



Greater South East Irrigation Scheme Landholder and Open Class Water Sale

Offer Document for Landholders and Investors

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1. Investment overview

Business overview

Tasmanian Irrigation exists to secure Tasmania's agricultural prosperity and growth by ensuring access to irrigation water where and when it is needed.

We are a State-Owned Company that proudly designs, develops, owns and operates irrigation schemes that create jobs, grow the wealth of regional communities and deliver highly reliable irrigation water sustainably, cost effectively and efficiently.

Tasmanian Irrigation plays a critical role in assisting the Tasmanian Government to achieve its target of increasing the farmgate value of the State's agricultural sector to \$10 billion a year by 2050.

All our schemes are economically viable, environmentally sustainable, have strong community endorsement, are designed to last at least 100 years and deliver water at an average reliability of more than 95 per cent per annum.

The availability of additional irrigation water through the development and operation of irrigation schemes supports Tasmanian farmers to move into higher value production. It also drives growth and investment in Tasmania's food and agricultural sectors and rural and regional communities.

As of February 2025, Tasmanian Irrigation has 19 operational schemes.

A total of \$258 million was made available for Tranche One schemes by the State and Federal Governments with an additional \$90 million raised by the private sector through the sale of water entitlements.

For Tranche Two, a total of \$140 million of public investment enabled development of the schemes, comprised of \$30 million from the State Government and \$85 million from the Federal Government, and \$52 million was raised by the private sector through the sale of water entitlements.

Tranche Three identified a further 10 projects, with 1 scheme constructed and now operational, and a further four currently in the development phase.

TI has welcomed the funding commitment on 12 November 2024 by the Australian Government for the Greater South East Irrigation Scheme (GSEIS). The Australian Government is investing more than \$150 million to deliver the GSEIS. The Tasmanian Government has committed \$75 million, which will be added to the \$75 million from farmers raised through the purchase of water entitlements.

Legislative environment

In Australia, water is managed by each State and Territory in accordance with the Inter-governmental Agreement on a National Water Initiative. In Tasmania, water is governed by the *Water Management Act 1999* (“WMA”).

Under the WMA, all water resources in Tasmania are vested in the Crown. The Minister for Primary Industries and Water may grant rights to take water under a system of water licences. Water licences are currently administered by the Department of Natural Resources and Environment Tasmania (NRET).

Where an Irrigation District is established, the rights arising under a water licence (or an agreement deriving from a water licence) may be broken into individual shares and issued as irrigation rights. Irrigation rights are administered by entities (such as Tasmanian Irrigation), which are responsible for operating the Irrigation District.

Water licences and irrigation rights are statutory water entitlements. They are transferable and separable from land. The irrigation schemes owned, operated and developed by Tasmanian Irrigation use irrigation rights as the statutory basis for water entitlements.

Background

Tasmanian Irrigation currently owns and manages three irrigation schemes in the southeast of the State:

- South East Stage One (completed in 1986 to supply 2,650 megalitres (ML) of water each year along the Coal River Valley to Colebrook, Campania and Richmond);
- South East Stage Two (completed in 1992 to supply 1,980 ML of water each year to the Richmond, Dulcot and Cambridge areas); and
- South East Stage Three (Sorell) (completed in 2015 to deliver up to 3,000 ML to the area around Tea Tree, Campania, Orielton, Pawleena, Penna, Sorell and Forcett).

A reliance on treated water from TasWater for South East Stages Two and Three has been a long-held concern for landholders due to the rising cost of the water, competing pressures for supply and uncertainty of supply during periods of potable water restrictions. There is also a high level of demand for additional water from existing irrigators and new water from surrounding landholders.

Tasmanian Irrigation has worked closely and cooperatively with irrigator communities to determine the best possible long-term solution to secure an alternate, reliable and fit-for-

purpose water source, as well as amalgamate all three existing schemes and standardise entitlement contracts.

This has led to the Greater South East Irrigation Scheme being developed as one of Tasmanian Irrigation's Tranche Three priority projects.

Expressions of Interest were launched in February 2020 and concluded with 27,000 megalitres (ML) of interest registered, with a further 9,000 ML of interest from the Kempton area. A Preferred Option Design was developed based on Expressions of Interest, however following water sales in 2022 the scheme was redesigned to an 18,600 ML summer and 18,600 ML winter scheme.

Scheme Overview

The \$301 million GSEIS will increase supply of irrigation water to one of the driest areas in the State. It will integrate the existing South East Stages One, Two and Three schemes, and support significant agricultural growth by enhancing supply to meet existing and additional demand. The Tasmanian and Australian Governments have now committed to fund their share of the scheme. The GSEIS is targeted to be operational by mid-2030.

The irrigation season for the proposed Irrigation District commences on 1 October and concludes on 30 September each year. The irrigation season has two delivery periods: a 180-day summer delivery period from 1 October through to 31 March, and a 185-day winter delivery period from 1 April to 30 September.

The key features of the Greater South East Irrigation Scheme design are:

- Water to be sourced from Lake Meadowbank via two pump stations;
- A rising mainline to be constructed over Pelham Tier to an elevated tank and a long falling mainline to the existing Tea Tree pump station, which supplies the existing Stages Two and Three;
- Extend the south-east pipework into the Coal River Valley to the foothills of Craigbourne Dam to service converting Stage One irrigators and new demand in the area; and
- Construct and / or augment pipelines to the Jordan River Valley and extend the existing Stages Two and Three schemes to meet increased demand.

Principal primary production focus is berries, vineyards, orchards, pasture, vegetable crops and dairy.

2. The Offer

TI is pleased to offer the opportunity to apply for high reliability irrigation water entitlements, with terms up to 100 years, during the Landholder and Open Class water sale period (the Offer). Landholders within and adjacent to the proposed Irrigation District may apply under the Landholder sales process and investors through the Open Class sales process.

TI is offering the spare capacity within the scheme, approximately 6,500 ML of summer and 16,800 ML of winter water entitlements, across two regions: the Jordan River Valley and the South East.

The Offer includes the provision of **one preliminary connection point free of charge for each parcel of contiguous (adjoining) land** that is operated as the same business; **this is available to landholders (but not investors) within the Irrigation District**. Each connection point provided as part of this Offer will be capable of delivering at least three times the purchased flow rate, subject to any capacity constraints of the connecting pipeline.

Irrigators in TI South East Irrigation Schemes Stages Two and Three are offered the opportunity to convert their existing entitlements to the Greater South East District **at no cost** (other than the costs of developing a Farm Water Access Plan (Farm WAP). Conversion is also offered for Stage One Coal River irrigators at a cost of \$1,950 per ML, this is entirely optional.

