Valley Water Co-operative Ltd is a non-distributing co-operative without share capital domiciled in Australia. Its registered office and principal place of business are:

Pioneer Valley Water Co-operative Ltd
Notes to the financial statements
30 June 2023

Note 11. General information (continued)

Registered office

Pioneer Valley Water Co-operative Ltd
PO Box 275
Mackay QLD 4740

Principal place of business

Pioneer Valley Water Co-operative Ltd
Ground Floor, 120 Wood Street
Mackay QLD 4740

A description of the nature of the Co-operative's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

operative Ltd
30 June 2023

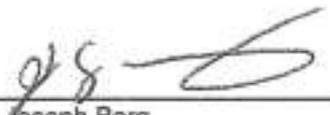
Pioneer Valley Water Co-operative Ltd
Independent auditor's report to the members of Pioneer Valley Water
Co-operative Ltd
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001 and Co-operatives National Law Act 2020 and complying Australian Accounting Standards - Reduced Disclosure Requirements as required by the Co-operatives National Law Act 2020;
- the attached financial statements and notes give a true and fair view of the Co-operative's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Co-operative 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 board of directors



Joseph Borg
Chairman

7 November 2023

Pioneer Valley Water Co-operative Ltd
Independent auditor's report to the members of Pioneer Valley Water Co-operative Ltd
30 June 2023

Opinion

We have audited the financial report of Pioneer Valley Water Co-operative Ltd, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Co-operative is in accordance with the *Co-operatives National Law Act 2020* and *Corporations Act 2001*, including:

- i. giving a true and fair view of the Co-operative's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii. that the financial records kept by the Co-operative are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

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 Co-operative 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 Co-operative, 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.

Responsibilities of Directors for the Financial Report

The directors of the Co-operative 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 Co-operative'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 Co-operative 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

