



**ANNUAL
REPORT
2023/24**

Tasmanian Irrigation Pty Ltd

2023/24 Annual Report

Published October 2024

Tasmanian Irrigation Pty Ltd is a State-Owned Company, incorporated and operated in Australia

ABN 95 722 799 075

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Acknowledgement of Country

Lutruwita / Tasmania is the ancestral lands and home of the Palawa / Pakana people who lived with and moved across Country for generations - creating sophisticated networks of ancient pathways, connecting people with seasonal hunting grounds for kangaroo and emu.

These pathways often followed freshwater that carries and holds story and life through mountains, in rivers and to lakes as large as inland seas. Freshwater Country that was cultivated and managed by people with a deep connection to, and knowledge of place.

Tasmanian Irrigation acknowledges the Palawa / Pakana people and the Tasmanian Aboriginal Community who continue to care for Country across Lutruwita / Tasmania.

We understand the importance of preserving, celebrating and respecting the deep cultural connections that Aboriginal people have with this land, its seas and water. As we work on these lands, we are mindful of both the responsibility and the opportunity to create space for stories that connect with ancient landscapes, supporting Aboriginal people in realising their aspirations and maintaining their connection to Country.

Tasmanian Irrigation is committed to working thoughtfully and respectfully with Aboriginal communities to honour their enduring bond with Country.

Front page: South East irrigator Gavin Scurr checks his raspberry crop at Orierton



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Chair and CEO Report



Tasmanian Irrigation Chair Kate Vinot and Chief Executive Officer Andrew Kneebone

2023/24 was a year like no other for Tasmanian Irrigation.

The prolonged dry resulted in record demand for high-surety irrigation water across our 19 operational schemes.

An unprecedented 100,593 megalitres of water was delivered to Tasmanian farmers, enabling crops to be finished, pastures to prosper and livestock to reach target weights. This was a 177 per cent increase on the quantity of water delivered the previous year.

Without this game-changing water, landowners faced reduced yields, crop failure, selling off livestock and reduced revenue, which would have had a marked flow-on effect for Tasmania's economy.

There is no doubt that the irrigation infrastructure investment that has occurred in Tasmania over the past 15 years has underpinned substantial job creation, regional economic growth, commodity diversification, market supply reliability and on-farm drought proofing. These things create resilience in regional communities and support them to thrive and grow.

With public funding – 75 per cent of the capital cost of developing schemes – comes an expectation that the highest standards of care for people, assets and the environment are upheld. The cost of delivering compliance with those standards are borne to some extent by the irrigation schemes and the irrigators who have benefited from public investment.

As a State-Owned Company, we are proud to have the responsibility to design, develop, own and operate Tasmania's publicly owned irrigation schemes.

Our core commitment is to deliver irrigation water where and when it's needed in a cost effective, efficient and sustainable manner.

Sustainability includes building in environmental safeguards to the design and operation of schemes to protect ecosystems.

This year's development of the Tasmanian Irrigation 2035 Strategic Plan has provided a vital roadmap for the Company's next decade. It will guide a transition from a primary focus on developing and delivering irrigation projects to becoming a highly efficient and customer focused water delivery and operations business.

As Tasmanian Irrigation continues to evolve, the organisation is proactively seeking opportunities to ensure we continue to improve customer, contractor and stakeholder relationships, and environmental, social and financial self-sustainability.

There was much to celebrate in 2023/24, including delivering water from the Don Irrigation Scheme for the first time, zero Lost Time Injuries and all but one operational scheme opening on 100 per cent allocation.

However, the Company also faced a number of challenges. It has taken considerably longer than anticipated to gain *Environment Protection and Biodiversity Conservation Act* approval for the Northern Midlands Irrigation Scheme. The recent sign off by the Federal Government has enabled construction to start on this 25,500-megalitre project, which will deliver an increased, secure and sustainable water supply to Northern Midlands farmers. This will be the largest irrigation scheme in Tasmania in terms of investment and summer delivery capacity, and we thank farmers for their ongoing commitment to the project.

Along with farmers, we were disappointed there was no funding in the May Federal Budget for the Greater South East Irrigation Scheme (GSEIS). While the Tasmanian Government has committed funds for this 37,200-megalitre scheme, the project cannot progress until funding is secured from Canberra.

The GSEIS is designed to integrate the three existing south east irrigation schemes, meet demand for new water and address reliability and cost issues, and is expected to trigger about \$120 million of on-farm investment and boost the State's farm gate value by almost \$100 million.

Tasmanian Irrigation continues to support the State Government as it works to secure Federal Government funding for the construction of the project.

Despite significant work to raise awareness of the benefits of the proposed Tamar Irrigation Scheme, and two rounds of water sales, there is not sufficient farmer commitment to enable the design of a viable scheme.

While Tamar will not proceed as a stand-alone irrigation scheme, work continues to determine whether a combined irrigation and industrial water project is feasible. In collaboration with the Tasmanian Government, we are exploring whether the scheme would be viable with the potential incorporation of industrial water supply for the proposed hydrogen hub at Bell Bay.

The past year delivered many wins in ensuring a robust asset base that is fit for purpose for the full design life. The \$20 million augmentation of the Greater Meander Irrigation Scheme will enable an additional 10,500 megalitres of irrigation water to be delivered to this highly-productive region. The extension and upgrade of pipelines, pump stations and intake screens will be completed prior to the opening of the upcoming season.

Six solar arrays were installed at Tasmanian Irrigation pump station sites in 2023/24 as part of the Tasmanian Government's Energy on Farms Program, resulting in power usage cost savings being passed directly back to each Scheme. A further two solar arrays are scheduled to be completed before November 2024. A solar array is also under construction at Don, funded through the project allocation.

A \$3 million upgrade of the Lake Leake Dam has also been completed, extending the life of this important asset by an additional 100 years.

More than \$1.365 million was spent on asset renewals during this financial year, and a further \$433,000 on repairs and maintenance, helping to ensure that irrigation infrastructure continues to serve farming communities for the full 100-year design life.

During the year we also began work on implementing legislation passed late last year by the Tasmanian Parliament, which enables community management of publicly owned irrigation schemes, where appropriate and feasible. This work included consultation with our irrigators and key stakeholders to explain the implications

of the legislative changes, outline what powers and functions can and cannot be delegated, and introduce and seek input on draft documents that set out the process for irrigator groups to apply for delegation.

Tasmanian Irrigation supports community management of publicly owned irrigation schemes where it makes sense.

We are always looking for efficiencies in how we operate schemes, and if there's a more efficient way for irrigators to access the schemes, we support that.

The Company's net financial result for the 2023/24 financial year was a loss of \$474,206, after impairment of property, plant and equipment, the majority of which related to capital works for the Don Irrigation Scheme. The Water Delivery part of the Company made a profit largely due to additional proceeds from the delivery of general availability water. Administration costs were higher than budgeted due to inflationary pressures and increased spending on cybersecurity.

Tasmanian Irrigation has begun work on reducing the amount of unsold water that exists on operational schemes. Our intent is twofold: to ensure irrigators have access to all available water within an irrigation scheme; and to reduce the level of debt represented by unsold water on our balance sheet. Unsold water arises where schemes are designed to meet future needs, not just current demand. We expect to take new water products to market over the coming year.

Long range climate forecasts project warmer temperatures and less rainfall. The dry autumn and summer experienced in 2024 is an indication of the impact of an increasingly drying climate. In these conditions, we are reminded of the value of highly reliable irrigation water. Another dry spring and summer will be challenging for farmers, but Tasmanian Irrigation is well placed to support our farming customers through this period.

We extend our thanks to all Tasmanian Irrigation team members, our Shareholder Ministers, our Board Directors, our customers, contractors and other stakeholders for their ongoing commitment to, and passion for, irrigation in Tasmania.

Together we will continue to sustainably manage our water delivery and project development activity to secure Tasmania's agricultural prosperity and growth, by ensuring viable access to water.

Kate and Andrew

Our Story



Tasmanian Irrigation's 2035 Strategic Plan

Tasmanian Irrigation exists to secure Tasmania's agricultural prosperity and growth by ensuring access to irrigation water where and when it is needed.

We are a State-Owned Company that proudly designs, develops, owns and operates irrigation schemes that create jobs, grow the wealth of regional communities and deliver highly reliable irrigation water sustainably, cost effectively and efficiently.

Tasmanian Irrigation plays a critical role in assisting the Tasmanian Government to achieve its target of increasing the farmgate value of the State's agricultural sector to \$10 billion a year by 2050.

All our schemes are economically viable, environmentally sustainable, have strong community endorsement, are designed to last at least 100 years and deliver water at an average reliability of more than 95 per cent per annum.

Over the past five years, Tasmanian Irrigation has been on a journey from primarily being focused on developing and delivering irrigation scheme projects to becoming a highly efficient and customer focused water delivery / operations business.

Many of the foundations for our future already exist but there is a need for a comprehensive and focused strategy to help us map out our future path and guide us along the next piece of the road.

Our operating environment

There are significant challenges now and over the next decade for the agricultural sector and for Tasmanian Irrigation, but there is opportunity too.

Our core business is to help secure Tasmania's agricultural prosperity and growth by ensuring viable access to water where and when it's needed, mitigating one of the greatest areas of risk for Tasmania's agricultural businesses.

We do this through development of new irrigation schemes, and cost-effective management of operational schemes.

We continue to seek efficiencies across our Company, and irrigators benefit from the economies of scale achieved through management of the schemes at a portfolio level.

The Tasmanian Irrigation 2035 Strategic Plan sets out a transition path for the company into a future state where each line of business, and the organisation as a whole, is sustainable by any quadruple bottom line measure.

It also describes how we will bring our customers, stakeholders, suppliers and people with us on that journey.

This includes implementing the Tasmanian Government's policy to facilitate community management of publicly owned irrigation schemes, where feasible and appropriate.

"Crucially, the Strategic Plan has a strong focus on how we will meet or exceed the environmental and socio-economic expectations of investors and community."

***-Andrew Kneebone,
Chief Executive Officer***



Tasmanian Irrigation

2035 Strategic Plan

Our Vision...

Tasmanian Irrigation is seen as an essential and valued partner in sustainably growing Tasmania's agricultural sector and overall prosperity.

Our Purpose...

To secure Tasmania's agricultural prosperity and growth by ensuring viable access to water.

Our Values...

- Integrity
- Collaboration and Communication
- Safety and Wellbeing
- Innovation and Optimisation
- Sustainability



Engaged and Supportive Customers

Tasmanian Irrigation is regarded as a valued and trusted, customer-focused, self-sustaining and cost-efficient business.



Financially Self-sustaining

To establish a business model and lines of business that ensure financial sustainability into the future.



Strong Stakeholder Support

Tasmanian Irrigation is valued, and people see the value we add to their communities and to Tasmania.



Environmental and Social Sustainability

Tasmanian Irrigation will meet or exceed environmental and socio-economic expectations of investors and community.



Engaged and Aligned People and Suppliers

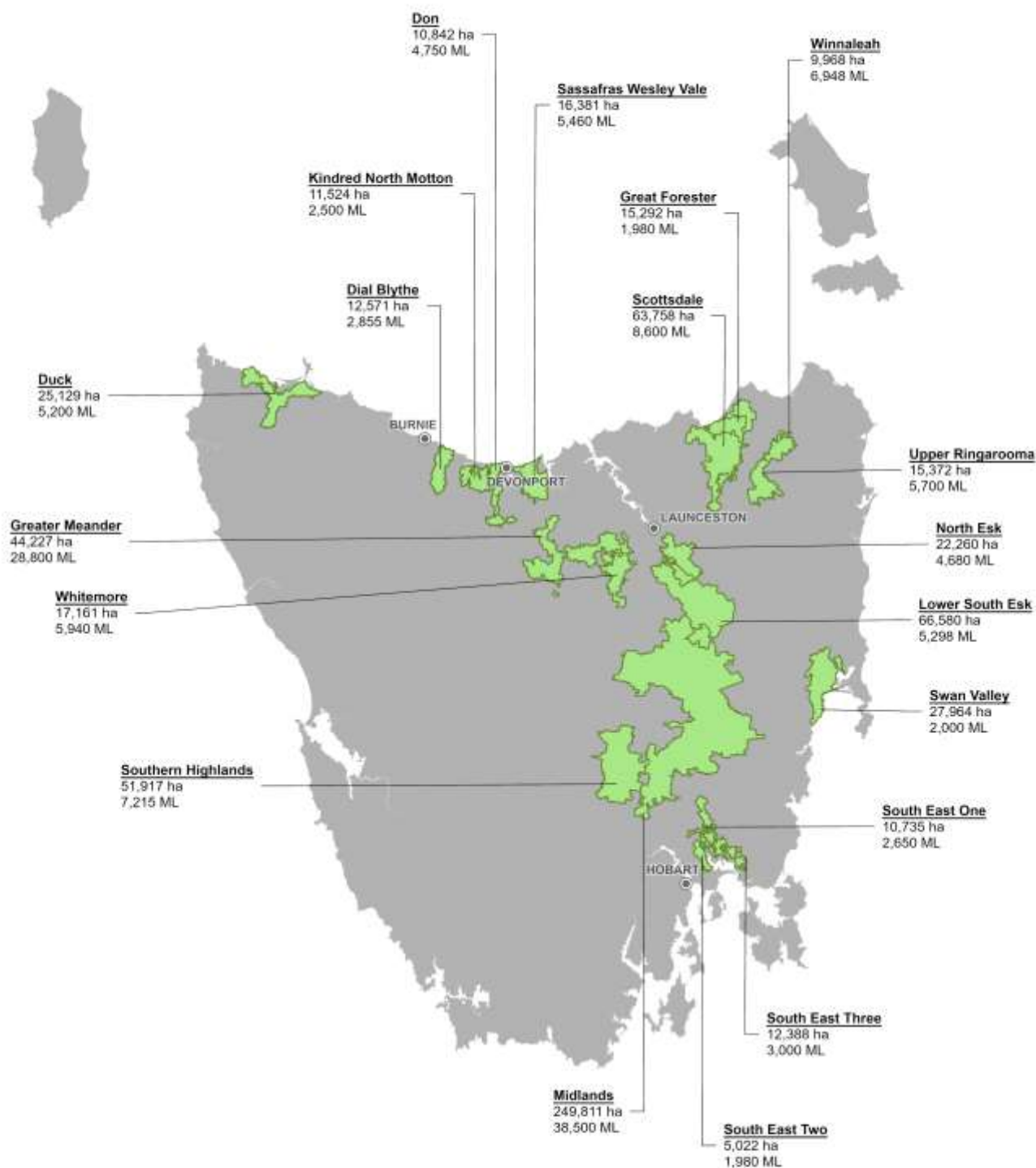
People and other businesses want to work for and with Tasmanian Irrigation.

Operational Irrigation Schemes



Tasmanian Irrigation owns and operates 19 irrigation schemes around the State

Area and capacity of each operational irrigation scheme

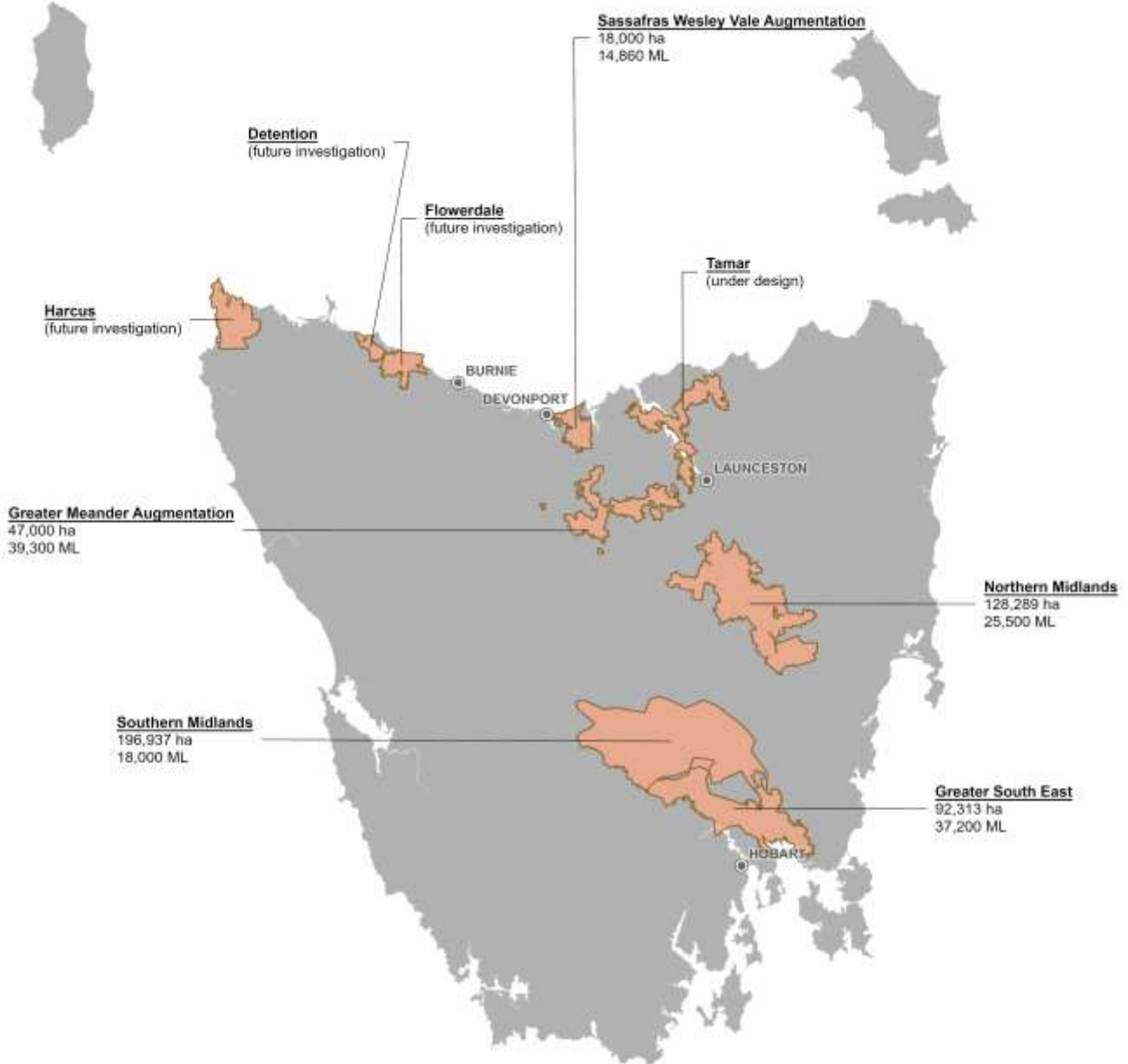




Proposed Irrigation Projects

There are nine projects in the Tranche Three program, with six being actively progressed

Area and capacity of each proposed irrigation project



Our Board



Mike Paine, Poppy Lyne, Laura McBain, Hugh McKenzie and Kate Vinot

Tasmanian Irrigation's Board consists of five independent Non-Executive Directors, appointed by the Shareholder Ministers based on their skills and experience

Kate Vinot — Chair and Non-Executive Director

Kate has more than 15 years' experience as a Non-Executive Director and Board Chair, and 25 years in executive leadership roles in water and land management, strategic planning and sustainability. She is a Non-Executive Director at Yarra Valley Water and Natural Hazards Research Australia, and a Governor of the Cerebral Palsy Alliance Research Foundation. Kate is a Fellow of Engineers Australia and has degrees in civil engineering, economics for development and business administration.

