

Annual Report
2024/25

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 operated in Australia

ABN 95 722 799 075

Head Office and Principal Place of Business

 1/3 Kiln Court, St Leonards,
Tasmania, 7250

 Postal Address:
PO Box 416, Newstead, 7250

 (03) 6398-8433

 enquiries@tasirrigation.com.au

 www.tasmanianirrigation.com.au

Cover image: Tasmanian Irrigation's Greater South East Irrigation Scheme Project Manager Lorrienne Lyte and Pinion Advisory's Fletcher Pegus discuss the 32,200 megalitre project that has received government funding approval and will enable more farmers to intensify, diversify and invest, helping to grow Tasmania's economy

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Chair and CEO's Report



Our mission is to deliver water where and when it's needed to support sustainable agricultural growth in Tasmania.

We continue to deliver highly reliable irrigation water at record volumes. During FY2024/25, we delivered 93,610 megalitres (ML) of water, close to our record delivery the previous year of nearly 100,600 ML. To put that into perspective, the water we delivered this year would fill more than 37,000 Olympic size swimming pools.

In part, the high volume is due to farmers being able to access increased capacity in our network as new schemes are commissioned, most recently Don in the State's north west and the augmentation of the Greater Meander Irrigation Scheme in the north. But with prolonged dry conditions experienced across many regions of Tasmania, the volume of water delivery reflects the increasing dependence of the agriculture sector on highly reliable irrigation water supplied by Tasmanian Irrigation.

Farmers tell us access to water is integral to minimising risk in their business and future proofing them against a changing climate. With reliable access to water, irrigators diversify into higher value land uses, intensify their operations, increase yield and product quality, and have the confidence to enter into valuable supply contracts.

Water means farmers can plan with confidence, not just what and when to plant but what the future looks like for farming families. It enables succession planning, where farmers can increase the certainty of handing over a thriving and sustainable farming business to the next generation.

Irrigated agriculture exists to ensure the future of Tasmania's farming sector is strong and sustainable. But it's about so much more than farms.

For every 1,000 ML of Tasmanian Irrigation water supplied, in the order of 25 direct and indirect jobs are created, there is on-farm investment of between \$2-4 million and \$2-3 million per annum of benefit is generated for the wider State economy.¹

We see that benefit first hand in regional communities. New workers and families coming into communities to take up meaningful new jobs; shops, schools and the local supply chain thriving; community groups and clubs starting or growing; opportunities created for young people to stay in their community.

The sustainable growth of irrigated agriculture is undeniably good for Tasmania.

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

¹ Calculated from the assessment in project business cases and post investment analysis completed for Tranche One schemes by Marsden Jacobs



A key part of our role is to support achievement of the Tasmanian Government's policy to grow the annual value of the State's agriculture sector to \$10 billion by 2050. There is a direct relationship between the increasing capacity of Tasmanian Irrigation water and the growth in value of the farming sector – doubling in value over the decade as shown in the graph on the following page. The continued growth of the agricultural sector will occur in lockstep with building increased capacity in our network of irrigation schemes.

During FY2024/25 we made significant progress in project development and delivery. Along with irrigators in south east Tasmania, we celebrated securing a funding commitment from the Australian and Tasmanian Governments for the Greater South East Irrigation Scheme. We commissioned the augmentation of the Greater Meander Irrigation Scheme, and progressed the augmentation of the Sassafras Wesley Vale Irrigation Scheme into the Commonwealth environmental approval process. We secured funding under the Tasmanian Green Hydrogen Hub to develop a business case for the Tamar Irrigation Scheme as a combined agricultural/industrial scheme, supporting development of a hydrogen industry based at Bell Bay. And we broke ground on the Northern Midlands Irrigation Scheme, the largest scheme in the State in terms of investment and summer capacity. Assuming all four projects proceed through construction, they will add 78,420 megalitres to our network capacity by the early 2030s – a total capacity of 234,430 megalitres.

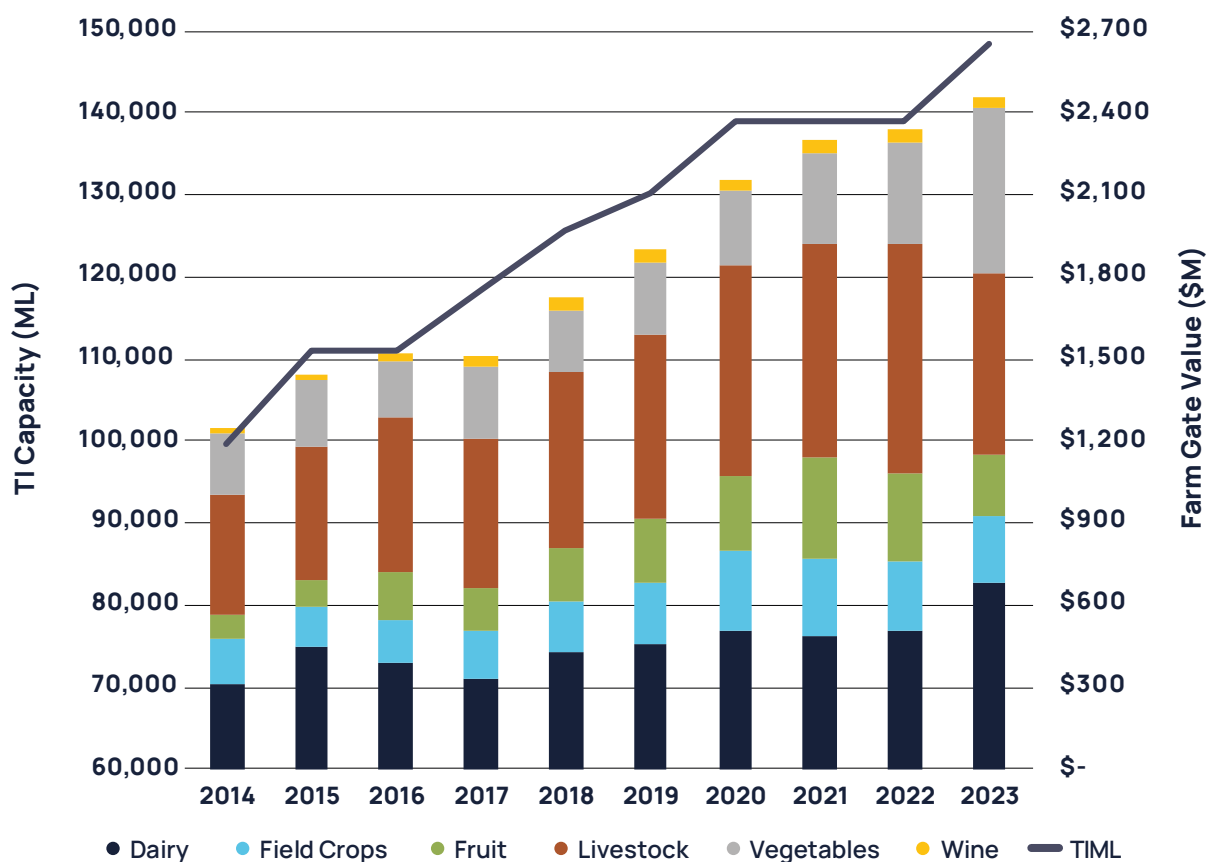


At the same time, we have invested significantly into our existing asset base to ensure it remains fit-for-purpose over the 100-year design life of our schemes. We maintain an operational asset portfolio with a cost of over \$500M funded through a combination of government and private sector investment, including 22 dams and 950 kilometres of pipeline. Nearly \$2.3 million was spent on asset renewals during this financial year, and a further \$1.2 million on repairs and maintenance.

As we develop and operate irrigation schemes, we maintain focus on ensuring they are sustainable. And as water becomes an increasingly scarce resource, attention turns to what impact irrigation has on our

environment, including through the State of the Environment Report released in September 2024. We do not take lightly our responsibility for environmental stewardship and facilitating nature positive outcomes where our water is applied. We undertake testing at approximately 140 water quality monitoring sites, we collect and share more than 9,000 data points over the course of any year, and we oversee more than 800 Farm Water Access Plans, which guide the sustainable application of water we supply to farms. Our Sustainability Strategy integrates environmental, social and economic considerations to ensure the long-term resilience and social licence of our irrigation portfolio.

Relationship between Tasmanian Irrigation's capacity and the farm gate value of the agriculture sector²



² <https://nre.tas.gov.au/Documents/Tasmanian%20Agri-Food%20ScoreCard%202022-23.pdf>

The Company's net financial result for FY2024/25 was a loss of \$71,501,591 after impairment of non-current assets of \$89,186,670. The majority of the impairment expense relates to the capital works for the Northern Midlands Irrigation Scheme and the Greater Meander Irrigation Scheme Augmentation. The Company's underlying performance was a surplus of \$1,894,179 largely due to the high volume of water usage during the irrigation seasons. This surplus will assist with, and contribute to, the financial sustainability of Tasmanian Irrigation.

Tasmanian Irrigation continued work on reducing the amount of unsold water that exists on operational schemes. Our intent is twofold: to ensure irrigators have access to all available water within an irrigation scheme; and to reduce the level of debt represented by unsold water on our balance sheet. Unsold water arises where schemes are designed to meet future needs, not just current demand. Good progress has been made in securing the sale of additional water, which will increase the total water sold across all schemes to 94 per cent of total capacity.

We know that we must earn and retain the trust of our customers, and that to do so we must deliver on our promise to them to supply reliable, fit-for-purpose water infrastructure and services. While our inaugural customer survey in 2024 indicated an overall satisfaction level of 66 per cent, we understand that constant effort is required to maintain customer support. An important part of our responsibility to our customers and other farming stakeholders is an unwavering commitment to respectful engagement. Adopting a revised Charter for Working on Private Farmland in May this year is part of a continuing commitment to work collaboratively and respectfully with private landowners.

We extend our thanks to all Tasmanian Irrigation staff, our Shareholder Ministers, our Board Directors, our customers, contractors and other stakeholders for their ongoing commitment to, and passion for, irrigation in Tasmania. In particular, we extend thanks to former Chief Executive Officer Andrew Kneebone, who retired this year after six years of service. Andrew's stewardship of the Company during his tenure has positioned us well for the work ahead of us.

Our ambition is bold: to be not only a developer of infrastructure but a catalyst for regional transformation — helping unlock growth, employment, innovation and long-term prosperity for generations of Tasmanians to come.



Kate Vinot, Chair



Mike Sylvester, CEO



Our Purpose

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

Our Vision

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

Our Values

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

Our Strategic Pillars

- Engaged and supportive customers
- Financially self-sustaining
- Strong stakeholder support
- Environmental and social sustainability
- Engaged and aligned people and suppliers

Tasmanian Irrigation Value Chain

Board & Management Governance, Oversight & Administration

Develop Irrigation Schemes

Identify demand

Secure funding & approvals

Design schemes

Construct & commission

Own, Manage & Operate Irrigation Schemes

Facilitate water trading market

Operate & maintain assets³

Manage assets

Supply water

Protect and manage natural habitat

Manage risk & compliance, provide People & Culture, Finance & IT support and administration

³ Including through third parties and through community management

Fast Facts

133,577ha

Irrigated land



950km

Pipeline



1,100+

Customers



9,000+

Water quality data
points collected

80

Staff

>\$500m

Operational assets at cost

FY2024/25 Achievements

93,610ML

Water delivered



819

Farm Water
Access Plans



\$1.3b

Projects in
development

66%

Overall
customer
satisfaction



\$227m

Federal and State Government
funding secured for new projects

4

Projects at
or beyond
detailed design

Our Board

Kate Vinot

CHAIR

Kate has more than 15 years' experience as a Non-Executive Director and Board Chair. She also has 25 years in water and land management, strategic planning, engineering project delivery and sustainability through executive leadership roles in the water sector, local government and as a management consultant. 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. She is a Fellow of Engineers Australia and has degrees in civil engineering, economics for development and business administration.

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 Board member of the Launceston Airport, a Board member of The Hobart Clinic, Deputy Mayor for the City of Launceston, President of the Northern Suburbs Community Centre and Board member of the Cape Hope Foundation. 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.

Laura McBain

NON-EXECUTIVE DIRECTOR

CHAIR – PEOPLE, CULTURE, SAFETY AND REMUNERATION COMMITTEE

Laura has extensive experience and expertise across infrastructure, healthcare, premium food, beverage and export industries. She currently serves as a Non-Executive Director of Integral Diagnostics Ltd (ASX:IDX), Tasmania Football Club Limited, and Australia China Business Council Limited where she is also President of the Tasmanian branch. Laura brings more than two decades of Board and leadership experience, including as Managing Director and CEO of Bellamy's Australia and Maggie Beer Holdings Ltd; Non-Executive and interim Managing Director of Lark Distilling Ltd and Non-Executive Director of Capitol Health Limited and Export Finance Corporation. Laura was named both the Telstra Tasmanian Business Woman of the Year and Australian Business Woman of the Year (Corporate) in 2013. She has a Bachelor of Commerce degree.

Judith Lyne⁴

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 the State. She is a Non-Executive Director of the Tasmanian Wool Centre, former Board member of Epilepsy Tasmania, the Australiana Fund (Tas) and the Tasmanian Foundation, as well as a former municipal councillor. Judith is determined that feasible water delivery can be made to as many Tasmanians as practically possible.

⁴ Judith resigned from the Board on 13 June 2025



Mike Paine

NON-EXECUTIVE DIRECTOR

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

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.

Gene Phair

NON-EXECUTIVE DIRECTOR

Gene Phair 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 Chair of the State-Owned Company TasRacing, and was previously 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.

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

Our Senior Leadership Team

Mike Sylvester

CHIEF EXECUTIVE OFFICER

Mike Joined Tasmanian Irrigation in March 2025 as Chief Executive Officer and has 20 years of experience in leadership roles within the public, private and not-for-profit sectors. He has substantial experience in building large-scale water infrastructure projects, and experience in food production through aquaculture. Recent prior positions include CEO of Blueline and CEO of PFG Group and Mike has held several Board positions. Outside of Australia Mike has worked in New Zealand, Norway, China, Hong Kong, Afghanistan, Malaysia and Japan. He 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, complemented by Diplomas in Business and Workplace Health and Safety. He is a chartered, fellow-grade engineer, of Engineers Australia.

Byron Fraser

CHIEF FINANCIAL OFFICER, GENERAL MANAGER COMMERCIAL

Byron joined Tasmanian Irrigation in 2019 and leads the Company's Accounting and Finance, Information Technology and Corporate Services teams. Byron holds a Bachelor of Business, Finance and Economics and has more than 25 years' business and financial reporting experience, previously holding several senior leadership roles in the banking and finance sectors in Australia and the United Kingdom.

David Skipper

CHIEF OPERATING OFFICER

David joined Tasmanian Irrigation in 2020. He was raised on a fine wool and beef cattle property on the New South Wales Northern Tablelands. David has held senior agribusiness management roles in Australia over the past 30 years, including Managing Director of Tasmania's largest private grain storage and marketing company, Assistant General Manager at Top Cut Foods (Sydney), and Financial Controller at OzTaste (Melbourne), Australia's largest fresh stone fruit co-operative marketer. David is a member of the Institute of Public Accountants, a Graduate of the Australian Institute of Company Directors and has a Degree in Agricultural Commerce from the University of New England.

Sophie Grace

GENERAL MANAGER PEOPLE, CULTURE AND SUSTAINABILITY

Sophie is an accomplished leader with more than 25 years of experience in the safety, environment and compliance fields, and joined Tasmanian Irrigation in 2023. As head of the People, Culture, Safety and Environmental functions at Tasmanian Irrigation, Sophie ensures the organisation operates in an environmentally sustainable and safe manner. With a Bachelor of Science and Master of Science in Occupational Health and Rehabilitation, Sophie brings a deep understanding of industry best practices, as well as a commitment to continuous improvement and sustainability.



Jacob Gerke

GENERAL MANAGER PROGRAM DEVELOPMENT AND DELIVERY

Jacob joined Tasmanian Irrigation in 2017 and leads the Company's Project Delivery 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 15 years' experience in both the civil and offshore oil and gas construction sectors throughout Australia and Asia. Jacob has a strong project management and engineering background 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 STAKEHOLDER RELATIONS AND COMMUNICATIONS

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 stakeholder relations and 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 from Deakin University and is a Graduate of the Australian Institute of Company Directors.

Emma Connolly

GENERAL COUNSEL, COMPANY SECRETARY

Emma joined Tasmanian Irrigation in 2022, and leads the organisation's legal, governance and compliance functions. Commencing her legal career in 2002, Emma later completed postgraduate studies in London, which led to a distinguished career in international maritime law across Europe. She advised on complex, high-value commercial shipping and superyacht matters, navigating multi-jurisdictional regulatory frameworks. On returning to Australia, Emma drew on her international experience to establish and successfully operate her own legal practice, delivering sophisticated legal and commercial advice to clients across the maritime and equine law areas. Emma holds a Certificate in Governance Practice and is a Member (Membership Grade) of the Chartered Institute of Arbitrators (Australia).

Pictured above: Tasmanian Irrigation Senior Leadership Team – Samantha Meyer, Byron Fraser, Sophie Grace, Mike Sylvester, Emma Connolly, David Skipper and Jacob Gerke

Our Customers

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

We have more than 1,100 customers with diverse farming enterprises that include dairy and livestock, fruit and vegetable production, field crops and viticulture. Our water is applied to 133,577 hectares of land.

