

# ANNUAL REPORT 2021



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# INTRODUCTION

Welcome to the Annual Report of Water Partners (Aust) Ltd (Water Partners).

While 2020-21 was hampered somewhat by Covid lockdowns and travel restrictions, our core activities have revolved around supporting our members and traders through our signature products and services, education, and delivering transparent, market driven platforms.

Water Partners continued to work towards expansion into the Lower Murray and Southern NSW, working with a diverse range of industries, networks, and peak bodies. A greater presence in the Sunraysia region, along with development of improved NSW trading access, has shown results and the further opportunities for growth in these regions. Previous activities in the Tasmanian market have been halted to concentrate on developing regions closer to home.

Staying true to our constitution, Water Partners has a commitment to listen to its members and the market and are always looking at how to make improvements or provide services for their benefit. This was evident when shortfalls were identified in the way Permanent Sales and Carryover trades were conducted in the market and the effect this had on pricing. To address these issues, Water Partners developed and launched two new innovative Traderoom platforms in the past year: the Permanent Traderoom and the Carryover Traderoom.

The company has built a strong financial base that allows the business to meet the Objectives prescribed in the Water Partners Constitution.

Significant achievements for the year include; -

- Permanent Traderoom
- Carryover Traderoom
- Partnership with Irrigated Cropping Council
- Repatriation of Waterpool Trading Ltd. memberships

The Water Partners business model has continued to provide a sound base, with the ability to adapt to new opportunities through innovation, technology, knowledge, and its people. Staff have capably evolved to provide services from any location and have proven their resilience throughout the pandemic. During periods where the office was closed, customer service levels and engagement continued with a focus of delivering as close to normal services as possible.



## MISSION

Water Partners (Aust) Ltd is committed to facilitating water products and services in a transparent, reliable, and easily accessible manner; supported by personalised customer service and integrity, while benefiting the community.

## VISION

Water Partners (Aust) Ltd will be recognised as a preferred and respected organisation that values people, community, the environment and the importance water has on their lives.

## VALUES

### COMMUNICATION

We communicate to build relationships.

We take the time to listen to our customers and team members and better understand their needs.

We will consistently communicate in a clear, concise, and easy to understand manner.

### ACCOUNTABILITY

We take ownership, deliver on our commitments (promises), are answerable to our actions and stand behind our decisions.

### INTEGRITY

We are open, honest, trustworthy, and reliable and do what we say.

We make decisions based on evidence and procedural fairness.

### KNOWLEDGE

Our people will have the skills and experience to work with you to achieve results and outcomes.

### TRANSPARENCY

We are open about our actions and processes and will provide customers with clear information that is easy to access.

We understand and consider the views of our customers and team members.

# GOVERNANCE

The Board of Directors have provided governance of Water Partners (Aust) Ltd. Director profiles are contained within the financial reporting.

## Directors



**Peter Fitzgerald**  
Chairperson



**Paul Weller**  
Director



**Peter Mulcahy**  
Director  
(Retired 23/11/20)



**Margot Henty**  
Director



**Stephen Hanlon**  
Independent  
Director



**Louis Chirnside**  
Director



**Isabella Villani**  
Independent  
Director



**Liz Mann**  
Director  
(Appointed 23/11/20)



**Shareena Pearce**  
Company Secretary

# STAFF

The dedicated Water Partners staff are part of our success and our most valuable assets.

Name	Position	
<b>Peter Lawford</b>	CEO	Resigned 28/04/2021
<b>Donna Mulcahy</b>	Commercial Manager Acting General Manager	Until 23/04/2021 23/03/2021 – 30/06/2021
<b>Robert Andrews</b>	Client Liaison Specialist	Goulburn Valley & Southern NSW
<b>Heather Henderson</b>	Client Liaison Specialist	Campaspe & Gannawarra regions
<b>Lawrence Cameron</b>	Client Liaison Specialist	Boort region Commenced August 2020-Part time
<b>Kym Ray</b>	Senior Administration Officer	
<b>Karen Boyd</b>	Permanent Trade Officer	Part time
<b>Alessandra Petrie</b>	Business Development Officer	
<b>Christie Ciavarella</b>	Allocation Trade Officer	



## **Lawrence Cameron** – Customer Liaison Specialist

Lawrence joined Waterpool in August 2020 bringing his vast experience from Goulburn Murray Water and intimate knowledge of his local area.

