



Tasmanian
Irrigation

2020
2021

Annual Report



Tasmanian Irrigation Values

Integrity

Collaboration and Communication

Safety and Wellbeing

Innovation and Optimisation

Sustainability

Tasmanian Irrigation Pty Ltd

ABN 95 722 799 075

Tasmanian Irrigation 2020/21 Annual Report

Published October 2021

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

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Our Story

Tasmanian Irrigation Pty Ltd is a recognised economic enabler that owns, operates, designs and develops irrigation schemes to deliver high-surety irrigation water to Tasmanian landowners.

A State-owned Company, Tasmanian Irrigation is renowned for its proven ability to reliably and cost effectively deliver water, as well as complex infrastructure projects, to enable farmers to expand, diversify and value add their agricultural businesses.

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

Since Tasmanian Irrigation was established in 2008, the Company has taken over management of a range of inherited assets, including dams, irrigation schemes and river works, constructed 15 new irrigation projects, progressed a further five projects and commenced planning on another five schemes.

Tasmanian Irrigation now oversees 25,000 individual infrastructure assets with a replacement value of approximately \$500 million across 18 operational schemes, and has the capacity to deliver more than 133,000 megalitres of irrigation water each year.

By 2025, Tasmanian Irrigation will manage a portfolio of irrigation infrastructure valued at more than \$680 million, capable of delivering 194,395 megalitres of water via 1,451 km of pipeline, 55 power stations, 24 dams and three power stations.

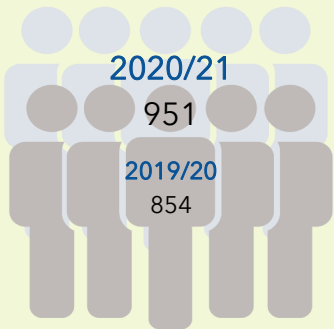
All schemes developed and operated by Tasmanian Irrigation are economically viable, environmentally sustainable, have strong community endorsement, are designed to last at least 100 years and deliver water at an average reliability of more than 95 per cent per annum.

The Company also works in partnership with irrigators to facilitate local community management of each irrigation scheme within the limits of the current legislative framework.

Highlights

Number of Irrigators
Served

11%
increase



Environmental
Incidents

2020/21

0



Post Construction Water
Entitlement Sales

192% above target



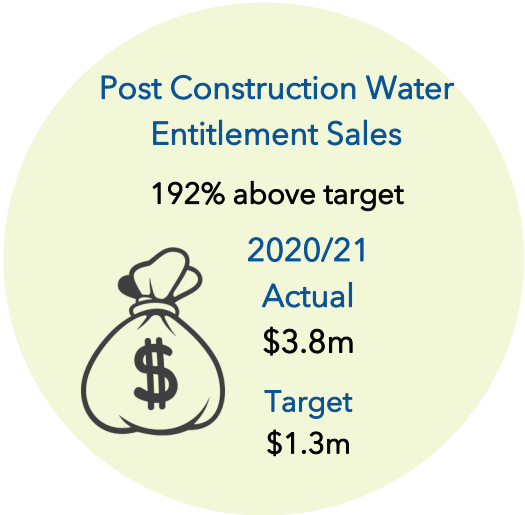
2020/21

Actual

\$3.8m

Target

\$1.3m



Northern Midlands
Water Sales

Record 25,500 ML



Safety Breaches

2020/21

0



Chairman's Report



One of Tasmanian Irrigation's proudest achievements is the high level of understanding amongst the State's farmers about the sustainable benefits of high-surety irrigation water to individual businesses, communities and the whole of Tasmania.

When Tasmanian Irrigation was established in 2008, it took considerable effort to convince some districts that an irrigation scheme would be a game-changing investment.

Don is a case in point. When an irrigation project was first mooted for Don in 2010, there wasn't sufficient interest to proceed. Now, we are about to start construction of a 4,750 ML scheme to deliver water to farmers in the Don, Lillico, Forth, Forthside, Melrose, Lower Barrington, Barrington, Sheffield and West Kentish areas.

The Northern Midlands Irrigation Scheme was initially scoped on an 8,000 ML capacity. Now, planning and approvals are underway for a 25,500 ML scheme after farmers south of Cressy contracted almost twice the forecast demand for this Tranche Three project.

And the South East Integration Project, incorporating the existing South East Stages One, Two and Three Schemes, as

well as new demand, is being designed to deliver 35,500 ML of irrigation water.

This unprecedented demand for new projects reflects the great work of the Tasmanian Irrigation team to deliver water reliably and cost effectively to more than 1,000 farmers each year, who in turn spread positive word about the benefits of Tasmanian Irrigation water.

In the past decade, Tasmanian Irrigation has constructed 15 irrigation schemes around the State and delivered in excess of 440,000 megalitres (ML) of water to enable farmers to expand, diversify and increase the capital value of their land.

This irrigation water has seen traditional grazing land converted to high-value crops, additional berry tunnels established, hundreds of hectares of wine grapes planted, production figures boosted, livestock carrying capacities increased, new technology adopted and more people employed in Tasmania's agricultural industries.

We never underestimate - but are extremely grateful - for this level of commitment and investment from Tasmanian farmers, as well as the Tasmanian and Australian Governments.

I sincerely thank the Tasmanian Government for increasing its Tranche Three funding by \$23.7 million to \$108.7 million this year.

There is a great deal of business planning that underpins the financial decision to purchase water entitlements, as well as the added investment in on-farm irrigation infrastructure.

As Campbell Town farmer Angus Lyne said about the Northern Midlands Irrigation Scheme:

“With our investment in irrigation infrastructure under our previous water resource, it meant we had a high cost of production model so dry seasons were a major risk. We invested into irrigation schemes to give us more surety and avoid big financial losses in low rainfall years. Tasmanian Irrigation water will hopefully be the backbone of this security to maintain and expand our cropping rotations and stock numbers. Our water investment to date has allowed us to increase our cash flows and capital values, strengthening our balance sheet and allowing us access to further capital.”

I sincerely thank our Shareholder Ministers, the Hon. Peter Gutwein and the Hon. Guy Barnett, for their ongoing commitment to irrigation water delivery and scheme development.

I also acknowledge my fellow Board Directors, and again extend a heartfelt tribute to former Tasmanian Irrigation Director Michael Chilvers, who died earlier this year. Michael was a true champion of Tasmanian farmers and progressive agriculture, and is sadly missed, not only around the Tasmanian Irrigation Board table, but also by his family, friends and so many people around the world that he touched with his energy, passion and determination.

The Board also extends its sincere gratitude to Chris Thompson, who was appointed to the Board in July 2018 and completed his term on 1 July this year. Chris’ extensive consulting experience in agribusiness developments, rural water resources management, irrigation systems and dam construction enabled him to bring another practical and professional voice to the Tasmanian Irrigation Board.

We thank Chris for his strategic expertise and dedication to the Company.

We also welcomed Abigail Foley to the Board during this reporting period, who brings 25 years of experience in leadership, strategic governance, stakeholder management and business development across the engineering, water and environmental sectors. Tasmanian Irrigation was recruiting a fifth Board Director at 30 June 2021.

I also thank Tasmanian Irrigation Chief Executive Officer Andrew Kneebone, the Senior Leadership Team and all employees for their dedication and steadfast approach to delivering water, managing assets, building new irrigation schemes, improving efficiencies and systems, and always working to assist the Tasmanian Government reach its target of increasing the farm-gate value of the State’s agricultural sector to \$10 billion a year by 2050.

Their resilience and determination to maintain business-as-usual in the challenging COVID environment is to be commended.

It is our privilege to manage both public and private funds to underpin economic prosperity in Tasmania.

Samantha Hogg
CHAIRMAN

Tasmanian Irrigation Vision

“To be recognised
as a leader in
working with
others to
sustainably grow
the Tasmanian
economy through
providing reliable,
cost effective
irrigation.”



CEO's Report



Tasmanian Irrigation is a proud economic enabler.

The 2020/21 financial year has seen record purchases of unsold water entitlements on existing schemes and a strong increase in demand for irrigation water across new projects, again proving the value that Tasmanian farmers place on reliable irrigation water.

With all dams around the State at or near capacity and more than \$1 million recently invested into asset replacement and repairs and maintenance across the 18 operational schemes, Tasmanian Irrigation is ideally positioned to continue to deliver irrigation water efficiently, cost effectively and compliantly.

This gives farmers high levels of confidence to invest, expand, value-add and diversify based on secure water allocations.

Due to the wet and warm spring, followed by a cooler summer, volumes delivered were down by approximately 34 per cent, compared to the record 87,469 megalitres (ML) of irrigation water delivered by Tasmanian Irrigation in 2019/20. However, the drier autumn months saw a spike in demand and many irrigators relied on their allocations at the end of the season to finish crops and pasture.

It is pleasing that the 3,380 ML Melrose Dam on the East Coast's Swan Valley Irrigation Scheme is at capacity for the first time. Craigbourne Dam, servicing the South East region, is also spilling.

The quieter water delivery season has enabled the Tasmanian Irrigation team to focus on repairs and maintenance, as well as developing asset management and maintenance systems and plans. The plans are designed to ensure the ongoing high reliability and cost-effective management of our asset base.

Tasmanian Irrigation now oversees 25,000 individual infrastructure assets with a replacement value of approximately \$500 million across the 18 operational schemes.

To meet the water delivery requirements of more than 1,000 irrigators across the State, Tasmanian Irrigation has developed an asset management system that forecasts future asset maintenance and renewals requirements and costs.

This information enables the Technical Support Services Team to define asset risks levels and expected future deterioration, striking a balance between over maintaining and under maintaining, and providing a solid basis for consultation with our irrigator communities.

Tasmanian Irrigation has also developed new water entitlement purchasing arrangements, such as deferred payment and lease-to-buy options, for unsold water entitlements on operational schemes, which resulted in total sales exceeding the target by 192 per cent. Demand from the Midlands, Upper Ringarooma and Scottsdale schemes saw more than \$3.8 million of unsold entitlements purchased, compared to the target of \$1.3 million.

Tasmanian Irrigation's Program Development and Delivery Team continues to work diligently to progress the Tranche Three program. New schemes at Don, Fingal, Tamar and Northern Midlands, as well as the augmentation of Sassafras Wesley Vale, remain on track to be completed by 2026. The current combined forecast capacity of these five projects is more than 61,000 ML.

Prefeasibility assessments and preliminary designs have also been progressed for the South East Integration, Southern Midlands and Gretna schemes.

The completion of the South East interconnect pipeline between Richmond and Tea Tree Road enabled irrigation water to flow from South East Stage Two to Stage Three, providing greater reliability for irrigators in this region last summer.

Thank you to the contractors and all landowners for their cooperation, ensuring the project was completed prior to Christmas and the peak demand period.

Tasmanian Irrigation sincerely thanks the Tasmanian State Government for increasing its commitment to the Tranche Three program to \$108.7 million, as well as the Australian Government for the \$4.7 million announced in the Federal Budget to develop a business case for the South East Integration Project. This project will deliver an alternate and reliable water source for farmers in this highly productive farming region.

Tasmanian Irrigation remains focused on reducing costs and strong financial management, ensuring it meets the expectations of its irrigators and its Shareholder Ministers.

Tasmanian Irrigation has a small but focused team that has again achieved outstanding results across water delivery, safety, asset management, design processes, reporting systems, dam safety, environmental compliance, project development and all other business units.

I again thank Tasmanian Irrigation's Board Directors, pay tribute to Michael Chilvers and his contribution to Tasmanian Irrigation and our rural sector, and extend my appreciation to our Shareholder Ministers.

Tasmanian Irrigation looks forward to continuing to work closely with its irrigators and all other stakeholders who share our passion for sustainably growing Tasmania's agricultural industries.

Andrew Kneebone
CHIEF EXECUTIVE OFFICER

"I thank Tasmanian Irrigation's Board and Senior Leadership Team and all employees for their unwavering commitment and flexibility, particularly with the ongoing uncertainty of COVID. The team has remained focused on improving efficiencies, systems and communication so we can deliver water and new irrigation projects as cost effectively as possible."

Andrew Kneebone,
Chief Executive Officer



Performance

Tasmanian Irrigation measures its performance against a range of agreed targets that are published in an annual Statement of Corporate Intent. The table below summarises Tasmanian Irrigation's actual performance against key agreed measures and targets for 2020/21:

Business Area	Key Performance Indicators	Target 2020/21	Actual 2020/21	Comments
Health and Safety	-Lost Time Injuries	0	1	An employee slipped and hyper-extended a knee while undertaking a dam inspection. TIRF was elevated by a contractor injury, noting contractor hours not included in person work hours.
	-Total Injury Frequency Rate*	18	20.36	
Financial	-Operational and admin overheads per water entitlement sold	\$20.24	\$22.47	An unplanned once-off spend on ICT hardware and software was the main cause of higher overhead costs. Pre-purchase of pumps and pipes occurred during the year, whilst capital spending on Tamar and SWISA projects is yet to commence due to the further feasibility work undertaken.
	-Capital program \$ per budget	\$10.54m	\$9.25m	
Commercial	-Post construction water entitlement sales	\$1.3m	\$3.8m	Operational scheme water sales exceeded the target by 192% with demand from the Midlands, Upper Ringarooma and Scottsdale schemes.
Water Delivery	-Percentage allocation available at commencement of season	99.5%	100%	Rainfall across winter, spring and summer reduced irrigator demand and boosted dam storages, resulting in full allocations being available across all schemes. All Water Delivery scheme maintenance completed on time and on budget.
	-Planned maintenance completed as per plan	100%	100%	
Environment	-Number of notifiable incidents	0	0	Tasmanian Irrigation again recorded no notifiable environmental incidents and complied with all permits and approvals
	-Compliance with environmental permits and approvals	100%	100%	
Program Development and Delivery	-Schemes under construction	1	0	Additional irrigator demand requiring design alterations delayed construction until early 2022. Fingal, Don and Northern Midlands have completed prefeasibility. No milestone payments due until later 2021.
	-Project pre-feasibility completed	3	3	
	-Funding milestone payments achieved per plan	100%	100%	
People	-Employee turnover rate	14%	14%	Proactive measures to improve culture reduced staff turnover in the second half of 2020/21.

*Total Injury Frequency Rate is defined as the total injuries per million person work hours.

Safety

Tasmanian Irrigation incurred one Lost Time Injury in 2020/21 resulting from a knee over extension on wet, slippery ground.

The Total Injury Frequency Rate (total injuries per million person work hours) was 20.36 at 30 June 2020, and no safety breaches were recorded for the reporting period.

These exemplary safety statistics have been realised due to a number of important steps being developed and implemented in 2019/20, including:

- Renewed engagement and success in establishing leading safety indicators as a measure of safety culture;
- Development of the Workplace Health and Safety Risk Register in consultation with the Tasmanian Irrigation Team;
- Embedding the new Safety Strategy;
- Engagement of the Health and Safety Representative Committee comprising representatives from all Tasmanian Irrigation business units; and
- Promotion of active safety interactions by TI leaders.

