Tasmanian Irrigation



Annual Report 2025/26

Acknowledgement of Country

Tasmanian Irrigation acknowledges the Palawa people as the original and ongoing Custodians of Lutruwita/Tasmania. We pay our respects to Elders past and present, and to the Tasmanian Aboriginal Community who continue to care for Country with strength, knowledge and deep cultural authority.

We recognise that across these lands, waters and skies, Aboriginal people lived in dynamic relationship with Country - moving with the seasons, managing freshwater systems, and sustaining life through practices grounded in reciprocity and responsibility. These ancient pathways often followed water - water that nourishes, teaches and remembers.

Today, as custodians of irrigation infrastructure, Tasmanian Irrigation understands that our work flows within a much older story, one in which water has never been separate from culture, care or Country.

We acknowledge the significance of freshwater landscapes as places of life, ceremony, trade, and movement, and the enduring connections Aboriginal people maintain with them.

We are committed to working respectfully with Aboriginal people across the State to honour these living connections. In doing so, we seek to support Aboriginal aspirations, preserve cultural values, and contribute to a shared future grounded in respect, recognition and relationship.

We acknowledge that Aboriginal and Torres Strait Islander peoples use and prefer different terms to describe identity, Country and culture. We remain committed to cultural responsiveness and respectful communication, recognising that language, like Country, is always evolving.

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

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Chair and CEO's Foreword

Our purpose is simple but enduring: to ensure Tasmania has the water security needed to grow a productive agricultural sector, thriving communities and a prosperous future.

The 2025/26 year demonstrated more clearly than ever the value of highly reliable water infrastructure. Following an extended period of dry conditions across much of the State, demand for irrigation water remained exceptionally strong, with Tasmanian Irrigation delivering near-record volumes of water to customers. Water delivery exceeded 99,000 megalitres by the end of June, with several schemes recording all-time delivery records and irrigation seasons extended on almost half our schemes to support irrigators through a dry finish to the season. Importantly, our customers continued to have confidence in the security of their water allocations and the surety of supply (100%) provided by our network. As climate variability becomes increasingly evident and we move into an El Niño weather pattern, reliable access to water is no longer simply a competitive advantage for Tasmanian agriculture – it is essential to underpin resilience, productivity and regional prosperity.

While a strong El Niño increases the likelihood of drier conditions across parts of Tasmania, Tasmanian Irrigation's extensive monitoring, strategic water harvesting and operational responsiveness provide a high level of water security for customers. By anticipating climate-related risks, maximising harvesting opportunities and making timely evidence-based decisions, we continue to protect water surety and deliver reliable water supplies for Tasmania's agricultural communities.

The year also marked significant progress in delivering the next generation of water infrastructure for Tasmania. Construction of the Northern Midlands Irrigation Scheme continued at pace toward first water delivery, while construction began of the Sassafras Wesley Vale Irrigation Scheme Augmentation and planning and approvals advanced for the Greater South East Irrigation Scheme. We also progressed the Tamar Water Scheme through submission of a preliminary business case, exploring opportunities to support both agricultural and industrial growth. Together, these projects represent more than water infrastructure investments. They are long-term investments in Tasmania's productive capacity, regional employment, food security and economic growth, ensuring future generations benefit from access to highly reliable water.

Pictured above: Mike Sylvester, CEO, and Kate Vinot, Chair

We continue to work closely with the Tasmanian Government to explore opportunities that ensure water resources are used in ways that maximise benefit for the broader Tasmanian community and make most effective use of the State's valuable water resource.

Responsible stewardship of our infrastructure remains a core priority. During the year, we invested $3.3 million in renewing and strengthening our operational assets, helping protect and enhance an infrastructure network with a cost of over $500 million including 22 dams and approximately 950 kilometres of pipeline. These investments support the long-term sustainability of our schemes, improve resilience to asset failure, and ensure we continue to provide reliable water services to customers while maximising value from infrastructure designed to serve Tasmania for generations. Renewal activities focused on critical assets and strategic spares holdings to maintain network performance, reliability and operational readiness.

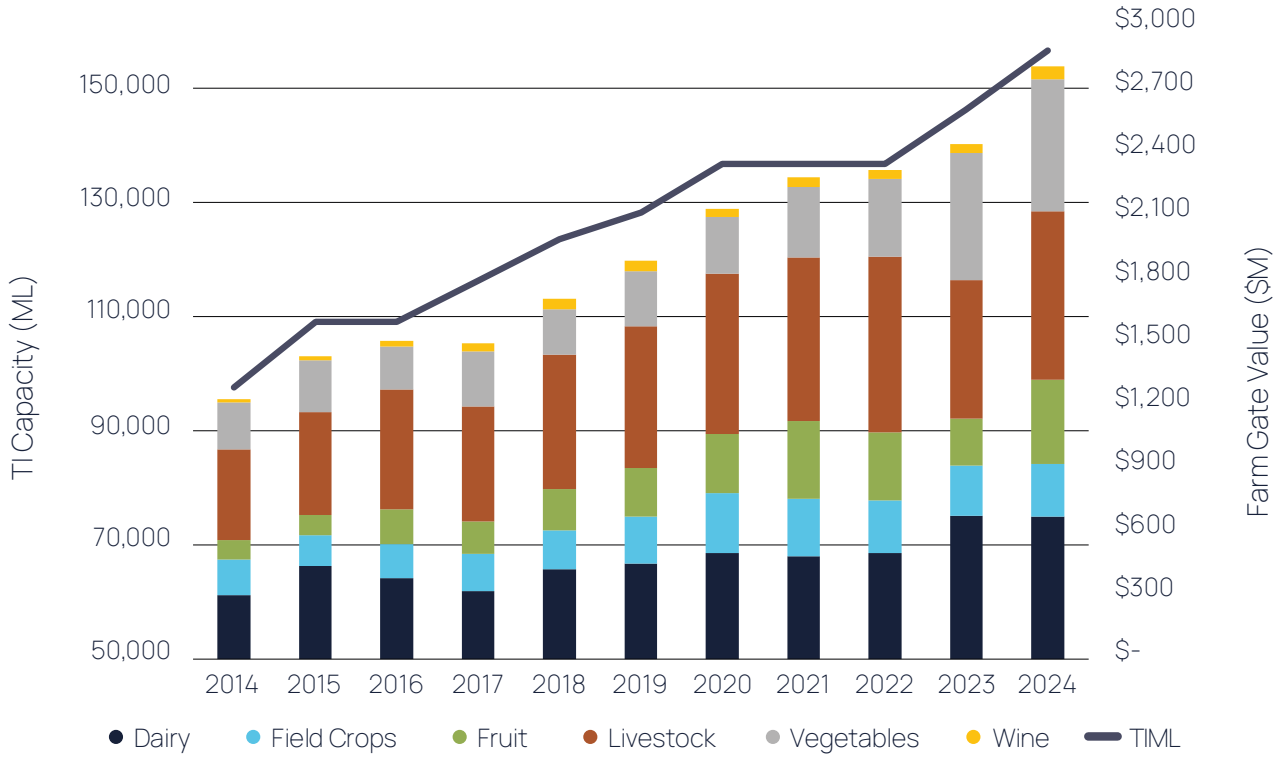
Alongside infrastructure development, we remain firmly focused on financial sustainability. A core organisational objective is ensuring Tasmanian Irrigation becomes financially self-sustaining while continuing to provide water to irrigators at the lowest sustainable cost. During the year, we undertook a comprehensive review of our operations, systems and corporate functions to improve efficiency and reduce overhead costs. These improvements position us well to withstand increasing cost pressures while maintaining our committed service standards to customers, protecting value for the Tasmanian community, and meeting changing expectations and requirements arising from our role as a State Owned Company.



The result is an organisation that is increasingly efficient, resilient and capable of supporting both our growing operational portfolio and significant project pipeline.

The Company's financial performance reflects both the ongoing development of strategic irrigation infrastructure and the strong operational performance of existing schemes. The net financial result for FY2025/26 was a loss of $90,584,000 after impairment of non-current assets of $94,663,000. The majority of the impairment expense relates to the capital works for the Northern Midlands Irrigation Scheme and the Sassafras Wesley Vale Irrigation Scheme Augmentation. While the reported result was significantly affected by the impairment of non-current assets associated with major growth projects, the underlying operating result remained positive, with a surplus of $1,076,000 driven by strong customer demand and high water utilisation during the irrigation season. These impairments are accounting adjustments reflecting the future cash flow profile of irrigation schemes and do not affect the ongoing operational performance or strategic value of the assets. This performance reinforces the strength of the existing business and contributes to the long-term financial sustainability of Tasmanian Irrigation as we continue to invest in infrastructure that supports regional economic growth and future water security.

Relationship between Tasmanian Irrigation's capacity and the farm gate value of the agriculture sector[1]



1 Source: Department of Natural Resources and Environment Tasmania. (2024). Tasmanian Agri-Food ScoreCard 2023-24. https://nre.tas.gov.au/Documents/AgriGrowth%20Scorecard%202023-24.pdf

Collaboration has been a defining feature of the year. We continued to strengthen relationships with irrigators, communities, industry groups and all levels of government. Our partnerships with Hydro Tasmania and TasWater are evolving from traditional stakeholder relationships into strategic collaborations focused on achieving the best possible use of Tasmania's water resources. These partnerships recognise that water is a finite and increasingly valuable resource, and that managing it effectively requires coordinated, long-term thinking that balances agricultural, community, environmental and economic needs.

As custodians of critical water infrastructure, we recognise our responsibility extends to include environmental stewardship and this remains central to our decision-making. Through water quality monitoring, Farm Water Access Plans, biodiversity initiatives and sustainable asset management practices, we continue to work toward positive environmental outcomes while supporting productive agriculture. We also continued to strengthen our engagement with Tasmania's Aboriginal community and to better understand how water infrastructure planning can respect cultural values, support participation and contribute to meaningful outcomes. This aligns with the vision outlined in the National Water Agreement, which recognises the importance of Aboriginal and Torres Strait Islander peoples' enduring connection to water and the need for greater inclusion in water planning and management.

During the year we refreshed our Strategic Plan, reaffirming our purpose and positioning Tasmanian Irrigation for the future. The plan is built around four strategic pillars: Engaged and Supportive Customers; Thriving Landscapes, Waterways and Communities; Operational Excellence; and Empowered People and Trusted Partners. These pillars provide a clear framework for strategic execution and will guide our efforts as we continue to develop, operate and steward Tasmania's irrigation assets on behalf of current and future generations.

None of these achievements would be possible without the dedication, professionalism and commitment of our people. Every day, our people work across Tasmania to deliver water, maintain critical infrastructure, advance major projects and support our customers. Their commitment reflects the values that underpin Tasmanian Irrigation and gives us confidence that the organisation is well positioned to meet future challenges and opportunities.

We thank our customers, employees, contractors, partners, Shareholder Ministers and their respective government departments, Board Directors and stakeholders for their continued support during a year of significant delivery and progress. Together, we are helping ensure Tasmania's water resources continue to create enduring value for communities, the economy and future generations.



Kate Vinot, Chair



Mike Sylvester, CEO

Strategic Statement

We deliver the water that cultivates productive farms, vibrant communities and a prosperous Tasmania.

Our Values

- Integrity in Every Decision
- Working Together to Deliver
- Excellence in Service and Reliability
- Accountability for What We Steward
- Respect for People and Place

Strategic Pillars and Goals

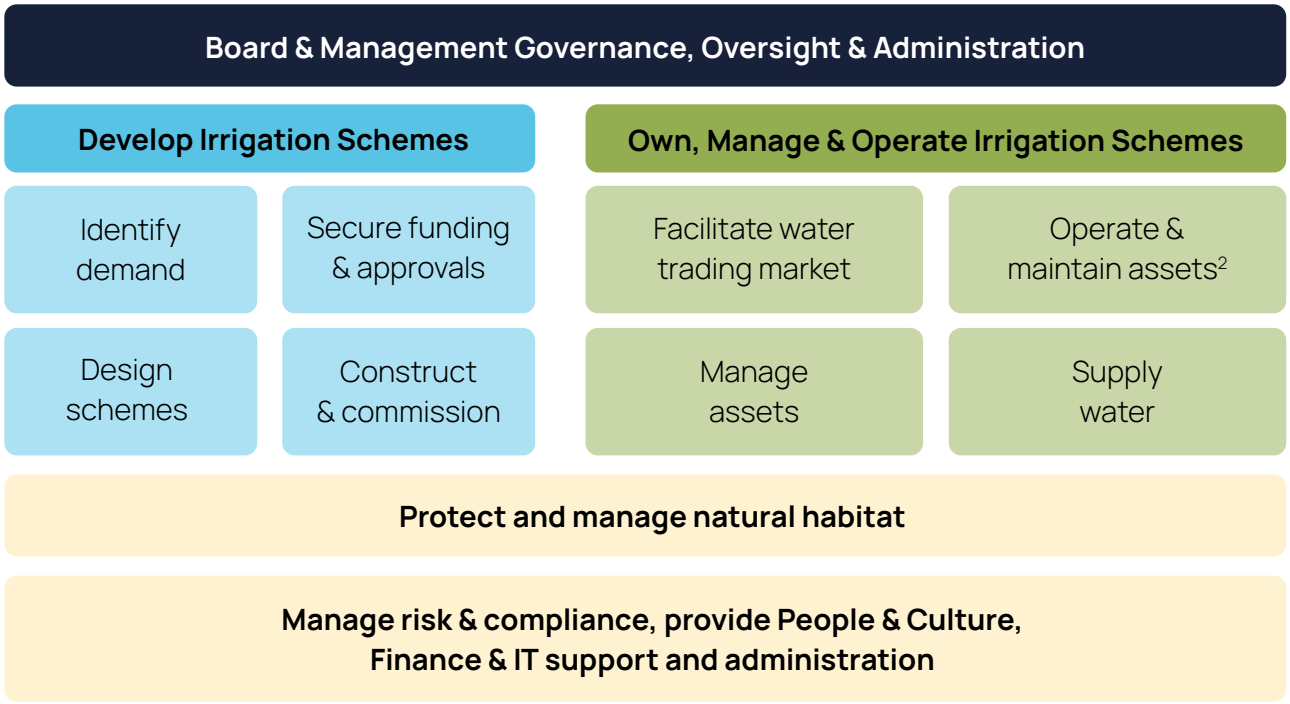
Engaged and Supportive Customers
Tasmanian Irrigation has the trust and confidence of customers and their communities.

Thriving Landscapes, Waterways and Communities
Tasmanian Irrigation meets the evolving environmental and social expectations of the community.

Operational Excellence
Tasmanian Irrigation delivers water efficiently, operates sustainably over a long-term horizon, and will transition to a self-funded water distribution business.

Empowered People and Trusted Partners
Tasmanian Irrigation attracts and retains great talent and builds the confidence of stakeholders and suppliers.