Water sales open on 19 February 2025 at 12pm and close on 17 April 2025 at 2pm.

The results of these water sales will determine which Applications can be included in the scheme within the now defined scheme capacity and funding parameters; please note there are no plans to undertake a significant redesign of the scheme.

An Application submitted under the water sales Landholder or Open Class Direct Sales Rules is an offer by the Applicant to enter the Purchase Contract for water entitlements and is **irrevocable** until the acceptance date of 31 August 2025.

At the close of the Offer period, Tasmanian Irrigation will assess complying Applications. Allocation of accepted Applications will be prioritised as follows: converted rights Applications, Landholder Applications, and finally Open Class Applications.

Tasmanian Irrigation strongly recommends that landholders and investors seek their own legal and business advice regarding the Offer before submitting an Application.

Delivery Period	Volume offered*	Maximum Daily Flow rate	Price
Summer Oct - Mar	6,500 ML	1 ML = 0.0067 ML / day	Gretna – Not offered
			Jordan River Valley - \$2,500 / ML
			South East - \$3,500 / ML
			<i>South East Stage One - \$1,950 / ML**</i>
Winter Apr - Sep	16,800 ML	1 ML = 0.0067 ML / day	Gretna – Not offered
			Jordan River Valley - \$1,750 / ML
			South East - \$1,850 / ML
			<i>South East Stage One - \$1,950 / ML**</i>

*Approximate spare capacity within the Scheme

**Price to convert existing Stage 1 Coal River entitlements to the GSEIS

Offer period	19 February 2025 to 2pm on 17 April 2025.
Eligibility	This offer is open to landholders within or adjacent to the proposed Irrigation District and investors.
Term of the rights	Up to 100 years.***
Connection	Landholders within the proposed Irrigation District will receive one preliminary connection point free of charge for each parcel of contiguous land that is operated as the same business.
Application volume requirements	Minimum of 10 ML in summer delivery period or minimum of 20 ML in winter delivery period; and increments of 5 ML thereafter in either delivery period.
Deposit	10 per cent (2 per cent on Application and, if accepted, 8 per cent on or by 30 June 2028).
Final payment	Within 28 days of the commissioning of the scheme, forecasted for mid-2030.
Ongoing charges	Annual fixed charges per ML apply from commissioning.

***Initial term 25 years from commissioning, with up to three extensions.

The application volume requirement also applies to South East Stage One irrigators opting to convert their rights, and irrigators are required to purchase water at the full price to make up the minimum and/or incremental volumes. Note that the Stage One conversion offer only applies to the conversion of existing TI South East Stage One Coal River water entitlements to the GSEIS and this offer is only available during the water sales period.

TI aims to integrate all irrigators currently on the South East Stage Two and Stage Three (Sorell) schemes **at no cost**, apart from costs related to the preparation or amendment of Farm WAPs. For Stage Two irrigators, this is a standard requirement. Stage Three irrigators already have Farm WAPs in place; however, additional costs may apply if there is a need to expand Farm WAP/irrigation zones to accommodate changes in activity. In addition, Stage One Coal River irrigators who convert their entitlements will need to organise a Farm WAP to comply with scheme requirements. The cost for preparing a Farm WAP typically ranges between \$1,250 and \$3,000 + (ex GST).

The application volume requirement does not apply to Stage Two and Three irrigators applying to convert their existing rights, furthermore the conversion volumes count towards the minimum and incremental purchase volumes should those irrigators apply for additional new water entitlements.

On the GSEIS, for every one (1) megalitre purchased within a delivery period, an irrigation right with a volume entitlement of one (1) megalitre and a corresponding zoned flow delivery right with a maximum flowrate of 0.0067 ML / day (i.e. 1 ML / 150 days = 0.0067 ML / day) will be issued on completion. The flow rate conversion is based on a 150-day equivalent delivery period over the actual delivery period of 180 days in summer and 185 days in winter.

An Application to purchase water entitlements and/or convert South East Stage One entitlements must be secured with a 10 per cent deposit (2 per cent upon application and 8 per cent when public funding approval received).

The Application is **irrevocable**, and the Applicant must complete the purchase of water entitlements should the Application be accepted by the acceptance date. Completion of the purchase of water entitlements must occur within 28 days of commissioning of the scheme, as notified by Tasmanian Irrigation.

3. Water entitlements overview

The water entitlements offered in this sale are made up of irrigation rights and zoned flow delivery rights.

Term of the rights

The term of the water entitlements issued in the Irrigation District is set to match the term of the water supply agreement between Tasmanian Irrigation and Hydro Tasmania, which underpins the Irrigation District's supply. The initial term of the water supply agreement is 25 years from commissioning, with up to three extensions: two 25-year extensions and a third being the lesser of 25 years and the unexpired period of Hydro Tasmania's special water licence under the Water Management Act. These extensions are automatic and Tasmanian Irrigation notifies customers as early as reasonably practicable; however, they remain subject to confirmation.

Irrigation rights

Irrigation rights in the Irrigation District will be issued under the *Irrigation Clauses Act 1973* and are subject to the terms of the "Landholder and Open Class Purchase Contract Annexure 2 - Irrigation Right Greater South East Irrigation District".

Irrigation rights confer entitlements to have an allocation of water made available for delivery within a region during the summer and / or winter delivery period of the irrigation season. The entitlement arising under irrigation rights is defined as a volume and expressed in megalitre (ML) units.

Irrigation rights in the Irrigation District are warranted at 95 per cent average annual reliability based on the conditions applying at the time reliability was assessed and that the scheme continues to operate as it was originally designed. The warranty does not cover reductions to reliability arising from climate changes or natural causes.

Ninety-five per cent average annual reliability means that during 100 consecutive irrigation seasons, the sum of the allocations made to irrigation rights will be equal to or higher than 95 per cent of the sum of the entitlements issued over that same period without the allocation percentage exceeding 100 per cent of entitlements in any season.

It should however be noted that the customer bears the risk of any reductions to reliability arising from climate changes or other natural causes.

Zoned flow delivery rights

Zoned flow delivery rights in the Irrigation District are subject to the terms of agreements titled “Landholder and Open Class Purchase Contract Annexure 3 - Zoned Flow Delivery Right, Greater South East Irrigation Scheme”.

Zoned flow delivery rights confer entitlements to a share of the capacity of the scheme to deliver water within a zone during each delivery period of the irrigation season. The entitlement arising under zoned flow delivery rights is defined as a flow rate and expressed in megalitre per day (ML / day) units.

Zoned flow delivery rights provide assurance that capacity is available to deliver water at a set rate when, and where, it is required. Flow rate entitlements give certainty over the timing of supply and introduce a tradable product through which irrigators can plan water deliveries, manage seasonal risks and maximise the benefit of their entitlements.