The five key pillars of the Safety Strategy include:

1. Visible aligned leadership, engaged and capable people;
2. Risks are identified, eliminated and/or controlled;
3. Systems that support safe work;
4. Operational excellence; and
5. Fair, just and learning culture.

The core goal underpinning Tasmanian Irrigation's safety commitment remains a focus on hazards and the easily measurable goal of 'Home Safe', to promote the safety and well being of employees, and contractors.



People and Culture



Culture encompasses why people do what they do and how they do it.

This has been the focus of People and Culture this year as Tasmanian Irrigation's vision and mission were refreshed, as well as the Company's values and underpinning behaviours.

Internal and external stakeholder needs led to work clarifying roles, responsibilities and structure.

The implementation of quarterly pulse surveys has provided highly-valued staff feedback, continually improving the experience of working at Tasmanian Irrigation.

Quarterly get-togethers and monthly CEO updates have enabled additional information sharing opportunities.

Technology has allowed us to provide training remotely, communicate effectively and undertake performance reviews and plans electronically whilst ensuring one-on-one communications also continue.

Twelve Tasmanian Irrigation team members undertook leadership training, and employees have been afforded opportunities to experience other roles and responsibilities.

All People and Culture policies and procedures have been audited, updated and in some cases rewritten to align them with modern practices.

The Tasmanian Irrigation induction process has also been overhauled to provide additional detail and flexibility.

The Company has also struck a balance between new and current employees.

Our Board



Samantha Hogg
CHAIRMAN

Samantha brings more than 26 years' experience in executive management across the resources and infrastructure sectors, as well as extensive experience in finance, marketing and strategic projects. She resides on a farm in northern Tasmania and holds positions on a number of Boards and Committees, including Infrastructure Australia, Hydro Electric Corporation and Cleanaway Waste Management Limited. Samantha was previously a member of the National COVID-19 Commission (Advisory Board) and the Premier's Economic and Social Recovery Advisory Council. Her most recent executive role was as Chief Financial Officer of Transurban. Samantha is also a Fellow of the Australian Institute of Company Directors.



Guy Kingwill
NON-EXECUTIVE
DIRECTOR

Guy has substantial Australian and international executive experience with a background in horticulture, international soft commodity marketing, water investment and water trading. He is currently on the Board of Select Harvests Limited and ACMII Australia 1 Pty Ltd Group and serves on the Audit Committee of Select Harvests Ltd. Guy has previously served as Managing Director and Chief Executive Officer of Tandou Limited, based in Mildura, and as a Director of Lower Murray Water Urban and Rural Water Corporation. He is a member of Chartered Accountants Australia and a Fellow of the Australian Institute of Company Directors.



Dr John Whittington
NON-EXECUTIVE
DIRECTOR

John is the inaugural Chief Executive Officer of the Blue Economy Cooperative Research Centre (CRC). He previously held the position of Secretary of the Tasmanian Department of Primary Industries, Parks, Water and Environment for five years, as well as numerous senior management positions, including Chair of the Tasmanian Institute of Agriculture Advisory Board and Director of the Institute for Marine and Antarctic Studies. John is a graduate of the University of Adelaide where he completed his PhD, and has postdoctoral experience at universities in Australia and the United States, and within the CRC for Freshwater Ecology.



Abigail Foley
NON-EXECUTIVE
DIRECTOR

Abigail brings 25 years' experience in leadership, strategic governance, stakeholder engagement and business development across the engineering, water and environmental sectors. She holds a Bachelor of Science (Hons) and a Diploma of Education. She has worked across the spectrum of education, consultancy, government, not for profit and commercial businesses. In these roles she has been instrumental in developing strategy, ensuring delivery, creating valued client experiences, and leading business development and cultural change programs at the leadership level. Abigail is also a Non-Executive Director of the Royal Tasmanian Botanical Gardens Board and was awarded a scholarship by the AICD for the Company Directors' course in 2020. Abigail is part of GHD Pty Ltd's Tasmanian leadership team.

Tasmanian Irrigation was recruiting a fifth Board Director at 30 June 2021.

Senior Leadership Team



Andrew Kneebone
Chief Executive Officer

Andrew joined Tasmanian Irrigation three years ago and was appointed CEO in May 2019 after serving time as Acting CEO and General Manager Water Delivery and Infrastructure. He has more than 25 years of senior and executive management experience in the irrigation, urban water and electricity utility sectors spanning four states and territories. Recent positions include CEO of Cradle Mountain Water and General Manager Commercial and Strategy of Territory Generation in Darwin. Andrew holds an MBA from the University of Queensland and has extensive experience in finance, economic regulation, operational management, organisation development, leadership, stakeholder and change management.



James Hipwood
Chief Financial Officer

James leads Tasmanian Irrigation's Corporate Services Team and ensures the efficient provision of management and statutory reporting, financial transactional services and planning (including annual budgets, corporate plans and long-term strategic plans). Additionally, James has responsibility for Tasmanian Irrigation's treasury management, information technology, customer pricing, office administration, fleet management, insurance program and its internal and external audit. James holds a Bachelor of Business, is a CPA and has over 13 years' business and accounting experience, previously holding a number of management and accounting roles in the transport and infrastructure sectors both in Australia and the United Kingdom. He started his career with KPMG.



David Skipper
General Manager Water Delivery

David was raised on a fine wool and beef cattle property on the NSW Northern Tablelands and has held a number of senior agribusiness management roles over the past 30 years, including Managing Director of Tasmania's largest private grain storage and handling company. David was a rural consultant in the NSW Riverina area during the 1990's when low commodity prices, high interest rates and extensive droughts dominated the rural landscape and he re-negotiated hundreds of bank loans and strategies to enable farmers to remain on their properties. David is a member of the Institute of Public Accountants, a Graduate of the AICD, has a Graduate Diploma in Accountancy from Adelaide University and a Degree in Agricultural Commerce from the University of New England.



Stacey Woods
Acting General Manager Program Development and Delivery

Stacey commenced with Tasmanian Irrigation in April 2021. Her background in program management and strategy implementation complemented the interim role whilst a permanent candidate was recruited. For more than 25 years, Stacey has helped companies achieve their strategic objectives and improve business performance. She has held senior management roles within consulting firms, the private sector and government organisations, primarily in the Asia Pacific region. Her most recent assignments have been in utilities across Australia. Stacey holds a Bachelor of Business, an MBA, a Master's in Legal Studies, and recently completed an executive program in digital strategies from Harvard Business School.



Paul Davis
General Manager
Technical Support
Services

Paul was appointed General Manager Technical Support Services in January 2020, after previous roles leading Infrastructure Asset Performance in TasWater and applied research in the CSIRO Urban Water theme. Paul has 20 years' experience in the water sector spanning the globe, and has led international pipeline engineering, materials durability and infrastructure asset management projects. He has extensive experience in leading engineering and maintenance-based teams, mentoring and skills development. Paul looks after a multi-disciplinary team within Tasmanian Irrigation, providing design and asset management support to the irrigation schemes and their sustainable operation.



Steve Powell
General Manager
Environment Health and
Safety

Steve joined Tasmanian Irrigation in May 2020 to lead the Environment Team. He brings more than 20 years' senior experience in strategic and focused leadership, project management and approvals, and stakeholder engagement in the mining, smelting, complex manufacturing and water utilities sectors. Steve previously held Asia-Pacific executive-level environment and safety roles with Valmont Industries and senior environmental, safety and occupational health roles with Cement Australia, BHP, Carter Holt Harvey and Sydney Water. He has strong focus on strengthening brand image and reducing costs to achieve sustainable partnerships and outcomes. Steve has a degree in Environmental Science from Griffith University.



Jennifer Dignam
Manager People and
Culture

Jennifer has more than 30 years' experience in senior management public and private sector roles across human resources, organisational development and learning. She has developed and implemented national and international learning and human resource strategies and initiatives, restructured large and complex organisations, and undertaken major change programs. Jennifer has worked throughout Australia, Singapore and Asia and with international companies spanning the globe. Jennifer has a Bachelor of Arts Degree from Sydney University, a Graduate Diploma from Canberra University and a Master of Strategic Human Resource Management from Wollongong University. She is a Graduate of the AICD course (both international and Australia).



Steven Maycock
General Counsel /
Company Secretary

Steven has held senior legal and Company Secretary roles in top-tier law firms, ASX listed, private and State-Owned Companies and has extensive experience in major projects over his years as a practicing lawyer. Steven is a Fellow of the Governance Institute of Australia, a Fellow of the Chartered Governance Institute and a graduate of the Australian Institute of Company Directors. He holds degrees in Science and Pharmacy, is a Juris Doctor and has postgraduate qualifications in corporate governance and risk management. Steven also serves as a Director on non-for-profit boards and is Chair of the Northern Tasmanian Football Association Tribunal.

Water Delivery

Tasmanian Irrigation’s Water Delivery Team enables irrigators to produce higher quality crops and pastures, improve the capital value of their property and have ‘insurance’ against seasonal variability and drought.

The 2020/21 irrigation season was a mild and wetter season than those faced in the past few years.

The 2020 spring leading into the 2020/21 summer was wet and warm, while the summer period did not experience the extended heat of the previous several summers.

However, the autumn period was very dry and many irrigators utilised their allocations at the backend of the season to ensure newly planted crops and pastures received a head start before the onset of winter. Volumes and demand across all the schemes were down approximately 34 per cent from the previous period, with a total of 57,673 ML delivered for the 2020/21 year.

The majority of dams across the State are at capacity and ready for the 2021/22 irrigation season. The Melrose Dam on the Swan Valley Irrigation Scheme is full for the first time since the scheme was commissioned three years ago and the Craighourne Dam in the South East is also at full capacity. This will now enable three years of irrigation to take place in the event of a prolonged dry period.

Strong winter rain, particularly in the East, resulted in several dams spilling, including Lake Leake above Campbell Town.

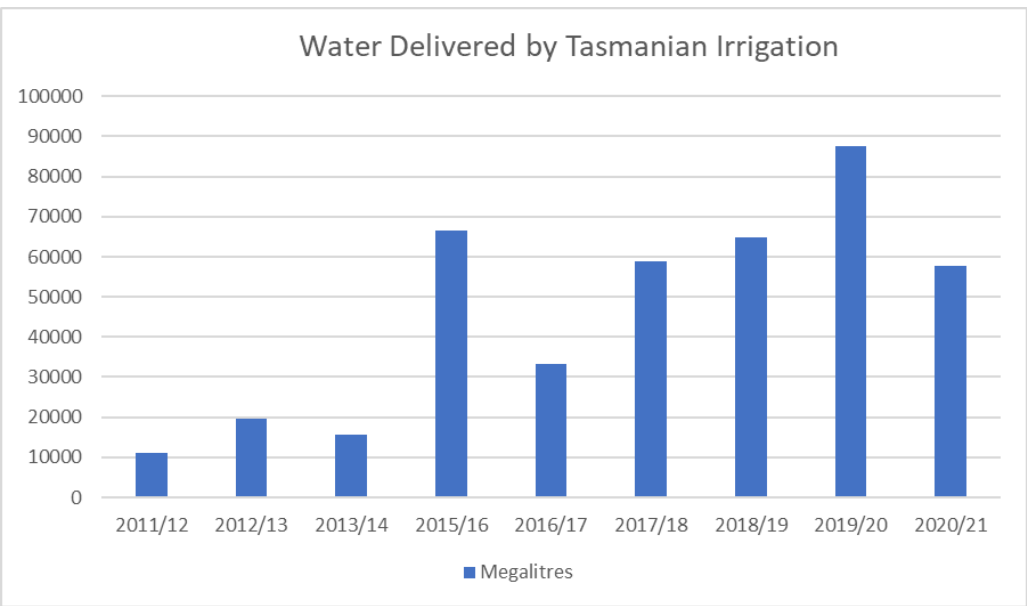
A number of Tasmanian Irrigation’s schemes have seen a large amount of activity with the asset replacement and repair and maintenance program of works in the off season. These asset replacements and upgrades will help deliver water efficiently to irrigators and effectively minimise costs to irrigators at every opportunity.

The Water Delivery Team met with all 18 Irrigator Representative Committees (IRCs) and presented detailed profit and loss and balance sheets with proposed new season pricing for the each scheme.

A further round of consultative meetings will occur in the 2021/22 year to discuss the irrigation season opening dates.

“Tasmanian Irrigation spent more than \$1 million on asset replacements and general repairs and maintenance across the 18 operational schemes in 2020/21.”

David Skipper,
General Manager Water Delivery



Cressy Longford Upgrade

Main channel upgrade works were completed on the Cressy Longford Irrigation Scheme during mid 2021. Levee banks were raised, culvert pipes replaced and access improved. These dual siphons and levee bank works should see 245+ megalitres being delivered via the main channel to Stoney Croft. This infrastructure upgrade is also expected to boost flows to the Whitemore Irrigation Scheme.



Energy on Farms Funding

Tasmanian Irrigation submitted a \$5.5 million Meander Power Station business case and funding proposal to the Energy on Farms Fund to install high efficiency motors and drives to reduce operating costs where possible and install solar power systems where practical to reduce the cost of energy to our irrigators. This is one of many projects driving cost savings for Tasmanian Irrigation's customers.



Dam Level and Flow Data

Scheme Operators trialled a new program that uses remote technology to look at river flows and takes along a range of tributaries.

Additional dam level data is being compiled across Tasmanian Irrigation's dams so live levels can be reported on the Company's new website, enabling irrigators to check dam levels on their schemes at any time.



Meander Scheme Works

In 2020/21, Tasmanian Irrigation prepared a \$5 million funding submission for a \$12 million project to augment and optimise the Greater Meander Irrigation Scheme, enabling open supply channels to be converted to new and extended pipelines, as well as providing an additional 12,500 megalitres of water to irrigators. This funding was confirmed by the Australian Government and works will progress next financial year.



Program Development and Delivery

Tasmanian Irrigation's Program Development and Delivery Team delivers irrigation projects from concept to water delivery, ensuring schemes are designed to be in operation for the next generation of farmers beyond.

Record levels of Expressions of Interest and Water Sales are being recorded for the first five phase one projects as Tasmanian farmers continue to realise the value of the public / private funding model to construct irrigation infrastructure to deliver high-surety water.