Tasmanian Irrigation Operating Model



2 Including through third parties and through community management

Fast Facts

130,000+ha
Irrigable land





950km
Pipeline



1,100+
Customers



10,000+
Water quality data points collected

79
Staff

>$500m
Operational assets at cost

FY2025/26 Achievements

99,472ML
Water delivered



827
Farm Water Access Plans



$1.3b
Projects in development

77%
Overall customer satisfaction



3
Projects at or beyond detailed design

$500m
Federal and State Government funding secured for new projects

Our Board

Kate Vinot
CHAIR

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. In addition to her role as Board Chair at Tasmanian Irrigation, Kate 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 was formerly Chair of Water Stewardship Australia and Zoos Victoria, and a Non-Executive Director at Grampians Wimmera Mallee Water and Parks Victoria. Kate has held executive roles in the water industry, local government and in engineering consulting and project delivery organisations. She is a Fellow of Engineers Australia and has Degrees in Civil Engineering, Economics for Development and Business Administration.

Laura McBain
NON-EXECUTIVE DIRECTOR
CHAIR – PEOPLE, CULTURE, SAFETY AND REMUNERATION COMMITTEE

Laura is an experienced Company Director and Executive with leadership experience across the food, dairy, beverage, financial services and healthcare sectors. She is a Director, Chair of the Audit Committee and member of the Risk Committee of Integral Diagnostics Limited (ASX: IDX); a Non-Executive Director of Bank of Us; a Director of Tasmania Football Club Limited; and a Director of the Australia China Business Council and President of its Tasmanian branch. Laura previously held chief executive positions with Bellamy's Australia Limited and Maggie Beer Holdings Limited, executive leadership roles with Lark Distilling Limited, and served as a Non-Executive Director of Export Finance Australia. She was named both the 2013 Telstra Tasmanian Businesswoman of the Year and the 2013 Telstra Australian Businesswoman of the Year (Private and Corporate). Laura holds a Bachelor of Commerce Degree.

Judith 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 and a Board Member of the Campbell Town Community Services Board, a former board member of Epilepsy Tasmania, the Australiana Fund (Tasmania) and the Tasmanian Foundation, as well as a former municipal councillor. Judith is determined that feasible water delivery can be made to as many Tasmanians as practically possible.

Andrew McShane
NON-EXECUTIVE DIRECTOR

Andrew brings extensive expertise in irrigation, encompassing both water development and the perspective of water users. With more than two decades of experience in farming, irrigation management and large-scale infrastructure development, he offers a pragmatic approach and a forward-thinking strategic vision for the future of irrigation in Tasmania. He holds a degree in Applied Agricultural Science.



Hugh McKenzie

NON-EXECUTIVE DIRECTOR
CHAIR – AUDIT AND RISK COMMITTEE

Hugh was born and raised on a farm in the Fingal Valley. He 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 a Director of the Australian Pacific Airports (Launceston), Director of the Cape Hope Foundation, Ezy Park (Tasmania), Chair of the Launceston Golf Club Futures Fund, Vice President of Northern Suburbs Community Centre, as well as Deputy Mayor and Councillor of the Launceston City Council. He was previously Chair of Primary Health Tasmania, Chair of Scotch Oakburn College, and State Chair and National Councillor for Chartered Accountants Australia and New Zealand (CAANZ).

Mike Paine

NON-EXECUTIVE DIRECTOR
CHAIR - MAJOR PROJECTS COMMITTEE

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 hydraulic engineering and dam safety, customer service, workplace/workforce development and safety, project design and delivery, water management and sustainability. He is also 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 Civil Engineering Degree, as well as post graduate qualifications in management, and has completed other professional development programs over the past 45 years.

Gene Phair

NON-EXECUTIVE DIRECTOR

Gene brings more than 30 years' experience in finance and corporate leadership across both private and public sectors. He has held senior executive roles at Shadforth Financial Group in Tasmania and IOOF Holdings nationally, where his strategic vision and expertise in driving change have consistently delivered outstanding results. Gene is currently the Chair of TasRacing, as well as a member of the Racing Integrity Committee. He was previously the Chair of The Hutchins School and Board member of the National Heart Foundation of Australia (Tasmanian Division). He values honesty, integrity, and empathy, with a deep understanding of the need for prudent risk management. Gene is also deeply involved in the sporting community, with active roles in cricket and AFL.

Pictured above: Tasmanian Irrigation Board – Laura McBain, Gene Phair, Mike Paine, Kate Vinot, Andrew McShane, Judith Lyne and Hugh McKenzie

Our Senior Leadership Team

Mike Sylvester
CHIEF EXECUTIVE OFFICER

Mike joined Tasmanian Irrigation in March 2025, bringing extensive executive leadership experience from roles across the water infrastructure, aquaculture, agriculture and care services sectors. His CEO, Board Director and Advisory Board positions in both private and government-owned enterprises have cemented his reputation for strategic thinking, operational excellence, economic development, sustainability and community outcomes. Mike has worked in a number of countries overseas, is a Graduate of the Australian Institute of Company Directors and holds a Masters of Technology from Deakin University and a Bachelor of Engineering from the University of Tasmania. He is also a chartered fellow-grade member of Engineers Australia.

Sophie Grace
GENERAL MANAGER PEOPLE AND SUSTAINABILITY

Sophie Grace brings more than 25 years' experience across safety, environment, compliance, risk and organisational leadership. Since joining Tasmanian Irrigation in 2023, she has led work to strengthen the organisation's approach to workplace health and safety, environmental responsibility, people and culture, and sustainability. Her role focuses on building the systems, capability and culture needed to support safe, responsible and sustainable business performance. Sophie holds a Bachelor of Science and a Master of Science in Occupational Health and Rehabilitation. She brings a practical and evidence-based approach to leadership, shaped by experience across a range of sectors. With a strong focus on continuous improvement, and long-term organisational resilience, Sophie supports Tasmanian Irrigation to meet its responsibilities to its people, customers, communities and the environment.

Jacob Gerke
GENERAL MANAGER MAJOR PROJECTS

Jacob joined Tasmanian Irrigation in 2017 and leads the Company's Major Projects team. His principal focus is ensuring projects complete all phases, including detailed design, permits and approvals, construction and commissioning, in a safe manner while adhering to high quality, time and cost standards. Jacob is a skilled leader with more than 17 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 with a Bachelor of Engineering (Marine and Offshore Systems) (Hons) from the Australian Maritime College in Launceston. Jacob started his career in Perth, Western Australia after growing up in the north east of Tasmania.



Samantha Meyer
GENERAL MANAGER CORPORATE AFFAIRS

Sam has more than 30 years' experience in communications strategy, issues management, stakeholder engagement, media, brand strategy and project management. She joined Tasmanian Irrigation in 2023 and leads the Company's government relations, corporate affairs and external communications. Sam has extensive government experience in senior communications positions with State and Federal agencies and has managed communications and engagement programs for national research organisations and large private sector companies. Sam holds a Masters in Professional Communication and is a Graduate of the Australian Institute of Company Directors.

Cher Bartlett
GENERAL MANAGER OF CUSTOMER AND OPERATIONS

Cher has over 20 years' experience leading commercial, legal and multidisciplinary functions across complex, capital-intensive environments. Her career spans government, private practice, non-profit and corporate roles, including a decade in senior leadership at Origin Energy helping to establish, grow and optimise the upstream gas business of the $30bn APLNG joint venture. In her last role at Origin Energy, Cher led a 200+ person multidisciplinary team across commercial, planning, operations, engineering, digital & IT, innovation and sustainability, delivering major commercial outcomes and driving operational excellence & organisational transformation. Cher is a Graduate of the Australian Institute of Company Directors and holds a Master of Laws, Bachelor of Business and Bachelor of Laws.

Sue Whidborne
CHIEF FINANCIAL OFFICER/COMPANY SECRETARY

Sue joined Tasmanian Irrigation in August 2025 as CFO. She has more than 30 years of commercial finance experience, including the management of corporate services functions encompassing ITC, procurement and risk management. Sue brings experience from across a number of industries including building and construction, digital, technology and education. Sue is a Member of the Institute of Chartered Accountants Australia and New Zealand, holds a Bachelor of Business (Accountancy) and is a Graduate of the Australian Institute of Company Directors.

Pictured above: Tasmanian Irrigation Executive Team - Sophie Grace, Cher Bartlett, Samantha Meyer, Mike Sylvester, Sue Whidborne and Jacob Gerke

Our Customers

Tasmanian Irrigation delivers high-surety irrigation water to more than 1,100 customers across Tasmania, supporting a diverse range of farming enterprises including dairy, livestock, horticulture, viticulture and broadacre cropping. Collectively, these customers apply water across more than 130,000 hectares of productive agricultural land, contributing significantly to Tasmania's agricultural output and regional economies.

We understand the challenges facing farming businesses, including rising input costs, labour shortages, market volatility and the impacts of a changing climate. Our commitment remains to deliver water where and when it is needed, at the lowest sustainable cost and with high reliability throughout the design life of every scheme.

During FY2025/26, demand for irrigation water remained strong as dry seasonal conditions increased reliance on secure water supplies. Tasmanian Irrigation delivered near-record volumes of water across its schemes and worked closely with customers to maximise operational flexibility, including extending water delivery seasons and providing earlier access to water where scheme conditions allowed.

Customer engagement remains central to our operations. Irrigator Representative Committees continue to play an important role in providing assurance and feedback on water delivery, operational performance, maintenance programs and future priorities. We thank committee members for their ongoing contribution and commitment to their irrigation communities.





Self Management of State-owned irrigation schemes

During FY2025/26 Tasmanian Irrigation continued implementation of the Tasmanian Government's self management policy, also known as community management, through a trial of the application process with Winnaleah Irrigation Scheme Limited (WISL).

Key milestones included finalisation of the assessment framework, application documentation, contractual arrangements and guidelines for demonstrating participant support. Tasmanian Irrigation provided WISL with detailed asset information and ongoing technical assistance to support its consideration of self-management.

During the year significant work was also undertaken with the Department of Natural Resources and Environment Tasmania to resolve participant eligibility and polling arrangements, including progressing an amendment to the Winnaleah Irrigation District boundary to ensure that district participants (eligible to vote) are the intended cohort.

As at 30 June 2026, WISL remained the only irrigator group formally pursuing self management and had not yet submitted a formal application for delegation of powers and functions. The trial continues to provide valuable insights that will inform any future consideration of broader self management opportunities.

Self-management arrangements already operate across a number of irrigation, water supply and drainage schemes in Tasmania. Examples of existing self-managed arrangements include the Cressy Longford Irrigation Scheme and Lake Leake, while the Furneaux Drainage Scheme is managed by local landowners and council, demonstrating the range of governance models already operating across Tasmania.

The WISL trial represents the first formal application of the Government's policy framework for the potential delegation of powers and functions associated with a State-owned irrigation scheme.



BENNETT FAMILY, ASHBY, ROSS
Securing the next generation at Ashby

Access to high-surety irrigation water from the Northern Midlands Irrigation Scheme is set to help the Bennett family secure the future of their fifth-generation farming enterprise near Ross.

Will and Nina Bennett have applied for 1,500 megalitres of scheme water, which they say will provide the certainty needed to expand and diversify operations at Ashby, a superfine Merino and irrigated cropping property.

With their three children interested in returning to the family business, the Bennetts see irrigation as critical to creating long-term opportunities on the farm.

> **“Water from Tasmanian Irrigation gives us the confidence to invest in the future of our business and support the next generation to be involved in the farm.” - Will Bennett**

The Bennett family has built an internationally recognised superfine wool enterprise, attracting global attention in 2025 when a 12.7-micron bale of wool achieved one of Tasmania’s highest wool prices in decades.

For the Bennetts, irrigation will support ongoing innovation, increased productivity and business growth, while helping ensure the farm remains a viable and sustainable operation for future generations.

Pictured above: Bennett Family, Ashby – credit Alex Maisey

Delivering water where and when it is needed

Tasmanian Irrigation manages one of Australia's largest networks of publicly owned irrigation infrastructure, delivering high-surety water to more than 1,100 irrigator customers across Tasmania. Through 19 operational irrigation schemes and two drainage schemes, the Company supports agricultural productivity, regional economic activity and long-term water security for Tasmania's farming communities.

The Company's operational asset portfolio includes 22 dams, more than 950 kilometres of pipeline, three mini-hydro power stations and nine solar installations. These assets are managed within a risk-based asset management framework aligned to the National Water Initiative and international best practice, ensuring water is delivered efficiently, reliably and sustainably for current and future generations.

FY2025/26 operational snapshot

Measure	FY2025/26
Water delivered	99,472 ML
Irrigator customers	1,100+
Farm Water Access Plans	827
Operational assets at cost	>$500 million
Individual assets managed	43,000+

Strong demand drives near-record water deliveries

Tasmanian Irrigation delivered 99,472 megalitres of high-surety irrigation water during FY2025/26, the second-highest annual delivery volume in the Company's history.

Dry seasonal conditions, below-average rainfall, low soil moisture levels and above-average temperatures throughout summer and autumn increased irrigation demand across much of the State. In response, Tasmanian Irrigation worked closely with irrigators to maximise service delivery, including extending the start and / or end date of water delivery seasons which allowed us to provide access to water earlier and later than would otherwise be the case.

Despite increased demand, system performance and reliability remained high across the portfolio, with surety of supply at 100%. Customer-aligned operational planning and preventative maintenance programs led to high reliability of key infrastructure which enabled irrigators to continue production with confidence during a challenging climatic period.

With climate projections indicating a greater likelihood of warmer and drier conditions in many parts of Tasmania over coming decades, reliable irrigation infrastructure and water security will be vital in supporting agricultural productivity and resilience.

Protecting critical water infrastructure

Tasmanian Irrigation is responsible for the safe management of 22 operational dams across Tasmania. These publicly owned assets are managed through a comprehensive dam safety framework aligned with Australian National Committee on Large Dams (ANCOLD) guidelines and the Water Management (Safety of Dams) Regulations 2025.

The Company's dam safety program includes routine surveillance, engineering inspections, emergency preparedness activities, asset renewals and formal safety reviews. This approach helps protect communities, the environment and water security while supporting the long-term performance of critical infrastructure.

Investing in reliability and resilience

Tasmanian Irrigation manages more than 43,000 individual assets with a cost exceeding $500 million. Effective asset management is essential to ensuring the reliable delivery of irrigation water, protecting public infrastructure and achieving value for customers over the long term.

The Company's Strategic Asset Management Plan provides a structured framework for maintaining, renewing and improving critical infrastructure throughout its lifecycle. During FY2025/26, investment focused on asset and personnel safety, resilience and water security, reliability and operational efficiency.

Major works included improvements to safety access systems across dams, pump stations and mini-hydro facilities, and upgrades to electrical systems, communications networks and pumping infrastructure. The Company also expanded condition monitoring and preventative maintenance activities to improve asset performance and reduce the risk of service interruptions.

