



JULY 2023 TO JUNE 2024
ANNUAL REPORT
(PROVISIONAL)

ETON IRRIGATION CO-OPERATIVE LTD



Our History

When drought ravaged the sugar industry in the Mackay region in the 1960s, grower organisations lobbied the Queensland Government to invest in water storage infrastructure to avoid a repeat of the hardship it caused.

In 1975, the Queensland Government approved the establishment of the Eton Irrigation Area. The development of the Eton Irrigation Scheme occurred progressively over the following decade, after construction of the Kinchant Dam (Stage 1).

The scheme was designed to supplement rainfall by harvesting water from the Pioneer River and storing it for later distribution to the 300 sugar cane farms within its area.

In late 2016, the Queensland Government set up Eton Irrigation and appointed a transition Board to negotiate and investigate a local management proposal with the Queensland Government and ultimately, if accepted by the Board and the Customers, to become the owner and operator of the Irrigation Scheme.

In December 2019 a proposal (Offer Document) put to the Eton Irrigation members was accepted by over 85% of the Water Allocation holders by volume. In March 2020, Eton Irrigation Pty Ltd came into being and took over ownership and operation of the system.

Today, cane is no longer the sole crop grown in the area as some farms have moved into growing other crops. In addition, the scheme is now also used to transport water for the Hay Point and Dalrymple Bay Coal Loading Facilities.

Currently, the Eton Water Supply Scheme has over 300 customers.

Cover Photo: Pouring of the concrete lining for the new meter at the Main Offtake

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ABOUT US

Eton Irrigation is a co-operative owned by the members, whose vision is:

To be a long-term viable water delivery business for members in the Eton Irrigation Scheme

Eton Irrigation supplies water to over 300 customers across 15,000ha through 35km of channel, 6 pump stations, 8 balancing storages, over 150km of pipelines and 577 farm outlets.

51,900ML of Water Allocation is held by landholders within the Eton Irrigation footprint.

Our water is supplied from Kinchant Dam which is owned and operated by Sunwater. Sunwater fills Kinchant Dam using the Mirani Pump Station from the Mirani Weir in the Pioneer River, pumping into the Mirani Diversion Channel which flows into the dam.

The EICL Board is composed of 3 Member Directors and up to 2 Independent Directors. The Member Directors serve for a 3-year term with one Member Director being up for election every year. The Independent Directors are nominated by the Member Directors and endorsed by the members at the AGM.

The functioning of the co-operative is governed by a set of registered rules – a copy of these rules is available on the website (www.etonirrigation.com.au) on the Customer Information page (Eton Irrigation Constitution).

The main office for EICL is located at 11 Flaherty Street, Eton and correspondence can be sent to PO Box 173, Walkerston Qld 4751 (note the change because the Eton Australia Post Agency has closed). EICL can be contacted on 07 4977 5850 or info@etonirrigation.com.au

Water ordering can be done by leaving a message on 07 4977 5840.

DIRECTOR'S REPORT

Board Members**Lee Blackburn, Chair / Member Director**

Lee is an experienced company director with a long-term association with the sugar industry and irrigation in Eton. He is the Deputy Chair on the boards of Mackay Sugar Limited (MSL) and Mackay Area Productivity Services (MAPS) and a past Director of Queensland Commodity Services (QCS) and Sugar Research Australia (SRA). From 2003 to 2010, he served as a board member on the Canegrowers Area Committee Mackay and was a member of the Sunwater Advisory Committee for the Eton scheme.

Lee has built strong networks and gained extensive knowledge in the irrigation sector and was involved with the implementation of the Resource Operational Plan, which secured a sustainable irrigation source for the Mackay region.

He has managed his irrigation property in Eton since 1993. A strong advocate for Eton water users, he was the Treasurer of the Kinchant Dam Water Users Association and held various officer bearer positions since 2011.

