

NEWSLETTER

Pre-Season Update

Tasmanian
Irrigation

December 2024



Don Irrigation Scheme

Tasmanian Irrigation is looking forward to working with all irrigators during the 2024-25 irrigation season.

This newsletter provides general information on the current season, including the annual charges, trading information and details of the Scheme's financial year performance.

Please visit our website at www.tasmanianirrigation.com.au, follow us on Facebook, LinkedIn or telephone us on (03) 6398 8433 for additional information.

Water Delivery

The 2024-25 irrigation season opened on 1 October 2024 and will run until 30 September 2025. The season is divided into a summer period, spanning from 1 October 2024 to 31 March 2025, and a winter period between 1 April 2025 and 30 September 2025.

The season opened with a 100 per cent water allocation of the Scheme's 4,750 ML total summer capacity.

Irrigation seasons have nominated lengths to ensure the 95 per cent reliability of the water entitlements based on the Scheme's original design.

Entitlements for Sale

There are 1,210 ML of unsold summer water entitlements remaining across the Scheme as shown in the table overleaf at a price of \$1,520 per ML. There are also 4,685 ML of unsold winter water entitlements available for sale at a price of \$1,480 per ML.

Please contact our office using the contact information on the last page if you would like more information or to purchase/lease additional water.

Fast Facts



01 OCT 2024
SEASON OPENING



365 days
DURATION



100%
ALLOCATION



4,750 ML
SCHEME CAPACITY



For more information, please
contact your Scheme
Operator:

Brenden Keep

0437 240 292

brenden.keep@tasirrigation.com.au

| Areas with unsold water (summer) | Unsold water (ML) |
|----------------------------------|-------------------|
| Don 1 Zone | 240.00 |
| Don 2 Zone | 310.00 |
| Don D Zone | 280.00 |
| Lillico 1 Zone | 30.00 |
| Barrington 1 Zone | 135.00 |
| Barrington 2 Zone | 115.00 |
| Barrington 3 Zone | 100.00 |
| Total | 1,210.00 |

Please note that winter entitlements are available in all zones.

Financial Year 2023-24 Performance

Tasmanian Irrigation funds the operation of each individual irrigation scheme on a cost recovery basis and the finances of each scheme are managed independently of other schemes.

Budgets are set to recover the operating costs of the scheme only, with a focus on ensuring the Scheme has enough cash flow throughout the financial year to meet its expenses.

The Scheme's total Financial Year 2023-24 expenditure was \$125,825 and the Scheme made a net profit of \$147,208 as at 30 June 2024.

The profit is due a large portion of the schemes expenses being able to be allocated to the construction phase of the project during the defects and liability period. All profits are retained by the Scheme and will be used to build up the Scheme's working capital.



2024-25 Annual Charges

Tasmanian Irrigation would like to thank the Irrigator Representative Committee for their input and advice through the pricing consultation period. The 2024-25 season prices are summarised in the table below with a more detailed explanation of each category following after:

| | 2023-24 (\$/ML) | 2024-25 (\$/ML) | Change (\$) | Change (%) |
|---|--------------------|--------------------|-----------------|-------------|
| Fixed charges | | | | |
| Operation & maintenance charge | \$ 75.72 | \$ 82.00 | \$ 6.28 | 8.3% |
| Asset renewal levy | \$ 81.24 | \$ 85.00 | \$ 3.76 | 4.6% |
| Total | \$ 156.96 | \$ 167.00 | \$ 10.04 | 6.4% |
| | | | | |
| Variable charges | | | | |
| Summer delivery period (October - March) | | | | |
| Don Pump Station | \$ 116.61 | \$ 119.00 | \$ 2.39 | 2.0% |
| Barrington Pump Station | \$ 189.80 | \$ 186.00 | \$ (3.80) | (2.0%) |
| | | | | |
| Winter delivery period (April - September) | | | | |
| Don Pump Station | \$ 126.16 | \$ 127.00 | \$ 0.84 | 0.7% |
| Barrington Pump Station | \$ 222.89 | \$ 225.00 | \$ 2.11 | 0.9% |
| | | | | |