Laura McBain — Non-Executive Director

Laura has extensive experience in the food, dairy and beverage industries. She has held key leadership positions, including as Managing Director at Bellamy's Australia Limited and Maggie Beer Holdings Limited. Currently, she serves as a Non-Executive Director at Lark Distilling Ltd and Capitol Health Ltd. Laura was named 2013 Telstra Tasmanian Businesswoman of the Year and Telstra Australian Businesswoman of the Year (Private and Corporate). She holds a Bachelor of Commerce.

Poppy Lyne — Non-Executive Director

Judith has more than 40 years' experience in the agricultural industry as an owner /operator in a diversified family farming business in the Midlands of Tasmania. She has actively participated in community and charitable organisations throughout Tasmania. She is a Non-Executive Director of the Tasmanian Wool Centre, former board member of Epilepsy Tasmania, the Australiana Fund (Tas) and the Tasmanian Foundation, as well as a former municipal councillor.

Hugh McKenzie — Non-Executive Director

Hugh was a partner in advisory firm KPMG for 24 years, with primary production clients making up a significant portion of his client base. Hugh is currently Chair of the Launceston Airport, a Board member of The Hobart Clinic, Deputy Mayor for the City of Launceston, President of the Northern Suburbs Community Centre, Chair of the Cape Hope Foundation and sits on the Future Fund Committee for the Tasmanian Cancer Council.

Mike Paine — Non-Executive Director

Mike has 30 years' experience in Non-executive Director, CEO and executive leadership roles across water and electricity utilities and local government. He specialises in customer service, workplace/workforce development, project design and delivery, water management and sustainability. He is currently a Non-Executive Director at the Ian Harrington Group. Mike is a Fellow of Engineers Australia and a Graduate of the Australian Institute of Company Directors. He has a degree in civil engineering, as well as post graduate qualifications in management.



Senior Leadership Team

David Skipper, Sam Meyer, Jacob Gerke, Emma Connolly, Andrew Kneebone, Sophie Grace and Byron Fraser

Tasmanian Irrigation's Senior Leadership Team delivers the strategic direction set by the Board and ensures the Company operates in a safe and efficient manner

Andrew Kneebone — Chief Executive Officer

Andrew joined Tasmanian Irrigation in July 2018 and was appointed CEO in May 2019. He has more than 25 years of senior and executive management experience in the irrigation, urban water and electricity utility sectors, including as CEO of Cradle Mountain Water. Andrew holds an MBA from the University of Queensland and is a graduate of the Australian Institute of Company Directors (AICD).

David Skipper — Chief Operating Officer

David joined Tasmanian Irrigation in January 2020. He has held senior agribusiness management roles over the past 30 years, including as Managing Director of Tasmania's largest private grain storage and marketing company. David is a member of the Institute of Public Accountants, a Graduate of the AICD and has a Degree in Agricultural Commerce.

Byron Fraser — Chief Financial Officer

Byron joined Tasmanian Irrigation in 2019 and has more than 25 years' business and financial reporting experience, holding senior leadership roles in the banking and finance sectors in Australia and the United Kingdom. Byron holds a Bachelor of Business, Finance and Economics.

Sophie Grace — General Manager Environment, Health and Safety

Sophie joined Tasmanian Irrigation in 2023, and is an accomplished leader with more than 25 years of experience in the safety, environment and compliance fields. Her diverse industry experience includes roles in insurance, manufacturing and ports. Sophie has a Bachelor of Science and a Master of Science in Occupational Health and Rehabilitation.

Jacob Gerke — Program Manager - Project Delivery

Jacob joined Tasmanian Irrigation in 2017. He is a skilled leader with more than 15 years' experience in both the civil and offshore oil and gas construction sectors throughout Australia and Asia. Jacob has a strong project management and engineering background and holds a Bachelor of Engineering (Marine and Offshore Systems) (Hons) from the Australian Maritime College in Launceston.

Samantha Meyer — Manager Stakeholder Relations and Communications

Sam joined Tasmanian Irrigation in 2023 and has more than 30 years' experience in communications strategy, issues management, stakeholder engagement and media. She has held senior communications positions with state and federal agencies, national research organisations and large private sector companies. Sam holds a Masters in Professional Communication and is a Graduate of the AICD.

Emma Connolly — General Counsel and Company Secretary

Emma joined Tasmanian Irrigation in July 2022. She began her legal career as a barrister and solicitor in Tasmania in 2002, then postgraduate studies in London led to extensive legal experience in international maritime law across Europe. Her return to Australia saw her using this extensive background to successfully manage her own legal practice. Emma holds a Certificate in Governance Practice and Membership Grade with CIARB.

2023/24 Achievements



Celebrating our achievements is integral to a happy, healthy and safe workforce



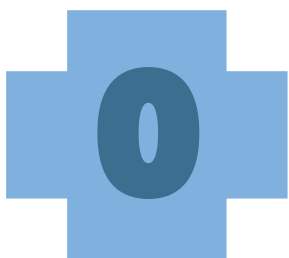
Record
100,593 ML of
water
delivered to
irrigators



6 Solar arrays
commissioned



100 years of life
extension for Lake
Leake Dam



Total Recordable Injury
Frequency Rate



1 New scheme
commissioned
– Don



Notifiable
environmental
incidents

98



People consulted on
the community
management of
schemes



Schemes 100%
designed –
NMIS and SWISA



1 Business case
submitted and
approved –
GSEIS



Environmental Officer Amy Madsen conducts a pipeline alignment walk for the Sassafras Wesley Vale Irrigation Scheme Augmentation

Our Customers



Minimising costs and increasing efficiencies for irrigators is a continuous area of focus

Our customers are farmers and other agricultural businesses across the State that collectively contribute many millions of dollars to the Tasmanian economy every year.

We have more than 1,000 customers with diverse farming enterprises that include dairy and livestock, fruit and vegetable production, field crops and viticulture.

Our promise to customers is to get water to them where and when it's needed, to do so at the lowest sustainable cost, and to provide water with high reliability for the full life of a scheme's design life. Our water is applied to more than 133,577 hectares of land.

The dry summer and autumn experienced in 2024 is a reminder of long-term predictions for an increasingly dry climate. Tasmanian Irrigation responded to the immediate concerns of irrigators regarding low rainfall by extending the summer irrigation season on 12 schemes. It's a reminder of the value of highly reliable irrigation water and that dry conditions or drought is consistently the leading concern for Tasmanian farmers.

Tasmanian Irrigation is also keenly aware of the impact on our customers of falling commodity prices and rising input costs.

Our water delivery to irrigators is on a cost recovery basis; the company makes no profit on the sale of water to farming businesses, and we pass through only those costs connected to delivery of water and associated activities.

On all our irrigation schemes, we establish Irrigator Representative Committees (IRC), who serve as an advisory body representing all entitlement holders within a scheme.

Prior to every new irrigation season, Tasmanian Irrigation convenes face-to-face meetings with each IRC. At these meetings, Tasmanian Irrigation provides insights into a scheme's operational performance during the past season, financial performance, forecasted expenditures, and asset maintenance planning. These meetings are also the forum for presenting water pricing for the coming season.

Justin Nichols — Thank You

Richmond farmer Justin Nichols was part of the original local farmer group that started lobbying in the 1970s for the Craigbourne Dam to be constructed.

Since then, he has taken a leading role in irrigation development throughout the south east, including Chairing the Irrigator Representative Committee for the South East Irrigation Schemes for 22 years.

"I joined the Committee in 1994 and took over as Chairman in about 2002, and have just retired," Justin said.

"Access to Tasmanian Irrigation water has totally transformed the south east region. We are all looking forward to the Greater South East Irrigation Scheme being built to give us increased water reliability and quality."



Justin Nichols (far right) at a Greater South East Irrigation Scheme launch



Pinata's Gavin Scurr inspects his strawberry crop

Berry Beautiful Expansion Plans Hinge On Water

When Australia's largest pineapple and leading mango grower decided to search for additional land to grow raspberries and strawberries, they had a very strict list of essentials.

Access to secure irrigation water, a reliable workforce, a more temperate climate for extended seasonal supply opportunities and reduced biosecurity risks were non-negotiables.

That's why Orielton, located 10 kilometres north west of Sorell, was selected for an initial 40-hectare land purchase, quickly followed by a further neighbouring 50 hectares, to plant premium raspberry and strawberry varieties. Since 2018, polytunnels, a high-tech packing shed, a dam and windbreaks have been constructed, and four full-time staff and up to 130 seasonal workers have been engaged. Plans are now underway for further expansion.

Gavin Scurr, whose father Geoff founded Pinata in south east Queensland in the 1960s, is a huge advocate for the Greater South East Irrigation Scheme, which would integrate the three existing irrigation schemes, meet the demand for new water and address reliability and cost issues for farmers.

"Access to reliable irrigation water is absolutely key to the success of our operations," Gavin said. "We plan to expand our Tasmanian-based berry plantings by a further five hectares to a total of 40 hectares by 2026, which will see our casual workforce grow to about 400 and our irrigation water requirements reach 180 megalitres.

"Key to these expansion plans is the Greater South East Irrigation project going ahead so this region can access reliable, fit-for-purpose irrigation water as soon as possible to enable further investment and job creation."

Water Delivery



In a drying climate, reliable delivery of water to farms is increasingly important

Tasmanian Irrigation delivered an unprecedented 100,593 megalitres of high-surety irrigation water in 2023/24, a 177 per cent increase on the previous year.

This was the highest quantity of water ever delivered by Tasmanian Irrigation, and ensured farmers were able to combat dry conditions to boost and finish crops, livestock and pasture production.

Most operational schemes delivered more water to their irrigators than in any other year.

It was pleasing that all schemes effectively and efficiently handled the high daily water delivery rates over extended periods. Pump stations and associated assets demonstrated their capacity to manage increased demands without significant issues.

Below average spring rainfall and above average temperatures prompted Tasmanian Irrigation to open the summer season early for some schemes to support autumn crops and pastures.

At the other end of the season, Tasmanian Irrigation again collaborated with landowners to extend irrigation seasons for 12 schemes, enabling farmers to finish crops and prepare for the next season.

Tasmanian Irrigation remains committed to working with customers to deliver irrigation water during peak times, particularly during hot and windy spells, and for crops that are water and time sensitive, such as salads, shallow-rooted plants and small-leaf crops.

Some of the highlights in 2023/24 included:

- A 69 per cent utilisation rate was achieved for the season from a total scheme capacity of 146,272 ML;
- Six solar arrays commissioned, delivering energy savings to schemes;
- \$1.365 million spent on asset renewals;
- \$433,000 spend on repairs and maintenance;
- 80 dam safety and management actions completed, including vegetation management, hydrology assessments and surveillance reports;
- Projects completed at Rileys Creek Dam and Lake Leake, enhancing infrastructure and extending asset life; and
- A high level of flow rate compliance across all schemes was evident, including from irrigators who had not used water previously.

The Southern Highlands Irrigation Scheme was closely monitored throughout 2023/24 as the Southernfield Dam was at 60 per cent at the start of the season. Irrigators requested an early season opening, opting for an initial reduced allocation.

Additional water was purchased from Hydro Tasmania and a third party dam supply.

It was also fortunate that a mid-January rain allowed some direct river pumping to boost the dam level at a crucial time.

Irrigation water delivered (ML)

Year	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Volume delivered	100,593	56,935	60,952	56,473	87,510	64,784	58,924	33,283



Scheme Operator Chris Hofing on the job for the Duck Irrigation Scheme

Never Ducking From Call Outs — Chris Hofing

If you ask Jane Hofing what are the key characteristics of a successful Tasmanian Irrigation Scheme Operator, she is very quick to reply.

“Complete dedication, farming knowledge and an understanding partner,” Jane declares. “We were dairy farmers for 25 years, so we know when a farmer reaches out to say he needs water, we know he needs it now. Chris is 120 per cent devoted to making that happen, and we understand because 24/7 was our life on the land for so long.”

For the past seven years, Chris has been the Scheme Operator on the Duck Irrigation Scheme in Tasmania’s far north west. His background as a dairy farmer in the region and agricultural / commodity board member gave him strong skills to manage water delivery, communication and support to irrigators, as well as the scheme’s infrastructure.

“I was planning to have 12 months off after we sold the dairy farm but the Duck Irrigation Scheme was opening up and I knew what a game changer this would be for our farmers and our region, so I decided to apply for the job.

“I know the area, the people, the impact of fluctuating commodity prices and the value of high-surety irrigation water, so it’s a great fit for me. I love the role and receive great satisfaction from providing water to farmers to help them prosper.”

Chris also loves that every day working as a Scheme Operator is different. One day he could be managing the build up of silt in the Montague River, the next fixing a property outlet or updating a Farm Water Access Plan or implementing new technology that enables him to detect any scheme faults from his computer.

Dam safety

A portfolio of 22 dams requires constant oversight and management. Visual inspections of dams are completed by Tasmanian Irrigation's scheme operators as regulated, which can vary from three times per week to once a month. If a dam is spilling, inspections occur daily.

The majority of Tasmanian Irrigation dams now have telemetry installed, enabling live data to be made available to our engineers in real time. Dam level data is also publicly available through the Tasmanian Irrigation website and is updated daily.

Tasmanian Irrigation is required to produce a dam safety report each year for the Department of Natural Resources and Environment, outlining various action items to be undertaken. In 2023/24 80 actions were executed, including general vegetation management and maintenance, hydrology assessments, aerial and remotely operated vehicle surveys, deformation surveys, installation of cameras and a large and comprehensive surveillance report. An in-depth dam survey is also carried out every 20 years for all dams.

No intolerable dam safety risks were identified within



the dam portfolio and all regulatory compliance reporting has been completed.

Two major dam safety projects were completed.

Lake Leake wing wall upgrade



New rock armour on the Lake Leake spillway upgrade

At Rileys Creek Dam south of Geeveston, we completed the installation of a 240v power supply to enable a major safety upgrade to the outlet valve at the toe of the spillway. The valve was previously operated by hand and was an OHS risk to the operator, and inoperable during dam spill events.

The power upgrade has also enabled retrofitting of a hydraulic actuator for the valve, which can now be operated using a remote pendant located on the right abutment of the spillway.

We also upgraded the telemetry.

A \$3 million project was undertaken at Lake Leake, including a spillway upgrade, grouting of the wingwall, upgrading telemetry and installing power, instrumentation and CCTV.

This work extends the life of the dam by 100 years and ensures supply of water to the township of Campbell Town and irrigation water for the Elizabeth and Macquarie Irrigation Trust.



“The 2023/24 irrigation season was a remarkable display of the benefits of having robust irrigation infrastructure across Tasmania. Access to highly reliable irrigation water is building resilience in farming businesses in the face of a drying climate.”

-David Skipper, Chief Operating Officer



The operational solar array at the Shannon River pump station

Energy on Farms — solar array installations

Solar arrays were installed at six Tasmanian Irrigation pump stations in 2023/24 to offset power consumption costs, funded by the Tasmanian Government’s Energy on Farms Program.

These savings are being passed back directly to each Scheme.

Installations were completed at Liffey, Cottons Bridge, Sprent, Shannon River (pictured above), Bothwell and Hollow Tree. A further two arrays will be completed at the Smithton and Mount Seymour pump stations by November this year. And a solar array is also under construction at Don, funded through the project allocation.

The quantum of savings varies from scheme to scheme.

A savings calculator has been developed to allow accurate scheme-by-scheme reporting.

For 2023/24, the total cost saving per installation was:

Cottons Bridge pump station	\$11,318.26	Liffey pump station	\$16,938.11
Sprent Dam pump station	\$10,283.08	Bothwell boost pump	\$3,898.85
Hollow Tree boost pump	\$2,739.22	Shannon River pump station	New installation
Smithton pump station	New installation	Mount Seymour pump station	New installation



Program Development and Delivery

Building irrigation schemes that create jobs, economic prosperity and community resilience

The completion of the \$54.4 million Don Irrigation Scheme in time for the 2023/24 season was one of many project highlights this year.

This 4,750-megalitre scheme supplied much-needed high-surety irrigation water to farmers over the recent dry summer period, boosting yields and productivity across the region.

Tasmanian Irrigation thanks contractors Hazell Bros (constructed and commissioned 53km of pipeline); Fulton Hogan (constructed and commissioned three pump stations, two balance tanks and connecting pipelines); Zekt (supplied locally manufactured pipe); Netco Pumps (supplied pumps) and all other contractors and suppliers.

Other key achievements during the reporting period included:

- Completed detailed design and approvals for the Northern Midlands Irrigation Scheme. Work is set to commence in September 2024;
- Completed detailed design on the Sassafras Wesley Vale Irrigation Scheme Augmentation and continued working on securing all necessary approvals to allow construction to commence in FY25;
- Continuation of works on the 10,500 megalitre Greater Meander Irrigation Scheme Augmentation;
- Submission and approval by the State Government of the detailed Business Case for the Greater South East Irrigation Scheme; and
- Completion of the second round of water sales for the Tamar Irrigation Scheme.

Throughout all projects, Tasmanian Irrigation has continued to assess risk and return in terms of sustainability, social acceptability, cost and economic outcomes.

Don Irrigation Scheme

-Capacity: 4,750 ML summer water, 4,750 ML winter water

-Area serviced: Don, Lillico, Forth, Forthside, Melrose, Lower Barrington, Barrington, Sheffield and West Kentish

This was the first Tranche Three project to progress through construction to commissioning.

The project created more than 60 jobs during construction and it's expected that approximately 48 direct and indirect jobs will be created once the scheme is fully utilised. The Don Irrigation Scheme is expected to return a \$104.52 million economic benefit to the community. The project was completed safely, on time and on budget.

Northern Midlands Irrigation Scheme

-Capacity: 25,500 ML

-Area serviced: South of Cressy including Macquarie, Barton, Isis, Conara, Campbell Town and Ross

Tasmanian Irrigation successfully undertook a detailed procurement process to award the construct-only contract to Hazell Bros for the construction and installation of 155km of pipeline, three pump stations and two balance tanks. Hazell Bros was also selected as the contractor to partner with Tasmanian Irrigation and its design partners, GHD and Pinion Advisory, to undertake an Early Contractor Involvement (ECI) process to finalise the design of the Poatina Buffer Dam.

We continued to finalise the project's approval under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), and an agreement was finalised for the purchase of land for construction of the buffer dam. The local planning permit, and the State-based heritage and environmental permits were also secured.