Zones relate to the zone of the water delivery system and are identified in the Qualifying Zone maps attached to the Direct Sales Rules and shown on the map of the Irrigation District on the Tasmanian Irrigation website: <https://www.tasmanianirrigation.com.au/schemes/greater-south-east-irrigation-scheme>

Regions and zones are due to variations in pipeline diameters and other factors that limit the capacity of the scheme to deliver water to different parts of the Irrigation District. Each zone originates from the supply point to the Irrigation District (i.e. Lake Meadowbank) and extends to the furthest downstream point of the zone as shown on the map. Please note that zones may change as a result of water sales.

Connection agreements

The water entitlements offered are not automatically linked to land. Water entitlements are linked to land through connection agreements. Connection agreements specify the location of connection points and are subject to the terms of the “Landholder Purchase Contract Annexure 4 – Connection Agreement – Pipeline Connection, Greater South East Irrigation District”.

A connection point is the valve infrastructure installed by Tasmanian Irrigation that allows an irrigator access to the scheme water, provided the landholder owns or is otherwise entitled to use land in the Irrigation District.

Each connection point is located on the land, on a boundary of the land, or outside of the boundary where the landholder has a right to transport water from the connection point to the land.

An important condition of connection agreements is that Tasmanian Irrigation water can only be applied to land which has an approved Farm WAP in place (please refer to information pertaining to FarmWAPs on page 12 onwards).

Water Trading

Water entitlements (irrigation rights and zoned flow delivery rights) are tradable within the Irrigation District and supply regions in which they are issued, in accordance with the *Irrigation Clauses Act 1973* and the “Landholder and Open Class Purchase Contract Annexure 1 - Trading Rules Greater South East Irrigation District”.

Trades are made by transferring all or part of the rights attached to a water entitlement, for example volume between irrigation rights and/or flow rate between zoned flow delivery rights. To take effect, a trade must be approved by Tasmanian Irrigation and recorded in the Water Entitlements Register for the Irrigation District.

There are three types of transfers:

- permanent – rights are permanently transferred,
- limited term – rights are transferred for a period of at least one full irrigation season or within two or more irrigation seasons,
- short-term – rights are transferred for a period entirely within one irrigation season.

The tradability of water within the Irrigation District is regulated through the supply region and zone nomination of zoned flow delivery rights. Tasmanian Irrigation approves a transfer on the basis that:

- It does not exceed the capacity limitations of the scheme, taking account of all other irrigation and/or zoned flow delivery rights issued;
- All money owing to Tasmanian Irrigation by the transferee and transferor is paid;
- In the case of transfers exceeding 12 months, that the transfer is consented to by the holders of any registered security interests;
- The sale price of the transfer is disclosed;
- The transferee has an approved Farm WAP;
- In the case of a permanent transfer, Tasmanian Irrigation is satisfied as to the credit worthiness of the transferee; and
- In the case of limited and short-term transfers, the transferor remains liable for all money not paid by the transferee in relation to the transferred entitlement or allocation.

There is not a requirement that a person has to own land within a district to receive a transfer of water entitlements.

Tasmanian Irrigation has launched the Tasmanian Water Trading Notice Board to assist with the trading of water entitlements. The Notice Board allows parties to advertise their interest in buying, selling or leasing water entitlements.

You can access the Notice Board here www.tasirrigation.com.au/notice-board. This is where you may view advertisements or place your own. The Notice Board is a free service provided by Tasmanian Irrigation in support of the development of the water market in Tasmania.

4. Important additional information

Water charges

Once the scheme is commissioned, the ongoing costs associated with the Greater South East Irrigation Scheme and its related infrastructure are completely funded through annual water charges. Annual water charges are comprised of fixed charges, which are levied on water entitlement holdings and variable charges that are levied on actual water supplied.

Water charges are set on an annual basis in accordance with the costs applying at the time and the expenses associated with the operation and maintenance of the scheme.

Tasmanian Irrigation has prepared estimates of water charges to assist parties to forecast the likely costs associated with holding water entitlements and being supplied with water from the Irrigation District. The estimates are based on cost information for 2024/25.

Please be aware that the charges are estimates only, subject to change and will be determined each year based on costs applying at that time.

The supply of water is not currently subject to GST and accordingly Tasmanian Irrigation does not collect GST in respect of the water charges. Should the GST treatment of water change, GST may be collected in the future.

Fixed charges

For comparison, three estimates of the fixed charges are shown: charges at the current uptake volume, at the 75% sold volume, and at the fully subscribed volume.

Greater South East Irrigation Scheme: Fixed charge estimates*				
		Current uptake volume	75% sold volume	Fully subscribed
Region	Charge description	Annual charge \$ per ML		
All	Operation and maintenance charge	\$108.35	\$89.81	\$63.75
	Asset renewal levy	\$64.14	\$50.37	\$33.51
	Storage charge	\$0.92	\$0.49	\$0.37
	Total	\$173.41	\$140.67	\$97.62

**The estimates are based on cost information for 2024/25.*

Fixed charges are levied annually on water entitlement holdings and are payable regardless of whether any water entitlements were accessed by the holder.

The operations and maintenance charge recovers the fixed costs associated with the Irrigation District, including costs associated with employee entitlements, vehicles, plant and equipment, routine maintenance, telemetry, compliance, administration, finance and insurance.

The Asset Renewal Levy provides for refurbishment and replacement of scheme assets as well as funds available 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.

The storage charge reflects the evaporation losses from the existing dam at Rekuna and is only applied to the South East region.

Variable charges

Variable charges for the scheme are based on the volume of water used, supplied from Lake Meadowbank.

The charges recover the costs associated with pumping water into the pipeline distribution network and are inclusive of a \$10 fee payable to Hydro Tasmania for the foregone opportunity for power generation at the Lake Meadowbank Power Station.

The following forecast assumes full usage of the current uptake volume and values are cumulative.

Greater South East Irrigation Scheme: Variable charge estimates at the current uptake volume (cumulative)*		
Pump station	Summer delivery period (October to March) \$ per ML	Winter delivery period (April to September) \$ per ML
Ex Lake Meadowbank Pump Station 1	\$122	\$158
Ex Pelham Tiers Pump Station 2	\$203	\$254
Ex Orielson Booster Pump Station	\$213	\$254
Ex Shrub End Pump Station (existing)	\$297	\$348
Ex Sorell Booster Pump Station	\$234	\$254
Ex Table Hill Pump Station (existing)	\$293	\$315

**The estimates are based on cost information for 2024/25.*

Farm Water Access Plans

A Farm Water Access Plan (Farm WAP) must be in place for every property that receives water from the Irrigation District.

