

NEWSLETTER

Pre-Season Update



Sassafras Wesley Vale 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 November 2024 with a 100 per cent water allocation of the Scheme's 5,460 ML total capacity.

Irrigation seasons have nominated lengths to ensure the 95 per cent reliability of the water entitlements based on the Scheme's original design. The Scheme is designed to run for 150 days making the estimated season closing date on 31 March 2025.

The season closing date will be finalised and advertised closer to the time, with a likely extension possible depending on the outcomes of the season.

Entitlements for Sale

The existing Sassafras Wesley Vale scheme is fully sold. Water can only be purchased by trading entitlements.

The augmentation project (SWISA) to deliver an additional 9,200 ML is progressing with more details in the next section.

For further information please contact Project Manager John Wright on 0475 108 660.

Fast Facts



01 Nov 2024

SEASON OPENING



150 days

EST. DURATION



100%

ALLOCATION



5,460 ML

SCHEME CAPACITY



For more information, please contact your Scheme Operator:

Brenden Keep

0437 240 292

brenden.keep@tasirrigation.com.au

Sassafras Wesley Vale Augmentation Project

The project has recently submitted the Environmental Protection and Biodiversity Conservation (EPBC) permit application documentation to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) for review.

A large amount of work has been conducted to ensure that the project has minimal impacts on the environment, and Tasmanian Irrigation would like to thank landowners for assistance in land access and realignments when needed. In the new year, tender documentation will be developed in readiness for tendering the main construction contract.

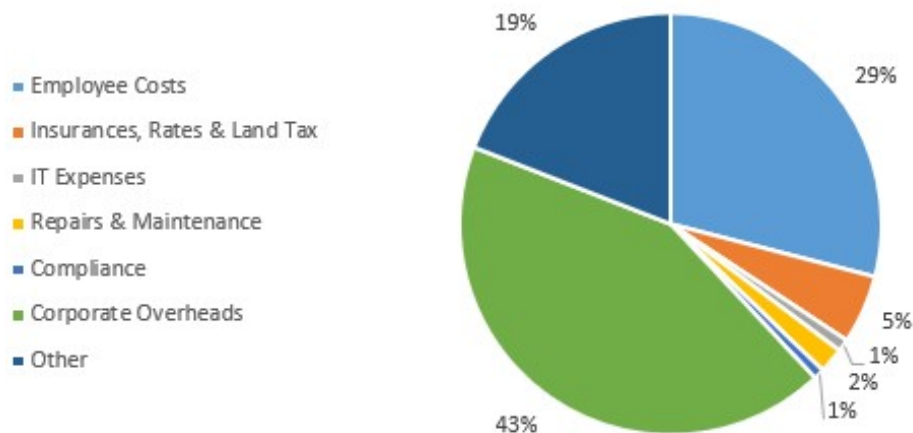
For further information please contact Project Manager John Wright on 0475 108 660

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 pie chart below shows the Scheme's total Financial Year 2023-24 expenditure of \$445,331 by major category and their respective percentage weighting.



The Scheme made a net profit of \$202,460 as at 30 June 2024. This exceeded the budgeted profit by \$145,189 and is primarily attributed to higher than budgeted sales of general availability water delivered outside of the irrigation season.

Other notable variances include higher than budgeted employee costs, corporate overheads being above budget driven by cyber security and internal audit costs, and favourable variances in repairs and maintenance activities, insurance and telemetry.

A total of \$8,680 was spent on repairs and maintenance activities and a total of \$26,225 was expended on asset renewal.

The "Other" category is made up of expenses such as motor vehicles expenses, depreciation, office and telephone expenses, vermin control and the fixed electricity costs. A total of \$84,970 was spent in the Financial Year in this category with fixed electricity costs accounting for \$56,792 due to the Special Specified Demand tariff at the Great Bend pump station.

2024-25 Annual Charges

Tasmanian Irrigation would like to thank the Irrigator Representative Committee for their input and advice through the pricing consultation process. The 2024-25 season prices are summarised in the table below with explanations of each category detailed in subsequent sections.

	2023-24 (\$/ML)	2024-25 (\$/ML)	Change (\$)	Change (%)
Fixed charges				
Operation & maintenance charge	\$ 78.18	\$ 83.00	\$ 4.82	6.2%
Asset renewal levy	\$ 11.18	\$ 11.00	\$ (0.18)	(1.6%)
Total	\$ 89.36	\$ 94.00	\$ 4.64	5.2%
Variable charges				
Great Bend Pump Station	\$ 73.57	\$ 68.00	\$ (5.57)	(7.6%)
Harford Pump Station	\$ 95.26	\$ 89.00	\$ (6.26)	(6.6%)
Northdown Pump Station	\$ 87.06	\$ 81.00	\$ (6.06)	(7.0%)
Sassafras Pump Station	\$ 126.34	\$ 119.00	\$ (7.34)	(5.8%)

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 is increasing by \$4.82 per ML (6.2%) driven by general inflationary increases, the introduction of price rounding (as explained above) and the impact of the mandated increase to the Superannuation Guarantee.