We understand the multi-faceted challenges that farming businesses face including rising input costs, a changing climate and more frequent severe weather events, increased compliance costs, and labour shortages.

Our promise to customers is to deliver water to them where and when it's needed, to do so at the lowest sustainable cost, and to provide water with high reliability for the full design life of a scheme. This is a big commitment that we stand by, enabled with Federal and State Government support.

Tasmanian Irrigation understands that rising costs and uncertain and variable market conditions remain concerns for irrigators. Key inputs to farming such as fertiliser, energy, wages, interest rates, fuel and transport have significantly increased in the past few years. Fluctuations in water prices have averaged

14 percentage points lower than the average agricultural producer price index⁵ over the past 10 years. This reinforces our commitment to lowest sustainable cost.

Over FY2024/25, we focused on deepening customer engagement, through face-to-face interaction and improving our customer communication. Our Board Directors joined senior management in a series of four scheme tours that provided opportunities for Directors to meet customers on various schemes and hear first hand about their successes and challenges.

On all our irrigation schemes, we establish Irrigator Representative Committees (IRC), which serve as an advisory body representing all entitlement holders within a scheme. The IRCs are an important conduit between Tasmanian Irrigation and irrigator communities and we thank all members for their ongoing commitment. Prior to every new irrigation season, Tasmanian Irrigation convenes face-to-face meetings with each IRC. At these meetings, we provide insights into a scheme's operational performance during the past season, financial performance, forecasted expenditures and asset maintenance strategies. These meetings are also the forum for presenting water pricing for the coming season.

⁵ Source: Australian Bureau of Statistics 6427.0 Producers Price Indexes, Australia (Table 13)

This year we also invited the Chairs of all IRCs to meet with the Board and Senior Leadership Team for a roundtable discussion. We were delighted to have the Chairs of 10 schemes present, and we appreciate the effort made to travel from locations across the State. Discussion covered many issues, including the inter-generational value of Tasmanian Irrigation water, asset renewal strategies, community management and the capital works program, including augmentations of existing schemes. The Board Chair provided an overview of the Strategic Plan and an update on project, operational and environmental activity across the Company was delivered by management.

For the first time, we surveyed our entire customer base seeking to better understand customer concerns and identify whether and how we could better meet their needs. The results identified a high level of overall satisfaction with Tasmanian Irrigation (66 per cent), that we can do more to improve transparency around decision making and that our environmental compliance responsibilities are not well understood. These and other insights will be used to inform customer engagement and communication, and the research will be repeated to track further areas for improvement.





CUSTOMER PROFILE

Ben and Steph Tait

Riverlea Farming, Epping Forest

A downturn in New Zealand's seed industry was the initial prompt for Ben Tait to look abroad for new farming opportunities.

The growth of the seed industry in Tasmania, coupled with our State's investment into reliable irrigation water, market access and more affordable land prices, resulted in Ben and his wife Steph selling their New Zealand farm and making an offer on 800 hectares at Epping Forest.

So, in February 2018, Ben, Steph, and their two children Isla and Johnny, established Riverlea Farming in Tasmania, focused on red meat, ryegrass for seed, carrot and beetroot seed, and potatoes, peas and broccoli.

"It was definitely a commercial decision, not an emotional decision. We put a lot of thought into access to markets, climate, frost prevalence, soils and – of course – irrigation water," said Ben.

"Tasmania's cheaper price for irrigation water, as well as the level of reliability, were two of the key factors in deciding to move.

"Our Epping Forest irrigation model was initially based on access to South Esk River water and on-farm storage, but it wasn't until we farmed through extremes of wet and dry that we realised that although river water was cheap, we still farmed with some risks.

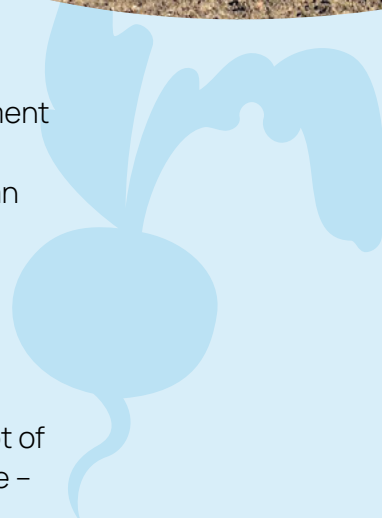
"That's why the Northern Midlands Irrigation Scheme (NMIS) is integral to minimising risk and enabling us to diversify into higher returning land uses."

Ben will receive 350 megalitres of NMIS water. While he is intrigued by other land uses, he and Steph are happy with their current production model. The NMIS water will enable them to intensify current enterprises and further utilise existing infrastructure.

They are quick to share their thoughts about the short and long-term impact Tasmanian Irrigation's 25,500-megalitre NMIS project will have on the region.

"Small towns, schools, rural supplies, infrastructure investment, on-farm development, employment, opportunities for our children – there is an incredible knock-on effect for every megalitre delivered," Ben said.

“What people around Australia are going to eat in 10 years' time could come from the NMIS pipeline so we are very fortunate that the Tasmanian and Australian Governments have taken a very sound long-term view on what feeding Australia looks like and the role that Tasmania will play.”



Increasing the Involvement of Irrigators in Scheme Management

Changes to Tasmanian law late in 2023 gave Tasmanian Irrigation the ability to delegate some powers and functions to groups of irrigators who want to have greater involvement in managing their scheme, where it makes sense to do so.

Since that time, we've been working with our irrigators, other stakeholders and the Tasmanian Government to develop processes that allow irrigator communities to self-manage some functions where they have proven that they have the backing and capacity to undertake those functions. We concluded a statewide, two-stage consultation process with irrigators and key stakeholders in January 2025.

As part of preparing to formally open applications for Community Management, Tasmanian Irrigation is undertaking a trial of the application and assessment process with Winnaleah Irrigation Scheme Limited. This is an important step in understanding how community management can work in practice and what the working relationship would look like between Tasmanian Irrigation and an Irrigation Delegate that takes on self-management.

The trial process is more than just a test of the application and assessment process. It involves a deep dive into our operations to clearly identify what responsibilities Tasmanian Irrigation must retain as the Responsible Water Entity. It also gives irrigators a look 'under the hood' at the responsibilities and functions they would like delegated to them, what standards and compliance obligations accompany those functions, and the risks involved.

The trial is very important to ensure the application and assessment process sets up all parties for success. We thank the Winnaleah Irrigation Scheme Limited for taking part in the trial for the benefit of any future irrigator communities that want to apply for community management.

Water Delivery

Tasmanian Irrigation manages a statewide portfolio of 22 operational schemes, which includes owning and operating 19 irrigation schemes and two drainage schemes, and owning but not operating one irrigation scheme⁶. We do so within the National Water Initiative framework and principles for managing water sustainably. All Tasmanian Irrigation developed schemes have a design life of 100 years which means the increased farmgate value enabled by them, and the economic and social change they create, are inter-generational.

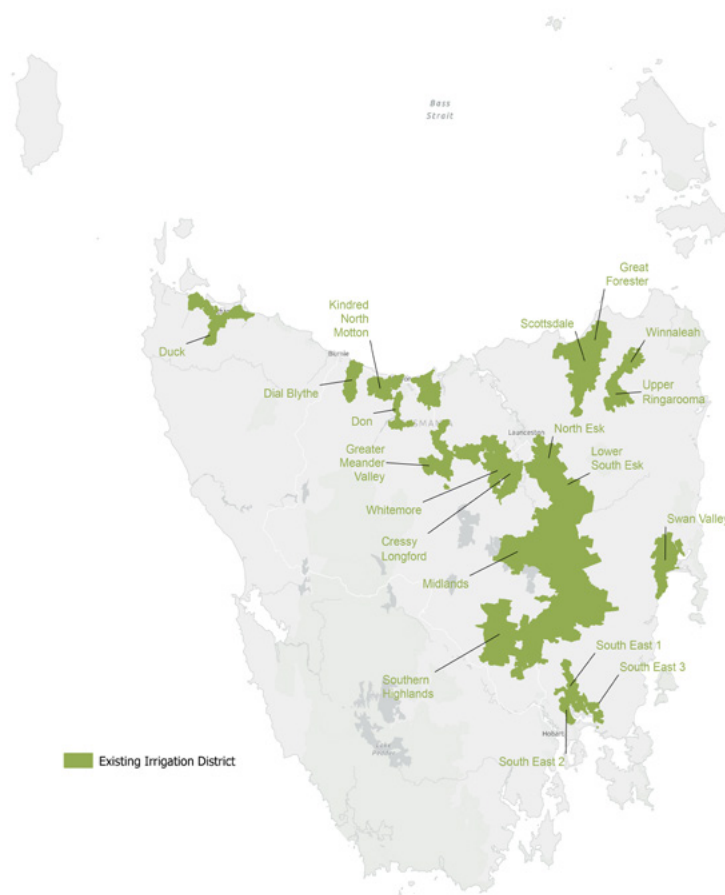
We have a portfolio of 22 dams, and we own and operate generation assets including nine solar arrays and three mini-hydro power stations.

Our stewardship of all these assets, and our responsibility in managing publicly owned assets, includes compliance with Federal and State requirements associated with environmental management, dam safety, asset management and facilitation of a water trading market in Tasmania.

We understand that we are current stewards of water and we know that our work flows within a much older and ongoing story.

Our risk-based asset management practices are aligned with the international Asset Management Standard (ISO 55001).

Our approach is designed to optimise the strategic value of assets, ensure that water is delivered efficiently with minimal service disruptions and at the lowest possible cost for current and future generations, and minimise unplanned interruptions to irrigator service.



⁶ 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

Irrigation Season Reflection

The 2024/25 irrigation season was one of the most demanding in recent years, marked by prolonged dry conditions across many regions of Tasmania. In response, Tasmanian Irrigation demonstrated critical operational flexibility by extending the summer season for 11 schemes where scheme design makes this possible. This enabled irrigators to continue production and finish crops through what was, in some areas, an extended and unseasonably dry autumn and early winter. This level of responsiveness has been crucial to underpin productivity, particularly for high-value horticulture and dairy operations that faced increased water demands due to limited in-season rainfall and depleted on-farm storages.

A near record volume of water was delivered across the State during FY2024/25 – more than 93,000 ML. This reflects strong demand and the growing dependence of Tasmanian agriculture on Tasmanian Irrigation's reliable irrigation infrastructure, as well as the increased capacity of our portfolio as we commission new schemes or augment existing schemes. It follows record delivery of 100,593 ML in the previous financial year as a result of even drier conditions. This sustained delivery volume reinforces the value and performance of the irrigation schemes as an essential element for agricultural resilience and thriving regional economies.

Importantly, water availability and system reliability remained high, despite increased drawdowns and the pressures of extended seasons. This is a testament to the capability

of our scheme operators, the performance of our assets, and the strength of our proactive asset management and maintenance programs. Irrigators were able to plan with confidence, knowing they could rely on secure allocations and consistent supply throughout the season, and beyond.

Seasonal observations over the past six to nine months show a continuation of below-average rainfall and higher than average temperatures, consistent with the Bureau of Meteorology's longer-term outlook for a drier and warmer climate pattern. These shifts further highlight the importance of well-managed, flexible and scalable irrigation infrastructure in supporting Tasmania's agricultural sector. As climate variability continues to place pressure on traditionally rainfall-dependent farms, our role in delivering reliable water has never been more critical. The 2024/25 season is a clear example of how targeted investment, responsible asset stewardship and strong engagement with our customers ensures we meet the needs of a dynamic and evolving agricultural landscape.



Scheme ⁷	Commissioned	Capacity	Irrigators
South East Stage 1	1986	2,650 ML	81
South East Stage 2	1992	1,980 ML	96
Greater Meander ⁸	2008	36,545 ML	104
Great Forester	2011	1,980 ML	12
Sassafras Wesley Vale	2012	5,460 ML	94
Whitemore	2012	5,940 ML	44
Winnaleah	2012	6,950 ML	69
Lower South Esk	2013	5,298 ML	20
Kindred North Motton	2014	2,500 ML	45
Midlands	2014	38,500 ML	91
Dial Blythe	2015	2,855 ML	38
South East Stage 3	2015	3,000 ML	81
Upper Ringarooma	2015	5,700 ML	34
Southern Highlands	2017	7,215 ML	20
Duck	2018	5,200 ML	26
Swan Valley	2018	2,000 ML	15
North Esk	2019	4,685 ML	57
Scottsdale	2020	8,600 ML	86
Don	2023	9,500 ML	50
Northern Midlands	Oct 2026	25,500 ML	~ 50
Sassafras Wesley Vale Augmentation	End 2027	9,200 ML ⁹	~ 22
Greater South East	Mid 2030	32,220 ML ¹⁰	~ 375
Tamar	TBC	11,500 ML ¹¹	~ 90
TOTAL		234,978 ML	1600+

Key:

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

Other Tranche Three projects

Work on the Fingal Irrigation Scheme did not proceed beyond water sales and the scheme is not expected to be revisited due to low demand. The Marcus, Detention and Flowerdale Irrigation Schemes are at pre-feasibility stage and work will proceed to the point of assessing their viability. The Southern Midlands Irrigation Scheme is currently paused at preferred option stage.

⁷ 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

⁸ Includes augmentation of 11,000 ML

⁹ New water into the district

¹⁰ New water into the district

¹¹ Agricultural only, excludes industrial water



CUSTOMER PROFILE

Greg and Sarah Gibson Mill Farm, Hagley

Greg and Sarah Gibson's plans to expand and intensify their Hagley and Bishopsbourne farming operations were on hold due to one factor – insufficient water.

So, when Tasmanian Irrigation announced an 11,000-megalitre augmentation of the Greater Meander Irrigation Scheme, they didn't hesitate.

They purchased an additional 300 megalitres and diversified their cropping program, replaced an existing pivot and invested in two new pivots, added another 100 hectares to their irrigable area and are now looking to employ additional staff.

"Tasmanian Irrigation water is a game changer," Greg said.

"We are so fortunate that TI decided to increase the capacity of the Greater Meander Scheme, enabling us to intensify our trade lamb and vegetable production enterprises by increasing yields and quality.

"The flow on effect of this water is huge. Farmers in this area are putting on more staff, and buying more fertiliser, chemical, seed, tractors, pivots and other machinery, which is great for the Tasmanian economy."

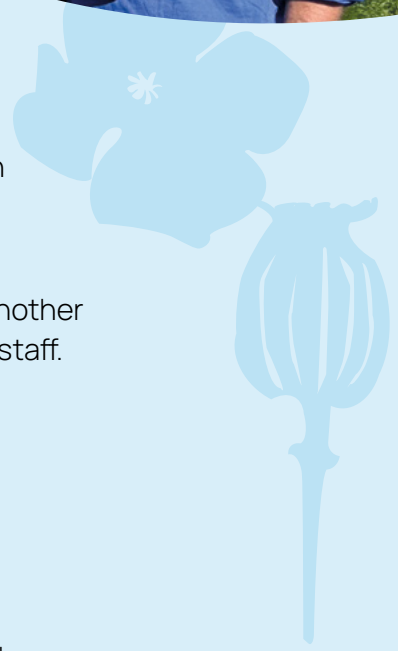
Greg, Sarah and their children Nina and George currently farm 725 hectares across "Mill Farm" at Hagley and "Willow Vale" at Bishopsbourne, utilising 650 megalitres from the Greater Meander Irrigation Scheme (including the recently purchased additional 300 megalitres) and 200 megalitres from the Whitemore Irrigation Scheme, as well as farm dams and the Cressy Longford Irrigation Scheme.

In 2025 they will finish 8,500 trade lambs, grow poppies, ryegrass seed, potatoes, beans and peas, and lease out ground for onions and broccolini.

"We wouldn't have had the confidence to enter into larger contract agreements without the extra water from the augmentation, as in dry years we may not have had sufficient irrigation to finish the crops," Greg said.

"I always tell people to buy as much irrigation water as you can afford because it minimises risk and provides a stable income by effectively drought proofing your farm. By helping to avoid the massive peaks and troughs of farming, we better place agriculture to be more attractive to the next generation.

“We are so thankful to Tasmanian Irrigation and the State and Federal Governments for being so forward thinking and investing into irrigation schemes in our State.”



Dam Safety Management

Tasmanian Irrigation has a portfolio of 22 dams, and we are responsible for the safety of these publicly-owned assets through prudent and defensible risk-based asset management practices. This involves regular inspections, maintenance and upgrades. Our approach aligns with contemporary industry practice as described in the Australian National Committee on Large Dams (ANCOLD) Guidelines and complies with the *Water Management (Safety of Dams) Regulations 2015*, ensuring transparency, accountability, and the protection of communities and resources. Interconnecting these dams to our customers within each scheme is a network of water conveyances including pipelines (950 km), rivers and streams.

During the year, we made significant progress in strengthening our dam safety framework with a strong focus on compliance, modernisation and risk management. This included a portfolio-wide Dam Risk Assessment, to guide future investment decisions and risk mitigation planning. We also completed digitisation of Operations and Maintenance Dam Manuals for all 22 dams in our portfolio.