Farm WAPs must be prepared by prequalified consultants authorised by the Minister for Primary Industries and Water and follow the Farm Water Access Planning Framework approved by the Department of Natural Resources and Environment (Tasmania) including water, soil and biodiversity components.

Farm WAPs are tools for managing water resources responsibly, ensuring the long-term viability of agricultural land for future generations. They are a mandatory requirement to demonstrate compliance with environmental regulations and standards and are a condition of public

funding. The plans contain soil, water and biodiversity components and provide a structured framework to identify, assess and control environmental risks from irrigation activities. In addition to controlling risks, Farm WAPs also contribute to improved environmental outcomes on properties, supporting sustainable agricultural practices.

Tasmanian Irrigation helps prepare Farm WAPs to reduce the cost to landholders.

Preparing a Farm WAP typically costs landholders \$1,250 and \$3,000+ (ex GST). This figure is provided as a reference only. The cost will be confirmed upon engaging a prequalified consultant to undertake the site assessment. A government subsidy is often available when connecting to a new or augmented irrigation scheme.

Factors affecting the cost of a Farm WAP include:

- the size of the area to be assessed: larger properties incur higher costs due to the increased scope of work;
- the availability of existing land capability data: access to relevant data can reduce assessment complexity and costs; and
- the likelihood of threatened species, ecological communities or other Matters of National Environmental Significance (MNES) occurring in or near the area to be assessed: this is determined through a desktop assessment.

Farm WAPs are tied to the land, not landholder or irrigators and can be transferred to a new landholder or irrigator if the land is sold or leased.

Tasmanian Irrigation conducts annual audits of Farm WAPs each year to ensure conformance with management actions and demonstrate compliance with approval conditions under the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act). The irrigator is responsible for adhering to the controls prescribed in the Farm WAP.

Tasmanian Irrigation facilitates amendments to existing Farm WAPs. This typically occurs when there are expansions to the irrigation area, a landholder uses new or different dams to store TI water, new dams are built or where significant improvements have been conducted to improve the capability and suitability of soils. Farm WAPs must remain up-to-date to avoid non-conformance penalties.

Tasmanian Irrigation permits and approvals **do not** cover the clearing of Native Forests or native grasslands on landholder property. Landholders are responsible for obtaining the necessary State and Federal approvals for land clearing. As part of the Farm WAP preparation process, threatened species and areas of threatened ecological communities are identified and mapped. Guidance and practical tips on navigating the relevant legislation is provided to assist landholders in meeting their obligations.

Scheme pressure

Tasmanian Irrigation guarantees a minimum pressure of 5m head (equivalent to 49kPa or 7psi) at each connection point within the scheme.

However, the actual pressure experienced at a connection point may be higher depending on the pressure rating of the pipeline, proximity of the connection to a pump station or pressure reducing valve, the relative height of the connection, and can also vary depending on where and how much water is being taken elsewhere in the scheme.

Indicative operating pressures at individual properties will be provided to applicants as requested with information based on the current scheme design. Please note that providing indicative information on pressure will not in any way limit the ability of Tasmanian Irrigation to amend the scheme design nor does it create any obligation for Tasmanian Irrigation to warrant those indicative pressures.

5. Connection points

The purchase of water entitlements by landholders (but not investors) within the District in this Offer includes the provision of **one preliminary connection point free of charge for each parcel of contiguous (adjoining) land** that is operated as the same business.

Each connection point supplied as part of the purchase of water entitlements by landholders within or adjacent to the proposed District will be capable of delivering at least three times the purchased flow rate, subject to any capacity constraint of the pipeline to which a connection joins.

The Applicant may wish to apply to purchase additional connection point/s or cover the costs to increase the size of the preliminary connection point. Tasmanian Irrigation will publish the costs, application forms and other details in due course.

The following table provides a size guide for connection points. The connection sizes have been estimated based on hydraulic and control restraints across the connection assembly.

GSEIS Connection Point (CP) price and size guide							Min Allowable by TI		
CP Size	CP purchase price	Application volume	Application flow rate	Typical max flow*	Typical max flow*	Typical max flow*	Typical Min Flow	Typical Min Flow	Typical Min Flow
mm	\$	ML	ML/day	L/sec	ML/day	ML/delivery period	L/s	ML/day	ML/delivery period
50	\$TBC	10 – 20	0.06 – 0.13	7	0.6	90	0.5	0.04	6
80	\$TBC	21 – 50	0.13 – 0.33	16	1.38	207	1.6	0.14	21
100	\$TBC	51 – 100	0.37 - 0.67	24	2.07	310	2.42	0.21	31.5
150	\$TBC	101 – 220	0.70 – 1.47	52	4.49	673	4.83	0.42	63
200	\$TBC	221 - 365	1.50 - 2.43	85	7.34	1100	9.65	0.83	124.5
300	\$TBC	366+	2.47+	200	17.5	2625	28.94	2.5	375

* The actual capacity of a connection point will depend upon the final scheme design, the range of pressures available in the pipeline at the connection point and the method for connecting downstream infrastructure.

6. How to apply

An Application submitted under the water sales Landholder Direct Sales Rules or the Open Class Direct Sales Rules is an offer by the Applicant to enter the Landholder Purchase Contract or the Open Class Purchase Contract for water entitlements and is **irrevocable** until the acceptance date of 31 August 2025.

For Landholder Applications, as detailed in the Landholder Direct Sales Rules:

- Complete a Landholder Application form;
- Execute the Landholder Purchase Contract, leaving the schedule blank;
- Pay the 2 per cent deposit as detailed on the Landholder Application Form; and
- Lodge the completed Landholder Application form (with Landholder Direct Sales Rules attached) and executed Purchase Contract with Tasmanian Irrigation.

For Open Class Applications, as detailed in the Open Class Direct Sales Rules:

- Complete an Open Class Application form;
- Execute the Open Class Purchase Contract, leaving the schedule blank;
- Pay the 2 per cent deposit as detailed on the Open Class Application Form; and
- Lodge the completed Open Class Application form (with Open Class Direct Sales Rules attached) and executed Purchase Contract with Tasmanian Irrigation.

A complying Application, including a 2 per cent deposit, must be lodged with Tasmanian Irrigation during the offer period, which commences **19 February 2025 and closes 17 April 2025**. All Applications must be received no later than **2pm, 17 April 2025**.

An Application may be lodged by post, hand delivered to Tasmanian Irrigation's offices at the Launceston Airport, delivered personally to an employee or representative of Tasmanian Irrigation or emailed through to enquiries@tasirrigation.com.au.

