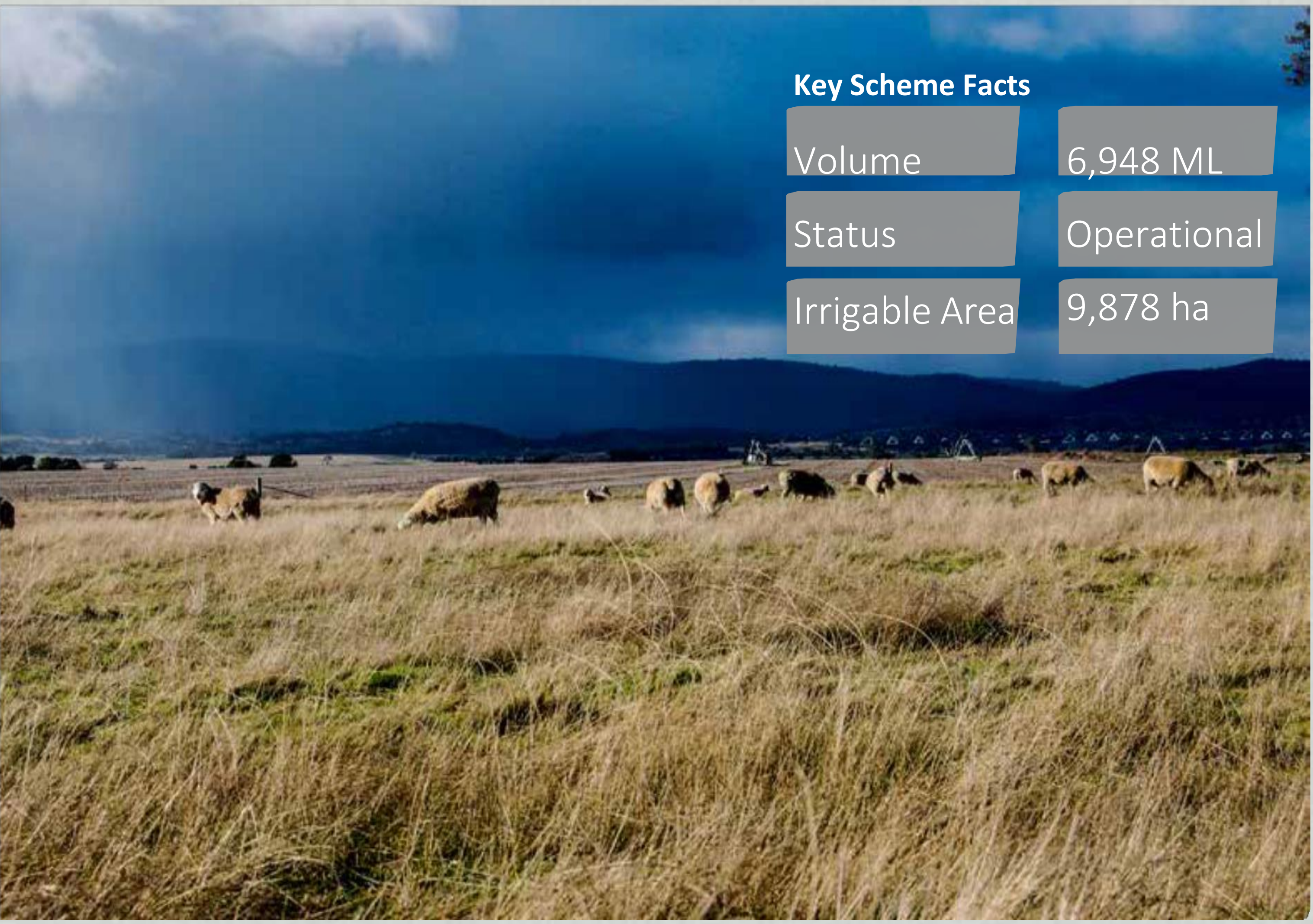
Tasmanian Irrigation

Winnaleah Irrigation District

Overview Document



Key Scheme Facts

Volume	6,948 ML
Status	Operational
Irrigable Area	9,878 ha

This document has been prepared to provide a summary of important information relating to the irrigation district.