Sassafras Wesley Vale Irrigation Scheme Augmentation

- **Capacity:** 9,200 ML (total scheme capacity of 14,860 ML)

- **Area serviced:** Sassafras, Harford, Thirlstane, Moriarty, Wesley Vale, Northdown, Pardoe and East Devonport

Detailed design of this augmentation was completed in conjunction with Tasmanian Irrigation's design partners GHD and Pinion Advisory. A formal referral under the EPBC Act was submitted and work has continued on the documentation to finalise this approval. Requests for quotation were prepared for long lead time items required for construction, and it is expected that tendering will commence in late 2024, followed by construction in early 2025.

Greater Meander Irrigation Scheme Augmentation

- **Capacity:** 10,500 ML (total scheme capacity of 39,300 ML)

- **Area serviced:** Meander, Rubicon, Hagley, Caveside and Quamby

The \$20 million Greater Meander Irrigation Scheme Augmentation involved extensive pipeline upgrades and extensions, pump station upgrades and intake screen replacements.

This project will increase capacity, provide more water and eliminate evaporation and transmission loss in some areas of the scheme. The augmentation will deliver an additional 10,500 ML of irrigation water to the Greater Meander Irrigation District and will be completed by the start of the 2024/25 season.

Tamar Irrigation Scheme

- **Capacity:** To be confirmed

- **Area serviced:** Beaconsfield, Legana, Rowella, Hillwood, Pipers Brook and Pipers River

A second round of water sales did not meet the viability threshold. Due to insufficient demand to justify a standalone agricultural scheme, the project team is now examining the potential for a combined agricultural / industrial water scheme, incorporating water supply for the proposed hydrogen hub at Bell Bay. We continue to work with the Tasmanian Government on assessing options.

Greater South East Irrigation Scheme

- **Capacity:** 18,600 ML summer water and 18,600 ML winter water

- **Area serviced:** Jordan River Valley, Brighton, Richmond, Dulcot, Cambridge, Colebrook, Campania, Tea Tree, Orielson, Pawleena, Penna, Sorell and Forcett

This is one of the largest irrigation projects ever designed for Tasmania, merging the existing South East Stages One, Two and Three schemes, delivering water to additional landowners and locking in a new and reliable water source for the region.

Following water sales, the scheme was redesigned to meet demand for both summer and winter water, with 18,600 ML in each delivery period.

\$75 million has been committed by the Tasmanian Government and work is ongoing to secure the remainder of funds from the Federal Government.

The project budget has been determined as \$301.1 million.

First six Tranche Three projects

Don	Southern Midlands
Northern Midlands	Greater South East
Sassafras Wesley Vale Augmentation	Tamar

Southern Midlands Irrigation Scheme

-**Capacity:** 18,000 ML summer water and 18,000 ML winter water

-**Area serviced:** Land across the Central Highlands and Southern Midlands Council regions, with potential to support irrigation activities in the Brighton Council area

The Preferred Option Design was completed in May 2023, based on water being extracted from Lake Binney.

Work on this project has been paused until the initial Tranche Three projects are further progressed.

\$1 billion

Value of irrigation project works under development by Tasmanian Irrigation

1,481

Number of direct and indirect jobs expected to be created

\$347 million

Forecast value of on-farm investment



Intake screen replacement on the Greater Meander Irrigation Scheme Augmentation



Mike Badcock shows Premier Jeremy Rockliff around his Forth farm

The Don Is Good

Mike Badcock firmly believes the Don Irrigation Scheme is the biggest game changer in 150 years for this highly-productive north-west region.

The sixth-generation intensive cropper, who has sat on endless commodity, rural, education and regional development Boards, owns and manages a 280-acre vegetable growing business near Forth. He was one of the leading advocates for the 4,750 megalitre Don Irrigation Scheme, which was completed prior to the 2023/24 season to deliver water to the Don, Forth, Barrington and Sheffield districts.

“Reliable rainfall is one of the most important ingredients to successful farming,” Mike said. “Even with an average rainfall above 600mm, we had dry years where we struggled to finish crops. This impacted our ability to be reliable suppliers and maintain contracts with off-take partners. Now, with the Don Irrigation Scheme, we can effectively drought-proof our business and ensure we consistently grow high-yielding crops of a very high quality.”

Mike is astonished that farmers are not committing to water sales in some regions, which could result in planned irrigation projects not proceeding. “Investing in water and irrigation infrastructure should be one of the highest priorities of every farmer,” he said. “Not only do you minimise a key risk, you open doors for intensification and diversification, as well as create jobs for the next generation of Tasmanian agricultural leaders. It’s not every day that governments put tens or hundreds of millions of dollars on the table to build irrigation infrastructure in your backyard. When it does happen, we should be prepared to commit our own money and reap the benefits.”



Safety

Tasmanian Irrigation is building a culture where safety, health and wellbeing are prioritised

Tasmanian Irrigation again recorded zero Lost Time Injuries (LTIs) in 2023/24, demonstrating the ongoing commitment of our employees and contractors to safety best practice.

The Total Recordable Injury Frequency Rate was also zero, as well as the number of safety breaches.

In support of Tasmanian Irrigation’s goal to ensure a safe and healthy working environment for all employees and stakeholders, as well as being an employer and partner of choice, we have developed and commenced implementing a new three-year Safety and Wellbeing Strategy.

Our approach to the Safety and Wellbeing Strategy follows a continuous improvement cycle.

By the end of this strategy's implementation, Tasmanian Irrigation aims to achieve an outcome where our people feel trusted and show strong safety leadership at all levels, continuously improve our work systems, encourage open and active engagement, and foster a culture where reporting and learning from past experiences is the norm.



Leadership and culture

- Cultivate a safety-focused culture aligned with our values



Empower, engage and build capability

- Empower and engage our people
- Build capability



Safe systems of work

- Implement and enhance safe systems of work
- Provide training, support and resources
- Build capability



Risk management and continuous improvement

- Risk awareness culture
- Continuous improvement
- Learn from past experiences

Safety and wellbeing highlights 2023/24

- Rollout of Mental Health First Aid Training across the organisation;
- Identification of top 10 WHS risks;
- Redesign and roll-out of the lock out tag out and permit to work systems; and
- Roll-out of Care Factor Safety Leadership Program across all staff.

Focus initiatives for 2024/25

- Psychological safety and wellbeing;
- Refreshing consultation mechanisms;
- Refreshing contractor management processes;
- Updating inductions; and
- Developing a formal lessons learned framework.

People



We strive to create a safe, respectful and inclusive workplace

The Tasmanian Irrigation team is a small but passionate group of people, and our success is built on the collective efforts of those people.

Our values, developed by all staff, guide the way we undertake our work and interact with each other, customers and stakeholders.

We have a strong focus on building and maintaining a collaborative, inclusive and safe workplace culture that empowers all our people to do their best work in the interests of serving our customers.

Each year we undertake an employee survey to identify where we are doing well, and where there's room for improvement.

Our 2023 survey resulted in an 80 per cent employee engagement score and identified that employees are satisfied with their jobs, committed to high standards of performance and Tasmanian Irrigation's purpose is well understood.

The survey also identified that there's more work to do in succession planning and upskilling employees for future roles. What our people tell us helps us continue to deliver the best employee experience and team culture that we can.

Tasmanian Irrigation believes in fostering a culture that promotes inclusivity, diversity, and mutual respect among all employees. To ensure that our workplace remains a safe and welcoming space for everyone, we periodically review and update our policies to align with the evolving needs and expectations of our team, including legislative requirements.

During the year, we developed a new Respectful Workplace Policy and refreshed our Code of Conduct, aiming to strengthen our collective efforts in creating an environment that values open communication, collaboration, and empathy.

The Code and the Policy reflect recent legislative changes regarding the Company's positive duty to eliminate, as far as possible, workplace sex discrimination, sexual harassment and other unlawful behaviour from happening, rather than reacting to it after it has occurred.

We also refreshed our Diversity, Equity and Inclusion Policy that outlines Tasmanian Irrigation's commitment and sets the guiding principles to ensure its successful implementation.

We continued our focus on psychological safety in the workplace by increasing to 29 the group of trained mental health first aiders in our business. These people can be important first responders for colleagues experiencing periods or instances of mental ill health and help foster a psychologically safe workplace. This is an important 'on the ground' support network that complements our Employee Assistance Program.

During the year we began work on refreshing our Leave Policy to include new parental leave entitlements, and enhanced community service leave types covering jury duty, emergency services and defence force commitments. These enhancements are expected to take effect in the next financial year and demonstrate Tasmanian Irrigation's ongoing support and commitment to employee wellbeing.

2023/24 TI Workforce Statistics

72

Full-Time Equivalent employees

19

New employees inducted

7

Employees with 10+ years



Team Building With A Purpose

This year saw a Tasmanian Irrigation team make its first attempt at the annual Mind Games.

Mind Games is a profit-for-purpose company focused on workplace mental health.

They exist to raise funds for workplace mental health research and to create a positive impact in the workplace by giving corporate teams an opportunity to have fun together and challenge themselves.

The Tasmanian Irrigation team joined 49 other teams from across the State in a 10-stage competition.

Teams must solve each challenge or complete each task before they can move on to the next stage.

The team that can outsmart and out-race its competitors will win.

It's not a fitness challenge, but it does exercise your mind.

Our team reported being well outside their comfort zone taking part in the Mind Games, but have vowed to be in it again in 2025!

All proceeds raised in The Mind Games 2024 will fund research through the University of Tasmania's Menzies Institute for Medical Research, supporting mental health research.

Corporate Services



We drive continuous improvement and seek efficiency across our business

Tasmanian Irrigation manages a range of functions that ensure the smooth operation of the business, effective engagement with contractors and suppliers, and delivery of services to our irrigation customers.

Recent major data breaches in Australia have highlighted the need for cybersecurity to be a primary focus for all organisations. Our focus this has been on development and implementation of systems to increase protection of customer, employee and corporate data. We will continue to adapt as the threat landscape and regulatory environment evolve, ensuring protection of customer, employee and corporate data.

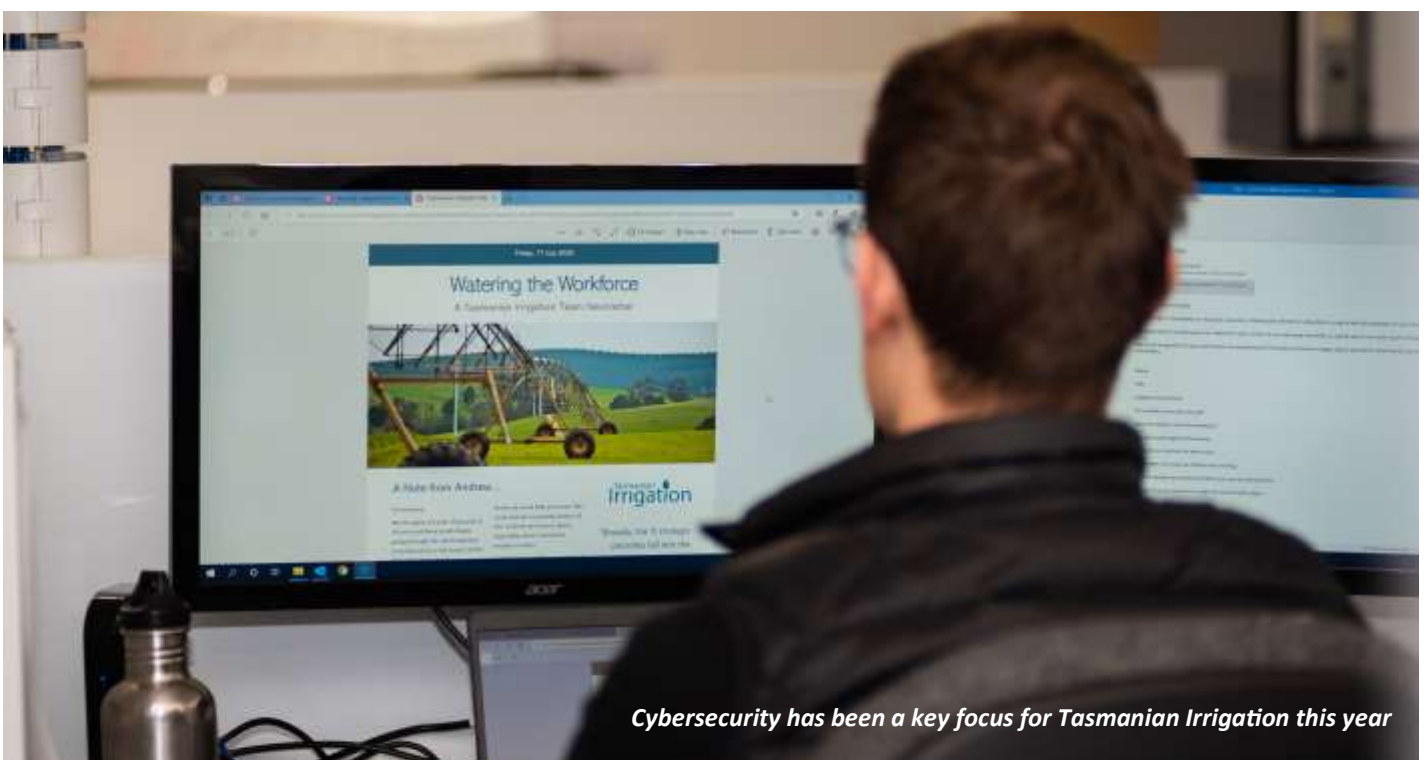
Tasmanian Irrigation has also taken the next step in its digital transformation by finalising the transition to a cloud-based solution of its key corporate platform. We have worked with TechnologyOne for more than five years to implement a single source of truth for finance, HR and payroll, and supply chain management.

Over the past year, we have finalised the transition to a fully cloud-based version and added a module that will support predictive asset management. We are in the process of migrating asset management data from local databases to the TechnologyOne solution.

Our business revolves around the assets we own and manage, the complex irrigation schemes that enable farmers to expand, diversify and add value to their businesses.

The new asset module gives us visibility over the cost and performance of the current schemes to optimise their performance for our irrigator customers while being as cost-effective as possible.

The solution will automatically generate work orders in line with the pre-planned maintenance schedule, including pump overhauls, critical valve servicing and water meter improvements, for the winter months when many operational schemes close.



Cybersecurity has been a key focus for Tasmanian Irrigation this year



Strengthening Cyber Security

Amendments to the *Security of Critical Infrastructure Act 2018* (the Act) continue to lower the threshold for organisations to be considered Critical Infrastructure, bringing with it additional security and reporting requirements. While Tasmanian Irrigation currently remains below the Act's Critical Infrastructure threshold, it is expected that future amendments to the Act will reduce the threshold further.

To ensure that Tasmanian Irrigation is well protected and prepared, work has been undertaken in three areas to strengthen our cybersecurity. These changes have proven effective, resulting in blocked attempts from external attacks as well as local malware and vulnerability detection and elimination. Measurable improvements have also been achieved in employees' awareness of, and response to, security threats.

- 1. Governance:** A Security Management Team has been assembled, including representatives from across the Company and acting as an advisory group, reporting quarterly to the Audit and Risk Committee of the Board. The Team is charged with monitoring and responding to the threat landscape, managing the security Risk Register, developing policies and procedures to continually improve the organisation's security posture, creating and testing Cyber Security Incident Response and Disaster Recovery plans, and deploying controls in line with industry standards and best practice.
- 2. Technology:** In response to the changing threat landscape, Tasmanian Irrigation has deployed new technology to protect the network. This includes NextGen firewall systems to monitor traffic and web filtering at the device level to ensure all Company assets are protected whether connected to the enterprise network or operating remotely. AI-based email security systems have been deployed, resulting in a significant drop in phishing and other malicious emails received by employees. Antivirus systems have been updated to market-leading products which provide excellent detection rates and effective monitoring and response. Vulnerability scanning tools have been deployed to ensure that assets on the network are appropriately secured.
- 3. People:** Even the most advanced security technology cannot block all incoming attacks. Tasmanian Irrigation invests in upskilling employees to detect and respond to incoming threats. This includes mandatory Cyber Security Awareness Training across the organisation. Phishing and other attack simulations are carried out on an ongoing basis, with further training and coaching deployed as required. The IT Team undergo ongoing professional development, upskilling and achieving industry certifications to master the tools deployed on the network.

Environment



Sustainable irrigation for resilient agriculture and healthy ecosystems

Tasmanian Irrigation developed its first Sustainability Strategy in 2023/24.

This three-year strategy aims to integrate environmental, social and economic considerations into the Company's operations to ensure the long-term resilience of its irrigation schemes.

Tasmanian Irrigation's sustainability vision aligns with the broader strategic goals of the organisation and emphasises initiatives related to sustainable water management, Tasmanian community and Aboriginal community engagement and environmental stewardship.

Sustainability Strategy headline targets and actions

Goals	Targets	Actions
Resilient operations (maximise water, energy and resource efficiency)	Achieve carbon neutral operations by 2030	Implement emission reduction plans for scope one and two emissions
	Achieve alignment with the Tasmanian Government's Rural Water Use Strategy	Establish baseline criteria and alignment to enable ongoing evaluation of Tasmanian Irrigation's participation and performance against the Rural Water Use Strategy
		Review of Tasmanian Irrigation water quality monitoring and reporting program efficacy
Inclusive practices (embrace inclusion and diversity)	Achieve meaningful inclusion and collaboration with Aboriginal communities in all Tasmanian Irrigation projects and ongoing operations	Develop and implement an Aboriginal Engagement and Participation Plan to ensure meaningful inclusion and collaboration with Aboriginal communities
	Enhance stakeholder transparency and accountability in relation to Environmental, Social and Governance (ESG) matters	ESG reporting framework implemented for water delivery
Circular economy (design out waste and embrace nature positive outcomes)	Achieve net gain for Matters of National Environmental Significance (MNES) on all Tasmanian Irrigation projects	Development of biodiversity conservation and habitat restoration plan for Tasmanian Irrigation projects
		Develop a partnership strategy to achieve greater impact in areas such as education, outreach and land conservation
	Increased supply chain transparency and performance	Development of a waste management baseline assessment and supporting management plan
Develop a supplier sustainability program to guide internal purchases and decisions		

Farm Water Access Plans

Farm Water Access Plans (Farm WAPs) are property-specific documents that guide the sustainable application of Tasmanian Irrigation water and assist with ensuring the long-term viability of land for agricultural production. Farm WAPs identify where Tasmanian Irrigation water can be applied and detail actions to manage potential environmental risks from application.

Tasmanian Irrigation conducted 47 Farm Water Access Plan audits, comprising 39 random and eight triggered audits, between July and October 2023.

Of these, 83 per cent of farmers audited were compliant with the requirements set out in their plans, and eight audits (approximately 17 per cent) identified one or more minor non-conformances.

These minor non-conformances were administrative and posed no increased risk or environmental impact. All corrective actions related to these non-conformances have been completed.

Overall, the audits revealed that this cohort of farmers are enhancing their agricultural techniques and adopting modern irrigation technology.