A key milestone was completion of phase one of the Meander Dam Safety Review, providing a robust assessment of the dam's current condition and performance against regulatory and best practice benchmarks. The dam safety review is a regulatory requirement required at the 15-20 year mark of an asset's life and was the first for Meander Dam, commissioned in 2007. The review involves a top-to-bottom engineering assessment to deliver a review of the difference between current engineering and regulatory standards and those in place at the time the dam was commissioned. Also considered is our contemporary understanding of hydrology and how climate change and the frequency of severe rainfall events need to be taken into account when managing a dam asset over its design life. As part of the response to findings from the review, works were completed on the spillway basin reinforcing the dam's structural integrity and operational safety. Further studies for Meander Dam are recommended as part of the ongoing Dam Safety Review program. Work on additional phases will be completed in 2026.

We are committed to maintaining the highest standards of dam safety, ensuring long-term asset reliability and environmental protection, and public confidence in the infrastructure under our management.

Maintaining a Fit-For-Purpose Asset Base

Tasmanian Irrigation manages an asset base comprising more than 31,000 individual assets, with a cost of more than \$500 million.

Using predictive models for asset management is essential to ensuring reliable delivery of irrigation water to our customers. Our rolling five-year Strategic Asset Management Plan provides a structured framework for consistent asset management practices, supporting day-to-day decision making and long-term planning across asset lifecycles.

During FY2024/25 we made significant progress with upgrades that focus on system reliability, asset protection and cost efficiency. A major milestone was the successful upgrade of more than 250 modems and remote terminal units as part of the 4G communications transition. These assets control communication with critical systems including pump stations, dams, outlets and valves, all of which are essential for efficient water delivery.

We completed a program of solar installations, with nine arrays in total. These assets reduce the amount of power drawn from the grid and reduce energy costs overall, with savings passed through to farmers via the reduction in variable costs.

In the Midlands Irrigation Scheme, overhead powerlines owned by Tasmanian Irrigation were retrofitted with bird deterrent devices, modified cable formations, and bird perches to reduce avian electrocution risks and associated infrastructure damage. This is primarily from ducks interacting with the power lines and

causing outages. The investment has delivered improved environmental outcomes, reduced equipment failures and increased reliability of supply.

Other key asset upgrades during the year included the installation of a shoulder pump at Liffey, which has reduced energy consumption from the grid and extended the service life of the primary pumps during shoulder-season operations. Major works were undertaken at Derby on the Winnaleah Irrigation Scheme, including critical valve replacements. The valve is essential to water delivery to the irrigation scheme from Cascade Dam but was nearing end of life. Failure of the valve would result in uncontrolled release of water.

Our three mini-hydro facilities underwent scheduled mechanical and high-voltage inspections, maintaining compliance and reliability while preserving energy generation capacity. The successful transition of the Meander mini hydro control system from a legacy platform to the centralised Tasmanian Irrigation SCADA system has improved operational control, data visibility and long-term maintainability across the broader network.



STAFF PROFILE

Cameron Walker

Tasmanian Irrigation Scheme Operator

Tasmanian Irrigation Scheme Operator Cameron Walker is happiest when his phone is not ringing.

This means that things are running smoothly for the 60 irrigators he serves on the Whitmore Irrigation Scheme and in the Hagley district of the Greater Meander Irrigation Scheme. He's very focused on building strong working relationships with his customers.

"My job is about making sure the irrigation scheme is operating the way it should, and that means making sure the farmers who are our customers get the right amount of irrigation water at the right time," he said.

"I am very fortunate that my phone doesn't ring very often, which means my farmers are mostly very happy!

"We do a lot of checks and balances in the field on allocations and water delivery, ensuring our infrastructure such as pump stations are operating as they should be and delivering water when it is needed most."

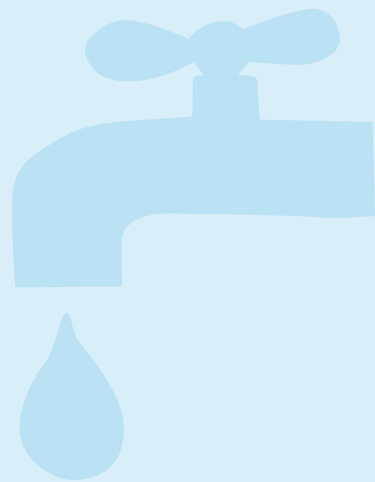
Cameron started work at the age of 12 delivering newspapers. He started an apprenticeship as a fitter and machinist at 16 and worked in the mining, industrial and agricultural sectors before joining Tasmanian Irrigation four years ago.

The level of investment in irrigation infrastructure on farms to make the most of reliable irrigation water continues to impress Cameron.

"There are pivots going up every year and farmers wanting new outlets or upgraded outlets to cope with larger capacities, showing these farmers have the confidence to grow their businesses – all because of Tasmanian Irrigation water.

"The 11,000-megalitre augmentation of the Greater Meander Irrigation Scheme has been particularly good for this area, with some farmers doubling their water allocations, enabling them to intensify their cropping operations.

“And it's great to see the next generation of farmers taking over from their parents, bringing new ideas and investment into the farms. Many of them tell me that this is due to being able to access highly reliable irrigation water.”



New Scheme Development

Tasmanian Irrigation develops new irrigation schemes from concept through to commissioning, and expands existing schemes, to provide inter-generational benefits in regions of need, and contribute to the Tasmanian Government's vision to increase the annual farmgate value of Tasmanian agriculture to \$10 billion by 2050.

Program Development and Delivery is undertaken through a public/private partnership model. Each new scheme is funded by capital contributions from the Australian and Tasmanian Governments (typically 50 per cent and 25 per cent respectively) and from the sale of water entitlements to irrigators (up to 25 per cent).

Tasmanian Irrigation continues to progress the agreed program of capital works to deliver prioritised projects in the Tranche Three program, which comprises 10 new irrigation schemes. We ensure that Tranche Three priorities are aligned with the objectives of the Tasmanian Government, through close engagement with our Shareholder Ministers, the Department of Treasury and Finance and the Department of Natural Resources and Environment.

Northern Midlands Irrigation Scheme (NMIS)

The NMIS has a total forecast cost of \$217.9 million and will supply 25,500 ML of highly reliable water to approximately 50 irrigators. The scheme is underpinned by large Hydro Tasmania storages in the central highlands of Tasmania and is scheduled to be commissioned to deliver its first water in time for the 2026/27 summer irrigation season. The principal primary production focus in the region is grazing (dairy, beef and sheep) and field crops (cereals, poppies, seed crops, lucerne, potatoes and peas).

The NMIS will be the largest irrigation scheme in the State in terms of its capital value and summer capacity, including a pipeline of 152.4 km, one pump station, two boost pump stations and one buffer dam.

The project experienced significant stakeholder challenges through accessing private land to facilitate construction. After several months of considered negotiations we were pleased to achieve amicable agreements with landholders, whom we acknowledge are also agricultural producers and irrigators.



In July 2024, the project received Commonwealth environmental approval under the *Environment Protection and Biodiversity Conservation Act 1999* and construction began in August that year. To the end of the 2024/25 financial year, more than 75 km of pipeline had been installed, civil works and concrete slabs were completed for the project's two balance tanks, civil works were underway on two of three pump stations – with intake and discharge

pipework completed – and 90 per cent of the civil construction work had been completed on the Poatina buffer dam.

The majority of the pipeline for the project has been manufactured by Vinidex (formerly Zetzt), based on Tasmania's north west coast. This is an example of the many ways the project is benefiting the wider Tasmanian economy.



CUSTOMER PROFILE

Mady and Pat Taylor Greenhill, Campbell Town

For the past nine years, Campbell Town farmers Mady and Pat Taylor have been leasing water from neighbouring properties and pumping out of the local river when levels and river health allow.

“It’s been a bit of a juggling act to be honest,” Mady shared. “We never know if we will have enough water to finish our crops or livestock, which makes it very uncertain and stressful.”

That’s why Mady and Pat are investing more than \$3 million on irrigation infrastructure, including pivots across almost 70 per cent of their 650-hectare Greenhill property, and have applied for 850 megalitres of water entitlements from the Northern Midlands Irrigation Scheme. This 25,500-megalitre project is on track to deliver first water in 2026.

With farmland tightly held around them, intensification on their existing holding is their focus.

“Water is an incredibly valuable investment for our farm to shore up the future for us and our agricultural business,” Mady said.

“We will intensify our livestock and cropping enterprises, grow high-value crops like potatoes more often, finish our Merino crossbreds and Angus and Hereford cattle rather than selling them as stores and employ a farm worker to help Pat.

“Tasmanian Irrigation water will also make our business more attractive for our children Alice and Ruth if they choose to take on the farm as we have set it up in a more sustainable manner.”

Mady, who works as a national Corporate Affairs Advisor for Nutrien Ag, said high-surety irrigation water also underpins innovation, ideas, technology and education.

“We are already seeing the next generation, new families and new workers coming into the Northern Midlands community. There is no doubt that irrigation schemes have a huge positive impact on rural areas.”



Sassafras Wesley Vale Irrigation Scheme Augmentation (SWISA)

The total forecast cost of the SWISA project is \$124.4 million, and it will supply new water to 94 irrigators. The augmentation is being constructed to increase the capacity of the Sassafras Wesley Vale Irrigation Scheme, which commenced operations in November 2012. The augmentation has the capacity to deliver an additional 9,200 ML of summer water, more than doubling the amount of high-surety irrigation water available to farmers in Tasmania's north west. The principal primary production focus in the region is vegetable production (potatoes, onions, carrots, brassicas, beans, and peas) and field crops (mostly poppies) with new water enabling

diversification to high value enterprises such as berries, viticulture and orchards.

The project is subject to Commonwealth environmental approval under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and is currently being progressed through that assessment process. A decision on approval is expected early in the 2025/26 financial year. In the meantime, contracts have been awarded for long lead time items required for construction including electrical transformers, pump sets and specialist fish screens for the pump stations. A registration of interest process has also been undertaken to identify contractors to undertake construction of the project. It's expected construction will begin late in 2025.





STAFF PROFILE

Michael Holmes

**Tasmanian Irrigation
Manager Engineering Services**



Safety, innovation and efficiency are the pillars of Michael Holmes' career.

Michael is responsible for delivering strategic, operational and technical support for large-scale irrigation projects and operational schemes, as well as managing a team of nine engineers.

Whether a repair to an existing pipeline, pump or dam or a walkthrough for the siting of a pump station for a new irrigation scheme, Michael is used to his plans for the day changing to make sure the needs of customers are met.

"We may have a call about a leak after a pipeline has been damaged. We then have to locate the problem, determine the best way to repair the pipe, locate replacement parts and make a decision about the best solution that can be delivered in the quickest time, especially during high water demand in summer," Michael said.

Michael has a Bachelor of Engineering in Marine and Offshore Engineering and is nationally registered in Mechanical Engineering and Leadership and Management. He reflects on the shift he's seen over the past decade in the approach to engineering and the increasing emphasis on environmental sustainability.

"While technical design parameters are still of paramount importance, so is consulting with stakeholders and landholders, and meeting environmental expectations.

"We spend a great deal more time these days incorporating stakeholder feedback into our designs, such as determining pipeline routes and dam locations," Michael said.

"Tasmanian Irrigation is increasing our focus on environmental sustainability, and a great deal of thought is given to how each design impacts landowners and our natural environment.

“One of the most rewarding parts of my job is driving down the highways and seeing the benefits of the irrigation schemes we have designed and worked on, and knowing we are delivering positive impact for farmers, regional communities and the State.”

Greater South East Irrigation Scheme (GSEIS)

The GSEIS is a \$301 million project that will transform irrigated agriculture in the south east of Tasmania. The project will secure a reliable water source, integrate the three existing south east schemes, and service existing and additional demand. The existing schemes lack the capacity to cater for continued growth and are further impacted by ongoing reliability issues and increased costs for the current TasWater supply. The GSEIS will source water directly from Lake Meadowbank to increase reliability of supply in one of the driest areas in the State and will support significant agricultural growth. The principal primary production focus in the region is cherries, apples, salad vegetables, wine grapes, stone fruit, lucerne, walnuts and olives.

In November 2024, Prime Minister Anthony Albanese announced Australian Government

funding for the project, and in May 2024, the State Government announced in the Draft 2025/26 Tasmanian Budget its intention to fund its share of the project. Since confirmation of full, secure project funding, work has progressed including completion of field surveys to refine the scheme alignment, engineering, and Aboriginal and European heritage and environmental surveys. Work has begun on the impact pathway assessment for the Commonwealth environmental approval process.

A second round of water sales was held resulting in receipt of a further \$12 million in water sales applications; \$6 million of these applications have been accepted. This takes the total committed water sales to \$31.56 million which represents more than 14,000 ML of the total 18,600 ML available summer capacity. A further \$6 million of applications are under assessment.



Tamar Irrigation Scheme

The construction of the Tamar Irrigation Scheme would increase the reliability of water available on existing and new agricultural enterprises, which would facilitate expansion of activity and conversion to high value commodities.

After multiple attempts to solicit irrigator appetite, it was not possible to achieve a scalable and efficient stand alone agricultural scheme. Tasmanian Irrigation is working with Renewables, Climate and Future Industries Tasmania (ReCFIT) to explore options for the Tamar Irrigation Scheme to be developed as a combined agricultural/ industrial scheme, supplying water to Bell Bay for hydrogen production. Funding from ReCFIT for a preliminary business case was secured in December 2024 and has enabled

detailed option analysis for a combined scheme. We have prepared a detailed business case that sets out a strong technical solution for a combined agricultural/industrial scheme that would supply 11,500 ML for agriculture and 9,000 ML for industrial purposes.

Submission of the business case to the Tasmanian Government is due early in FY2025/26. Developing the combined scheme relies on securing a hydrogen proponent. As well, development of a hydrogen industry at Bell Bay is dependent on enabling infrastructure including electricity, port access and water supply. ReCFIT is working with multiple agencies, including Tasmanian Irrigation, to secure enabling infrastructure.

The principal primary production focus is berries, vineyards, orchards, pasture, cereal crops, nurseries, flowers, vegetable crops and dairy.



Greater Meander Irrigation Scheme Augmentation

Tasmanian Irrigation completed an augmentation of the Greater Meander Irrigation Scheme, providing additional water to existing irrigators and to new areas of this highly productive region. The annual capacity of the scheme has increased by 11,000 ML.

Works included the complete refurbishment of two pump stations and installation of more than 20 km of pipeline. The scheme was commissioned in time for water to be delivered throughout the 2024/25 summer irrigation season. The principal primary production focus of the scheme is dairy, poppies, cereals, pyrethrum, pasture seeds, potatoes, vegetables, berries, nuts and pasture for livestock finishing.

Other Tranche Three projects

Work on the Fingal Irrigation Scheme did not proceed beyond water sales and the scheme is not expected to be revisited soon due to low demand. The Harcus, Detention and Flowerdale Irrigation Schemes are at pre-feasibility stage and work will proceed over the next few years to the point of assessing their viability. The Southern Midlands Irrigation Scheme is currently paused at preferred option stage.

Project governance

Tasmanian Irrigation has continued to evaluate and improve governance and oversight of projects throughout the year to ensure continued delivery of projects on time and on budget. Governance and oversight occur from early in the design phase throughout the project lifecycle including to post-commissioning activities.

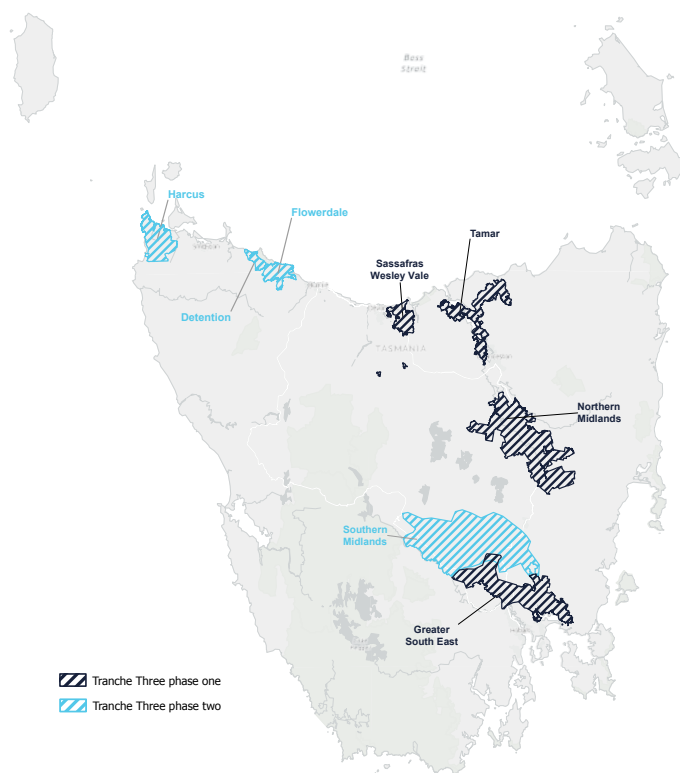
Prior to submitting a project to the Tasmanian Government for consideration, independent economic modelling is undertaken to quantify the business case benefits in

accordance with Infrastructure Australia's methodology. Risk-based scenario modelling is used to determine project budgets, including contingencies.

Following approval by the Board, the business case is used to secure project financing from the Australian and Tasmanian Governments. This includes highlighting any debt associated with unsold water, and securing mechanisms for managing that debt.

Management meets monthly with the Australian Government through the National Water Grid Authority, and the Tasmanian Government through the Department of Treasury and Finance and the Department of Natural Resources and Environment, to review project progress. The Board provides project oversight at every Board meeting.

