



IRRIGATION NEW ZEALAND

WATER | FOOD | FIBRE | LIFE



Irrigation New Zealand Annual Report 2022/2023





IRRIGATION NEW ZEALAND

WATER | FOOD | FIBRE | LIFE

admin@irrigationnz.co.nz

Phone 04 595 6848

www.irrigationnz.co.nz



Contents



Chair Report	2
CEO Report	3
Strategy	5
Achievements	6
IrrigationNZ Membership	7
Advocacy	9
Agency Involvement	14
Board Finance Committee Report	15
Financial Report	17
Organisation Information	19
Approval of Financial Report	20
Statement of Financial Performance	21
Statement of Changes in Equity	24
Statement of Financial Position	25
Schedule of Fixed Appreciation & Depreciation	26
Revenue Received in Advance	28
Notes to the Financial Statements	29
Independent Assurance Practitioner's Review Report	33

CHAIR REPORT

Keri Johnston



Ehara taku toa i te toa takitahi, he toa takitini.

My strength is not as an individual but as a collective

Tēnā koutou members, stakeholders, and friends,

On behalf of IrrigationNZ, I am pleased to release our 2023 annual report which highlights the successes, challenges, and opportunities of our organisation throughout the year.

IrrigationNZ has come a long way since its inception at the end of last century. We are now established in Wellington, the heart of our country's decision-making, and are known as an organisation that operates with integrity, is respectful, and will work with all political parties, because regardless of who is in power, water, irrigation, and associated infrastructure is not a topic that only has a three-year tenure.

I am pleased with the in-roads we have made into Wellington. Vanessa and the team (Stephen, Ella, Julie, and Lynn) have worked tirelessly on behalf of our members to help change the narrative of irrigation at a political level, and while this is a long game, we are starting to see a willingness to engage in a conversation on irrigations role in providing a stable, reliable food supply, and the critical nature of the infrastructure that delivers water.

To my fellow board members, thank you. There have been some courageous decisions made in the last three years following the Covid-19 pandemic. We have led IrrigationNZ with heart and the organisation is in a great place being on stable financial footing, with a solid team in place and a strategy that is meaningful, visionary, yet achievable.

The future for IrrigationNZ is exciting, and I am proud to be able to sign off for another year as chair.

Here is to 2024 with a country listening, acknowledging, and responding to the importance of irrigation for resilient, thriving people, communities, and the environment.

Ngā mihi nui,

A handwritten signature in black ink, appearing to be 'K Johnston'.

Keri Johnston, Chair of IrrigationNZ

CEO REPORT

Vanessa Winning



It is pleasing to be here today, for the third year in a row, presenting another positive financial performance from IrrigationNZ, having achieved a small surplus in a time of significant cost increases while producing more work, more advocacy, more training and support for our membership.

The team is proud of a very busy and productive year, delivering real value to members, and all the while growing our reach, with around 4,500 members, and growth of about 800 irrigators or support organisations over the past three years.

We have had our first audit this year as an organisation, with a good result and some support to achieve the new clearer obligations under the new Societies Act. You'll note the auditor's letter and the financials along with commentary from the finance committee chair later in the report.

Having now settled into Wellington, and established excellent working relationships across the various government agencies we work with (which we have included a table within the report to demonstrate that reach), we are making real progress toward more effective policy settings and implementation. This doesn't mean we always get what we want from those discussions, but the more trust we build and guidance we can provide the more practical and outcome-focused the policy will be. As we often say, we agree with the vast majority of the outcomes most Non-Government Organisations, and ministries are trying to achieve when it comes to freshwater, and we need to start with a basis of where we can make tangible improvements that also support utilising water for productive use in the most efficient and least impactful way. Being on the ground and engaged in working and advisory groups over the past year has definitely supported that approach.

I value the engagement I have with the membership and the support we have received over this past year, with our submissions and with our activity. I am very proud of the small permanent team we have of Stephen, Ella, Julie, and Lynn – they more than punch above their weight in terms of delivery and support. Our contractors also add a lot of value to our ability to deliver, in particular Ruth Lavelle Tracey, Rosie Fenton, and Vicky Bloomer. To be in this position, where we have reserves in the bank, trust and sought-after brand and genuine meaningful relationships across industry and policymakers is incredible. But we can't slow down or take it for granted.

We have another huge year coming up and some important issues around climate change adaptation, freshwater implementation, further changes to RMA, and infrastructure development are on the near horizon. Strategic issues that will impact our sector for many years to come. Collaboration and cross-industry agreement is going to be key to delivering, as is a voice at the table and working together for outcomes that benefit all New Zealanders. How exciting to think we will be moving into a more strategic approach if we get this right.

Thank you to the membership for your ongoing support – don't forget to encourage non-members to join and be part of this movement, but also to help us keep getting better and improving on our social licence as innovative food and fibre producers.

Thank you,



Vanessa Winning, Chief Executive, IrrigationNZ

Strategy



VISION
Water for
food, fibre and
community wellbeing;
for this generation
and the next.

PRIORITIES

Lead – set the standards for our sector, add value to our membership, encourage innovation and technology continually looking for ways to improve our performance.

Influence – advocate and build relationships with a united, solutions-focused voice, using robust information, and starting the right conversations.

Empower – working with and connecting people and organisations who can be part of making our communities resilient, thriving and prospering.

OUR VALUES

Credible – we own our actions and are committed to implementing the highest standards.

Problem Solving – be the go-to and can-do people, inspire and motivate, embrace and drive change.

Connected – build relationships, collaborate, share knowledge and ideas, seek to partner with others to get things done, building wide networks of influence.

Future-Focused – the ability of future generations of New Zealanders to meet their water needs, as well as ensuring our organisations long-term success.

OUTCOMES

Recognised as the experts in water management, use and application.

The importance of irrigation is understood by all New Zealanders.

Representing irrigation in Aotearoa New Zealand.
Members know what to do and how to do it.

Advocating to ensure practical regulations are achieved in the best interest of irrigators and New Zealand.