John Muscat, Deputy Chair / Member Director

John has been a successful Eton grower and businessman over the past 45 years, building a vast knowledge of all aspects of the irrigation industry and strong relationships with water users. An active representative of growers in local and state forums, John has been a member of the Eton Irrigation Advisory Committee since its inception, serving 14 years as chairman.

He was vice chairman of the Kinchant Dam Water Users Association Incorporated. An operator during the construction stage of the Eton scheme, he represented the scheme in consultations over the first and subsequent price paths. John was a director on the Stage 2 Eton LMA Board.



Andrew Vassallo, Member Director

Andrew is a third-generation farmer and has been farming sugarcane and cattle in the Brightley area for 35 years. Throughout this time, he has built strong networks and gained extensive knowledge of the irrigation sector. Andrew has a Diploma in Agriculture and his commitment to adopting best management practices is reinforced by his Canegrower BMP accreditation. Since 2018, Andrew has served as a Board Member of Kinchant Dam Water Users Association Inc and was involved in discussions with Sunwater and local government organisations leading to Eton Irrigation taking over ownership and management of the scheme on 31st March 2020.

Andrew has held various office bearer positions throughout the community and is currently Treasurer and Fire Officer of the Eton Rural Fire Brigade.



John Palmer, Independent Director



A civil engineer, John has held senior management positions within government and statutory authorities for more than 40 years with a primary focus on the water industry. As the inaugural manager of the Pioneer Valley Water Board, he gained extensive experience in the establishment of administration, financial and engineering systems for governance of locally managed schemes. During his time at Pioneer Valley Water Board since 1997, he has demonstrated his ability to develop and maintain effective working relationship with customers and stakeholder groups.

A former area manager for the Department of Natural Resources, he has extensive experience in planning construction and operation of irrigation infrastructure. A strong advocate for locally based decision making, John was involved in Stage 1 and was a director on the Stage 2 Eton LMA Board.

Tom Wallwork, Independent Director

Tom is a civil engineer who has held senior management positions in Queensland water organisations for more than 30 years. He has extensive experience leading and managing staff in the planning, design, construction, operation and management of irrigation schemes and, as a former senior manager with Sunwater, Tom has direct experience managing water supply schemes in the Burdekin and Eton.

He also has skills in the management and negotiation of bulk water supply contracts and practical skills in commercial business case development. His early career with government organisations has provided a detailed understanding of the Water Act as it applies to irrigation and water supply schemes in Queensland.



CHAIR’S REPORT

Offer document & Water Pricing

FY 2024 is the last year of the price path spelt out in the proposal document. The EICL Board has honoured its commitment to set the prices for those 3 years to the amounts in the proposal document.

In September the Board set the price for FY 2026, which is the first year not spelt out in the proposal document. The Board approved a 1% increase that will take effect from the 1st April 2025. The change of timing is to coincide with the water year and the meter readings that are now only done every 6 months.

The Board is committed to keeping the price as low as possible whilst still meeting the yearly operating costs of the business and having a plan to meet the cost of assets as they reach end of life.

Governance

The Board is happy with the governance policies that have been developed since 2020. Those policies will continue to be monitored to ensure that all aspects of the business are managed to meet the short and long term needs of the members and customers.

As part of the ongoing monitoring, the EICL Board will review the governance arrangements with an external trainer in early 2025 to ensure they remain fit for purpose.