The project team will be available during the water sales offer period to assist with applications, refer to the project website for up to date information on drop in days:

<https://www.tasmanianirrigation.com.au/schemes/greater-south-east-irrigation-scheme>,

or contact Tasmanian Irrigation via phone on (03) 6398-8433 or via email at enquiries@tasirrigation.com.au.

7. Details of conversion for existing Stages One, Two and Three irrigators

Stage Two and Three (Sorell) Conversion

Tasmanian Irrigation is aiming to convert all Stage Two and Stage Three Sorell irrigators onto the new scheme **at no cost**, other than the costs to develop a Farm WAP.

To convert Stage Two and Stage Three Sorell water entitlements, a Stage Two and Three conversion Application must be lodged with Tasmanian Irrigation for the entire volume of entitlements held.

If new water entitlements are purchased these must be completed in a separate Application.

Note that the converted volumes count towards the minimum and incremental purchase volumes. For example, if an irrigator with 10ML of Stage 2 rights wished to convert their rights at no cost and purchase additional rights they would submit a conversion Application for the 10 ML, which would satisfy the minimum purchase volume (noting that a Stage Two or Three conversion is not a purchase). A second Application for new water rights would be completed for a minimum of 5 ML in either the summer or winter delivery period.

On completion of construction of the GSEIS, converted South East Irrigation Scheme Stage Two and Three Sorell water entitlements will be surrendered to Tasmanian Irrigation and replacement water entitlements will be issued in the Greater South East Irrigation District.

If an active lease agreement (Limited Term Transfer) is in place for your South East Irrigation Scheme Stage 2/ Stage 3 Sorell Water Entitlements at the time of completion of the GSEIS, the permission of the lessee (in accordance with your lease agreement) will be required to

complete conversion of the entitlements. Tasmanian Irrigation will endeavour to assist you in achieving the necessary approvals.

Stage One Coal River Conversion

Stage One Coal River irrigators can nominate the amount of water entitlements (expressed in ML units) that they wish to convert. The minimum purchase is 10 ML in the summer delivery period (or a minimum of 20 ML in the winter delivery period if not purchasing summer water), with increments thereafter of 5 ML in either summer or winter delivery period.

These minimum requirements apply to South East Stage One irrigators opting to convert, and irrigators are required to purchase water at the full price to make up the minimum and incremental volumes.

On the completion of construction of the scheme the successfully converted Stage One rights will be returned to Tasmanian Irrigation and the Greater South East replacement rights would be issued.

Security interest

If a Security Interest is held over converted South East Irrigation Scheme Stage Two or Three Sorell water entitlements at the time of completion of the GSEIS, the permission of the Security Interest holder will be required to complete conversion of the water entitlements as this would constitute a disposal of the entitlements.

Tasmanian Irrigation is in the process of notifying relevant lenders with details of the conversion offer, to facilitate and expedite the process. It is the responsibility of the water entitlement holders to work with their individual financial institution/s, to manage and finalise the process in readiness for the new water entitlement. Tasmanian Irrigation recommends raising this with your financial institution as early as possible.

Capital Gains Tax

On completion of the Greater South East Irrigation Scheme, water entitlements that have converted from an existing Scheme will be surrendered in exchange for new water entitlements. Tasmanian Irrigation has been advised this process will likely trigger a “Capital Gains Tax Rollover Event” and there will likely be no additional tax payable by irrigators in conjunction with this event. In anticipation of this, Tasmanian Irrigation applied for a class ruling (which is a type of public ruling applicable to a specific class of participants for a particular scheme) with the Australian Taxation Office (“ATO”), to solidify the above interpretation.

The ATO has published class ruling CR 2023/35 which sets out the income tax consequences for water entitlement holders in South East Stages One, Two and Three who convert their water entitlements to the Greater South East Irrigation Schemes. The act of conversion requires that the existing rights are surrendered and replacement GSEIS rights are issued. Tasmanian Irrigation is advised, the surrender of existing rights will give rise to a capital gains tax event. The ruling means that a roll-over will apply when surrendering existing rights, and as a result the capital gain (or loss) arising will be deferred to a time in the future if/when irrigators sell their new rights.

This is not taxation advice and it is recommended that you seek advice from a qualified tax accountant with respect to this class ruling and how this may affect your unique tax situation.

Details of the acceptance process

An offer to purchase does not constitute an acceptance that water is able to be supplied to a given property, landholder or investor.

After the close of the offer period, Tasmanian Irrigation will assess all Landholder and Open Class Applications for compliance with the terms and conditions of the Landholder and Open Class Direct Sale Rules. Non-complying Applications may be rejected.

Tasmanian Irrigation will prioritise the allocation in the following order:

1. Existing Stage One Coal River, Stage Two and Stage Three Sorell conversion Applications;
2. Landholder Applications within or adjacent to the proposed Irrigation District; then
3. Open Class Applications.

As part of the acceptance process, Tasmanian Irrigation will undertake to satisfy as many Applications to purchase water entitlements as possible, subject to the capital budget, operating costs and approval constraints. **This process may involve a design review which may alter the scheme design including delivery zones.**

Once a scheme design has been confirmed, the rights to purchase water entitlements will be allocated in each zone until all Applications are satisfied or the maximum capacity of the zone has been met.

If oversubscription in respect of a zone occurs, Tasmanian Irrigation may elect to terminate the sale for that zone and undertake a competitive sales process or seek pro-rata Applications in that zone.

A Landholder Application will only be included in the allocation process if Tasmanian Irrigation is able to accept the preliminary connection point specified in the Application on the basis that water can be supplied to that point. If a preliminary connection point cannot be accepted, the Applicant will have an opportunity to amend it.

Tasmanian Irrigation will have until 31 August 2025 to complete the acceptance process.

If an Application cannot be accepted, Tasmanian Irrigation will refund the paid deposit in full.

If an Application is pro-rated, Tasmanian Irrigation will refund any excess of the deposit over the deposit required to secure the purchase.

8. Details of the purchase

Conditions precedent	Public funding commitment	30 June 2025
	Final approval to construct	30 September 2026 (the date public funding commitment received <i>plus</i> 15 months)
Sunset date	30 June 2030 (as may be extended by the period of any delay caused or contributed to by force majeure)	

If a Landholder or Open Class Application to purchase water entitlements is accepted by Tasmanian Irrigation the Applicant, and any guarantors, will automatically enter into a contract with Tasmanian Irrigation for the purchase of water entitlements in the terms of the Water Entitlements Landholder Purchase Contract, or Open Class Purchase Contract, for the Greater South East Irrigation District (the “Purchase Contract”).