In trusted partnership with the community.

2022/2023

Achievements

400+  **COMPLETED TRAINING**

55 
**NZQA
QUALIFICATION
TRAINING**

- 10** people completed the NZ Certificate in Irrigation System Design
- 45** people completed the NZ Certificate in Irrigation System Performance Assessment

 **E-LEARNING**
50

50 IrrigationNZ members completed online e-learning

10 people attended the **CERTIFICATE III IN IRRIGATION TECHNOLOGY**

– a nationally recognised programme of training in Australia. This was the first year IrrigationNZ teamed up with Irrigation Australia to deliver the Certificate III in Irrigation Technology in New Zealand

OTHER TRAINING

Number of attendees:

- 20** Online water meter verification training
- 47** Water meter workbooks completed
- 140** Technical and policy webinars
- 62** Fish Screen Project
- 24** FMG Risk Advice training days
- 32** Various training and info sessions

MEDIA & PUBLISHING

30+ Columns contributed in external publications

15+ Radio interviews



4 IrrigationNZ News magazines
WITH **3000+** DISTRIBUTION PER ISSUE

SUBMISSIONS

15 Submissions we made on policy and legislative matters – ensuring our members' voices are heard.

36 Attendees at IrrigationNZ hosted submission meetings

*Calendar year July 2022 – June 2023.

2022/2023

IrrigationNZ Membership

MEMBERSHIP BY CATEGORY

- Government
- Research Institution
- Retirees
- Irrigators and Schemes*
- Service Industry



*Schemes counted as being a single member therefore this number does not represent the total number of irrigators represented by IrrigationNZ.

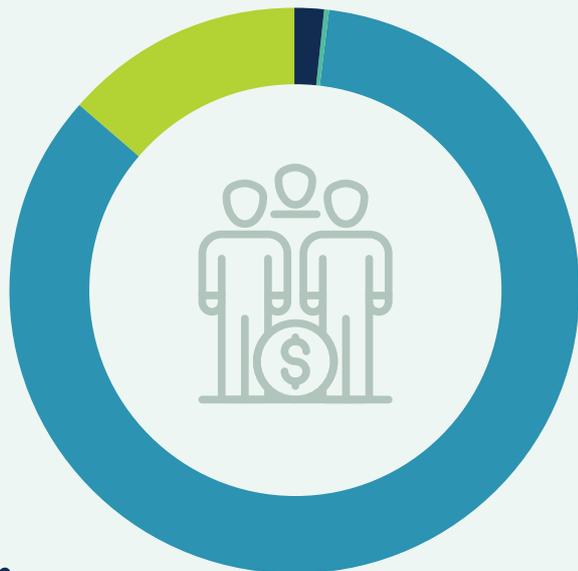
4500+
members

Our members represent
43% of the total
irrigated land
in NZ

Based on estimate of 423,000 ha of total of 903,465 ha

FEES PAID BY MEMBERSHIP CATEGORY

- Government
- Research Institution
- Retirees
- Irrigators and Schemes
- Service Industry



TOTAL FEES PAID

\$724,944.64

2022/2023

Advocacy

With a new face for our 54th government coalition we remain in anticipation of the pathway for policy transitions that this government will take. Our work is influenced by several regulatory and legislative policies that are already earmarked for change. Considering political developments and the ever-changing regulatory landscape, we are actively engaged in various consultations and policy discussions.

In New Zealand, there has been a growing recognition of the importance of freshwater management, with a focus on water quality. The government has introduced various initiatives to improve freshwater management and protect water quality. While these initiatives primarily focus on environmental protection, there is an increasing realisation that water is a finite resource and plays a vital role in the productive economy, including agriculture, hydroelectricity, and tourism.

MINISTRY FOR THE ENVIRONMENT (MFE) AMENDMENTS TO THE RMA

As of late 2023, the Natural and Built Environment Bill (NBEB) and the Spatial Planning Bill (SPB) have been officially enacted and received Royal Assent, marking a significant reform of the Resource Management Act (RMA). This historic legislative change has far-reaching implications for the daily activities of our industry and the environment.

IrrigationNZ has actively engaged with these reforms and provided extensive feedback, joined by over 3,000 other submitters, but despite our feedback, many of our concerns remain unresolved.

The complexity of the legislative process and the substantial nature of the Act, with its 977 pages, have raised concerns about the potential for litigation as new terminologies and wordings are tested in the courts. Sections related to water are scattered across multiple parts, making it challenging to interpret and address issues concerning irrigators and irrigation schemes.

In a positive development, irrigation is now acknowledged in the Act as a type of water utility infrastructure. However, there are limited provisions that encourage irrigation infrastructure development and improvement. Furthermore, the definition of “sustainability” has evolved in the Act to emphasise just environmental sustainability, raising concerns about the neglect of economic and social aspects.

The system outcomes process still raises questions about ensuring land availability for local food production, which is a core component of our economic role. While the Bill mentions well-functioning urban and rural areas, it does not explicitly recognise the importance of food production as an outcome. The focus on introduced species and protection of specific habitats contrasts with the absence of explicit references to food production, which is only associated with horticultural land and not pastoral land.

Earlier versions of the Bill had singled out farming as the primary source of adverse environmental effects on freshwater and freshwater ecosystems. This focus on farming, along with the lack of similarly pointed language regarding activities like municipal landfills, wastewater treatment plants, and roads, raised concerns.

Despite some potential barriers being removed, the NBEA remains hesitant to acknowledge the role our land and soils play as vital for human well-being, particularly as a source of food. IrrigationNZ made formal submissions to the Environment Select Committee, emphasising the need for reform that balances environmental protection and the production of safe, reliable, and affordable food and natural fibres.

Considering the complex and ambiguous nature of the NBEA and SPA, IrrigationNZ will continue to advocate for pragmatic improvements to the legislation.

MANAGED RETREAT UNDER CLIMATE CHANGE ADAPTATION BILL

IrrigationNZ has submitted its feedback in response to the Ministry for the Environment's (MfE) Managed Retreat document which is set out as precursor to the proposed Climate Change Adaptation Bill. The organisation conducted a preliminary review of these documents and highlighted several concerns.