Farm WAPs are an integral tool to ensure compliance with environmental best practice



New and amended Farm WAPs developed: 111

- 3 new Farm WAPs completed for existing operational schemes
- 65 new Farm WAPs for the Greater Meander Irrigation Scheme Augmentation
- 43 amended or updated Farm WAPs for existing operational schemes

Total audits conducted: 47

- Random audits: 39
- Triggered audits: 8



Non-compliant audits: 8 (17 per cent)

- Category three minor non-conformances
 - ⇒ Nature: minor and administrative
 - ⇒ Impact: no increased risk or environmental impact

Key improvements achieved through the implementation of Farm WAPS on audited properties include:

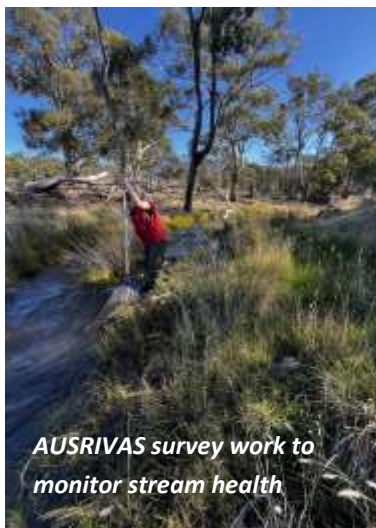
- **Erosion and drainage control:** Significant focus on mitigating erosion and managing drainage;
- **Soil health and moisture monitoring:** Proactive measures in maintaining soil health and monitoring moisture levels;
- **Irrigation management:** Maintaining irrigation volumes within acceptable limits and keeping detailed records of farming activities; and
- **Soil Management:** A strong understanding of land capability is leading to better soil management and reduced erosion risks on these properties.

The audits revealed access to Tasmanian Irrigation water is continuing to contribute to good ground cover, aiding crop germination and reducing soil deterioration.

No increase in salinity was observed, and proper drainage and ground cover management were evident.

Many farmers audited this year also demonstrated active environmental stewardship by planting native flora shelter belts, as well as accessing government-funded environmental projects to undertake the planting.

A summary of Tasmanian Irrigation's Farm Water Access Plan audit non-conformance outcomes can be found on page 35.



Water quality and water flow monitoring

Tasmanian Irrigation has a comprehensive water quality monitoring program across its operational schemes.

This program is currently under review to ensure it remains fit for purpose. Priority actions include improved data cleansing, quality coding and in-depth analysis. This will inform revision of the guideline values / thresholds, which provide clear targets and boundaries for assessing and managing water quality. They help ensure that water resources are monitored effectively, and actions are taken when conditions deviate from desired levels.

To simplify field measurements and improve the reliability and quality of the data captured from water samples collected, new, all-in-one water quality test equipment has been purchased by Tasmanian Irrigation to replace old unreliable equipment. The new equipment roll-out included retraining for staff undertaking sampling and an in-house equipment maintenance and calibration program.

Hydrometric monitoring

This monitoring is vital for ensuring compliance with water licences, particularly in managing environmental flows where maintaining specific flow rates are critical for ecosystem health and regulatory compliance. River level (stage), river flow (gauging) and dam level measurement data were quality coded and entered in NRE's public Water Data Portal (Aquarius). Streamflow data was used to develop rating curves and calculate the discharge rate for each waterway.

Daily flow data was used to monitor operational compliance with water licences, including environmental flows.

Surface water quality monitoring

Water quality result trends generally followed seasonal variability. For example, higher air temperature and lower rainfall in the warmer months correlated with higher water temperature and lower water dissolved oxygen; higher rainfall during the winter months correlated with higher water turbidity and dissolved oxygen resulting from high stream flows.

Some results outside typical ranges were due to seasonal variation or natural persistence, particularly relating to significant rainfall in some areas. There were no obvious correlations with the supply of Tasmanian Irrigation water within the results. No environmental impact due to Tasmanian Irrigation operations was identified.

Groundwater quality monitoring

Tasmanian Irrigation commissioned a comprehensive external review of our Groundwater Monitoring Program for the South East Irrigation Scheme Stage Three, required as a condition of approval in

accordance with the *Environment Protection Biodiversity and Conservation Act 1999*.

The purpose of the review was to determine whether the program had achieved its outcomes and could be ceased, and if it could not be ceased, what improvements could be made to ensure a robust ongoing monitoring program. The review advised that the program be continued for a further period with recommendations made to change locations of some bores to ensure they were capturing data from the most effective locations aligned with where Tasmanian Irrigation water was being used.

As a result of the review, several actions have been completed to improve the groundwater monitoring program including ceasing monitoring of ineffective bores, refresher training for groundwater samplers, revised guideline values / thresholds, and a higher-level static approach to analyse the groundwater quality data.

Installation of new groundwater monitoring bores will be implemented as the next stage of the program.

Summary of water quality and water flow testing conducted at Tasmanian Irrigation sites 2023/2024

Monitoring program	No. schemes*	No. sites	No. tests required**	No. tests conducted	% tests conducted***	Change from last year
Hydrometric	11	24	-	-	-	-
Surface water quality	20	125	7,790	6,827	88%	↓ 8%
Groundwater quality	1	12	300	278	93%	↑ 3%

* Scheme includes sub-schemes, e.g. Rubicon (part of Greater Meander)

** Surface and groundwater quality field test parameters tested include pH, conductivity, temperature, turbidity, plus observations. Quarterly lab tests include parameters such as total nitrogen and total phosphorus

*** Reasons for missed testing include equipment failure and out of service for repair, inaccessible sample site (e.g. due to flooding), or low / no flow (i.e. no water to sample)

Restoring habitat

A key target of Tasmanian Irrigation’s Sustainability Strategy is to achieve a net gain for Matters of National Environmental Significance (MNES) across all projects.

While a formal Biodiversity Conservation and Habitat Restoration Plan will be developed to support this target, Tasmanian Irrigation is also building on past restoration efforts that reflect this commitment.

Don Irrigation Scheme, Lake Barrington

Tasmanian Irrigation staff planted 180 native trees and 250 understory native shrubs, small trees and sedges at Lake Barrington in August 2023.

Approximately 1.28 hectares of native forest had been cleared for the Don Irrigation Scheme construction.

“This planting initiative aimed to restore the habitat to a more natural state and educate people about the ecosystem services provided by trees in landscapes, as well as the threats they face in our rapidly changing world.”

–Sophie Grace, General Manager – Environmental, Health and Safety



Purpose

- Restore habitat following construction activities
- Educate Tasmanian Irrigation staff about ecosystem threats and restoration

Restoration works

- Regenerating 1.28 hectares of cleared land
- 180 native trees planted
- 250 understory native shrubs, small trees and sedges planted

Outcomes

- Tasmanian Irrigation staff engagement with restoration activities
- Restoring habitat for native fauna



2023/2024 Farm Water Access Plan audit non-compliance outcomes

Scheme	2023/24	Non-conformance identified and expected outcome
Midlands	4	<p>1 - Water was stored in a dam not approved in the Farm WAP for TI water storage — Farm WAP now amended</p> <p>2 - Farm water storages were not current — Farm WAP now amended</p> <p>3 - Water was stored in a dam not approved in the Farm WAP for TI water storage— Farm WAP now amended</p> <p>4 - TI water was applied to a small area outside the approved Farm WAP area— Farm WAP now amended</p>
Southern Highlands	1	<p>1 - TI water was applied outside the approved Farm WAP area — Farm WAP to be amended</p> <p><i>Note: The Farm WAP was originally prepared based on proposed irrigation; this was subsequently installed differently</i></p>
Scottsdale	4	<p>1 - Farm water storages were not current — Farm WAP now amended</p> <p>2 - Water was stored in a dam not approved in the Farm WAP for TI water storage— Farm WAP now amended</p> <p>3 - TI water was applied to a small area outside the approved Farm WAP area — Farm WAP now amended</p> <p>4 - Staff weren't aware that TI water is only to be stored and applied in accordance with their Farm WAP — farm staff to be trained in Farm WAP requirements by irrigator</p>
Swan	1	<p>1 - TI water was applied to a small area outside the approved Farm WAP area — Farm WAP now amended</p>
Sassafras Wesley Vale	4	<p>1 - Farm WAP was not verified (by the current irrigator) — Farm WAP now verified and signed</p> <p>2 - TI water had been applied to excluded class 5w areas. A consultant has been engaged to review land capability / suitability (class 5w exclusion status) — no irrigation water is being applied to this area until the assessment is completed</p> <p>3 - Areas with soil limitations had not been managed in accordance with Farm WAP requirements — the land capability will be reassessed to investigate why 5w soil areas are excluded</p> <p>4 - The required soil management actions and monitoring activities had not been undertaken. Farm WAP review by consultant required</p>
Whitemore	1	<p>1 – One of the required actions for the existing water resource section had not been implemented — irrigator is to apply for dam permits via NRE to licence three dams across four managed property titles being used to store TI water</p>
Winnaleah	1	<p>1 - Irrigation, land use and cropping frequency were not in alignment with land capability requirements — a land capability / suitability review was conducted. The result determined the soils are suitable for irrigated root cropping on a rotational basis; the Farm WAP was amended accordingly</p>



Environment team Jesse Lewis, Geoff Jones, Hanok Polu, Cassie Tickner-Smith, Sophie Grace and Amy Madsen removing tree guards at Huntsman Lake

Restoring Habitat For Endangered Swift Parrots

Since completing construction of the Meander Dam in 2007, Huntsman Lake has helped capture winter rains to supply irrigation to the adjoining farming districts of Caveside and Dairy Plains, Quamby Brook and Hagley. The gains to agriculture and the local economy have been substantial, though the original construction of the dam had to be carefully balanced with protection of the environment.

As part of the *Environment Protection and Biodiversity Conservation Act* approval for the project, more than 55 hectares of *Eucalyptus ovata* saplings were planted in 2021 to provide habitat for critically endangered swift parrots.

Eucalyptus ovata or “black gum” is a critical food source for swift parrots, which migrate in the summer months to feed and nest in Tasmania before returning to the mainland over winter. One of only two migratory species of parrot in the world, loss of habitat has pushed the

species to the edge of extinction with some estimates ranging to fewer than 500 remaining in the wild.

Having monitored this replanting site since 2021, Tasmanian Irrigation is pleased to see that many of the trees are thriving with a 100 per cent stocking success rate and well over the minimum 80 per cent survival rate.

Despite some browsing by deer and wallabies the saplings have established themselves well, with many outgrowing their guards which were removed in 2024.

In time, these young saplings will grow into tall mature trees that will provide both food and shelter for swift parrots and many other species. In addition to benefiting wildlife, the trees will help shade out and control invasive weeds, such as blackberry, that thrive in exposed areas.

The trees will also help stabilise the soil surrounding the lake shore, capture carbon and add to the already beautiful outlook of this special area.

Statement of Corporate Intent

Tasmanian Irrigation measures its performance against a range of agreed targets that are published in an annual Statement of

Corporate Intent. The table below summaries Tasmanian Irrigation's actual performance against key agreed measures and targets for 2023/24:

Performance

Business Area	Key Performance Indicators	Target 2023/24	Actual 2023/24		Comments
Health and Safety	Lost Time Injuries	0	0	✓	Tasmanian Irrigation works in close partnership with its employees and contractors, ensuring all activities are managed with a strong focus on safety
	Total Injury Frequency Rate ¹	17	0	✓	
Financial	Operational and administrative overheads per water entitlement sold	\$21.76	\$23.86	✗	Overhead costs were higher this year due to the well-publicised inflationary conditions affecting most goods and services and due to additional investment in cyber security
	Capital program \$ per budget	\$67.49m	\$41.19m	✓	Significant delays on the Northern Midlands and Sassafras Wesley Vale project EPBC ² referrals have pushed back forecasted capital spend on both projects
Commercial	Post construction water entitlement sales (Tranche One and Two only)	\$0.62m	\$0.10m	✓	TI has commenced a project to reduce the amount of debt related to unsold water on a number of schemes
Water Delivery	Percentage allocation available at commencement of season	100%	93% ³	✓	The Southern Highlands Irrigation Scheme opened early with a 50 per cent allocation, which increased to 65 per cent by the end of the season due to rain events. All other schemes maintained a 100 per cent allocation throughout the season
	Planned maintenance completed as per plan	100%	57%	✗	The extensions to irrigation seasons for 12 schemes delayed the annual planned maintenance program. Critical maintenance tasks were prioritised and completed, while the remaining work is still being finalised
Environment	Number of notifiable incidents	0	0	✓	Tasmanian Irrigation maintains a close partnership with landowners and contractors, actively managing environmental matters to prevent any harm or adverse impact
	Compliance with environmental permits and approvals	100%	100%	✓	
Program Development and Delivery	Total Tranche Three schemes constructed or under construction	2	1	✗	Don Irrigation Scheme was commissioned in September 2023; delays with EPBC referrals have delayed the planned construction commencement date of the Northern Midlands Irrigation Scheme
	Total Tranche Three project business cases completed	5	4	✗	Tamar Irrigation Scheme business case is pending direction from the State Government on incorporation of industrial water supply
	Total funding milestone payments achieved per plan	7	3	✗	Significant delays on the Northern Midlands and Sassafras Wesley Vale project EPBC referrals have pushed back forecasted capital spend on both projects
People	Employee turnover rate	15%	18%	✗	Turnover was higher than planned but includes non-voluntary terminations

¹Total Injury Frequency Rate is defined as the total injuries per million-person work hours

²Environment Protection and Biodiversity Conservation Act 1999

³The Scheme could have opened with a full allocation, but based on cost issues it was decided in consultation with irrigators to take a lower allocation

Corporate Governance



Effective governance ensures compliance, risk management and good decision making

Tasmanian Irrigation is a statutory Company, formed under *the Irrigation Company Act 2011* and owned by the Tasmanian Government.

Our Shareholder Ministers are the Treasurer and the Minister for Primary Industries and Water.

A Governance Framework Guide for Tasmanian Government Businesses and State-Owned Companies was released by the State Government in October 2008. The Guide refers to the eight core principles underlying good corporate governance as recommended by the Australian Stock Exchange Corporate Governance Council for listed companies.

The Shareholder Ministers, while noting that the principles are not mandated, expressed an expectation that relevant core principles would be adopted by Boards of Government Businesses and State-Owned Companies.

Principle One: Lay solid foundations for management and oversight

The Company Board is made up of five independent Non-Executive Directors. The responsibilities of individual Directors and the Company's expectations of them are set out in their letters of appointment.

The key roles of the Board are to:

- Set the strategic direction of the Company, and appoint and review the performance of the Chief Executive Officer;
- Adopt stringent and appropriate processes for risk assessment and management;
- Ensure accountability to the Shareholders; and
- Appear before and respond to Parliamentary Scrutiny Committees if required.

The Board has adopted and adheres to a process for assessing overall Board performance and the performance of individual Directors and addressing issues that may emerge from those reviews.

Board performance evaluation and key executive performance planning and review processes are undertaken each year.

Principle Two: Structure the Board to add value

All Company Directors are non-executive Directors. Directors are appointed by the Shareholder Ministers based on their skills and experience. The appointment process includes a performance evaluation for any Directors seeking reappointment.

The Directors are also appointed to the Audit and Risk Committee and / or the People, Culture, Safety and Remuneration Committee to further strengthen the governance structure of the Company. The duties of these committees are described below.

Principle Three: Promote ethical and responsible decision making

The Board is committed to maintaining the highest ethical standards and complying with all applicable legislation, lawful directions from Shareholder Ministers and Company policies.

Each Director is bound to uphold the Code of Conduct by exhibiting model performance, behaviour and conduct that is in line with the Code.

Directors must promote the Code and ensure that any potential breaches are taken seriously, identified and reported and acted upon appropriately.

The Code is underpinned by other policies and procedures that articulate the expectation to act ethically and responsibly, as well as comply with legislative and regulatory obligations.

Directors have an ongoing requirement to notify the Board of any material personal interest in any matter relating to the affairs of the Company.

The Board, via the Company Secretary, maintains a register of declarations of interests, which is updated regularly.

To the extent that there may be a conflict, this is managed appropriately in accordance with the Company's Conflict of Interest Policy and protocols.

Principle Four: Safeguard integrity in financial reporting

The Board operates an Audit and Risk Committee that assists the Board to discharge its duties in relation to its corporate and financial reporting processes, internal and external audit, and compliance. Under the Committee Charter, the Committee must meet not less than three times a year.

The Committee reviews the Company's financial statements and associated reports and recommends them to the Board for consideration. As part of end-of-year processes, the Committee ensures the Chief Executive Officer and Chief Financial Officer provide the required declarations under Section 295A of the *Corporations Act 2001* and that those Officers formally sign the accounts before the Committee makes any recommendations to the Board.

The Company Constitution provides that the Company is required to use the Tasmanian Auditor-General for its external audit. Members confirm the appointment of the external auditor at each Annual General Meeting. The auditor attends the Annual General Meeting to discuss any issues with members. The Committee also meets with the external auditor without management present from time to time.

Principle Five: Make timely and balanced disclosure

The Company is not a listed Company and is not required to comply with the Australian Stock Exchange Listing Rule regarding disclosure requirements.

However, as a State-Owned Company, it is required by legislation and its Constitution to communicate with

its Shareholder Ministers and others, via regular and irregular reporting and various means of communication.

In practice, there is a flow of information throughout the year on important matters to ensure Shareholder Ministers are kept informed.

If the Directors at any time form the opinion that matters have arisen that may prevent, or significantly affect achievement of, the objectives, strategies, policies or financial targets of the Company, the Directors must promptly notify the Shareholder Ministers.

Details about disclosures made under the *Right to Information Act 2009*, the *Public Interest Disclosures Act 2002*, and the *Personal Information Protection Act 2004*, if any, are detailed in this Annual Report.

Principle Six: Respect the rights of Shareholders

The Company's Constitution specifies the rights and powers of the Shareholder Ministers.

The Board has procedures for communication with Shareholder Ministers to ensure they have timely access to information about the Company, including its financial situation, performance, governance and any sensitive matters about which they need to be aware.

Consistent with the *Irrigation Company Act 2011*, Directors and the Company must comply with any lawful directions given in writing by the Shareholder Ministers.

In its decision making, the Board is mindful of preserving value in the Company's assets, which are ultimately owned by the State.

Principle Seven: Recognise and manage risk

The Board is committed to ensuring the Company effectively manages its strategic, financial, operational, reputational and emergency risks.

The Board also ensures that an effective system of risk management and internal control operates within the Company and that it regularly monitors the performance of that system.

The Board has set a risk appetite and risk tolerance consistent with its readiness to bear risk in order to meet its strategic objectives.

The Company's Enterprise Risk Management Framework, based on AS/NZS ISO 31000:2015, is approved by the Board. Management discuss and review emerging and actual risks in the Company's external and internal environment and use this analysis to make decisions and agree on risk mitigation plans. They report on risk and risk management to the Board.

The Board discharges its duties by reviewing the reports provided by the Senior Leadership Team, monitoring the strength and reliability of the Enterprise Risk Management Framework and assessing the status of risk in the Company.

A formal risk assessment process, to document the organisational strategic risk profile, has been undertaken and this profile is subject to annual review by the Audit and Risk Committee and the Board.

The Company provides its Shareholder Ministers with information about risk by including key financial and operational risks in the annual Corporate Plan and regularly discussing risks at Shareholder Minister briefings.