The Purchase Contract is conditional and is subject to Tasmanian Irrigation:

- (1) Receiving full public funding commitment for construction of the scheme (achieved); and
- (2) Receiving final approval from the Tasmanian Government to construct the scheme.

Final approval to construct will be granted subject to Tasmanian Irrigation achieving the Water Sales threshold, obtaining all necessary permits and approvals and securing construction contracts for the project within budget.

The first condition precedent (public funding commitment) has been met and holders of Purchase Contracts secured are required to pay the second deposit instalment of eight per cent; however, Tasmanian Irrigation intends to invoice for this deposit on 30 June 2028. Applicants may elect to pay earlier if preferred.

As stipulated in the Purchase Contract, the Contract is irrevocable; however, you may transfer to another party in full or part by assigning the rights. The transferee will then be bound by the same rights and terms and conditions of the Contract.

Please be aware that an assignment does not extinguish the obligation of the holder of the Purchase Contract to complete the purchase of water entitlements.

Completion of the purchase of water entitlements is to occur within 28 days of the commissioning of the scheme as notified by Tasmanian Irrigation. Completion requires the holder of a Purchase Contract to make payment for the balance of the purchase price and Tasmanian Irrigation to issue water entitlements and, where applicable, enter into a Connection Agreement, in exchange for that payment.

If the holder of a Purchase Contract fails to complete the purchase within this time, interest will accrue daily on the outstanding balance at the rate calculated under clause 14.2 of the Purchase Contract and any charges and interest payable under the water entitlements that would have been issued had the contract completed on the completion date, will become payable as they fall due.

If commissioning does not occur by the sunset date of 30 June 2030 (as extended by the period of any delay to commissioning to the extent the delay was caused, or contributed to, by force majeure), a Purchase Contract may be terminated by its holder and Tasmanian Irrigation must refund to the holder the deposit and any interest earned on that deposit.

9. Irrigator Representative Committee

Irrigator Representative Committees (IRC) are established for each Tasmanian Irrigation scheme. The IRC provides representation for water entitlement holders in TI irrigation schemes (Representative Members) and is a forum to exchange information and provide advice or feedback on operational matters. The advice provided by the IRC is extremely valuable but has no binding authority. However, TI has responsibility for decisions made regarding the operation of these schemes as the Responsible Water Entity and may take into account any advice from the IRC where relevant and practical.

Each IRC typically has a minimum of three members, who must hold water entitlements within the scheme. Members are elected at the scheme general meeting with a nomination which is seconded by another water entitlement holder. Please refer to Tasmanian Irrigation's website for more information on IRCs: <https://www.tasmanianirrigation.com.au/irrigator-representative-committees>

10. Frequently Asked Questions

Q: How much water is available for purchase in this Landholder and Open Class water sale?

A: The scheme is designed to deliver 18,600 ML in the summer delivery period (October to March) and up to 18,600 ML in the winter delivery period (April to September). TI is offering the spare capacity in the proposed scheme for sale, with approximately 6,500 ML of summer and 16,800 ML of winter water available for purchase by landholders and investors.

Q: Will additional water be available to purchase for existing TI irrigators in South East Stages One, Two and Three?

A: Yes, Tasmanian Irrigation strongly encourages all irrigators who wish to participate to apply for additional water entitlements during the Water Sales process.

Q: What is the minimum amount of water I can purchase when Water Sales open?

A: The minimum purchase volume is ten (10) megalitres in the summer delivery period (or 20 ML in the winter delivery period); increasing thereafter with five (5) megalitre increments in either the summer or winter delivery period.

Q: Why are existing South East schemes being offered a conversion?

A: A key objective of the GSEIS is to replace the TasWater supply to Stage Two and Stage Three (Sorell) irrigation schemes, as well as expand the Irrigation District in the broader South East area. Tasmanian Irrigation is also offering Stage One Coal River irrigators the opportunity to convert their Coal River entitlements across to the piped supply at a cost. This is entirely optional and only available during the water sales period.

Q: I have water entitlements in the existing South East Scheme Stage One Coal River, what does this mean for me?

A: Existing Stage One irrigators have the opportunity to convert their existing entitlements, at a cost of \$1,950 per ML, onto the new scheme in either the summer or winter delivery period. This offer is only available during Water Sales. Stage One irrigators who choose to remain, all or in part, on the Coal River will continue to operate as usual.

Conversion of Stage One entitlements to the GSEIS will deliver improved water quality and reliability (flow rate and volume surety of 95%).

All South East Scheme Stage One (Coal River) irrigators transitioning to the Greater South East Irrigation Scheme are required to have a Farm WAP developed prior to accessing water. Please note that there are costs associated with the development of these plans.

Q: I have water entitlements in the existing South East Scheme Stage Two, what does this mean for me?

A: Existing Stage Two irrigators will have their entitlements converted to the new scheme at no cost. Existing irrigators will apply to convert their entitlements during Water Sales and will gain improved reliability and security of supply. Stage Two irrigators will nominate their annual volume to either the summer and / or winter delivery periods of the new scheme, which will be flow managed at an upgraded connection point.

All irrigators on the proposed scheme must have a Farm WAP in place prior to scheme commissioning, with associated preparation costs. An exception applies to Stage Two entitlement holders who hold small water volumes of 5ML or less intended for non-commercial purposes and who may opt to apply for the non-commercial connection agreement, which does not require a Farm WAP.

Q: I have water entitlements in the existing South East Stage Three (Sorell) scheme, what does this mean for me?

A: Existing Stage Three (Sorell) irrigators will have their entitlements converted to the new scheme at no cost. Existing irrigators will apply to convert their entitlements during Water Sales and will gain a 17% increase in flow rate as well as tradability within the new scheme.

Stage Three irrigators, with the addition of the winter delivery period, will also have the opportunity to purchase winter water.

All irrigators on the proposed scheme must have a Farm WAP in place prior to scheme commissioning. For existing Stage Three irrigators, current Farm WAPs will be amended at no cost. However, if a farmer plans to irrigate additional areas (not already covered under their plan) or introduce new crops not currently permitted under their plan—there will be costs associated with updating their Farm WAP.

Q: What happens if the Landholder and Open Class water sale is oversubscribed?

A: In the event that the scheme is oversubscribed, Tasmanian Irrigation will consider all the options available.

If unable to satisfy demand in full, Tasmanian Irrigation will consider whether to terminate the sale and engage in a competitive sales process or seek pro-rata water Applications. If Applications are pro-rated, the deposit paid in respect of the pro-rated amounts will be refunded.

Q: How do I purchase water entitlements?

A: By lodging a complying Landholder or Open Class Application for the offer of water entitlements with Tasmanian Irrigation. Your Application, and 2 per cent deposit, must be received by **2pm Friday 17 April 2025**.