MfE's approach appears to lack sympathy for the productive sector and contains confronting provisions for land title cancellation, potentially affecting agriculture and horticulture.

We have concerns that the MfE's perspective primarily focuses on residential aspects, with limited consideration for the impact on productive land.

IrrigationNZ also advocates for a more comprehensive planned relocation approach to climate change adaptation, considering flood protection measures, water management, and long-term strategies, rather than solely relying on managed retreat.

There is lack of input from vital governmental bodies in the development of the Climate Change Adaptation Bill and the EWG's recommendations, including seeing no apparent input from the Ministry for Primary Industries (MPI), the Ministry of Business, Innovation, and Employment (MBIE), the Department of Internal Affairs (DIA), the Ministry of Social Development (MSD), the Department of the Prime Minister and Cabinet (DPMC), and Te Puni Kōkiri (TPK).

THE NATIONAL PLANNING FRAMEWORK (NPF) DRAFT

In conjunction with the broader RMA reform, a draft of the National Planning Framework (NPF) has been unveiled.

The Minister for the Environment, in collaboration with the Minister of Conservation, has initiated the process by releasing an engagement draft of the transitional NPF proposal. We invite your attention to this critical document. The feedback collection period for the engagement draft of the transitional NPF proposal is scheduled to conclude on the 13th of December 2023 and represents a pivotal opportunity to influence the direction and framework of resource management in New Zealand.

NATIONAL OBJECTIVES FRAMEWORK GUIDANCE

We have submitted to MfE on He Ārahitanga mō Te Anga Whāinga ā-Motu o te NPS-FM / Guidance on the National Objectives Framework of the NPS-FM. The guidance plays a pivotal role in assisting Regional Councils in delivering on the requirements set out in the NPS-FM. However, we have concerns about potential biases and limitations in the guidance, particularly regarding its treatment of agricultural water use.

REGIONAL FRESHWATER PLAN REFORM

Opportunities for participating in regional freshwater plan reform have arisen from various regions, including Greater Wellington, Taranaki, Waikato, Bay of Plenty, Canterbury, and Southland. We are evaluating these opportunities, recognising the importance of shaping regional plans to meet the needs of our industry and the environment.

SEVERE WEATHER EMERGENCY RECOVERY LEGISLATION BILL

IrrigationNZ expressed general support for the Severe Weather Emergency Recovery Legislation Bill, recognising its significance in addressing the aftermath of Cyclone Gabrielle's devastation.

One key area of concern involved the administration of water take consents under the Resource Management Act (RMA) regulations for water measurement data reporting in emergency situations. Many water take consent holders have experienced extensive damage to their infrastructure, including water meters, making it practically impossible to meet reporting obligations. The bill's provision allowing temporary adjustments to regulatory requirements in these circumstances was deemed sensible and pragmatic by IrrigationNZ.

IrrigationNZ also supports where emergency access may be required to farm and orchard land and business premises, which could entail activities normally requiring a consent, such as earthworks or stream crossing culverts.

IrrigationNZ addressed concerns raised by some parties that the bill grants too much authority to individuals, as opposed to government agencies and councils, to act differently during the emergency recovery period. The organisation contended that empowering individuals in these situations is appropriate, however individuals must remain accountable for their actions and obligations within existing laws.



A NEW NPS-NATURAL HAZARD RISK ASSESSMENT

This tool set is intended for use by regional government in assessing climate risk and response is currently under consideration. We evaluated this proposal and its potential overlap with the NZ Climate Adaptation Risk Assessment of 2020 to ensure that our response aligns with our commitment to effective climate risk management.

MPI NATIONAL ORGANIC STANDARD

The MPI National Organic Standard is currently in draft form, following earlier submissions. It is likely to include references to “adhering to good irrigation practices” for organic farming operations. The next round of submissions is expected before the end of 2023. This standard plays a crucial role in defining the requirements and practices for organic farming, ensuring irrigation practices are incorporated. IrrigationNZ submitted that its Codes of Practice and standards already provide a platform for irrigation best practice, and it would be inefficient to create new standards just targeted at organic production.

NES PLANTATION FORESTRY

The NES Plantation Forestry was gazetted on 5th October. While it may not be a top priority for our work, it is worth noting that the forest cover within our catchment areas can significantly affect hydrology. We are closely monitoring this development as it pertains to the broader environmental landscape.

STANDARDS NEW ZEALAND, SNZ 4411 DRILLING OF ROCK AND EARTH

We have contributed to the working draft of SNZ 4411, which covers drilling recommendations, including those for water production bores. Our input was made on 20th October, and we anticipate a more advanced draft before the end of 2023. This standard is essential for ensuring safe and efficient drilling practices, particularly concerning water resources.

NES-DRINKING WATER

A modification was announced regarding the process for assessing Source Water Risk Management Areas (SWRMA). We are pleased with the direction of travel, aligning with our prior submissions, which emphasised pragmatism in the NES-Drinking Water. This NES is crucial for ensuring the safety of drinking water, and we are encouraged by the pragmatic approach taken alongside the work of Taumata Arowai.

NPS HIGHLY PRODUCTIVE LAND

The National Policy Statement for Highly Productive Land (NPS-HPL) addresses the protection of highly productive land, primarily LUC 1-3 soils. Previously we highlighted that this policy needs to acknowledge the importance of water access in maximising land productivity, aligning with our industry’s interests. NPS-HPL is developed under the Resource Management Act 1991 and is crucial for balancing housing and urban growth with the protection of highly productive land.

DAM SAFETY REGULATIONS

The Dam Safety Regulations were formally launched in May 2022. These regulations are set to take effect in just two years and will impose significant responsibilities on dam owners. Specifically, they will need to assess whether their water storage structures exceed specific thresholds to be considered as a classifiable dam and be registered with the Regional Council. This will also necessitate the determination of the Potential Impact Classification (PIC) in the event of an uncontrolled discharge. If the risk is medium or high a Dam Safety Assurance Plan (DSAP) will also need to be developed.