Progress on Tranche Three projects in 2020/21 includes:

Don - 4,750 ML

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

- Detailed design progressing and discussions to finalise water supply agreements underway
- Development Applications submitted to local councils and Business Case approved by Government

Fingal - 12,600 ML

Area serviced: Fingal, Avoca and Conara through to Perth

- Transmission losses have been agreed with DPIPWE
- Water Sales open until 2pm on 10 September 2021

Northern Midlands - 25,500 ML

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

- Business Case submitted to the Tasmanian Government
- Water Sales applications accepted and additional megalitres still in demand
- Commencing detailed design, permits and approvals, and progressing pipe supply tender and design partner

Sassafras Wesley Vale Augmentation - 5,745 ML

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

- Prefeasibility progressed and independent capital cost estimation review completed
- Targeting Preferred Design Option for public consultation by November 2021

Tamar - 12,800 ML

Area serviced: Beaconsfield, Selbourne, Westwood, Hillwood, Lilydale and Pipers River

- Prefeasibility continuing and preferred design alignment reviewed
- Expressions of Interest continuing to rise due to new interest

South East Interim Solution

This project, providing improved reliability and supplementary water supply options for South East Stages Two and Three irrigators, was progressed in 2020/21. The purpose of the Interim Solution is to provide a buffer whilst the longer-term South East Integration Project is developed. The South East Interconnect, a pipeline connecting South East Stages Two and Three enabling Tasmanian Irrigation and TasWater to match supply and demand, was completed in December 2020. Other work is continuing on the South East Interim Solution.

Scottsdale Irrigation Scheme

The 8,600 megalitre Scottsdale Irrigation Scheme – the final Tranche Two Scheme – commenced operations in the 2020/21 irrigation season delivering water to Scottsdale, Bridport, Springfield, Nabowla and Waterhouse landowners.

Water deliveries to date have by-passed the mini-hydro power station after COVID-19 travel restrictions prevented the New Zealand based engineers from commissioning the plant. It is anticipated that the power station will be operational by November 2021 prior to opening of the 2021/22 irrigation season.

Procurement

A renewed focus on procurement has enabled a standard suite of templates to be developed, including project procurement plans, tender documents, evaluation and probity plans and contract documents, as well as the completion of Tranche Three construction contractor prequalification assessment and the establishment of sourcing approach for pipe supply for Tranche Three irrigation schemes.

This will lead to greater efficiencies and simplification for contractors as the 10 Tranche Three projects are progressed.



New Design Partnership

A new approach to designing irrigation schemes has been developed to enable Tasmanian Irrigation to better incorporate lessons learned from previous scheme construction and improve the standardisation, safety and operability of the assets constructed, as well as simplify the packages of work being offered to the construction industry.

GHD and Pinion Advisory have been appointed Tasmanian Irrigation's preferred design partners and have commenced work on five Tranche Three projects that have a combined capacity of 80,000 megalitres of irrigation water. Under this integrated approach, Tasmanian Irrigation will deliver improved fit-for-purpose project designs in a more standardised manner, in collaboration with local communities. Design specifications have been standardised for engineering, hydraulics, electrical plans, pumps, pipelines and dams, leading to a more consistent system control and data acquisition, as well as assisting with water delivery and asset management operations.

Technical Support Services

Tasmanian Irrigation's Technical Support Services Team provides asset management, maintenance planning and dam safety expertise to improve and maintain existing scheme performance, as well as design support for new irrigation scheme development.

Asset Management Advances

Technical Support Services has developed an asset management tool that forecasts future asset maintenance and renewals requirements on existing schemes.

The entire infrastructure base has been assessed to understand condition, remaining life and potential failure consequences. The tool forecasts maintenance and renewals works to support internal budgeting and price setting.

The innovative approach uses easy to interrogate dashboards to quickly understand and communicate asset risks and forecast maintenance and renewals.

In major achievements in this reporting year:

- 94 per cent of planned asset renewals work for this year has been delivered;

- 100 per cent of planned scheme maintenance was completed; and
- 100 per cent of regulatory surveillance activities have been completed on the dams portfolio and all identified maintenance and renewals work delivered.

The Dam Safety Emergency Plan has been also been updated and the team has undergone a refresh of Dam Emergency Management training.

Capital Works

In 2020/21, Technical Support Services progressed designs for the Don, Northern Midlands, Fingal and Tamar projects, as well as the Sassafras Wesley Vale Augmentation and the South East Interim Solution and South East Integration Project.

Don and Northern Midlands have also been progressed to detailed design.

In keeping with Tasmanian Irrigation's new design partnership model, lessons learned have been captured from our existing schemes and a new suite of design standard documentation has an increased focus on constructability and operational simplicity.

The group also provided technical support to the upgrade works completed this year on the Cressy Longford Irrigation Scheme.



"Tasmanian Irrigation manages 25,000 individual infrastructure assets in a manner that enables us to deliver water as efficiently and cost effectively as possible to Tasmanian farmers."

Paul Davis,
General Manager Technical Support Services

Environment

The principal functions of Tasmanian Irrigation's Environment Team is to monitor environmental compliance obligations, support regulatory approval processes and promote sustainability and environmental awareness within the organisation.

Key highlights of 2020/21 include:

- All monitoring programs found no discernable impacts from Tasmanian Irrigation operations;
- Developed 14 new Farm Water Access Plans (Farm WAPs) on operational schemes and started development on Tranche Three Farm WAPs; and
- No incidents of environmental harm recorded.

Water Quality and Aquatic Health

In 2020/21, 119 surface water quality monitoring sites were sampled monthly in 68 scheme waterways and 13 groundwater bores were monitored monthly/quarterly in three groundwater areas. Water quality sampling and aquatic weed inspections occurred monthly and inspections for blue green algae were undertaken weekly in TI's 16 storages.

One toxic algal bloom was detected in Tasmanian Irrigation's Craigbourne Dam storage, leading to a closure for recreational purposes during peak cell count periods. The dam was re-opened in May 2021 following a decrease in blue-green cell counts and low levels of algal toxins.

Aquatic habitat monitoring (AusRivAS) occurred during

spring and autumn to monitor aquatic health at a total of seven sites in two irrigation districts. Monitoring and survey results indicate that there were no discernible impacts on water quality or aquatic health attributed to the operation of Tasmanian Irrigation's schemes during 2020/21.

Environmental Monitoring Programs

In accordance with State and Federal approvals, surveys continued across schemes for the presence of native and pest fish, aquatic habitat quality for burrowing crayfish and giant freshwater crayfish, progress of rehabilitation, and to detect any erosion impacts from water releases into receiving waterways.

All surveys show minimal impact from Tasmanian Irrigation activities.

Hydrometrics

Rating curves for Tasmanian Irrigation's 20 hydrography streamflow sites continue to be developed and adjusted as required. Field work and data management related to the gauging stations and flow monitoring weirs continue to be undertaken externally, and all sites and infrastructure are being maintained to Standards.

Environmental requirements are incorporated into storage and stream flow operating systems as standard, providing for automated compliance opportunities and cost efficiencies in the recording and reporting of environmental compliance data.

This includes stream flow data from 15 of the 20 sites and storage level on four dams being made available in real time on DPIPWE's publicly available web portal.



Farm Water Access Plans

Farm Water Access Plans are property specific documents that guide the sustainable application of Tasmanian Irrigation water and assist with the long-term viability of land for agricultural production. They identify where Tasmanian Irrigation water can be applied and detail actions to manage potential risks from application. All land and dams, to which Tasmanian Irrigation water is applied within the Company's developed schemes is to be covered under a Farm WAP.

All irrigators applying Tasmanian Irrigation water have a Farm WAP in place, which now total 739 across 15 schemes.

An Annual Farm WAP Audit process is in place, which assesses compliance with randomly selected Farm WAPs. In 2020-21, 44 random audits, one MNES audit and 12 noncompliance audits were conducted during the annual compliance audit process.

In 2020-21, Farm WAPs for the Don Irrigation Scheme started development (Tranche Three) and 14 Farm WAPs were developed in operational schemes (10 Winnaleah Irrigation Scheme Augmentation, two Dial Blythe Irrigation Scheme, one Kindred North Motton Irrigation Scheme and one South East Irrigation Scheme Stage Three).

A more cost-effective automated process has been developed to assist with auditing, which is providing enhanced compliance opportunities.

In March 2021, the Natural Cultural Heritage Division (NCHD) of the Department of Primary Industries, Water and Environment delivered a response to Tasmanian Irrigation in relation to an incident that occurred in the Scottsdale Irrigation Scheme in February 2019.

Upon investigation, the NCHD has chosen not to pursue action with regard to the incident.

Corporate Services

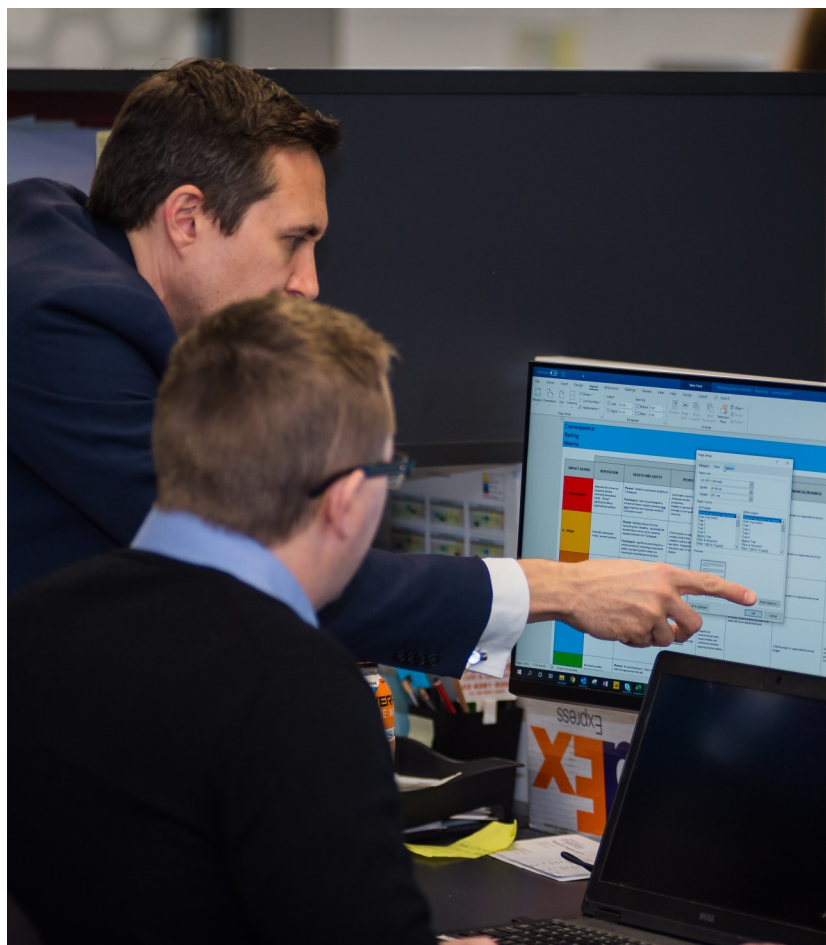
The Corporate Services Team has recorded some great achievements during the financial year, leading improvements in financial reporting and budgeting by scheme to our Irrigator Representative Committees.

This has allowed Tasmanian Irrigation to provide irrigators with transparent information to better understand scheme performance and to set future water pricing.

The team has also improved the fixed and variable billing process, with more improvements identified for this upcoming financial year.

From an ICT perspective, the SCADA server was replaced, and a gap analysis undertaken of systems and capabilities, which will lead to efficiencies and cost improvements in the upcoming financial year.

The Corporate Services Team has also continued to improve the collection of data and information to ensure the organisation can run efficiently and effectively, achieve greater levels of funding and provide the necessary services to the organisation and its stakeholders.



Corporate Governance

Tasmanian Irrigation Pty Ltd (the Company) is a statutory Company, formed under *the Irrigation Company Act 2001* and is owned by the Tasmanian Government.

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

The Board and the Audit and Risk Committee have continued to work with management to improve corporate governance across a number of areas, including Tasmanian Irrigation's Risk Management Framework. Regular health safety and environment, and financial and corporate governance compliance reporting to the Board and Audit and Risk Committee also occur to ensure the highest standards of corporate governance and compliance reporting obligations are met.

Shareholder expectations in relation to the Company's objectives, performance, reporting, financial and other matters are listed in the Shareholders' Statement of Expectations.

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 underlining 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's Board operates under a framework that is consistent with the Australian Stock Exchange Corporate Governance recommendations:

Principle One: Lay solid foundations for management and oversight

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

The key roles of the Company Board are to:

- Set the strategic direction of the Company;
- Appoint and review the performance of the Chief Executive Officer (CEO);
- 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 Company Board has adopted and adheres to a process for assessing overall Board performance by establishing and adopting mechanisms to review the combined performance of the Board and individual Directors and address issues that may emerge from that review.

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

Principle Two: Structure the Board to add value

All Company Directors are independent of management. The Chair is an independent Director and is not an executive of the Company. Directors are selected and appointed by the Government Shareholder Members based on their skills and experiences and in consideration of diversity and independence, probity and background checks.

This process includes a performance evaluation for those Directors seeking reappointment.

New Directors undertake a comprehensive induction program, including briefings from the Chief Executive Officer and senior management.

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 Members and Company policies.

Each Director is bound to uphold the Personal Conduct Policy (the Policy) by exhibiting model performance, behaviour and conduct that is in line with the Policy during their engagement.

Directors must promote the Policy and ensure that any potential breaches are taken seriously, identified and reported and acted upon appropriately. The Policy 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 updated regularly. To the extent that there may be a conflict, this is managed appropriately in accordance with the Company's policy and protocols.

Principle Four: Safeguard integrity in financial reporting

The Board operates an Audit and Risk Committee that assists the Board to discharge its duties in relation to its corporate and financial reporting processes, internal and external audit, and compliance.

Under the Committee Charter, the Committee must meet not less than three times a year. The Committee reviews the Company's financial statements and associated reports and recommends them to the Board for consideration.

As part of the 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 formally sign the accounts before it makes any recommendations to the Board.

The Company Constitution provides that the Company is required to use the Tasmanian Auditor-General for its external audit.

Members confirm the appointment of the external auditor at each Annual General Meeting. The auditor attends the Annual General Meeting to

discuss any issues with members. The Committee also meets with the external auditor without management present from time to time.

The Company's Annual Report is provided to Shareholder Members by the end of October each year. The Reports are tabled in each House of the Tasmanian Parliament and are subject to the scrutiny of all Members of Parliament and the community.

Principle Five: Make timely and balanced disclosure

The Company is not a listed Company and is not required to comply with the Australian Stock Exchange Listing Rule disclosure requirements. However, as a State-owned Company, it is required by legislation and its Constitution to communicate with its Shareholder Members and others, via regular and irregular reporting and other means of communication.

In practice, there is a flow of information throughout the year on important matters to ensure Shareholder Members 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 objective, strategies, policies or financial targets of the Company, the Directors must promptly notify the Shareholder Members. Details about disclosures made under the RTI Act, the PID Act, and the PIP Act, if any, are detailed in this Annual Report.