Principle Eight: Remunerate fairly and responsibly

In accordance with the Company's Constitution, Directors are paid remuneration as is resolved by the Shareholder Ministers. The Board has established a People, Culture, Safety and Remuneration Committee (PCSRC), which is responsible for advising on, monitoring and making recommendations to the Board in discharging its responsibilities in relation to Tasmanian Irrigation's:

- Compliance with State and Federal employment and workplace safety requirements;
- Remuneration, and training and development opportunities for staff;
- People management practices, including human resources policies and processes, health, safety and wellbeing systems and performance, diversity and inclusion, staff engagement and organisational culture;
- Performance metrics including the presentation and effectiveness of reports related to people, culture and safety;
- Implementation of improvement initiatives and major organisational actions such as significant safety incidents and disciplinary action (including dismissal);
- Proposals to restructure the Senior Leadership Team, prior to Board endorsement; and
- Alignment of people, culture, safety and remuneration practices with Tasmanian Irrigation's vision, values, strategic objectives.

The PCSRC also recommends the annual remuneration for all staff to the Board.



Disclosures

Tasmanian Irrigation undertakes continuous disclosure beyond legislative requirements

Public Interest Disclosures

Under the *Public Interest Disclosures Act 2002*, Tasmanian Irrigation is required to report on any disclosures about improper conduct by its employees or Tasmanian Irrigation.

In accordance with the requirements of Section 86 of the Act, Tasmanian Irrigation advises that:

- a. Tasmanian Irrigation's procedures in relation to public interest disclosures are available at www.tasmanianirrigation.com.au or via email enquiries@tasirrigation.com.au or via post PO Box 84, Evandale, TASMANIA, 7212.
- b. No disclosures of public interest were made to Tasmanian Irrigation during the year;
- c. No public interest disclosures were investigated by Tasmanian Irrigation during the year;
- d. No disclosed matters were referred to Tasmanian Irrigation during the year by the Ombudsman;
- e. No disclosed matters were referred during the year by Tasmanian Irrigation to the Ombudsman to investigate;
- f. No investigations of disclosed matters were taken over by the Ombudsman from Tasmanian Irrigation during the year;
- g. There were no disclosed matters that Tasmanian Irrigation decided not to investigate during the year;
- h. There were no disclosed matters that were substantiated on investigation as there were no disclosed matters; and
- i. The Ombudsman made no recommendations under the Act that relate to Tasmanian Irrigation.

Overseas travel

No overseas travel funded by Tasmanian Irrigation, or for purposes related to Tasmanian Irrigation, was undertaken by any employees or Directors in 2023/24 or the previous financial year.

Remuneration

Tasmanian Irrigation has provided a detailed remuneration report for key management personnel from page 84 in this 2023/24 Annual Report.

Right to Information

Tasmanian Irrigation is committed to complying with the *Right to Information Act 2009* and to ensuring that it responds in a timely, accurate and fair manner to any applications lodged.

During 2023/24, Tasmanian Irrigation did not receive any Right to Information requests.

Tasmanian Irrigation embraces the objectives of the *Right to Information Act 2009* by routinely publishing information that it considers to be of interest to the public. Tasmanian Irrigation's preferred methods of disclosure of information is proactive disclosure via its publications, website and social media.

Personal Information Protection

Tasmanian Irrigation is subject to the *Personal Information Protection Act 2004*, which prescribes personal information protection principles for Tasmania.

Tasmanian Irrigation values and respects the privacy of all personal and sensitive information. No Personal Information Protection complaints were received by the Company during 2023/24.

Gifts registry

Tasmanian Irrigation maintains a Gifts, Benefits and Hospitality Registry, detailing any gift, benefit or hospitality valued at \$25 or more that has been given or received by Tasmanian Irrigation and / or its employees during the reporting period.

No gifts or benefits were offered or received in 2023/24.

Superannuation

Chief Executive Officer Andrew Kneebone certifies that Tasmanian Irrigation complied with its obligations under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* in respect to employees of Tasmanian Irrigation who are members of complying superannuation schemes.

Buy Local / Contractors



94 per cent of Tasmanian Irrigation purchases were through local companies in 2023/24

Buy local

Tasmanian Irrigation complies with the State Government’s Buy Local Policy, ensuring a transparent procurement process and paying accounts on time.

The Buy Local principles of the Treasurer’s Guidelines for Government Businesses are:

- Buy Local by encouraging Tasmanian Government businesses to purchase from Tasmanian suppliers;
- Increased disclosure on the use of consultants; and

- Payment of accounts – requiring the implementation of appropriate policies and procedures to ensure all accounts are paid on time and, if not, interest is paid for late payments.

A Tasmanian business is defined as a business operating in Tasmania, which has a permanent office or presence in Tasmania and employs Tasmanian workers.

Purchases are defined to include operating expenses (excluding employment expenses, finance expenses and depreciation), as well as capital expenditure.

Purchases from Tasmanian businesses	2023/24	2022/23	2021/22
% of purchases from Tasmanian businesses	94.07%	95.06%	92.99%
Value of purchases from Tasmanian businesses	\$55,460,476	\$62,111,261	\$23,495,696

Contractors

A “Contractor” is defined as an individual or organisation engaged under a contract (other than as an employee) to provide goods and / or services to an entity.

A contractor will usually work under the supervision of an entity manager.

Contract / works package valued over \$2 million	Procurement method	Buy local policy applied	Tender awarded to	State
Meander Augmentation pump stations	Open tender	Yes	SUB41 Pty Ltd	TAS
Meander Augmentation pipeline installation	Open tender	Yes	PWS Pty Ltd	TAS
Northern Midlands pipeline and associated works	Open tender	Yes	Hazell Bros Group Pty Ltd	TAS
Sassafras Wesley Vale Augmentation design	Open tender	Yes	GHD Pty Ltd	TAS

Consultancies

Tasmanian Irrigation’s procurement policies proactively support local businesses

Consultancies

A “Consultant” is defined as a contractor who is engaged to provide recommendations or specialist or professional advice (or more generally non-manual services) to assist

or influence an entity’s decision making. Consultancies valued at more than \$50,000 (excluding GST) to 30 June 2024 include:

Consultant	Location	Description	Amount \$
GHD	TAS	Design and engineering	5,338,067
SUB41	TAS	Project management	1,507,797
Pinion Advisory Pty Ltd	TAS	Agribusiness consulting & project advisory	1,041,415
North Barker Ecosystem Services	TAS	Environmental consultant	593,619
Wild Island	TAS	Project management	477,920
W A Cromarty & Co	TAS	Electrical engineering	423,122
Sugden & Gee Pty Ltd	TAS	Project management	420,558
Blue Tier Consulting	TAS	Construction professional services	267,765
IT Resourcing	TAS	IT system improvement and support	172,003
Marsden Jacob Associates	VIC	Business case and strategy advisory	163,615
Pitt & Sherry	TAS	Design and engineering	129,861
Mb&a Project Consulting	TAS	Construction professional services	124,238
CDL Environmental Pty Ltd	TAS	Environmental consultant	122,111
Vistra Australia	NSW	Company secretary	117,503
Cultural Heritage Management Australia	ACT	Heritage surveys	107,600
FJB Accounting Solutions	TAS	Financial consultant	97,585
The Belrose Group	TAS	Recruitment and training	97,162
Energise Partners Pty Ltd	VIC	Management consultancy	88,385
Committo Pty Ltd	TAS	IT consulting and IT project management	84,750
Environmental Service & Design Pty Ltd	TAS	Environmental consultant	83,049
Technology One	QLD	ERP system improvement and support	76,160
Shields Heritage Firm	TAS	Legal consultant	66,827
Sarah Hirst Strategy	TAS	Communications and marketing	65,590
KPMG	TAS	Internal audit	60,610
Other Contractors	18 contractors were paid under \$50,000 exc. GST		357,222
TOTAL			12,084,535

Note: In excess of 90 per cent of the consultant spend is for services provided during development and construction of new irrigation schemes

Payment of Accounts



Tasmanian Irrigation is committed to timely payment of accounts

Payment of accounts

The Tasmanian Government's Guidelines for Government Businesses require Government-owned businesses to:

- Implement appropriate policies and procedures to ensure that all accounts are paid on time and, if not, interest is paid for late payments;
- Pay invoices of less than \$50,000 within 30 days, or if a shorter term has been agreed, within the shorter term; and

- Pay invoices of \$50,000 and above in accordance with agreed terms and by the due date.

The expectation is that Tasmanian Irrigation will pay all invoices correctly rendered by suppliers within the period specified by the supplier, or where the contract is silent on payment requirements, within 30 calendar days of the date of a correctly rendered invoice.

Accounts due or paid within each year	2023/24	2022/23	2021/22
Creditor days	17.76	12.67	12.24
Number of accounts due for payment	3,669	3,620	3,294
Number of accounts paid on time	3,610	3,562	3,224
Amount due for payment	\$58,953,623	\$65,340,108	\$25,314,383
Amount paid on time	\$58,622,706	\$61,424,497	\$24,954,785
Number of payments for interest on overdue accounts	Nil	Nil	Nil
Interest paid on overdue accounts	Nil	Nil	Nil

Reason for delay

Generally, any account that had not been paid on time had a query from Tasmanian Irrigation related to the account.



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Hon. Michael Ferguson MP
Treasurer
Shareholder Minister, Tasmanian Irrigation
Level 5, Salamanca Building
Parliament House
Hobart
TASMANIA 7000

Hon. Jane Howlett MP
Minister for Primary Industries and Water
Shareholder Minister, Tasmanian Irrigation
Level 5, Salamanca Building
Parliament House
Hobart
TASMANIA 7000

12 September 2024

Dear Shareholder Ministers,

Tasmanian Irrigation Pty Ltd Annual Report 2023/24 — Statement of Compliance

In accordance with section 55 of the *Government Business Enterprises Act 1995*, we hereby submit for your information and presentation to Parliament the Report of Tasmanian Irrigation Pty Ltd for 2023/24 ending 30 June 2024.

The Report has been prepared in accordance with the provisions of the *Government Business Enterprise Act*.

Tasmanian Irrigation has complied with the *Guidelines for Tasmanian Government Businesses — Director and Executive Remuneration* for the year ended 30 June 2024.

Signed in accordance with a resolution of Directors that this Annual Report has been adopted.

Yours faithfully,



Ms Kate Vinot
CHAIR



Ms Poppy Lyne
NON-EXECUTIVE DIRECTOR



Directors' Report

Tasmanian Irrigation Proprietary Limited Directors' Report — For the year ended 30 June 2024

The Directors present their report, together with the financial report of Tasmanian Irrigation Proprietary Limited (“the Company”), for the financial year ended 30 June 2024 and the independent auditor’s report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	Term	Status and Committees
Ms Catherine (Kate) Vinot	Appointed: 16 December 2022 Term to: 30 November 2025	Independent Board Chair Non-Executive Director People, Culture, Safety and Remuneration Committee Member
Ms Laura McBain	Appointed: 2 August 2021 Term to: 30 November 2024	Independent Non-Executive Director People, Culture, Safety and Remuneration Chair Audit and Risk Committee Member
Ms Judith (Poppy) Lyne	Appointed: 2 August 2021 Term to: 30 November 2024	Independent Non-Executive Director People, Culture, Safety and Remuneration Committee Member
Mr Donald (Hugh) McKenzie	Appointed: 16 December 2022 Term to: 30 December 2025	Independent Non-Executive Director Audit and Risk Committee Chair
Mr Michael (Mike) Paine	Appointed: 30 August 2023 Term to: 30 November 2026	Independent Non-Executive Director Audit and Risk Committee Member
Ms Abigail Foley	Appointed: 22 February 2021 Resigned: 14 September 2023	Independent Non-Executive Director People, Culture, Safety and Remuneration Chair

1. Directors (continued)

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the year ended 30 June 2024 include:

Director	Board Meetings		Audit and Risk Committee		People, Culture, Safety and Remuneration Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Kate Vinot	12	12	4	-	4	4
Abigail Foley	4	4	1	1	1	1
Laura McBain	12	12	4	4	3	3
Poppy Lyne	11	12	1	-	4	4
Hugh McKenzie	11	12	4	4	-	-
Mike Paine	7	9	3	3	-	-

2. Principal activities

As per the Members' Statement of Expectations the principal purpose of Tasmanian Irrigation is to develop, own and operate irrigation schemes in Tasmania, in accordance with sound commercial practice, for the purposes of facilitating the expansion of agricultural production in the State.

3. Operating and financial review

Demand for irrigation water was significantly higher in the 2024 financial year than in the previous financial year due to ongoing dry conditions across the State. During the financial year, 100,593 megalitres (ML) of irrigation water was delivered, compared to 56,935 ML delivered during the same period last year.

Many schemes delivered their highest volumes on record illustrating the importance of irrigation water to the State's agricultural production.

3. *Operating and financial review (continued)*

Achievements during the financial year included:

- The completion and commissioning of the Don Irrigation Scheme. The new 9,500 megalitre scheme provides high reliability irrigation water into the Don, Forth, Barrington and Sheffield districts in the north west of Tasmania and operates 365 days-a-year through summer and winter seasons;
- The completion of the 2035 Tasmanian Irrigation Strategic Plan, which lays out a strategic roadmap and set of objectives for the Company for the next 10 years. Implementation of the Strategic Plan will ensure that Tasmanian Irrigation develops further as an efficient, customer focused, self-sustaining organisation focused on assisting the Tasmanian Government to achieve its target of increasing the farmgate value of the State's agricultural sector to \$10 billion a year by 2050;
- The completion of six solar installations through the Energy on Farms project that reduce a scheme's energy costs and reliance on the national electricity grid system;
- Completion of the Lake Leake project, which has delivered upgrades to the dam to ensure the continued safety of the downstream community, ongoing reliable water supply and protection of the business, environmental and societal interests of the various stakeholders associated with the asset;
- Significant progression of Greater Meander Irrigation Scheme Augmentation that is on track for completion before the start of the 2024/25 irrigation season. This project delivers approximately 10,500 ML of additional water to the existing Scheme's capacity allowing for further expansion of agricultural production in the Meander and surrounding districts;
- Development of the application process and guidelines for the community management of publicly owned irrigation schemes, including the completion of a first round of consultation with irrigators and key stakeholders. This piece of work included hosting multiple information and consultation sessions;
- Developing and implementing a project to identify strategies to recover the debt associated with unsold water;
- Design and undertake the first round of customer research undertaken by the organisation;
- Significant progress with the Tranche Three projects:
 - ⇒ Northern Midlands Irrigation Scheme progressed to construction readiness
 - ⇒ Progressing the detailed design of the Sassafras Wesley Vale Irrigation Scheme Augmentation to 100 per cent

3. *Operating and financial review (continued)*

- ⇒ Completion of the pre-feasibility analysis for the Tamar Irrigation Scheme, including the second round of water sales and the potential supply of water to the Bell Bay area for hydrogen production
- ⇒ Completion and submission of the Greater South East Irrigation Scheme business case

In the Program Development and Delivery segment the Company continued to push forward with key projects. Specifically, the justification of the proposed Greater South East Irrigation Scheme and the Tamar Irrigation Scheme, and commencing construction works for Northern Midlands Irrigation Scheme and the Sassafras Wesley Vale Irrigation Scheme Augmentation. The Company also looks forward to the completion of the Greater Meander Irrigation Scheme Augmentation and the finalisation of the Energy on Farms projects.

Overall, these accomplishments underscore the Company's dedication to delivering innovative and transformative irrigation solutions.

Looking ahead, Directors have prioritised a continued focus on ensuring the Water Delivery segment of the Company is sustainable from a cost and resourcing perspective. This will ensure ongoing efficient service to customers, underpinned by optimal asset renewal and maintenance planning and delivery.

The Company's Statement of Profit or Loss and Other Comprehensive Income for the year is set out on page 61 of this Annual Report.

The Company's net result was a loss of \$474,206 after impairment of non-current assets of \$6,760,802 (2023: loss of \$44,940,696 after impairment of \$48,015,080 of non-current assets). In accordance with the Company's accounting policies, assets and work in progress are reviewed annually for impairment.

As a result of this review, an impairment expense of \$6,760,802 (2023: \$48,015,080) has been recognised in the Statement of Profit or Loss and Other Comprehensive Income. The majority of the impairment expense relates to the Don Irrigation Scheme's capital works as the project was completed in the year.

The Company's underlying performance, excluding the sale of water entitlements and the impairment of non-current assets, was a surplus of \$1,070,001 (2023: surplus of \$1,926,094). This can be explained as follows:

- The Water Delivery segment made a surplus of \$1,757,259 (2023: surplus of \$116,847) largely due to additional proceeds from the delivery of general availability water. The surplus will assist with, and contribute to, the financial sustainability of schemes; and
- Renewable energy generation revenue increased to \$2,747,813 for the financial year, compared to \$1,345,466 in the previous financial year. This was due to higher retail contract rates and greater overall generation output. In the previous financial year, the Meander mini hydro power station was offline for an extended period for major refurbishment and therefore annual generation output in that year was lower.

3. Operating and financial review (continued)

Other notable factors include:

- Irrigation water charges for the financial year were \$14,060,987, which was above the same period last year (2023: \$9,733,351) due to the addition of the Don Irrigation Scheme and various schemes being required to raise additional funds to ensure adequate working capital and asset renewal balances. These funds are required to ensure the financial sustainability of each scheme; and
- Water purchases and power charges were higher this financial year in line with higher domestic electricity prices. Administration costs were higher during the period due to the well-publicised inflationary conditions affecting most goods and services (including insurance), and also due to additional investment required on cyber security.

The Company's underlying performance is reconciled to the following amounts in the annual financial report:

	<i>Note</i>	30 June 2024	30 June 2023
Profit / (loss) from continuing operations		(474,206)	(44,940,696)
Revenue from sale of water entitlements	<i>B2</i>	(5,216,595)	(1,148,290)
Impairment expense for property, plant and equipment	<i>B5</i>	6,760,802	48,015,080
Underlying profit / (loss) from continuing operations		1,070,001	1,926,094

4. Environmental regulations

The Company's operations are subject to the *Environmental Management and Pollution Control Act 1994*, *Land Use Planning and Approvals Act 1993*, *Water Management Act 1999*, *Threatened Species Protection Act 1995*, *Historic Cultural Heritage Act 1995*, *Aboriginal Heritage Act 1975* and the *Environment Protection and Biodiversity Conservation Act 1999*.

No notices were served, nor prosecutions launched against the Company, under the various legislations during the financial year.

In addition, the Company recorded no statutory reportable incidents for the period.

The Company ensures the necessary systems and processes are in place to monitor and manage compliance.

5. Dividends

No dividends were paid or declared by the Company to shareholders during the financial period.

6. Events subsequent to reporting date

There were no significant events subsequent to reporting date.

7. Directors' interests

The Directors have no interest in the Company with all shares held by the Minister for Primary Industries and Water and the Treasurer in trust for the Crown.