These investments help ensure Tasmanian Irrigation's infrastructure remains reliable, efficient and fit for purpose, supporting agricultural productivity and regional communities for decades to come.



MEANDER DAM SAFETY REVIEW

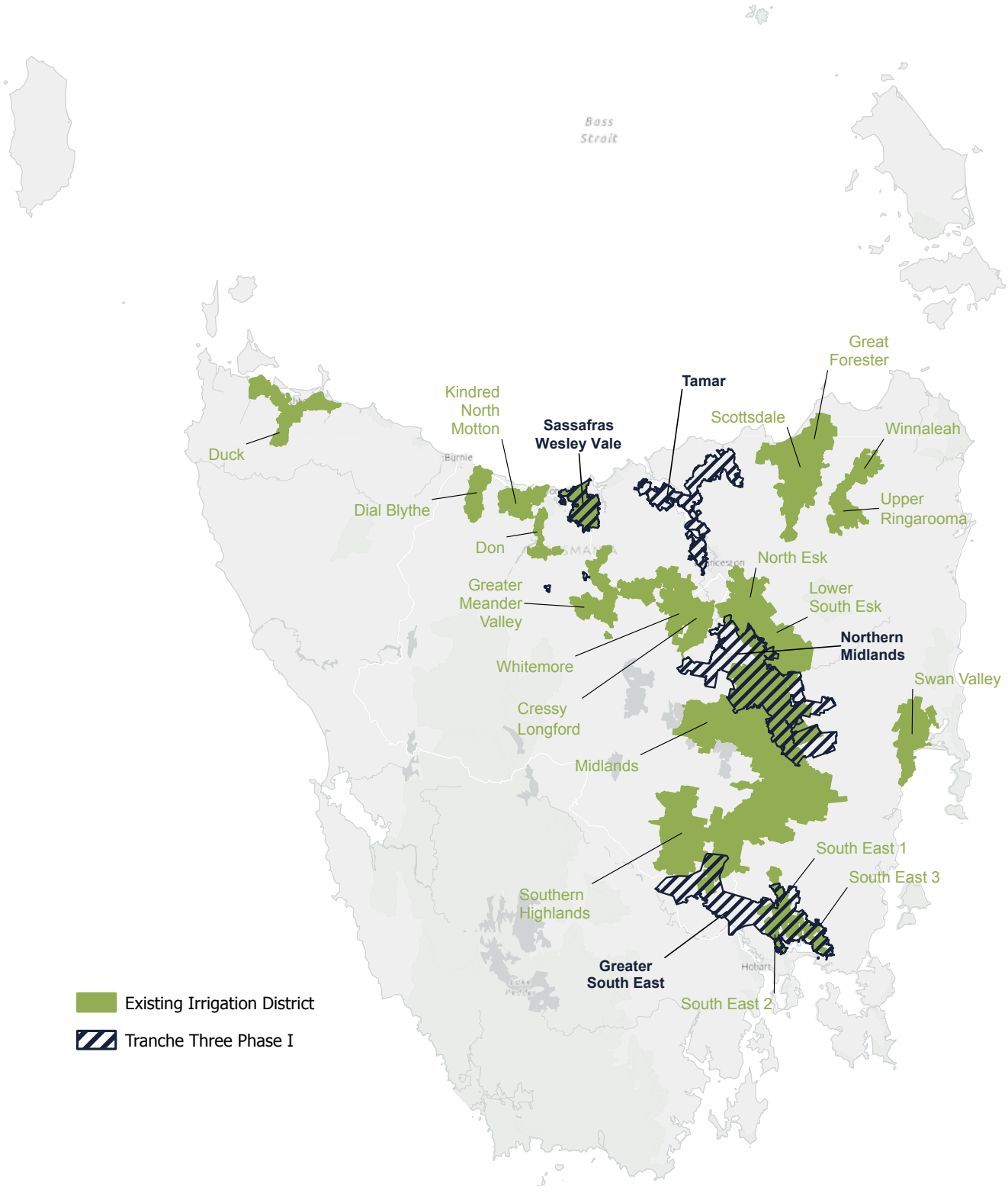
During the year, Tasmanian Irrigation continued the first 20-year Dam Safety Review of Meander Dam since its commissioning in 2007.

The review assesses the dam's performance against contemporary engineering standards, updated hydrological data and emerging climate considerations. Following completion of the first phase of the review in FY2024/25, investigations continued during the FY2025/26, including detailed assessments of hydrology, geology, structural performance and risk.

This phase of the review (literature and standards-based review) has identified areas for further investigation. There are no immediate dam safety concerns. Dam safety reviews form an important part of the Company's commitment to maintaining safe, resilient infrastructure capable of supporting Tasmania's agricultural sector for generations to come.

Pictured above: Meander Dam on spill

Operational Schemes and New Developments



The table below lists the operational schemes (commissioned and delivering water) followed by schemes in development.

Scheme[3]	Commissioned	Capacity	Irrigators (approx.)
South East Stage 1	1986	2,650 ML	80
South East Stage 2	1992	1,980 ML	95
Greater Meander[4]	2008	36,545 ML	190
Great Forester	2011	1,980 ML	10
Sassafras Wesley Vale	2012	5,460 ML	90
Whitemore	2012	5,940 ML	40
Winnaleah	2012	6,950 ML	40
Lower South Esk	2013	5,298 ML	20
Kindred North Motton	2014	2,500 ML	40
Midlands	2014	38,500 ML	90
Dial Blythe	2015	2,855 ML	40
South East Stage 3	2015	3,000 ML	75
Upper Ringarooma	2015	5,700 ML	35
Southern Highlands	2017	7,215 ML	20
Duck	2018	5,200 ML	25
Swan Valley	2018	2,000 ML	15
North Esk	2019	4,685 ML	50
Scottsdale	2020	8,600 ML	85
Don	2023	9,500 ML	50
Northern Midlands	Oct 2026	25,500 ML	50
Sassafras Wesley Vale Augmentation	End 2027	17,000 ML[5]	20
Greater South East	Mid 2030	32,220 ML[6]	375
Tamar	TBC	11,500 ML[7]	90
TOTAL		242,778 ML	1600+

Key:

- Operational schemes
- Government funded Tranche 3 schemes
- Feasibility (unfunded)

3 While Tasmanian Irrigation owns the assets of the Cressy-Longford Irrigation Scheme, the scheme is self-managed by Cressy Longford Irrigation Scheme Limited (CLISL). CLISL is also the Responsible Water Entity

4 Includes augmentation of 11,000 ML

5 New water into the district

6 New water into the district

7 Agricultural only, excludes industrial water

Available Water

Tasmanian Irrigation's objective is to ensure that irrigators can access their full water entitlements for as much of the irrigation season as possible, supporting reliable water delivery and providing confidence for on-farm operations.

A separate priority is the marketing and sale of any unsold entitlements within operational schemes. Bringing these entitlements into productive use increases water security for farmers, supports agricultural production, and strengthens economic activity within the region. Tasmanian Irrigation continues to work closely with irrigators to facilitate the uptake and use of these available entitlements.

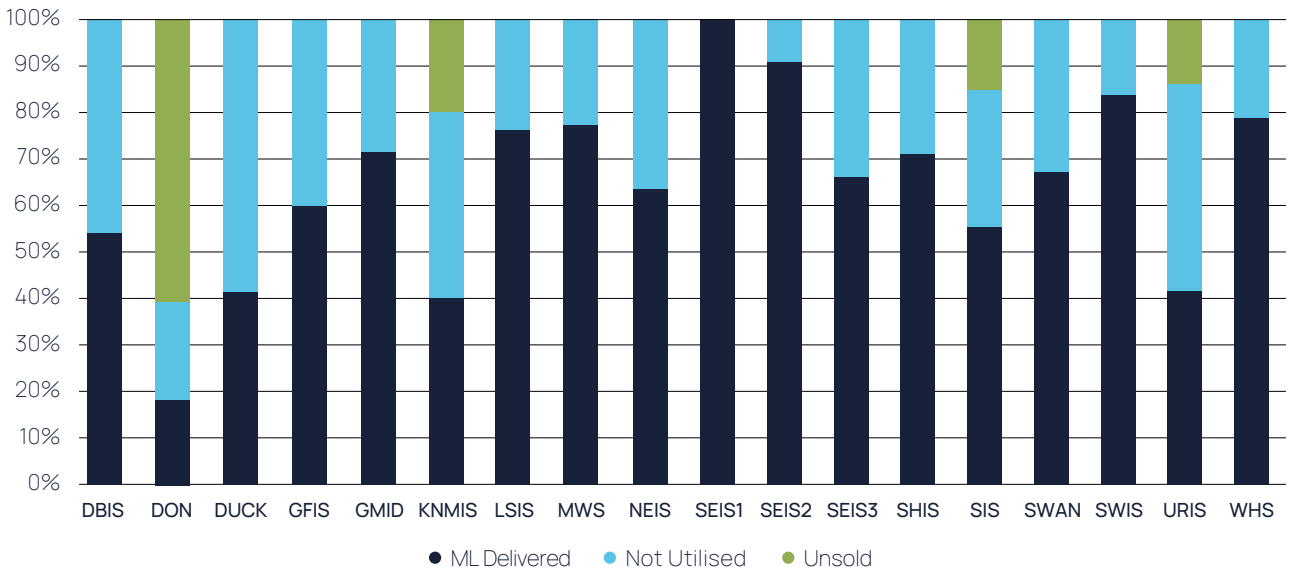
FY2025/26 delivery performance

The chart below shows, for each scheme, the proportion of total scheme water that was delivered to irrigators, remained unused during the season, or is available for sale. Most schemes show no unsold entitlement remaining, meaning all available water has been purchased by irrigators. For these schemes, the difference between total scheme water and water delivered represents entitlements that were available to irrigators but were not called upon during the season, rather than water that remains available for purchase.

Four schemes have unsold water entitlements and Tasmanian Irrigation is actively marketing this water to irrigators. As at 30 June 2026, the following volumes remain available for purchase:

Scheme	Available Water Entitlements (ML)
Kindred North Motton	540
Upper Ringarooma	750
Scottsdale - Summer	715
Scottsdale – Winter*	2,500
Don - Summer	1,150
Don - Winter	4,675

* Note: Scottsdale Winter water will become available for sale in the 2027 financial year, but has not yet been taken to market as a product.





MAGGIE GILLIGAN – DAM SAFETY ENGINEER
Keeping Tasmania's irrigation infrastructure safe

As Tasmanian Irrigation's Dam Safety Engineer, Maggie Gilligan plays a critical role in ensuring the ongoing safety and reliability of the Company's water infrastructure.

Maggie moved into the dam safety role following the promotion of Josh Clark into a new role. Maggie oversees the safety of 22 operational dams across Tasmania, including regulatory compliance, asset renewals, emergency preparedness and inspection programs. Her work helps ensure Tasmanian Irrigation can continue to provide a reliable water supply to customers while maintaining the highest standards of dam safety.

"We have a rigorous monitoring and inspection regime to ensure the integrity of our dams throughout the year and during significant weather events," Maggie said.

Since joining Tasmanian Irrigation in 2023, Maggie has contributed to both operational and new irrigation projects, bringing expertise in engineering, compliance and water infrastructure.

"I love that working for Tasmanian Irrigation means I am directly giving back to my island home, helping irrigators, supporting regional communities and enabling Tasmania's agricultural industries to sustainably grow." - Maggie Gilligan

Pictured above: Maggie Gilligan at Poatina Buffer Dam

New Scheme Development

Tasmanian Irrigation develops new irrigation schemes and expands existing schemes to support agricultural productivity, regional economic growth and intergenerational investment across Tasmania. New infrastructure is delivered through a public-private partnership model, with funding contributions from the Australian and Tasmanian Governments and participating irrigators through the purchase of water entitlements.

During FY2025/26, the Company continued to progress the Tranche Three Irrigation Program. The Northern Midlands Irrigation Scheme entered commissioning and testing ahead of first water delivery in October 2026, construction commenced on the Sassafras Wesley Vale Irrigation Scheme Augmentation, and planning and detailed design continued for the Greater South East Irrigation Scheme. A preliminary business case for the Tamar Water Scheme was also completed and submitted to Shareholding Ministers.



Pictured above: Poatina Buffer Dam, Northern Midlands Irrigation Scheme



Northern Midlands Irrigation Scheme

Construction of the $217.9 million Northern Midlands Irrigation Scheme was substantially completed in FY2025/26 and commissioning activities commenced ahead of first water delivery in October 2026.

The scheme will deliver 25,500 megalitres of highly reliable irrigation water throughout the summer irrigation season to approximately 50 irrigators across the lower Isis Valley and Macquarie River region. Major infrastructure, including the Poatina Buffer Dam, pump stations, balance tanks and pipeline network, was completed during the year, with testing and commissioning activities progressing as planned.

Sassafras Wesley Vale Irrigation Scheme Augmentation

Construction of the $124.4 million Sassafras Wesley Vale Irrigation Scheme Augmentation commenced in January 2026, marking an important milestone in expanding irrigation capacity across Tasmania's north west.

When completed, the augmentation will provide an additional 17,000 megalitres of high-surety irrigation water to 94 irrigators, almost tripling the amount of highly reliable irrigation water and supporting agricultural growth and diversification across the region.

During the year key regulatory approvals were secured and procurement of major project components was completed, and to the end of the reporting period approximately 23 kilometres of pipeline were installed. Construction will continue through 2026/27 ahead of water delivery in late 2027.





WORKING WITH FARMERS TO MINIMISE CONSTRUCTION IMPACTS

The Sassafras Wesley Vale Irrigation Scheme Augmentation Project is increasing scheme capacity to meet growing demand while ensuring existing irrigators continue to receive reliable water supplies. Delivering this upgrade presents unique challenges, with construction occurring within an operating scheme and across productive agricultural land.

Throughout the project, Tasmanian Irrigation has worked closely with landowners to minimise impacts on farming operations. Project Manager John Wright said this has included tailoring construction methods to individual properties, using smaller equipment where appropriate, reducing construction corridors to as little as six metres, and carefully coordinating works around farming activities.

> **“While this approach can take more time and require additional planning, it helps protect productive farmland, reduces disruption to day-to-day operations, and strengthens relationships with scheme customers.”** - John Wright

At the same time, the project team is undertaking significant refurbishment of the scheme’s pump station to support a network with almost three times its original capacity. The upgrades are designed to maintain service for existing irrigators while construction continues during the summer irrigation season, and ensure the pump station is ready to support the expanded scheme.

By working collaboratively with landowners and adapting construction practices to local conditions, the project is demonstrating how major infrastructure can be delivered while respecting the needs of Tasmania’s farming communities.

Pictured above: Construction crews worked closely with orchard owners to minimise impacts on productive farmland, using smaller equipment and reducing construction corridors wherever possible



Greater South East Irrigation Scheme

The $301 million Greater South East Irrigation Scheme continued to advance through planning and design during FY2025/26.