Principle Six: Respect the rights of Shareholders

The Company's Constitution specifies the rights and powers of the Shareholder Members. The Board has procedures for communication with Shareholder Members 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 the lawful directions given in writing by the Shareholder Members.

Principle Seven: Recognise and manage risk

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

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

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

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

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

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

Principle Eight: Remunerate fairly and responsibly

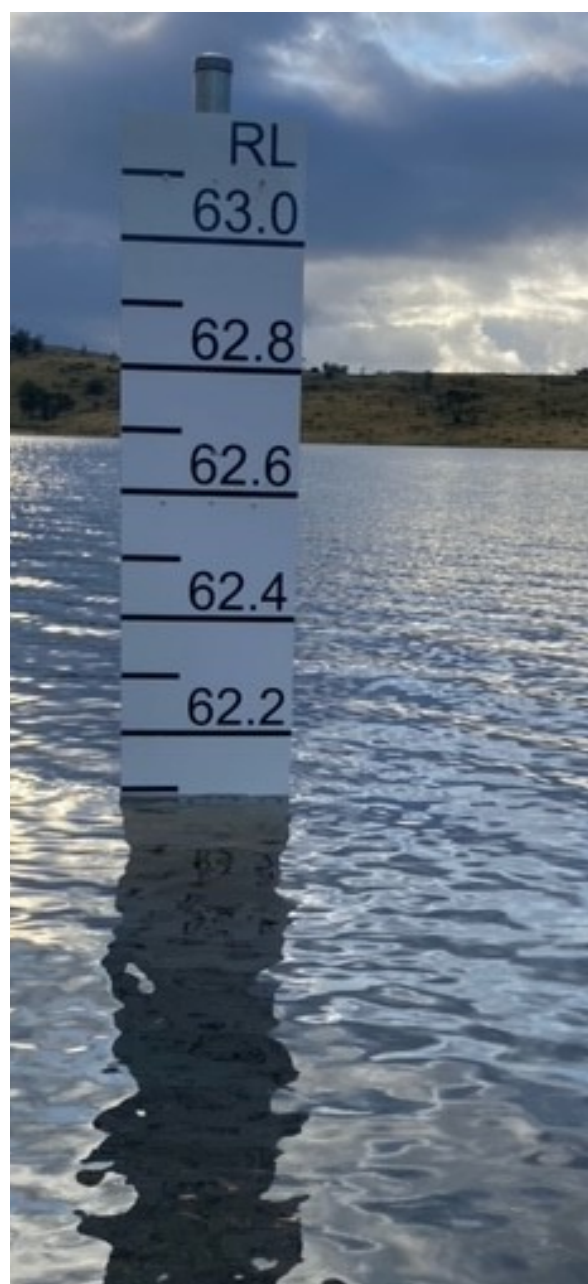
In accordance with the Company's Constitution, Directors are paid remuneration as is resolved by the Members from time to time. The Board has established a Remuneration Committee, which is responsible for ensuring that remuneration policies and practices are fair and responsible.

Under its Charter, the Remuneration Committee's role is to:

- Ensure that coherent remuneration policies and practices are observed, which enable the attraction and retention of senior management and staff who will achieve the aims of Tasmanian Irrigation;
- Ensure these remuneration policies, practices and performance indicators are aligned to the Board's vision, values and overall business objectives;
- Monitor the performance of the CEO and key performance indicators to determine and recommend to the Board performance criteria and payments;

- Fairly and responsibly reward senior management and staff having regard to the Company's performance, the performance of senior management and general conditions of the labour market; and
- Comply with all relevant statutory and regulatory provisions.

The Committee approves the annual remuneration report and makes recommendations to the Board for the inclusion of the remuneration report in the Company's annual financial report, ensuring that remuneration arrangements of the CEO and other senior executive officers are disclosed in accordance with any applicable governance, accounting and legal requirements.



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 84, Evandale, TASMANIA, 7212.
- b. No disclosures of public interest were made to Tasmanian Irrigation during the year;
- c. No public interest disclosures were investigated by Tasmanian Irrigation during the year;
- d. No disclosed matters were referred to Tasmanian Irrigation during the year by the Ombudsman;
- e. No disclosed matters were referred during the year by Tasmanian Irrigation to the Ombudsman to investigate;
- f. No investigations of disclosed matters were taken over by the Ombudsman from Tasmanian Irrigation during the year;
- g. There were no disclosed matters that Tasmanian Irrigation decided not to investigate during the year;
- h. There were no disclosed matters that were substantiated on investigation as there were no disclosed matters; and
- i. The Ombudsman made no recommendations under the Act that relate to Tasmanian Irrigation.

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.

The Company received one application for an assessed disclosure of information under Section 13 of the *RTI Act*, which was responded to within the statutory timeframes. A review of the decision was not sought by the applicant.

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 2020/21.

Overseas Travel

No overseas travel was undertaken by any Tasmanian Irrigation employees or Directors in 2020/21, or the previous financial year.

Gifts Registry

Tasmanian Irrigation publishes a Gifts, Benefits and Hospitality Registry on its website, detailing any gift, benefit or hospitality valued at \$100 or more that has been offered, given or received by Tasmanian Irrigation and / or its employees.

Remuneration

Tasmanian Irrigation has provided a detailed remuneration report from page 70 in this 2020/21 Annual Report.

Buy Local, Contractors

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

The principles of the Treasurer’s guidelines are:

- Buy Local by encouraging Tasmanian Government businesses to purchase from Tasmanian suppliers;
- Increased disclosures on the use of consultants; and
- Payment of Accounts - requiring the implementation of appropriate policies and procedures to ensure all accounts are paid on time and, if not, interest is paid for late payments.

Buy Local

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	2020/21	2019/20	2018/19
% of purchases from Tasmanian businesses	93.52%	89.38%	94.36%
Value of purchases from Tasmanian businesses	\$28,374,898	\$44,336,049	\$59,158,152

A “Contractor” is defined as an individual or organisation engaged under a contract (other than as an employee) to provide goods and / or services to an entity. A contractor will usually work under the supervision of an entity manager.

No contracts were awarded over the value of \$2 million in 2020/21.

Contract / works package valued over \$2 million	Procurement method	Buy local policy applied	Tender awarded to	State
Nil				

Consultancies

A "Consultant" is defined as a particular type of contractor who is engaged to provide recommendations or specialist or professional advice (or more generally non-manual services) to assist or influence an entity's decision making. Consultancies valued at more than \$50,000 (excluding GST) to 30 June 2021 include:

Consultant	Location	Description	Amount Ex GST
Pitt & Sherry	TAS	Design, engineering and project management	\$573,230
GHD Group	TAS	Design, engineering and project management	\$562,202
SUB41	TAS	Project management and engineering	\$375,789
Pinion Advisory	TAS	Design, environmental and agricultural advice	\$327,716
Marsden Jacob Associates	VIC	Economic analysis	\$274,928
Fulcrum Commercial	TAS	Project management and engineering	\$196,302
Committo	TAS	ICT project management and advice	\$131,250
HWL Ebsworth Lawyers	TAS	Legal advice	\$129,625
BlackCap Group	TAS	Cost estimation	\$108,073
The Human Resources Department	TAS	Human resources and organisational development advice	\$107,259
IPD Consulting	TAS	Design, engineering and project management	\$95,395
Sarah Hirst Strategy	TAS	Communication and publishing	\$92,540
Adetra Pty Ltd	TAS	Condition Assessments	\$91,522
Watermark Search International	TAS	Management consulting	\$88,452
SMEC Australia	VIC	Dam break inundation mapping	\$84,426
Searson Buck Group	TAS	Recruitment	\$80,955
Flussig Spatial	TAS	Hydrology	\$68,893
ESRI Australia	QLD	GIS and hydrology systems	\$67,974
WMA Water Pty	TAS	Hydrology	\$60,800
HAYS Specialist Recruitment	TAS	Recruitment	\$57,159
D.J McCulloch & Associates	TAS	Site surveys	\$56,310
35 consultants were paid under \$50,000 excluding GST			\$625,302
Total payments to consultants for 2020/21			\$4,256,103

Payment of Accounts

Payment of Accounts

The Tasmanian Government's Guidelines requires 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.

During the COVID-19 pandemic the Tasmanian Government requested that Government-owned businesses pay their accounts within 14 days, Tasmanian Irrigation met this request.

Reason for Delay

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

Superannuation

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.

Accounts due or paid within each year	2020/21	2019/20	2018/19
Creditor days	11.67	14.17	21.48
Number of accounts due for payment	3,064	2,520	2,383
Number of accounts paid on time	2,995	2,484	2,360
Amount due for payment	\$30,594,500	\$49,603,725	\$62,694,099
Amount paid on time	\$28,363,792	\$48,845,059	\$61,388,471
Number of payments for interest on overdue accounts	Nil	Nil	Nil
Interest paid on overdue accounts	Nil	Nil	Nil

Financial Report

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Hon. Peter Gutwein MP
Treasurer
Shareholder Member, Tasmanian Irrigation
Level 9, Executive Building
15 Murray Street
Hobart TASMANIA 7000

Hon. Guy Barnett MP
Minister for Primary Industries and Water
Shareholder Member, Tasmanian Irrigation
Level 5
4 Salamanca Place
Hobart TASMANIA 7000

16 September 2021

Dear Shareholder Members,

Tasmanian Irrigation Pty Ltd Annual Report 2020/21 – Statement of Compliance

In accordance with section 55 of the *Government Business Enterprises Act 1995*, we hereby submit for your information and presentation to Parliament the Report of Tasmanian Irrigation Pty Ltd for 2020/21 ending 30 June 2021.

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

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

Yours faithfully,



Ms Samantha Hogg
CHAIRMAN



Dr John Whittington
NON-EXECUTIVE DIRECTOR

Tasmanian Irrigation Proprietary Limited

Directors' Report

The Directors present their report together with the financial report of Tasmanian Irrigation Proprietary Limited ("the Company") for the financial year ended 30 June 2021 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:

Term	Status and Committees	Experience and Other Directorships
Ms Samantha Hogg		
Position: Chair Appointed: 9 September 2016 Reappointed: 9 September 2019 Term to: 30 November 2022	Independent Non-Executive Director - Remuneration Committee Chair	Samantha is an experienced executive with international experience across the transport, infrastructure, energy and resources sectors, having held senior executive positions across a broad range of portfolios including finance, strategic projects, marketing and corporate services. Samantha is also a Non-Executive Director of Cleanaway Waste Management Limited, Hydro Electric Corporation and Infrastructure Australia. Samantha holds a Bachelor of Commerce and is a member of the AICD.
Mr Guy Kingwill		
Appointed: 24 January 2017 Reappointed: 24 January 2020 Term to: 30 November 2021	Independent Non-Executive Director - Remuneration Committee Member - Audit and Risk Committee Chair	Guy has an extensive background in horticulture, international soft commodity marketing and water investment and trading, having held senior executive positions in Australia and the United States. Guy is currently the Managing Director of Agriculture Capital Management Australia Pty Ltd and previously served as the Managing Director of Tandou Limited. Guy is also a Non-Executive Director of ACMII Australia 1 Group and Select Harvests Ltd. Guy is a Chartered Accountant and a Fellow of the AICD.
Dr John Whittington		
Appointed: 1 February 2015 Reappointed: 1 February 2020 Term to: 30 November 2022	Independent Non-Executive Director - Remuneration Committee Member - Audit and Risk Committee Member	John is the CEO of Blue Economy CRC-Co Ltd having also been the Secretary of the Tasmanian Department of Primary Industries, Parks, Water and Environment. John has previously Chaired the Tasmanian Institute of Agriculture Advisory Board and was a Director of the Institute of Marine and Antarctic Studies. John has a PhD in algal physiology and has postdoctoral experience in Australia and the United States.

Tasmanian Irrigation Proprietary Limited

Directors' Report

1. Directors – continued.

Term	Status and Committees	Experience and Other Directorships
Mr Chris Thompson		
Appointed: 2 July 2018	Independent Non-Executive Director	Chris consults to provide successful outcomes for agribusiness and Government sector water development, implementation and operations
Leave of Absence: 4 November until 15 March 2021	- Remuneration Committee Member - Audit and Risk Committee Member	Chris is a partner and Director of Pinion Advisory. He was previously an Executive Director and the Managing Director of Agricultural Resource Management.
Ceased: 15 March 2021		Chris holds a Graduate Certificate of Management and is a Graduate of the AICD.
Mr Peter Michael Chilvers		
Appointed: 8 December 2015	Independent Non-Executive Director	Michael ran an intensive mixed farming enterprise in the Northern Midlands, growing feed grains, malt barley, lucerne hay, processing peas, poppies and hybrid carrot seed, as well as lamb finishing and dairy heifer and cow agistment.
Reappointed: 5 August 2019	- Remuneration Committee Member	
Ceased: 19 March 2021	- Audit and Risk Committee Member	Michael was Chair of Tasmanian Agricultural Producers Pty Ltd, served as a member of the GRDC Southern Panel, a member of the GRDC High Rainfall Zone Cropping Solutions Network Committee, was a former Nuffield Australia Board Member and had a long association with the TFGA.
Ms Abigail Foley		
Appointed: 22 February 2021	Independent Non-Executive Director	Abigail brings extensive experience in leadership, strategic governance, stakeholder engagement and business development across the engineering, water and environmental sectors. Abigail is part of GHD Pty Ltd's Tasmanian leadership team where she currently holds the role as Market Leader.
Term to: 30 November 2023	- Remuneration Committee Member	Abigail is also a Non-Executive Director of the Royal Tasmanian Botanical Gardens Board and was awarded a scholarship by the AICD for the Company Directors course in 2020.
		Abigail holds a Bachelor of Science (Hons) and a Diploma of Education.

Tasmanian Irrigation Proprietary Limited

Directors' Report

1. Directors – continued.

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the year ended 30 June 2021 include:

Director	Board Meetings		Audit and Risk Committee		Remuneration Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Samantha Hogg	17	18	-	-	1	1
John Whittington	18	18	2	2	1	1
Michael Chilvers	12	14	4	4	1	1
Guy Kingwill	18	18	6	6	1	1
Chris Thompson	7	8	3	3	1	1
Abigail Foley	4	4	-	-	-	-

Vale Michael Chilvers

Directors and Management of Tasmanian Irrigation pay tribute and acknowledge the considerable contribution of Director, Michael Chilvers, who tragically passed away in March 2021. Michael was a key member of the Tasmanian Irrigation Board and played an instrumental role in setting strategic direction for the delivery of irrigation water to Tasmanian farmers, as well as the construction of new irrigation schemes. Michael well and truly represented the farmer's voice at the Tasmanian Irrigation Board table and brought a strong effective pragmatism to any issue. He will be sorely missed.



2. Principle activities

The principle purpose of Tasmanian Irrigation is to develop, own and operate irrigation schemes in Tasmania and where feasible and appropriate, to facilitate local community management of these schemes.