This document provides general information relating to:

- Tasmanian legislation, including the Water Management Act 1999 and the Irrigation Clauses Act 1973; and
- Irrigation Right, Delivery Right and Connection Agreement contracts relevant to the irrigation district.

Any Tasmanian legislation and contracts relevant to the irrigation district shall prevail over the general information provided in this document to the extent of any inconsistency.

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Winnaleah Irrigation Scheme (WIS)

Overview Document

Contents

Annexures

1. Important Information

Item	Summary	Further Information
How much water can the scheme supply?	The scheme is designed to supply 6,948 ML of irrigation water each year over a 180-day delivery period from October through March on which a summer irrigation season is based. General Availability water may also be available outside the summer irrigation season. Water is sourced from the Cascade and Frome Dams. In addition to irrigation water, the scheme also supplies 147 ML stock and domestic water throughout the district from the same water sources.	Section 2
How can I access water from the scheme?	Water from the irrigation scheme is accessed through water entitlements. If you do not hold water entitlements, you may obtain them through water trading from another irrigator on the scheme. Short term supply transfers may also be accessed from Tasmanian Irrigation through 'spot purchases'.	Sections 5
What are water entitlements?	Water entitlements are either irrigation rights or delivery rights. Irrigation rights confer entitlements to have a volume of water made available for delivery during each irrigation season. Delivery rights confer entitlements to a share of the capacity of the scheme to deliver water (daily flow rate) within a zone during the irrigation season.	Section 5
What is the reliability of irrigation rights?	Irrigation rights in the irrigation district are warranted to 95 per cent average annual reliability on the basis of the conditions applying at the time reliability was assessed and on the basis that the scheme continues to operate as it was originally designed. It should be noted that the customer bears the risk of any reductions to reliability arising from climate changes or natural causes.	Section 5
What is the term of water entitlements?	The term of water entitlements is set to match the term of the future water supply agreement between Tasmanian Irrigation and the Department of Natural Resources and Environment, Tasmania (NRE Tasmania) which underpins the irrigation district's supply. The initial term of the supply agreement is 40-years, with up to two extensions: one 40-year extension and a second being the lesser of 40 years and the unexpired period of NRE Tasmania water license under the Water Management Act 1999.	Section 5
What is General Availability (GA) Water?	General Availability water is water that may be available outside the declared irrigation season when supply and demand allow, with no guarantee of delivery. It's only available to existing entitlement holders up to their summer allocation.	Section 11

Item	Summary	Further Information
Are there any eligibility requirements to holding water entitlements?	Tasmanian Irrigation may refuse to issue water entitlements, or approve a transfer of water entitlements, on the basis of credit worthiness. Aside from this, there are no specific limitations on who may hold water entitlements.	Section 2
Do water entitlements provide ownership of infrastructure?	No. The infrastructure of the irrigation scheme is owned by Tasmanian Irrigation on behalf of the Tasmanian Government. Water entitlements provide rights only to a supply of water from the irrigation district.	Section 5
Are there costs associated with holding water entitlements?	Water entitlement holders are required to pay annual water charges consisting of fixed charges (including an asset renewal levy) levied on water entitlement holdings and variable charges levied on actual water supplied.	Section 7
Do I have to pay charges if I don't use water?	Fixed charges are payable on water entitlement holdings regardless of whether water is supplied. However, variable charges are only payable on water that is actually supplied.	Section 7
Is GST payable on water charges?	The supply of water is not currently subject to GST. Should the GST treatment of water change, GST may be collected in the future.	Section 7
Are water entitlements tradable?	Water entitlements can be held by anyone and are tradable within the irrigation scheme district on a temporary or permanent basis. The extent of the tradability of water within the irrigation district is based upon the zone nomination of delivery rights.	Section 6
Why does the scheme have zones?	Zones arise due to variations in pipeline diameter and other factors which influence the capacity of the scheme to deliver water.	Sections 5 & 6
Is anything else required to use water?	In addition to holding water entitlements, to take water from the scheme you will require a *Connection Point*, a *Connection Agreement* and *Farm Water Access Plan*.	Sections 8 & 9
What is a Connection Agreement?	A Connection Agreement provides the link between water entitlements and land by specifying the location at, and terms under, which water can be drawn from the scheme.	Section 8
What is a Farm Water Access Plan?	A Farm Water Access Plan is a management tool that identifies and manages environmental risks associated with the application of water. Its purpose is to demonstrate that the use of water is sustainable and complies with Australian and Tasmanian Government requirements.	Section 9

