



Sassafras-Wesley Vale Irrigation Scheme 2012-13 operations meeting

24 October 2012



Tasmanian Irrigation

Mike O'Shea

General Manager – Operations



About Tasmanian Irrigation

- Established on 1 July 2011 through the merger of the RWSC and the Commission's former subsidiaries TIDB and TIS
- Responsible for the development of new irrigation schemes in partnership with farming communities
- Responsible for the operation of existing and recently commissioned irrigation schemes
- All schemes are managed as individual businesses on full cost recovery basis, with no margin



2012-13 irrigation season

- 🔹 Open on 1 November 2012
- 🔹 Close 30 March 2013
- 🔹 Notice in 20th October weekend papers
- 🔹 End of season can be varied



2012-13 Water Charges

Luke Curtain

General Manager – Commercial



Water charges structure

- Fixed charges
 - Operation & maintenance
 - Asset renewal levy
- Variable charges
 - Excess water charge
 - Winter water charge



2012-13 Water entitlement charges

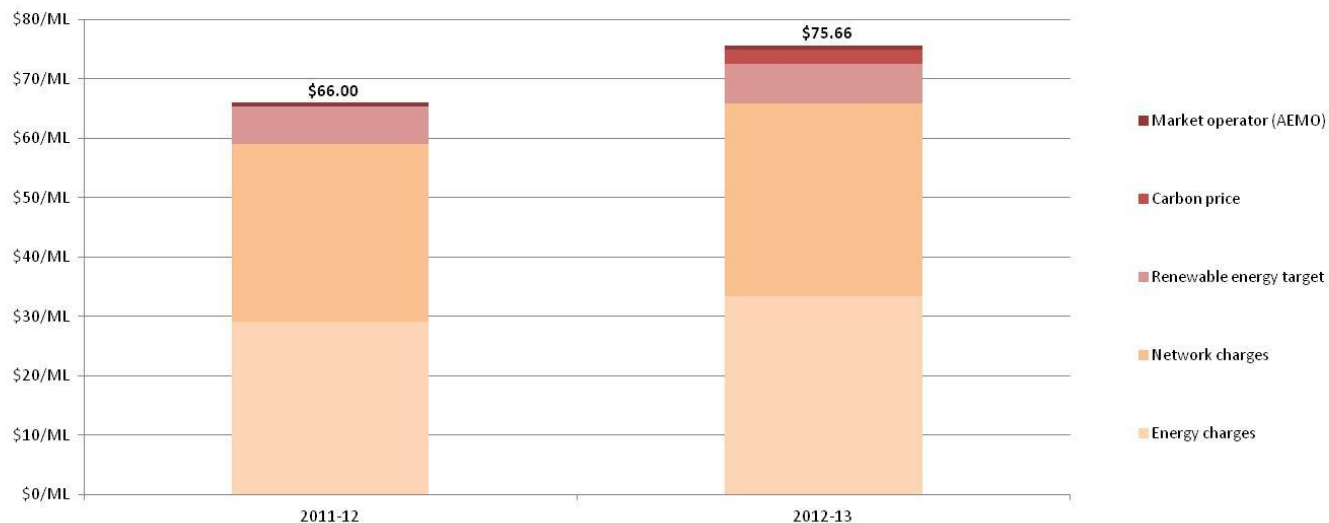
Water Entitlement Charges				
	2011-12	2012-13	Change	Change
	(\$/ML)	(\$/ML)	(\$/ML)	(%)
Fixed charges*				
Operation and administration	34.00	34.83	0.83	2.45
Asset renewal levy	8.50	8.71	0.21	2.45
Variable charges**				
ex Great Bend Pump Station	48.00	55.13	7.13	14.86
ex Sassafras Pump Station	94.00	107.91	13.91	14.80
ex Harford Pump Station	66.00	75.66	9.66	14.64
ex Northdown Pump Station	59.00	67.64	8.64	14.64
* Fixed charges are payable on your water entitlement holdings on the first day of the irrigation season.				
** Variable charges are payable on water that you consume or is supplied to you during the irrigation season.				