Lawrence is currently covering the Boort and surrounding areas where he provides personalised service to irrigators to assist them with their water management and usage options.

# CHAIRMAN'S REPORT

The financial year ending 30 June 2021, has continued to be challenging but rewarding in these unprecedented times.

This has been our second year operating under our new company name and structure, Water Partners (Aust) Ltd, reporting to the Australian Charities & Not for Profit Commission, ACNC. We are the only Australian owned member-based water trading company. This unique ownership allows for continued water services to be delivered to the community in perpetuity.

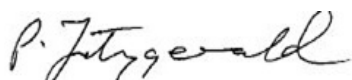
Reflecting on last financial year we found that allocation water prices dropped to an average of \$143/megalitre over 75,1175 megalitres from the extreme highs of \$496/megalitre (Ave) in 2019/20. We continued to perform well in servicing our members with other water services which helped us post a net profit of \$168,403 increasing the net equity to \$947,629. This was achieved by the hard work and dedication of our fantastic staff who had to work at home for a large part of the year amongst home schooling children and sometimes other stressful circumstances. All the directors express our deepest appreciation for the extreme effort the staff put in to servicing our members and supporting each other.

Throughout the year we have been proactive in growing the business into diverse agricultural regions, particularly citrus, almonds, table grapes horticulture and viticulture. We have continued our supportive relationships with dairy discussion groups and irrigated cropping groups. We have continued to deliver on our core value of market transparency with our new permanent water share trade room where sellers & buyers can list their water shares on the platform with their price attached. There is, like the Allocation Traderoom, a complete list of all permanent Water Share sales listed for the year, emphasising transparency. We created history in water trading by establishing the very first Carryover matching platform with those with parking space and those wanting parking on low or high-water shares to list their volumes and prices in our continuing transparent manner.

The Board was pleased to promote Donna Mulcahy to the position of General Manager following the resignation of our inaugural CEO, Peter Lawford. Peter had been with Waterpool/Water Partners since inception bringing a wealth of knowledge and was instrumental in our business development.

We welcomed our new director, Liz Mann, to the Board and alongside all the directors has contributed to the exceptional governance responsibilities that go towards guiding the company through challenges and rewards. I take this opportunity in my last Chairman's report to thank my fellow directors and those who have served in the past for their incredible support in allowing my time within the company to be such a rewarding experience. Our company/Board secretary and Finance committee member, Shareena Pearce brings a wealth of experience to her role and is a valued member of our team.

Agriculture is performing well in current times, farmers are always planning and investing for the future, as we are at Water Partners (Aust) Ltd.



Peter Fitzgerald  
Chairman

## SEASON HIGHLIGHTS

Seasonal conditions continue to be the most significant influencing factor on water trading activities and the 2020/21 irrigation season was no different. Weighted average price of allocation was \$143 (based on all Waterpool Allocation trade activity) versus \$496 in the 2019/20 season.

The provision of Personalised Service to our Members continues to be successful. By providing education on water entitlements, portfolio management and trading assistance Water Partners is growing its member base and ensuring current Members are kept abreast of all things water. Water Partners is involved in the management of several water entitlements and leases on behalf of Members.

Water Partners maintains tendered appointment on Water Broker Panels for several Bulk Entitlement Holders.

## MEMBERSHIP

Water Partners has the following membership:

<u>Member Types</u>	<u>2020</u>	<u>2021</u>
Members	1496	<b>1,661</b>
Active traders	700	<b>741</b>
<b>Total</b>	<b>2,196</b>	<b>2,402</b>

Water Partners is member based however, membership is now free and optional as traders are no longer required to join to be able to trade with Water Partners.

As a part of the evolution to Water Partners (Aust) Ltd, membership funds collected by Waterpool Trading Limited were repatriated back to members in the latter part of 2020.

## PRODUCTS & SERVICES

### Allocation

Water Partners traded Allocation through both the Pooled Exchange and the Traderoom. The Pool provides the vital market price indicators in a transparent environment. The Traderoom has become the key tool for traders, with its instant trade matching and quick transfer of water. The link between the Traderoom and the Pool further enhances public price disclosure.