Investments

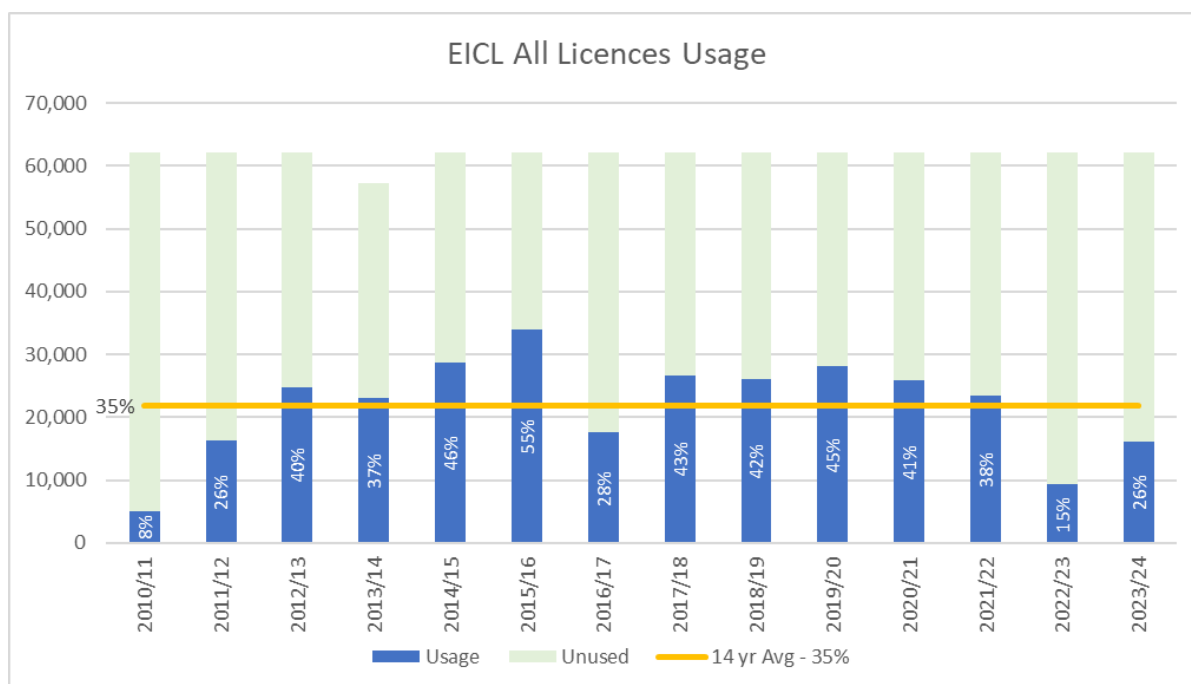
The investments have increased from \$13.572M at the end of the 2023 financial year to \$15.335M at the end of the 2024 financial year. This includes \$644K from the sale of the houses next to the depot. \$350K has been drawn from the investments during the year up to June 30, 2024, to cover operating losses, asset replacement (capital investment) and short-term cash flow. Therefore, the investments returned over \$1.468M before the withdrawals.

The Board will continue to monitor the portfolio and modify the Investment Policy as required.

Weather and allocations last year

On the 1st of April 2023, the allocation was announced at 71%. On the 1st of August the Allocation was lifted to 77%, to 83% on the 1st October, to 94% on the 1st of January 2024 and finally to 100% on the 1st of February 2024.

The 2023-2024 year was little drier than the previous year resulting in a water usage of 26% - the equal third lowest since 2010-11.



Member and Customer engagement

EICL continues to regularly communicate to members through our newsletters, texts, emails, the website and at the AGM. If you need more information, please contact the GM for operational issues and one of the Directors for strategic issues.

Government Advocacy

EICL continues to advocate to government directly and through the QFF Water and Energy Policy Committee. This year our main focus has been the Water Pricing Review run by the Queensland Competition Authority.

Safety – Time lost due to injuries

EICL has a commitment to safety for our staff, Directors, Members, customers, contractors, and others as captured in our safety motto:

Everybody Home Safe, Every Day.