2. Scheme Overview

The original Winnaleah Irrigation Scheme is a scheme sourced from Cascade Dam at a capacity of 3,470 ML. Original irrigation water entitlements were 3,250 ML/annum in summer based on a 100-day delivery period. The Frome Dam with a capacity of 2,000 ML lies to the north-east of Cascade Dam, connected to the scheme through the 2011 augmentation project. The irrigation water entitlements from the augmentation are 3,700 ML/annum in summer, determined on a 180-day delivery period. The engineering to support 95% reliability is established on the combined water sources and averaging the delivery period. The scheme also provides stock and domestic water for the community.

The scheme's flow rate is calculated at 120 days based on this averaging. To achieve a balanced analysis, TI use the Frome Dam average flow rate of 20.6 ML/day together with the original "Cascade" flow regime of approximately 33.14 ML/day from Cascade Dam in line with present usage. Hydraulic assessment work has been conducted by TI engineers to provide accurate data on zone flows and capacities of the infrastructure throughout the entire scheme.

It is to be noted that the Frome Dam is only 2,000 ML against entitlements of 3,700 ML. The scheme relies on sufficient in-flows during the season, every year, to meet the 100% allocation. There will be some seasons or parts of seasons when allocations, across all Winnaleah entitlement holders, will need to be reduced to deliver irrigation water to all entitlement holders across the season.

The Frome dam was previously used to deliver water to the Moorina Power Station. The catchment area was enhanced by the construction of the Wyniford River weir and diversion race in the early 1900's. The race diverts water from the Wyniford River catchment into the Frome River catchment.

Water consumption is metered, and consumers pay a standard rate for the water. Excess winter water is converted into electricity from the mini hydro's at Derby and Herrick. The original Cascade scheme comprises approximately 38 km of pipes, with a main line running almost due north from Cascade Dam for up to 15.5 km. This main line varies in size from 750 mm to 250 mm diameter. Various spur lines run off the main line, ranging in size from 500 mm to 150 mm diameter. The augmentation added approximately 10 km of supply line from Frome dam to the existing main line Northeast of Winnaleah township with pipe sized from 600 mm to 500 mm. Additionally, the augmentation included two new spur lines, extension of one and duplication of another original spur and a boost pump station.

Cascade Dam is approximately 15 meters higher than Frome Dam; this results in the scheme preferentially drawing water from Cascade Dam under low to moderate demands. Excessive use of Cascade Dam can have an unfavourable impact on overall water reliability, particularly early in the season. To manage consumption from both dams a 'balance valve' has been installed in the original main line, near the middle of the demands; this valve allows the operator to fine tune the use of water from each dam, isolation valves can also be used along the main line to adjust the sections of scheme supplied by the respective dams.

The two dams effectively supply the scheme from each end of the main (trunk) line, this provides some redundancy in the supply of the scheme in the event of unexpected pipe or system failures. Either dam can supply the whole scheme if required, although at a reduced flow rate and pressure.

3. 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 licenses. Water licenses are currently administered by the Department of Primary Industries, Parks, Water and Environment ("DPIPWE").

Where an irrigation district is established, the rights arising under a water license or a Hydro Tasmania water supply agreement 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 licenses 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.

4. Tasmanian Irrigation

As a State-Owned Company, Tasmanian Irrigation's task is to develop, own and operate irrigation schemes in Tasmania. The strategic objectives of the Company are to:

- manage and deliver reliable water;
- identify, develop and build irrigation schemes in partnership with the local community;
- provide value to our irrigation partners;
- support an active water market in Tasmania which ensures the maximum value is generated from Tasmania's irrigation infrastructure and resources; and
- fully realise the benefit of Tasmanian Irrigation's schemes through increasing high value agricultural production.