Q: Landholders - What if the proposed pipeline alignment does not pass near my property?

A: All landholders within or adjacent to the proposed Irrigation District are encouraged to make an Application to purchase water entitlements if they wish to access water from the Scheme. The alignment may be adjusted following the outcome of water sales.

Tasmanian Irrigation will endeavour to supply as many Applications to purchase water entitlements as possible subject to the capital budget, operating costs and approval constraints.

Q: What is the upfront cost of buying water entitlements?

A: The price of water entitlements is:

New summer entitlements for the South East region \$3,500 per ML.

New winter entitlements for the South East region \$1,850 per ML.

New summer entitlements for the Jordan River Valley region \$2,500 per ML.

New winter entitlements for the Jordan River Valley region \$1,750 per ML.

Stage One Coal River irrigators are offered the opportunity to convert their entitlements to the piped supply for a flat rate of \$1,950 per ML.

This is the lowest price at which Tasmanian Irrigation will sell water entitlements in the scheme and this price is only guaranteed for this water sales period.

Q: Do I have to pay GST on the purchase of water entitlements?

A: Tasmanian Irrigation does not collect GST on the purchase of water entitlements because water is not currently taxable for GST purposes. Should this change because of a change to the law or a change to the interpretation of the law, GST will apply.

Q: If I purchase water entitlements, when do I have to pay the upfront cost?

A: You would need to pay a deposit of 2 per cent on making an Application and a second instalment of 8 per cent when full public funding is received (30 June 2025). However, TI will request payment of the 8 per cent deposit on 30 June 2028. You may opt to pay this deposit earlier if preferred.

If your Application is successful, you will be required to pay the balance of the purchase price within 28 days of receiving notification of commissioning of the scheme, in exchange for receiving water entitlements. The scheme commissioning (practical completion) is expected to occur in mid-2030.

Under the terms of the Purchase Contract, Tasmanian Irrigation will have until 30 June 2030 to commission the scheme.

Q: What happens if my Application to purchase water entitlements is accepted but Tasmanian Irrigation fails to commission the scheme?

A: Your deposit will be refunded in full plus any interest earned on your deposit while it was held by Tasmanian Irrigation.

Q: In purchasing water entitlements, will I be buying a share of the infrastructure of the scheme?

A: No. All infrastructure of the scheme will be the property of Tasmanian Irrigation.

Q: Can investors buy into a scheme?

A: Yes, these Landholder and Open Class water sales are offered to landholders in the scheme footprint and investors. Landholders are prioritised above investors for the allocation of water entitlements.

Q: Are water entitlements an asset?

A: Water entitlements are long-term rights to the supply of water, are freely tradeable and are separable from land, and thus they could be considered an asset. TI strongly recommends that landholders and investors seek their own legal and business advice regarding the Offer before submitting an Application.

Q: Are water entitlements specific to individual schemes?

A: Water entitlements are specific to individual schemes and can only be traded within that scheme in accordance with the scheme's Trading Rules.

Q: Are water entitlements 'property' that can form part of an inherited estate?

A: Yes. On the death of a holder of water entitlements they will become a part of the holder's estate.

Q: How long do water entitlements last?

A: The term of the water entitlements issued in the Irrigation District is set to match the term of the water licence issued under the *Water Management Act 1999* (WMA) and the Hydro Tasmania water transfer agreement, which will underpin the Irrigation District's supply.

The initial term of the water transfer agreement is 25 years, with up to three extensions: two 25-year extensions and a third being the lesser of 25 years and the unexpired period of Hydro Tasmania's special water licence under the WMA.

The term of water licences is set out in the WMA. If the term of the water licence that underpins the Irrigation District's supply and Hydro Tasmania's water transfer agreement is extended, the term of water entitlements issued in the district will be extended by the extended term of the water licence.

Q: Are water entitlements attached to land?

A: No, water entitlements are separate to land and are issued within delivery zones.

Q: What happens if my Application to purchase water entitlements is not accepted?

A: Your deposit will be refunded, including any interest earned. Under the terms of the direct sale rules, Tasmanian Irrigation will have until 31 August 2025 to determine whether it can accept your Application.

Q: What is a connection agreement?

A: A connection agreement specifies the terms under which water may be taken through connection to a pipeline of the scheme. As water entitlements are separate from land, the connection agreement ensures that a relationship exists between a landholder and Tasmanian Irrigation, recognising that a landholder may not necessarily always be the holder of water entitlements.

Q: Do I have to pay for a connection point to be installed so that I can take water from the scheme?

A: Not if you apply during this water sales period as a landholder. Under the Offer, Tasmanian Irrigation will install **one connection point free of charge** for each parcel of contiguous (adjoining) land that is operated as the same business and will receive water from a pipeline. This Offer is only available to landholder Applicants, not investors.

Each connection point supplied as part of the sale of water entitlements will be capable of delivering at least three times the purchased flow rate, subject to any capacity constraint of the pipeline to which a connection point joins. Additional connection points or connection point upgrades can be purchased from Tasmanian Irrigation if required and approved by Tasmanian Irrigation.

Q: Can I upsize the connection point or buy an additional connection point?

A: Yes. Additional connection points or connection point upgrades may be requested from Tasmanian Irrigation. The Applicant is required to pay the full cost of supplying these connection points and the cost difference if an upgrade is requested. Tasmanian Irrigation will provide the necessary details in due course.

Q: Apart from water entitlements, is anything else required for me to use the water on my land?

A: Yes. In addition to holding water entitlements, to take the water through a connection point and be able to use it on your land, you will require a connection agreement and a Farm WAP

Q: What is a Farm WAP?

A: Farm WAP are environmental property management tools demonstrating that the use of water from the Irrigation District is sustainable and complies with Australian and Tasmanian Government requirements. The plans are completed in accordance with soil, water and biodiversity modules and specify management actions where environmental risks associated with water use are identified. Tasmanian Irrigation conducts annual audits of Farm WAPs to ensure compliance. Please refer to TI's Farm WAP Fact Sheet and FAQs for more information.

Q: Will there be ongoing costs?

A: Yes. Water entitlement holders will be required to pay seasonal charges made up of a fixed charge levied on water entitlement holdings, and a variable charge levied on water consumed / supplied.

The indicative variable charge includes the cost of electricity and water. There may be a requirement for additional pumping at the extremities of the scheme, which will increase the variable charges for irrigators downstream of the pump stations.

Q: Do I have to pay GST on annual charges?

A: Tasmanian Irrigation does not collect GST on annual charges because water is not currently taxable for GST purposes. Should this change because of a change to the law or a change to the interpretation of the law, GST will apply.