8. Indemnification and insurance of officers

The Company paid an insurance premium in respect of an insurance contract insuring the directors, company secretary and executive officers of the Company against a liability incurred as a Director, Company Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Company, or any related body corporate, against any other liability.

9. Compliance with Guidelines for Tasmanian Government Business

During the year, the Company has complied with the Guidelines for Tasmanian Government Business – Directors and Executive Remuneration.

10. Auditor's independence declaration

The Auditor's independence declaration forms part of the Directors' Report for the financial year ended 30 June 2024.



Kate Vinot

Chair

Dated this 12th day of August 2024

Tasmanian Irrigation Proprietary Limited
Directors' Declaration —
For the Year Ended 30 June 2024

Directors' Declaration

In the opinion of the Directors of Tasmanian Irrigation Proprietary Limited ('the Company'):

- a. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date
 - ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- c. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024; and
- d. The Directors draw attention to notes A3 and E1 in the financial statements, which include a statement regarding the Company's dependence on Government contributions and on-going Government support for the Company to access borrowings.

Signed in accordance with a resolution of the Directors:



Kate Vinot
Chair

Dated at this 12th day of August 2024

12 August 2024

The Board of Directors
Tasmanian Irrigation Pty Ltd
PO Box 84
Evandale TAS 7212

Dear Board Members

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

As the auditor of the financial report of Tasmanian Irrigation Pty Ltd for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) any applicable code of professional conduct in relation to the audit.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely



Martin Thompson
Auditor-General

Copy for:

Mr H McKenzie, Chairperson Audit and Risk Committee
Mr A Kneebone, Chief Executive Officer
Mr B Fraser, Chief Financial Officer



Independent Auditor's Report

To the Members of Tasmanian Irrigation Pty Ltd

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Tasmanian Irrigation Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2024 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 12 August 2024 and included in the Directors'

Report, would be in the same terms if provided to the directors at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Accuracy of impairment of land and buildings, dams, water infrastructure assets and capital work in progress</p> <p><i>Refer to note B5</i></p>	
<p>The carrying amount of the Company's land and buildings, dams, water infrastructure assets and capital work in progress measured at cost, totalled \$65.73 million at 30 June 2024.</p> <p>Each year, management performs an assessment to determine whether there are any indicators these assets may be impaired. The annual assessment resulted in an impairment expense of \$6.76 million, reducing the value of these assets to their estimated recoverable amount, as represented by the value of unsold water entitlements and projected electricity generation revenues.</p> <p>Impairment tests required significant audit attention as they are complex and subject to significant management judgement and estimation, which included estimating the quantity and timing of future water right sales and applying an appropriate discount rate to future cash flows.</p>	<ul style="list-style-type: none"> • Evaluating management's assessment of impairment. • Assessing the reasonableness and relevance of the key inputs and assumptions used in management's calculations. • Assessing the appropriateness of the discount rates used to calculate the present value of future cash flows. • Reconciling input data to supporting evidence, including the water entitlements register. • Checking the calculations for mathematical accuracy. • Evaluating disclosures in the notes to the financial report for compliance with Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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 the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Martin Thompson
Auditor-General

Tasmanian Audit Office

13 August 2024
Hobart

Financial Report



Workers at a Tasmanian onion processing factory

Statement of Financial Position

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

	Note	30 June 2024	30 June 2023
Assets			
Cash and cash equivalents	C1	13,019,922	12,824,457
Trade and other receivables	C2	6,253,639	3,324,895
Contract asset	C3	1,000,000	3,592,251
Inventories	C4	655,888	864,270
Prepayments		652,421	616,456
Total current assets		21,581,870	21,222,329
Property, plant and equipment	B5	67,031,449	30,823,099
Total non-current assets		67,031,449	30,823,099
Total assets		88,613,319	52,045,428
Liabilities			
Trade and other payables	C5	10,089,830	6,661,699
Loans and borrowings	E1	9,782,032	23,004,196
Leases		160,645	174,655
Employee benefits		920,447	893,449
Deferred grant income	C6	1,262,776	97,146
Contract liability	C7	8,639,842	6,529,559
Total current liabilities		30,855,572	37,360,704
Loans and borrowings	E1	9,000,000	9,149,760
Leases		53,172	269,193
Employee benefits		346,294	271,237
Deferred grant income	C6	3,342,992	3,618,462
Contract liability	C7	9,219,299	7,882,291
Total non-current liabilities		21,961,757	21,190,943
Total liabilities		52,817,329	58,551,647
Net assets		35,795,990	(6,506,219)
Equity			
Issued capital	E3	400,777,192	358,000,777
Retained earnings / (accumulated losses)		(364,981,202)	(364,506,996)
Total equity		35,795,990	(6,506,219)

The notes on pages 65 to 98 are an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income

	<i>Note</i>	30 June 2024	30 June 2023
Continuing operations			
Revenue from contracts with customers	<i>B2</i>	25,499,892	13,753,458
Government grants	<i>B3</i>	5,756,386	10,600,335
Other income	<i>B3</i>	223,309	530,651
Finance income	<i>B3</i>	219,115	217,781
Total revenue		31,698,702	25,102,225
Depreciation and amortisation	<i>B5</i>	(604,472)	(691,014)
Employee benefits	<i>B4</i>	(6,484,227)	(6,256,252)
Impairment loss — trade receivables		(146,993)	40,761
Impairment expense — land, dams and water infrastructure	<i>B5</i>	(6,760,802)	(48,015,080)
Write-off – construction project inventory		-	(545,906)
Write off – loan receivables		-	(426,348)
Operations and maintenance expenses	<i>B4</i>	(13,580,381)	(7,647,674)
Pre-feasibility and feasibility costs for Tranche Three and future irrigation projects		(1,732,625)	(4,040,281)
Administrative expenses	<i>B4</i>	(1,682,783)	(1,605,424)
Finance costs	<i>E2</i>	(1,180,625)	(855,703)
Total expenses		(32,172,908)	(70,042,921)
Profit / (loss) from continuing operations		(474,206)	(44,940,696)
Tax (expense) benefit	<i>F2</i>	-	-
Profit (loss) for the year after tax before comprehensive income		(474,206)	(44,940,696)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit (loss) for the year		(474,206)	(44,940,696)

The notes on pages 65 to 98 are an integral part of these financial statements

Statement of Changes in Equity

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

	Attributable to owners of the Company				
		Issued capital		Retained earnings (accumulated losses)	Total equity
	Note	Share capital	Equity contributions		
Balance at 1 July 2022		2	324,575,775	(319,566,300)	5,009,477
Total comprehensive income for the year					
Profit or loss		-	-	(44,940,696)	(44,940,696)
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(44,940,696)	(44,940,696)
Transactions with owners, recorded directly in equity					
Equity contributions from Government	E3	-	33,425,000	-	33,425,000
Total contributions by and distributions to owners of the Company		-	33,425,000	-	33,425,000
Balance at 30 June 2023		2	358,000,775	(364,506,996)	(6,506,219)
Total comprehensive income for the year					
Profit or loss		-	-	(474,206)	(474,206)
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(474,206)	(474,206)
Transactions with owners, recorded directly in equity					
Equity contributions from Government	E3	-	42,776,415	-	42,776,415
Total contributions by and distributions to owners of the Company		-	42,776,415	-	42,776,415
Balance at 30 June 2024		2	400,777,190	(364,981,202)	35,795,990

The notes on pages 65 to 98 are an integral part of these financial statements

Statement of Cash Flows

	Note	30 June 2024	30 June 2023
Cash flows from operating activities			
Cash receipts from customers		22,084,967	17,908,428
Cash receipts from Government grants		9,238,796	6,920,000
Cash paid to suppliers and employees		(24,629,703)	(25,493,404)
Cash generated from (used in) operations		6,694,060	(664,976)
Interest received		219,115	217,781
Payment of interest and guarantee fees on borrowings		(1,214,027)	(692,034)
Net cash from (used in) operating activities	C1	5,699,148	(1,139,229)
Cash flows from investing activities			
Cash receipts from water entitlements		8,487,419	3,862,136
Proceeds from sale of property, plant and equipment		355,856	63,255
Payments for property, plant and equipment		(43,520,667)	(49,664,097)
Net cash used in investing activities		(34,677,392)	(45,738,706)
Cash flows from financing activities			
Equity contributions from Government		42,776,415	33,425,000
Repayment of borrowings		(14,724,902)	(14,978,884)
Repayment of lease liabilities		(230,782)	(222,943)
Proceeds from borrowings		1,352,978	8,491,008
Net cash from financing activities		29,173,709	26,714,181
Net increase / (decrease) in cash and cash equivalents		195,465	(20,163,754)
Cash and cash equivalents at 1 July		12,824,457	32,988,211
Cash and cash equivalents at 30 June	C1	13,019,922	12,824,457

The notes on pages 65 to 98 are an integral part of these financial statements

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Section A – About this report

This section provides broad information relating to the nature of the Company's business, the structure of this financial report and material accounting policies not covered elsewhere in this report.

- | | |
|---------------------------|----------------------------------------------|
| A1. Reporting entity | A4. Material accounting policies |
| A2. Basis of preparation | A5. Adoption of new Accounting Standards and |
| A3. Government dependency | Pending Accounting Standards |

A1 Reporting entity

Tasmanian Irrigation Proprietary Limited (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is Level 2 Terminal Building, Launceston Airport, Evandale Main Road, Western Junction, Tasmania.

The Company is a for-profit entity and its principal purpose is to develop, own and operate irrigation schemes in Tasmania, in accordance with sound commercial practice, for the purposes of facilitating the expansion of agricultural production in the State.

A2 Basis of preparation

(a) Statement of compliance

The financial statements are general purpose financial statements, which have been prepared in accordance with the Australian Accounting Standards Board (AASB) and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements were authorised for issue by the Board of Directors on 12 August 2024.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments.

(c) Functional currency and presentation

These financial statements are presented in Australian dollars, which is the Company's functional currency. Where necessary, comparative figures are adjusted to conform with changes in presentation in the current year.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with the AASB requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

A2 Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note B5 – impairment of property, plant and equipment.

A3 Government dependency

The Company receives contributions from the Tasmanian and Australian Governments towards the construction of approved capital projects and for some aspects of operating expenditure. A total of \$213.7 million has been committed by the Australian Government and a further \$118.1 million by the Tasmanian Government for the Tranche Three irrigation projects. The Tranche Three program commenced in 2019 and is planned to continue for at least a further 10 years to complete all planned or anticipated projects.

To deliver these projects, the Company receives funding from both Federal and State Treasuries that are sequenced to planned project expenditure profiles. The Tasmanian Government also provides the Company access to a \$68.2 million loan facility administered through the Tasmanian Public Finance Corporation (TasCorp).

Contributions received for capital projects are accounted for as an increase to equity. Contributions received for operating activities are accounted for as income.

Total State and Federal contributions received during the year are shown in the table below:

	2024	2023
Capital projects – included in equity		33,425,000
Program Development and Delivery overheads and business case development – included in income	5,422,238	10,317,329
Contributions for operating activities – included as	334,147	283,006
Total State and Federal Government contributions	48,532,801	44,025,335

Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The following additional information is relevant in the Company's going concern assessment:

- The Tasmanian Government expects the Company to continue operating as a State-Owned Company and perform its functions given the substantial support and investment the Government has provided;
- The Company produces an annual corporate planning document to the Shareholding Ministers detailing the Company's strategic objectives for a rolling four-year period, including forecasted financial statements. In October 2023, the Shareholding Ministers wrote to the Company endorsing the strategic direction as outlined in Tasmanian Irrigation's 2023/24 to 2026/27 Corporate Plan;

A3 Government dependency (continued) **Going concern (continued)**

iii. The Company receives Government funding sequenced to planned project expenditure and utilises its loan facility to cover construction funding shortfalls that may occur due to the timing of the receipt of Government equity and grant contributions and water entitlement funds. Under the *Tasmanian Public Finance Corporation Act 1985*, the Government has provided a guarantee of the Company's borrowings from TasCorp. As at 30 June 2024, this support was limited to a maximum amount of \$68.2 million;

iv. The Company is set to receive \$96.27 million in project equity funding and \$5 million in grant funding to deliver its planned activities spanning the going concern assessment period (12 months after the date of this report);

v. The Company operates under a full cost recovery model for operational activities including the management of working capital and asset replacement reserves, with the required charges levied and enforceable under the *Irrigation Clauses Act 1973*; and

vi. The high level of water usage in the 2023/24 irrigation season demonstrates the strong demand and reliance upon Tasmanian Irrigation to support the State's agricultural sector through the provision of high surety and reliable irrigation water. This serves as evidence of continued demand for the Company's services now and into the future.

At the date of this report and having considered the above, the Directors are of the opinion that the Company will be able to continue as a going concern.

A4 Material accounting policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. All material accounting policies are contained in the notes to the financial statements to which they relate.

A5 Adoption of new Accounting Standards and pending Accounting Standards

The following new or amended Accounting Standards have been adopted by the Company for the first time in this financial report, including AASB 2021-2 Disclosure of Accounting Policies and Definition of Accounting Estimates.

AASB 2021-2 amended several accounting standards to improve accounting policy disclosures and clarify the distinction between changes in accounting policies and accounting estimates. Of relevance to the Company, AASB 2021-2 amended AASB 101 Presentation of Financial Statements to replace the requirements for entities to disclose their "significant accounting policies" with a requirement to disclose "material accounting policies". These new or amended Accounting Standards have not had a material impact on the recognition and measurement of transactions, or disclosures in the financial report.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

A5 Adoption of new Accounting Standards and pending Accounting Standards (continued)

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been applied in preparing these financial statements.

The Company is not an early adopter of these standards.

The new Australian Accounting Standard AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 Presentation of Financial Statements as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in the Company's financial statements.

Based on the Company's assessment, it is expected that the first-time adoption of these amendments for the year ending 30 June 2028 will have a material impact on the financial statements, requiring the presentation of the Statement of Comprehensive Income to be amended such that transactions are classified as one of five categories – operating, investing, financing, income taxes and discontinued operations.

The other pending standards have been analysed and are not expected to have a significant impact on the Company's financial statements.

Section B – Business performance

This section provides information that is most relevant to understanding the financial performance of the Company during the financial year and where relevant, the accounting policies applied and the critical judgements and estimates made.

- | | |
|-------------------------------------------|-----------------------------------|
| B1. Operating segments | B4. Expenses |
| B2. Revenue from contracts with customers | B5. Property, plant and equipment |
| B3. Other income | |

B1 Operating segments

Identification of reportable segments

The Company has elected to provide segment reporting in accordance with AASB 8 Operating Segments. The Company determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer (CEO) and the Board of Directors.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

All operating segments' operating results are regularly reviewed by the Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

The Company has identified the following reportable segments, which differ in the nature of services provided:

Water Delivery – The Company owns and manages the Water Delivery operations of 19 irrigation schemes, owns the infrastructure of one locally-managed irrigation scheme, as well as managing the Togari Water Supply Scheme, two river improvement schemes, one drainage scheme and two standalone dams.

The Company operates the 2MW mini hydro power station at Meander Dam, the 2MW mini hydro power station at Scottsdale and a 6MW mini hydro power station as part of the Midlands Irrigation Scheme. The Company operates the irrigation schemes under a cost recovery model.

Program Development and Delivery – The Company designs, develops and constructs irrigation schemes through a public / private funding partnership model.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

B1 Operating segments (continued)

Identification of reportable segments (continued)

Information related to each reportable segment is set out below:

Year ended 30 June 2024	Water Delivery	Program Development and Delivery	Total
External revenue	20,725,722	10,972,981	31,698,702
Segment revenue	20,725,722	10,972,981	31,698,702
Segment profit / (loss) before tax	1,757,259	(2,231,465)	(474,206)
Interest income	219,115	-	219,115
Interest expense	(389,569)	(584,486)	(974,055)
Depreciation and amortisation	(551,840)	(52,632)	(604,472)
Other material non-cash items:			
- impairment of property, plant and equipment	-	(6,760,802)	(6,760,802)

Year ended 30 June 2023	Water Delivery	Program Development and Delivery	Total
External revenue	13,373,491	11,728,734	25,102,225
Segment revenue	13,373,491	11,728,734	25,102,225
Segment profit / (loss) before tax	116,847	(45,057,543)	(44,940,696)
Interest income	217,781	-	217,781
Interest expense	(352,460)	(503,243)	(855,703)
Depreciation and amortisation	(610,602)	(80,412)	(691,014)
Other material non-cash items:			
- impairment of property, plant and equipment	(363,522)	(47,651,558)	(48,015,080)
- impairment of construction project inventory	(426,348)	(545,906)	(972,254)

Statement of Financial Position information is not disclosed due to some items not being specifically allocated to the reportable segments.

Notes to the Financial Statements

B2 Revenue from contracts with customers

	2024	2023
Irrigation fees		
Irrigation water charges	14,060,987	9,733,351
Renewable energy generation		
Electricity generation	2,747,813	1,345,466
Renewable Energy Certificates	1,971,655	416,539
	4,719,468	1,762,005
Water entitlement revenue		
Don Irrigation Scheme	5,150,005	-
Scottsdale Irrigation Scheme	46,200	879,800
Upper Ringarooma Irrigation Scheme	20,390	12,740
Whitemore Irrigation Scheme	-	255,750
	5,216,595	1,148,290
Asset Renewal Levy	1,502,842	1,109,812
Total revenue from contracts with customers	25,499,892	13,753,458

Performance obligations and revenue recognition policies

Revenue is measured based on consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under AASB 15
Irrigation water charges	Customers obtain control of the supply of water when it is delivered. For operations and maintenance, this is when they are delivered. Invoices are raised periodically for the water supply and annually in advance for the asset renewal and operations and maintenance charges	Revenue is recognised over time, i.e. as the water is delivered or the services are provided to the customer
Renewable energy generation	Customer obtains the electricity as it is generated. Invoice is per unit of generated electricity. Renewable Energy Certificates (RECs) are created as electricity generation occurs. Invoices for RECs are done half yearly	Revenue relating to electricity and RECs are recognised as the electricity is generated

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

B2 Revenue from contracts with customers (continued) Performance obligations and revenue recognition policies (continued)

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under AASB 15
Water entitlement revenue	Performance obligation is the commissioning of the relevant irrigation scheme. Payment terms vary, but are generally 30 days.	Revenue recognised at the point of commissioning the relevant scheme.
Asset Renewal Levy	The Asset Renewal Levy is an annual fee levied on each water entitlement holder for all of the operating irrigation schemes. The purpose of the Asset Renewal Levy is to undertake future repairs and renewal of assets on each irrigation scheme. The Asset Renewal Levy is recognised initially as a contract liability when invoiced. The performance obligation is satisfied when the Company repairs or renews the scheme assets. Invoices are raised annually, and payment terms are generally 30 days.	Revenue is recognised over time as the Company repairs or renews the scheme assets.