This year, Tasmanian Irrigation has introduced a rounding mechanism to the prices to round up the individual charges to the nearest dollar. This change has been introduced across all Tasmanian Irrigation schemes to strengthen their overall financial sustainability. The additional proceeds collected from the rounding will assist with ensuring the adequacy of both the working capital balance and asset renewal levy reserves. Furthermore, the rounding of prices will also assist with preventing large fluctuations in seasonal prices. Once adequate levels have been met, any additional proceeds will be returned to irrigators through a discount to the fixed charges.

Operations and Maintenance Charge

This charge recovers the costs for running the Scheme that do not materially change with the volume of water supplied during a season. This includes costs relating to employment of scheme operators, motor vehicles, maintenance, telemetry, compliance, administration, finance and insurance.

- The Operations and Maintenance charge will increase by \$6.28 per ML (8.3%) due to several factors:
- A shift in the allocation of scheme operator costs, as this is the first year of full operation. Previously, part of these costs was covered by the build project, but they are now fully attributed to the Scheme.
- General inflationary pressures.
- The introduction of price rounding (as outlined in the previous section).
- The mandated increase in the Superannuation Guarantee.

These adjustments reflect the ongoing costs required to sustain Scheme operations effectively.

Asset Renewal Levy (ARL)

The asset renewal levy provides for refurbishment and replacement of Scheme assets and accumulates reserve funds in the unlikely event of a major Scheme failure. Funds collected through the levy are set aside in an asset renewal reserve for the benefit of the irrigation district.

Tasmanian Irrigation uses a risk-based approach to estimate the likely replacement year of all assets owned by the Scheme. This includes various factors such as current asset condition, manufacturer's guidelines, industry data and the criticality of the asset to the Scheme.

The estimated replacement value of the asset is then incorporated into a model to determine the appropriate annual levy required to ensure that there are sufficient funds to meet the next 50 years of commitments. This process is reviewed annually, with any material adjustments accounted for in the price.

The current ARL balance as at 30th June 2024 is \$292,092. For the financial year 2024-25, the Asset Renewal Levy is increasing by \$3.76 per ML (4.6%) due to general inflationary increases and rounded up to the nearest dollar as per the new rounding principle.

Variable Charge

The variable charge is levied on the volume of water ordered or consumed by each irrigator, to recover electricity costs for pumping and water purchase costs incurred by Tasmanian Irrigation. The variable charge is based on the cost to deliver water to the various charge zones.

The variable charge is increasing this year due to the 4 per cent increase in the Hydro Tasmania water purchase cost as well as the new rounding principle.

Trading Information

Irrigation rights and delivery rights are tradable within the irrigation district in accordance with the *Irrigation Clauses Act 1973* and the Trading Rules for the irrigation district. Trades are made by transferring volume between irrigation rights and flow rate between delivery rights. To take effect, a transfer must be approved by Tasmanian Irrigation and recorded in the Water Entitlements Register for the irrigation district.

For more details on how to trade, please refer to the *Quick Reference Guide to Water Trading* available on the Tasmanian Irrigation website under the *Buy / Trade Existing Entitlements* page.

If you are not intending to use all of your current entitlement this coming season, Tasmanian Irrigation strongly advise you to consider your trading options.

All Other Charges

All other charges for the upcoming season are shown in the pricing sheets at the end of this newsletter.