With an increased level of operational responsibility, Tasmanian Irrigation continues to transition the focus of the organisation from a developer of irrigation schemes.

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

As of January 2025, TI has nineteen schemes in operation and a further nine, known as 'Tranche Three', in the development phase.

All TI built schemes are the result of public-private partnerships between the public sector and the private agricultural and investment sectors.

A total of $229 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 $140 million of public investment, comprised of $30 million from the State Government and $110 from the Federal Government and $52 million was raised by the private sector through the sale of water entitlements.

All TI schemes are designed to operate for one hundred years, deliver water at an average annual reliability of no less than ninety five percent[1] and are scaled to satisfy producer demand in each region. In addition, TI schemes must be socially, environmentally and economically sustainable. As part of this requirement all TI schemes go to water sales and must meet, or exceed, a pre-determined sales threshold before a scheme can progress to the construction phase. This ensures the economic and social viability of the scheme. Should strong support for the scheme from producers in the region not be demonstrated, the scheme will not progress to construction.

5. Water Entitlements

The water entitlements offered for sale include irrigation rights and delivery rights.

Irrigation Rights

Irrigation rights in the irrigation district will be issued under the *Irrigation Clauses Act 1973* ("ICA") and are subject to the terms of the agreements titled "Irrigation Right: Winnaleah Irrigation District".

Irrigation rights confer entitlements to have an allocation of water made available for delivery during each irrigation season. The entitlement arising under an irrigation right is defined as a volume and denominated in megalitre (ML) units.

The allocations made to irrigation rights for an irrigation season are calculated by multiplying:

- the entitlement held under irrigation rights on the opening day of the season; and
- the allocation percentage notified by Tasmanian Irrigation before the start of the season and any revision made to the allocation percentage during the season.

If revisions are made to the allocation percentage during a season, the resulting allocations will be made on the basis of the entitlement held under irrigation rights on the day the revision is notified.

Irrigation rights do not provide secure rights to have water delivered but do so when held in conjunction with delivery rights.

Delivery Rights

Delivery rights in the irrigation district are subject to the terms of agreements titled "Zoned Flow Delivery Right: Winnaleah Irrigation District".

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

As the delivery capacity of the scheme is not subject to seasonal variation, the allocation made to delivery rights for each irrigation season will equal 100 per cent of the entitlement held under delivery rights on the opening day of the season.

[1] Irrigation rights in the irrigation district are warranted to 95 per cent average annual reliability on the basis of 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 other natural causes.

Delivery rights provide assurance that capacity is available to deliver water at a set rate, when and to 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.

Reliability

Irrigation rights in the irrigation district are warranted to 95% average annual reliability on the basis of 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.

95% 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% of the sum of the entitlements issue over that same period without the allocation percentage exceeding 100% of entitlements in any season.

Irrigation Season

The summer irrigation season for the irrigation district is based on a 180-day summer supply nominally from October through to March annually. There is no winter irrigation season for the irrigation district. However, water can be made available under General Availability outside the nominated summer irrigation season.

Zones

Delivery rights carry a zone nomination which relates to the zones of the scheme as shown on the map of the irrigation district at the beginning of this document.

Zones arise 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 points to the irrigation district and extends to the furthest downstream point of the zone as shown on the map. The Winnaleah zones are shown at the end of the document.

Term of Water Entitlements

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 NRE Tasmania which underpins the irrigation district's supply. The initial term of the water supply agreement is 40 years, with up to two extensions: one 40 year extensions and a second being the lesser of 40 years and the unexpired period of NRE's water license under the WMA.

Security Interests

Security interests may be registered against irrigation rights and delivery rights on the water entitlements register maintained by Tasmanian Irrigation for the irrigation district.

If a security interest is recorded against an irrigation right and/or delivery right, a transfer exceeding 12 months will only be approved if consent to the transfer is given by the holder of the registered security interest.