IrrigationNZ is actively engaged in assisting the Ministry of Business, Innovation, and Employment (MBIE) by providing additional information to help rural communities understand and fulfil their obligations under this legislation in a clear and practical manner. A crucial initial step involves ensuring that dam owners have a comprehensive understanding of the size and capacity of their structures. Notably, the Dam Safety Regulations introduce varying thresholds, distinct from local building consent requirements, and will apply retrospectively to existing structures and new builds. IrrigationNZ is also working with various partners to improve the understanding of the number of dams subject to these regulations which we believe is significantly underestimated. While we are actively supporting the implementation of these regulations, we still harbour concerns regarding the ability of a limited pool of recognised dam engineers to certify the PICs before the regulations become enforceable and for some the need for DSAPs.

FRESHWATER FARM PLAN REGULATIONS

IrrigationNZ participated in the final stages of commenting on the regulations and rollout process. Our primary focus was on making these regulations practical and fostering acceptance and use of Freshwater Farm Plans (FW-FPs) as valuable tools.

It is vital that these regulations strike a balance, avoiding unnecessary complexity and an excessive focus on processes that fail to recognise the pivotal role of our agricultural communities and businesses in achieving the environmental objectives outlined in public policies.

Our 2021 submission highlighted several key areas that we believe continue to be relevant in shaping the FWFP regulations as they evolve through implementation across each region.

We support the concept of nationally consistent regulations, but it is crucial to retain the flexibility for regions to adopt and adapt locally focused or sector-specific farm planning processes and industry assurance programmes, to prevent redundancy and duplication of effective existing programs.

The fundamental concept behind FW-FPs aligns with the principles of the National Policy Statement for Freshwater Management – Te Mana o te Wai (TMoTW). The original intent of these principles emphasised the need for balance, but not a hierarchy, as well as the collaborative role of communities, tangata whenua, and regional councils in managing freshwater. The language and intent of the FW-FP regulations must reflect the active role of the food and fibre sectors accordingly.

The certification and audit processes must account for the widely varying states of readiness of environmental plan management within different regions, farming communities, catchment groups, and irrigation schemes.

While there is a regionally staged rollout of the FWFP regulations, timeframes should consider the constraints on the pace of change in complex farming systems and business models.

A nationally integrated approach to capacity building through training and accreditation of FW-FP certifiers and auditors is essential. This process should encompass a wide range of complex areas in freshwater management including irrigation.

It is critical that the policy implementation timeframe aligns with other nationally set legislation and regulations, such as the dam safety regulations and the drinking water safety regulations. A better alignment would ensure consistency and efficiency of certification processes.

IRRIGATION WATER SUPPLY SCHEMES AS CRITICAL INFRASTRUCTURE

In response to the Department of the Prime Minister and Cabinet's (DPMC) consultation program, titled "Strengthening the Resilience of Aotearoa New Zealand's Critical Infrastructure System," IrrigationNZ has engaged in discussions with various government agencies to assess the role of irrigation supply infrastructure in supporting New Zealand's primary sector. The primary objective of the consultation program is to enhance the resilience of critical infrastructure to ensure a secure foundation for the country's economy.

Through these discussions, IrrigationNZ has sought to determine whether irrigation water storage and distribution align with the definition of critical infrastructure. The consultation documentation by DPMC defines critical infrastructure as assets that provide indispensable services for society, the economy, public safety, security, and public services. In their submission to DPMC, IrrigationNZ highlighted that any loss, damage, or disruption to irrigation infrastructure appeared to meet the test for "critical infrastructure", as it can significantly impact essential services, livelihoods, and the well-being of the community.

While New Zealand law currently lacks a specific definition of critical infrastructure, various entities are considered essential services, encompassing areas such as energy, telecommunications, water services, food and grocery providers, financial services, cloud data storage providers, and transportation.

Large-scale and community-level irrigation water supply schemes play a similarly critical role in significant portions of the rural economy and social fabric. The failure of these schemes to meet irrigated operations' demands could have severe repercussions. IrrigationNZ is collaborating closely with government agencies to determine the regulatory priorities of irrigation infrastructure and the potential implications of proposed legislation, such as the Natural and Built Environment Act and the National Planning Framework.

AGRICULTURAL DATA SET GATHERING SUBMISSION TO STATS NZ

StatsNZ is in the process of refining the data collected in its annual agricultural survey, having recently conducted a five-yearly agricultural production census. IrrigationNZ submitted that the exclusion of irrigation-related questions from the annual survey missed an opportunity to gather vital data for a more informed understanding of irrigation practices and their impact on freshwater.

IrrigationNZ noted that the annual reports published by StatsNZ, and the Ministry for the Environment consistently commented on irrigation practices, often associating them with fertiliser use and environmental concerns. The organisation pointed out that this inconsistency in official data collection regarding irrigation might contribute to an uninformed and outdated perspective on the matter.

IrrigationNZ's submissions have previously led to positive changes, as evidenced by StatsNZ's acknowledgment of the importance of understanding the uptake of solid set irrigation systems due to their automation and improved efficiency. There is a growing need to monitor and gather data on their use, especially given concerns about water usage, environmental impact, and climate change.

DEPARTMENT OF INTERNAL AFFAIRS RURAL SECTOR WATER SERVICES ENGAGEMENT FORUM

IrrigationNZ has recently become part of a forum established by the Department of Internal Affairs, which allows key rural stakeholders to directly engage with the Water Services Reform Programme. The forum's focus is on the Three Waters, encompassing drinking water, wastewater, and stormwater, and how these reforms might affect the rural sector.

The forum is beneficial for all participants as it serves as a platform for cross-sector discussions on various matters.

This forum offers an opportunity to discuss pragmatic solutions for achieving drinking water safety objectives driven by the Three Waters reforms.

MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT TE ARA PAERANGI – FUTURE PATHWAYS

Te Ara Paerangi Future Pathways is a multi-year programme aimed at reshaping the future of New Zealand's research, science, and innovation system and funding. The government's stated objective is to develop a modern research system to address upcoming challenges and seize opportunities.

One of the main areas of activity from MBIE is the establishment of National Research Priorities.

The previous government has emphasised that the then Cabinet, rather than sector interests, will make the final decisions on recommendations from an Independent Strategic Panel of experts. It is a concern that this panel will consider input from various stakeholders, including government agencies, sector experts, international and futures experts, industry representatives, and Māori representatives but notably engagement with the primary sector is limited. IrrigationNZ believes research priorities for the primary industries should not be set by MBIE alone and should call on the knowledge and experience held within the Ministry for Primary Industries and leading sector bodies.

IrrigationNZ was encouraging MBIE to make better efforts to improve interactions to include rural research objectives in planning and funding for researchers. However, the current makeup of the Independent Strategic Panel is not yet known.

NATIONAL ADVERSE EVENT COMMITTEE – EL NIÑO 2023/24

IrrigationNZ has been welcomed as a partner to the NAEC to consider appropriate response planning for the potential drought conditions that may occur across the 2023/24 summer and autumn. This committee is a multi-agency body that forms under the control of MPI in the event of potential critical events impacting rural communities.

IRRIGATION IN NEW ZEALAND

Agency Involvement

Overview of the agencies that currently touch on the irrigation sector:

Ministry for the Environment

Natural and Built Environment Act

- National Planning Framework

Resource management

- National Policy Statement for Freshwater
- National Environmental Standards for Freshwater
- NES Drinking Water
- NPS-HPL
- NPS-UD
- NES Plantation Forestry

Climate Change Work Programme

- Managed retreat (Climate Adaptation Bill)
- National Adaptation Plan (see Te Waihanga)
- Emissions Reduction Plan

Ministry for Primary Industries

- Water Availability and Security programme
- Fit for a Better World
- On Farm Support
- Integrated Farm Planning
- National Adverse Event Committee – El Niño 2023/24

Stats NZ

- Agricultural Production Survey and Agricultural Production Census changes to data questions
- Co-Author with MfE of Annual Environmental report

Ministry for Business, Innovation and Employment

- Kānoa
- Dam Safety Regulations
- Future Pathways redesign of research science and innovation funding
- Renewable energy strategies
- EECA pumps energy efficiency reporting

Te Waihanga Infrastructure Commission

- National Adaptation Plan – Infrastructure chapter
- With NEMA National Disaster Resilience Strategy – Water Security

Department of Prime Minister and Cabinet (DPMC)

- Critical infrastructure risk assessment – includes water for irrigation infrastructure

Te Puni Kōkiri

- Cadet programme related to supporting Māori in irrigation skills training

Te Pukenga and Workforce Development Councils

- Restructure of rural skills-based training delivery and competency standards including irrigation

Department of Internal Affairs

- Water Services Reforms

Taumata Arowai

- Drinking water regulations and acceptable solutions for small rural communities

BOARD FINANCE COMMITTEE REPORT

Andrew Rodwell



The 2023 financial year saw revenue for IrrigationNZ of \$1.2M very similar to 2022, but expenses rising by \$43K (4%). The resulting \$31K surplus was slightly down on budget due to the timing of some revenue (coming in after year-end). This is a pleasing result given the significant inflationary conditions organisations found themselves operating in. IrrigationNZ does have a policy of running small surpluses, to slowly build a cash buffer to where we have cover for around six months of operating costs. This deliberate approach by the Board is to ensure a level of resilience that allows IrrigationNZ to pursue its strategy with a measure of freedom and confidence.

Income from Membership fees represents 50% of revenues, while Course and Workshop fees represent 27%. This income is used primarily to advance two of IrrigationNZ's core strategic objectives – advocacy and training.

In line with our Treasury Policy, IrrigationNZ placed \$180K of surplus cash into a bank Term Deposit at 5.75%. Receivables at the close of the year declined by nearly 50% on last year. This is a pleasing continuation of a trend we have seen over the past couple of years and reflects the strong focus taken to collecting cash as it falls due.

While, as an incorporated society, IrrigationNZ is not obligated to have its financial statements audited, it chose to have the 2023 accounts formally reviewed to identify any gaps in its financial management controls or systems or approach to accounting. The resulting report (included in this Annual Report) does (as many audit reports do) identify a couple of areas where the accounting treatment of certain expenditures could be improved and we have resolved to do so, but at its core, the review provides the Board and members with confidence in the overall stewardship of reporting and funds management.

On that basis, the Finance Committee was comfortable in recommending to the Board that they adopt the Annual Financial Statements for the year to 30 June 2023.

Looking forward – the budget for 2024 largely mirrors 2023, with income of \$1.24M, expenses of \$1.12M, and a projected surplus of \$34K. We are confident that the strong programme of work planned for the year can be delivered at this cost, despite the ongoing, relatively high inflationary environment. This budget has allowed us to hold fees at the same level, a positive given a good deal of what we do is ultimately funded by the farming community, which is facing several challenges at this time.

Andrew Rodwell
Convener, Board Finance Committee



IRRIGATION
NEW ZEALAND
WATER | FOOD | FIBRE | LIFE

IRRIGATION NEW ZEALAND INC.

Annual Report – Finance Report

As at 30 June 2023

Prepared by MTM Accounting Limited.



Organisation Information

Irrigation New Zealand Inc. For the year ended 30 June 2023

Nature of Business

To provide leadership and support to the stakeholders of the irrigation industry that will promote and facilitate best practice to ensure the sustainability and reliability of water resources in New Zealand.

IRD Number

043 219 707

Chief Executive

Vanessa Winning

Board Members

Keri Johnston (Chair)

Jared Ross

Andrew Rodwell

Andrew Barton

Emma Crutchley

Mark Pizey

Address

PO Box 8014

Wellington 6140

Chartered Accountants

MTM Accounting Limited

PO Box 24-442

Wellington 6142

Bankers

ANZ Bank NZ Limited

Solicitors

Anderson Lloyd

Christchurch

Approval of Financial Report

Irrigation New Zealand Inc. For the year ended 30 June 2023

The Chairperson is pleased to present the approved financial report including the historical financial statements of Irrigation New Zealand Inc. for year ended 30 June 2023.