The tendering process is undertaken using an independent probity advisor. Projects are then constructed using a third party Superintendent for contract administration and alignment with customers' expectations is achieved through engagement with the Irrigator Representative Committee from project inception.



Environment

State of the Environment Report

Tasmania's State of the Environment Report was released in September 2024. Tasmanian Irrigation was one of many contributors to the report, assisting with data on water quality and land capability related to the application of water for irrigation.

The Report pointed to agriculture, including irrigation, as one contributor to declining environmental values, including river health. Of the 6000 irrigation sites across Tasmania (2021)¹², Tasmanian Irrigation is directly responsible for approximately 17 per cent of them. They represent approximately 13 per cent of the volume of irrigation water in Tasmania. Notably, the Report highlighted our Farm Water Access Plan program as a positive measure helping to ensure environmental management, such as soil protection, on those irrigated farms facilitated by Tasmanian Irrigation.

In 2024/25 we delivered 93,610 ML of high-surety irrigation water, mostly water via buried pressurised pipelines, which cuts transmission losses and avoids open channels. Notably, the Report highlighted our Farm Water Access Plan program as a positive measure helping to ensure environmental management, such as soil protection, on those irrigated farms facilitated by Tasmanian Irrigation. We also run scheme-based water-quality and aquatic monitoring with adaptive actions where required.

The Report made recommendations on matters to which Tasmanian Irrigation has responded, or was already prioritising:

- 1. Water quality and data collection:** the Report calls for greater integration of water quality data collection across the State. We agree that better data sharing will improve statewide river health assessments. Our ongoing efforts in this space, including contributing to the Rural Water Use Strategy and our role on the Water Quality Data Custodian Working Group, position us well to respond to this recommendation.
- 2. Soil health:** The Report highlights the importance of protecting soil health as a critical element of biodiversity conservation in agricultural development and recommends a statewide soil health monitoring program. Protecting soil is central to sustainable irrigation and we welcome the Report's recommendation. Our Farm Water Access Plans have dedicated soil management modules, and we continuously look for opportunities to enhance soil monitoring on irrigated land.
- 3. Climate Change and Water Security:** The report recommends improving water management to mitigate the effects of climate change. This aligns with our current work on water security for irrigation schemes and our participation in the development of Tasmania's Water Accountability Framework.

¹² <https://www.planning.tas.gov.au/other-resources/state-of-the-environment/state-of-the-environment-report-2024>

Farm Water Access Plans

Tasmanian Irrigation's Farm Water Access Plan (Farm WAP) program is a cornerstone of our approach to sustainable irrigation. These property-specific documents guide the responsible use of irrigation water and help protect the long-term productivity and environmental values of irrigated farmland.

All new properties receiving Tasmanian Irrigation water are required to have an approved Farm WAP in place before supply begins. While some legacy schemes predate this requirement, the Farm WAP framework is now standard across all new and augmented schemes to ensure consistent environmental safeguards. These plans identify the parts of the property where irrigation is permitted and outline management actions to avoid or mitigate environmental risks such as erosion, nutrient runoff and habitat degradation.

Each Farm WAP addresses:

- Land capability – to ensure water is only applied where soil type and slope can support sustainable irrigation;
- Soil health and salinity risk – with site-specific guidance for monitoring and mitigation;
- Waterway and biodiversity protection – including vegetation buffers, fencing, and habitat preservation; and
- Best-practice land and water management aligned with modern farming and environmental standards.

We work closely with irrigators to develop and implement these plans, providing guidance on sustainable practices and supporting continuous improvement at the farm scale.

To maintain compliance and environmental assurance, we conduct audits on a random selection of 10 - 15 per cent of Farm WAPs each year. Between July and November 2024, 57 audits were completed.

Of these:

- 72 per cent were fully compliant; and
- 28 per cent had minor non-conformances, which were administrative in nature, posed no environmental risk and have since been rectified.

During the year, we also commissioned an independent audit of our Farm WAP program for the Midlands Irrigation Scheme, an area of high environmental value, including native lowland grasslands. This audit reviewed our internal audit findings from 2019 to 2023 across both the Midlands and Lower South Esk Irrigation Schemes. It confirmed that:

- Soil and salinity monitoring was being implemented as required;
- No biodiversity monitoring was required on the sampled farms, as no Matters of National Environmental Significance (MNES) were present; and
- All non-conformances that had been identified by Tasmanian Irrigation were minor and posed no material environmental risk.

The audit concluded that Tasmanian Irrigation has a mature and effective compliance program, with knowledgeable staff and robust systems in place to manage environmental responsibilities.

Beyond compliance, the program continues to deliver nature-positive outcomes. Audits regularly record evidence of farmers going above and beyond plan requirements, including native tree planting, waterway fencing and biodiversity conservation through partnerships with organisations such as Landcare Tasmania.

Farm WAPs are a practical and powerful tool for ensuring irrigation water delivered by Tasmanian Irrigation is sustainable, accountable and aligned with both agricultural productivity and environmental protection.



Sustainability Strategy

We continue to implement and refine our Sustainability Strategy, which aims to integrate environmental, social and economic considerations across the organisation to ensure the long-term resilience and social licence of our irrigation schemes.

During the year, we began re-evaluating our current strategy to ensure it remains practical, measurable and aligned with emerging expectations, including those related to climate resilience, biodiversity and community engagement. While the three foundational pillars of the strategy (Resilient, Inclusive, and Circular Economy) remain relevant, we are reassessing how best to apply them through focused and achievable initiatives.

Key areas of focus include:

- Reducing our carbon footprint, with initial work underway to better understand and manage scope one¹³ and two¹⁴ emissions. We recognise our influence over scope three¹⁵ emissions is limited but we are exploring how procurement, infrastructure design and engagement with irrigators can support longer-term emission reductions;
- Improving biodiversity stewardship in and around irrigation infrastructure, including exploring ways to better document and report on nature positive outcomes where they exist, such as habitat restoration, native planting and waterway fencing projects undertaken by irrigators through our Farm Water Access Plan program;
- Strengthening community and Aboriginal engagement, including the development of a dedicated Aboriginal participation and engagement strategy and continuing our support for the University of Tasmania's Sustainability Placement Program; and

- Enhancing Environmental, Social and Governance (ESG) reporting, including better capturing the activities of our contractors and partners to provide a more holistic view of our environmental and social performance.

This refinement will continue into the next financial year, ensuring Tasmanian Irrigation's approach to sustainability remains grounded, relevant and responsive to both risk and opportunity.

¹³ Scope 1: Direct greenhouse gas emissions from sources owned or controlled by the organisation (e.g. fuel combustion in company vehicles, onsite energy use)

¹⁴ Scope 2: Indirect emissions from the generation of purchased electricity, steam, heating, or cooling consumed by the organisation

¹⁵ Scope 3: All other indirect emissions that occur in the value chain of the organisation, including both upstream and downstream activities (e.g. construction, travel, purchased goods and services, waste, and use of sold products)





STAFF PROFILE

Amy Madsen

Tasmanian Irrigation Environmental Compliance Officer

The challenge of balancing environmental excellence, agricultural productivity, societal expectations, community engagement and regulatory compliance is what drives Amy Madsen every single day.

Amy is Tasmanian Irrigation's Environment Compliance Officer and is passionate about facilitating sustainable water management.

Amy grew up on a Merino sheep grazing farm on Tasmania's east coast, studied Applied Science (Agriculture and Business) at the University of Tasmania and worked at farm jobs before joining Tasmanian Irrigation in 2021. She combines practical and academic skills to guide the sustainable application of Tasmanian Irrigation water across the State.

Amy works cooperatively with farmers to prepare, amend and audit Farm Water Access Plans (Farm WAPs) to ensure sustainable use of irrigation water supplied by the Company. She also monitors whether the operation of irrigation schemes is contributing to environmental decline, through water quality monitoring, Farm WAP audits and other monitoring.

"I find it especially rewarding when I meet farmers who take pride in their environmental management efforts, whether it's installing weather stations, implementing precision irrigation or adopting regenerative agriculture techniques," Amy said.

"Their enthusiasm is contagious, and it's inspiring to see first hand how they integrate sustainability into their irrigation operations."

Amy's work is endlessly varied: collecting specimens or water samples from waterways, monitoring wetlands, planting trees, removing weeds, setting up camera traps, completing flora and fauna surveys, delivering workshops on catchment management, attending community events to educate the public about Tasmanian Irrigation's environmental work, visiting farms to assess irrigation practices or attending schools to inspire young people to consider careers in agriculture.

“I am incredibly fortunate to work with an organisation that is committed to both protecting and enhancing our natural environment, while enabling farmers to sustainably grow their agricultural businesses.”



The environmental benefits of Tasmanian Irrigation's schemes

The availability of irrigation water through Tasmanian Irrigation continues to drive sound environmental outcomes, including:

- **Reduced erosion through faster crop establishment** – reliable irrigation water allows farmers to germinate and establish cover crops or pastures more quickly, even in dry conditions. This means the soil is covered sooner, reducing the time it's bare and vulnerable to erosion from heavy rain or wind. For example, a winter crop sown with the help of irrigation will vegetate and stabilise the soil before the winter rains, preventing topsoil loss that would occur on fallow ground;
- **Enhanced biodiversity, with aquatic habitat protection and native plantings** – Tasmanian Irrigation schemes incorporate environmental features, such as riparian buffer zones, fish passage infrastructure and designated environmental water flows, to protect aquatic life in downstream rivers. We also encourage irrigators to undertake native tree/shrub plantings along irrigation channels and farm boundaries. Such native plantings act as biodiversity shelterbelts, supporting wildlife and improving landscape connectivity;
- **Carbon sequestration via perennial pastures and cover crops** – by enabling healthy perennial pastures and continuous cover cropping, irrigation helps store more carbon in soils. Research indicates that practices like irrigation, when combined with good grazing and fertilisation management, increase soil carbon sequestration on pasture; and

- **Better salinity management** – consistent water availability allows for occasional leaching irrigations, flushing excess salts from the soil profile (given adequate drainage), which helps maintain soil productivity and mitigates salinity risk. This practice ensures that salts do not accumulate around plant roots during dry periods.

Commonwealth environmental approval

A significant body of work is undertaken to support proposed projects as they seek Commonwealth environmental approval under the *Environmental Protection and Biodiversity Conservation 1999 Act* (EPBC Act). Projects are assessed to determine potential impact on Matters of National Environmental Significance (MNES) such as listed species, ecological communities and critical habitats. The EPBC Act aims to ensure that developments like Tasmanian Irrigation's schemes avoid or mitigate impacts on these important environmental assets (this includes both construction and ongoing operations). By adhering to this framework, we ensure that our activities do not compromise the ecological integrity of MNES and broader natural values.

During the year, the EPBC permit was obtained for the Northern Midlands Irrigation Scheme, with construction work starting soon after. Environmental documentation was also progressed to support assessment of the Sassafras Wesley Vale Irrigation Scheme Augmentation and the Greater South East Irrigation Scheme.

Monitoring our environment

Water quality monitoring: Tasmanian Irrigation implements a Water Quality Monitoring Program across its irrigation schemes to monitor water quality and detect any impacts on natural watercourses. Monitoring covers key water quality indicators such as dissolved oxygen, turbidity and nutrient levels. We have approximately 140 water quality monitoring sites across our network. This data is shared with other agencies to provide a detailed picture of water quality and river health – for example, through the Tamar Estuary and Esk Rivers (TEER) Freshwater Report Card, and Tasmania's statewide water quality monitoring program.

Aquatic habitats: Where required through the EPBC Act assessment process, we have established Aquatic Habitat Monitoring Programs aimed at protecting vulnerable species, such as the giant freshwater crayfish and the green and gold frog. These programs monitor habitat conditions and assess the effectiveness of management actions outlined in Farm WAPs.

Hydrometric flow monitoring: We undertake hydrometric flow monitoring to meet water license compliance, particularly in managing environmental flows crucial for ecosystem health. This includes monitoring streamflow data to ensure regulatory requirements are met. We manage this program across more than 40 monitoring sites.

AusRivAS and fish monitoring: Each autumn and spring, we conduct AusRivAS (Australian Rivers Assessment System) sampling at multiple sites in the Meander and Midlands Irrigation Districts to assess river health, a key requirement of our water licence. Monitoring occurs at five sites in the Meander Scheme and two sites in the Midlands Scheme. We also conduct annual fish sampling at two Meander locations to further assess ecosystem health. Together, these results provide a "report card" on riverine conditions. Year on year, both AusRivAS and fish sampling results show stable macroinvertebrate and fish communities.





PROJECT PROFILE

Restoring habitat for Tasmanian wildlife

The 2006 construction of the Meander Dam inundated 360 hectares of forest resulting in loss of habitat for spotted tailed quolls and other species, triggering approval conditions under Commonwealth environmental legislation.

The conditions require Tasmanian Irrigation to monitor the area's existing quoll population closely while creating "compensatory habitat" in the form of extensive tree plantings. In addition to providing important denning and foraging habitat as this new forest develops, plantings of *Eucalyptus ovata* provide an important food source for another threatened species, the critically-endangered Swift Parrot.

Monitoring of quolls involves setting up as many as 22 cameras every three years around Meander Dam. A survey late in 2024 identified eight quolls across the survey area; compared with six quolls in 2018 and seven individuals in 2005. Our results are encouraging, showing a stable population.

Ongoing monitoring will occur to ensure restoration efforts continue to have a positive impact.



Environmental non-compliance

As part of our commitment to transparency and continuous improvement, Tasmanian Irrigation reports all EPBC Act permit environmental non-compliances to the Commonwealth regulator in accordance with Conditions 46 and 47 of our permit approval. During the reporting period, five non-compliances were identified across the Northern Midlands Irrigation Scheme project, all of which were promptly investigated, self-reported and addressed. These incidents reflect isolated procedural or communication issues, primarily related to vegetation clearance boundaries and exclusion zone markings.

Importantly, none of these events resulted in impacts to Matters of National Environmental Significance. The Department of Climate Change, Energy, the Environment and Water reviewed all submissions and has not issued any enforcement actions.

Internal reviews were conducted and corrective actions implemented, including improved planning protocols, clearer site markings and tighter supervision. We continue to reinforce these controls through regular toolbox talks, site audits and training for contractors.



Our Community

Tasmanian Irrigation is proud to deliver additional value to the communities in which we design, construct and manage irrigation schemes.

We were proud to be part of the Campbell Town Show in its 187th year. The show is a celebrated regional tradition, and a cornerstone of community life in the Northern Midlands. Founded in 1838 by a group of landowners, the Campbell Town Show has played a leading role in the display of Tasmania's high quality livestock and wool and is billed as the longest continually run show in the British Commonwealth. CEO Mike Sylvester presented to a packed room during the event, and participated in a panel discussion focused on issues facing the agriculture industry, contributing to a valuable exchange of ideas on the future of farming and agriculture in Tasmania.

As we continue to deliver vital irrigation infrastructure across the region, we remain equally focused on supporting the people and priorities that make these communities thrive.



Founded in 1838, the Campbell Town Show plays a leading role in the display of Tasmania's high quality livestock and wool





COMMUNITY PROFILE

Beacon Foundation

Tasmanian Irrigation is working with Beacon Foundation to give students from rural and regional schools an insight into the world of work. With irrigation schemes across the State, and active construction projects, our activities provide many opportunities for young people to learn about a wide range of careers.

Sixteen students from Cressy and Campbell Town Schools were recently treated to an on-site insight into the construction of a new irrigation project when they toured the Northern Midlands Irrigation Scheme work site. They talked to engineers, environmental specialists, operators and site supervisors, learning about pathways to a range of careers needed to build an irrigation scheme.

Tasmanian Irrigation team members talked about their education, training and jobs, and what's involved in delivering a \$217.9 million irrigation project. Northern Midlands Irrigation Scheme Project Manager Jacob Tierney said the visit was a success in terms of inspiring students to think positively and proactively about their entry into the workforce.

"Tasmanian Irrigation is proud to be working with Beacon Foundation, helping connect the next generation of workers to today's water industry professionals," Jacob said.

"There's no better way for a student to gain an understanding of what Tasmanian Irrigation is all about than by visiting one of our construction sites. A highlight for many of the students was sitting in the operator's chair of a 36-tonne excavator and hearing what the day-to-day tasks are for a variety of careers in civil construction.

“It's exciting to be able to show potential future employees all the work that goes into planning, designing and building an irrigation scheme. The feedback from students was that they learned how many different careers there are in civil construction and that hands-on exposure to the real world of work helped them understand how what they're doing at school now can set them up for their future.”

The Beacon Foundation is a not-for-profit organisation focused on supporting young people to have the aspiration, motivation and ability to determine their working future.



Aboriginal engagement and participation

Over the past year, Tasmanian Irrigation has deepened its understanding of how our work connects to a much older story - one in which water has never been separate from culture, care or Country. In FY2024/25, we began laying the foundations for a more respectful, genuine and forward-facing approach to working with Aboriginal people and Country across Lutruwita/Tasmania.

Grounded in the themes of our Acknowledgement of Country - where water is described as something that 'nourishes, teaches, and remembers' - we began a process of internal reflection and organisational development. This included engaging dedicated expertise to work across all areas of the business to support a more strategic and meaningful approach to Aboriginal engagement and participation.