B3 Other income

	2024	2023
Government grants		
Grants received for operational funding	334,147	283,006
Grants received for business case development and Program Development and Delivery overheads	5,422,238	10,317,329
	5,756,386	10,600,335
Finance income		
Interest income on cash funds invested	219,115	217,781
	219,115	217,781
Other income		
Gain on sale of non-current assets	148,974	20,705
Reimbursement of third-party expenditure	-	78,690
External services	14,760	198,037
Other	59,575	233,219
	223,309	530,651
Total other income	6,198,810	11,348,767

B3 Other income (continued)

Recognition and measurement

Finance income

Finance income comprises interest income on cash funds invested.

Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Revenues from Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as income in the same periods in which the expenses are recognised.

Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset unless they have been designated as an equity contribution by the State Treasurer. Where this occurs, the funding is allocated directly to “equity contributions” and reflected in the Statement of Changes in Equity.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

B4 Expenses

	Note	2024	2023
Employee benefits			
Salaries and wages		7,909,624	7,265,896
Superannuation		871,752	763,177
Other employee entitlements		838,947	729,360
		9,620,323	8,758,433
Less: capitalised in work in progress		(2,457,706)	(1,708,438)
Less: allocated to pre-feasibility costs		(678,390)	(793,743)
		6,484,227	6,256,252
Operations and maintenance expenses			
Contractors and consultants		1,144,155	597,677
Maintenance		1,967,255	1,433,076
Water purchases		5,999,007	2,404,391
Power charges		2,512,043	1,352,243
Rates, land tax and insurances		933,121	793,165
Other operations and maintenance expenses		1,024,800	1,067,122
		13,580,381	7,647,674
Administration expenses			
External audit and review of the financial statements by Auditor			
General of Tasmania		59,000	42,340
Internal audit fees		39,449	6,664
Advertising and promotion		13,670	7,841
Travel expenses (i)		91,039	77,430
Information technology and communication expenses		1,043,405	965,220
Training and professional development		156,279	101,819
Other administration expenses		279,941	404,110
		1,682,783	1,605,424

(i) There was no overseas travel by the Board of Directors or the CEO in either the current or prior financial year.

Recognition and measurement

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when it is probable that the outflow or the other depletion of future economic benefits has occurred and can be reliably measured.

Notes to the Financial Statements

B5 Property, plant and equipment

	Note	Land and buildings	Dams	Water infrastructure	Other equipment	Capital work in progress	Total
Gross carrying amount							
Balance at 1 July 2022		3,375,040	108,282,991	322,365,511	3,280,370	17,860,729	455,164,641
Additions		226,175	109,124	1,031,787	47,578	49,329,364	50,744,028
Disposals		(9,177)	-	-	(666,856)	-	(676,033)
Transfers		-	-	5,181,488	-	(5,181,488)	-
Balance at 30 June 2023		3,592,038	108,392,115	328,578,786	2,661,092	62,008,605	505,232,636
Balance at 1 July 2023		3,592,038	108,392,115	328,578,786	2,661,092	62,008,605	505,232,636
Additions		3,688	-	137,700	1,034,910	42,682,552	43,858,850
Disposals		-	-	-	(587,184)	-	(587,184)
Transfers		-	-	48,112,619	-	(48,112,619)	-
Balance at 30 June 2024		3,595,726	108,392,115	376,829,105	3,108,818	56,578,538	548,504,302
Depreciation and impairment losses							
Balance at 1 July 2022		(2,901,893)	(107,267,635)	(314,169,105)	(1,956,063)	-	(426,294,696)
Depreciation for the year (i)		(164,197)	(2,971)	(105,905)	(454,128)	-	(727,201)
Impairment loss (ii)		(226,517)	(437,230)	(6,449,152)	-	(40,902,181)	(48,015,080)
Disposals		7,984	-	-	619,456	-	627,440
Balance at 30 June 2023		(3,284,623)	(107,707,836)	(320,724,162)	(1,790,735)	(40,902,181)	(474,409,537)
Balance at 1 July 2023		(3,284,623)	(107,707,836)	(320,724,162)	(1,790,735)	(40,902,181)	(474,409,537)
Depreciation for the year (i)		(173,512)	(2,974)	(114,050)	(392,281)	-	(682,817)
Impairment loss (ii)		-	-	(2,584,253)	-	(4,176,549)	(6,760,802)
Disposals		-	-	-	380,303	-	380,303
Transfers		-	-	(38,201,967)	-	38,201,967	-
Balance at 30 June 2024		(3,458,135)	(107,710,810)	(361,624,432)	(1,802,713)	(6,876,763)	(481,472,853)
Carrying amounts							
at 1 July 2022		473,147	1,015,356	8,196,406	1,324,307	17,860,729	28,869,945
at 30 June 2023		307,415	684,279	7,854,624	870,357	21,106,424	30,823,099
at 30 June 2024		137,591	681,305	15,204,673	1,306,105	49,701,775	67,031,449

(i) Total depreciation expense is \$682,817 (2023: \$727,201), of which \$78,345 (2023: \$36,187) is allocated to "pre-feasibility and feasibility costs" and "capital work in progress", leaving net depreciation of \$604,472 (2023: \$691,014) as disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) The impairment loss consists of:

	Note	2024	2023	
Impairment losses		(8,548,736)	(48,256,610)	The impairment reversals arise due to changes in the estimated future cash flows.
Impairment reversals		1,787,934	241,530	
Impairment loss in Statement of Profit or Loss and Other Comprehensive Income		(6,760,802)	(48,015,080)	

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

B5 Property, plant and equipment (continued)

Recognition and measurement

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the following:

- The cost of materials and direct labour; and
- Any other costs directly attributable to bringing the assets to a working condition for their intended use.

Assets are only recognised when they have a cost (or fair value) greater than \$20,000 and a useful life in excess of one year or where, when grouped together with a number of other similar items with individual values below the capitalisation threshold, they represent a value that is a significant proportion of the total value of the Company's assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains or losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Land held for use in the production or supply of goods or services is carried in the balance sheet at cost less any subsequent accumulated impairment losses.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Items of property, plant and equipment, whether owned or right of use assets, are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

-Dams and pipelines	100 years	-Drains	50 years
-Plant and equipment	5 - 20 years	-Pump stations	25 years
-Meters and pumps	25 years	-Vehicles	5 - 8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

B5 Property, plant and equipment (continued)

Recognition and measurement (continued)

Impairment

The carrying amounts of the Company's property, plant and equipment assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value with the following key assumptions:

- The amount and timing of unsold water entitlements, as well as ongoing costs and results of operations. Currently, pricing of ongoing annual operating water charges is based on a cost recovery model and as a result the Company is not forecasting any future cash inflows from operations;
- Projected electricity generation and Renewable Energy Certificate revenue; and
- A pre-tax discount rate of seven per cent that reflects current market assessments of the time value of money and the risks specific to the asset. This discount rate is based on the current recommended Infrastructure Australia discount rate for assets of this nature.

An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

During the year ended 30 June 2024, a net impairment expense of \$6,760,802 (2023: \$48,015,080) has been recognised in the Statement of Profit or Loss and Other Comprehensive Income. The majority of this expense relates to the impairment of the Don Irrigation Scheme.

Water infrastructure development is funded by a combination of Government capital contributions and the sale of water entitlements to the public. From time to time, funding is also sourced from operational cash flows and borrowings.

The accounting treatment for the primary sources of funding differ in that:

- Government capital contributions for the construction of the schemes are recognised directly in equity (note E3); and
- Sale of water entitlements is recognised as revenue in the Statement of Profit or Loss and Other Comprehensive Income (note B2).

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

Section C – Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Company.

- | | |
|-------------------------------|---------------------------|
| C1. Cash and cash equivalents | C5. Payables |
| C2. Receivables | C6. Deferred grant income |
| C3. Contract asset | C7. Contract liability |
| C4. Inventories | |

C1 Cash and cash equivalents

	2024	2023
Bank balances	12,238,844	12,113,799
Short-term investments at call with TasCorp	781,078	710,658
Cash and cash equivalents in the Statement of Cash Flows	13,019,922	12,824,457

(i) Recognition and measurement

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments. The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note E4.

(ii) Reconciliation of profit / (loss) for the period and net cash used in operating activities

The reconciliation of the profit / (loss) for the period and net cash used in operating activities is as follows:

	2024	2023
Cash flows from operating activities		
Profit (loss) for the period	(474,206)	(44,940,696)
Adjustments for:		
Depreciation and amortisation	682,816	727,201
Impairment of current assets	146,993	(40,761)
Impairment of non-current assets	6,760,802	48,015,080
Write-off of construction project inventory	-	545,906
Write-off of loans receivable	-	426,348
Sales of water entitlements recognised as investing activities	(8,487,419)	(3,862,136)
(Gain) loss on sale of non-current assets	(148,974)	(20,706)
	(1,519,988)	850,236
Change in trade and other receivables	(3,075,737)	(1,073,056)
Change in prepayments	(35,966)	(232,490)
Change in inventories	208,383	(214,065)
Change in contract assets	2,592,251	(3,592,251)
Change in trade and other payables	3,090,700	370,782
Change in provisions and employee benefits	102,056	157,245
Change in deferred grant income	890,160	(88,083)
Change in contract liability	3,447,228	2,682,453
Net cash provided by / (used in) operating activities	5,699,148	(1,139,229)

Notes to the Financial Statements

C1 Cash and cash equivalents (continued)

(iii) Restricted cash balances

	2024	2023
Cash balances included in this total which are restricted for use in:		
Capital construction projects	-	-
Asset Renewal Levy expenditure *	10,480,050	9,564,722
Total	10,480,050	9,564,722

* Funds collected are quarantined in separate bank accounts and are expressly identified as belonging to a particular scheme.

(iv) Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

	2024	2023
Balance at 1 July	32,597,804	39,290,752
Additional lease liabilities recognised in year	751	17,871
Changes from financing cash flows:		
Cash received from loans	1,352,978	14,978,884
Cash repayments of loans	(14,724,902)	(21,466,760)
Cash repayments of lease liabilities	(230,782)	(222,943)
Balance at 30 June	18,995,849	32,597,804

C2 Receivables

	2024	2023
Trade receivables (i)	3,824,442	1,500,102
Impairment of trade receivables	(215,380)	(75,191)
Goods and Services Tax receivable	499,555	679,850
Accrued income	2,145,022	1,220,134
Total	6,253,639	3,324,895

(i) Trade receivables

Trade receivables are made up of annual charges relating to the operation of irrigation schemes, as well as water entitlement sales.

Trade receivables are initially recognised when they are originated and measured using the amortised cost approach, as represented by the transaction price. Trade receivables are subsequently measured at amortised cost, reduced by impairment losses. Any gain or loss on derecognition is recognised in profit or loss.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows to another party.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

C3 Contract asset

	2024	2023
Accrued grant income	1,000,000	3,592,291

Recognition and measurement

The Company recognises accrued grant income when there is reasonable assurance that it will comply with the conditions relating to the grant, and the grant will be received. The increase in contract asset recognises that the timing of incurring grant-related expenditure does not match the receipt of the grant income.

C4 Inventories

	2024	2023
Water stock on hand	287,712	496,094
Construction project inventory	368,176	368,176
Total inventory	655,888	864,270

Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. The cost of water stock is based on the costs of acquiring and storing water prior to distribution. The cost of water construction project inventory is based on original invoice value.

C5 Payables

	2024	2023
Trade payables	572,230	496,377
Accrued expenses	9,218,920	5,833,240
Interest payable	298,680	332,082
Total payables	10,089,830	6,661,699

Recognition, measurement and derecognition

The Company's financial liabilities comprises trade payables (above) and loan and borrowings (note E1).

They are classified as measured at amortised cost. Subsequent measurement is at amortised costs using the effective interest method.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

On derecognition, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

Notes to the Financial Statements

C6 Deferred grant income

	2024	2023
Current		
Net interest cover	292,098	88,079
Operational grants	9,067	9,067
Other grants	961,611	-
	1,262,776	97,146
Non-current		
Net interest cover	3,342,992	3,618,462

Net interest cover is Government grants provided to cover the cost of funding the construction of certain schemes until all water entitlement sales have been received by the Company.

C7 Contract liability

	2024	2023
Current		
Water entitlement deposits	7,327,234	4,832,570
Asset Renewal Levies	1,168,108	1,530,489
Asset Renewal Levies – self managed	144,500	166,500
	8,639,842	6,529,559
Non-current		
Asset Renewal Levies	7,605,902	6,221,671
Asset Renewal Levies – self managed	1,613,397	1,660,620
Total	9,219,299	7,882,291

(i) Recognition and measurement

Water entitlement deposits

Deposits received from irrigators under purchase contracts for water entitlements are held until the scheme has been commissioned. For those schemes that have not satisfied the conditions precedent in the water entitlement contracts, interest earned on the deposits is also included in the amount reported.

Asset Renewal Levies

Refer to note B2.

(ii) Revenue recognised from contract liabilities

	2024	2023
Revenue recognised in the year from contract liabilities balance at the beginning of the period:		
Water entitlement sales	840,346	1,148,290
Asset Renewal Levies	1,502,842	1,109,812
Total	2,343,118	2,258,102

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

C7 Contract liability (continued)

(iii) Asset Renewal Levies – by scheme

The movement in the contract liability for Asset Renewal Levies during the year is as follows:

30 June 2024

	Opening balance	Received or receivable	Recognised as revenue	Movement	Closing balance
Cressy Longford Irrigation Scheme	710,658	70,420	-	70,420	781,078
Dial Blythe Irrigation Scheme	390,107	30,350	(91,200)	(60,850)	329,257
Don Irrigation Scheme	-	292,092	-	292,092	292,092
Duck Irrigation Scheme	374,129	149,444	(43,035)	106,409	480,538
Great Forester Irrigation Scheme	78,225	17,348	(10,118)	7,230	85,455
Kindred North Motton Irrigation Scheme	42,072	88,991	(64,943)	24,048	66,120
Lower South Esk Irrigation Scheme	249,950	71,035	(20,885)	50,150	300,100
Greater Meander Irrigation Scheme	82,633	260,908	(212,039)	48,869	131,502
Midlands Irrigation Scheme	2,140,515	543,896	(308,969)	234,927	2,375,442
North Esk Irrigation Scheme	364,811	17,514	(23,781)	(6,267)	358,543
Sassafras Wesley Vale Irrigation Scheme	356,619	77,643	(26,225)	51,418	408,038
Scottsdale Irrigation Scheme	357,615	174,050	(41,112)	132,938	490,553
South East Irrigation Scheme (Stages 1-2)	167,710	75,436	(109,528)	(34,093)	133,617
South East Irrigation Scheme (Stage 3)	884,589	125,596	(103,263)	22,333	906,922
Southern Highlands Irrigation Scheme	802,846	37,067	(77,995)	(40,928)	761,918
Swan Valley Irrigation Scheme	379,736	16,731	(41,090)	(24,359)	355,377
Upper Ringarooma Irrigation Scheme	725,458	156,331	(8,000)	148,331	873,790
Whitemore Irrigation Scheme	355,147	93,760	(24,159)	69,602	424,749
Winnaleah Irrigation Scheme	1,116,461	156,857	(296,499)	(139,642)	976,819
Total	9,579,280	2,455,469	(1,502,842)	952,628	10,531,907

Notes to the Financial Statements

C7 Contract liability (continued)

(iii) Asset Renewal Levies – by scheme (continued)

30 June 2023	Opening balance	Received or receivable	Recognised as revenue	Movement	Closing balance
Cressy Longford Irrigation Scheme	642,554	68,104	-	68,104	710,658
Dial Blythe Irrigation Scheme	395,747	12,646	(18,285)	(5,639)	390,107
Duck Irrigation Scheme	290,785	124,303	(40,960)	83,344	374,129
Great Forester Irrigation Scheme	71,980	7,495	(1,250)	6,245	78,225
Kindred North Motton Irrigation Scheme	22,025	72,277	(52,230)	20,047	42,072
Lower South Esk Irrigation Scheme	203,322	51,999	(5,371)	46,628	249,950
Greater Meander Irrigation Scheme	1,724	239,837	(158,928)	80,909	82,633
Midlands Irrigation Scheme	1,898,137	480,930	(238,551)	242,379	2,140,515
North Esk Irrigation Scheme	313,011	87,120	(35,321)	51,799	364,811
Sassafras Wesley Vale Irrigation Scheme	348,715	69,801	(61,897)	7,904	356,619
Scottsdale Irrigation Scheme	214,649	149,328	(6,362)	142,966	357,615
South East Irrigation Scheme (Stages 1-2)	280,860	59,032	(172,183)	(113,151)	167,710
South East Irrigation Scheme (Stage 3)	772,665	165,693	(53,769)	111,924	884,589
Southern Highlands Irrigation Scheme	711,046	177,027	(85,227)	91,800	802,846
Swan Valley Irrigation Scheme	274,419	113,628	(8,310)	105,318	379,736
Upper Ringarooma Irrigation Scheme	640,083	131,009	(45,633)	85,375	725,458
Whitemore Irrigation Scheme	369,640	78,319	(92,812)	(14,493)	355,147
Winnaleah Irrigation Scheme	1,030,484	118,699	(32,724)	85,975	1,116,461
Total	8,481,846	2,207,246	(1,109,812)	1,097,433	9,579,280

(iv) Asset Renewal Levies – componential breakdown

	2024	2023
Cash held - scheme accounts	10,480,050	9,564,722
Outstanding debtors	51,857	14,558
Total	10,531,907	9,579,280

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

Section D – Employee benefits

This section provides details on employee benefits and the remuneration arrangements for key management personnel.

D1. Key management personnel

D2. Employee benefits

D1 Key management personnel

Key management personnel compensation

The aggregate compensation to key management personnel of the Company is set out below:

	Director		Executive		Consolidated	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Short-term employee benefits	242,372	249,942	981,769	883,782	1,224,141	1,133,724
Post-employment benefits	26,684	26,262	108,051	91,596	134,735	117,858
Long-term employee benefits	-	-	9,671	21,411	9,671	21,411
Termination benefits	-	-	35,491	9,954	35,491	9,954
Total	269,056	276,204	1,134,982	1,006,743	1,404,038	1,282,947

For Director remuneration, short-term employment benefits include Director fees, Committee fees and other benefits.

Post-employment benefits represent superannuation contributions.

For Executive remuneration, short-term employment benefits must include any salary, short-term incentive payments, other monetary benefits, vehicle benefits and other non-monetary benefits.

Post-employment benefits represent superannuation contributions and long-term employee benefits include leave movements.