The scheme will integrate the three existing south east irrigation schemes and provide up to 37,200 megalitres of highly reliable irrigation water annually from 2030.

Detailed design activities progressed throughout the year, supported by ongoing engagement with landowners, environmental stakeholders and government agencies. Environmental investigations and regulatory approval processes also advanced, while demand for future water entitlements continued to strengthen.



GROWING WITH CONFIDENCE IN THE COAL RIVER VALLEY

Access to high-surety irrigation water is supporting the continued growth of SISU Wines in Tasmania's Coal River Valley.

Owners Jake and Mary Sheedy purchased their 95-hectare property in 2021 and have since established premium cool-climate vineyards, a winery and cellar door. With the Greater South East Irrigation Scheme progressing, they are planning further vineyard expansion to support future growth of their business.

"We wouldn't have purchased this land if irrigation water wasn't available, and we certainly wouldn't have invested in our processing and tourism facilities if the Greater South East Irrigation Scheme wasn't going ahead," Jake said.

The Sheedys have applied for additional water through the Greater South East Irrigation Scheme, providing greater certainty for future investment and production.

Jake believes reliable irrigation water is critical not only for individual businesses but for the broader growth of the region's wine, food and tourism sectors.

"This is phenomenal country for grape growing and winemaking, but we wouldn't be able to achieve the quality levels we aspire to without water." - Jake Sheedy

For SISU Wines and other businesses in the region, access to high-surety water is helping unlock new opportunities for agricultural production, value-adding and tourism development.

Pictured above: Sisu Winery – Jake and Mary; Sisu Chardonnay and glass

Tamar Water Scheme

The Tamar Water Scheme progressed during FY2025/26 with completion of a preliminary business case for a proposed combined agricultural and industrial water supply scheme for the Tamar and Bell Bay region.

The proposal would provide highly reliable water for agricultural use while supporting the future requirements of hydrogen development in northern Tasmania.
The business case demonstrated a strong technical and economic case and was submitted to the Tasmanian Government during the year. Future progression of the project remains subject to confirmation of industrial water demand.



Environment

Tasmanian Irrigation is committed to protecting the environmental values that underpin Tasmania's agricultural productivity and quality of life. Environmental stewardship is integrated into the planning, construction and operation of irrigation infrastructure, supporting sustainable outcomes for communities, industries and the natural environment.

During FY2025/26, the Company continued to strengthen its environmental management systems, advance sustainability planning and support biodiversity and waterway health across its operational and development portfolios.



Environmental stewardship

Environmental considerations continued to play a key role in the delivery of major projects and operational activities. During FY2025/26, Tasmanian Irrigation managed environmental approvals and compliance requirements across the Northern Midlands Irrigation Scheme, Sassafras Wesley Vale Irrigation Scheme Augmentation and Greater South East Irrigation Scheme.

Environmental monitoring, biodiversity management and stakeholder engagement programs supported project delivery while ensuring environmental obligations were met. Where environmental compliance issues were identified, they were investigated, reported and addressed through corrective actions and continuous improvement processes. Importantly, no impacts to Matters of National Environmental Significance were recorded during the reporting period.

The Company also strengthened environmental governance through improved planning processes, environmental controls, contractor training, spatial data management and construction verification activities.

Pictured left: Environmental officers learning about camera trapping for our quoll monitoring program

Protecting waterways and biodiversity

Tasmanian Irrigation undertakes extensive water quality, river health and biodiversity monitoring across its operational schemes to help protect environmental values and inform decision-making.

Monitoring programs support regulatory compliance, identify emerging risks and contribute to a broader understanding of catchment and waterway health. During the year, the Company continued to work collaboratively with government agencies and industry partners to improve the collection, sharing and analysis of environmental data across Tasmania.

The Farm Water Access Plan program continued to set the benchmark for, and support the responsible use of irrigation water, promoting sustainable land management practices across scheme areas.

Sustainability

During the year, Tasmanian Irrigation reviewed its approach to sustainability as part of the implementation of its refreshed Strategic Plan.

The review provided greater clarity around the issues most important to the long-term success of the organisation and the resilience of Tasmania's irrigation network. Priority areas identified included water security and climate resilience, responsible resource use, carbon management, biodiversity protection and strengthening relationships with First Nations communities.

Tasmanian Irrigation continued annual carbon accounting and collaborated with government agencies and other water managers to improve water accounting, water quality monitoring and the sustainable management of Tasmania's water resources.



Pictured above: Taking samples to assess river health



FARM DAM ENHANCEMENT PROJECT

Tasmanian Irrigation partnered with Landcare Tasmania through the Australian Government's Future Drought Fund-supported Dam Enhancement Project to improve biodiversity and environmental outcomes at South Riana Dam in north-west Tasmania.

The project involved planting almost 1,500 native trees, shrubs, grasses and aquatic species around the dam to enhance habitat, improve ecological connectivity, reduce erosion and support water quality. Species selected included black gum (*Eucalyptus ovata*), which provides potential habitat for the endangered swift parrot.

"As the first site of its kind within Tasmanian Irrigation's network, South Riana Dam will serve as a demonstration project to help inform future biodiversity enhancement opportunities across Tasmania's irrigation landscape." - Geoff Jones, Environmental Lead - Compliance

Pictured above: Tree planting adjacent to Tasmanian Irrigation assets

Our Community

Strengthening relationships with communities in which we deliver irrigation water and construct new schemes is a priority for Tasmanian Irrigation.

We returned to Agfest for the first time in more than a decade, sharing a location with TasFarmers for the three-day event. It was a great opportunity to connect with farmers, politicians, students and industry stakeholders, sharing information about our operational schemes, projects under construction, commitment to environmental excellence, our growing number of assets under management and our safety record.

Tasmanian Irrigation also returned to the Campbell Town Show, now in its 188th year, to update locals about the $217.9 million Northern Midlands Irrigation Scheme. The feedback from irrigators and the wider community reiterated how important this 25,500-megalitre project is for the region.

We continued to strengthen our partnership with the Beacon Foundation, inviting students to visit our work sites to gain a first-hand understanding of career opportunities associated with multi-million-dollar infrastructure projects, and visiting schools to take part in job readiness activities such as mock interviews and resume writing.

Students from Riverside High School and Cressy District High School toured the Northern Midlands Irrigation Scheme, meeting some of the 150 people involved in building the scheme and learning about project management, engineering, machinery operation, dam safety and civil construction.

We also hosted students from the Sassafras Primary School, who were eager to inspect works on the Sassafras Wesley Vale Irrigation Scheme Augmentation – with construction occurring just across the road from their school.

Tasmanian Irrigation will continue to support the people and communities that depend on our irrigation water, ensuring we work together to continue to create jobs, grow our agricultural industries and deliver economic benefit for our State.



First Nations Engagement and Participation: Continuing the Journey

Tasmanian Irrigation continues to grow its understanding and recognition of the importance of Aboriginal people, Country and water to its work.

As a water infrastructure organisation, Tasmanian Irrigation recognises that its projects are delivered across landscapes that have been cared for by Aboriginal people for thousands of years. Water has always held cultural, environmental and spiritual significance, and understanding these enduring relationships continues to shape the way the organisation approaches its work across Lutruwita/Tasmania.

Throughout FY2025/26, that journey continued as the organisation focused on building relationships, strengthening organisational capability and progressively embedding Aboriginal perspectives into the way it plans, delivers and stewards water infrastructure.

This included supporting Aboriginal-led initiatives, participating in Community events, creating opportunities for staff and project teams to spend time with Aboriginal people on Country, and establishing resources that encourage ongoing learning about Aboriginal history, culture and water knowledge within the workplace.

Staff also participated in sessions focused on First Nations Data Sovereignty and proposed reforms to Tasmania's Aboriginal heritage legislation, helping build organisational understanding of contemporary Aboriginal governance, heritage and emerging policy.

Reflecting on this approach, First Nations Consultant AJ King said "Relationships don't start with projects - they start with showing up, listening and building trust over time."

A significant focus during the year was the Greater South East Irrigation Scheme (GSEIS), where Aboriginal engagement continued alongside project planning, environmental assessment and Aboriginal heritage investigations. Early on Country visits provided project staff with opportunities to better understand the broader cultural landscape surrounding proposed infrastructure, encouraging discussion about the responsibilities that come with development on Country and the importance of considering cultural values early in project planning.



Pictured above: Uncle Rodney Dillon addressing staff during NAIDOC Week

Tasmanian Irrigation also commenced development of a suite of interconnected initiatives designed to strengthen its long-term approach to Aboriginal engagement across the organisation. Covering areas such as Aboriginal heritage management, community engagement and participation, designing with Country, employment, procurement and cultural capability, this work represents an important step in establishing consistent approaches that will support future projects while continuing to build organisational capability.

As the organisation's First Nations journey continues, Tasmanian Irrigation remains committed to listening, learning and continually improving the way Aboriginal knowledge, perspectives and relationships inform the planning, delivery and stewardship of water infrastructure across Lutruwita/Tasmania.

Sponsorship

Tasmanian Irrigation maintains a Sponsorship Framework that establishes the principles and criteria for assessing sponsorship proposals and ensures any sponsorship activities align with the organisation's strategic objectives, corporate values, governance requirements and stakeholder interests. The framework provides a transparent and consistent approach to the consideration of sponsorship opportunities and associated benefits and obligations.

Tasmanian Irrigation is funded through a combination of fees for service from irrigation customers, and public/private funding of new irrigation schemes. As such, Tasmanian Irrigation does not have an appropriate source of revenue to support any form of financial sponsorship. Tasmanian Irrigation will therefore not undertake financial sponsorships, but may provide in-kind support to appropriate activity.

Tasmanian Irrigation did not enter into any sponsorship arrangements, provide financial sponsorships or make sponsorship contributions in kind during the FY2025/26.



Our People

Our people are fundamental to delivering reliable irrigation services, developing new water infrastructure and supporting Tasmania's agricultural future. As our irrigation portfolio continues to grow in scale and complexity, we remain focused on strengthening the capability, culture and systems that enable our workforce to deliver safely, effectively and sustainably.

During FY2025/26, a key priority was establishing the foundations required to support the organisation's next stage of growth and the delivery of our Strategic Plan 2026–2035.

A People and Culture Strategy was developed in response to employee feedback and organisational maturity needs, and establishes a long-term framework to strengthen leadership capability, workforce planning, employee experience, psychological safety and organisational effectiveness. It provides a disciplined approach to ensuring Tasmanian Irrigation remains an employer capable of attracting, developing and retaining the skills required to deliver complex infrastructure programs and operate critical public assets.

The organisation also undertook a comprehensive review of its Values. The refreshed Values were informed by extensive employee and Board engagement and reinforce the principles of integrity, collaboration, accountability, service excellence, and respect for people and place. The new Values provide a clear behavioural foundation for decision-making, leadership and workplace culture, while reflecting Tasmanian Irrigation's responsibilities to customers, communities, Government and future generations.

Alongside this work, several key policies were modernised to improve clarity, consistency and transparency. Updates included strengthening behavioural expectations through a revised Code of Conduct and Respectful Workplace Policy, and enhancing leave provisions, including expanded parental leave entitlements that support workforce participation and employee wellbeing.

To support delivery of the organisation's strategic objectives, Tasmanian Irrigation also completed an organisational structure review. The revised structure was implemented following a formal consultation process and is designed to strengthen role clarity, improve coordination across functions and ensure the organisation has the capability and accountability required to meet future operational and strategic priorities.

Tasmanian Irrigation remains committed to fostering a safe, respectful and inclusive workplace where people can contribute, develop and perform at their best.

85%

(Increased from 2024 result)
Staff would recommend Tasmanian Irrigation as a workplace

90%

(Same as 2024 result)
Staff are satisfied with their job

92%

(Decreased from 2024 result)
Staff understand how their role contributes to long-term goals/strategy

77%

(Increased from 2024 result)
Tasmanian Irrigation cares about and is committed to me

88%

(Increased from 2024 result)
Staff feel empowered to do their job

99%

(Increased from 2024 result)
Staff feel safe at work

92%

(Increased from 2024 result)
Our team supports each other



Safety

Tasmanian Irrigation is committed to providing a safe and healthy workplace for employees, contractors, customers and members of the public, with a strong focus on preventing harm across all aspects of its operations and project delivery.

During FY2025/26, the Company refreshed its Health, Safety and Wellbeing Policy and completed the final year of its three-year Safety and Wellbeing Strategy. Throughout the year, efforts focused on strengthening safety culture, improving the implementation of critical risk controls and embedding consistent safety practices across both operational and construction environments.

Particular attention was given to higher-risk activities, including isolation and permit-to-work systems, lone worker arrangements, fatigue management, contractor management and field-based risk controls. The practical application of these critical controls was strengthened across operations and major projects, supported by improved assurance, reporting and governance processes.

Contractor safety performance remained a key focus as the Northern Midlands Irrigation Scheme progressed through its final stages of construction. Lessons learned from the project were used to strengthen contractor management and reinforce safety expectations across the broader organisation, contributing to ongoing improvements in safety performance.

Tasmanian Irrigation continues to measure and monitor safety culture maturity as an indicator of organisational capability and performance. During the year, the Company achieved a Safety Culture Maturity Index score of 2.54, reflecting continued progress towards a more proactive and values-led safety culture. A further assessment will be undertaken in FY2026/27 to help guide the next phase of safety leadership, critical risk management and assurance activities.

As Tasmanian Irrigation enters a new safety strategy period, the focus will shift towards building greater confidence in safety systems and controls through enhanced due diligence, critical risk management, workforce capability, consultation and shared accountability for health, safety and wellbeing.

Safety Performance

Measure	FY2025/26
Lost Time Injuries (LTI)	0
Total Recordable Injury Frequency Rate (TRIFR)	16

TRIFR is based on the number of recordable injuries per million hours worked, and equates to two medically treated injury occurrences for TI employees during the period.

Safety Culture Maturity Index – 2026





ANGUS BORRELL - HYDROLOGIST
Understanding Tasmania's water future

Hydrologist Angus Borrell joined Tasmanian Irrigation in 2025, attracted by the scale of Tasmania's irrigation infrastructure and its role in supporting agricultural productivity and climate resilience.

Working across the Company's operational schemes and future developments, Angus helps manage the hydrometric network that underpins water planning, environmental compliance and operational decision-making. By analysing real-time and historical data, he supports efficient water management during both high-rainfall events and periods of dry conditions.

Angus believes Tasmania's long-term investment in irrigation infrastructure demonstrates a forward-thinking approach to supporting agriculture in a changing climate.

"This agricultural investment strategy is incredibly innovative and forward thinking in terms of what it delivers for the whole of Australia under future climate resilience pressures." - Angus Borrell

His work contributes to ensuring Tasmanian Irrigation can continue to deliver reliable water supplies while balancing environmental responsibilities and preparing for future climate challenges.