Water Partners traded volume of allocation in 2020/21 increased by 56% over the previous year due to lower allocation prices. The total volume traded was 75,117 ML at a Weighted Average Price of \$143 per ML

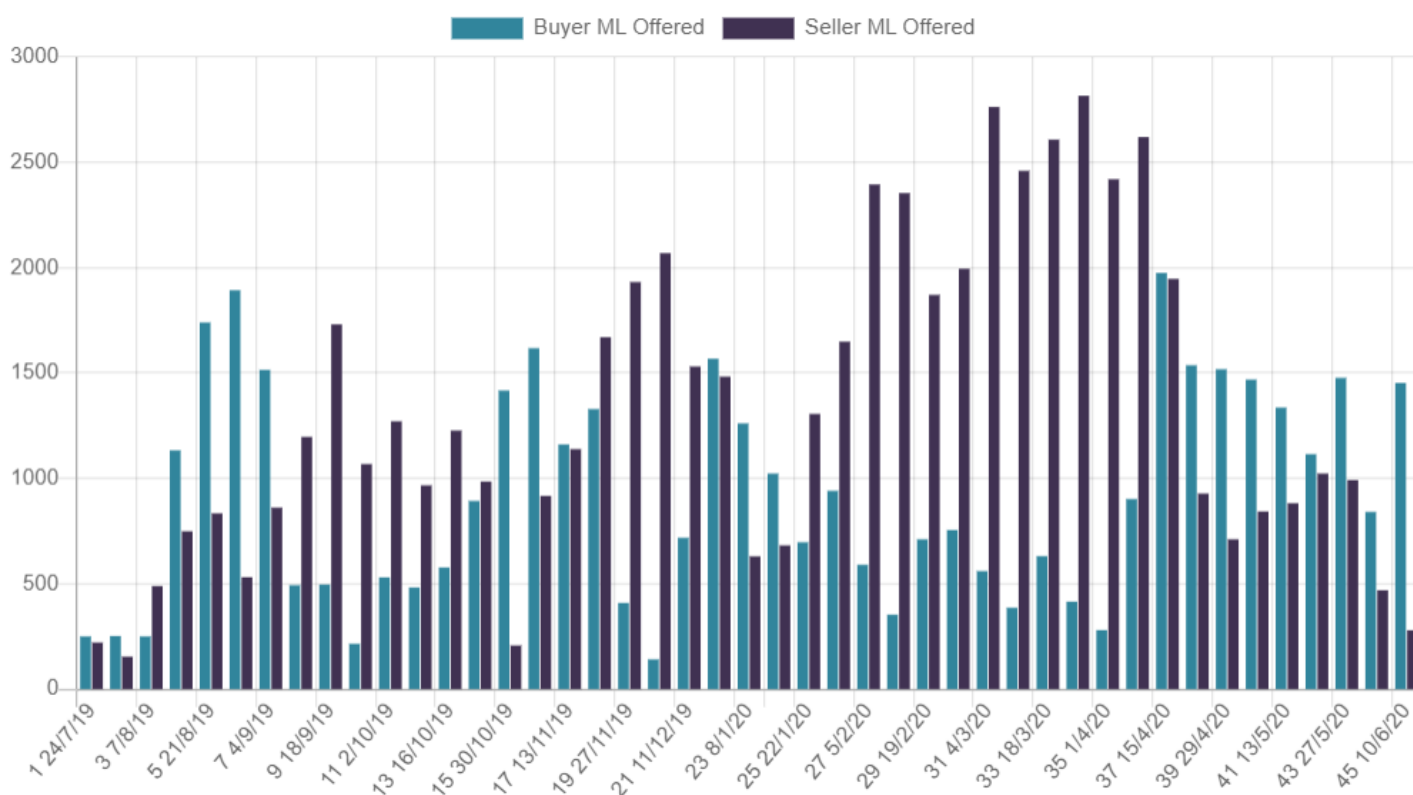


Total Allocation Trade 2020/2021:

**Total Actual**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
<b>2020</b>	Total ML	647	4,717	2,283	3,863	2,502	2,635	6,799	4,427	2,776	5,061	3,154	3,310	42,173
	Total Trades	14	103	87	136	104	89	142	128	115	98	64	61	1,141
	Avg Price	\$596	\$547	\$588	\$572	\$636	\$595	\$676	\$578	\$465	\$283	\$213	\$199	\$496
<b>2021</b>	Total ML	1,244	3,569	4,942	6,378	6,637	6,077	10,824	9,693	6,826	5,229	5,970	7,728	75,117
	Total Trades	21	48	62	79	98	86	103	111	89	104	85	104	990
	Avg Price	\$254	\$210	\$217	\$140	\$143	\$146	\$125	\$100	\$94	\$83	\$99	\$101	\$143