3. Operating and financial review

Lower irrigation water volumes were delivered in the financial year due to a La Nina weather pattern causing a wetter than average spring and summer, with 56,473 ML of water delivered, compared to 87,510 ML delivered during the same period last year. Achievements during the financial year included the commencement of water delivery on the Scottsdale Irrigation Scheme, the successful completion and operation of the South East interconnect pipeline and record sales of unsold water entitlements on existing schemes (\$3,816,567).

Overall irrigation water charges for the financial year were \$8,193,456, which was in line with the same period last year (\$8,105,466) with an increase in fixed charges and asset renewal levy revenue offsetting the decrease in variable charges. A fall in the Renewable Energy Certificate rate to \$29.75 per MWh, compared to \$73.00 per MWh in the comparable period, saw Renewable Energy Certificate revenue fall to \$1,175,080.

Lower irrigation water volumes also caused electricity revenue to fall \$1,321,694 for the financial year, compared to \$3,310,281, and water purchases expense and power charges expense to be a combined \$4,109,700 lower for the financial year compared to the previous period.

Additional salaries and wages expenses in the financial year related to the recruitment of additional personnel associated with the Tranche Three capital program and asset management support. Information technology costs were \$265,276 higher compared to the same period last year due to the purchase of new hardware and software, as well as transitioning the organisation to a new IT governance and operating structure.

During the financial year the Company has also focused on the development and delivery of the Tranche Three phase one program with highlights including:

- Strong water sales achieved on the Northern Midlands and Don Irrigation Schemes;
- Additional \$23,700,000 of Tasmanian Government funding was committed during the financial year bringing the total funding commitment from the Tasmanian and Australian Governments to \$208,700,000 for Tranche Three phase one;
- The Australian Government, through the National Water Grid Authority, committed \$4,700,000 to the development of the business case for the South East Integration Project; and
- The selection and engagement of a design partner.

Looking ahead, Directors see the continued focus on ensuring the Water Delivery segment of the Company is sustainable and efficient. In the Program Development and Delivery segment, the focus will be on finalising business cases for all Tranche Three phase one projects and the South East Integration Project, as well as commencing construction on the Don Irrigation Scheme. The weather outlook for the upcoming financial year is for a wetter than average irrigation season and therefore the volumes of water to be delivered are predicted to remain consistent with this financial year's outcomes.

Operating result: The Company's underlying performance, excluding the sale of water entitlements and the impairment of non-current assets, was a deficit of \$5,630,941 (2020: deficit of \$6,077,406). This deficit relates to project overheads and Tranche Three pre-feasibility and feasibility costs that cannot be capitalised. This deficit will be funded by Tasmanian Government equity in future years.

This is reconciled to the following amounts in the annual financial report:

	<i>Note</i>	30 June 2021	30 June 2020
Total comprehensive profit (loss) for the year		(43,055,356)	(14,949,893)
Revenue from sale of water entitlements	B2	(9,614,639)	(3,057,750)
Impairment expense for non-current assets	B2	47,039,054	11,930,237
Surplus/(deficit) excluding sale of water entitlements and impairment of non-current assets		(5,630,941)	(6,077,406)

Directors' Report Continued...

The Company's total comprehensive profit (loss) for the year is set out on page 44 of this Annual Report.

The Company's net result was a loss of \$43,055,356 after impairment of non-current assets of \$47,039,054 (2020: loss of \$14,949,893 after impairment of \$11,930,237 of non-current assets).

In accordance with the Company's accounting policies, assets are reviewed annually for impairment. As a result of this review, an impairment expense of \$47,039,054 (2020: \$11,930,237) has been recognised in the statement of profit or loss and other comprehensive income. The majority of this impairment expense relates to the dam and distribution assets of the Scottsdale Irrigation Scheme.

Statement of Financial Position: The Company's trade and other receivables balance of \$3,142,468 (2020: \$6,087,847) was a decrease of \$2,945,379 compared to the previous financial year. This decrease has been caused by lower variable water volumes being delivered, resulting in lower amounts of income being billed to customers and less income accruals for Water Delivery and Renewable Energy Certificates. Also, the Company took the opportunity to fix historically low interest rates and restructured \$6,500,000 of its debt relating from unsold water from overnight borrowings to a mixture of being fixed for two and three years. This moved debt to non-current and improved the Company's current ratio.

4. Environmental regulations

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

No notices were served, nor prosecutions launched against the Company under the various legislations, during the financial year. In addition, the Company recorded no statutory reportable incidents for the period.

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 \$44,165 in insurance premiums during the year in respect of Directors, Company Secretary and executive officers of the Company against a liability incurred as such a Director, Company Secretary or executive officer to the extent permitted by the *Corporations Act 2001*. 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 of any related body corporate against a liability incurred as such an officer or auditor.

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 2021.



Samantha Hogg
Chairman

Dated at Western Junction this 10th day of August 2021.

Tasmanian Irrigation Proprietary Limited

Directors' Declaration – For the Year Ended 30 June 2021

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

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 2021 and of its performance for the financial year ended on that date; and
- ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable;

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 2021;

The Directors draw attention to note A2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards, and note A3, which includes a statement regarding the Company's dependence on Government contributions.

Signed in accordance with a resolution of the Directors:



Samantha Hogg
Chairman

Dated at Western Junction this 10th day of August 2021.



Tasmanian
Audit Office

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10 August 2021

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 2021, 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 - Audit
Delegate of the Auditor-General



Independent Auditor's Report

To the Members 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 2021 and statements of profit or loss and other 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 statement of certification by the directors.

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 financial position as at 30 June 2021 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.

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
Revenue recognition on water charges, entitlements and renewal levy <i>Refer to notes B2 and C5</i>	
<p>Irrigation water charges of \$8.19m, include a fixed and variable component. The fixed charge is based on water entitlement holdings, and is further separated into an operation and maintenance charge, and a storage charge in some cases. The variable charge is based on the volume of water purchased. Year-end accruals are required to account for variable water charges not yet invoiced.</p> <p>The Company also sells water entitlements, \$9.61m, in irrigation districts that are currently operating.</p> <p>The asset renewal levy, \$7.54m, provides for refurbishment and replacement of significant scheme assets or repairs in the event of a major scheme failure. The levy collected and related expenses are allocated to individual schemes, with funds kept in separate bank accounts. The levy is recorded as deferred revenue and recorded as a liability until obligations are met.</p> <p>Due to the number of revenue streams, the complex nature of some billing processes and the significant revenue amounts involved, we identified a number of significant risks around the accuracy and completeness of revenue.</p>	<ul style="list-style-type: none"> • Testing, on a sample basis, the accuracy and relevance of the input data used in management's calculations. • Reconciling input data to supporting evidence, including the water entitlements register. • Assessing revenue calculations for mathematical accuracy. • Challenging the reasonableness of management's assumptions based on TAO's knowledge of the business. • Examining reconciliations of information from subsidiary systems to the general ledger. • Evaluating the adequacy of 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 2021, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



David Bond
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

10 August 2021
Hobart

Tasmanian Irrigation Proprietary Limited

Statement of financial position

As at 30 June 2021

	Note	30 June	30 June
		2021	2020
Assets			
Cash and cash equivalents	C1	22,835,823	19,022,151
Trade and other receivables	C2	3,142,468	6,087,847
Inventories	C3	1,244,286	573,865
Prepayments		394,805	359,853
Other financial assets	F1	-	55,895
Total current assets		27,617,382	26,099,611
Property, plant and equipment	B6	34,189,515	67,738,679
Other assets	F2	426,348	426,348
Total non-current assets		34,615,863	68,165,027
Total assets		62,233,245	94,264,638
Liabilities			
Trade and other payables	C4	4,335,526	7,904,639
Loans and borrowings	E1	25,885,286	31,790,239
Employee benefits	D1	731,342	539,572
Deferred income	C5	2,091,860	1,234,400
Contract liability	C6	1,905,878	1,731,870
Total current liabilities		34,949,892	43,200,720
Loans and borrowings	E1	7,298,552	1,217,238
Employee benefits	D1	70,815	85,984
Deferred income	C5	8,708,814	9,200,168
Total non-current liabilities		16,078,181	10,503,390
Total liabilities		51,028,073	53,704,110
Net assets		11,205,172	40,560,528
Equity			
Share capital	E3	312,629,793	298,929,793
Retained earnings / (accumulated losses)		(301,424,621)	(258,369,265)
Total equity		11,205,172	40,560,528

The notes on pages 12 to 49 are an integral part of these financial statements.

Tasmanian Irrigation Proprietary Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	30 June	30 June
		2021	2020
Continuing operations			
Revenue from contracts with customers	B2	20,304,869	16,558,948
Government contributions	B3	528,568	556,765
Other income	B3	1,581,165	1,172,470
Finance income	B3	113,324	250,639
		22,527,926	18,538,822
Depreciation and amortisation	B6	(665,720)	(933,376)
Employee benefits	B4	(5,945,722)	(4,643,333)
Impairment loss - trade receivables		(56,735)	(20,611)
Impairment expense - land, dams and water infrastructure	B6	(47,039,054)	(11,930,237)
Operations and maintenance expenses	B4	(7,582,380)	(11,731,651)
Pre-feasibility and feasibility costs for Tranche Three and future irrigation projects		(1,984,354)	(2,431,644)
Administrative expenses	B4	(1,673,984)	(1,324,404)
Finance costs	E2	(635,333)	(473,459)
Loss from continuing operations		(43,055,356)	(14,949,893)
Tax (expense) benefit	B5	-	-
Profit (loss) for the year after tax before comprehensive income		(43,055,356)	(14,949,893)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit (loss) for the year		(43,055,356)	(14,949,893)

The notes on pages 12 to 49 are an integral part of these financial statements.

Tasmanian Irrigation Proprietary Limited

Statement of changes in equity

For the year ended 30 June 2021

		Attributable to owners of the Company		
	Note	Share capital	Retained earnings (losses)	Total equity
Balance at 1 July 2019		283,059,793	(243,419,372)	39,640,421
Total comprehensive income for the year				
Profit or loss		-	(14,949,893)	(14,949,893)
Total other comprehensive income		-	-	-
Total comprehensive income for the year		-	(14,949,893)	(14,949,893)
Transactions with owners, recorded directly in equity				
Capital contributions from Government	E3	15,870,000	-	15,870,000
Total contributions by and distributions to owners of the Company		15,870,000	-	15,870,000
Balance at 30 June 2020		298,929,793	(258,369,265)	40,560,528
Total comprehensive income for the year				
Profit or loss		-	(43,055,356)	(43,055,356)
Total other comprehensive income		-	-	-
Total comprehensive income for the year		-	(43,055,356)	(43,055,356)
Transactions with owners, recorded directly in equity				
Capital contributions from Government	E3	13,700,000	-	13,700,000
Total contributions by and distributions to owners of the Company		13,700,000	-	13,700,000
Balance at 30 June 2021		312,629,793	(301,424,621)	11,205,172

The notes on pages 12 to 49 are an integral part of these financial statements.

Tasmanian Irrigation Proprietary Limited

Statement of cash flows

For the year ended 30 June 2021

	Note	30 June	30 June
		2021	2020
Cash flows from operating activities			
Cash receipts from customers		11,269,692	18,396,667
Cash receipts from Government grants		894,674	975,177
Cash paid to suppliers and employees		(20,712,828)	(20,592,390)
Cash generated from (used in) operations		(8,548,462)	(1,220,546)
Interest received		113,324	250,639
Payment of interest on borrowings		(635,333)	(473,459)
Net cash from (used in) operating activities	<i>C1</i>	(9,070,471)	(1,443,366)
Cash flows from investing activities			
Cash receipts from water entitlements		13,398,935	9,759,394
Proceeds from sale of property, plant and equipment		365,817	47,890
Payments for property, plant and equipment		(14,688,851)	(32,495,756)
Net cash used in investing activities		(924,099)	(22,688,472)
Cash flows from financing activities			
Capital contributions from Government		13,700,000	15,870,000
Repayment of borrowings		(28,891,758)	(439,303)
Proceeds from borrowings		29,000,000	5,700,000
Net cash from financing activities		13,808,242	21,130,697
Net increase/(decrease) in cash and cash equivalents		3,813,672	(3,001,141)
Cash and cash equivalents at 1 July		19,022,151	22,023,292
Cash and cash equivalents at 30 June	<i>C1</i>	22,835,823	19,022,151

The notes on pages 12 to 49 are an integral part of these financial statements.

Tasmanian Irrigation Proprietary Limited

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Tasmanian Irrigation Proprietary Limited

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 significant accounting policies not covered elsewhere in this report.

A1. Reporting entity

A2. Basis of preparation

A3. Government dependency

A4. Significant accounting policies

A5. Adoption of new Accounting Standards and Pending Accounting Standards

A1 Reporting entity

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

The Company is a for profit entity and its principle purpose is to develop, own and operate irrigation schemes in Tasmania and where feasible and appropriate, facilitate local community management of these schemes. The Company is to operate its businesses and activities effectively and efficiently and in accordance with sound commercial practice, in accordance with the requirements for a State Owned Company.

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 (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 10 August 2021.

(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 AASBs 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 B6 – 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. Contributions received for capital projects are accounted for as an increase to equity. Contributions received for operating activities are accounted for as income.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

A3 Government dependency (continued)

Contributions received during the year were:		2021	2020
Contributions for capital projects - included in equity		2,200,000	13,970,000
Contributions for the repayment of borrowings - included in equity		11,500,000	1,900,000
Contributions for operating activities - included as income		528,568	975,177
Total State and Federal Government contributions		14,228,568	16,845,177

The Tasmanian Government has undertaken to provide the Company with ongoing specified equity as well as guaranteed a borrowing facility with the Tasmanian Public Finance Corporation (refer note E1). The Company is dependent upon access to such funds.

A4 Significant 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. Other significant accounting policies are contained in the notes to the financial statements to which they relate.

(i) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data

as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values of financial instruments is included in note E4.

A5 Adoption of new Accounting Standards and pending Accounting Standards

There have been no new Accounting Standards adopted by the Company for this first time in this financial report.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2021, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards. The pending standards are not expected to have a significant impact on the Company's financial statements.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

Section B – Business performance

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

B1. Operating segments

B2. Revenue from contracts with customers

B3. Other income

B4. Expenses

B5. Taxation

B6. Property, plant and equipment

B1 Operating segments

Identification of reportable segments

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

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

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

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

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

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

Water Delivery – The Company owns and manages the Water Delivery operations of 16 irrigation schemes, owns the infrastructure of two locally managed irrigation schemes, as well as managing Togari Water Supply Scheme, two river improvement schemes, one drainage scheme and two standalone dams. The Company operates the 2MW Hydro Power Station at Meander Dam and a 6MW Hydro Power Station as part of the Midlands Irrigation Scheme. The Company operates the irrigation schemes under a cost recovery model.