Contact Details — Tasmanian Irrigation

If you require any additional information about Tasmanian Irrigation or the Scheme, please contact:

| Title | Name | Email | Phone |
|-------------------------|-----------------------|--|----------------|
| Scheme Operator | Brenden Keep | brenden.keep@tasirrigation.com.au | 0437 240 292 |
| Mgr Ops & Assets | Anne-Marie du Plessis | annemarie.duplessis@tasirrigation.com.au | 0488 153 346 |
| Sales & Trading | Fiona Buckingham | fiona.buckingham@tasirrigation.com.au | 0438 465 338 |
| Billing & Invoicing | Brendan Harris | accountsreceivable@tasirrigation.com.au | (03) 6398 8433 |
| Corporate Services Mgr | Cody Townend | cody.townend@tasirrigation.com.au | 0429 532 016 |
| Chief Operating Officer | David Skipper | david.skipper@tasirrigation.com.au | 0417 279 062 |

Irrigator Representative Committee

If you are interested in finding out more about the Committee or are interested in joining, please speak to your Scheme Operator or a committee member in the first instance.

| Title | Name | Email | Phone |
|-------------|----------------|-----------------------------|--------------|
| Chairperson | Mike Badcock | mb.pl@bigpond.net.au | 0438 282 439 |
| Member | Allan Boyce | ajboyce@iprimus.com.au | 0427 303 311 |
| Member | Marcus Harris | mjharrisandson@bigpond.com | 0407 872 024 |
| Member | Melina Burbury | oakfarmtrust@gmail.com | 0417 519 093 |
| Member | Hamish Yaxley | yaxleyagriculture@gmail.com | 0437 120 590 |
| Member | Randal Parker | randal_parker@hotmail.com | 0408 241 786 |
| Member | Jono Craven | jcraven@harvestmoon.com.au | 0427 215 536 |
| Member | Damien Cocker | bs.dccocker@outlook.com | 0427 125 030 |

Your Contact Details

If any of your contact details have changed, please advise us as soon as possible via email:

enquiries@tasirrigation.com.au.

Don Irrigation District

Charge rates: 2024-25



In-season annual charges for water entitlements

| | 2023-24 (\$/ML) | 2024-25 (\$/ML) | Change (\$) | Change (%) |
|---|--------------------|--------------------|-----------------|-------------|
| Fixed charges* | | | | |
| Operation & maintenance charge | \$ 75.72 | \$ 82.00 | \$ 6.28 | 8.3% |
| Asset renewal levy | \$ 81.24 | \$ 85.00 | \$ 3.76 | 4.6% |
| Total | \$ 156.96 | \$ 167.00 | \$ 10.04 | 6.4% |
| Variable charges*** | | | | |
| Summer delivery period (October - March) | | | | |
| Don Pump Station | \$ 116.61 | \$ 119.00 | \$ 2.39 | 2.0% |
| Barrington Pump Station | \$ 189.80 | \$ 186.00 | \$ (3.80) | (2.0%) |
| Winter delivery period (April - September) | | | | |
| Don Pump Station | \$ 126.16 | \$ 127.00 | \$ 0.84 | 0.7% |
| Barrington Pump Station | \$ 222.89 | \$ 225.00 | \$ 2.11 | 0.9% |
| * Fixed charges: payable on current entitlement holdings on the opening day of the irrigation season. | | | | |
| ** Storage charges: a fixed charge to replenish storage losses in the scheme, such as evaporation. | | | | |
| *** Variable charge: payable on water that is supplied to you during the irrigation season. | | | | |

Excess water charges - for unauthorised use of additional volume

| Excess Water Charges* | 2024-25 (\$/ML) |
|--|--------------------|
| Don Pump Station | \$ 250.00 |
| Barrington Pump Station | \$ 250.00 |
| * Excess water charges: payable for each additional megalitre (or part of a megalitre) of water taken, in addition to your authorised volume under your water entitlement, during the irrigation season. | |