Trader Demand



Permanent Trade

Permanent Trade pricing, in particular Wet Trades, were being influenced by high allocation price attached to the trade, which in turn also began to impact dry trades. Water Partners responded by launching the live Permanent Traderoom in December 2020 allowing participants to list and match parcels at any time, while providing a history of sales and reference point on pricing. The unique feature of the Water Partners Permanent Traderoom is where the Water Share price is listed separately from the Allocation price allowing traders clarity and true price indicators.

The trade of Permanent Entitlements increased significantly in the 2020/2021 season.

Water Partners traded Water Share as follows:

High Reliability	Goulburn	Zone 6	Zone 7
Number of Trades	32	5	9
Volume	2384	966	539
Average price per ML	\$3,990	\$4,645	\$6,020

Low Reliability	Goulburn	Zone 6	Zone 7
Number of Trades	26	4	5
Volume	1490	335	233
Average price per ML	\$416	\$600	\$1,067

## Carryover Protection

Carryover Protection provides an excellent opportunity for irrigators to enter the new season with secured water. In the past, Carryover pricing was driven by word of mouth and in some zones through high speculative pricing. Water Partners resolved to provide a market driven platform where participants could buy and sell space in a live Traderoom. The Carryover Traderoom was launched in March 2021, provides a full history of trade and is available all year round.

Water Partners (Aust) Ltd carried over 10,144ML on behalf of Members into the 2021/22 season. Water Partners was able to achieve a significant market for irrigators when compared to the general market. More Members are utilizing HRWS as a carryover tool, particularly in the Goulburn Zones.

## Water Leasing

Water Partners was very active in arranging lease for both irrigators and investors in the 2020/21 season. Several former irrigators who have retained their water entitlements are using Water Partners to manage leasing on their behalf. Water Partners is currently managing 21,388 ML of leased entitlement on behalf of both private and corporate irrigators.

## GWM Water

Water Partners has the exclusive rights to trade water for the Grampians Wimmera Mallee Pipeline and completed 74 trades in 2020/21, which was a 37% decrease from the previous year. The exclusive trade rights have been transferred to Water Partners (Aust) Ltd as at 1 July 2019.

## Information

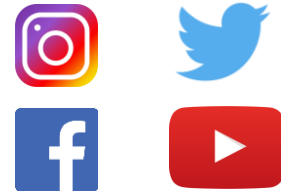
Information is a vital ingredient in assisting our members with their water trading decisions. Our knowledgeable staff continue to provide the irrigation community with the most up to date information on trade, entitlement management and the raft of products available to empower irrigators in their decision making.

# PROMOTIONAL ACTIVITY

The Water Partners business has been actively promoted through a number of channels.

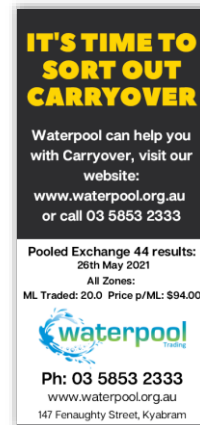
## Social Media

Activity across social media platforms is increasing rapidly. Water Partners hosted pages on Facebook, Twitter, Instagram and a YouTube channel with page views increasing at a steady rate and more Members getting involved in social media.



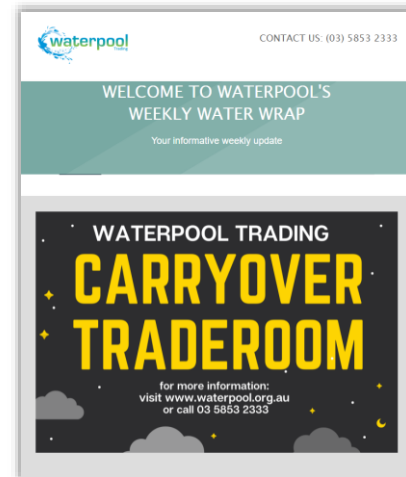
## Media

Water Partners continues to provide recent allocation trade results, including the Pooled Exchange results, on the back page of the Country News on a weekly basis.