APPROVED

For and on behalf of the Board



Keri Johnston

Chairperson

Date 15 November 2023



Vanessa Winning

Chief Executive Officer

Date 15 November 2023

Statement of Financial Performance

Irrigation New Zealand Inc. For the year ended 30 June 2023

	2023	2022
Income		
Advertising	58,275	68,655
Course / Workshop Fees	335,058	299,935
Government	9,600	33,600
Grants	81,950	35,000
INZ Project Contributions	-	2,221
INZ Project Management	18,296	38,687
Irrigator	90,537	91,862
Other	-	75
Other INZ	4,177	7,117
Reimbursements	1,618	2,534
Research & Industry	13,200	15,400
Retiree	160	320
Schemes & User Groups (Optg)	528,424	522,728
Schemes Developing <2000 ha	1,600	1,600
Schemes Developing >2000 ha	800	-
Service Industries <5 Staff	23,200	28,000
Service Industries >5 Staff	62,400	64,400
Service Industry - Individual	6,400	6,400
Sponsorship	10,086	39,130
Total Income	1,245,780	1,257,663
Cost of Sales		
Advocacy - Expenses	8	657
Relocation Costs	1,222	1,440
Total Cost of Sales	1,230	2,097
Gross Profit	1,244,550	1,255,566
Other Income		
Interest Current Savings	5,908	537
Total Other Income	5,908	537
Expenses		
Interest Expense	1,323	5
Loss on Disposal of Assets	648	5,769
Rental and Lease Payments	-	-
Repairs and Maintenance	8,650	8,679
Directors, trustees and related party fees	24,000	23,160
Travel and Accommodation	14,921	4,560
Wages and Salaries	170	-
ACC	-	1,399
Accountancy	16,800	16,800

These financial statements have been prepared without conducting an audit engagement and should be read in conjunction with the attached Review Report.

	2023	2022
Accountancy - Special	2,500	-
Advertising - Training	-	43
Advertising and Sponsorship	3,565	176
Bad Debt	2,400	-
Bank Fees	1,417	1,828
Catering	4,567	2,291
Catering - Training	984	16,634
Computer Expenses	982	833
Consultants	98,886	116,183
Consultants - Training	140,018	84,959
Depreciation	5,646	5,289
Eftpos Fees	109	186
Equipment - Training	490	1,717
Equipment Hire	1,132	1,104
General - Training	3,017	21,964
General Expenses	434	187
Health & Safety	77	1,076
Insurance	9,429	2,556
INZ Project Management	-	14,490
Legal	-	8,023
License Fees	35,082	32,170
Loan Fee	35	-
Marketing	-	382
Media	11,887	10,426
Non-deductible expenses	-	238
Postage - Training	220	-
Postage, Courier	26,439	20,856
Printing and Graphics	58,365	52,787
Professional Development	9,111	1,894
Project Contributions	1,217	2,200
Recruitment	630	470
Rent	14,438	15,750
Salaries	650,270	638,599
Sponsorship	9,606	-
Staff Expenses	4,409	2,505
Stationery	32	226
Subscriptions	6,914	6,945
Systems Support	6,436	7,560
Telephone & Internet	4,468	5,210
Travel & Accom - Training	4,868	11,144
Travel & Accommodation	28,183	13,650
Uniform	517	-
Vehicle Lease	-	8,178
Venue Hire	174	1,708

These financial statements have been prepared without conducting an audit engagement and should be read in conjunction with the attached Review Report.

	2023	2022
Venue Hire - Training	3,340	3,150
Total Expenses	1,218,806	1,175,959
Net Profit (Loss)	31,652	80,144
Taxation and Adjustments		
Non Deductible Expenses		
Penalties	6	-
Total Non Deductible Expenses	6	-
Total Taxation and Adjustments	6	-
Net Profit (Loss) for the Year	31,647	80,144

These financial statements have been prepared without conducting an audit engagement and should be read in conjunction with the attached Review Report.

Statement of Changes in Equity

Irrigation New Zealand Inc. For the year ended 30 June 2023

	2023	2022
Equity		
Opening Balance	227,733	190,383
Increases		
Profit for the Period	31,647	80,144
Retained Earnings	-	22,871
Prior period adjustments	-	(37,045)
Other Increases	-	(28,621)
Total Increases	31,647	37,349
Total Equity	259,379	227,733

These financial statements have been prepared without conducting an audit engagement and should be read in conjunction with the attached Review Report.

Statement of Financial Position

Irrigation New Zealand Inc. As at 30 June 2023

30 JUN 2023 30 JUN 2022

Assets

Current Assets

Cash and Bank

ANZ - Beck & Call	26	26
ANZ - Wage Subsidy Account	-	1
ANZ Call Account	325,224	415,371
ANZ Conference Account	2	15,714
Total Cash and Bank	325,252	431,112

Accounts Receivable	34,341	67,036
Expenses Paid in Advance	44,115	7,416
Total Current Assets	403,709	505,564

Non-Current Assets

Property Plant & Equipment	6,820	8,938
Total Non-Current Assets	6,820	8,938

Total Assets	410,529	514,502
---------------------	----------------	----------------

Liabilities

Current Liabilities

Credit Cards Payable	3,496	5,948
----------------------	-------	-------

Accounts payable and accruals

Accounts Payable	80,607	120,215
Accrued expenses	67,046	55,106
Total Accounts payable and accruals	147,653	175,321

Income in Advance	-	105,500
Total Current Liabilities	151,150	286,769

Total Liabilities	151,150	286,769
--------------------------	----------------	----------------

Net Assets	259,379	227,733
-------------------	----------------	----------------

Equity

Retained Earnings	259,379	227,733
Total Equity	259,379	227,733

These financial statements have been prepared without conducting an audit engagement and should be read in conjunction with the attached Review Report.