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

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B1 Operating segments (continued)

Identification of reportable segments (continued)

Information related to each reportable segment is set out below:

Year ended 30 June 2021	Water Delivery	Program Development and Delivery	Total
External revenue	9,679,817	10,511,728	20,191,545
Inter-segment revenue	-	-	-
Segment revenue	9,679,817	10,511,728	20,191,545
Segment profit/(loss) before tax	(3,865,958)	(39,189,398)	(43,055,356)
Interest income	57,536	55,788	113,324
Interest expense	(76,619)	(558,714)	(635,333)
Depreciation and amortisation	(567,682)	(98,038)	(665,720)
Other material non-cash items:			
- impairment of property, plant and equipment	(2,633,922)	(44,405,132)	(47,039,054)
Segment assets	9,554,066	52,679,179	62,233,245
Capital expenditure	-	14,219,341	14,219,341
Segment liabilities	(13,039,466)	(37,988,607)	(51,028,073)
Year ended 30 June 2020	Water Delivery	Program Development and Delivery	Total
External revenue	13,501,198	3,057,750	16,558,948
Inter-segment revenue	-	-	-
Segment revenue	13,501,198	3,057,750	16,558,948
Segment profit/(loss) before tax	(785,495)	(14,164,398)	(14,949,893)
Interest income	113,052	137,587	250,639
Interest expense	(230,522)	(242,937)	(473,459)
Depreciation and amortisation	(412,024)	(490,536)	(902,560)
Other material non-cash items:			
- impairment of property, plant and equipment	(509,256)	(11,420,981)	(11,930,237)
Segment assets	25,333,797	68,930,841	94,264,638
Capital expenditure	-	28,670,486	28,670,486
Segment liabilities	(15,880,058)	(37,824,052)	(53,704,110)

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B2 Revenue from contracts with customers

	2021	2020
Irrigation fees		
Irrigation water charges	8,193,456	8,105,466
Renewable energy generation		
Electricity generation	1,321,694	3,310,281
Renewable energy certificates	1,175,080	2,085,451
	2,496,774	5,395,732
Water entitlement revenue		
Greater Meander Irrigation Scheme	120,000	120,000
Midlands Water Scheme	3,672,567	2,256,555
North Esk Irrigation Scheme	-	240,000
Scottsdale Irrigation Scheme	5,798,072	(205)
Upper Ringarooma Irrigation Scheme	24,000	12,000
Whitemore Irrigation Scheme	-	429,400
	9,614,639	3,057,750
Total revenue from contracts with customers	20,304,869	16,558,948

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, ie. as the water is delivered or the services are provided to the customer.

Tasmanian Irrigation Proprietary Limited

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
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 quarterly.	Revenue relating to electricity and RECs are recognised as the electricity is generated.
Water entitlement revenue	Performance obligation is the commissioning of the relevant irrigation scheme. Payment terms vary, but are generally 30 days.	Revenue recognised at the point of commissioning the relevant scheme.

B3 Other income

	2021	2020
Government contributions		
Grants received for operational funding	528,568	556,765
Finance income		
Interest income on loans provided for the acquisition of water entitlements	(4,022)	16,401
Interest income on cash funds invested	117,346	234,238
	113,324	250,639
Other income		
Asset renewal levy	617,476	407,089
Gain on sale of non-current assets	335,955	28,314
Reimbursement of third-party expenditure	131,385	231,625
External services	43,292	23,664
Other	453,057	481,778
	1,581,165	1,172,470
Total other income	2,223,057	1,979,874

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B3 Other income (continued)

Recognition and measurement

Finance income

Finance income comprises:

- Interest income on loans provided for the acquisition of water entitlements using the 10-year fixed plans for the Greater Meander Irrigation Scheme;
- Interest income on cash funds invested; and
- Late fees.

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 contributions

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.

Asset renewal levy

Asset renewal levies are charged annually and collected from water entitlement holders for all irrigation schemes. The asset renewal levy is recognised initially as deferred income at fair value when invoiced. Revenue is recognised in profit and loss from deferred income in the same period as expenses are incurred for asset renewal undertaking.

Gain or loss on sale of non-current assets

Gain or loss on the sale of non-current assets is recognised when control of the asset has passed to the buyer.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B4 Expenses

		2021	2020
	<i>Note</i>		
Employee benefits			
Salaries and wages		5,206,562	4,066,520
Salaries and wages capitalised		(622,201)	(486,590)
Other employee entitlements		898,365	688,373
Superannuation		462,996	375,300
		5,945,722	4,643,333
Operations and maintenance expenses			
Contractors and consultants		715,260	725,251
Maintenance		707,191	541,208
Water purchases (i)		3,313,031	5,979,778
Power charges (i)		1,446,756	2,889,709
Rates, land tax and insurances		613,191	584,470
Other operations and maintenance expenses		786,951	1,011,235
		7,582,380	11,731,651
(i) Operations and maintenance expenses are lower in these areas due to a decrease in the volume of water supplied this irrigation season compared to the prior year.			
Administration expenses			
External audit fees		39,630	50,245
Internal audit fees		16,320	19,774
Advertising and promotion		23,378	14,212
Travel expenses (ii)		48,249	66,362
Information technology and communication expenses		1,011,974	746,698
Training and professional development		104,018	91,075
Rental expenses		7,013	5,688
Other administration expenses		423,402	330,350
		1,673,984	1,324,404
(ii) There was no overseas travel by the Board of Directors or the CEO in either the current or prior financial year.			

Recognition and measurement

Expenses are recognised in the statement of profit or loss and other comprehensive income when it is probable that the outflow or the other depletion of future economic benefits has occurred and can be reliably measured.

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 B6.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B5 Taxation

Current tax expense

	2021	2020
Tax recognised in profit or loss		
Current tax expense		
Current year	-	-
Adjustment for prior periods	-	-
	-	-
Deferred tax expense		
Origination and reversal of temporary differences		
Decrease (increase) in deferred tax asset	5,108,305	(8,624,302)
Increase (decrease) in deferred tax liability	(9,478,989)	4,514,243
Tax benefits not recognised	4,370,684	4,110,059
Adjustment for prior years	-	-
	-	-
Total tax expense attributable to continuing operations	-	-

Numerical reconciliation between tax expense and pre-tax net profit

	2021	2020
Profit/(loss) from operations	(43,055,356)	(14,949,893)
Income tax expense calculated at 26% (2020: 27.5%)	(11,194,393)	(4,111,220)
Non-temporary items	1,734	1,161
Tax rate change on temporary differences and tax losses not recognised from 27.5% to 25%	6,821,975	-
Tax benefit not recognised	4,370,684	4,110,059
Income tax expense	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2021	2020
(Assessable) deductible temporary differences at 25% (2020: at 27.5%)	(5,599,340)	(15,218,233)
Tax losses at 25% (2020: at 27.5%)	80,275,639	85,523,848
	74,676,299	70,305,615

In addition to the above, deferred tax assets of \$11,952,575 (2020: \$13,147,833) 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.

All of the above deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B5 Taxation (continued)

Movement in deferred tax balances during the year

	Balance 1 July 2020	Recognised in profit or loss	Tax benefit de- recognised	Balance 30 June 2021	Opening balance not recognised 1 July 2020	Current year movement not recognised	Total tax benefit de- recognised at 30 June 2021
Property, plant and equipment	-	9,479,072	(9,479,072)	-	(15,269,819)	9,479,072	(5,790,747)
Trade and other receivables	-	(4,822)	4,822	-	35,941	(4,822)	31,119
Inventories	-	(83)	83	-	(157,813)	(83)	(157,896)
Provisions	-	5,695	(5,695)	-	168,874	5,695	174,569
Lease liabilities	-	762	(762)	-	4,584	762	5,346
Other	-	138,269	(138,269)	-	-	138,269	138,269
Tax loss carry-forwards	-	(5,248,209)	5,248,209	-	85,523,848	(5,248,209)	80,275,639
	-	4,370,684	(4,370,684)	-	70,305,615	4,370,684	74,676,299
	Balance 1 July 2019	Recognised in profit or loss	Tax benefit de- recognised	Balance 30 June 2020	Opening balance not recognised 1 July 2019	Current year movement not recognised	Total tax benefit de- recognised at 30 June 2020
Property, plant and equipment	-	(4,430,772)	4,430,772	-	(10,839,047)	(4,430,772)	(15,269,819)
Trade and other receivables	-	5,668	(5,668)	-	30,273	5,668	35,941
Inventories	-	3,666	(3,666)	-	165,208	3,666	168,874
Provisions	-	(8,403)	8,403	-	173,611	(8,403)	165,208
Lease liabilities	-	4,584	(4,584)	-	-	4,584	4,584
Tax loss carry-forwards	-	8,610,384	(8,610,384)	-	76,913,464	8,610,384	85,523,848
	-	4,110,059	(4,110,059)	-	66,195,556	4,110,059	70,305,615

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B5 Taxation (continued)

Recognition and measurement

(i) 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.

(ii) 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 which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B6 Property, plant and equipment

	<i>Note</i>	Land and buildings	Dams	Water infrastructure	Other equipment	Total
Gross carrying amount						
Balance at 1 July 2019		1,727,723	94,735,487	303,202,802	2,722,528	402,388,540
Recognition of right-of-use assets on		855,218	-	-	-	855,218
Additions (i)		-	-	28,172,627	497,860	28,670,487
Disposals		-	-	-	(219,630)	(219,630)
Balance at 30 June 2020		2,582,941	94,735,487	331,375,429	3,000,758	431,694,615
Balance at 1 July 2020		2,582,941	94,735,487	331,375,429	3,000,758	431,694,615
Additions (i)		68,119	-	13,666,279	484,943	14,219,341
Disposals		-	-	-	(396,599)	(396,599)
Transfers		749,664	13,518,639	(14,268,303)	-	-
Balance at 30 June 2021		3,400,724	108,254,126	330,773,405	3,089,102	445,517,357
Depreciation and impairment losses						
Balance at 1 July 2019		(1,507,335)	(92,444,681)	(255,759,769)	(1,560,638)	(351,272,423)
Depreciation for the year		(164,079)	(31,846)	(365,668)	(392,121)	(953,714)
Impairment loss (ii)		-	(173,968)	(11,756,269)	-	(11,930,237)
Disposals		-	-	-	200,438	200,438
Balance at 30 June 2020		(1,671,414)	(92,650,496)	(267,881,706)	(1,752,321)	(363,955,936)
Balance at 1 July 2020		(1,671,414)	(92,650,496)	(267,881,706)	(1,752,321)	(363,955,936)
Depreciation for the year		(163,640)	(32,757)	(80,089)	(389,234)	(665,720)
Impairment loss (ii)		(856,330)	(13,663,181)	(32,519,543)	-	(47,039,054)
Disposals		-	-	-	332,869	332,869
Balance at 30 June 2021		(2,691,384)	(106,346,434)	(300,481,338)	(1,808,686)	(411,327,841)
Carrying amounts						
at 1 July 2019		220,388	2,290,806	47,443,033	1,161,890	51,116,117
at 30 June 2020		911,527	2,084,991	63,493,723	1,248,437	67,738,679
at 30 June 2021		709,340	1,907,692	30,292,067	1,280,416	34,189,515
Expenditure included in carrying						
at 30 June 2020		-	-	60,236,200	-	60,236,200
at 30 June 2021		-	-	24,305,447	-	20,305,447

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B6 Property, plant and equipment (continued)

Recognition and measurement – property, plant and equipment

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

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- When the Company has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site.

Assets are only recognised when they have a cost (or fair value) greater than \$10,000 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 which is a significant proportion of the total value of the Company's assets.

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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

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

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B6 Property, plant and equipment (continued)

(i) Additions

The additions to property, plant and equipment relate to:

	2021	2020
Cressy Longford Irrigation Scheme	663,232	-
Don Irrigation Scheme	2,658,619	41,722
Duck Irrigation Scheme	23,974	181,722
Fingal Irrigation Scheme	401,437	-
Kindred North Motton Irrigation Scheme	-	19,470
Lower South Esk Irrigation Scheme	34,418	2,970
Meander Valley Irrigation Scheme	-	188,467
Midlands Irrigation Scheme	-	58,050
North Esk Irrigation Scheme	34,912	-
Northern Midlands Irrigation Scheme	4,238,360	98,454
Sassafras Irrigation Scheme	-	14,680
Scottsdale Irrigation Scheme	2,819,669	24,946,377
South East Irrigation Scheme (Stage One)	-	54,984
South East Interim Solution	1,632,698	2,480,214
South East Irrigation Scheme - Interconnect Project	1,149,468	-
Southern Highlands Irrigation Scheme	-	85,516
Other	562,554	497,860
	14,219,341	28,670,486

ii) Impairment loss

Recognition and measurement - impairment

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

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

- The amount and timing of unsold water entitlements, as well as ongoing costs and results of operations. Currently, pricing of ongoing annual operating water charges is based on a cost recovery model and as a result the Company is not forecasting any future cash inflows from operations;

- Projected electricity generation and renewable energy certificate revenue; and

- A pre-tax discount rate of seven per cent that reflects current market assessments of the time value of money and the risks specific to the asset. This discount rate is based on the current recommended Infrastructure Australia discount rate for assets of this nature.

An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. During the year ended 30 June 2021, an impairment expense of \$47,039,054 (2020: \$11,930,237) has been recognised in the statement of profit or loss and other comprehensive income. The majority of this expense relates to the dam and distribution assets of the Scottsdale Irrigation Scheme.

Water infrastructure development is funded by a combination of Government capital contributions and the sale of water entitlements to the public.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B6 Property, plant and equipment (continued)

(ii) Impairment loss (continued)

The accounting treatment for these 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).