## Newsletter

The data base list of recipients of Water Partners' Weekly Water Wrap continues to grow. The Wrap provides relevant and up to the minute information on water happenings which is a valuable tool for our customers. The Weekly Wrap is available to all members and traders.



## Website

The Water Partners website provides a wealth of information with everything from trade history to current topical water news. The website provides the portal to Water Partners' online trading facilities including trading terms and conditions. The site is also Mobile Phone friendly and includes links to resources.



## Field Days & Industry Meetings

The ongoing Covid-19 pandemic resulted in the cancellation of most field days and industry days.

### Mildura field days

One event that we could attend was the Mildura Field Days on 20<sup>th</sup> & 21<sup>st</sup> May 2021. It was held under Covid safe conditions and was well attended over both days resulting in new relationships and spreading the Waterpool brand.



### Rural Press Club webinar- Water unplugged

July 2020, Waterpool was invited to participate in the webinar streamed live.



Rural Press Club of Victoria webinar - 'Water Unplugged - lifting the lid on Australia's water market'

The 'Water Unplugged' theme of lifting the lid on Australia's Water Market was moderated by ABC Rurals's Kath Sullivan and featured Peter Lawford, Geoff Akers, Craig Reynolds, and Chris Olszak from Aither.

## Sponsorships

Water Partners is proud to sponsor and support many local groups and events, some of which include:



# OUR PARTNERS

Water Partners (Aust) Ltd is proud to be a corporate partner of Citrus Australia and Irrigated Cropping Council supporting its irrigator members through education, service and up to date market knowledge.



Our second year partnering with Citrus Australia was again impacted by Covid however, the Water Partners team was able to attend forums in Gol Gol and Griffiths along with regular input into e-newsletters, online groups and member events. Some of the main concerns for the citrus industry were the Covid border restrictions and farm worker shortages.



*Heather and Rob attended Citrus Grower Forums in Gol Gol and Griffiths facilitated by Citrus Australia.*

A new partnership with the Irrigated Cropping Council commenced in June 2021 bringing a further opportunity to support the irrigation community.



**Irrigated Cropping Council**  
*Promoting irrigated agriculture*

The Irrigated Cropping Council (ICC) is an independent research organisation committed to providing the latest research in irrigated grain production and connecting growers with local, state and national research and extension.

Collaborating with key research and extension organisations and funding bodies ensures growers across the region have access to the latest in grain production and management driving farm profitability and sustainability.

# THE COMMUNITY

## Pacing for Pink

Waterpool was a proud sponsor of the Pony Trot race at the Pacing for Pink race day held at the Shepparton Harness Racing Club in May 2021. This is a main event on the Victorian harness racing calendar raising funds for the McGrath Foundation.



## Kyabram Community & Learning Centre

Waterpool has long contributed to the community in conjunction with Kyabram Community & Learning Centre through donations to food drives, Xmas Hampers and toys for those families who are struggling in the community.



## H & G 55 Squat Challenge

Waterpool supported the Team at Hinchliffe & Greed Real Estate, Kyabram to raise funds for Breast Cancer research in their 55 Squat Challenge.

**55 SQUAT CHALLENGE**

55 squats. 31 days. 55 Australians diagnosed every day.

# THE FUTURE



Waterpool was named after the flagship product, the Pooled Exchange, which was the preferred platform during the early years and particularly well known in the local area. With growth into new regions and the trend towards instant trading models, the Waterpool brand does not translate well into new markets. We are often confused with a swimming pool company rather than a Water Exchange.

Given this and our advancement into partnering with a diverse range of industries and locations, there has been discussions about which trading name best describes how and why we operate, which lead into a natural progression to utilise the Water Partners name in a trading capacity.

Waterpool Trading will transition across to Water Partners in the new year however, the Waterpool name will not disappear completely. More details on this will be made available during the year.

Water Partners (Aust) Ltd will continue to provide the professional services and products expected by an ever discerning irrigation community. Strong growth plans are in place as the company strives to be the industry leading water exchange and will remain at the forefront of outstanding customer service with continued personalised engagement and product development.

The company will remain market leaders in providing open, transparent, and ethical trading models.

The new logos (below) have been modelled on the original Waterpool logo to retain the featured water swirl which has been updated and refined.