Pictured above: Angus Borrell – undertaking gauging work at Poatina Buffer Dam; environmental specialist taking samples to assess river health

Performance

Tasmanian Irrigation adopts a series of financial and non-financial Key Performance Indicators to measure and assess organisational performance against its strategic direction and Shareholder expectations. These targets are agreed between Tasmanian Irrigation and its Shareholder Members prior to each financial year. The Strategic Pillars listed in this table were in place at the time KPIs were agreed with Government and will be updated in future performance agreements to reflect our refreshed Strategic Plan.

Strategic Pillar	Success Measure	FY2025/26 Actual	FY2025/26 Target
Engaged customers	Overall customer satisfaction	77%	68%
	Allocation at season[8] commencement	97%	95%
	Surety[9] of supply	100%	95%
	Planned maintenance completed as per plan	96%	95%
Financially self-sustaining	Business case approved for Tranche Three[10]	4/9	5/9
	Tranche Three projects delivered	1/9	1/9
	Asset Renewal Levy[11] at target	13/19	17/19
	Working capital at target[12]	9/19	9/19
	Unsold water ratio[13]	6%	6%
	Capital program $ per budget	$110.0M	$114.2M
	Total Tranche Three schemes under construction	2	2
	Total capital funding milestone payments achieved per plan	5	5
Stakeholder support	Stakeholder net promoter score[14]	-	14
Environmental and social sustainability	No. of notifiable incidents (to EPA)	0	0
	Breaches of compliance[15] with major project permit conditions	0	<1
	Reduction in CO2/t[16] in water delivery	0%	-2%
People and suppliers	Total Recordable Injury Frequency Rate[17]	25.9	<10
	Safety Culture Maturity Index[18]	2.54	3
	Employee Engagement	85%	85%
	Project value awarded to Tasmanian suppliers	96%	80%
	Employee turnover rate[19]	19.54%	≤15%

8 The percentage of water available to meet irrigator water entitlements when the irrigation season opens
9 Surety refers to the average reliability measured across each full irrigation season
10 There are nine business cases for Tranche Three, seven of which are targeted to be approved during the corporate planning period
11 The Asset Renewal Levies are reserved funds for each scheme, dedicated to asset renewals in line with asset strategy and plans for each scheme
12 Working capital for each scheme in line with asset strategy and plans
13 Ratio of unsold water to total capacity of operational schemes
14 Survey not undertaken in FY2025/26
15 Compliance refers to breaches that cause environmental harm and does not include administrative deviations
16 Refers to Scope One and Two emissions in the water delivery line of business
17 Lost time and medically treated injuries per one million person hours worked
18 Taken predominantly from staff survey results, 0-initiation; 1-developing; 2-defined; 3-managed; and 4-optimised
19 Turnover is calculated on all departures (excluding redundancies)

Commentary on Performance

Tasmanian Irrigation delivered a strong performance in 2025–26, providing reliable water supply to support Tasmania's agricultural sector during a year marked by dry conditions and above-average temperatures. Customer demand remained high, with 99,472 ML delivered to irrigators and record monthly deliveries achieved during the peak irrigation season. Several schemes recorded their highest-ever annual deliveries, with extended irrigation seasons helping sustain agricultural production and pasture growth.

The organisation continued to demonstrate strong operational and financial performance while progressing a significant capital investment program to expand irrigation infrastructure across the State. More than $110 million was invested in major projects during the year, supporting future water security, regional development and agricultural growth.

Customer satisfaction exceeded target levels, reflecting the reliability of water delivery services, proactive asset management and a continued focus on transparent communication and customer engagement.

Tasmanian Irrigation maintained its focus on long-term financial sustainability. Most schemes continue to hold sufficient reserves to support future asset renewal and operational requirements, with structured plans in place to strengthen the financial position of those schemes still building toward long-term targets. Asset Renewal Levies (ARL) are reviewed annually and updated to incorporate the latest cost estimates for future work and assessments of the likely timing of that work. If this results in a material ARL increase for a scheme in a given year, the increase will be staged over multiple years to soften the financial impact to irrigators.

Environmental stewardship remained a priority. No incidents requiring notification to the Environmental Protection Authority occurred during the year. While there were four non-compliance or potential non-compliance incidents under Commonwealth environmental approvals, there was no environmental impact. The incidents related to environmental controls not being fully implemented during construction activities. All were self reported, investigated and corrective actions implemented.

Work also continued to establish a robust framework for measuring and reducing emissions associated with water delivery operations.

The organisation continued to strengthen its safety culture and workforce capability, while implementing changes to ensure its organisational structure, skills and resources are aligned with future business needs and shareholder expectations.

During the year, Tasmanian Irrigation finalised Version 2.0 of its 2035 Strategic Plan, providing a clear pathway to meet evolving customer needs, deliver operational excellence and support sustainable growth in Tasmania's irrigation sector.

Overall, Tasmanian Irrigation continued to deliver value for irrigators, regional communities and the State through reliable operations, responsible stewardship of assets and resources, and continued investment in Tasmania's long-term water security.

No Directions were issued to Tasmanian Irrigation by Shareholder Ministers during the reporting period.

Risk Management

Tasmanian Irrigation defines risk as both opportunity risks and impact risks, and we acknowledge that accepting and managing risk is an integral part of creating value for our customers and stakeholders.

Tasmanian Irrigation is committed to maintaining a culture of risk foresight at all levels of the business and embedding risk management practices across all our operations. Our approach to Risk Management incorporates these key elements:

- Risk Management Policy;
- Risk Appetite Statement; and
- Risk Management Framework.

Material risks facing the business are reviewed regularly by the Board, with oversight provided by the Audit and Risk Committee. Tasmanian Irrigation has engaged KPMG as our Internal Auditor, and they undertake twice yearly reviews of internal control processes.

Our Risk Management Framework provides the structure to guide the process of risk identification, assessment, management, monitoring and reporting to ensure that risks are managed within tolerances set by the Board.

Political

- Bipartisan funding support
- Agreement on operating conditions to be financially self-sustaining
- Transition in national water policy settings
- Tasmanian GBE reform, including efficiency focus and tighter fiscal control
- Revision of Infrastructure Australia Priority List
- Global events

Economic

- Competing government budget priorities
- Rising input costs for farmers that may affect demand for water and capacity to pay
- Misalignment between Hydro Tasmania's energy scheduling requirements, and irrigators need for water security, leading to higher water prices
- Whole-of-life affordability pressures
- Global events

Social

- Land access complexity
- Increasing social licence
- Expectations of community
- Irrigator trust increasingly linked to transparency and consistency of decisions
- Workforce capacity and skills constraints

Technological

- Growing cyber risk
- AI risk and opportunity, including automation/efficiency through AI
- Technology-driven on-farm water efficiency

Environmental

- Long-term climate outlook and increasing climate variability
- Increasing competition for water
- Increasing policy emphasis on river health and measurable environmental outcomes
- Increasing need for fit-for–purpose data use/sharing
- Loss of biodiversity and climate-change induced land changes

Legislative/Regulatory

- Changes to the EPBC Act/broader environmental regulation
- Mandatory climate and sustainability reporting and broader ESG expectations
- Tasmanian Government community management policy
- Opportunity and regulatory considerations for non-irrigation supply

Corporate Governance

Tasmanian Irrigation is a statutory company established under the *Irrigation Company Act 2001* and wholly owned by the Tasmanian Government. The Company's Shareholder Ministers are the Treasurer and the Minister for Primary Industries and Water.

Tasmanian Irrigation's governance framework is guided by the Tasmanian Government's *Governance Framework Guide for Government Businesses and State-Owned Companies* and reflects the eight core principles of good corporate governance promoted by the ASX Corporate Governance Council.

Principle 1: Lay solid foundations for management and oversight

The Board comprises seven independent Non-Executive Directors. The Board sets the strategic direction of the Company, appoints and evaluates the Chief Executive Officer, oversees risk management and ensures accountability to Shareholder Ministers and Parliament.

Performance evaluations of the Board, individual Directors and key executives are undertaken regularly to support continuous improvement and alignment with strategic objectives.

Principle 2: Structure the Board to add value

Directors are appointed based on skills and experience relevant to Tasmanian Irrigation's operations, including agriculture, irrigation, construction, finance and corporate governance.

The Board is supported by three committees:

Audit and Risk Committee – oversees financial reporting, audit, risk management and internal controls.

People, Culture, Safety and Remuneration Committee – oversees workplace compliance, culture, safety, remuneration, Board performance and CEO performance review.

Major Projects Committee - provides assurance and oversight of the formation and delivery of major projects, and monitors portfolio and project risks.

Principle 3: Promote ethical and responsible decision making

The Board is committed to the highest standards of integrity, accountability and compliance. Directors and employees are required to act in accordance with the Company's Code of Conduct, supported by a framework of policies governing ethical behaviour, conflicts of interest, information management, public interest disclosures and right to information obligations.

Directors are required to declare any material personal interests, with declarations recorded and managed in accordance with the Company's Conflict of Interest Policy.

Principle 4: Safeguard integrity in financial reporting

The Audit and Risk Committee assists the Board in overseeing financial reporting, compliance and audit activities. The Committee reviews financial statements before recommending them to the Board and ensures the required declarations are provided by the Chief Executive Officer and Chief Financial Officer.

The Tasmanian Auditor-General serves as the Company's external auditor. Tasmanian Irrigation's Annual Report is tabled in Parliament and subject to public scrutiny.

Principle 5: Make timely and balanced disclosure

Although not a listed company, Tasmanian Irrigation maintains a strong commitment to transparent communication with Shareholder Ministers and stakeholders.

The Board and Management provide regular reporting on the Company's performance, financial position, strategic priorities and emerging issues, ensuring Shareholder Ministers are informed of matters that may significantly affect the achievement of corporate objectives.

Principle 6: Respect the rights of Shareholders

The Board recognises the rights and responsibilities of Shareholder Ministers as set out in the Company's Constitution and governing legislation.

Formal communication processes ensure Shareholder Ministers receive timely information regarding the Company's performance, governance, financial position and key business risks. Directors and the Company comply with all lawful directions issued by Shareholder Ministers.

Principle 7: Recognise and manage risk

The Board oversees the Company's Enterprise Risk Management Framework, which is based on ISO 31000 principles and supports the proactive management of strategic, financial, operational, reputational and emergency risks.

A formal strategic risk profile is reviewed regularly by both Management and the Audit and Risk Committee, with key risks reported to Shareholder Ministers through corporate planning and ongoing engagement processes.

Principle 8: Remunerate fairly and responsibly

Director remuneration is determined by Shareholder Ministers. The People, Culture, Safety and Remuneration Committee provides oversight and recommendations relating to employee remuneration, workplace compliance, organisational culture, learning and development, and executive performance.

The Company's remuneration framework aligns employee performance, safety, organisational values and strategic objectives, while ensuring compliance with Government policies and requirements.

Director Induction, Education and Training

Tasmanian Irrigation is committed to ensuring Directors are appropriately informed and equipped to fulfil their governance responsibilities and contribute effectively to Board deliberations.

The Company maintains arrangements for the induction of newly appointed Directors, including the provision of key governance, strategic, financial and operational information, together with briefings from the Chair, Chief Executive Officer, Company Secretary and Executive as appropriate. These arrangements are supported through the Board Charter, which provides for the induction of new Directors n accordance with the applicable Tasmanian Government Guidelines.

The Board supports the ongoing development of Directors through governance, industry and regulatory briefings, site visits, stakeholder engagement activities and professional development opportunities relevant to the Company's operating environment.

During the reporting period, no new Directors were appointed to the Board and accordingly no formal Director induction program was undertaken. Following the release of the Guidelines for Tasmanian Government Businesses – Director Induction, Education and Training in June 2026, the Board has incorporated director induction and development requirements into its governance framework and will continue to review its arrangements to ensure alignment with evolving governance expectations.

Assessing Board Performance

The Board is committed to continuous improvement through an annual Board Performance Review process, with an externally facilitated review undertaken every third year. As 2026 marked the third year of the current cycle, an external facilitator was engaged to conduct the review.

The evaluation was undertaken in accordance with the Draft Guidelines for Board Performance Review and assessed the performance of the Board, its committees, individual directors and the Chair. The review identified strengths and opportunities for continuous improvement and supports the Board's commitment to high standards of governance and accountability. The outcomes of the evaluation have been provided to the Shareholding Ministers, being the Treasurer and Portfolio Minister.


KOBELCO

Disclosures

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 416, Newstead, TASMANIA, 7250;

b. No disclosure of public interest was made to Tasmanian Irrigation during the year;

c. No disclosure of public interest was 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; and

i. The Ombudsman made no recommendations under the Act that relate to Tasmanian Irrigation.

Tasmanian Irrigation's Public Interest Disclosures (Whistleblower) Policy and Procedures are available on the Company's website.

Overseas travel

One overseas trip was funded by Tasmanian Irrigation during FY2025/26. The Manager Dam Safety, Environment and Water Security attended a conference in New Zealand relevant to the organisation's operational and strategic responsibilities. The total cost of the trip funded by Tasmanian Irrigation was $1,913.

Remuneration

Tasmanian Irrigation has provided a detailed remuneration report for key management personnel from page 85 in this 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 FY2025/26, Tasmanian Irrigation received one Right to Information request, which was subsequently withdrawn.

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 method 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 FY2025/26.

Gifts registry

Tasmanian Irrigation maintains a Gifts, Benefits and Hospitality Registry, detailing any gift, benefit or hospitality valued at $100 or more that has been given or received by Tasmanian Irrigation and / or its employees during the reporting period.

Two gifts over $100 were accepted in FY2025/26:

1. A raffle prize to the value of $200 was accepted in June 2026
2. An invitation to an Industry forum and dinner hosted by Hydro Tasmania was accepted with a value of $200 in October 2025

Superannuation

Chief Executive Officer Michael Sylvester 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, Consultancies and Payment of Accounts

Buy local

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

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

- Encouraging Tasmanian Government businesses to purchase from Tasmanian suppliers;
- Increased disclosure on the use of consultants; and
- 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	FY2025/26	FY2024/25	FY2023/24
% of purchases from Tasmanian businesses	96.34%	94.34%	94.07%
Value of purchases from Tasmanian businesses	$114,329,484	$107,007,501	$55,460,476

Consultancies

A "Consultant" is defined as a service provider 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 2026 include:

Consultant	Location	Description	Amount
Pinion Advisory	TAS	Agribusiness consulting & advisory	1,507,877
Enviro-dynamics Pty Ltd	TAS	Environmental consultant	1,272,670
GHD Pty Ltd	TAS	Design and engineering	903,285
Blue Tier Consulting	TAS	Construction superintendent	435,747
Wild Island Ventures Pty Ltd	TAS	Project management	370,656
Page Seager Pty Ltd	TAS	Project legal advice	331,819
CDL Environmental Pty Ltd	TAS	Environmental consultant	285,790
Sugden & Gee Pty Ltd	TAS	Project management	213,143
Elgin Associates Pty Ltd	TAS	Dam sediment management plan	142,488
Yumbeina Pty Ltd	TAS	Aboriginal & heritage consultant	127,451
Mb&a Project Consulting Pty Ltd	TAS	Procurement strategy consultation	91,500
Entura	TAS	Expert field surveys and assessments	88,341
Committo Pty Ltd	TAS	IT strategy & governance consulting	86,250
North Barker Ecosystem Services	TAS	Environmental consultant	55,685
Cultural Heritage Management Australia	ACT	Heritage assessment	54,800

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	FY2025/26	FY2024/25	FY2023/24
Average payment period to suppliers (days)	16.6	17.2	16.2
Number of accounts due for payment	3,491	3,635	3,620
Number of accounts paid on time	3,117 (89%)	3,357 (92%)	3,562 (98%)
Amount due for payment	126,587,116	108,741,582	58,593,623
Amount paid on time	121,245,985	105,377,306	58,622,706
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 or the creditor specified seven-day payment terms, which cannot always be met due to fortnightly payment schedules.