A key focus this year was the detailed mapping of Aboriginal engagement opportunities, project-level obligations and design requirements - particularly through the Greater South East Irrigation Scheme. This mapping has helped identify specific actions across stakeholder engagement, procurement, employment, cultural heritage, construction and design. It has also clarified how these commitments align with broader government strategies, such as the Closing the Gap Implementation Plan, and how they can be actioned through project governance, contracting and delivery processes.

We have also commenced the development of an Aboriginal Engagement and Participation Framework to guide this work consistently across our operations. The Framework will ensure early cultural values mapping, support Aboriginal-led design contributions and create space for shared outcomes across infrastructure projects.

This shift is already influencing our built environment. At our new Kiln Court office site,

Aboriginal Designing with Country elements have been incorporated into the design and fit out as a tangible expression of our intent to honour place and connection.

This is the beginning of a deeper journey. In the year ahead, we will continue to embed cultural responsiveness into our systems, decisions and relationships ensuring that water delivery and infrastructure planning meaningfully support the aspirations of Aboriginal people and the care of Country.

Partnerships

Over the past year, we have strengthened our engagement with environmental, natural resource and agricultural stakeholder groups across Tasmania. This included the development of our first formal Partnerships Strategy to guide our engagement.

In June, we co-hosted with NRM South a workshop for Tasmanian landowners and community members focused on wetland protection, specifically targeting those near Moulting Lagoon - a globally significant RAMSAR site.

We supported Landcare Tasmania's successful application to the national 'Enhancing Farm Dams for Biodiversity' project, delivered in collaboration with the Australian National University. As part of the project, \$14,000 was secured for tree planting and dam enhancements around Milford Dam, a site managed by Tasmanian Irrigation. We are pleased to provide in-kind support and work alongside Landcare to improve biodiversity outcomes in our operational footprint.

Additional partnerships progressed this year include our second successful student placement through the University of Tasmania's Sustainability Placement Program, ongoing scientific collaboration with the Tamar Estuary and Esk Rivers (TEER) program, and involvement in advisory groups such as the Tas Farm Innovation Hub Extension Forum and the new statewide Blue-Green Algae Monitoring Group.

Our People

Tasmanian Irrigation is powered by our people. Our multidisciplinary workforce is united by a shared purpose: to secure Tasmania's agricultural prosperity and growth.

We continue to focus on building a high-performing, inclusive and future-ready workforce. In 2024/25, our efforts centred on:

- **Commencing work on a refreshed People and Culture Strategy** to guide workforce capability, leadership and organisational culture into the future;
- **Reinforcing safe and respectful workplaces**, with demonstrated compliance achieved in meeting our Positive Duty obligations under the *Sex Discrimination Act 1984*;
- **Evolving our Employee Value Proposition** to attract and retain talent, with a focus on professional growth, flexibility and wellbeing; and
- **Fostering engagement and collaboration**, including a refresh of the Employee Consultative Committee and a renewed focus on creating opportunities to bring staff together in both formal and informal settings.

We are proud to offer meaningful career pathways through hands-on project delivery, multi-disciplinary collaboration and opportunities to shape infrastructure that delivers long-term social, environmental and economic value for Tasmania.

Over the past five years, Tasmanian Irrigation has undertaken annual engagement surveys to better understand the experiences and perspectives of our workforce. These surveys continue to provide valuable insights into what's working well and where further focus is needed. Our employee engagement survey results reflect a workforce that is increasingly aligned, supported and engaged, with particular strengths in safety, leadership trust and role clarity. Employees report feeling empowered in their roles, confident in their managers and optimistic about their future at Tasmanian Irrigation.

The safety culture continues to strengthen. A significant majority of staff describe safety as either proactive or embedded into our operations. Importantly, staff overwhelmingly report feeling safe at work and believe that safety remains a priority, even during periods of operational pressure, a positive signal that while the work in safety is never finished, our culture of care and risk management is moving in the right direction across the business.

While feedback is consistently strong across most areas, there is more work to do in how we recognise and reward performance, undertake change management and how we foster better collaboration across teams. These insights are helping shape our people and leadership priorities for the year ahead and will be further explored through the development of our People and Culture Strategy to guide meaningful improvement in these areas.

84%¹

Staff would recommend
Tasmanian Irrigation as
a workplace

90%

(Decreased from 2023 result)
Staff are satisfied with
their job

96%

(Increased from 2023 result)
Staff understand how
their role contributes to
long-term goals/strategy

70%

(Decreased from 2023 result)
Tasmanian Irrigation cares
about and is committed
to me

1 Not measured in 2023

88%

(Increased from 2023 result)
Staff feel comfortable
contributing ideas and
opinions in our workplace

92%

(Decreased from 2023 result)
Staff feel safe at work

86%

(Decreased from 2023 result)
Our team supports
each other





STAFF PROFILE

Josh Clark

Tasmanian Irrigation's Dam Safety Engineer Josh Clark is proud to be recognised as one of Australia's young water industry leaders. Josh was recognised as the Tasmanian Young Water Professional of the Year in 2024 and represented the State at the national awards.



A career shift saw Josh enter the water industry in 2020, and he currently oversees the operations, upgrades, surveillance and regulatory reporting of Tasmanian Irrigation's portfolio of 22 dams. For much of 2025 he has been based onsite, supervising construction of Tasmanian Irrigation's newest dam, the Poatina Buffer Dam, as part of the Northern Midlands Irrigation Scheme.

Josh is passionate about creating sustainable and innovative water solutions.

"The highlight of working for Tasmanian Irrigation is working with a diverse range of dedicated professionals to ensure every drop of water delivers economic benefits to our farmers and our State.

"This is achieved through development of new schemes and management of existing assets, by a multi-disciplinary team, ensuring the sustainable and efficient distribution of water for agricultural enterprise in the State."

Josh is a professional member of Engineers Australia, an Emerging Professional and State Representative for the Australian National Committee on Large Dams (ANCOLD), and a member of the committee tasked with revising the ANCOLD Guidelines on Dam Safety Management.

Josh says the days of thinking about major water assets as purely engineering challenges are well and truly in the past.

"Achieving a balance between societal needs, environmental impacts, economic feasibility, compliance and engineering are essential considerations when managing a dam.

"More than ever, major water infrastructure needs to be developed and managed with a holistic mindset from the outset," Josh said.

"We need to consider broader social equity aspects including environmental, community, sustainability and longevity considerations.

“The technical elements are then adapted to meet these broader stakeholder requirements. This can be challenging, but the final result is one with far fewer surprises, and stronger stakeholder endorsement.”

Safety

Our goal is to ensure a safe and healthy working environment for all employees, customers and stakeholders, where everyone goes home safe at the end of the day.

We continue to implement our three-year Safety and Wellbeing Strategy, which guides continuous improvement. Its aim is to:

- Achieve an outcome where our people feel trusted and show strong safety leadership;
- Continuously improve our work systems;
- Encourage open and active engagement; and
- Foster a culture where reporting and learning from past experiences is the norm.

Leadership and culture

- Cultivate a safety-focused culture aligned with our values



Empower, engage and build capacity

- Empower and engage our people
- Build capacity



Safe systems of work

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



Risk management and continuous improvement

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



Tracking our safety culture maturity

Tasmanian Irrigation uses a Safety Culture Maturity Index (SCMI) to track how embedded safety is within our culture, systems and everyday behaviours. The index provides a clear benchmark of where we sit on a maturity scale - from reactive and compliance-driven, through to proactive and values-led.

The SCMI is calculated annually using workforce survey results and helps us measure the effectiveness of our safety strategy over time. In FY2024/25 we recorded a score of 2.54, up from 2.22 in FY2023/24, demonstrating meaningful progress towards our target of 3.0. This upward trend reflects growing leadership engagement, stronger systems and a more consistent focus on risk, learning and care across our operations.

Safety Culture Maturity Index - 2025



Managing critical risks

Tasmanian Irrigation's critical safety risks occur in project construction and scheme operation. On projects, we work with contractors to ensure implementation of mature safety systems and processes to reduce worker risk.

During the past year we undertook a review of processes and systems for high-risk activity in the operational space, including working at heights, confined space entries, hot work, excavation and complex isolations. We have implemented updated processes that are consistent with best practice (ISO 45001) and are aligned with the *Work Health and Safety Act 2012* (Tas) and regulations (2022). In this way we continue to lower risk in operations.

As part of implementing the updated processes, they were field-tested to ensure they were fit-for-purpose, and would be owned by workers. Training has been completed for the updated processes associated with high-risk activities.

One million kilometres on the road

Driving is our number one critical risk. Our people drove a collective one million+ kilometres last year. Often, this takes place out of hours, in remote areas and in all weather. During peak periods of agricultural activity, this can combine with long working hours and increased worker fatigue.

Over the past year we have implemented three key controls to reduce this risk:

1. Mandated quarterly vehicle inspections, achieving 100 per cent compliance since October 2024;
2. Driver training for key staff who clock up high mileage; and
3. Development and implementation of a fatigue management procedure within our operations department, with guidelines around driving hours and how to manage fatigue.

Take 5 minutes to build a strong safety culture

During FY2024/25, we updated our Take 5 risk assessment tool and redeployed it across our operations activity and the Northern Midlands Irrigation Scheme project team.

This tool provides a process for workers to assess and identify any hazards associated with an activity they're about to undertake and assist in managing risk. From an individual perspective this helps cultivate a safety-first mindset. At organisational level, it grows the safety culture and helps to identify risks associated with existing or new activity so effective controls can be put in place. This supports proactive management of safety risk and reduces the likelihood or consequence of an incident occurring.

Since the introduction of the updated Take 5 approach, use of the tool has been trending up, indicating a cultural shift.



STAFF PROFILE

Darran Johnston

Slicing the end off his finger in an unguarded machine at work at the age of 25 changed Darran Johnston's life. Not only did he endure three weeks of intense pain, touching exposed nerves as he changed the dressing on his finger every four hours, he also had plenty of time to think about why and how the accident occurred.

"Every incident is preventable," Darran said. "I thought I was bulletproof, but you don't know what you don't know. I had been taught how to operate that machine and had been using it for a couple of years. Then I lost part of my finger and realised how unsafe that machine was.

"I really woke up to how you can get hurt at work. I was in excruciating pain for some time and that recovery period opened my mind to how I could help to make some serious changes in the workplace."

Darran became a team leader with that company and gained a deep understanding of legislation, liability and duty of care. After more than 20 years in senior safety roles with companies in the private, government and for-purpose sectors, Darran joined Tasmanian Irrigation as Safety Manager.

"My primary task is to help the company grow a proactive safety culture with the right systems and processes in place to support this. And I consider it my biggest achievement when I hear employees declare their number one work focus as safety.

"Putting in place systems and processes that keep people safe while they're working is very satisfying. Just as importantly, it's a sign of a good safety culture when a person realises a job can't be done safely and they feel safe to stop work and speak up.

“It's important to me and to Tasmanian Irrigation that all our people feel empowered to call it out if something does not look or feel right. It's great to see that people realise they don't do safety because they are told to. They do safety because it is a core belief.”



Performance:

Statement of Corporate Intent

The following are the Key Performance Indicators for the period FY2024/25:

Key Performance Indicators		Actual FY 2024/25	Target FY 2024/25
Health + Safety¹⁶	Lost Time Injuries Frequency Rate	8.3	0
	Total Recordable Injury Frequency Rate	25.0	≤ 15
Financial	Operational and admin overheads per water entitlement sold ¹⁷	\$22.77	\$21.58
	Capital program \$ per budget ¹⁸	\$116.9 M	\$140.1 M
Commercial	Post construction water entitlement sales (Tranche 1 & 2 only)	\$0.5 M	\$0.4 M
Water Delivery	Percentage allocation available at commencement of season	100%	100%
	Planned maintenance completed as per plan ¹⁹	91%	95%
Environment	Number of notifiable incidents	0	0
	Compliance with environmental permits and approvals (number of non-compliances ²⁰)	5	0
Program Development and Delivery	Total Tranche Three schemes under construction ²¹	1	2
	Total Tranche Three projects business cases completed ²²	4	5
	Total capital funding milestone payments achieved per plan	7	7
People	Employee turnover rate ²³	21%	≤ 15%

16 Lost Time Injury Frequency Rate is the total lost time injuries per million-person hours worked. The Total Recordable Injury Frequency Rate is the total injuries per million-person work hours. The Northern Midlands Irrigation Scheme (NMIS) project experienced two Lost Time Injuries and four injuries requiring restricted duties for the affected individuals. This has resulted in a significant rise in the Total Recordable Injury Frequency Rate (TRIFR) for this financial year, increasing from 0 to 25. All injuries related to contractors and subcontractors engaged by Tasmanian Irrigation

17 The increased overheads relate to a combination of a higher allocation of staff to operations as opposed to projects than was originally planned when the target was established; and higher employee costs due to an increase from five to seven directors, the transition phase between the retiring and incoming CEOs, and the costs of recruitment for these positions.

18 The variance is due to delays in the referral and assessment process under the *Environment Protection and Biodiversity Conservation Act* (EPBC) for the Northern Midlands Irrigation Scheme and Sassafras Wesley Vale Irrigation Scheme Augmentation projects. Both projects remain on track for delivery of water as planned

19 During the year, resources were diverted from planned maintenance activities to urgent unplanned activities caused by extreme weather events. There is no impact to ongoing management or operations as a result of this diversion

20 There have been five non-compliances with EPBC permit conditions for NMIS by the contractor. All non-compliances have been reported to the Department of Climate Change, Energy, Environment and Water (DCCEEW) in accordance with the project permit conditions, have been thoroughly investigated and corrective actions have been completed. No impact to Matters of National Environmental Significance (MNES) occurred as a result of these incidents

21 The variance is due to delays in the EPBC referral and assessment process for the Sassafras Wesley Vale Irrigation Scheme Augmentation. The project remains on track for delivery of water as per the revised date

22 The Tamar Irrigation Scheme business case is expected to be completed early in the new financial year

Risk and 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 Management 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.

Key risks

Political

- Geopolitical impacts
- Bipartisan funding support
- Agreement on a model for financial sustainability of Tasmanian Irrigation
- Refresh of National Water Agreement
- Tasmanian GBE reform
- Tasmanian Government's efficiency focus

Economic

- Competing government budget priorities
- Rising supply chain costs: oil, bulk water and electricity
- US tariffs impacting our customers

Social

- Cost of living pressures
- Social license/land access
- Aboriginal engagement and participation

Technological

- Growing cyber risk
- Automation/efficiency through AI
- Technology-driven on-farm water efficiency

Environmental

- Long-term climate outlook
- Increasing competition for water
- Water quality/river health
- Loss of biodiversity and climate change-induced land changes

Legislative/Regulatory

- Community management policy
- Opportunity to supply industrial water
- Mandatory climate and sustainability reporting representing increasing societal expectations
- Changes to the EPBC Act

Corporate Governance

Tasmanian Irrigation is a statutory Company, formed under *the Irrigation Company Act 2001* and owned by the Tasmanian Government. Our Shareholder Ministers are the Treasurer and the Minister for Primary Industries and Water.

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

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

Principle One: Lay solid foundations for management and oversight

The Board is comprised of seven²³ independent Non-Executive Directors. The role and responsibilities of individual Directors are set out in their letters of appointment. As per the Board Charter, the key roles of the Board are to:

- Set the strategic direction of the Company, and appoint and review the performance of the Chief Executive Officer;

- Adopt stringent and appropriate processes for risk assessment and management;
- Ensure accountability to the Shareholders; and
- Appear before and respond to Parliamentary Scrutiny Committees if required.

The Board has adopted and adheres to a process for assessing overall Board performance and the performance of individual Directors and addressing issues that may emerge from those reviews. An annual Board performance evaluation is managed by the Company Secretary, and this process includes a performance evaluation for any Directors seeking reappointment. Key executive performance planning and review processes are undertaken each year to ensure alignment of Management's expectations with strategic objectives.

Principle Two: Structure the Board to add value

All Company Directors are independent Non-Executive Directors. The Board adopts a skills-based approach to Director recruitment and renewal, and Directors are appointed by the Shareholder Ministers based on their skills and experience, including experience or expertise in irrigation/agriculture, construction management, finance and corporate governance.

²³ Gene Phair and Andrew McShane were appointed to the Board in December 2024; Judith Lyne resigned from the Board on 13 June 2025

The Board is supported by two Committees. The Audit and Risk Committee oversees the external financial audit, internal audit program, reviews strategic risk identification, control actions and treatments, and monitors financial performance. The People, Culture, Safety and Remuneration Committee oversees workplace compliance, performance and culture, manages the annual review of Board performance, and works with the Chair and Board to set CEO targets and review performance.

Principle Three: Promote ethical and responsible decision making

The Board is committed to maintaining the highest ethical standards and complying with all applicable legislation, lawful directions from Shareholder Ministers and Company policies. Each Director is bound to uphold the Code of Conduct by exhibiting model performance, behaviour and conduct that is in line with the Code. Directors must promote the Code of Conduct and ensure that any potential breaches are taken seriously, identified and reported and acted upon appropriately.

The Code of Conduct sits within a holistic policy framework and is underpinned by other policies and procedures that articulate the expectation to act ethically and responsibly, as well as comply with legislative and regulatory obligations. These include the *Right to Information Act 2009* (the RTI Act); the *Public Interest Disclosures Act 2002* (the PID Act); the *Personal Information Protection Act 2004* (the PIP Act) and the *Integrity Commission Act 2009*.