Termination benefits are provided for in the table on the following page:

Notes to the Financial Statements

D1 Key management personnel (continued)

Remuneration for the Board of Directors

The following tables disclose the remuneration details for each person that acted as a Director during the current and previous financial year:

Director Remuneration for Year ended 30 June 2024 ¹

Name	Position	Period	Director's Fees (\$)	Committee Fees (\$)	Other Benefits (\$)	Superannuation ² (\$)	Total (\$)
Non-Executive Directors:							
Ms Kate Vinot	Chair	Full year	75,270	-	-	8,287	83,557
Ms Abigail Foley	Director	To: 14 September 2023	8,577	-	-	947	9,525
Ms Laura McBain	Director	Full year	41,299	-	-	4,547	45,846
Ms Judith Lyne	Director	Full year	41,299	-	-	4,547	45,846
Mr Hugh McKenzie	Director	Full year	41,299	-	-	4,547	45,846
Mr Michael (Mike) Paine	Director	From: 30 August 2023	34,628	-	-	3,809	38,437
Total			242,372	-	-	26,684	269,056

See over for key to footnotes

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

D1 Key management personnel (continued)

Director Remuneration for Year ended 30 June 2023 ¹

Name	Position	Period	Director's Fees (\$)	Committee Fees (\$)	Other Benefits (\$)	Superannuation ² (\$)	Total (\$)
Non-Executive Directors:							
Ms Kate Vinot	Chair	From: 16 December 2022	40,820	-	-	4,286	45,106
Ms Abigail Foley	Director	Full year	41,458	-	-	4,356	45,814
Ms Laura McBain	Director	Full year	41,458	-	-	4,356	45,814
Ms Judith Lyne	Director	Full year	41,458	-	-	4,356	45,814
Mr Hugh McKenzie	Director	From: 16 December 2022	22,397	-	-	2,352	24,749
Ms Samantha Hogg	Chair	To: 16 December 2022	35,030	-	-	3,684	38,714
Dr John	Director	To: 28 February	27,321	-	-	2,872	30,193
Total			249,942	-	-	26,262	276,204

Board remuneration notes and statements

¹ Amounts are all forms of consideration paid, payable or provided by the entity, ie. disclosure is made on an accruals basis as at 30 June.

² Superannuation means the contribution to the superannuation fund of the individual, including accrued superannuation.

D1 Key management personnel (continued)**Executive Remuneration**

The following tables disclose the remuneration details for each relevant senior executive during the current and previous financial year:

Executive Remuneration for Year ended 30 June 2024 (see over for key to footnotes)

Name	Position	Period	Salary ¹ (\$)	Short-term incentive payments ² (\$)	Other monetary benefits ³ (\$)	Vehicle benefits ⁴ (\$)	Other non- monetary benefits ⁵ (\$)	Super- annuation ⁶ (\$)	Reported remun- eration ⁷ (\$)	Other long -term benefits ⁸ (\$)	Termination benefits ⁹ (\$)	Total (\$)
Mr Andrew Kneebone	Chief Executive Officer	Full year	337,895	-	-	21,372	528	39,734	399,529	80,808	-	480,337
Mr James Hipwood	Chief Financial Officer and Company Secretary	To: 11 August 2023	24,600	-	-	-	88	2,726	27,414	(59,336)	35,491	3,569
Mr Byron Fraser	Chief Financial Officer and General Manager Commercial	From: 28 August 2023	164,706	-	-	-	440	18,133	183,279	(2,838)	-	180,441
Mr David Skipper	Chief Operating Officer	Full year	222,426	-	-	-	528	24,489	247,443	(13,038)	-	234,404
Ms Sophie Grace	General Manager Environment, Health & Safety	Full year	178,824	-	-	-	528	19,687	199,039	4,075	-	203,114
Sub total			928,450	-	-	21,372	2,112	104,769	1,056,703	9,671	35,491	1,101,865
Acting arrangements	Acting Chief Executive Officer	6 July 2023 to 21 July 2023	22,566	-	-	-	-	2,482	25,048	-	-	25,048
Acting arrangements	Acting Chief Financial Officer	14 August 2023 to 25 August 2023	7,269	-	-	-	-	800	8,069	-	-	8,069
Sub Total			29,835	-	-	-	-	3,282	33,117	-	-	33,117
Total			958,285	-	-	21,372	2,112	108,051	1,089,820	9,671	35,491	1,134,982

Notes to the Financial Statements

D1 Key management personnel (continued)
Executive remuneration (continued)
Executive Remuneration for Year ended 30 June 2023 (see over for key to footnotes)

Name	Position	Period	Salary ¹ (\$)	Short-term incentive payments ² (\$)	Other monetary benefits ³ (\$)	Vehicle benefits ⁴ (\$)	Other non- monetary benefits ⁵ (\$)	Super- annuation ⁶ (\$)	Reported remun- eration ⁷ (\$)	Other long- term benefits ⁸ (\$)	Termin- ation benefits ⁹ (\$)	Total (\$)
Mr Andrew Kneebone	Chief Executive Officer	Full year	313,203	-	-	22,402	528	35,132	371,265	13,879	-	385,144
Mr James Hipwood	Chief Financial Officer and Company Secretary	Full year	182,134	-	-	-	528	19,138	201,800	9,287	-	211,087
Mr David Skipper	Chief Operating Officer	Full year	231,741	-	-	-	528	24,208	256,477	14,068	-	270,545
Ms Sophie Grace	General Manager Environment, Health & Safety	From: 13 March 2023	52,906	-	-	-	158	5,555	58,619	5,586	-	64,205
Mr Steven Powell	General Manager Environment, Health & Safety	To: 28 September 2022	37,862	-	-	7,610	129	3,987	49,588	(21,409)	9,954	38,133
Sub-total			817,846	-	-	30,012	1,871	88,020	937,749	21,411	9,954	969,113
Acting arrangements												
Mr James Hipwood	Acting Chief Executive Officer	7 April 2023 to 13 May 2023	34,054	-	-	-	-	3,576	37,630	-	-	37,630
Sub-total			34,054	-	-	-	-	3,576	37,630	-	-	37,630
Total			851,900	-	-	30,012	1,871	91,596	975,378	21,411	9,954	1,006,743

D1 Key management personnel (continued)

Executive remuneration notes and statements

Amounts are all forms of consideration paid, payable or provided by the entity, ie. disclosure is made on an accruals basis and includes all accrued benefits at 30 June.

- ¹ Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.
- ² Short-term incentive payments are non-recurrent payments paid or payable which depend on achieving specified performance goals within specified timeframes. The Company does not have a short-term incentive scheme for any of its employees and therefore did not pay any incentives during the financial year.
- ³ Other monetary benefits include all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable to the Executive, either directly or indirectly. None are paid by the Company.
- ⁴ Vehicle benefits include the personal use component of the total cost of providing and maintaining a vehicle for an Executive's use, including registration, insurance, fuel and other consumables, maintenance cost and parking (ie. the notional value of parking provided at premises that are owned or leased) and the reportable fringe benefits amount referable to a vehicle.
- ⁵ Other non-monetary benefits include all other benefits not included in the total remuneration package for the purpose of assessing compliance with the Remuneration Guidelines, including medical care, housing, free or subsidised goods or services and reportable fringe benefits. Only car parking benefits are paid by the Company.
- ⁶ Superannuation means the contribution to the superannuation fund of the individual. All individuals are in accumulation funds and the contribution is measured as the amount of superannuation contributions paid and accrued.
- ⁷ Reported remuneration includes the individual's salary, short term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits and superannuation. For the purposes of assessing compliance with the Guidelines, other long-term employee benefits and termination benefits are not included in the reported remuneration amount.
- ⁸ Other long-term benefits include movements in annual leave accruals and long service leave provisions.
- ⁹ Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including leave entitlements paid out on termination.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

D1 Key management personnel (continued)

Remuneration policies

Non-Executive Directors

Non-Executive Directors are appointed by the Treasurer and Portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be re-appointed in accordance with the relevant *Guidelines for Tasmanian Government Business – Board Appointments*. The level of fees paid to Non-Executive Directors is administered by the Department of Premier and Cabinet, as are additional fees paid in respect of their work on Board Committees.

Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to Directors. Directors are entitled to reimbursement of expenses reasonably incurred while attending to Board business.

Non-Executive Directors' remuneration is reviewed periodically with increases subject to approval by the Treasurer and Portfolio Minister.

Executive Remuneration

Remuneration levels for key management personnel are set in accordance with the Director and Executive Remuneration Guidelines. Under these guidelines, remuneration bands for Chief Executive Officers (CEOs) reflect the principles outlined in the guidelines, and broadly align with State Service Heads of Agency.

Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO's salary. The CEO is appointed by the Board. The CEO's remuneration package must not exceed the maximum of the CEO remuneration band approved by the Treasurer.

The employment terms and conditions of senior executives are contained in individual employment contracts, which prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition, the Company also provides non-monetary benefits and contributes to post-employment superannuation plans on their behalf.

The performance of each senior executive, including the CEO, is reviewed annually, which includes a review of their remuneration package. The terms of employment of each senior executive, including the CEO, contain a termination clause that requires the senior executive or the Board to provide a minimum notice period of up to six months prior to termination of the contract. Whilst not automatic, the contract can be extended. No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Short term incentive payments

The Company does not have any short-term incentive schemes for any of its Board Directors or employees.

Termination benefits

Termination benefits were paid out to James Hipwood during the current year for unused leave entitlements.

D1 Key management personnel (continued)

Remuneration policies (continued)

Acting Arrangements

When key management personnel are unable to fulfill their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

During the current financial year, Mr David Skipper was appointed Acting Chief Executive Officer whilst Mr Andrew Kneebone was on leave in July. Furthermore, Mr Byron Fraser was appointed Acting Chief Financial Officer whilst recruitment was underway following Mr James Hipwood's departure from the Company in August.

During the previous financial year, Mr James Hipwood was appointed Acting Chief Executive Officer whilst Mr Andrew Kneebone was on extended annual leave.

Related Party Transactions

For all Tasmanian Government businesses, related parties are considered to include:

- A subsidiary or joint venture;
- Key management personnel or close family members of key management personnel;
- Ministers or close family members of Ministers;
- Any entities controlled or jointly controlled by key management personnel or their close family members; and
- Any entities controlled or jointly controlled by Ministers or their close family members.

All related party transactions have been entered into on an arm's length basis.

D2 Employee benefits

Recognition and measurement

Short-term employee benefits

Short-term employee benefits include salaries, wages, paid annual leave and paid sick leave entitlements. Short-term employee benefits are measured on an undiscounted basis. Short-term employee benefits are expensed as the related service is provided, unless the expenditure relates to self-constructed assets, in which case it is capitalised in accordance with the accounting policy in note B5.

Annual and long service leave

The Company's net obligation in respect of annual leave and long service leave benefits are the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. For amounts eligible to be taken within 12 months, these are measured at amounts that are expected to be paid, with the remaining amounts discounted to determine their present value.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

Section E – Capital structuring and financing

This section provides information relating to the Company's capital structure and its exposure to financial risk, how they affect the Company's financial position and how the risks are managed.

- E1. Loans and borrowings
- E2. Finance costs
- E3. Issued capital
- E4. Capital and risk management

E1 Loans and borrowings

(i) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Nominal interest rate	Year of maturity	30 June 2024		30 June 2023	
			Fair value	Carrying amount	Fair value	Carrying amount
Secured loans – TasCorp	4.76% -	2025 –	18,927,866	18,782,032	32,137,038	32,513,956

The Company has a loan facility administered through TasCorp and allows borrowings up to \$68.2 million. The loan facility is secured by the *Tasmanian Public Finance Corporation Act 1985*, which provides an enduring guarantee from the Tasmanian Government for all borrowings from TasCorp.

Information about the Company's exposure to interest rate and liquidity risk is included in note E4. The Company has a credit card facility of \$280,000 (2023: \$280,000), which is cleared out monthly. The company also has a Bank Guarantee facility of \$310,000 (2023: \$310,000) of which none was utilised in the current or prior financial year.

E2 Finance costs

	2024	2023
Finance costs		
Interest on financial liabilities measured at amortised cost	965,634	652,745
Interest on lease liabilities	8,421	12,265
Guarantee fee	207,077	190,500
Collection costs	(507)	193
Total	1,180,625	855,703

Recognition and measurement

Finance costs include interest expense and fees on borrowings and debtor collection fees. Interest expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

Notes to the Financial Statements

E3 Issued capital

	Ordinary shares	
	2024	2023
Share capital – ordinary shares on issue at 1 July and 30 June (i)	2	2
Equity contributions at 1 July	358,000,775	324,575,775
Government contributions (ii)	42,776,415	33,425,000
Equity contributions at 30 June	400,777,190	358,000,775
Total issued capital	400,777,192	358,000,777

- i. *The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.*
- ii. *The State Treasurer has formally designated this funding to be classified as equity as the substantial purpose is to purchase, construct or otherwise acquire non-current assets. The funding is allocated directly to issued capital and is reflected in the Statement of Changes in Equity.*

E4 Capital and risk management

Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, as they relate to financial instruments.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The Company does not hold any collateral or other security. The maximum exposure to credit risk at the reporting date relates to trade receivables totalling \$3,609,062 (2023: \$1,424,911).

The Company's exposure to credit risks is influenced by the individual characteristics of each customer. The Company limits its exposure to credit risk for trade receivables by establishing payment terms of 30 days. Thereafter a surcharge may be applied to the outstanding balance, water supply may be suspended and the matter referred to a collection agency. Impairment losses on financial assets were recognised in profit or loss during the period of \$146,993 (2023: impairment reversal of \$40,761).

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

E4 Capital and risk management (continued)

Credit risk (continued)

The Company held cash and cash equivalents of \$13,019,922 at 30 June 2024 (2023: \$12,824,457), which are held with an Australian-owned bank regulated by the Australian Prudential Regulatory Authority in accordance with the *Banking Act 1959*. No impairment allowance exists in relation to these assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due and maintains ongoing grant and equity funding from the Government, as well as access to borrowings.

The average credit period on purchases of goods is 14 days. No interest is charged on the trade payables for the first 14 days from the date of the invoice. Thereafter, interest may be charged on the outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	1 month or less	1-3 months	3 months - 1 year	1-5 years	More than 5 years
30 June 2024							
Secured loans - TasCorp	18,782,032	18,782,032	9,782,032	-	-	9,000,000	-
Trade and other payables	10,089,830	10,089,830	10,089,830	-	-	-	-
Total	28,871,862	28,871,862	19,871,862	-	-	9,000,000	-
30 June 2023							
Secured loans - TasCorp	32,153,956	32,153,956	18,004,196	-	5,000,000	9,149,760	-
Trade and other payables	6,661,700	6,661,700	6,661,700	-	-	-	-
Total	38,815,656	38,815,656	24,665,896	-	5,000,000	9,149,760	-

E4 Capital and risk management (continued)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risks that the Company is exposed to are the sale of water rights and interest rate risk.

The Company manages its interest rate risk exposure by borrowing at a fixed rate. Repayment plans for the acquisition of water entitlements are fixed rate instruments.

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The cash and cash equivalents are held in bank accounts bearing variable interest rates. A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by \$32,550 (2023: \$32,061).

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern.

The Company is reliant on Government funds and debt to cover construction funding shortfalls that occur due to the timing of the receipt of water entitlement funds, specifically, and the timing of construction expenditure generally.

There were no changes in the Company's approach to capital management during the year.

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

Section F – Other

This section provides details on other required disclosures relating to the Company to comply with the accounting standards and other pronouncements:

F1. Commitments

F2. Taxation

F1 Commitments

The Company has entered into contracts with third parties which will result in capital expenditure related to the construction of irrigation schemes and other assets as follows (inclusive of GST):

As at 30 June 2024	Between 1 and		Total
	Within 1 year	5 years	
Greater South East Irrigation Scheme	20,570	-	20,570
Greater Meander Irrigation Scheme Augmentation	3,795,288	-	3,795,288
Northern Midlands Irrigation Scheme	46,817,772	28,073,248	74,891,020
Sassafras Wesley Vale Irrigation Scheme Augmentation	41,998	-	41,998
Total	50,675,629	28,073,248	78,748,876

As at 30 June 2023	Between 1 and		Total
	Within 1 year	5 years	
Don Irrigation Scheme	5,400,838	-	5,400,838
Lake Leake	289,280	-	289,280
Greater Meander Irrigation Scheme Augmentation	5,640,954	-	5,640,954
Total	11,331,072	-	11,331,072

The Company has also entered into contracts with third parties which will result in operating expenditure which will fall due as follows:

	2024	2023
Within 1 year	358,402	84,035
Between 1 and 5 years	538,959	116,726
5 years or more	-	-
Total	897,361	200,761

Notes to the Financial Statements

F2 Taxation

Current tax expense

	2024	2023
Origination and reversal of temporary differences		
Decrease (increase) in deferred tax asset	(9,310,939)	(11,598,002)
Increase (decrease) in deferred tax liability	9,238,308	275,257
Tax benefits not recognised	72,631	6,672,073
Adjustment for prior years	-	4,650,672
Total tax expense attributable to continuing operations	-	-

Numerical reconciliation between tax expense and pre-tax net profit

	2024	2023
Profit / (loss) from operations	(474,206)	(44,940,696)
Income tax expense calculated at 25%	(118,552)	(11,235,174)
Non-temporary items	3,103	4,475
Tax benefit (recognised) / not recognised	115,449	11,230,699
Income tax expense	-	-

Unrecognised deferred tax assets

As it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom, deferred tax assets have not been recognised in respect of the following items:

	2024	2023
(Assessable) deductible temporary differences at 25%	(13,826,095)	(4,651,956)
Tax losses at 25%	104,299,179	95,052,409
Total	90,473,084	90,400,453

In addition to the above, deferred tax assets of \$11,952,575 (2023: \$11,952,575) were not recognised in respect of taxation losses that are potentially available to the Company upon the acquisition of assets from Rivers and Water Supply Commission in July 2012. Pursuant to a Private Ruling obtained from the Australian Taxation Office, these losses will be available subject to the application of an available fraction methodology based upon the value of the assets acquired.

Movement in deferred tax balances during the year

	Balance 1 July 2023	Recognised in profit or loss	Tax benefit derecognised	Balance 30 June 2024	Opening balance not recognised 1 July 2023	Current year movement not recognised	Total tax benefit derecognised at 30 June 2024
Property, plant and equipment	-	(9,238,308)	9,238,308	-	(4,963,082)	(9,238,308)	(14,201,390)
Other	-	64,169	(64,169)	-	311,126	64,169	375,295
Tax loss carry-forwards	-	9,246,770	(9,246,770)	-	95,052,409	9,246,770	104,299,179
Total	-	72,631	(72,631)	-	90,400,453	72,631	90,473,084

Notes to the Financial Statements

Tasmanian Irrigation Proprietary Limited
For the year ended 30 June 2024

F2 Taxation (continued)

	Balance 1 July 2022	Recognised in profit or loss	Tax benefit derecognised	Balance 30 June 2023	Opening balance not recognised 1 July 2022	Current year movement not recognised	Total tax benefit derecognised at 30 June 2023
Property, plant and equipment	-	(392,898)	392,898	-	(4,570,184)	(392,898)	(4,963,082)
Other	-	158,392	(158,392)	-	152,734	158,392	311,126
Tax loss carry- forwards	-	6,906,579	(6,906,579)	-	88,145,830	6,906,579	95,052,409
Total	-	6,672,073	(6,672,073)	-	83,728,380	6,672,073	90,400,453

Recognition and measurement

Current and deferred tax

The Company is subject to the National Tax Equivalent Regime, which is broadly based on the provisions of the *Income Tax Assessment Act (1997)*.

Income tax expense comprises current and deferred tax. Current and deferred income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities recoverable from, or payable to, the ATO are classified as operating cash flows.

Tasmanian
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