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Letter to Shareholder Ministers

For the year ended 30 June 2026

Hon. Eric Abetz
Treasurer
Shareholder Minister Tasmanian Irrigation
Level 10, 15 Murray Street
Hobart TASMANIA 7000

Hon. Gavin Pearce
Minister for Primary Industries and Water
Shareholder Minister Tasmanian Irrigation
Level 5, 4 Salamanca Place
Hobart TASMANIA 7000

12 September 2026

Dear Shareholder Ministers,

Tasmanian Irrigation Pty Ltd Annual Report FY2025/26 — 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 FY2025/26 ending 30 June 2026.

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

Tasmanian Irrigation has complied with the Guidelines for Tasmanian Government Businesses — Director and Executive Remuneration for the year ended 30 June 2026.

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

Yours faithfully,



Ms Kate Vinot
Chair



Mr Hugh McKenzie
Non-Executive Director

Directors' Report

For the year ended 30 June 2026

The Directors present their report, together with the financial report of Tasmanian Irrigation Proprietary Limited ("the Company"), for the financial year ended 30 June 2026 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 Current Term Commencement Date: 16 December 2025 Term to: AGM[1] 2028	Independent Board Chair Non-Executive Director People, Culture, Safety and Remuneration Committee Member
Ms Laura McBain	Appointed: 2 August 2021 Current Term Commencement Date: 5 December 2024 Term to: AGM 2027	Independent Non-Executive Director People, Culture, Safety and Remuneration Chair Audit and Risk Committee Member
Ms Judith (Poppy) Lyne	Appointed: 2 August 2021 Resigned 15 June 2025 and reappointed 1 October 2025 Current Term Commencement Date: 5 December 2024 Term to: AGM 2027	Independent Non-Executive Director People, Culture, Safety and Remuneration Committee Member
Mr Donald (Hugh) McKenzie	Appointed: 16 December 2022 Current Term Commencement Date: 16 December 2025 Term to: AGM 2028	Independent Non-Executive Director Audit and Risk Committee Chair
Mr Michael (Mike) Paine	Appointed: 30 August 2023 Current Term Commencement Date: 30 August 2023 Term to: AGM 2026	Independent Non-Executive Director Audit and Risk Committee Member Major Projects Committee Chair
Mr Gene Phair	Appointed: 5 December 2024 Current Term Commencement Date: 5 December 2024 Term to: AGM 2027	Independent Non-Executive Director People, Culture, Safety and Remuneration Committee Member
Mr Andrew McShane	Appointed: 5 December 2024 Current Term Commencement Date: 5 December 2024 Term to: AGM 2027	Independent Non-Executive Director Audit and Risk Committee Member Major Projects Committee Member

1 Annual General Meeting (AGM)

Directors' Report

For the year ended 30 June 2026

1. Directors (continued)

The table below shows 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 2026. Directors may attend committee meetings by invitation or choice where they are not committee members. In these instances, attendance is shown and the eligible meetings field is left blank.

Director	Board Meetings		Audit and Risk Committee		People, Culture, Safety and Remuneration Committee		Major Projects	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Kate Vinot	12	12	5	-	3	3	2	-
Laura McBain	11	12	5	5	3	3	-	-
Poppy Lyne	8	9	2	-	1	1	-	-
Hugh McKenzie	10	12	5	5	-	-	-	-
Mike Paine	11	12	5	5	1	-	2	2
Andrew McShane	12	12	5	5	-	-	2	2
Gene Phair	11	12	2	-	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, for the purpose of facilitating the expansion of agricultural production in the State.

3. Operating and financial review

The volume of water delivered during the 2025/26 financial year was 99,472 megalitres (ML), compared with delivery of 93,610 ML in the previous financial year. This year's delivery figure represents continued high demand for water (the three-year average from 2022 to 2025 is 83,160 ML) and was only 1% short of the record delivery of 100,593 ML in the 2023/24 financial year.

Extension of some irrigation seasons (where scheme design allows) contributed to this, and also demonstrated the flexibility of staff and assets to respond to irrigator need.

A key focus for the Company throughout the year has been the continued development and delivery of the Tranche Three program as well as the development of a framework to support self management of publicly owned irrigation schemes, where feasible and appropriate.

Highlights of the year include:

- Northern Midlands Irrigation Scheme pipeline installation nearly complete and with preparations for commissioning underway for delivery of first water in October 2026;
- Investment of $3.3 million to maintain, renew and strengthen our asset base across 19 operational schemes;
- Commencement of construction of the Sassafras Wesley Vale Irrigation Scheme Augmentation with around 23 kilometres of pipeline installed by the end of June 2026;
- Continued progress on detailed design for the Greater South East Irrigation Scheme, including design amendments and environmental approvals;
- Further sales of available water remaining on Tranche One and Two irrigation schemes.

Directors' Report

For the year ended 30 June 2026

3. Operating and financial review (continued)

Overall, these accomplishments underscore the Company's dedication to delivering innovative and transformative irrigation solutions, which ensure delivery of water where and when it's needed and drive economic growth at regional and State level, as well as increasing the resilience of rural communities.

The Company's Statement of Profit or Loss and Other Comprehensive Income for the year is included in this Annual Report. The Company's net result was a loss of $90,584,000 after impairment of non-current assets of $94,663,000 (2025: loss of $71,502,000 after impairment of $89,187,000 of non-current assets). In accordance with the Company's accounting policies, assets and work in progress are reviewed annually for impairment. The majority of the impairment expense relates to capital works completed during the year on the Northern Midlands Irrigation Scheme's and the Sassafras Scheme Augmentation.

The Company's underlying performance, excluding the sale of water entitlements and the impairment of non-current assets, was a profit of $1,076,000 (2025: profit of $1,894,000). This surplus was largely due to high water usage during the year. While variable prices are set to recover the expected cost to deliver, higher water usage provides cost efficiencies that result in an over recovery in variable charges. The surplus will assist with, and contribute to, the financial sustainability of the Company.

The Company's underlying performance is reconciled to the following amounts in the Annual Financial Report:

	Note	30 June 2026 ($'000)	30 June 2025 ($'000)
Profit / (loss) from continuing operations		(90,584)	(71,502)
Revenue from sale of water entitlements	*B2*	(3,003)	(15,791)
Impairment expense for property, plant and equipment	*B5*	94,663	89,187
Underlying profit / (loss) from continuing operations		1,076	1,894

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 these legislations during the financial year.

During the financial year ended 30 June 2026, the Company notified the Department of Climate Change, Energy, the Environment and Water of four non-compliance or potential non-compliance incidents under Commonwealth environmental approvals, comprising one NMIS incident and three SWISA incidents. These matters related to environmental controls not being fully implemented during construction activities. All incidents were investigated; self-reported, and corrective actions were implemented. No harm to protected matters was identified in any of the incidents. No fines, penalties, or enforcement actions were issued, and the Company continues to maintain and strengthen its environmental compliance systems and processes.

Directors' Report

For the year ended 30 June 2026

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 applicable Guidelines for Tasmanian Government Businesses, including 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 2026.



Kate Vinot
Chair

Dated 19 August 2026

Directors' Declaration

For the Year Ended 30 June 2026

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:

   ii. Giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date

   iii. 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 2026; and

d. The Directors draw attention to notes A3 and E1 to the financial statements, which includes 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 19 August 2026

Statement of Financial Position

For the Year Ended 30 June 2026

	Note	2026 ($'000)	2025 ($'000)
Assets			
Cash and cash equivalents	*C1*	37,688	15,031
Trade and other receivables	*C2*	7,405	6,545
Contract asset	*C3*	1,000	1,000
Inventories	*C4*	658	662
Prepayments		743	712
Total current assets		47,494	23,950
Property, plant and equipment	*B5*	91,937	75,500
Right of use asset		1,867	-
Total non-current assets		93,804	75,500
Total assets		141,298	99,450
Liabilities			
Trade and other payables	*C5*	18,650	15,121
Loans and borrowings	*E1*	70,828	31,028
Leases		182	54
Employee benefits	*D3*	1,166	1,014
Deferred grant income	*C6*	1,815	2,225
Contract liability	*C7*	9,897	7,302
Total current liabilities		102,538	56,744
Loans and borrowings	*E1*	6,000	-
Leases		1,763	-
Employee benefits	*D3*	478	392
Deferred grant income	*C6*	1,165	1,874
Contract liability	*C7*	9,258	9,391
Total non-current liabilities		18,664	11,657
Total liabilities		121,202	68,401
Net assets		**20,096**	**31,049**
Equity			
Issued capital	*E3*	547,163	467,532
Retained earnings / (accumulated losses)		(527,067)	(436,483)
Total equity		**20,096**	**31,049**

The notes are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 ($'000)	2025 ($'000)
Continuing operations			
Revenue from contracts with customers	*B2*	23,150	35,576
Government grants	*B3*	5,122	6,602
Other income	*B3*	154	256
Finance income	*B3*	169	172
Total revenue		28,594	42,607
Depreciation and amortisation	*B5*	(686)	(589)
Employee benefits	*B4*	(7,488)	(7,272)
Impairment loss — trade receivables		(45)	73
Impairment expense — land, dams and water infrastructure	*B5*	(94,663)	(89,187)
Operations and maintenance expenses	*B4*	(12,894)	(12,554)
Pre-feasibility and feasibility costs for Tranche Three projects		(370)	(1,457)
Administrative expenses	*B4*	(2,155)	(2,032)
Finance costs	*E2*	(879)	(1,092)
Total expenses		(119,178)	(114,108)
Profit (loss) from continuing operations		(90,584)	(71,502)
Tax (expense) benefit	*F2*	-	-
Profit (loss) for the year after tax before comprehensive income		(90,584)	(71,502)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit (loss) for the year		**(90,584)**	**(71,502)**

The notes are an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2026

	Note	Attributable to owners of the Company			
		Issued capital			
		Share capital	Equity contributions ($'000)	Retained earnings (accumulated losses) ($'000)	Total equity ($'000)
Balance at 1 July 2024		2	400,777	(364,981)	35,796
Total comprehensive income for the year					
Profit or loss		-	-	(71,502)	(71,502)
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(71,502)	(71,502)
Transactions with owners, recorded directly in equity					
Equity contributions from Government	*E3*	-	66,755	-	66,755
Total contributions by and distributions to owners of the Company		-	66,755	-	66,755
Balance at 30 June 2025		2	**467,532**	**(436,483)**	**31,049**
Total comprehensive income for the year					
Profit or loss		-	-	(90,584)	(90,584)
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year				(90,584)	(90,584)
Transactions with owners, recorded directly in equity					
Equity contributions from Government	*E3*	-	79,631		79,631
Total contributions by and distributions to owners of the Company		-	79,631	-	79,631
Balance at 30 June 2026		**2**	**547,163**	**(527,067)**	**20,096**

The notes are an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2026

	Note	2026 ($'000)	2025 ($'000)
Cash flows from operating activities			
Cash receipts from customers		29,751	29,654
Cash receipts from Government grants		4,404	6,095
Cash paid to suppliers and employees		(31,965)	(33,304)
Cash generated from (used in) operations		2,190	2,446
Interest received		169	172
Payment of interest and guarantee fees on borrowings		(2,903)	(1,043)
Net cash from (used in) operating activities	*C1*	(544)	1,574
Cash flows from investing activities			
Cash receipts from water entitlements		6,106	14,333
Proceeds from sale of property, plant and equipment		124	213
Payments for property, plant and equipment		(108,212)	(92,949)
Net cash used in investing activities		(101,982)	(78,403)
Cash flows from financing activities			
Equity contributions from Government		79,631	66,755
Repayment of borrowings		(48,500)	(229)
Repayment of lease liabilities		(248)	(161)
Proceeds from borrowings		94,300	12,475
Net cash from financing activities		125,183	78,841
Net increase (decrease) in cash and cash equivalents		22,657	2,011
Cash and cash equivalents at 1 July		15,031	13,020
Cash and cash equivalents at 30 June	*C1*	37,688	15,031

The notes are an integral part of these financial statements.

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Notes to the Financial Statements

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

A2 Basis of preparation

A3 Government dependency

A4 Material accounting policies

A5 Adoption of new Accounting Standards and 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 3A Kiln Court, St Leonards, Tasmania.

The Company is a for-profit entity, and its principal purpose is to develop, own and operate irrigation schemes in Tasmania to facilitate 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 (AASBs) 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 19 August 2026.

(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.

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.

Notes to the Financial Statements

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.

The table below shows the contributions received in the 2025-26 financial year.

	2026 ($'000)	2025 ($'000)
Capital projects – included in equity	79,631	66,755
Program Development and Delivery overheads and business case development – included in income	4,369	5,309
Contributions for operating activities – included as income	752	1,293
Total State and Federal Government contributions	**84,753**	**73,357**

The Tasmanian Government also provides the Company access to a loan facility administered through the Tasmanian Public Finance Corporation (TasCorp).

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:

i. 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;

ii. The Company produce an annual corporate planning document to the Shareholding Ministers detailing the Company's strategic objectives for the next four financial years, including the forecasted financial statements. The most recent Corporate Plan, covers the period 2026-27 to 2029-30, was submitted in March 2026;

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 water entitlement funds. The loan facility is administered through TasCorp and allows borrowings up to $120 million. The loan facility is secured by the *Tasmanian Public Finance Corporation Act 1985* (as amended) which provides an enduring guarantee from the Tasmanian Government for all borrowings from TasCorp;

iv. The Company is set to receive committed project equity funding for the Tranche Three program and at least $4 million in Project Delivery and Development grant funding to deliver its planned activities spanning the going concern assessment period;

v. *The Irrigation Clauses Act 1973* and associated legislation allow the Company to set, levy and enforce charges for the supply of water including operational activities.

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.