A security interest will be recorded by Tasmanian Irrigation against an irrigation right and/or delivery right if:

- an application is made on the prescribed form;
- the security interest registration fee is paid; and

- either the registration is consented to by the holder of the irrigation right and/or delivery right or the security interest is verified to Tasmanian Irrigation's reasonable satisfaction.

6. Water Trading

Irrigation rights and delivery rights are tradable within the irrigation district in accordance with the ICA 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.

Trade types

There are two categories of trades – entitlement trades and allocation trades – and three types of transfers – permanent transfers, limited term transfers and short-term transfers. Entitlement trades include permanent and limited term transfers, while allocation trades refer to short-term transfers.

Entitlement trades are transfers of the volume and flow rate entitlements held under irrigation rights and delivery rights. A permanent transfer (sale) will result in an absolute change in the ownership of entitlements, while a limited term transfer (lease) will result in a change in ownership for a defined period of time.

Allocation trades refer to transfers of the volume and flow rate allocations that have been made to irrigation rights and delivery rights for a particular irrigation season. Because allocations are made on the first day of a season, short-term transfers will necessarily take effect entirely within one season.

Tradability

The tradability of water within the irrigation district is regulated through the zone nomination of delivery rights. A transfer of flow rate will only be approved if:

- in the case of permanent transfers, the zone nomination of the transferor's delivery right is the same as the zone nomination of the transferee's delivery right;
- in the case of limited term or short-term transfers, the zone nomination of the transferor's delivery right is the same as, or compatible with, the zone nomination of the transferee's delivery right; or
- Tasmanian Irrigation approves the transfer on the basis that it does not exceed the capacity limitations of the scheme taking account of all other delivery rights issued.

Conditions

Important additional conditions to Tasmanian Irrigation's approval of transfers include:

- that all money owing to Tasmanian Irrigation by the transferee and transferor is paid;
- that the sale price of the transfer is disclosed;
- in the case of transfers exceeding 12 months, that the transfer is consented to by the holders of any registered security interests;
- 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.

To assist buyers and sellers of water entitlements establish connections, Tasmanian Irrigation has launched the *Tasmanian Water Trading Notice Board*. The Notice Board allows parties to advertise their interest in buying, selling or leasing water entitlements.

If you would like to place an advertisement on the Notice Board or view advertisements that have been posted to the Notice Board by other parties, you can access the Notice Board via Tasmanian Irrigation's website at www.tasirrigation.com.au under the "Buy / Trade" icon shown here: https://www.tasmanianirrigation.com.au/buy-trade-existing-entitlements

The Notice Board is a free service provided by Tasmanian Irrigation in support of the development of the water market in Tasmania.

7. Water Charges

The on-going costs associated with the Winnaleah Irrigation Scheme, and its related infrastructure, are funded through annual water charges. Annual water charges are comprised of fixed charges, which are levied on water entitlement holdings.

Water charges are set on an annual basis in accordance to the costs allocation 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.

Please be aware that the charges are estimates only and subject to change and will be determined each year on the basis of costs allocation 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

Winnaleah Irrigation Scheme: fixed charge estimates*	
Operations & maintenance charge	$50.00/ML
Asset renewal levy	$15.00/ML
Total	**$65.00/ML**
**Water charges based on 2024-25 season*	

Fixed charges include an operation and maintenance charge, telemetry, Farm WAP audits and asset renewal levy. These charges are levied on water entitlement holdings and are payable regardless of whether any water is supplied.

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, compliance, administration, finance and insurance.

Asset Renewal Levy

The asset renewal levy (ARL) provides funds to enable the operation of the scheme for 100 years. Funds collected through the levy are set aside in an asset renewal reserve for the benefit of the irrigation district and are held in the Winnaleah scheme bank account. The ARL is calculated based on the expected life of each component of the infrastructure. For instance, HDPE pipe is expected to have a life of at least 100 years whilst a Flow Meter (for example) is likely to be needed to be fully replaced after 15 years of operation. TI schemes have a design life of 100 years that needs refurbishment of the infrastructure which underpins the long-term reliability of the scheme.