Directors have an ongoing requirement to notify the Board of any material personal interest in any matter relating to the affairs of the Company. The Board, via the Company Secretary, maintains a register of declarations of interests, which is reviewed at each Board meeting and updated regularly. To the extent that there may be a conflict, this is managed appropriately in accordance with the Company's Conflict of Interest Policy.

Principle Four: Safeguard integrity in financial reporting

The Audit and Risk Committee assists the Board to discharge its duties in relation to its corporate and financial reporting processes, internal and external audit, and compliance. As per the Committee Charter, the Committee must meet at least three times a year.

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

Tasmanian Irrigation's Constitution provides that the Company is required to use the Tasmanian Auditor-General for its external audit. Members confirm the appointment of the external auditor at each Annual General Meeting. The auditor is invited to attend the Annual General Meeting to discuss any issues directly with Members. In accordance with good practice, the Committee may meet with the external auditor without Management present.

Tasmanian Irrigation's Annual Report is provided to the Shareholder Ministers by mid-October each year. The Report is tabled in each House of the Tasmanian Parliament and is subject to the scrutiny of all Members of Parliament and the community.

Principle Five: Make timely and balanced disclosure

Tasmanian Irrigation is not a listed Company and is not required to comply with the Australian Stock Exchange Listing Rule regarding disclosure requirements. However, as a State-Owned Company, it is required by legislation and its Constitution to communicate with its Shareholder Ministers and others, via regular reporting and other means of communication as necessary.

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

informed. If the Directors at any time form the opinion that matters have arisen that may prevent, or significantly affect, achievement of the objectives, strategies, policies or financial targets of Tasmanian Irrigation, the Chair or CEO promptly notify the Shareholder Ministers. This occurs via the routine of meetings with the Ministers. The Chair and the CEO meet with the Minister for Primary Industries and Water after each Board meeting.

Details about disclosures made under the RTI Act, the PID Act and the PIP Act²⁴, if any, are detailed in this Annual Report on page 56 and page 57.

Principle Six: Respect the rights of Shareholders

Tasmanian Irrigation's Constitution specifies the rights and powers of the Shareholder Ministers. The Board has procedures for communication with Shareholder Ministers to ensure they have timely access to information about the Company, including its financial situation, performance, governance and any sensitive matters about which they need to be aware.

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

²⁴ Right to Information Act, Public Interest Disclosures Act, Personal Information Protection Act



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

Principle Seven: Recognise and manage risk

The Board is committed to ensuring that Tasmanian Irrigation effectively manages its strategic, financial, operational, reputational and emergency risks. The Board also ensures that an effective system of risk management and internal control operates within the Company, and regularly monitors the performance of that system.

The Board has set a risk appetite and risk tolerance consistent with its readiness to bear risk in order to meet its strategic objectives. The Company's Enterprise Risk Management Framework, based on AS/NZS ISO 31000:2015, is approved by the Board.

Management discuss and review emerging and actual risks in the Company's external and internal environment and use this analysis to make decisions and agree on risk mitigation plans. Management report on risk and risk management to the Board.

The Board discharges its duties by reviewing the reports provided by Management, monitoring the strength and reliability of the Enterprise Risk Management Framework and assessing the status of risk within Tasmanian Irrigation. A formal risk assessment process, to document the organisational strategic risk profile, has been undertaken and this profile is subject to annual review by the Audit and Risk Committee and the Board.

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

Principle Eight: Remunerate fairly and responsibly

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

- Compliance with State and Federal employment and workplace safety requirements;
- Remuneration, and training and development opportunities for staff; and
- Alignment of people, culture, safety and remuneration practices with Tasmanian Irrigation's vision, values and strategic objectives.

Tasmanian Irrigation's Remuneration Policy guides remuneration increases for all eligible employees based upon performance as measured against agreed performance targets. The PCSRC also recommends the annual budget for remuneration adjustments to the Board, which includes adherence to the Government's requirements regarding executive remuneration.



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. One disclosure of public interest was made to Tasmanian Irrigation during the year;
- c. One disclosure of public interest disclosure 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.

Overseas travel

No overseas travel funded by Tasmanian Irrigation, or for purposes related to Tasmanian Irrigation, was undertaken by any employees or Directors in FY2024/25 or the previous financial year.

Remuneration

Tasmanian Irrigation has provided a detailed remuneration report for key management personnel from page 95 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 FY2024/25, Tasmanian Irrigation received and responded to one Right to Information request.

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

Personal Information Protection

Tasmanian Irrigation is subject to the *Personal Information Protection Act 2004*, which prescribes personal information protection principles for Tasmania. Tasmanian Irrigation values and respects the privacy of all personal and sensitive information.

No Personal Information Protection complaints were received by the Company during FY2024/25.

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.

One gift was accepted in the form of a sit-down dinner to the value of \$130, received in October 2024. No other gifts were accepted in 2024/25.

Superannuation

Chief Executive Officer Mike 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, Contractors, 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	2024/25	2023/24	2022/23
% of purchases from Tasmanian businesses	94.34%	94.07%	95.06%
Value of purchases from Tasmanian businesses	\$107,007,501	\$55,460,476	\$62,111,261

Contractors

A "Contractor" is defined as a separate individual entity engaged under a contract to provide products, goods and/or services to Tasmanian Irrigation.

Contract/works package valued over \$2 million	Procurement method	Buy local policy applied	Tender awarded to	State
Northern Midlands Poatina Buffer Dam	Open Tender	Yes	Hazell Bros Group Pty Ltd	TAS

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 2025 include:

Consultant	Location	Description	Amount
GHD	TAS	Design and engineering	2,760,547
Pinion Advisory Pty Ltd	TAS	Agribusiness consulting & project advisory	1,071,214
Blue Tier Consulting	TAS	Construction professional services	467,500
Sugden & Gee Pty Ltd	TAS	Project management	388,388
Wild Island Consulting	TAS	Project management	348,046
Enviro Dynamics	TAS	Environmental consultant	305,347
North Barker Ecosystem Services	TAS	Environmental consultant	301,965
CDL Environmental Pty Ltd	TAS	Environmental consultant	283,846
IT Resourcing	TAS	Outsourced IT services	275,532
Marsden Jacob Associates	VIC	Business case and strategy advisory	170,879
Elgin Associates	TAS	Environmental consultants	155,272
Vistra Australia Pty Ltd	NSW	Company Secretary	133,991
Committo Pty Ltd	TAS	Outsourced IT services	108,923
Chapman Executive	TAS	Board & Executive Recruitment	97,034
Pitt & Sherry	TAS	Design and engineering	72,836
Shields Heritage Firm & Trust	TAS	Legal consultant	70,281
PDA Surveyors	TAS	Deformation surveys	68,370
KPMG	VIC	Internal audit services	55,645
HWL Ebsworth Lawyers	VIC	Legal review and advice	52,666
GYST Consulting Pty Ltd	QLD	Training and development	50,300
Entura	TAS	Dam surveillance training	50,298
Other consultants		19 consultants under \$50,000	414,322
TOTAL			7,703,202

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

Payment of accounts

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	2024/25	2023/24	2022/23
Creditor days	9.60	17.76	12.67
Number of accounts due for payment	3,635	3,620	3,294
Number (%) of accounts paid on time	3,357 (92%)	3,562 (98%)	3,224 (98%)
Amount due for payment	108,741,582	58,593,623	65,340,108
Amount paid on time	105,377,306	58,622,706	61,424,497
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.

Financial Report

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Directors' Report

For the year ended 30 June 2025

The Directors present their report, together with the financial report of Tasmanian Irrigation Proprietary Limited ("the Company"), for the financial year ended 30 June 2025 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 2022 Term to: AGM ¹ 2025	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 Current Term Commencement Date: 5 December 2024 Resigned: 13 June 2025	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 2022 Term to: AGM 2025	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
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

¹ Annual General Meeting (AGM)

Directors' Report

For the year ended 30 June 2025

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 2025 include:

Director	Board Meetings		Audit and Risk Committee		People, Culture, Safety and Remuneration Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Kate Vinot	10	11	1	0	4	4
Laura McBain	10	11	4	5	4	4
Poppy Lyne	10	11	1	0	4	4
Hugh McKenzie	10	11	5	5	0	0
Mike Paine	11	11	5	5	1	0
Andrew McShane	5	5	2	2	1	0
Gene Phair	5	5	0	0	2	2

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 2024/25 financial year was 93,610 megalitres (ML), compared with record delivery of 100,593 ML in the previous financial year. The exceptionally high delivery figure for 2023/24 was as a result of dry climatic conditions, which eased somewhat during the current irrigation season, and the additional capacity added from the commissioning of the Don Irrigation Scheme. This year's delivery figure still represents high demand for water (the three-year average from 2021 to 2024 is 72,900 ML) and includes the additional volume available for delivery through completion of the Greater Meander Irrigation Scheme Augmentation.

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 community management of publicly owned irrigation schemes, where feasible and appropriate.

Highlights of the year include:

- The announcement of Federal Government funding to progress the Greater South East Irrigation Scheme;
- Commencement of construction of the Northern Midlands Irrigation Scheme, with more than 50 per cent of pipeline installed by 30 June 2025;
- Progressing the permits and approval process for the Sassafras Wesley Vale Irrigation Scheme Augmentation;
- Celebrating the completion of the Greater Meander Irrigation Scheme Augmentation, increasing the capacity of the scheme by approximately 40 per cent;
- During the year a CEO has retired, and a new CEO has been appointed;
- Completion of eight solar array installations at multiple sites, under the Energy on Farms project. These installations reduce scheme energy costs and reliance on the national electricity grid and result in savings passed through to irrigators;
- Securing funding for, and progressing work on, a business case for a combined agricultural and industrial water project through the Tamar Irrigation Scheme;

Directors' Report

For the year ended 30 June 2025

3. Operating and financial review (continued)

- Continuing the development and implementation of the Tasmanian Government's community management legislation under the *Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Act 2023*, and
- Progressing a project to identify and make available to irrigators all available water remaining on Tranche One and Two irrigation schemes. Selling water identified through this process also reduces the Company's debt associated with carrying the unsold water on our books.

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 set out on page 74 of this Annual Report. The Company's net result was a loss of \$71,501,591 after impairment of non-current assets of \$89,186,670 (2024: loss of \$474,206 after impairment of \$6,760,802 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 the Northern Midlands Irrigation Scheme's capital works and the Greater Meander Irrigation Scheme Augmentation, which was completed in the year.

The Company's underlying performance, excluding the sale of water entitlements and the impairment of non-current assets, was a surplus of \$1,894,179 (2024: surplus of \$1,070,001). This surplus was largely due to high water usage during the year. Whilst 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 2025	30 June 2024
Profit / (loss) from continuing operations		(71,501,591)	(474,206)
Revenue from sale of water entitlements	B2	(15,790,900)	(5,216,595)
Impairment expense for property, plant and equipment	B5	89,186,670	6,760,802
Underlying profit / (loss) from continuing operations		1,894,179	1,070,001

4. Environmental regulations

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

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

The Company recorded five non-conformances of the Environment Protection Biodiversity Conservation permit relating to the construction of the Northern Midlands Irrigation Scheme. The Company self-reported these to the Department of Climate Change, Energy, the Environment and Water, and applied corrective measures. No fines or enforcement actions were issued. The Company ensures the necessary systems and processes are in place to monitor and manage compliance.

Directors' Report

For the year ended 30 June 2025

5. Dividends

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

6. Events subsequent to reporting date

There were no significant events subsequent to reporting date.

7. Directors' interests

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

8. Indemnification and insurance of officers

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

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

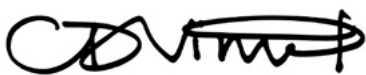
9. Compliance with Guidelines for Tasmanian Government Business

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

10. Auditor's independence declaration

The Auditor's independence declaration forms part of the Directors' Report for the financial year ended 30 June 2025.

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



Kate Vinot
Chair

Dated this 25th day of August 2025

Directors' Declaration

For the Year Ended 30 June 2025

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

- a. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date
 - ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- c. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2025; 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 this 25th day of August 2025

Auditor's Independence Declaration

For the Year Ended 30 June 2025



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

25 August 2025

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 2025, 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 Audit Report

For the Year Ended 30 June 2025



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 Tasmanian Irrigation Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2025 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 2025 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*, was provided to the directors on the same date as this auditor's report and is included in the Directors' Report.

Independent Audit Report

For the Year Ended 30 June 2025

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Accuracy of impairment of land and buildings, dams, water infrastructure assets and capital work in progress <i>Refer to note B5</i>	
The carrying amount of the Company's land and buildings, dams, water infrastructure assets and capital work in progress measured at cost, totalled \$73.38 million at 30 June 2025. Each year, management performs an assessment to determine whether there are any indicators these assets may be impaired. The annual assessment resulted in an impairment expense of \$89.19 million, reducing the value of these assets to their estimated recoverable amount, as represented by the value of unsold water entitlements and projected electricity generation revenues. Impairment tests required significant audit attention as they are complex and subject to significant management judgement and estimation, which included estimating the quantity and timing of future water right sales and applying an appropriate discount rate to future cash flows.	• Evaluated management's assessment of impairment. • Assessed the reasonableness and relevance of the key inputs and assumptions used in management's calculations. • Assessed the appropriateness of the inflation rates and discount rates used to calculate the present value of future cash flows. • Reconciled input data to supporting evidence, including the water entitlements register. • Checked the calculations for mathematical accuracy. • Evaluated disclosures in the notes to the financial report for compliance with Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2025, 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.

Independent Audit Report

For the Year Ended 30 June 2025

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

Independent Audit Report

For the Year Ended 30 June 2025

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

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

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

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



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

25 August 2025
Hobart

Statement of Financial Position

For the Year Ended 30 June 2025

	Note	30 June 2025	30 June 2024
Assets			
Cash and cash equivalents	C1	15,030,634	13,019,922
Trade and other receivables	C2	6,544,562	6,253,639
Contract asset	C3	1,000,000	1,000,000
Inventories	C4	662,569	655,888
Prepayments		711,919	652,421
Total current assets		23,949,684	21,581,870
Property, plant and equipment	B5	75,500,013	67,031,449
Total non-current assets		75,500,013	67,031,449
Total assets		99,449,697	88,613,319
Liabilities			
Trade and other payables	C5	15,121,206	10,089,830
Loans and borrowings	E1	31,028,388	9,782,032
Leases		53,172	160,645
Employee benefits	D3	1,013,913	920,447
Deferred grant income	C6	2,225,117	1,262,776
Contract liability	C7	7,302,131	8,784,342
Total current liabilities		56,743,927	31,000,072
Loans and borrowings	E1	-	9,000,000
Leases		-	53,172
Employee benefits	D3	391,824	346,294
Deferred grant income	C6	1,873,603	3,342,992
Contract liability	C7	9,391,129	9,074,799
Total non-current liabilities		11,656,556	21,817,257
Total liabilities		68,400,483	52,817,329
Net assets		31,049,214	35,795,990
Equity			
Issued capital	E3	467,532,007	400,777,192
Retained earnings / (accumulated losses)		(436,482,793)	(364,981,202)
Total equity		31,049,214	35,795,990

The notes on pages 78 to 110 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

	Note	30 June 2025	30 June 2024
Continuing operations			
Revenue from contracts with customers	B2	35,576,285	25,499,892
Government grants	B3	6,602,420	5,756,386
Other income	B3	255,722	223,309
Finance income	B3	172,078	219,115
Total revenue		42,606,505	31,698,702
Depreciation and amortisation	B5	(589,437)	(604,472)
Employee benefits	B4	(7,271,948)	(6,484,227)
Impairment loss – trade receivables		73,481	(146,993)
Impairment expense – land, dams and water infrastructure	B5	(89,186,670)	(6,760,802)
Write-off – construction project inventory		-	-
Write-off – loan receivables		-	-
Operations and maintenance expenses	B4	(12,553,760)	(13,580,381)
Pre-feasibility and feasibility costs for Tranche Three and future irrigation projects		(1,456,543)	(1,732,625)
Administrative expenses	B4	(2,031,550)	(1,682,783)
Finance costs	E2	(1,091,669)	(1,180,625)
Total expenses		(114,108,096)	(32,172,908)
Profit / (loss) from continuing operations		(71,501,591)	(474,206)
Tax (expense) benefit	F2	-	-
Profit (loss) for the year after tax before comprehensive income		(71,501,591)	(474,206)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit (loss) for the year		(71,501,591)	(474,206)

The notes on pages 78 to 110 are an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2025

	Note	Attributable to owners of the Company			
		Issued capital		Retained earnings (accumulated losses)	Total equity
		Share capital	Equity contributions		
Balance at 1 July 2023		2	358,000,775	(364,506,996)	(6,506,219)
Total comprehensive income for the year					
Profit or loss		-	-	(474,206)	(474,206)
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(474,206)	(474,206)
Transactions with owners, recorded directly in equity					
Equity contributions from Government	E3	-	42,776,415	-	42,776,415
Total contributions by and distributions to owners of the Company		-	42,776,415	-	42,776,415
Balance at 30 June 2024		2	400,777,190	(364,981,202)	35,795,990
Total comprehensive income for the year					
Profit or loss		-	-	(71,501,591)	(71,501,591)
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(71,501,591)	(71,501,591)
Transactions with owners, recorded directly in equity					
Equity contributions from Government	E3	-	66,754,815	-	66,754,815
Total contributions by and distributions to owners of the Company		-	66,754,815	-	66,754,815
Balance at 30 June 2025		2	467,532,005	(436,482,793)	31,049,214

The notes on pages 78 to 110 are an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	30 June 2025	30 June 2024
Cash flows from operating activities			
Cash receipts from customers		29,653,538	22,084,967
Cash receipts from Government grants		6,095,371	9,238,796
Cash paid to suppliers and employees		(33,304,358)	(24,629,703)
Cash generated from (used in) operations		2,444,551	6,694,060
Interest received		172,078	219,115
Payment of interest and guarantee fees on borrowings		(1,042,963)	(1,214,027)
Net cash from (used in) operating activities	C1	1,573,666	5,699,148
Cash flows from investing activities			
Cash receipts from water entitlements		14,332,601	8,487,419
Proceeds from sale of property, plant and equipment		213,212	355,856
Payments for property, plant and equipment		(92,949,293)	(43,520,667)
Net cash used in investing activities		(78,403,480)	(34,677,392)
Cash flows from financing activities			
Equity contributions from Government		66,754,815	42,776,415
Repayment of borrowings		(228,845)	(14,724,902)
Repayment of lease liabilities		(160,645)	(230,782)
Proceeds from borrowings		12,475,201	1,352,978
Net cash from financing activities		78,840,526	29,173,709
Net increase / (decrease) in cash and cash equivalents		2,010,712	195,465
Cash and cash equivalents at 1 July		13,019,922	12,824,457
Cash and cash equivalents at 30 June	C1	15,030,634	13,019,922

The notes on pages 78 to 110 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 | A4. Material accounting policies |
| A2. Basis of preparation | A5. Adoption of new Accounting Standards and |
| A3. Government dependency | Pending Accounting Standards |

A1 Reporting entity

Tasmanian Irrigation Proprietary Limited (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is 1/3 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 25 August 2025.