Schedule of Fixed Assets & Depreciation

Irrigation New Zealand Inc. For the year ended 30 June 2023

NAME	PURCHASED	DISPOSED	COST	RATE	METHOD
Leasehold Improvements					
Signage	1 Apr 2015	11 Apr 2023	1,422	30.00%	DV
Total Leasehold Improvements			1,422		
Other Assets					
Learning Management System (balance)	14 Mar 2019		6,667	50.00%	DV
Learning Management System (deposit)	30 Jun 2018		3,333	50.00%	DV
Total Other Assets			10,000		
Plant & Equipment					
02 Sep 2022 Cost Name: HP PROBOOK 450 G9 15.6" TOUCH T20220902.0025 ActiveTech Time and Materials Cost Description: CPU Family: Intel Core i7 Memory Size: 16GB Screen Size: 15.6 inches Touch SSD Capacity: 512 GB GPU Model: Integrated Graphics Operating Sy	30 Sep 2022		1,999	50.00%	DV
14 Jun 2022 Cost Name: HP PROBOOK 650 G8 15.6" TOUCH T20220614.0023 ActiveTech Time and Materials Cost Description: -Intel Core i5-1135G7 Quad-Core Processor -15.6" Wide LED Full High Definition 1920X1080 250 Nit Antiglare Touchscreen -Intel Iris Xe Share	30 Jun 2022		1,620	50.00%	DV
Boardroom Table & Chairs	1 Mar 2011		562	13.00%	DV
Data Projector	1 Apr 2005	11 Apr 2023	2,311	0.00%	DV
Dell Laptop 35.6" (Stephen)	7 Mar 2022		1,469	50.00%	DV
eMG80 Phone System	1 Feb 2015	11 Apr 2023	4,672	30.00%	DV
Epson Projector	1 Oct 2017		781	40.00%	DV
Go Pro Hero 5 Camera	1 Apr 2018	11 Apr 2023	956	67.00%	DV
HP PROBOOK 440 G9 14" TOUCH	30 Nov 2022		2,177	50.00%	DV
HP PROBOOK 650 G8 15.6" TOUCH T20220518.0032 ActiveTech Time and Materials Cost Description: -Intel Core i5-1135G7 Quad-Core Processor-15.6" Wide LED Full High Definition 1920X1080 250 Nit Antiglare Touchscreen-Intel Iris Xe Share	31 May 2022		1,650	50.00%	DV
iPhone XR 64GB - Blue	6 Mar 2019	11 Apr 2023	1,217	67.00%	DV
Lenovo Business Laptop	6 Aug 2021		1,282	50.00%	DV
Magazine Stand and Cover	1 Jan 2013	11 Apr 2023	902	20.00%	DV
Meeting Table x2, Bookcase x3	1 Mar 2014		513	13.00%	DV
Member Management System & Website	1 Jun 2018		60,026	60.00%	DV
Microsoft Surface Book 2 (Steve's) and dock	21 Jan 2020		3,577	67.00%	DV
Microsoft Surface Pro 4	1 Feb 2017		2,333	50.00%	DV
Samsung 48" TV	1 Mar 2015	11 Apr 2023	690	40.00%	DV
Specturm Chair	1 Mar 2015		501	16.00%	DV
Whiteboard Presenter E7	1 Sep 2013	11 Apr 2023	551	40.00%	DV
Total Plant & Equipment			89,788		
Total			101,210		

These financial statements have been prepared without conducting an audit engagement and should be read in conjunction with the attached Review Report.

OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	PRIVATE USE AMOUNT
108	-	108	-	-	-	-
108	-	108	-	-	-	-
694	-	-	347	6,320	347	-
347	-	-	174	3,159	174	-
1,042	-	-	521	9,479	521	-
-	1,999	-	833	833	1,166	-
1,553	-	-	776	844	776	-
117	-	-	15	460	102	-
28	-	28	-	-	-	-
1,224	-	-	612	857	612	-
337	-	337	-	-	-	-
71	-	-	28	738	43	-
9	-	9	-	-	-	-
-	2,177	-	635	635	1,542	-
1,513	-	-	756	894	756	-
34	-	34	-	-	-	-
694	-	-	347	935	347	-
109	-	109	-	-	-	-
161	-	-	21	373	140	-
1,460	-	-	876	59,442	584	-
259	-	-	174	3,491	85	-
58	-	-	29	2,304	29	-
17	-	17	-	-	-	-
140	-	-	22	383	118	-
6	-	6	-	-	-	-
7,789	4,176	540	5,125	72,190	6,300	-
8,939	4,176	648	5,646	81,669	6,821	-

These financial statements have been prepared without conducting an audit engagement and should be read in conjunction with the attached Review Report.

Revenue Received in Advance

Irrigation New Zealand Inc.
For the year ended 30 June 2023

	2023	2022
Revenue received in advance		
Income in Advance	-	105,500
Grants received in advance		
Fertigation	-	4,548
NIWA	-	-
Ruataniwha User Group	-	8,640
Fish Screens	-	1,211
Total Grants received in advance	-	14,400
Total Revenue received in advance	-	119,900

Notes to the Financial Statements

Irrigation New Zealand Inc. For the year ended 30 June 2023

1. Reporting Entity

Irrigation New Zealand Inc. is an Incorporated Society registered under the Incorporated Societies Act 2022.

2. Statement of Accounting Policies

Basis of Preparation

This financial report is a special purpose report to explain the Society's financial performance and financial position to the Members of the Association. It is based on accounting principles commonly used in New Zealand as detailed below.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the Society and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Sponsorship, fundraising and other similar revenue

Sponsorship is recognised as revenue upon receipt.

Grant revenue includes grants given by charitable organisations philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to income as the conditions are fulfilled.

Revenue from providing goods and services

The Society receives revenue from membership subscriptions and conferences. Revenue is recognised in the period the goods and services are provided.

Interest revenue

Interest revenue is recognised as it accrues.