Fixed charges and the asset renewal levy are applied to water entitlements purchased.

Variable Charges

Variable charges are not applied to irrigators on this scheme, as water is not purchased and there are no significant pumping costs, aside from the Toronna pump station, which is used infrequently and whose energy costs are accounted for within the fixed charges.

8. Connection Agreements

The water entitlements put forward for the Winnaleah Irrigation Scheme are not associated with land. Water entitlements are only linked to land when connection agreements are in place.

Connection agreements specify the location of connections from which the scheme water can be drawn as well as the terms and conditions associated with obtaining and using this water.

An important condition of connection agreements is that Tasmanian Irrigation water can only be applied to land which has been assessed and has a working Farm Water Access Plan in place. This is required to satisfy Tasmanian Irrigations obligations to ongoing sustainability.

9. Farm Water Access Plans

A Farm Water Access Plan must be in place for each property that receives water from the scheme.

Farm Water Access Plans are management tools demonstrating that the use of water is sustainable and complies with Australian and Tasmanian Government requirements. The plans contain soil, water and biodiversity modules and specify management actions where environmental risks associated with irrigation are identified.

Farm Water Access Plans are completed by pre-qualified consultants authorised by the Minister for Primary Industries and Water. To keep costs to a minimum, Tasmanian Irrigation is able to assist with the preparation of maps and baseline information required to complete farm water access plans and can arrange for tendering work to the pre-qualified consultants.

The estimated costs of preparing a Farm Water Access Plan are between $1,000 and $3,000 (inc. GST). This figure is provided as a reference only. The actual cost to prepare a Farm Water Access Plan will be determined at the time a quote is sought from a pre-qualified consultant.

Amongst other things, the factors affecting the price of Farm Water Access Plans include:

- the size of the area to be assessed;
- existing land capability data for the area to be assessed; and
- the likelihood of threatened species, ecological communities or other matters of environmental significance occurring in or near the area to be assessed.

Tasmanian Irrigation is required to conduct random annual audits of Farm Water Access Plans each year to ensure compliance.

10. Pressures

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

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

The provision of information on pressures is given on the basis of the current scheme design and will not in any way limit the ability of Tasmanian Irrigation to amend the scheme design nor does it create an obligation on Tasmanian Irrigation to warrant those pressures.

The only obligation that Tasmanian Irrigation will assume in relation to pressure is an obligation to supply a minimum pressure of not less than 5m head (equivalent to 49kPa or 7psi) at each connection to a pipeline of the scheme.

To assist irrigators to understand the range of pressures that may be experienced at a connection, Tasmanian Irrigation can provide an estimate of pressures that are likely to be found at points along the pipeline alignment upon request.