(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.

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.

Notes to the Financial Statements

A3 Government dependency (continued)

The table below shows the contributions received in the 2024/25 financial year.

	2025	2024
Capital projects – included in equity	66,754,815	42,776,415
Program Development and Delivery overheads and business case development – included in income	5,309,281	5,422,238
Contributions for operating activities – included as income	1,293,139	334,148
Total State and Federal Government contributions	73,357,235	48,532,801

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:

- The Tasmanian Government expects the Company to continue operating as a State-Owned Company and perform its functions given the substantial support and investment the Government has provided;
- The Company produces an annual corporate planning document to the Shareholding Ministers detailing the Company's strategic objectives for the next four financial years, including the forecasted financial statements. In September 2024, the Shareholding Ministers wrote to the Company endorsing the strategic direction covering the period 2024/25 to 2027/28. The most recent Corporate Plan, covering the period 2025/26 to 2028/29, was submitted in late May 2025 with feedback and approval expected in the coming months;
- 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. The loan facility was recently increased from \$68.2 million to \$120 million to provide adequate coverage for the forecasted Tranche Three project borrowings spanning the going concern assessment period (12 months after the date of this report);
- 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;
- The *Irrigation Clauses Act 1973* and associated legislation allows 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 amended Accounting Standards applied and have been adopted by the Company for the first time in this financial report. These amended Accounting Standards have not had a material impact on the recognition and measurement of transactions or disclosures in the financial report.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2025 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 to be incorporated by Tasmanian Irrigation are 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 | B4. Expenses |
| B2. Revenue from contracts with customers | B5. Property, plant and equipment |
| B3. Other income | |

B1 Operating segments

Identification of reportable segments

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

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are regularly reviewed by the Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

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

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

Water Delivery – The Company owns and manages the Water Delivery operations of 19 irrigation schemes, owns the infrastructure of one locally-managed irrigation scheme, as well as managing the Togari Water Supply Scheme, two river improvement schemes, one drainage scheme and two standalone dams. The Company operates the 2 mega watt (MW) 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.

Notes to the Financial Statements

B1 Operating segments (continued)

Information related to each reportable segment is set out below:

Year ended 30 June 2025	Water Delivery	Program Development and Delivery	Total
External revenue	20,213,185	22,393,320	42,606,505
Segment revenue	20,213,185	22,393,320	42,606,505
Segment profit / (loss) before tax	1,436,229	(72,937,820)	(71,501,591)
Interest income	172,078	-	172,078
Interest expense	(3,309)	(865,194)	(868,503)
Depreciation and amortisation	(461,051)	(128,386)	(589,437)
Other material non-cash items:			
- impairment of property, plant and equipment	(675,519)	(88,511,151)	(89,186,670)

Year ended 30 June 2024	Water Delivery	Program Development and Delivery	Total
External revenue	20,725,721	10,972,981	31,698,702
Segment revenue	20,725,721	10,972,981	31,698,702
Segment profit / (loss) before tax	1,757,259	(2,231,465)	(474,206)
Interest income	219,115	-	219,115
Interest expense	(389,569)	(584,486)	(974,055)
Depreciation and amortisation	(551,840)	(52,632)	(604,472)
Other material non-cash items:			
- impairment of property, plant and equipment	-	(6,760,802)	(6,760,802)

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

	2025	2024
Irrigation fees		
Irrigation water charges	13,450,324	14,060,987
Renewable energy generation		
Electricity generation	2,049,649	2,747,813
Renewable Energy Certificates	1,992,273	1,971,655
	4,041,922	4,719,468
Water entitlement revenue		
Don Irrigation Scheme	7,400	5,150,005
Scottsdale Irrigation Scheme	61,100	46,200
Upper Ringarooma Irrigation Scheme	295,000	20,390
Duck Irrigation Scheme	108,750	-
Greater Meander Irrigation Scheme	15,318,650	-
	15,790,900	5,216,595
Asset Renewal Levy	2,293,139	1,502,842
Total revenue from contracts with customers	35,576,285	25,499,892

Performance obligations and revenue recognition policies

Revenue is measured based on consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

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

Notes to the Financial Statements

B2 Revenue from contracts with customers (continued)

Performance obligations and revenue recognition policies (continued)

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

B3 Other income

	2025	2024
Government grants		
Grants received for operational funding	1,293,139	334,148
Grants received for business case development and Program Development and Delivery overheads	5,309,281	5,422,238
	6,602,420	5,756,386
Finance income		
Interest income on cash funds invested	172,078	219,115
	172,078	219,115
Other income		
Gain on sale of non-current assets	86,940	148,974
External services	19,386	14,760
Other	149,396	59,575
	255,722	223,309
Total other income	7,030,220	6,198,810

Notes to the Financial Statements

B3 Other income (continued)

Recognition and measurement

Finance income

Finance income comprises interest income on cash funds invested.

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

Revenues from Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as income in the same periods in which the expenses are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset unless they have been designated as an equity contribution by the State Treasurer. Where this occurs, the funding is allocated directly to "equity contributions" and reflected in the Statement of Changes in Equity.

B4 Expenses

	Note	2025	2024
Employee benefits			
Salaries and wages		9,609,335	7,909,624
Superannuation		1,109,719	871,752
Other employee entitlements		829,257	838,947
		11,548,311	9,620,323
Less: capitalised in work in progress		(3,477,688)	(2,457,706)
Less: allocated to pre-feasibility costs		(798,675)	(678,390)
		7,271,948	6,484,227
Operations and maintenance expenses			
Contractors and consultants		492,259	1,144,155
Maintenance		2,585,595	1,967,255
Water purchases		4,764,568	5,999,007
Power charges		2,632,942	2,512,043
Rates, land tax and insurances		891,445	933,121
Other operations and maintenance expenses		1,186,951	1,024,800
		12,553,760	13,580,381
Administration expenses			
External audit and review of the financial statements by Auditor General of Tasmania		64,000	59,000
Internal audit fees		55,645	39,449
Advertising and promotion		22,426	13,670
Travel expenses (i)		94,263	91,039
Information technology and communication expenses		1,156,493	1,043,405
Training and professional development		157,681	156,279
Other administration expenses		481,042	279,941
		2,031,550	1,682,783

- (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.

Notes to the Financial Statements

B4 Expenses (continued)

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.

B5 Property, plant and equipment

	Note	Land and buildings	Dams	Water infrastructure	Other equipment	Capital work in progress	Total
Gross carrying amount							
Balance at 1 July 2023		3,592,038	108,392,115	328,578,786	2,661,092	62,008,605	505,232,636
Additions		3,688	-	137,700	1,034,910	42,682,552	43,858,850
Disposals		-	-	-	(587,184)	-	(587,184)
Transfers		-	-	48,112,619	-	(48,112,619)	-
Balance at 30 June 2024		3,595,726	108,392,115	376,829,105	3,108,818	56,578,538	548,504,302
Balance at 1 July 2024		3,595,726	108,392,115	376,829,105	3,108,818	56,578,538	548,504,302
Additions		18,456	43,950	702,327	1,361,717	96,364,485	98,490,934
Disposals		(876,777)	-	-	(422,447)	-	(1,299,224)
Transfers		136	3,153,308	26,248,749	(139)	(29,402,054)	-
Balance at 30 June 2025		2,737,541	111,589,373	403,780,181	4,047,949	123,540,969	645,696,013
Depreciation and impairment losses							
Balance at 1 July 2023		(3,284,623)	(107,707,836)	(320,724,162)	(1,790,735)	(40,902,181)	(474,409,537)
Depreciation for the year (i)		(173,512)	(2,974)	(114,050)	(392,281)	-	(682,817)
Impairment loss (ii)		-	-	(2,584,253)	-	(4,176,549)	(6,760,802)
Disposals		-	-	-	380,303	-	380,303
Transfers		-	-	(38,201,967)	-	38,201,967	-
Balance at 30 June 2024		(3,458,135)	(107,710,810)	(361,624,432)	(1,802,713)	(6,876,763)	(481,472,853)
Balance at 1 July 2024		(3,458,135)	(107,710,810)	(361,624,432)	(1,802,713)	(6,876,763)	(481,472,853)
Depreciation for the year (i)		(99,372)	(2,974)	(189,803)	(417,280)	-	(709,429)
Impairment loss (ii)		-	(50,825)	(9,108,255)	-	(80,027,590)	(89,186,670)
Disposals		876,777	-	-	296,175	-	1,172,952
Transfers		-	-	(7,283,603)	-	7,283,603	-
Balance at 30 June 2025		(2,680,730)	(107,764,609)	(378,206,093)	(1,923,818)	(79,620,750)	(570,196,000)
Carrying amounts							
at 1 July 2023		307,415	684,279	7,854,624	870,357	21,106,424	30,823,099
at 30 June 2024		137,591	681,305	15,204,673	1,306,105	49,701,775	67,031,449
at 30 June 2025		56,811	3,824,764	25,574,089	2,124,131	43,920,219	75,500,013

- (i) Total depreciation expense is \$709,429 (2024: \$682,817), of which \$119,992 (2024: \$78,345) is allocated to "pre-feasibility and feasibility costs" and "capital work in progress", leaving net depreciation of \$589,437 (2024: \$604,472) as disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Financial Statements

B5 Property, plant and equipment (continued)

(ii) The impairment loss consists of:

	Note	2025	2024
Impairment losses		(105,523,096)	(8,548,736)
Impairment reversals		16,336,426	1,787,934
Impairment loss in Statement of Profit or Loss and Other Comprehensive Income		(89,186,670)	(6,760,802)

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; and
- 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 2025, a net impairment expense of \$89,186,670 (2024: \$6,760,802) 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 Greater Meander Irrigation Scheme 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 | C5. Payables |
| C2. Receivables | C6. Deferred grant income |
| C3. Contract asset | C7. Contract liability |
| C4. Inventories | |

C1 Cash and cash equivalents

	2025	2024
Bank balances	14,148,403	12,238,844
Short-term investments at call with TasCorp	882,231	781,078
Cash and cash equivalents in the Statement of Cash Flows	15,030,634	13,019,922

(i) Recognition and measurement

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note E4.

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

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

	2025	2024
Cash flows from operating activities		
Profit (loss) for the period	(71,501,591)	(474,206)
Adjustments for:		
Depreciation and amortisation	709,429	682,816
Impairment of current assets	(73,481)	146,993
Impairment of non-current assets	89,186,670	6,760,802
Write-off of construction project inventory	-	-
Write-off of loans receivable	-	-
Sales of water entitlements recognised as investing activities	(14,332,601)	(8,487,419)
(Gain) loss on sale of non-current assets	(86,940)	(148,974)
	3,901,486	(1,519,988)
Change in trade and other receivables	(217,443)	(3,075,737)
Change in prepayments	(59,497)	(35,966)
Change in inventories	(6,680)	208,383
Change in contract assets	-	2,592,251
Change in trade and other payables	(510,268)	3,090,700
Change in provisions and employee benefits	138,997	102,056
Change in deferred grant income	(507,049)	890,160
Change in contract liability	(1,165,880)	3,447,289
Net cash provided by / (used in) operating activities	1,573,666	5,699,148

Notes to the Financial Statements

C1 Cash and cash equivalents (continued)**(iii) Restricted cash balances**

	2025	2024
Cash balances included in this total which are restricted for use in:		
Capital construction projects	-	-
Asset Renewal Levy expenditure *	11,076,319	10,480,050
Total	11,076,319	10,480,050

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

(iv) Reconciliation of liabilities arising from financing activities

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

	2025	2024
Balance at 1 July	18,995,849	32,597,804
Additional lease liabilities recognised in year	-	751
Changes from financing cash flows:		
Cash received from loans	12,475,201	1,352,978
Cash repayments of loans	(228,845)	(14,724,902)
Cash repayments of lease liabilities	(160,645)	(230,782)
Balance at 30 June	31,081,560	18,995,849

C2 Receivables

	2025	2024
Trade receivables (i)	3,370,775	3,824,442
Impairment of trade receivables	(141,899)	(215,380)
Goods and Services Tax receivable	1,150,016	499,555
Accrued income	2,165,670	2,145,022
Total	6,544,562	6,253,639

Notes to the Financial Statements

C2 Receivables (continued)

(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.

C3 Contract asset

	2025	2024
Accrued grant income	1,000,000	1,000,000

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

	2025	2024
Water stock on hand	294,393	287,712
Construction project inventory	368,176	368,176
Total inventory	662,569	655,888

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

	2025	2024
Trade payables	1,601,934	572,230
Accrued expenses	13,171,886	9,218,920
Interest payable	347,386	298,680
Total payables	15,121,206	10,089,830

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

	2025	2024
Current		
Net interest cover	789,289	292,098
Operational grants	-	9,067
Other grants	1,435,828	961,611
	2,225,117	1,262,776
Non-current		
Net interest cover	1,873,603	3,342,992

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

	2025	2024
Current		
Water entitlement deposits	5,567,823	7,327,234
Asset Renewal Levies	1,734,308	1,312,608
Asset Renewal Levies – self managed	-	144,500
Total	7,302,131	8,784,342
Non-current		
Asset Renewal Levies	8,508,898	7,461,402
Asset Renewal Levies – self managed	882,231	1,613,397
Total	9,391,129	9,074,799

(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

	2025	2024
Revenue recognised in the year from contract liabilities balance at the beginning of the period:		
Water entitlement sales	4,987,900	840,346
Asset Renewal Levies	2,293,138	1,502,842
Total	7,281,038	2,343,188

(iii) Asset Renewal Levies – by scheme

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

30 June 2025	Opening balance	Received or receivable	Recognised as revenue	Movement	Closing balance
Cressy Longford Irrigation Scheme	781,078	101,153	-	101,153	882,231
Dial Blythe Irrigation Scheme	329,258	52,619	(46,204)	6,415	335,673
Don Irrigation Scheme	292,092	320,395	(15,628)	304,767	596,859
Duck Irrigation Scheme	480,538	168,022	(131,984)	36,038	516,576
Great Forester Irrigation Scheme	85,455	21,925	(11,506)	10,419	95,874
Kindred North Motton Irrigation Scheme	66,120	96,573	(57,880)	38,693	104,813
Lower South Esk Irrigation Scheme	300,100	88,433	(46,180)	42,253	342,353
Greater Meander Irrigation Scheme	131,501	378,622	(303,140)	75,482	206,983
Midlands Irrigation Scheme	2,375,442	534,908	(609,727)	(74,819)	2,300,623
North Esk Irrigation Scheme	358,544	16,969	(90,670)	(73,701)	284,842
Sassafras Wesley Vale Irrigation Scheme	408,037	79,504	(41,193)	38,311	446,349
Scottsdale Irrigation Scheme	490,553	202,038	(67,147)	134,891	625,444
South East Irrigation Scheme (Stages 1-2)	133,618	89,411	(103,961)	(14,550)	119,067
South East Irrigation Scheme (Stage 3)	906,922	118,606	(63,852)	54,754	961,676
Southern Highlands Irrigation Scheme	761,918	35,649	(134,633)	(98,984)	662,934
Swan Valley Irrigation Scheme	355,377	143,615	(13,288)	130,327	485,704
Upper Ringarooma Irrigation Scheme	873,789	176,342	(55,718)	120,624	994,414
Whitemore Irrigation Scheme	424,748	103,608	(97,869)	5,739	430,488
Winnaleah Irrigation Scheme	976,818	158,275	(402,559)	(244,284)	732,534
Total	10,531,909	2,886,667	(2,293,139)	593,528	11,125,437

Notes to the Financial Statements

C7 Contract liability (continued)

