

Fact Sheet: Annual Water Charges

September 2016

Annual water charges are levied by Tasmanian Irrigation to recover the costs of operating, maintaining and administering irrigation districts. These charges are issued with payment terms of 30 days.

In all irrigation districts a **fixed charge** is levied on the volume of an irrigator's irrigation right holdings on the first day of the irrigation season and is payable regardless of whether water is consumed. The fixed charge is payable in January/February each year.

- One component of the fixed charge is the *Operation & Maintenance charge*. This recovers operation and maintenance costs that do not change materially with the volume of water supplied during an irrigation season, including:
 - employee benefits;
 - motor vehicle expenses;
 - maintenance;
 - telemetry;
 - compliance;
 - administration and finance; and
 - insurance.
- The fixed charge also includes an *asset renewal levy* that makes provision for major asset repairs and replacements needed to ensure the continuing operation of the district.
- Some schemes also have a *storage charge*, which recovers the cost to replenish losses from major storages from evaporation or seepage.

In some irrigation districts a **variable charge** is levied on the volume of water consumed by each irrigator (or, in the case of river delivery, supplied to each irrigator). The variable charge is invoiced following the end of the irrigation season or delivery period (summer/winter) each year.

- In most cases, the variable charge recovers cost directly related to the supply of water, including:
 - pumping costs; and
 - water purchase costs (where applicable).
- In most cases, where the costs of pumping water to different parts of an irrigation district is materially different, the variable charge is differentiated on the basis of the location of where water is supplied to.

Further information

- If you require more information relating to annual water charges, please contact us:

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