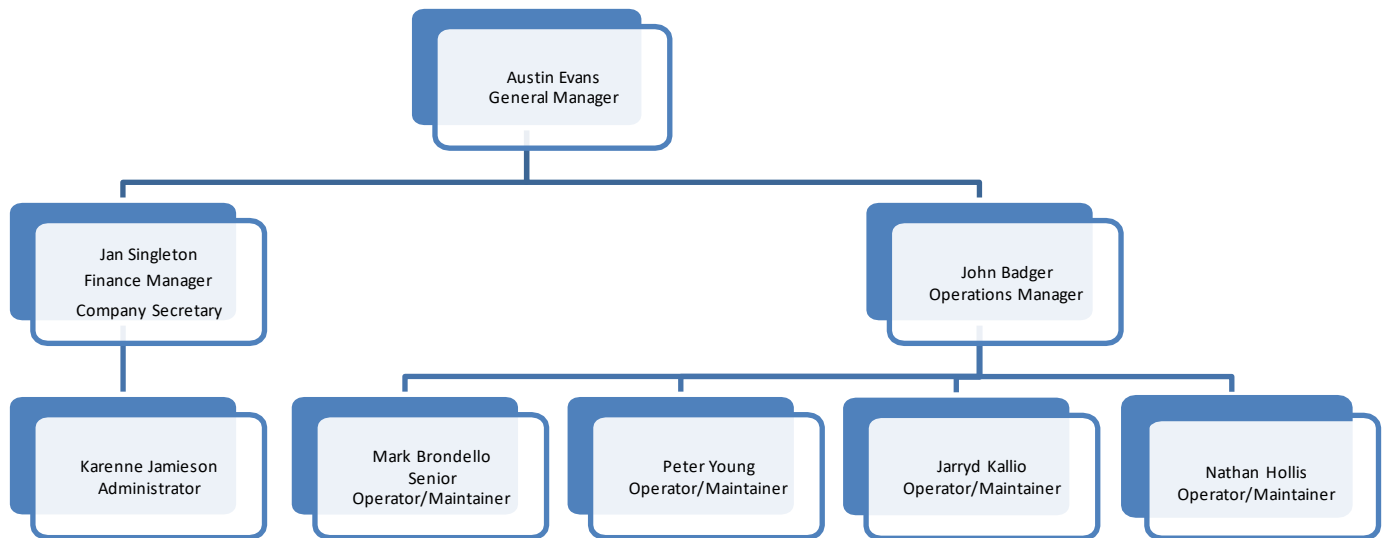
Since transition, there have been no injuries (short, medium or long term). The safety systems continue to perform with safety meetings held regularly, safety inspections completed regularly and hazards, near misses and incidents being reported. The success so far has been due to vigilance and that needs to continue in the future.



Lee Blackburn
Chair

OUR PEOPLE

ORGANISATION CHART

**General Manager – Austin Evans**

Austin started with Eton Irrigation in March 2020, 2 weeks prior to the transition from SunWater to Eton Irrigation. He has a Bachelor's Degree in Agricultural Engineering (USQ) and has spent most of his career working in the irrigation industry, including 2 years in the Burdekin with DNR (pre SunWater) and 13 years at Coleambally Irrigation Co-operative Ltd in southern NSW. Austin grew up on a dryland sheep/wheat farm in southern NSW and has also spent time working as an NSW MP, a Mayor, farm labourer, tourist officer, church youth worker, author/researcher for the Kondinin Group and running his own small businesses.

**Finance Manager & Company Secretary – Jan Singleton**

Jan joined the Eton Irrigation team in February 2023 coming from an accounting and management role in Real Estate and Law. Jan worked for Hugh Reilly Real Estate for 16 years and then Macrossan & Amiet Solicitors for 13 years before travelling around Australia in 2019. After returning from her travels Jan then worked for J Hamilton & Associates Solicitors before joining Eton Irrigation. Jan attended CQU as a mature aged student and graduated with a Bachelor of Accounting in 2011. Jan is a keen photographer, scrapbooker, latin dancer and adventurer.

Operations Manager – John Badger

John worked for SunWater and its predecessors for 34 years (commenced 22-1-1986) mainly at Eton prior to transferring across to Eton Irrigation. He has a huge wealth of experience in the operation and maintenance of the system.



Senior Operator/Maintainer – Mark Brondello

Mark worked for SunWater for 9 years (originally commenced 3-9-2007 left 30-3-2012 re-joined 23-3-2015) at Eton. He has a Certificate IV in Engineering MEM 40103, is a qualified Meter Validator and Installer and holds a Cert 3 in Business. Mark has also owned and operated a farm in the Eton Irrigation Scheme.