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

30 June 2024	Opening balance	Received or receivable	Recognised as revenue	Movement	Closing balance
Cressy Longford Irrigation Scheme	710,658	70,420	-	70,420	781,078
Dial Blythe Irrigation Scheme	390,107	30,350	(91,200)	(60,850)	329,257
Don Irrigation Scheme	-	292,092	-	292,092	292,092
Duck Irrigation Scheme	374,129	149,444	(43,035)	106,409	480,538
Great Forester Irrigation Scheme	78,225	17,348	(10,118)	7,230	85,455
Kindred North Motton Irrigation Scheme	42,072	88,991	(64,943)	24,048	66,120
Lower South Esk Irrigation Scheme	249,950	71,035	(20,885)	50,150	300,100
Greater Meander Irrigation Scheme	82,633	260,908	(212,039)	48,869	131,502
Midlands Irrigation Scheme	2,140,515	543,896	(308,969)	234,927	2,375,442
North Esk Irrigation Scheme	364,811	17,514	(23,781)	(6,267)	358,544
Sassafras Wesley Vale Irrigation Scheme	356,619	77,643	(26,225)	51,418	408,037
Scottsdale Irrigation Scheme	357,615	174,050	(41,112)	132,938	490,553
South East Irrigation Scheme (Stages 1-2)	167,710	75,436	(109,528)	(34,092)	133,618
South East Irrigation Scheme (Stage 3)	884,589	125,596	(103,263)	22,333	906,922
Southern Highlands Irrigation Scheme	802,846	37,067	(77,995)	(40,928)	761,918
Swan Valley Irrigation Scheme	379,736	16,731	(41,090)	(24,359)	355,377
Upper Ringarooma Irrigation Scheme	725,458	156,331	(8,000)	148,331	873,789
Whitemore Irrigation Scheme	355,147	93,760	(24,159)	69,601	424,748
Winnaleah Irrigation Scheme	1,116,461	156,857	(296,499)	(139,642)	976,819
Total	9,579,280	2,455,469	(1,502,842)	952,628	10,531,909

(iv) Asset Renewal Levies – componential breakdown

	2025	2024
Cash held - scheme accounts	11,076,319	10,480,050
Outstanding debtors	49,118	51,859
Total	11,125,437	10,531,909

Notes to the Financial Statements

Section D – Employee benefits

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

- D1. Key management personnel D3. Employee provisions
D2. Employee benefits

D1 Key management personnel

Key management personnel compensation

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

	Director Remuneration		Executive Remuneration		Consolidated	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Short-term employee benefits	286,663	242,372	1,422,872	981,770	1,709,535	1,224,142
Post-employment benefits	32,966	26,684	161,417	108,051	194,383	134,735
Long-term employee benefits	-	-	(67,990)	9,671	(67,990)	9,671
Termination benefits	-	-	110,042	35,491	110,042	35,491
Total	319,629	269,056	1,626,341	1,134,983	1,945,970	1,404,039

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 2025.

Notes to the Financial Statements

D1 Key management personnel (continued)

Remuneration for the Board of Directors

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

Director Remuneration for Year ended 30 June 2025¹

Name	Position	Period	Director's Fees (\$)	Committee Fees (\$)	Other Benefits (\$)	Superannuation ² (\$)	Total (\$)
Non-Executive Directors:							
Ms Kate Vinot	Chair	Full year	75,560	-	-	8,689	84,249
Ms Laura McBain	Director	Full year	41,458	-	-	4,768	46,226
Ms Judith Lyne	Director	To: 13 June 2025	39,711	-	-	4,567	44,278
Mr Hugh McKenzie	Director	Full year	41,458	-	-	4,768	46,226
Mr Mike Paine	Director	Full year	41,458	-	-	4,768	46,226
Mr Gene Phair	Director	From: 5 December 2024	23,509	-	-	2,703	26,212
Mr Andrew McShane	Director	From: 5 December 2024	23,509	-	-	2,703	26,212
Total			286,663	-	-	32,966	319,629

See over for key to footnotes

Notes to the Financial Statements

D1 Key management personnel (continued)*Director Remuneration for Year ended 30 June 2024¹*

Name	Position	Period	Director's Fees (\$)	Committee Fees (\$)	Other Benefits (\$)	Superannuation ² (\$)	Total (\$)
Non-Executive Directors:							
Ms Kate Vinot	Chair	Full year	75,270	-	-	8,287	83,557
Ms Abigail Foley	Director	To: 14 September 2023	8,577	-	-	947	9,524
Ms Laura McBain	Director	Full year	41,299	-	-	4,547	45,846
Ms Judith Lyne	Director	Full year	41,299	-	-	4,547	45,846
Mr Hugh McKenzie	Director	Full year	41,299	-	-	4,547	45,846
Mr Mike Paine	Director	From: 30 August 2023	34,628	-	-	3,809	38,437
Total			242,372	-	-	26,684	269,056

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.

Notes to the Financial Statements

D1 Key management personnel (continued)

Executive Remuneration

Note that three executive roles have been included in the Key Management Personnel disclosure this year due to a realignment of roles and responsibilities, and to provide further transparency regarding senior executive remuneration. These are not new positions in the business and all three incumbents have continually been part of the broader leadership team.

Executive Remuneration for Year ended 30 June 2025 (see over for key to footnotes)

Name	Position	Period	Salary ¹ (\$)	Short-term incentive payments ² (\$)	Other monetary benefits ³ (\$)	Vehicle benefits ⁴ (\$)	Other non- monetary benefits ⁵ (\$)	Super- annuation ⁶ (\$)	Reported remun- eration ⁷ (\$)	Other long-term benefits ⁸ (\$)	Termin- ation benefits ⁹ (\$)	Total (\$)
Mr Andrew Kneebone	Chief Executive Officer	To 9 May 2025	305,388	-	-	5,855	440	35,509	347,192	(138,435)	110,042	318,799
Mr Michael Sylvester	Chief Executive Officer	From 3 March 2025	112,729	-	6,154	-	176	12,964	132,023	9,772	-	141,795
Mr Byron Fraser	Chief Financial Officer	Full Year	206,421	-	-	-	528	23,738	230,687	10,775	-	241,462
Mr David Skipper	Chief Operating Officer	Full Year	226,702	-	-	-	528	26,071	253,301	9,061	-	262,362
Ms Emma Connolly	General Counsel/ Company Secretary	From 10 June 2025	9,900	-	-	-	44	1,139	11,083	1,863	-	12,946
Mr Jacob Gerke	General Manager Program Development & Delivery	From 6 December 2024	139,179	-	-	8,077	308	16,006	163,570	12,035	-	175,605
Ms Sophie Grace	General Manager Environment, Health & Safety	Full Year	203,476	-	-	-	528	23,400	227,404	15,157	-	242,561
Ms Samantha Meyer	General Manager Stakeholder Relations & Communications	From 16 September 2024	156,184	-	-	-	-	17,961	174,145	11,782	-	185,927
Sub total			1,359,979	-	6,154	13,932	2,552	156,788	1,539,405	(67,990)	110,042	1,581,457
Acting arrangements Mr David Skipper	Acting Chief Executive Officer	9 September 2024 to 5 November 2024	23,455	-	16,800	-	-	4,629	44,884	-	-	44,884
Sub Total			23,455	-	16,800	-	-	4,629	44,884	-	-	44,884
Total			1,383,434	-	22,954	13,932	2,552	161,417	1,584,289	(67,990)	110,042	1,626,341

Notes to the Financial Statements

D1 Key management personnel (continued)

Executive Remuneration (continued)

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

Name	Position	Period	Salary ¹ (\$)	Short-term incentive payments ² (\$)	Other monetary benefits ³ (\$)	Vehicle benefits ⁴ (\$)	Other non- monetary benefits ⁵ (\$)	Super- annuation ⁶ (\$)	Reported remun- eration ⁷ (\$)	Other long-term benefits ⁸ (\$)	Termin- ation benefits ⁹ (\$)	Total (\$)
Mr Andrew Kneebone	Chief Executive Officer	Full year	337,895	-	-	21,372	528	39,734	399,529	80,808	-	480,337
Mr James Hipwood	Chief Financial Officer and Company Secretary	To 11 August 2023	24,600	-	-	-	88	2,726	27,414	(59,336)	35,491	3,569
Mr Byron Fraser	Chief Financial Officer and General Manager Commercial	From 28 August 2023	164,706	-	-	-	440	18,133	183,279	(2,838)	-	180,441
Mr David Skipper	Chief Operating Officer	Full year	222,426	-	-	-	528	24,489	247,443	(13,038)	-	234,405
Ms Sophie Grace	General Manager Environment, Health & Safety	Full year	178,824	-	-	-	528	19,687	199,039	4,075	-	203,114
Sub total			928,451	-	-	21,372	2,112	104,769	1,056,704	9,671	35,491	1,101,866
Acting arrangements	Acting Chief Executive Officer	6 July 2023 to 21 July 2023										
Mr David Skipper			17,766	-	4,800	-	-	2,482	25,048	-	-	25,048
Acting arrangements	Acting Chief Financial Officer	14 August 2023 to 25 August 2023										
Mr Byron Fraser			6,240	-	1,029	-	-	800	8,069	-	-	8,069
Sub Total			24,006	-	5,829	-	-	3,282	33,117	-	-	33,117
Total			952,457	-	5,829	21,372	2,112	108,051	1,089,821	9,671	35,491	1,134,983

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 include motor vehicle allowances, the personal use component of the total cost of providing and maintaining a vehicle for an Executive's use, including registration, insurance, fuel and other consumables, maintenance cost and parking (i.e. the notional value of parking provided at premises that are owned or leased) and the reportable fringe benefits amount referable to a vehicle

⁵ Other non-monetary benefits include all other benefits not included in the total remuneration package for the purpose of assessing compliance with the Remuneration Guidelines, including medical care, housing, free or subsidised goods or services and reportable fringe benefits. Only car parking benefits are paid by the Company

⁶ Superannuation means the contribution to the superannuation fund of the individual. All individuals are in accumulation funds and the contribution is measured as the amount of superannuation contributions paid and accrued

⁷ Reported remuneration includes the individual's salary, short-term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits and superannuation. For the purposes of assessing compliance with the Guidelines, other long-term employee benefits and termination benefits are not included in the reported remuneration amount

⁸ Other long-term benefits include movements in annual leave accruals and long service leave provisions

⁹ Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including leave entitlements paid out on termination

Notes to the Financial Statements

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 A Kneebone ceased employment effective 9 May 2025 and was paid \$110,042 representing 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.

During the current 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.

During the previous financial year, Mr David Skipper was appointed Acting Chief Executive Officer whilst Mr Andrew Kneebone was on leave in July 2023.

Furthermore, Mr Byron Fraser was appointed Acting Chief Financial Officer whilst recruitment was underway following Mr James Hipwood's departure from the Company in August 2023.

Notes to the Financial Statements

D1 Key management personnel (continued)

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 \$172,800 (2024: \$0) and the total amount paid for the supply of irrigation water was \$803,035 (2024: \$715,850).

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

	2025	2024
Provisions		
Long service leave	705,722	684,880
Annual leave	629,070	554,476
Other benefits	70,946	27,385
Total provisions	1,405,738	1,266,741
Current	1,013,913	920,447
Non-current	391,825	346,294

Notes to the Financial Statements

	2025	2024
Total provisions	1,405,738	1,266,741

D3 Employee provisions (continued)

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.

Notes to the Financial Statements

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 2025		30 June 2024	
	Nominal interest rate	Year of maturity	Fair value	Carrying amount	Fair value	Carrying amount
Secured loans – TasCorp	4.65% - 4.76%	2026	31,324,769	31,028,388	18,927,866	18,782,032

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 (2024: \$280,000), which is cleared out monthly. The Company also has a Bank Guarantee facility of \$310,000 (2024: \$310,000) of which none was utilised in the current or prior financial year.

E2 Finance costs

	2025	2024
Finance costs		
Interest on financial liabilities measured at amortised cost	865,166	965,634
Interest on lease liabilities	3,337	8,421
Guarantee fee	224,064	207,077
Collection costs	(898)	(507)
Total	1,091,669	1,180,625

Recognition and measurement

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

Notes to the Financial Statements

E3 Issued capital

	Ordinary shares	
	2025	2024
Share capital – ordinary shares on issue at 1 July and 30 June (i)	2	2
Equity contributions at 1 July	400,777,190	358,000,775
Government contributions (ii)	66,754,815	42,776,415
Equity contributions at 30 June	467,532,005	400,777,190
Total issued capital	467,532,007	400,777,192

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

E4 Capital and risk management

Financial risk management

Overview

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

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

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

Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure. The Company does not hold any collateral or other security. The maximum exposure to credit risk at the reporting date relates to trade receivables totalling \$3,228,876 (2024: \$3,609,062).

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 credit on financial assets was recognised in profit or loss during the period of \$73,481 (2024: impairment losses of \$146,993).

The Company held cash and cash equivalents of \$15,030,634 at 30 June 2025 (2024: \$13,019,922), 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 2025	Carrying amount	Contractual cash flows	1 month or less	1-3 months	3 months - 1 year	1-5 years	More than 5 years
Secured loans - TasCorp	31,028,388	31,028,388	22,028,388	-	9,000,000	-	-
Trade and other payables	15,121,206	15,121,206	15,121,206	-	-	-	-
Total	46,149,594	46,149,594	37,149,594	-	9,000,000	-	-

30 June 2024	Carrying amount	Contractual cash flows	1 month or less	1-3 months	3 months - 1 year	1-5 years	More than 5 years
Secured loans - TasCorp	18,782,032	18,782,032	9,782,032	-	-	9,000,000	-
Trade and other payables	10,089,830	10,089,830	10,089,830	-	-	-	-
Total	28,871,862	28,871,862	19,871,862	-	-	9,000,000	-

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 \$37,577 (2024: \$32,550).

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Company is reliant on Government funds and debt to cover construction funding shortfalls that occur due to the timing of the receipt of water entitlement funds, specifically, and the timing of construction expenditure generally. There were no changes in the Company's approach to capital management during the year.

Notes to the Financial Statements

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 2025	Within 1 year	Between 1 and 5 years	Total
Don Irrigation Scheme	41,522	-	41,522
Greater South East Irrigation Scheme	474,365	-	474,365
Greater Meander Irrigation Scheme Augmentation	15,734	138,109	153,843
Northern Midlands Irrigation Scheme	50,159,649	8,368,778	58,528,427
Sassafras Wesley Vale Irrigation Scheme Augmentation	75,265	-	75,265
Total	50,766,535	8,506,887	59,273,422

As at 30 June 2024	Within 1 year	Between 1 and 5 years	Total
Greater South East Irrigation Scheme	20,570	-	20,570
Greater Meander Irrigation Scheme Augmentation	3,795,288	-	3,795,288
Northern Midlands Irrigation Scheme	46,817,772	28,073,248	74,891,020
Sassafras Wesley Vale Irrigation Scheme Augmentation	41,998	-	41,998
Total	50,675,628	28,073,248	78,748,876

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

	2025	2024
Within 1 year	665,093	358,402
Between 1 and 5 years	286,144	538,959
5 years or more	-	-
Total	951,237	897,361

Notes to the Financial Statements

F2 Taxation

Current tax expense

	2025	2024
Origination and reversal of temporary differences		
Decrease (increase) in deferred tax asset	(20,072,047)	(9,310,939)
Increase (decrease) in deferred tax liability	2,168,939	9,238,308
Tax benefits not recognised	17,903,108	72,631
Adjustment for prior years	-	-
Total tax expense attributable to continuing operations	-	-

Numerical reconciliation between tax expense and pre-tax net profit

	2025	2024
Profit / (loss) from operations	(71,501,591)	(474,206)
Income tax expense calculated at 25%	(17,875,398)	(118,552)
Non-temporary items	3,192	3,103
Tax benefit (recognised) / not recognised	17,872,206	115,449
Income tax expense	-	-

Unrecognised deferred tax assets

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

	2025	2024
(Assessable) deductible temporary differences at 25%	(15,996,888)	(13,826,095)
Tax losses at 25%	124,373,080	104,299,179
Total	108,376,192	90,473,084

In addition to the above, deferred tax assets of \$11,952,575 (2024: \$11,952,575) were not recognised in respect of taxation losses that are potentially available to the Company upon the acquisition of assets from Rivers and Water Supply Commission in July 2012. Pursuant to a Private Ruling obtained from the Australian Taxation Office, these losses will be available subject to the application of an available fraction methodology based upon the value of the assets acquired.

Notes to the Financial Statements

F2 Taxation (continued)

Movement in deferred tax balances during the year

	Balance 1 July 2024	Recognised in profit or loss	Tax benefit derecognised	Balance 30 June 2025	Opening balance not recognised 1 July 2024	Current year movement not recognised	Total tax benefit derecognised at 30 June 2025
Property, plant and equipment	-	(2,168,939)	2,168,939	-	(14,201,390)	(2,168,939)	(16,370,329)
Other	-	(1,854)	1,854	-	375,295	(1,854)	373,441
Tax loss carry- forwards	-	20,073,901	(20,073,901)	-	104,299,179	20,073,901	124,373,080
Total	-	17,903,108	(17,903,108)	-	90,473,084	17,903,108	108,376,192

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

Recognition and measurement

Current and deferred tax

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

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

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

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

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

Notes to the Financial Statements

F2 Taxation (continued)

Goods and Services Tax

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

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

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

Tasmanian
Irrigation