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 \$408,037. For the financial year 2024-25, the Asset Renewal Levy is decreasing by \$0.18 (1.6%) as the current augmentation project will change the future ARL requirements and therefore, the levy recovery is based on the known cost forecasts only.

Variable Charge

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

The variable charge is decreasing this year due to a reduction in price in the underlying electricity contract.

All Other Charges

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

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.

To ensure the sustainability of Tasmanian Irrigation Schemes and fairness to all irrigators, trades must be submitted within two weeks after the irrigation season ends. Retrospective trades for excess usage beyond this deadline will not be accepted. This is especially important for irrigators who are arranging trades to cover for excess usage at the end of a season.



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 Chairperson in the first instance.

Your Contact Details

Title	Name	Email	Phone
Chairperson	Stuart Greenhill	admin@greenhillbros.com.au	0408 610 795
Member	Andrew Marshall	marshall.sassafras@gmail.com	0409 808 534
Member	Colin Chaplin	chaplinbrothers@bigpond.com	0419 380 413
Member	James Addison	james.addison@charltonfarm.com.au	0408 120 391
Member	Nathan Richardson	njrich5@bigpond.com	0418 122 508
Member	Robert Addison	raddison@bigpond.com	0418 142 270

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

enquiries@tasirrigation.com.au.

Sassafras Wesley Vale 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	\$ 78.18	\$ 83.00	\$ 4.82	6.2%
Asset renewal levy	\$ 11.18	\$ 11.00	\$ (0.18)	(1.6%)
Total	\$ 89.36	\$ 94.00	\$ 4.64	5.2%
Variable charges**				
Great Bend Pump Station	\$ 73.57	\$ 68.00	\$ (5.57)	(7.6%)
Harford Pump Station	\$ 95.26	\$ 89.00	\$ (6.26)	(6.6%)
Northdown Pump Station	\$ 87.06	\$ 81.00	\$ (6.06)	(7.0%)
Sassafras Pump Station	\$ 126.34	\$ 119.00	\$ (7.34)	(5.8%)
Lake Parangana supply, in-season charges***				
Great Bend Pump Station	\$ 152.26	\$ 151.00	\$ (1.26)	(0.8%)
Harford Pump Station	\$ 173.95	\$ 172.00	\$ (1.95)	(1.1%)
Northdown Pump Station	\$ 165.75	\$ 164.00	\$ (1.75)	(1.1%)
Sassafras Pump Station	\$ 205.03	\$ 202.00	\$ (3.03)	(1.5%)

* Fixed charges: payable on current entitlement holdings on the opening day of the irrigation season.

** Variable charge: payable on water that is supplied to you during the irrigation season.

***Additional water from Lake Parangana may be substituted from Hydro Tasmania during periods of low river flows, with the additional water purchase price added to the variable charge.

Excess water charges - for unauthorised use of additional volume

Excess Water Charges*	2024-25 (\$/ML)
Great Bend Pump Station	\$ 300.00
Harford Pump Station	\$ 300.00
Northdown Pump Station	\$ 300.00
Sassafras Pump Station	\$ 300.00

* 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. These rates have been set within the By-Laws for your scheme.

Out of season (general availability) water charges

Out of season water charges*	2023-24 (\$/ML)	2024-25 (\$/ML)	Change (\$)	Change (%)
Normal out of season charges**				
Great Bend Pump Station	\$ 159.85	\$ 159.00	\$ (0.85)	(0.5%)
Harford Pump Station	\$ 185.82	\$ 185.00	\$ (0.82)	(0.4%)
Northdown Pump Station	\$ 176.00	\$ 175.00	\$ (1.00)	(0.6%)
Sassafras Pump Station	\$ 222.91	\$ 222.00	\$ (0.91)	(0.4%)
Excess out of season charges				
Great Bend Pump Station	\$ 248.56	\$ 244.00	\$ (4.56)	(1.8%)
Harford Pump Station	\$ 274.53	\$ 270.00	\$ (4.53)	(1.7%)
Northdown Pump Station	\$ 264.71	\$ 260.00	\$ (4.71)	(1.8%)
Sassafras Pump Station	\$ 311.61	\$ 307.00	\$ (4.61)	(1.5%)
Lake Parangana supply, out of season charges***				
Great Bend Pump Station	\$ 238.54	\$ 242.00	\$ 3.46	1.5%
Harford Pump Station	\$ 264.51	\$ 268.00	\$ 3.49	1.3%
Northdown Pump Station	\$ 254.69	\$ 258.00	\$ 3.31	1.3%
Sassafras Pump Station	\$ 301.60	\$ 305.00	\$ 3.40	1.1%

* Out of season water charges: payable on water supplied outside the irrigation season by agreement with Tasmanian Irrigation.

** Normal out of season charges: available to irrigators who hold current entitlement in the irrigation district and only up to the level of their respective holdings.

*** Additional water from Lake Parangana may be substituted from Hydro Tasmania during periods of low river flows, with the additional water purchase price added to the variable charge.

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.