Operator/Maintainer – Peter Young

Peter worked for SunWater for 7 years (commenced 29-7-2013) at Eton. He is a qualified mechanic and holds a Cert3 in Water Operation and Water Treatment Plant Operations. Peter previously owned and operated a garage in Walkerston.

Operator/Maintainer – Jarryd Kallio

Jarryd worked for SunWater for 3 years (commenced 21-11-2016) at Eton. He is a qualified auto electrician.

Operator/Maintainer – Nathan Hollis

Nathan worked as a labour hire contractor for SunWater for 2 years at Eton prior to the transition. He went permanent with EICL in July 2020 and is a qualified plumber.

Administrator – Karenne Jamieson

Karenne previously worked for SunWater (commenced 16-12-2019) at Eton and has worked in administration all her working life. Karenne is also a qualified Justice of the Peace.

GENERAL MANAGER'S REPORT

Financial Performance

The provisional operating loss (without depreciation) for the financial year 2024 is \$75,870.82.

The continues a trend in the desired direction with the loss a FY23 of \$148,181.45, a loss in FY22 of \$356,311.68 and an FY21 loss of \$595,659.54. Although this is not breakeven, we were hoping for, it is very close and the improvement continues in the right direction.

Asset Maintenance & System improvements

EICL continues to maintain and repair the infrastructure assets to keep the water delivery system running smoothly. The asset management software package (MEX) continues to perform as hoped. It has performed well in managing the assets, identifying regular proactive maintenance, and recording reactive maintenance.

Works completed during the shutdown included:

- 2.65km of Desilting.
- Replaced 2 Gates
- 11 Air Valves had work done on them
- 5 Pipe Scour Valves were replaced or worked on
- 8 Isolation Valves were replaced or worked on
- 4 outlets had their asbestos components replaced
- 1 outlet relocated
- Access road repairs completed

Further works continue to be completed during the season where possible.

Website

Don't forget that most of the key EICL documents (and others) are accessible on the website for our members:

- RULES FOR ETON IRRIGATION COOPERATIVE LTD (Constitution)
- Offer Document
- Scheme Distribution Rules
- Standard Customer Distribution Contract
- EICL fees and charges
- Trading forms
- The buy & sell water For Sale Register
- Past Newsletters and Notices
- Director's Biographies



Austin Evans
General Manager

DECLARATION OF INTEREST

NOTICE OF APPOINTMENT OR CESSATION OF APPOINTMENT OF DIRECTORS AND OFFICERS

As per the Eton Irrigation Cooperative Rules, Member Directors serve for a 3-year term with one Member Director being up for election every year, this year being Andrew Vassallo. Andrew elected to be nominated be for re-election and an invitation was sent to all members for the nominations of candidates to stand for election as a Member Director. The closing date for the nominations was the 11th October 2024 and only one nomination was received from the existing Director Andrew Vassallo, so he will be re-elected unopposed.

There are currently 2 independent directors in office, who may hold office, without re-election for three annual general meetings or three years, whichever is the longer. The two current independent directors have been confirmed in the last two years and therefore there is no independent director to be appointed this year.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

SECTION 3**OUR FINANCES****FINANCIAL STATEMENTS**

The financial statements will be updated once they are finalised.

Profit & Loss

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

Balance Sheet

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1 Statement of Significant Accounting Policies:

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

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FOR THE YEAR ENDED 30 JUNE 2024**

AUDITOR'S REPORT

The Auditor's Reports will be published on the EICL website once completed.

CONTACT US

PO Box 173, Walkerston Qld 4751 (note the change because the Eton Australia Post Agency has closed)

PHONE: (07) 49 775 850

WATER ORDERING LINE: (07) 49 775 840

AFTER HOURS/ON CALL NUMBER: 0409 605 720

EMAIL: - accounts@etonirrigation.com.au