Notes to the Financial Statements

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2026 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 new Australian Sustainability Reporting Standards (AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information, and AASB S2 Climate-related Disclosures). AASB S1 is a voluntary standard and provides the conceptual foundations and general requirements for preparing sustainability-related financial disclosures. AASB S2 requires an entity to disclose information relating to the entity's:

- financial exposure to climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects
- response to its exposure to climate-related risks and opportunities; and
- performance in relation to its metrics and targets (where applicable).

Based on the Company's preliminary 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 additional disclosures in the above areas. These disclosures will be subject to assurance by the Company's auditors.

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

Notes to the 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

B2 Revenue from contracts with customers

B3 Other income

B4 Expenses

B5 Property, plant and equipment

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.

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

B1 Operating segments (continued)

Identification of reportable segments (continued)

Information related to each reportable segment is set out below:

Year ended 30 June 2026	Water Delivery ($'000)	Program Development and Delivery ($'000)	Total ($'000)
External revenue	20,470	8,124	**28,594**
Segment revenue	20,470	8,124	**28,594**
Segment profit (loss) before tax	(607)	(89,977)	**(90,584)**
Interest income	169	-	**169**
Interest expense	(110)	(650)	**(760)**
Depreciation and amortisation	(567)	(119)	**(686)**
Other material non-cash items:			
Impairment of property, plant and equipment	(1,868)	(92,795)	**(94,663)**

Year ended 30 June 2025	Water Delivery ($'000)	Program Development and Delivery ($'000)	Total ($'000)
External revenue	20,213	22,393	**42,607**
Segment revenue	20,213	22,393	**42,607**
Segment profit (loss) before tax	1,436	(72,938)	**(71,502)**
Interest income	172	-	**172**
Interest expense	(3)	(865)	**(869)**
Depreciation and amortisation	(461)	(128)	**(589)**
Other material non-cash items:			
Impairment of property, plant and equipment	(676)	(88,511)	**(89,187)**

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

	2026 ($'000)	2025 ($'000)
Irrigation fees		
Irrigation water charges	14,158	13,450
Renewable energy generation		
Electricity generation	2,950	2,050
Renewable Energy Certificates	1,017	1,992
	3,967	4,042
Water entitlement revenue		
Don Irrigation Scheme	100	7
Duck Irrigation Scheme	-	109
Greater Meander Irrigation Scheme	705	15,319
Kindred North Motton Irrigation Scheme	12	-
Midlands Irrigation Scheme	1,200	-
Scottsdale Irrigation Scheme	280	61
Southern Highlands Irrigation Scheme	72	-
Upper Ringarooma Irrigation Scheme	180	295
Whitemore Irrigation Scheme	454	-
	3,003	15,791
Asset Renewal Levy	2,022	2,293
Total revenue from contracts with customers	**23,150**	**35,576**

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:

Notes to the Financial Statements

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
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
Water entitlement revenue	Performance obligation is the commissioning of the relevant irrigation scheme. Payment terms vary but are generally 30 days	Performance obligation is the commissioning of the relevant irrigation scheme. Payment terms vary but are generally 30 days
Asset Renewal Levy	The Asset Renewal Levy is an annual fee levied on each water entitlement holder for all 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.

Notes to the Financial Statements

B3 Other income

	2026 ($'000)	2025 ($'000)
Government grants		
Grants received for operational funding	753	1,293
Grants received for business case development and Program Development and Delivery overheads	4,369	5,309
	5,122	6,602
Finance income		
Interest income on cash funds invested	169	172
Other income		
Gain on sale of non-current assets	58	87
External services	15	19
Other	81	149
	154	256
Total other income	**5,444**	**7,030**

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

B4 Expenses

	Note	2026 ($'000)	2025 ($'000)
Employee benefits			
Salaries and wages		10,801	9,609
Superannuation		1,226	1,109
Other employee entitlements		883	829
		12,911	11,548
Less: capitalised in work in progress		(5,139)	(3,478)
Less: allocated to pre-feasibility costs		(285)	(799)
		7,488	**7,272**
Operations and maintenance expenses			
Contractors and consultants		64	492
Maintenance		2,101	2,586
Water purchases		6,201	4,765
Power charges		2,603	2,633
Rates, land tax and insurances		878	891
Other operations and maintenance expenses		1,047	1,187
		12,894	**12,554**
Administration expenses			
External audit fees – financial audit		100	64
Internal audit fees		33	56
Advertising and promotion		15	22
Travel expenses (i)		85	94
Information technology and communication expenses		1,351	1,156
Training and professional development		188	158
Other administration expenses		383	481
		2,155	**2,032**

(i) There was no overseas travel relating to the business of Company 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

	Land and buildings ($'000)	Dams ($'000)	Water infrastructure ($'000)	Other equipment ($'000)	Capital work in progress ($'000)	Total ($'000)
Gross carrying amount						
Balance at 1 July 2024	3,596	108,392	376,829	3,109	56,579	548,504
Additions	18	44	702	1,362	96,364	98,491
Disposals	(877)	-	-	(422)	-	(1,299)
Transfers	-	3,153	26,249	-	(29,402)	-
Balance at 30 June 2025	2,738	111,589	403,780	4,048	123,541	645,696
Balance at 1 July 2025	2,738	111,589	403,780	4,048	123,541	645,696
Additions	-	-	1,238	827	109,789	111,853
Disposals	(78)	-	-	(528)	-	(606)
Transfers	-	-	-	-	-	-
Balance at 30 June 2026	2,660	111,589	405,018	4,347	233,330	756,944
Depreciation and impairment losses						
Balance at 1 July 2024	(3,458)	(107,711)	(361,624)	(1,803)	(6,877)	(481,473)
Depreciation (i)	(99)	(3)	(190)	(417)	-	(709)
Impairment loss (ii)	-	(51)	(9,108)	-	(80,028)	(89,187)
Disposals	877	-	-	296	-	1,173
Transfers	-	-	(7,284)	-	7,284	-
Balance at 30 June 2025	(2,681)	(107,765)	(378,206)	(1,924)	(79,621)	(570,196)
Balance at 1 July 2025	(2,681)	(107,765)	(378,206)	(1,924)	(79,621)	(570,196)
Depreciation (i)		(34)	(149)	(403)	-	(586)
Impairment loss (ii)	-	(21)	(12,285)	-	(82,356)	(94,663)
Disposals	44	-	-	461	(68)	437
Transfers	-	-	-	170	(170)	-
Balance at 30 June 2026	(2,636)	(107,820)	(390,640)	(1,696)	(162,215)	(665,008)
Carrying amounts						
at 30 June 2025	**57**	**3,825**	**25,574**	**2,124**	**43,920**	**75,500**
at 30 June 2026	**24**	**3,770**	**14,377**	**2,651**	**71,115**	**91,937**

Notes to the Financial Statements

B5 Property, plant and equipment (continued)

(i) Total depreciation expense relating to property, plant and equipment is $586,000 (2025: $709,000), of which $145,000 (2025: $120,000) is allocated to "pre-feasibility and feasibility costs" and "capital work in progress", leaving net depreciation of $442,000 (2025: $589,000). Including depreciation in respect of right of use assets of $244,000 (2025: $151,000) the total depreciation disclosed in the Statement of Profit or Loss and Other Comprehensive Income is $687,000.

(ii) The impairment loss consists of:

	Note	2026 ($'000)	2025 ($'000)
Impairment losses		(94,663)	(105,523)
Impairment reversals		-	16,336
Impairment loss in Statement of Profit or Loss and Other Comprehensive Income		**(94,663)**	**(89,187)**

The impairment reversals arise due to changes in the estimated future cash flows.

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.

Notes to the Financial Statements

B5 Property, plant and equipment (continued)

Recognition and measurement (continued)

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.

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 value of the unsold water entitlements are estimated based on expected future sales;
- The future cash flows from operations are expected to be nil as the Company sets the pricing of ongoing annual operating water charges based on operating costs only;
- The value of electricity generation and Renewable Energy Certificate revenue is forecasted based on historical average water usage and either contracted or forecasted energy prices; 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 2026, a net impairment expense of $94.6m (2025: $89.2m) 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 Northern Midlands Irrigation scheme and the Sassafras Augmentation.

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

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
C2 Receivables
C3 Contract asset
C4 Inventories
C5 Payables
C6 Deferred grant income
C7 Contract liability

C1 Cash and cash equivalents

	2026 ($'000)	2025 ($'000)
Bank balances	36,690	14,148
Short-term investments at call with TasCorp	998	882
Cash and cash equivalents in the Statement of Cash Flows	**37,688**	**15,031**

(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.

Notes to the Financial Statements

C1 Cash and cash equivalents (continued)

(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:

	2026 ($'000)	2025 ($'000)
Cash flows from operating activities		
Profit (loss) for the period	(90,584)	(71,502)
Adjustments for:		
Depreciation and amortisation	686	709
Impairment of current assets	(45)	(73)
Impairment of non-current assets	94,663	89,187
Sales of water entitlements recognised as investing activities	(6,106)	(14,333)
(Gain) loss on sale of non-current assets	(58)	(87)
Total Adjustments	**(1,444)**	**3,901**
Change in trade and other receivables	(816)	(217)
Change in prepayments	(31)	(60)
Change in inventories	4	(7)
Change in right of use asset	(1,761)	-
Change in trade and other payables	1,922	(510)
Change in provisions and employee benefits	239	139
Change in deferred grant income	(1,119)	(507)
Change in contract liability	2,462	(1,166)
Net cash provided by (used in) operating activities	**(544)**	**1,574**

(iii) Restricted cash balances

	2026 ($'000)	2025 ($'000)
Cash balances included in this total which are restricted for use in:		
Asset Renewal Levy expenditure*	12,278	11,076
Total	**12,278**	**11,076**

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

Notes to the Financial Statements

C1 Cash and cash equivalents (continued)

(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.

	2026 ($'000)	2025 ($'000)
Balance at 1 July	31,082	18,996
Additional lease liabilities recognised in year	2,140	-
Changes from financing cash flows:		
Cash received from loans	94,300	12,475
Cash repayments of loans	(48,500)	(229)
Cash repayments of lease liabilities	(248)	(161)
Balance at 30 June	**78,774**	**31,082**

C2 Receivables

	2026 ($'000)	2025 ($'000)
Trade receivables (i)	3,930	3,371
Impairment of trade receivables	(187)	(142)
Goods and Services Tax receivable	1,654	1,150
Accrued income	2,007	2,166
Total	**7,405**	**6,545**

(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

C3 Contract asset

	2026 ($'000)	2025 ($'000)
Accrued grant income	**1,000**	1,000

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

	2026 ($'000)	2025 ($'000)
Water stock on hand	291	294
Construction project inventory	367	368
Total inventory	**658**	**663**

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

	2026 ($'000)	2025 ($'000)
Trade payables	5,377	1,602
Accrued expenses	12,908	13,172
Interest payable	365	347
Total payables	**18,650**	**15,121**

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

	2026 ($'000)	2025 ($'000)
Current		
Net interest cover	746	789
Other grants	1,069	1,436
	1,815	2,225
Non-current		
Net interest cover	1,165	1,874

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

	2026 ($'000)	2025 ($'000)
Current		
Water entitlement deposits	6,794	5,568
Asset Renewal Levies	3,103	1,734
	9,897	7,302
Non-current		
Asset Renewal Levies	8,259	8,509
Asset Renewal Levies – self managed	998	882
	9,258	9,391

(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.

Notes to the Financial Statements

C7 Contract liability (continued)

(ii) Revenue recognised from contract liabilities

	2026 ($'000)	2025 ($'000)
Revenue recognised in the year from contract liabilities balance at the beginning of the period:		
Water entitlement sales	256	4,988
Asset Renewal Levies	2,022	2,293
Total	**2,278**	**7,281**

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 2026	Opening balance ($'000)	Received or receivable ($'000)	Recognised as revenue ($'000)	Movement ($'000)	Closing balance ($'000)
Cressy Longford Irrigation Scheme	882	116	-	116	998
Dial Blythe Irrigation Scheme	336	124	(58)	66	402
Don Irrigation Scheme	597	245	(26)	220	816
Duck Irrigation Scheme	517	186	(180)	7	523
Great Forester Irrigation Scheme	96	22	(5)	17	113
Kindred North Motton Irrigation Scheme	105	111	(63)	48	153
Lower South Esk Irrigation Scheme	342	95	(20)	75	417
Greater Meander Irrigation Scheme	207	392	(303)	89	296
Midlands Irrigation Scheme	2,301	593	(537)	57	2,357
North Esk Irrigation Scheme	285	95	(38)	57	342
Sassafras Wesley Vale Irrigation Scheme	446	82	(45)	37	484
Scottsdale Irrigation Scheme	625	213	(88)	125	751
South East Irrigation Scheme (Stages 1-2)	119	79	(94)	(15)	103
South East Irrigation Scheme (Stage 3)	962	99	(55)	44	1,006
Southern Highlands Irrigation Scheme	663	216	(57)	159	822
Swan Valley Irrigation Scheme	486	147	(7)	141	627
Upper Ringarooma Irrigation Scheme	994	190	(132)	59	1,053
Whitemore Irrigation Scheme	430	103	(37)	66	496
Winnaleah Irrigation Scheme	733	148	(279)	(131)	602
Total	**11,125**	**3,258**	**(2,022)**	**1,235**	**12,356**

C7 Contract liability (continued)

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

30 June 2025	Opening balance ($'000)	Received or receivable ($'000)	Recognised as revenue ($'000)	Movement ($'000)	Closing balance ($'000)
Cressy Longford Irrigation Scheme	781	101	-	101	882
Dial Blythe Irrigation Scheme	329	53	(46)	6	336
Don Irrigation Scheme	292	321	(16)	305	597
Duck Irrigation Scheme	481	168	(132)	36	517
Great Forester Irrigation Scheme	85	22	(12)	10	96
Kindred North Motton Irrigation Scheme	66	97	(58)	39	105
Lower South Esk Irrigation Scheme	300	88	(46)	42	342
Greater Meander Irrigation Scheme	132	379	(303)	75	207
Midlands Irrigation Scheme	2,375	535	(610)	(75)	2,301
North Esk Irrigation Scheme	359	17	(91)	(74)	285
Sassafras Wesley Vale Irrigation Scheme	408	80	(41)	38	446
Scottsdale Irrigation Scheme	491	202	(67)	135	625
South East Irrigation Scheme (Stages 1-2)	11	89	(104)	(15)	119
South East Irrigation Scheme (Stage 3)	907	119	(64)	55	962
Southern Highlands Irrigation Scheme	762	36	(135)	(99)	663
Swan Valley Irrigation Scheme	355	144	(13)	130	486
Upper Ringarooma Irrigation Scheme	874	176	(56)	121	994
Whitemore Irrigation Scheme	425	104	(98)	6	430
Winnaleah Irrigation Scheme	977	158	(403)	(244)	733
Total	**10,532**	**2,887**	**(2,293)**	**594**	**11,125**

(iv) Asset Renewal Levies – componential breakdown

	2026 ($'000)	2025 ($'000)
Cash held - scheme accounts	12,278	11,076
Outstanding debtors	83	49
Total	**12,361**	**11,125**

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

D3 Employee provisions

D1 Key management personnel

Key management personnel compensation

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

	Director Remuneration		Executive Remuneration		Consolidated	
	2026 ($'000)	2025 ($'000)	2026 ($'000)	2025 ($'000)	2026 ($'000)	2025 ($'000)
Short-term employee benefits	312	287	1,680	1,423	1,992	1,710
Post-employment benefits	38	33	189	161	228	194
Long-term employee benefits	-	-	(9)	(68)	(9)	(68)
Termination benefits	-	-	141	110	141	110
Total	**350**	**320**	**2,001**	**1,626**	**2,351**	**1,946**

For Director remuneration, short-term employment benefits include Director 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 on the following page.

