

# Scottsdale Irrigation Scheme

Winter Water Preferred Option Questions & Answers: August 2024

## General information

**Q: What is the Scottsdale winter water product?**

**A:** The Scottsdale winter water product is a new offering by Tasmanian Irrigation allowing irrigators to purchase water entitlements during the winter season from 1 April to 31 October.

**Q: Why is Tasmanian Irrigation introducing new entitlements?**

**A:** This product is being introduced to optimise water use throughout the year, provide more options to irrigators, reduce fixed charges per ML for irrigators and help recover the remaining irrigator contribution associated with building the scheme.

**Q: How has the community been involved?**

**A:** The Irrigator Representative Committee (IRC) has provided valuable feedback on the product features, sales process, and pricing. Their input has been instrumental in shaping the final product offering. We have also sought community feedback via irrigator consultation during August 2024.

**Q: If my property is not currently serviced by the existing scheme, can I apply for winter water entitlements?**

**A:** Yes. (Subject to Tasmanian Irrigation's ability to deliver water to your property and compliance requirements.)

You will need to arrange the installation of a property outlet to service where you need to access the water in consultation with TI. You will also need to have a Farm Water Access Plan in place before TI is able to deliver water to you. Both the outlet and the Farm Water Access Plan can be facilitated by TI; however, all costs are borne by the irrigator.

**Q: Will my existing Farm Water Access Plan be suitable for new water?**

**A:** Existing Farm Water Access Plans will need to be reviewed to ensure it captures the storage and application of any new water. This can be facilitated by TI; however, all costs are borne by the irrigator.

## Product details

**Q: What are the key features of the Scottsdale winter water entitlements?**

**A:** Key features include:

- 215- day winter season from 1 April to 31 October
- 60-day flow rate (i.e. If you purchase 60ML you will be entitled to 1ML/day flowrate)
- Level 5 surety, 95% reliability (matching summer water entitlement delivery)
- Entitlement price set at \$1,400 per ML, increasing to \$1,600 per ML after the initial water sales period concludes
- A minimum purchase of 5ML in increments of 5ML.

**Q: How is this offering different from the summer water entitlements?**

**A:** This product is specifically designed for winter use and is offered at 95% reliability, replacing the General Availability (GA) water previously offered with no reliability. By offering this water in the winter, it gives the opportunity for zones that are fully allocated in the summer season to have access to additional reliable water. The scheme will now have two (2) distinct irrigation seasons:

**Summer:** 1 November to 31 March

**Winter:** 1 April to 31 October

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**Q: Can I purchase both summer and winter water entitlements?**

**A:** Yes. Irrigators can purchase both summer and winter water entitlements, but the total water sales are still limited to the 8,600 ML capacity of the scheme.

**Q: Can I use my summer entitlement in the winter season or winter entitlement in the summer season?**

**A:** No, entitlements cannot be transferred from one season to another. To utilise water in either of these seasons you will need to hold an entitlement for that season.

**Q: Can I trade my winter entitlement?**

**A:** Yes, winter entitlements can be traded within the winter season.

**Q: What does 95 per cent reliability mean?**

**A:** Reliability is the sum of the annual allocation of water available for supply in each irrigation season during a 100-year period, divided by the sum of the annual volume of water that is contracted for supply under irrigation rights over that same period.

It means that over the 100-year life of the scheme, an average allocation of 95 per cent will be made without an annual allocation greater than 100 per cent being made in any one year. Two examples of this are:

1. Over 100 years, a 100 per cent annual allocation being made in 95 years and a zero annual allocation being made in the remaining five years: or
2. An annual allocation of 95 per cent being made every year of 100 years.

Any individual case will lie somewhere between these two examples.

**Q: How does a 60-day flow rate influence the volume available in a trading zone compared to a summer season?**

**A:** If a trading zone had 600 ML of water available during the summer season, it will have the capacity to bring in 300 ML in winter.

### Sales process

**Q: How will the water sales process work?**

**A:** The water sales process involves the following steps:

- Submission of Offers: Irrigators submit an offer for the maximum volume they need in their zone at the entitlement price.
- Demand Profile Assessment: A hydraulic assessment is conducted by TI based on the offers to optimise delivery and meet demand profiles.
- Acceptance of Offers: TI accepts offers in zones with no limiting hydraulic factors. Where limitations exist, available water is proportionally allocated based on the offers received.

**Q: How will water be allocated if demand exceeds available capacity in a zone?**

**A:** If demand exceeds available capacity, water will be proportionally allocated to irrigators based on the volume they applied for.

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### Licensing and capacity

**Q: Are there any licensing restrictions for the Scottsdale winter water entitlement?**

**A:** This offering uses the existing 8,600ML capacity under the water licenses. Tasmanian Irrigation will only seek an extension of licenses if demand exceeds current allocations.

**Q: What happens if the full 8,600ML capacity is sold?**

**A:** Once the full capacity is sold, no additional water will be available for sale within the scheme. Water can be sold as either summer or winter entitlements, but the total volume cannot exceed 8,600 ML.

### Pricing and costs

**Q: How much does the Scottsdale winter water entitlement cost?**

**A:** The entitlement price for the Scottsdale Winter Water Product is \$1,400 per ML, and will then increase to \$1,600 per ML after the initial water sales period concludes, aligning with the summer entitlement price.

**Q: Are there any additional costs associated with this product?**

**A:** Variable charges for purchasing water and fixed charges will remain the same as the summer irrigation season. However, the fixed cost per ML will be reduced as charges are spread over a greater number of total MLs sold.

**Q: Do I have to pay annual charges if I do not use water?**

**A:** You will be required to pay the fixed costs, including the Asset Renewal Levy on your entire water entitlement holdings each season regardless of whether you use water.

### Additional information

**Q: How does this product affect the existing General Availability (GA) water offering?**

**A:** To preserve the value of the winter entitlements, GA water will no longer be available. Irrigators requiring additional water in the winter period will need to purchase a winter entitlement or trade with another irrigator. You can not trade summer entitlements for winter entitlements, and vice versa. These restrictions are in place due to hydraulic constraints of the scheme.

**Q: Can I provide comment on the preferred product option?**

**A:** Yes. Your comments on the preferred design option will be considered in the development of the final product. A feedback form is included in your information pack. If you wish to provide comment on the Preferred Design Option, please complete the form and return it to Cody Townend, Project Finance and Management Accountant, by **15 August 2024**.

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