Q: Do I have to pay annual charges if I don't use water?

A: Yes, you will be required to pay the fixed charges on your water entitlement holdings regardless of whether you use water. However, you will only be required to pay the variable charge on water taken.

Q: When will I be invoiced?

A: The fixed charge is typically invoiced within 8 weeks of the season close and the variable charge invoiced within 8 weeks following the end of each delivery period, both with 30-day payment terms.

Q: Is the GSEIS irrigation season based on a calendar and/or financial year?

A: The 365-day irrigation season for the GSEIS commences on 1 October and concludes on 30 September. The season includes two delivery periods: Summer – 1 October to 31 March, and Winter – 1 April to 30 September.

Q: Can I carry over any unused water from one irrigation season for use in another?

A: No. The scheme is designed to deliver a fixed volume in the irrigation season, over summer and winter delivery periods. Water purchased in the summer or winter delivery period can only be used in that period, and water cannot be carried over to the following irrigation season.

Q: Is water trading subject to capital gains tax or stamp duty?

A: Water trades may be subject to capital gains tax, although it is Tasmanian Irrigation's understanding that they do not currently attract stamp duty. Entitlement holders should obtain their own independent tax advice on these matters.

Q: What will my water pressure be like?

A: The minimum pressure warranted under the water entitlement contract is 5m head (50Kpa or 7 PSI). However, the actual pressure experienced through the scheme may be higher depending on the location of the connection point within the scheme. It can also vary depending on where, and how much, water is being taken elsewhere in the scheme.

Q: What is the life expectancy of the scheme?

A: The GSEIS will be designed, operated and maintained to last for 100 years and deliver water at an average annual reliability of greater than 95 per cent.

Q: What does 95 per cent reliability mean?

A: Ninety-five per cent reliability means that over 100 years the annual allocation for each irrigation right will total at least 95 per cent of the annual volume for that irrigation right.

If it is established that Tasmanian Irrigation's assessment of conditions supporting reliability was wrong, and that an assessment correctly made on the conditions applying at the assessment date would have given a reliability of less than 95 per cent, Tasmanian Irrigation is required to make adjustments to restore issued rights to 95 per cent reliability.

It should however be noted that the customer bears the risk of any reductions to reliability arising from climate changes or other natural causes.

Q: How has reliability been assessed?

A: When designing each scheme, Tasmanian Irrigation assesses the reliability of water supply on the assumption that forecasted conditions, including climate, would be consistent and that the scheme would operate as designed.

Reliability is assessed and measured over the life of the scheme (normally 100 irrigating seasons) and takes into consideration the CSIRO's Climate Futures Dry Scenario 2030.

Q: Can you guarantee the quality of the water to be provided

A: Tasmanian Irrigation does not guarantee the condition, quality, fitness for purpose, or the absence of contamination in any scheme water.

Water supplied through the Greater South East Irrigation Scheme is sourced directly from the Derwent River at Lake Meadowbank and is only suitable for irrigation purposes.

Please note:

- Scheme water is not intended for domestic or household use, including bathing, showering or clothes washing.
- Tasmanian Irrigation is not a registered Private Water Supplier of drinking water.
- Scheme water must not be consumed.

Q: Who will manage and operate the scheme once it has been constructed?

A: The scheme is intended to be managed by Tasmanian Irrigation and a Scheme Operator(s) will be appointed to the scheme. As this scheme is an augmentation and expansion of existing schemes, there are already Scheme Operators in place.

The Tasmanian Government has a policy to facilitate community management of publicly owned irrigation schemes, where feasible and appropriate. To enable this, legislative changes occurred in 2023 that amended existing legislation governing Tasmanian Irrigation's operations, making it possible to delegate some powers and functions to irrigator groups. The *Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Bill 2023* was passed by the Tasmanian Parliament in December 2023. Please refer to Tasmanian Irrigation's website for more information: <https://www.tasmanianirrigation.com.au/community-management-of-schemes>

Q: Can I utilise the pipeline to transfer my own private water between farms?

A: At this time Tasmanian Irrigation is not offering to facilitate the transfer of private water through the scheme pipelines.

Q: I have a small volume of water entitlements used for non-commercial purposes in the existing South East Stage Two scheme, what does this mean for me?

A: Tasmanian Irrigation is offering a special conversion option to legacy small volume entitlement holders in Stage Two with 5 ML or less who are not commercial irrigators.

This category will have the standard irrigation right and zoned flow delivery right, however will have a modified connection agreement allowing them to access their entitlement over a 365 day period and a Farm WAP will not be required. This category will not be able to trade, with the exception of a permanent one-way trade.

This category is not intended to restrict future use of the water for commercial irrigation purposes. The irrigator may negotiate with Tasmanian Irrigation to convert to a standard connection agreement, noting that a Farm WAP will be required.

Q: What if I don't convert my Stage Two or Stage Three Sorell rights?

A: Tasmanian Irrigation is aiming for 100 per cent conversion of Stage Two and Stage Three (Sorell) rights. A key objective of this project is to replace the TasWater supply with a reliable and cheaper alternative.

The proposed scheme offers significant benefits including a forecasted reduction in annual charges. Stage Two is offered contractual reliability and security of supply, and Stage Three (Sorell) an improved flow rate along with significant tradability in the proposed new scheme. These benefits can only be accessed by irrigators who convert their entitlements during the water sales period, and Tasmanian Irrigation strongly recommends that irrigators take up this opportunity.

Q: I am an existing irrigator and have applied to convert my Stage One, Two or Three rights, will I be restricted on trading or selling my existing rights before the acceptance date?

A: No, you may continue to trade your rights during the acceptance period. However if you intend to undertake a permanent transfer a replacement Application from the new owner of the convertible rights must be submitted to Tasmanian Irrigation along with the transfer Application.

Q: What happens if I apply for water but then sell my property before the acceptance date, can the new owners take over my Application?

A: If you decide to sell your property and wish to transfer the Application for water entitlements to the new owners of the property, there is a process detailed under clause 4.3 of

the Direct Sales Rules whereby Tasmanian Irrigation may treat an Application from the new owner of your qualifying land as a replacement of your Application.

Q: What happens if I no longer have a use for my water entitlements?

A: Water entitlement holders who are not using their water entitlements may opt to trade their entitlements in accordance with the trading rules of the scheme.

<https://www.tasmanianirrigation.com.au/notice-board>

Tasmanian Irrigation supports water trading through the Trading Noticeboard where irrigators may advertise their water entitlements. Alternatively, water entitlement holders may voluntarily terminate or permanently surrender their rights at any time and pay a termination fee.