Energy Cost

Electricity cost breakdown for Harford Pump Station

	2011-12 (\$/ML)	2012-13 (\$/ML)	Change (\$/ML)	Change (%)
Electricity charges				
Energy charges	29.08	33.35	4.27	14.68
Network charges	29.87	32.56	2.69	9.02
Renewable energy target	6.35	6.67	0.33	5.16
Carbon price	0.00	2.36	2.36	n/a
Market operator (AEMO)	0.70	0.72	0.02	2.53
Total	66.00	75.66	9.66	14.64



2012-13 Excess water charges

Excess Water Charges*				
	2011-12	2012-13	Change	Change
	(\$/ML)	(\$/ML)	(\$/ML)	(%)
ex Great Bend Pump Station	212.10	215.74	3.64	1.72
ex Sassafras Pump Station	263.62	276.44	12.82	4.86
ex Harford Pump Station	232.26	239.35	7.09	3.05
ex Northdown Pump Station	224.42	230.13	5.71	2.54

* Excess water charges are payable on water agreed to be supplied to you by Tasmanian Irrigation during the irrigation season in addition to water supplied under your water entitlements.



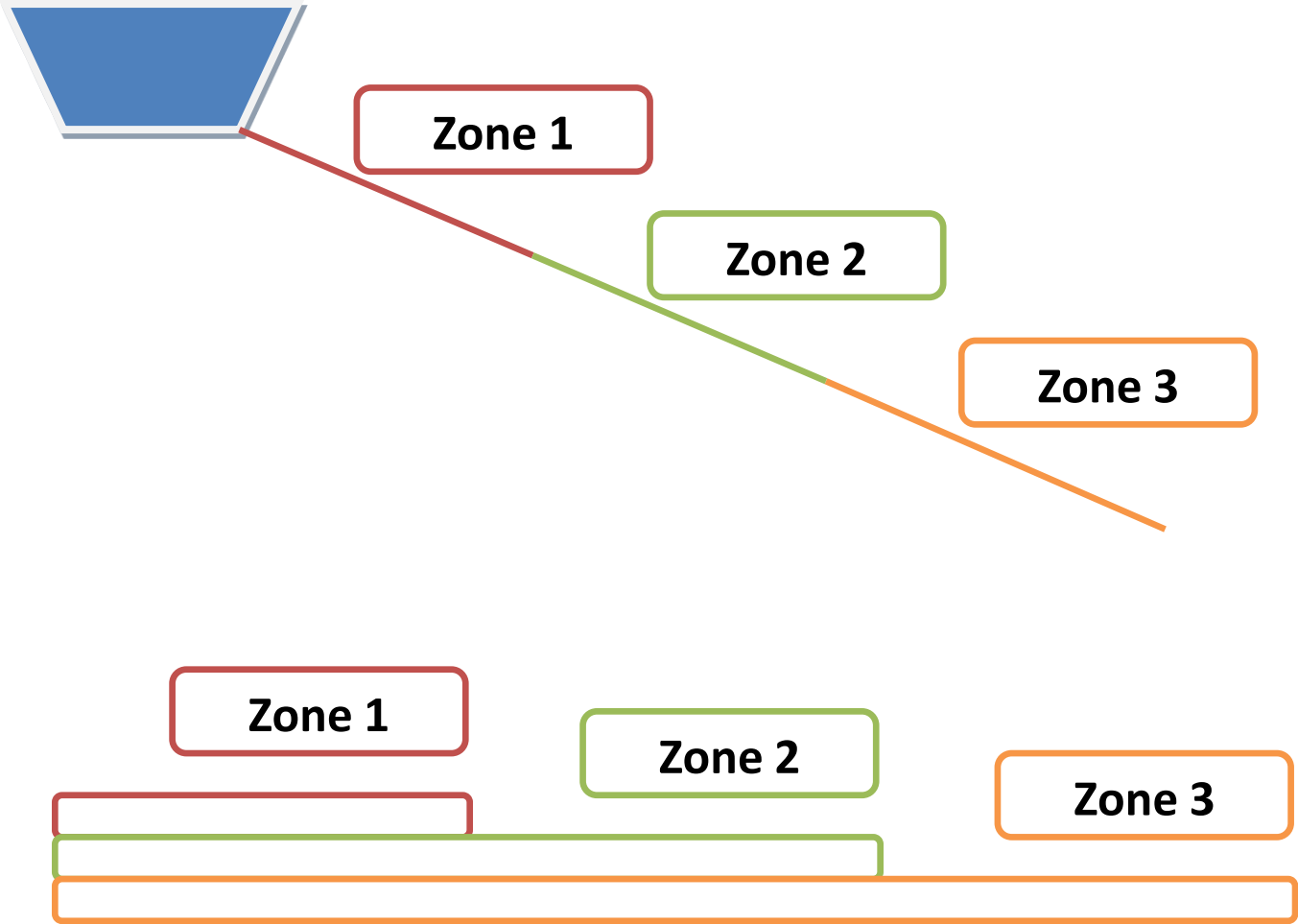
2012-13 Winter water charges

Winter Water Charges*				
	2011-12	2012-13	Change	Change
	(\$/ML)	(\$/ML)	(\$/ML)	(%)
Concessional charges**				
ex Great Bend Pump Station	104.50	116.22	11.72	11.21
ex Sassafras Pump Station	163.50	185.19	21.69	13.27
ex Harford Pump Station	127.50	142.84	15.34	12.03
ex Northdown Pump Station	118.50	132.23	13.73	11.59
Ordinary charges				
ex Great Bend Pump Station	203.38	205.15	1.77	0.87
ex Sassafras Pump Station	262.38	274.12	11.74	4.48
ex Harford Pump Station	226.38	231.77	5.39	2.38
ex Northdown Pump Station	217.38	221.16	3.78	1.74