Accumulated impairment losses

The impairment loss for each scheme commissioned to date, allocated between Government contributions and water entitlements and other revenue, is as follows:

	30 June 2021			30 June 2020		
	Government contributions	Sale of water entitlements and other revenue	Total	Government contributions	Sale of water entitlements and other revenue	Total
Dial Blythe Irrigation Scheme	11,061,295	2,614,407	13,675,702	11,061,295	2,614,407	13,675,702
Duck Irrigation Scheme	15,746,466	14,124,861	29,871,327	15,746,466	13,953,754	29,700,220
Great Forester Irrigation Scheme	2,124,000	4,294,170	6,418,170	2,124,000	4,294,170	6,418,170
Kindred North Motton Irrigation Scheme	7,606,673	2,808,530	10,415,203	7,606,673	2,894,461	10,501,134
Lower South Esk Irrigation Scheme	8,814,272	5,644,381	14,458,653	8,814,272	5,606,993	14,421,265
Meander Valley Irrigation Scheme *	-	16,707,737	16,707,737	-	15,100,556	15,100,556
Midlands Irrigation Scheme	65,487,723	26,675,670	92,163,393	65,487,723	28,346,283	93,834,006
North Esk Irrigation Scheme	14,949,637	12,083,204	27,032,841	14,949,637	11,902,321	26,851,958
Sassafras Wesley Vale Irrigation Scheme	6,114,000	5,804,697	11,918,697	6,114,000	5,804,697	11,918,697
Scottsdale Irrigation Scheme	2,200,000	37,005,548	39,205,548	-	-	-
South East Interconnect Project	4,112,912	-	4,112,912	-	-	-
South East Irrigation Scheme (Stages One and Two)	-	578,025	578,025	-	563,937	563,937
South East Irrigation Scheme (Stage Three) *	25,417,508	5,436,170	30,853,678	25,417,508	5,255,555	30,673,063
Southern Highlands Irrigation Scheme	22,906,229	6,760,638	29,666,867	22,906,229	6,492,544	29,398,773
Swan Valley Irrigation Scheme	15,580,000	3,146,741	18,726	15,580,000	3,146,741	18,726,741
Togari, Montagu and Riley's Creek*	-	561,403	561,403	-	254,650	254,650
Upper Ringarooma Irrigation Scheme	21,166,960	5,068,873	26,235,833	21,166,960	4,778,881	25,945,841
Whitemore Irrigation Scheme	5,050,000	6,511,402	11,561,402	5,050,000	6,086,858	11,136,858
Winnaleah Irrigation Scheme Augmentation	6,491,624	4,364,937	10,856,561	6,491,624	4,364,937	10,856,561
	234,829,299	160,191,393	395,020,692	228,516,387	121,461,745	349,978,132

* Funded by government prior to acquisition by the Company

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

B6 Property, plant and equipment (continued)

(ii) Impairment loss (continued)

Following the recognition of impairment losses, the carrying values of these schemes included in property, plant and equipment, representing unsold water entitlements and the written down value of ancillary items that have a fair value, are as follows:

	2021	2020
Duck Irrigation Scheme	34,588	-
Kindred North Motton Irrigation Scheme	431,303	81,280
Meander Valley Irrigation Scheme	-	1,542,842
Midlands Irrigation Scheme	1,670,614	-
Scottsdale Irrigation Scheme	5,216,858	-
South East Irrigation Scheme (Stages One and Two)	-	14,088
South East Irrigation Scheme (Stage Three)	-	180,619
Southern Highlands Irrigation Scheme	75,140	48,988
Togari, Montagu and Riley's Creek	-	310,298
Upper Ringarooma Irrigation Scheme	518,754	818,981
Whitemore Irrigation Scheme	-	434,232
	7,947,257	3,431,328

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

Section C – Operating assets and liabilities

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

C1. Cash and cash equivalents

C2. Receivables

C3. Inventories

C4. Payables

C5. Deferred revenue

C6. Unearned revenue

C1 Cash and cash equivalents

	2021	2020
Bank balances *	22,227,340	18,466,420
Short-term investments at call with Tascorp	608,483	555,731
Cash and cash equivalents in the statement of cash flows	22,835,823	19,022,151
* Of this amount, \$920,707 (2020: \$3,542,159) is restricted for use in capital construction projects		

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 change 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 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.

Interest-bearing loans and borrowings	2021	2020
Balance at 1 July	33,007,477	26,891,561
Lease liabilities recognised at 1 July 2019 under AASB 16	-	855,218
Additional lease liabilities recognised in year	68,119	-
Changes from financing cash flows:		
-Cash received from loans	29,000,000	5,700,000
-Cash repayments of loans	(28,737,028)	(291,891)
-Cash repayments of lease liabilities	(154,730)	(147,411)
Balance at 30 June	33,183,838	33,007,477

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

C1 Cash and cash equivalents (continued)

iii) 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:

	2021	2020
Cash flows from operating activities		
Profit (loss) for the period	(43,055,357)	(14,949,893)
Adjustments for:		
Depreciation and amortisation	665,720	902,560
Impairment of current assets	56,735	20,611
Impairment of non-current assets	47,039,054	11,930,237
Proceeds from sales of water entitlements recognised as investing activities	(13,398,934)	(9,759,394)
(Gain) loss on sale of non-current assets	(335,955)	(28,699)
	(9,028,737)	(11,884,578)
Change in trade and other receivables	2,888,644	9,860,328
Change in prepayments	(34,952)	(71,991)
Change in inventories	(670,421)	(303,531)
Change in other assets	55,895	212,517
Change in trade and other payables	(2,997,615)	19,546
Change in provisions and employee benefits	176,601	(74,566)
Change in deferred income	366,106	418,412
Change in contract liability	174,008	380,497
Net cash provided by / (used in) operating activities	(9,070,471)	(1,443,366)

C2 Receivables

	2021	2020
Trade receivables (i)	1,716,252	3,405,759
Impairment of trade receivables (ii)	(124,476)	(130,696)
Goods and Services Tax receivable	167,086	262,883
Accrued income	1,383,606	2,549,901
	3,142,468	6,087,847

i) Trade receivables

Trade receivables are made up of annual charges relating to the operations 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.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

C2 Receivables (continued)

(ii) Impairment of financial assets

	2021	2020
Movement in the allowance for impairment		
Balance at the beginning of the year	(130,696)	(110,085)
Impairment losses recognised on receivables	(45,063)	(20,611)
Impaired receivables written-off during year	51,283	-
Balance at the end of the year	(124,476)	(130,696)

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs. The Company assumes that the credit risk of a financial asset has increased significantly since initial recognition after the consideration of reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The credit risk on a financial asset is assumed to have increased significantly if it is more than 90 days past due. A financial asset is considered to be in default when the financial asset is more than 180 days past due, and there is no recourse available (eg. security held) to the Company.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the cash flows due to the Company, and the cash flows it expects to receive.

At each reporting date, the Company assesses whether financial assets carried at amortised costs are credit impaired. Evidence that a financial asset is credit impaired includes significant financial difficulty of the borrower or breach of contract such as default or being more than 180 days past due.

Expected credit loss (ECLs) assessment

The Company uses an allowance matrix to measure the ECLs of trade receivables, which comprise a large number of smaller balances. Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Derecognition

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.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

C3 Inventories

	2021	2020
Water stock on hand		
South Riana Dam (Dial Blythe Irrigation Scheme)	11,645	16,068
Milford Dam (Lower South Esk Irrigation Scheme)	134,841	133,657
Daisy Banks Dam (South East Irrigation Scheme – Stage Two)	40,322	35,001
Rekuna Dam (South East Irrigation Scheme – Stage Three)	32,871	24,232
Dunns Creek Dam (Upper Ringarooma Irrigation Scheme)	19,629	24,579
Southernfield Dam (Southern Highlands Irrigation Scheme)	159,279	82,120
Rocklands Dam (North Esk Irrigation Scheme)	91,259	109,275
Melrose Dam (Swan Valley Irrigation Scheme)	70,966	54,776
Mill Creek Dam (Duck Irrigation Scheme)	70,772	94,157
	631,584	573,865
Water construction project inventory	612,702	-
	1,244,286	573,865

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.

C4 Payables

	2021	2020
Trade payables	101,676	1,856,322
Accrued expenses	4,117,148	5,897,074
Interest payable	116,702	151,243
	4,335,526	7,904,639

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.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

C5 Deferred revenue

(i) Deferred income

	2021	2020
Current		
Net Interest cover *	440,405	323,760
Asset renewal levies	1,618,228	658,300
Operational grants	33,227	192,340
Project contributions - Farm Water Access Plans	-	60,000
	2,091,860	1,234,400
Non-Current		
Net Interest cover *	2,791,867	3,349,624
Asset renewal levies	4,376,304	4,417,313
Asset renewal levies - self managed	1,540,643	1,433,231
	8,708,814	9,200,168

* 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.

(ii) Asset renewal levies - by scheme

The asset renewal levy is an annual fee which is levied on each water entitlement holder for all of the Company's operating irrigation schemes. The single purpose of the asset renewal levy is to fund future maintenance and/or capital expenditure on the relevant scheme. Funds collected are quarantined in separate bank accounts and are expressly identified as belonging to a particular scheme. There is no allowance for cross subsidy between schemes. The Company confirms that the expenditure incurred in the current financial year as set out below were for the purposes of asset renewal.

30 June 2021

	Opening balance	Revenue	Expenditure	Movement	Closing balance
Cressy Longford Irrigation Scheme	602,895	38,604	-	38,604	641,499
Dial Blythe Irrigation Scheme	317,157	84,681	(3,068)	81,613	398,770
Duck Irrigation Scheme	96,593	107,329	(5,696)	101,633	198,226
Great Forester Irrigation Scheme	59,786	9,867	-	9,867	69,653
Kindred North Motton Irrigation Scheme	231,473	60,635	(271,367)	(210,732)	20,741
Lower South Esk Irrigation Scheme	259,011	39,882	(16,203)	23,679	282,690
Meander Valley Irrigation Scheme	113,817	80,289	(158,288)	(77,999)	35,818
Midlands Irrigation Scheme	1,394,493	345,120	(41,890)	303,230	1,697,724
North Esk Irrigation Scheme	139,096	72,602	-	72,602	211,698
Sassafras Wesley Vale Irrigation Scheme	389,430	57,954	(26,329)	31,625	421,055
Scottsdale Irrigation Scheme	-	90,020	-	90,020	90,020
South East Irrigation Scheme (Stages 1-2)	273,671	48,724	(66,063)	(17,339)	256,332
South East Irrigation Scheme (Stage 3)	536,171	137,015	(18,020)	118,995	655,166
Southern Highlands Irrigation Scheme	431,577	151,138	(7,464)	143,674	575,251
Swan Valley Irrigation Scheme	97,180	98,824	-	98,824	196,004
Upper Ringarooma Irrigation Scheme	452,397	102,216	(3,012)	99,204	551,601
Whitemore Irrigation Scheme	283,762	50,099	(75)	50,024	333,786
Winnaleah Irrigation Scheme	830,334	68,809	-	68,809	899,143
	6,508,843	1,643,808	(617,476)	1,026,333	7,535,176

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

C5 Deferred revenue (continued)

(ii) Asset renewal levies – by scheme (continued)

30 June 2020	Opening balance	Revenue	Expenditure	Movement	Closing balance
Cressy Longford Irrigation Scheme	552,173	50,722	-	50,722	602,895
Dial Blythe Irrigation Scheme	241,929	80,068	(4,840)	75,228	317,157
Duck Irrigation Scheme	-	104,951	(8,358)	96,593	96,593
Great Forester Irrigation Scheme	49,889	9,897	-	9,897	59,786
Kindred North Motton Irrigation Scheme	187,613	60,434	(16,574)	43,860	231,473
Lower South Esk Irrigation Scheme	220,370	40,195	(1,554)	38,641	259,011
Meander Valley Irrigation Scheme	292,839	65,420	(244,442)	(179,022)	113,817
Midlands Irrigation Scheme	1,132,695	323,707	(61,909)	261,798	1,394,493
North Esk Irrigation Scheme	-	139,096	-	139,096	139,096
Sassafras Wesley Vale Irrigation Scheme	364,582	58,742	(33,894)	24,848	389,430
South East Irrigation Scheme (Stages 1-2)	235,766	49,555	(11,650)	37,905	273,671
South East Irrigation Scheme (Stage 3)	418,848	133,975	(16,652)	117,323	536,171
Southern Highlands Irrigation Scheme	287,591	149,288	(5,302)	143,986	431,577
Swan Valley Irrigation Scheme	-	97,180	-	97,180	97,180
Upper Ringarooma Irrigation Scheme	353,176	101,722	(2,501)	99,221	452,397
Whitemore Irrigation Scheme	241,976	42,203	(417)	41,786	283,762
Winnaleah Irrigation Scheme	767,320	63,014	-	63,014	830,334
	5,346,767	1,570,169	(408,093)	1,162,076	6,508,843

(iii) Asset renewal levies – componential breakdown

	2021	2020
Cash held - scheme accounts	7,422,266	6,354,323
Outstanding debtors	112,910	154,420
	7,535,176	6,508,843

C6 Contract liability

	2021	2020
Water entitlement deposits	1,905,878	1,731,870

Recognition and measurement

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.

Tasmanian Irrigation Proprietary Limited

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. Employee benefits

D2. Key management personnel

D1 Employee benefits

	2021	2020
Current liabilities – employee benefits	731,342	539,572
Non-current liabilities – employee benefits	70,815	85,984

Recognition and measurement

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.

D2 Key management personnel

Key management personnel compensation

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

	Directors' Remuneration		Executive Remuneration		Consolidated	
	2021	2020	2021	2020	2021	2020
Short-term employee benefits	217,116	215,845	1,337,913	1,078,904	1,555,029	1,294,749
Post-employment benefits	20,625	20,504	130,404	94,668	151,029	115,172
Other long-term employee benefits	-	-	18,379	60,078	18,379	60,078
Termination benefits	-	-	62,394	-	62,394	-
	237,741	236,349	1,549,090	1,233,650	1,786,831	1,469,999

For Directors' remuneration, short-term employment benefits include: Director fees, Committee fees and other benefits. Post-employment benefits represent superannuation contributions.

For Executive remuneration, short-term employment benefits include: base salary,

vehicles, other benefits and other non-monetary benefits.

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

Termination benefits are provided for as below.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

D2 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 2021 ¹

Name	Position	Period	Director's fees	Committee fees	Superannuation ²	Other Benefits	Total
Ms Samantha Hogg Non-Executive	Chair	Full term	75,270	-	7,151	-	82,421
Mr Michael Chilvers Non-Executive	Director	To: 19 March 2021	30,180	-	2,867	-	33,047
Mr Guy Kingwill Non-Executive	Director	Full term	41,299	-	3,923	-	45,222
Mr Christopher Thompson Non-Executive	Director	To: 15 March 2021	14,772	-	1,403	-	16,175
Dr John Whittington Non-Executive	Director	Full term	41,299	-	3,923	-	45,222
Ms Abigail Foley Non-Executive	Director	From: 22 February 2021	14,296	-	1,358	-	15,654
Total			217,116	-	20,625	-	237,741

Director Remuneration for Year ended 30 June 2020 ¹

Name	Position	Period	Director's fees	Committee fees	Superannuation ²	Other Benefits	Total
Ms Samantha Hogg Non-Executive	Chair	Full term	75,270	-	7,151	-	82,421
Mr Michael Chilvers Non-Executive	Director	Full term	41,299	-	3,923	-	45,222
Mr Guy Kingwill Non-Executive	Director	Full term	41,299	-	3,923	-	45,222
Mr Christopher Thompson Non-Executive	Director	Full term	41,299	-	3,923	-	45,222
Dr John Whittington Non-Executive	Director - Crown Servant ³	Full term	16,678	-	1,584	-	18,262
Total			215,845	-	20,504	-	236,349

Director remuneration notes and statements

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

² Superannuation means the contribution to the superannuation fund of the individual.