Water Entitlement Pricing

| Don | Unsold Water (ML) | 2024-25 (\$/ML) |
|---|----------------------|--------------------|
| Barrington 1 (B1) - Summer | 135.00 | \$ 1,520.00 |
| Barrington 2 (B2) - Summer | 115.00 | \$ 1,520.00 |
| Barrington 3 (B3) - Summer | 100.00 | \$ 1,520.00 |
| Don 1 (D1) - Summer | 240.00 | \$ 1,520.00 |
| Don 2 (D2) - Summer | 310.00 | \$ 1,520.00 |
| Don D (DD) - Summer | 280.00 | \$ 1,520.00 |
| Lillico 1 (L1) - Summer | 30.00 | \$ 1,520.00 |
| Winter Water is also available in all zones. The current price is \$1,480/ML with the season running from April 1—Sep 30. | | |
| * These zones at the time of releasing season pricing had unsold water. To check whether these zones still have unsold water, please view the Water Entitlements For Sale section on our website or contact us on (03) 6398 8433. Note the price increases effective 1st July each year until all water is sold. | | |

Rates to lease available capacity from Tasmanian Irrigation

If Tasmanian Irrigation holds unsold capacity in your area, you may be able to lease additional water entitlements by arrangement, for delivery during the irrigation season. Where available, you may choose to lease irrigation right volume, delivery right flow rate, or both. Please contact us if you wish to enquire about leasing additional water entitlements.

| Lease rates where capacity is available: Don | 2024-25 (\$/ML) |
|--|--------------------|
| All zones - Summer | \$ 121.60 |
| All zones - Winter | \$ 118.40 |

Interest for late payments

In accordance with the by-laws for the district, Tasmanian Irrigation may issue interest charges when payment is not received within the standard terms of each invoice (30 days). This will be charged at the rate two per cent (2%) per annum above the 3 month Australian Bank Bill Swap Bid Rate (BBSY).

You will be unable to trade your water entitlements if your account is in arrears.

Tasmanian Irrigation understands that on some occasions our customers may experience times of financial hardship due to circumstances outside of their control. As such, you may choose to apply for a payment plan under our Financial Hardship Policy.

Other charges

| | | |
|--|----------|---------------|
| Permanent transfer application fee | \$ 88.00 | Including GST |
| Limited term transfer application fee | \$ 88.00 | Including GST |
| Short term transfer application fee | \$ - | Including GST |
| Registration, transfer, variation, or discharge of security interest | \$ 88.00 | Including GST |
| Copy of water entitlement extract | \$ 44.00 | Including GST |

Further information:

Water charges are levied by Tasmanian Irrigation to recover the costs of operating, maintaining and administering irrigation districts.

In all irrigation districts, a **Fixed Charge** is levied on the volume of your irrigation right holdings on the first day of the irrigation season and is payable regardless of whether water has been consumed.

The Fixed Charge can have up to three components:

- > **Operation & Maintenance** charge recovers the costs for running the scheme which don't normally change materially with the volume of water supplied during a season. This includes costs relating to employment of scheme operators, motor vehicle costs, maintenance, telemetry, compliance, administration, finance and insurance.
- > **Asset Renewal Levy** makes provision for major asset repairs and replacements required to ensure the continuing operation of the district.
- > **Storage Charge** (some districts): recovers costs of pumping any evaporation or seepage losses into the main water storage.

Most irrigation districts also include a **Variable Charge** which is levied on the volume of water ordered or consumed by each irrigator, to recover electricity costs for pumping and water purchase costs incurred by Tasmanian Irrigation. The variable charge is based on the cost to deliver water to the various charge zones. Variable Charges are invoiced following the end of the irrigation season or delivery period.

Excess Water Charges can be avoided entirely by ensuring you have sufficient allocation:

- > Monitor your usage (contact your Scheme Operator if you require assistance).
- > Contact us if you have any questions about your allocation, trading or usage.
- > Trade any required additional allocation. We are unable to accept retrospective trades.

To assist buyers and sellers of water entitlements with establishing trading connections, Tasmanian Irrigation provides a free **Water Trading Notice Board** on our website. This allows parties to advertise their interest in buying, selling or leasing water entitlements. You can access the Notice Board via Tasmanian Irrigation's website: www.tasirrigation.com.au.

All annual water charges are retained within the separate irrigation schemes to be used for the benefit of the irrigators.

If you have any questions, please contact our office on 03 6398 8433 or enquiries@tasirrigation.com.au.