<p>* Winter water charges are payable on water agreed to be supplied to you by Tasmanian Irrigation outside the irrigation season.</p> <p>** Concessional charges are only available to irrigators who hold water entitlements in the irrigation district and only up to the level of their respective holdings of water entitlements. For example, if an irrigator holds 10 ML of water entitlements, they are eligible to purchase up to 10 ML of winter water at the concessional charges, with any additional volumes attracting the ordinary charges. This concession is not transferrable and any winter water made available at the concessional charges may only be used by the holder of the water entitlement.</p>				



- 💧 Water entitlement held for Paper Mill
- 💧 Water trading
- 💧 Benchmark pricing – Delivery rights





2012-13 Operations

Mike O'Shea

General Manager – Operations



Scheme Operator

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Responsible for:

- 💧 Sassafras-Wesley Vale Irrigation District
- 💧 Providing support to MVIS & WHS



Water Orders

Importance of water ordering:

- 💧 Authority to take from the property outlet
- 💧 Facilitates the efficient management of releases
- 💧 Assists to maximise the reliability of supply
- 💧 Allows variable cost exposure on pipelines to be managed
- 💧 Increases irrigator awareness of usage
- 💧 Books, fax, web & electronic



Scheme Operation

- 🔹 Defects liability period
- 🔹 Electro-fusion joints
 - 🔹 Extended coverage by contractor
- 🔹 Sassafras pump seal
- 🔹 Great Bend R&M