³ As a Crown Servant, Dr J Whittington was not directly remunerated for his role on the Board. However, during the 2020 financial year Dr Whittington ceased being a Crown Servant and was reappointed to the Board with remuneration effective from 1 February 2020.

⁴ Christopher Thompson took a leave of absence from the Board from 4 of November 2020 until 15 March 2021 and was not remunerated during this period.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

D2 Key management personnel (continued)

Executive remuneration

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

Executive Remuneration for Year ended 30 June 2021

See over for key

Name	Position	Period	Base Salary ¹	Short Term Incentive payment ²	Superannuation ³	Vehicles ⁴	Other Monetary Benefits ⁵	Other Non Monetary Benefits ⁶	Total Remuneration	Termination Benefits ⁷	Other Long Term Benefits ⁸	Total
Mr Andrew Kneebone	Chief Executive Officer	Full year	288,616	-	33,867	21,372	-	-	343,855		22,982	366,837
Mr James Hipwood	Chief Financial Officer	Full year	180,471	-	17,145	-	-	-	197,616		9,584	207,200
Mr Paul Ellery	General Manager Program Development and Delivery	To: 6 April 2021	166,744	-	17,791	6,728	-	-	191,263	62,394	(48,241)	205,416
Mr Steven Maycock	Company Secretary & General Counsel	Full year	158,076	-	15,017	-	-	-	173,093		1,752	174,845
Mr Paul Davis	General Manager Technical Support Services	Full year	173,374	-	16,470	13,054	-	-	202,898		9,226	212,124
Mr David Skipper	General Manager Water Delivery	Full year	181,033	-	17,198	4,834	-	-	203,065		13,215	216,280
Mr Steven Powell	General Manager Environment, Health and Safety	Full year	135,961		12,916	7,650			156,527		9,861	166,388
TOTAL			1,284,275	-	130,404	53,638			1,468,317	62,394	18,379	1,549,090

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

D2 Key management personnel (continued)

Executive Remuneration for Year ended 30 June 2020

See over for key

Name	Position	Period	Base Salary ¹	Short Term Incentive payment ²	Superannuation ³	Vehicles ⁴	Other Monetary Benefits ⁵	Other Non Monetary Benefits ⁶	Total Remuneration	Termination Benefits ⁷	Other Long Term Benefits ⁸	Total
Mr Andrew Kneebone	Chief Executive Officer	Full year	283,000	-	21,002	14,814	-	-	318,816	-	28,047	346,863
Mr James Hipwood	Chief Financial Officer	Full year	173,400	-	16,473	-	-	-	189,873	-	14,928	204,801
Mr Paul Ellery	General Manager Program Development and Delivery	Full year	187,272	-	19,664	12,746	-	-	219,682	-	(2,600)	217,082
Mr Steven Maycock	Company Secretary & General Counsel	Full year	155,000	-	14,725	-	-	-	169,725	-	8,051	177,776
Mr Paul Davis	General Manager Technical Support Services	From: 13/01/2020	78,462	-	7,454	5,992	-	-	91,908	-	881	92,789
Mr David Skipper	General Manager Water Delivery	From: 13/01/2020	80,769	-	7,673	6,634	-	-	95,076	-	8,227	103,303
Sub-total			957,903	-	86,991	40,186			1,085,080	-	57,534	1,142,614
Acting Arrangements												
Ms Simone Preece	Acting Deputy CEO and Manager - People and Culture	From: 1/07/2019 to 10/01/2020	80,815	-	7,677	-	-	-	88,492	-	2,544	91,036
Subtotal			80,815	-	7,677	-	-	-	88,492	-	2,544	91,036
TOTAL			1,038,718	-	94,668	40,186	-	-	1,173,572	-	60,078	1,233,650

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

D2 Key management personnel (continued)

Key to executive remuneration tables

Executive remuneration amounts are all forms of consideration paid, payable or provided by the entity.

¹ *Base Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.*

² *Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. Tasmanian Irrigation 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 *Superannuation means the contribution to the superannuation fund of the individual.*

⁴ *The personal use component of the total cost of providing and maintaining a vehicle for an executive's use, including registration, insurance, fuel and other consumables, maintenance cost and parking (ie. the notional value of parking provided at premises that are owned or leased) and the reportable fringe benefits amount referable to a vehicle.*

⁵ *Other monetary benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable to the executive, either directly or indirectly.*

⁶ *Other non-monetary benefits include all other benefits not included in the total remuneration package for the purpose of assessing compliance with the remuneration guideline, including medical care, housing, free or subsidised goods or services and reportable fringe benefits.*

⁷ *Termination benefits include all forms of benefit paid or accrued as a consequence of termination.*

⁸ *Other long-term benefits include annual and long service leave movement.*

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

D2 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 is 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.

Senior executives

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) are determined by the Government Business Executive Remuneration Panel and 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 Premier and Portfolio Minister following selection and recommendation by the Board. The Board consults with the Government Business Executive Remuneration Advisory Panel when determining the CEO's remuneration package.

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.

The performance of each senior executive, including the CEO, is reviewed annually which includes a review of the remuneration package. The terms of employment of the CEO contains a termination clause that requires the CEO to provide a minimum notice period of up to six months prior to termination of the contract. Whilst not automatic, contracts can be extended.

No key management personnel appointed during the period received a payment as part of their consideration for agreeing to hold the position.

Short term incentive payments

No fixed performance targets with short term incentive payments were set by the Board during the current year.

Termination benefits

During the current year, Mr Paul Ellery ceased employment effective 6 April 2021 and was paid \$62,394 representing the balance of his accrued annual leave entitlements (\$48,241), plus four weeks salary in lieu of notice (\$14,693).

During the prior year there were no termination payments paid to key management personnel.

Acting arrangements

When key management positions are vacant or the incumbent is 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 fortnight.

During the previous financial year, Ms Simone Preece was appointed to the above position for the period shown, whilst an organisational review and restructure was undertaken.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

D2 Key management personnel (continued)

Related party transaction

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, Directors and other related parties acquired and received irrigation water from the Company in the ordinary course of business.

The total amount of water entitlements acquired was \$nil (2020: \$810,000) and the amount paid for the supply irrigation water was \$95,605 (2020: \$94,545), with all of this paid during the financial year.

During the year, the Company procured \$360,487 (2020: nil) of environmental and project services in the ordinary course of business from Pinion, a Company jointly controlled by a Director. In 2020 \$186,909 worth of environmental and project services were bought from Macquarie Franklin, a Company jointly controlled by a Director.

Ministerial Declarations

During the year, Deputy Premier Jeremy Rockliff paid \$9,682 (2020: \$9,281) for the supply of irrigation water with all of this paid during the financial year.

During the year, Minister Sarah Courtney's spouse was a Director who received \$45,222 (2020: \$18,262) in Director fees.

Tasmanian Irrigation Proprietary Limited

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
- E5. Leases

E1 Loans and borrowings

	2021	2020
Current liabilities		
Secured loans – Tascorp	25,722,948	31,637,027
Lease liabilities	162,338	153,212
	25,885,286	31,790,239
Non-current liabilities		
Secured loans – Tascorp	6,839,695	662,643
Lease liabilities	458,857	554,595
	7,298,552	1,217,238

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

			30 June 2021		30 June 2020	
	Nominal interest rate	Year of maturity	Fair value	Carrying amount	Fair value	Carrying amount
Secured loans – Tascorp	0.75% - 5.12%	2021 - 2024	32,644,342	32,562,643	32,404,715	32,229,670
Lease liabilities			621,195	621,195	707,807	707,807
Total interest-bearing liabilities			33,265,537	33,183,838	33,112,522	33,007,477

As part of the State Government's response to the COVID-19 pandemic, the Treasurer has ensured that all Government businesses have access to sufficient funds. On 15 June 2020, the Treasurer provided explicit support to the Tasmanian Public Finance Corporation (Tascorp) for a borrowing

limit of \$68.2 million. The Tascorp borrowings are also secured by a Letter of Comfort from the Treasurer issued on 16 February 2015.

Information about the Company's exposure to interest rate and liquidity risk is included in note E4.

E2 Finance costs

	2021	2020
Interest on financial liabilities measured at amortised cost	370,399	456,763
Interest on lease liabilities	11,328	13,949
Guarantee fee	253,526	(1,362)
Collection costs	80	4,109
	635,333	473,459

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

E2 Finance costs (continued)

Recognition and measurement

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

E3 Issued Capital

	Ordinary Shares	
	2021	2020
On issue at 1 July	298,929,793	283,059,793
Government contributions (1)	13,700,000	15,870,000
On issue at 30 June	312,629,793	298,929,793

(1) 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.

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.

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.

Exposure to credit risk

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 was as follows:

		Carrying amount	
		2021	2020
Trade receivables	<i>C2</i>	1,591,776	3,275,063
Other financial assets	<i>F1</i>	-	55,895
		1,591,776	3,330,958

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

E4 Capital and risk management (continued)

Credit risk (continued)

Trade receivables

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 collections agency. Impairment losses on financial assets recognised in profit or loss during the period, and the basis of the expected credit loss assessment are detailed in note C2.

Other financial assets

Other financial assets are fixed repayment plans relating to the Greater Meander Irrigation Scheme (refer note F1). Interest is charged on these long-term financial assets and the Company ensures repayments are in accordance with the agreed plans. The allowance for impairment (refer note F1) represents the expected credit losses in respect of these other financial assets.

The following are the contractual maturities of financial liabilities:

30 June 2021

	Carrying amount	Contractual cash flows	1 mth or less	1-3 mths	3 mths - 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities							
Secured loans - Tascorp	32,562,643	32,562,643	25,400,000	-	322,948	6,839,695	-
Lease liabilities	621,195	621,195	13,590	27,118	122,885	457,602	-
Trade and other payables	4,335,526	4,335,526	4,335,526	-	-	-	-
	37,519,364	37,519,364	29,749,116	27,118	445,833	7,297,297	-

Cash and cash equivalents

The Company held cash and cash equivalents of \$22,835,823 at 30 June 2021 (2020: \$19,022,151), which are held with an Australian-owned bank which is regulated by the Australian Prudential Regulatory Authority in accordance with the *Banking Act 1959*. No impairment allowance exists in relation to these assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The average credit period on purchases of goods is 30 days. No interest is charged on the trade payables for the first 30 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.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

E4 Capital and risk management (continued)

Liquidity risk (continued)

30 June 2020

	Carrying amount	Contractual cash flows	1 mth or less	1-3 mths	3 mths - 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities							
Secured loans - Tascorp	32,299,670	32,299,670	5,700,000	-	25,937,027	662,643	-
Lease liabilities	707,807	707,807	13,415	26,772	120,004	547,616	
Trade and other payables	7,904,639	7,904,639	7,904,639	-	-	-	-
	40,912,116	40,912,116	13,618,054	26,772	26,057,031	1,210,259	-

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.

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 \$57,090 (2020: \$47,556).

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 funding 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.

Accounting classifications and fair values

The Company has no financial assets or financial liabilities that are accounted for and measured at fair value.

The carrying amounts of trade and other receivables, cash and cash equivalents and trade payables approximate fair value because of the short maturity of these instruments. Fair value of loans and borrowings carried, which are carried at amortised cost is \$32,644,342 (2020: \$32,404,715).

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

E5 Leases

The Company leases office spaces, storage units and forklifts. The leases typically run for a period of 5-10 years, with an option to renew the lease after that date. Some leases provide for rental adjustments that are based on changes in local price indices. Information about leases for which the Company is a lessee is presented below.

(i) Right-of-use assets

Right-of-use assets related to leased properties are presented within the "land and buildings" class of property, plant and equipment.

	2021	2020
Balance at 1 July	691,139	855,218
Additions	68,119	-
Depreciation charge for the year	(163,640)	(164,079)
Balance at 30 June	595,618	691,139

(ii) Amounts recognised in profit or loss

	2021	2020
Interest on lease liabilities	11,328	13,949
Expenses relating to short-term leases	7,013	5,688
Depreciation charge for the year	163,640	164,079
	181,981	183,716

(iii) Amounts recognised in statement of cash flows

	2021	2020
Principal component - financing activity	154,730	147,412
Interest component - operating activity	11,328	13,949
Total cash outflow for leases	166,058	161,361

(iv) Recognition and measurement

At inception of a contract, the Company assesses whether a contract is, or contains, a lease using the definition of a lease in AASB 16 to assess this.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the

commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Tasmanian Irrigation Proprietary Limited

Notes to the financial statements

E5 Leases

The Company leases office spaces, storage units and forklifts. The leases typically run for a period of 5-10 years, with an option to renew the lease after that date. Some leases provide for rental adjustments that are based on changes in local price indices. Information about leases for which the Company is a lessee is presented below.

(i) Right-of-use assets

Right-of-use assets related to leased properties are presented within the "land and buildings" class of property, plant and equipment.

	2021	2020
Balance at 1 July	691,139	855,218
Additions	68,119	-
Depreciation charge for the year	(163,640)	(164,079)
Balance at 30 June	595,618	691,139

(ii) Amounts recognised in profit or loss

	2021	2020
Interest on lease liabilities	11,328	13,949
Expenses relating to short-term leases	7,013	5,688
Depreciation charge for the year	163,640	164,079
	181,981	183,716

(iii) Amounts recognised in statement of cash flows

	2021	2020
Principal component - financing activity	154,730	147,412
Interest component - operating activity	11,328	13,949
Total cash outflow for leases	166,058	161,361

(iv) Recognition and measurement

At inception of a contract, the Company assesses whether a contract is, or contains, a lease using the definition of a lease in AASB 16 to assess this.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the

commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Tasmanian Irrigation Proprietary Limited

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. Other financial assets

F2. Other assets

F3. Commitments

F4. Auditor's remuneration

F5. Subsequent events

F1 Other financial assets

	2021	2020
Current assets		
Greater Meander Irrigation Scheme fixed repayment plans - 10 years	-	55,895

F2 Other assets

	2021	2020
Cressy Longford Irrigation Scheme Limited	193,556	193,556
Winnaleah Irrigation Scheme Limited	232,792	232,792
	426,348	426,348

F3 Commitments

The Company has entered into contracts with third parties which will result in capital expenditure related to the construction of irrigation schemes as follows:

<i>As at 30 June 2021</i>	Within 1 year	Within 1 year	Between 1 and 5
Scottsdale Irrigation Scheme	920,707	-	920,707
	920,707	-	920,707
<i>As at 30 June 2020</i>	Within 1 year	Within 1 year	Between 1 and 5
Scottsdale Irrigation Scheme	3,542,159	-	3,542,159
	3,542,159	-	3,542,159

F4 Auditors Remuneration

	2021	2020
Audit and review of financial statements	39,630	50,245
The auditor of Tasmanian Irrigation Pty Ltd is the Auditor-General of Tasmania.		

F5 Subsequent events

There were no significant events subsequent to reporting date.



Tasmanian
Irrigation