Bank accounts & cash

Bank accounts & cash are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts Receivable

Accounts receivable are recognised initially at cost, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectible are written off in the period that they are identified.

Property Plant & Equipment

Items of property plant & equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life.

Account	Method	Rate
Leasehold improvements	Diminishing value	30%
Other Assets	Diminishing value	50%
Plant & Equipment	Diminishing value	13%-67%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embedded in the asset.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gains or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable.

Income Tax

Income Tax expense charged to the Statement of Financial Performance recognises the current obligations and all amounts arising from differences between the accounting results and assessable income for the period, calculated using the liability method.

Investments

Investments are carried at the lower of cost and net realisable value. Where in the Executive Committees opinion there has been a permanent reduction in the value of the investments this has been brought to account in the current period.

Operating Leases

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

3. Audit

These financial statements have not been audited.

4. Contingent Liabilities

At balance date there are no known contingent liabilities (2022:\$0). Irrigation New Zealand Inc. has not granted any securities in respect of liabilities payable by any other party.

5. Related Party Transactions

There were no related party transactions during the year except for Directors' fees paid in the ordinary course of business.

6. Changes in accounting policies

The Society formerly accounted for leave liability when paid consistent with its payroll filings. To provide more complete and comprehensive information about amounts owed to staff, it is now including all amounts owed to employees at the end of the financial year. In future years, these amounts will continue to be reported on a consistent basis.

The changes affect salaries and are in the amounts as shown below:

	2023	2022	Prior
Accrued expenditure	\$11,940	\$18,062	\$37,044

	2023	2022
7. Credit cards payable		
ANZ Visa - Vanessa Winning	1,285	3,285
ANZ Visa - Keri Johnston	550	21
ANZ Visa Stephen	339	395
ANZ Visa - Lynn Lawrence	725	1,819
ANZ Visa - E Stokes	506	173
ANZ Visa - J Wallace	91	255
Total Credit cards payable	3,496	5,948
	2023	2022

8. Accounts Payable & accruals

Accounts Payable		
Trade Creditors	52,842	61,783
Other Accounts Payable	2,875	-
GST	(2,078)	24,511
PAYE Tax Payable	18,043	17,627
Wages (Payable)	-	2,010
Grant Received in Advance(Projects)	-	14,400
Advance - INZ Accreditation (21650)	(116)	(116)
Financial Synergy - Insurance premium funding	9,041	-
Total Accounts Payable	80,607	120,215
Accrued expenses		
Accrued Leave	46,155	36,413
Accrued wages payable	20,891	18,693
Total Accrued expenses	67,046	55,106
Total Accounts Payable & accruals	147,653	175,321

9. Taxation

	2023	2022
Net Profit (Loss) Before Tax	30,106	77,084
Additions to Taxable Profit		
Non-deductible expenses as calculated	-	95,146
Penalties	6	-
Total Additions to Taxable Profit	6	95,146
Deductions from Taxable Profit		
INZ Project Management	18,296	38,687
Subscriptions	-	-
Losses Brought Forward	871,144	969,349
Total Deductions from Taxable Profit	889,440	1,008,036
Taxable Profit (Loss)	(859,328)	(835,806)
Tax Payable at 33%	-	-
Deductions from Tax Payable		
Dividend Imputation Credits	-	-
Resident Withholding Tax Paid	1,950	181
Provisional Tax Paid	180	-
Total Deductions from Tax Payable	2,130	181
Income Tax Payable (Refund Due)	(2,130)	(181)

10. Events After the balance date

The financial statements have been prepared based upon conditions that existed at 30 June 2023 and considering those events occurring subsequent to that date. The Board has considered the impact of the Covid-19 pandemic and has determined that no adjustments be made to the financial statements. The Board does not foresee any issues affecting the going concern assumption.

The Board will continue to monitor the impact of Covid-19 on the Society but at the date of signing this report the Board does not believe the Society has been or will be adversely financially affected by the pandemic.

There are no other significant events after the balance date.

11. Ability to Continue Operating

Having regards to projections for the forthcoming financial year, the Board believes the entity will continue to operate for the foreseeable future.

12. Commitments

The Society leases its operating premises under an operating lease with no right to purchase or retain the premises. The financial commitment under this lease totals to \$24,552 in 2024 and \$29,463 for the next two years.

Independent Assurance Practitioner's Review Report

Irrigation New Zealand Incorporated
For the year ended 30 June 2023

To the Members of the Irrigation New Zealand Incorporated.

Report on the Financial Statements

We have reviewed the accompanying financial statements of the Irrigation New Zealand Incorporated ("the Society"), which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Responsibility of the Board for the Financial Statements

The Board is responsible on behalf of the entity for;

(a) the preparation and fair presentation of the Financial Statements which comprises the statement of financial performance, statement of financial position, statement of changes in equity, statement of accounting policies and notes to the Financial Statements

in accordance with the special purpose framework chosen to explain the Society's financial performance and financial position to the members of the Society based on accounting principles commonly used in New Zealand, and

(b) for such internal control as the Board determines is necessary to enable the preparation of the Financial Statements that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on the Financial Statements.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, the Society.

Emphasis of Matter

The financial statements are prepared in accordance with a special purpose framework for the purpose of reporting to members and, as a result, the financial statements may not be suitable for another purpose.

Other Matter

The financial statements of the Society for the year ended 30 June 2022 were not subject to review.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects the financial position of the Irrigation New Zealand Incorporated as at 30 June 2023 and its financial performance, and cash flows for the year then ended in accordance with the special purpose framework chosen to explain the Society's financial performance and financial position to the members of the Society based on accounting principles commonly used in New Zealand.

Restriction on use of our report

This report on the financial statements is made solely to the Board. Our limited assurance work has been undertaken so that we might state to the Board those matters which we are required to state to them in an independent assurance practitioner's review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board, for our limited assurance work, for this report or for the conclusion we have formed.



DJ Turner CPA
DJ Turner & Associates
17th November 2023
Wairarapa, NZ