Efficiency Projects

Power Usage

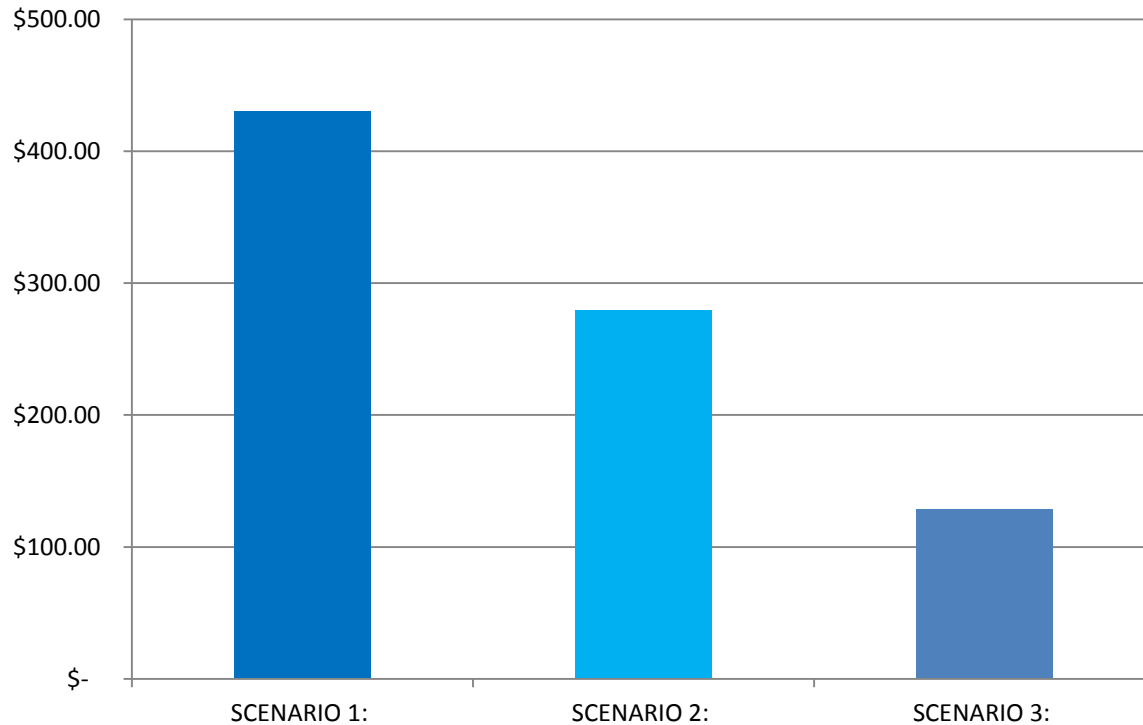
- ⦿ Exposure to increase power charges
- ⦿ Peak & Off-Peak

Optimum Supply Capacity

- ⦿ 0.5ML/day – 35ML/day
- ⦿ Water ordering & batching
- ⦿ Pipeline capacity
- ⦿ New connections & property outlets



Energy Usage - Peak & Off-peak



Scenario 1	Estimated cost:	\$ 430
Scenario 2	Estimated cost:	\$ 280
Scenario 3	Estimated cost:	\$ 130



Role of Tasmanian Irrigation

- 💧 The Responsible Water Entity
 - 💧 Operation of the districts
 - 💧 Administration of the districts
 - 💧 Development of a long-term structure for the districts
 - 💧 Future improvement, development and expansion



Representative Committee

Role of the Representative Committee

- Represent the interests of irrigation right holders in matters relating to:
 - Operation of the districts
 - Administration of the districts
 - Development of a long-term structure for the districts
 - Future improvement, development and expansion



Election of the Representative Committee

- 🔹 2 year membership term
- 🔹 3 continuing members to serve 12 months
- 🔹 Staggered elections each year for 3 or 4 members
- 🔹 Chair & Vice-Chair elected annually by the Committee
- 🔹 Chair must have served on Committee for at least 12 months
- 🔹 1 vote per entitlement holder



Election of the Representative Committee

Structure and Election Process

- 7 member committee, maximum
 - 5 must be entitlement holders in SWIS
- 3 current members will continue for 12 months
- Call for nominations for 4 other members
- Ballot to be held if required
- New committee members confirmed
- First new committee meeting



Questions?