Tasmanian Irrigation has complied with the Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration for the year ended 30 June 2026.

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 2026[1]

Name	Position	Period	Director's Fees ($'000)	Committee Fees ($'000)	Other Benefits ($'000)	Superannuation[2] ($'000)	Total ($'000)
Non-Executive Directors:							
Ms Kate Vinot	Chair	Full year	76	-	-	9	85
Ms Laura McBain	Director	Full year	41	-	-	5	46
Ms Poppy Lyne	Director	From: 1 October 2025	31	-	-	4	35
Mr Hugh McKenzie	Director	Full year	41	-	-	5	46
Mr Mike Paine	Director	Full year	41	-	-	5	46
Mr Gene Phair	Director	Full year	41	-	-	5	46
Mr Andrew McShane	Director	Full year	41	-	-	5	46
Total			**312**	**-**	**-**	**38**	**350**

See over for key to footnotes

D1 Key management personnel (continued)

Director Remuneration for Year ended 30 June 2025[1]

Name	Position	Period	Director's Fees ($'000)	Committee Fees ($'000)	Other Benefits ($'000)	Superannuation[2] ($'000)	Total ($'000)
Non-Executive Directors:							
Ms Kate Vinot	Chair	Full year	76	-	-	9	85
Ms Laura McBain	Director	Full year	41	-	-	5	46
Ms Poppy Lyne	Director	To: 13 June 2025	40	-	-	5	44
Mr Hugh McKenzie	Director	Full year	41	-	-	5	46
Mr Mike Paine	Director	Full year	41	-	-	5	46
Mr Gene Phair	Director	From: 5 December 2024	24	-	-	2	26
Mr Andrew McShane	Director	From: 5 December 2024	24	-	-	2	26
Total			**287**	**-**	**-**	**33**	**320**

Board remuneration notes and statements

1 Amounts are all forms of consideration paid, payable or provided by the entity, i.e. 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 for Year ended 30 June 2026

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

Name	Position	Period	Salary[1] ($'000)	Short-term incentive payments[2] ($'000)	Other monetary benefits[3] ($'000)	Vehicle benefits[4] ($'000)	Other non-monetary benefits[5] ($'000)	Super-annuation[6] ($'000)	Reported remuneration[7] ($'000)	Other long-term benefits[8] ($'000)	Termin-ation benefits[9] ($'000)	Total ($'000)
Mr Michael Sylvester	Chief Executive Officer	Full Year	352	-	20	-	-	30	402	13	-	414
Mr David Skipper	Chief Operating Officer	To 15 April 2026	203	-	-	-	-	29	232	(42)	129	319
Mr Byron Fraser	Chief Financial Officer	To 29 August 2025	35	-	-	-	-	4	40	(32)	12	19
Mrs Susan Whidborne	Chief Financial Officer	From 18 August 2025	195	-	-	-	-	23	218	8	-	226
Ms Emma Connolly	General Counsel/ Company Secretary	To 18 May 2026	181	-	-	-	-	22	203	8	-	211
Mr Jacob Gerke	General Manager - Program Development & Delivery	Full Year	254	-	-	10	-	29	294	35	-	329
Ms Sophie Grace	General Manager Environment, Health & Safety	Full Year	226	-	-	-	-	27	253	(3)	-	251
Ms Samantha Meyer	General Manager - Stakeholder Relations & Communications	Full Year	201	-	-	-	-	24	225	5	-	230
Mrs Cher Bartlett	General Manager - Customer & Operations	From 29 June 2026	2	-	-	-	-	-	2	-	-	2
Total			**1,650**	**-**	**20**	**10**	**-**	**189**	**1,869**	**(9)**	**141**	**2,001**

See over for key to footnotes

D1 Key management personnel (continued)

Executive Remuneration for Year ended 30 June 2025

Name	Position	Period	Salary[1] ($'000)	Short-term incentive payments[2] ($'000)	Other monetary benefits[3] ($'000)	Vehicle benefits[4] ($'000)	Other non-monetary benefits[5] ($'000)	Super-annuation[6] ($'000)	Reported remuneration[7] ($'000)	Other long-term benefits[8] ($'000)	Termin-ation benefits[9] ($'000)	Total ($'000)
Mr Andrew Kneebone	Chief Executive Officer	To 9 May 2025	305	-	-	6	-	36	347	(138)	110	319
Mr Michael Sylvester	Chief Executive Officer	From 3 March 2025	113	-	6	-	-	13	132	10	-	142
Mr Byron Fraser	Chief Financial Officer	Full Year	206	-	-	-	1	24	231	11	-	241
Mr David Skipper	Chief Operating Officer	Full Year	227	-	-	-	1	26	253	9	-	262
Ms Emma Connolly	General Counsel/ Company Secretary	From 10 June 2025	10	-	-	-	-	1	11	2	-	13
Mr Jacob Gerke	General Manager - Program Development & Delivery	From 6 December 2024	139	-	-	8	-	16	164	12	-	176
Ms Sophie Grace	General Manager Environment, Health & Safety	Full year	203	-	-	-	1	23	227	15	-	243
Ms Samantha Meyer	General Manager - Stakeholder Relations & Communications	From 16 September 2024	156	-	-	-	-	18	174	12	-	186
Sub total			1,360	-	6	14	3	157	1,539	(68)	110	1,581
Acting arrangements												
Mr David Skipper	Acting Chief Executive Officer	9 September 2024 to 5 November 2024	23	-	17	-	-	5	45	-	-	45
Sub Total			23	-	17	-	-	5	45	-	-	45
Total			**1,383**	**-**	**23**	**14**	**3**	**161**	**1,584**	**(68)**	**110**	**1,626**

See over for key to footnotes

Notes to the Financial Statements

D1 Key management personnel (continued)

Executive remuneration notes and statements

Amounts are all forms of consideration paid, payable or provided by the entity, i.e. 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 travel allowances and higher duties allowance (excludes reimbursements for travel and accommodation).*

4 *Vehicle Benefits is calculated using the FBT taxable value of the personal use component for the financial year plus the FBT payable thereon.*

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

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. Throughout the year, performance is monitored against targets to ensure alignment with the key business objectives. 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 three months prior to termination of the contract.

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

Mr D Skipper's employment ceased 15 April 2026 (redundancy). He was paid a genuine redundancy payment and the balance of his accrued annual leave entitlements.

Notes to the Financial Statements

D1 Key management personnel (continued)

Remuneration policies (continued)

Mr B Fraser ceased employment 29 August 2025 and was paid the balance of his accrued annual leave entitlements.

During the previous year, Mr A Kneebone ceased employment on 9 May 2025 and was paid the balance of his accrued annual and long service leave entitlements

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. There were no acting arrangements greater than one month during the year.

During the previous financial year, Mr David Skipper was appointed Acting Chief Executive Officer for the periods shown, whilst Mr Andrew Kneebone was on extended leave. Salary includes all forms of consideration paid by the entity during the acting period, not just the incremental or higher duties amount.

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. During the year, key management personnel and their related parties paid deposits relating to water entitlements and received irrigation water from the Company in the ordinary course of business. The total amount of water entitlements deposits paid was $0 (2025: $173,000) and the total amount paid for the supply irrigation water was $774,000 (2025: $803,000).

Notes to the Financial Statements

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.

D3 Employee provisions

	2026 ($'000)	2025 ($'000)
Provisions		
Long Service Leave	713	706
Annual Leave	676	629
Other Benefits	255	71
Total Provisions	**1,645**	**1,406**
Current	1,166	1,014
Non-current	478	392
Total Provisions	**1,645**	**1,406**

Recognition and measurement

Provisions are recognised when the Company has a present obligation, legal or constructive, due to a past event; when it is probable that the Company will be required to settle the obligation; and when the amount of the obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Benefits accruing to employees in respect of wages and salaries, annual leave and long service leave are recognised as liabilities when it is probable that settlement will be required, and the benefits are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their current values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows the Company will make in respect of services provided by employees up to the reporting date.

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:

30 June 2026	Nominal interest rate	Year of maturity	Fair value ($'000)	Carrying amount ($'000)
TasCorp at call loans	5.15%	Rolling	71,081	70,828
TasCorp fixed loan	4.90%	2029	6,106	6,000
Total			**77,187**	**76,828**
30 June 2025				
Secured loans – TasCorp	4.65% - 4.76%	2026	**31,325**	**31,028**

The Company has a loan facility administered through TasCorp and allows borrowings up to $120 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 (2025: $280,000), which is cleared out monthly. The company also has a Bank Guarantee facility of $310,000 (2025: $310,000) of which none was utilised in the current or prior financial year.

E2 Finance costs

	2026 ($'000)	2025 ($'000)
Finance costs		
Interest on financial liabilities measured at amortised cost	650	865
Interest on lease liabilities	110	3
Guarantee fee	117	224
Collection costs	2	(1)
Total	**879**	**1,092**

E2 Finance costs (continued)

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.

E3 Issued capital

	Ordinary shares	
	2026 ($'000)	2025 ($'000)
Share capital – ordinary shares on issue at 1 July and 30 June (i)	2	2
Equity contributions at 1 July	467,532	400,777
Government contributions (ii)	79,631	66,755
Equity contributions at 30 June	547,163	467,532
Total issued capital	**547,163**	**467,532**

(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.

Notes to the Financial Statements

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 $3.7m (2025: $3.2m).

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. An impairment expense on financial assets were recognised in profit or loss during the period of $45,000 (2025: impairment losses of $73,000.

The Company held cash and cash equivalents of $37,688,000 at 30 June 2026 (2025: $15,031,000), 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.

Notes to the Financial Statements

E4 Capital and risk management (continued)

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:

30 June 2026	Carrying amount ($'000)	Contractual cash flows ($'000)	1 month or less ($'000)	1-3 months ($'000)	3 months - 1 year ($'000)	1-5 years ($'000)	More than 5 years ($'000)
Secured loans - TasCorp	76,828	76,828	70,828	-	-	6,000	-
Trade and other payables	18,650	18,650	18,650	-	-	-	-
Total	**95,478**	**95,478**	**89,478**	**-**	**-**	**6,000**	**-**

30 June 2025	Carrying amount ($'000)	Contractual cash flows ($'000)	1 month or less ($'000)	1-3 months ($'000)	3 months - 1 year ($'000)	1-5 years ($'000)	More than 5 years ($'000)
Secured loans - TasCorp	31,028	31,028	22,028	-	9,000	-	-
Trade and other payables	15,121	15,121	15,121	-	-	-	-
Total	**46,149**	**46,149**	**37,149**	**-**	**9,000**	**-**	**-**

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 $94,000 (2025: $38,000).

E4 Capital and risk management (continued)

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.

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 2026	Within 1 year ($'000)	Between 1 and 5 years ($'000)	Total ($'000)
Don Irrigation Scheme	153	-	153
Greater South East Irrigation Scheme	366	-	366
Greater Meander Irrigation Scheme Augmentation	109	-	109
Northern Midlands Irrigation Scheme	36,184	137	36,321
Sassafras Wesley Vale Irrigation Scheme	42,528	560	43,088
Total	**79,341**	**696**	**80,037**

As at 30 June 2025	Within 1 year ($'000)	Between 1 and 5 years ($'000)	Total ($'000)
Don Irrigation Scheme	42	-	42
Greater South East Irrigation Scheme	474	-	474
Greater Meander Irrigation Scheme Augmentation	16	138	154
Northern Midlands Irrigation Scheme	50,160	8,369	58,528
Sassafras Wesley Vale Irrigation Scheme	75	-	75
Total	**50,767**	**8,507**	**59,273**

Notes to the Financial Statements

F1 Commitments (continued)

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

	2026 ($'000)	2025 ($'000)
Within 1 year	577	665
Between 1 and 5 years	303	286
5 years or more	-	-
Total	**880**	**951**

F2 Taxation

Current tax expense

	2026 ($'000)	2025 ($'000)
Origination and reversal of temporary differences		
Decrease (increase) in deferred tax asset	(26,706)	(20,072)
Increase (decrease) in deferred tax liability	4,024	2,169
Tax benefits not recognised	22,682	17,903
Adjustment for prior years	-	-
Total tax expense attributable to continuing operations	**-**	**-**

Numerical reconciliation between tax expense and pre-tax net profit

	2026 ($'000)	2025 ($'000)
Profit (loss) from operations	(90,584)	(71,502)
Income tax expense calculated at 25%	(22,646)	(17,875)
Non-temporary items	2	3
Tax benefit (recognised) not recognised	22,644	17,872
Income tax expense	**-**	**-**

Notes to the Financial Statements

F2 Taxation (continued)

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:

	2026 ($'000)	2025 ($'000)
Deferred tax liabilities - Property, plant and equipment	(20,393)	(16,370)
Deferred tax assets - Carried forward tax losses	162,984	136,323
Deferred tax assets - Other	418	373
Net unrecognised deferred tax assets	**143,009**	**120,326**

Recognition and measurement

Current and deferred tax

Included within carried-forward tax losses are ex-Rivers and Water Supply Commission (RWSC) losses of $47,810,000 gross ($11,953,000 at 25%), which are not recognised as a deferred tax asset due to a low proportion of these losses being available for utilisation under the tax loss recoupment rules. These losses have been included consistently in both the comparative and current year balances, with the result that the current year movement in tax losses reflects only the current year loss of $106,643,000 gross.

As the associated deferred tax asset remains unrecognised, the comparative balance has been adjusted to include the ex-RWSC losses on a consistent basis, ensuring the year-on-year movement reflects only the current year's tax loss position.

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. The long term financial projections indicate that it is probable that future tax profits will not be achieved.

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.

Auditor's Independence Declaration

Audit Tasmania

Level 2, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

19 August 2026

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 2026, 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



David Bond
Assistant Auditor-General

Independent Auditors' Report

Audit Tasmania

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 2026 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 2026 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 19 August 2026 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.

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

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 2026, 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:

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- 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.



David Bond
Assistant Auditor-General
Delegate of the Auditor-General

20 August 2026 Hobart

Tasmanian Irrigation