11. General Availability (GA) Water

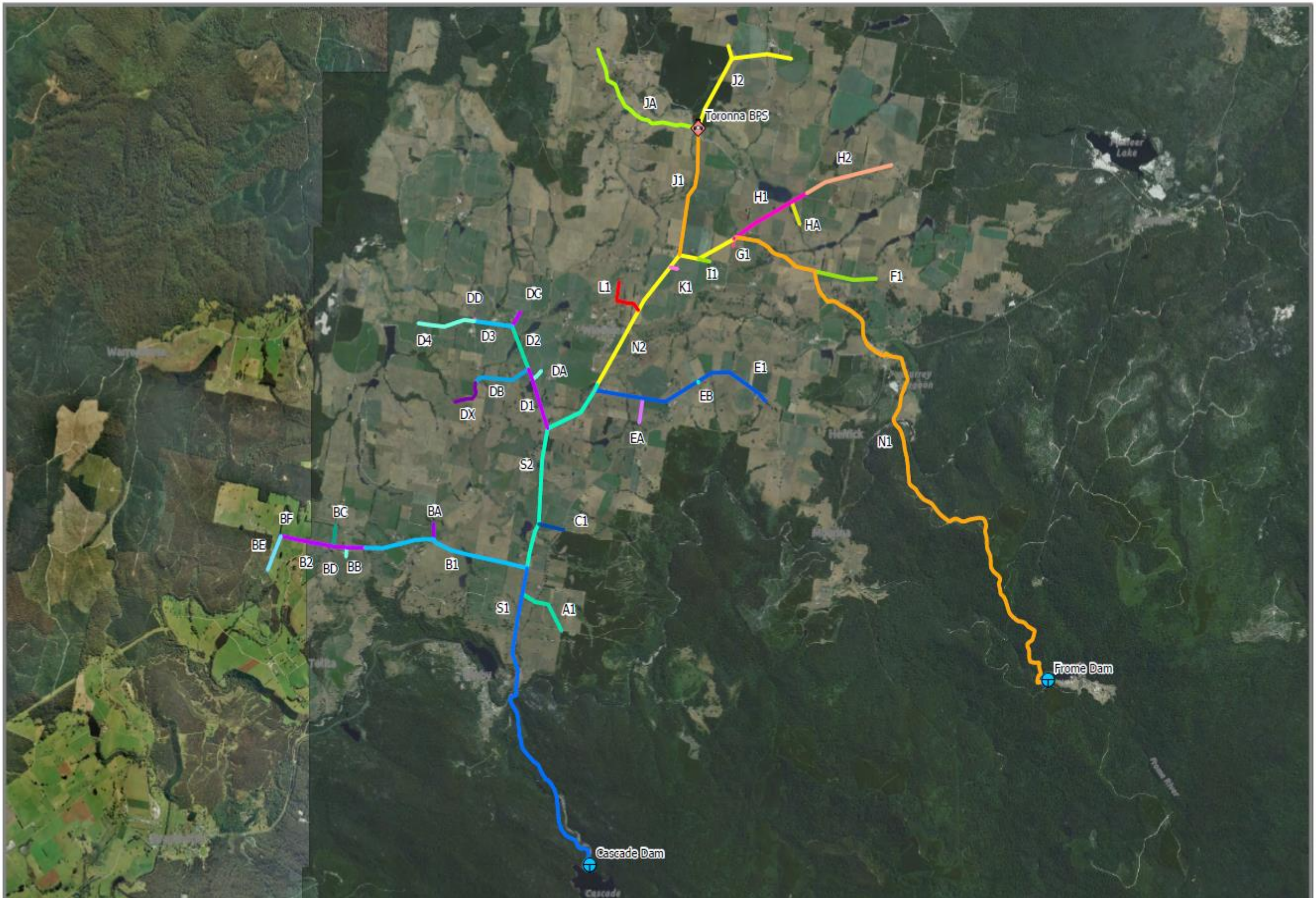
Where there is enough demand for water outside of the existing irrigation season, and there is sufficient water supply, Tasmanian Irrigation may offer General Availability water under various conditions.

General Availability water is provided under the Irrigation Clauses Act 1973 and scheme By-Laws, rather than being a contractual obligation. This delivery is only undertaken when Tasmanian Irrigation has the ability (supply and demand) to provide additional water, with no negative impact on the capacity to deliver water in-season or other irrigators.

There is no guarantee for reliability of delivery of General Availability water, rather TI aims to deliver water where possible. This enables Tasmanian Irrigation the flexibility to undertake maintenance activity, and to schedule delivery demand so that delivery only takes place when economically and physically viable to do so.

General Availability water can only be provided to those holding a valid water entitlement contract for in-season delivery up to their current allocation. For example, if an irrigator holds a water entitlement for 20 ML, then only up to a maximum of 20 ML can be taken as General Availability water. Furthermore, Connection Agreements and Farm Water Access Plans apply for the delivery of General Availability water. General Availability water cannot be traded to other irrigators within the scheme.

If an irrigator who does not hold any water entitlements wishes to use General Availability water, they would need to trade / purchase an entitlement and complete the standard contractual documents, including a Farm Water Access Plan.



Winnaleah Irrigation Scheme - Proposed Zones

Legend
Pipeline with Zone
Pump Station
Dam

Scale: 1:52,538 A3 Landscape

1.5 0.75 0 1.5
Kilometers

N

ID: NA
Date: 21/05/2024
Author: C Reid
Tasmanian Irrigation

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