



Dial Blythe Irrigation District Overview Document

Key scheme facts

Volume

2,855ML

Status

Operational

Irrigable Area

8,632ha



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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Annexures

Scheme Map

1. Important information

Item	Summary	Further Information
How much water can the scheme supply?	The scheme can supply 2,855 ML of water over a 120-day delivery period on which the summer irrigation season is based.	Section 2
How can I access supply from the scheme?	Supply from the scheme is accessed through water entitlements. If you do not hold water entitlements, you may obtain them through water trading or purchasing them from Tasmanian Irrigation.	Sections 2, 5 & 6
What are water entitlements?	Water entitlements are either irrigation rights or delivery rights. Irrigation rights confer entitlements to have an allocation 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 within a zone during each irrigation season.	Section 5
What is the reliability of the irrigation rights?	<p>Irrigation rights in the irrigation district have been assessed as having a reliability of at least 95 per cent based on the conditions applying at the time reliability was assessed and that the scheme continues to operate as it was originally designed.</p> <p>It should however be noted that the customer bears the risk of any reductions to reliability arising from climate changes or other natural causes.</p>	Section 5
What is the term of water entitlements?	The term of water entitlements is set to match the term of the water licence issued under the <i>Water Management Act 1999</i> (“WMA”) which will underpin the irrigation district’s supply. The term of water licences are 40-years with provisions for the renewal of water licences set out in the WMA.	Section 5
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 6
Do water entitlements provide ownership over infrastructure?	The infrastructure of the irrigation district is owned by Tasmanian Irrigation on behalf of the Tasmanian Government. Water entitlements provide rights 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 made up of fixed charges levied on water entitlement holdings and variable charges levied on water supplied.	Section 7

Item	Summary	Further Information
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 district on a temporary or permanent basis. The extent of the tradability of water within the irrigation district is based on the zone nomination of delivery rights.	Section 6
Why does the scheme have zones?	Zones arise because of variations in pipeline diameters and other factors that limit the capacity of the scheme to deliver water to different parts of the irrigation district.	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 property outlet, 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 taken 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 Dial Blythe Irrigation District (“irrigation district”) commenced operations during the 2015-16 irrigation season.

The district services pasture and cropping land around the townships of South Riana, Riana, Penguin, West Pine, Cuprona and Howth in north-west Tasmania. Production in the area includes potatoes, vegetables (processed and fresh), poppies, pyrethrum, berries and pasture for livestock finishing and dairy production.

The scheme has the capacity to supply 2,855 ML of water over a 120-day delivery period on which the summer irrigation season is based. Depending on rainfall, additional water may be able to be supplied by the scheme outside the irrigation season.

Water supplied in the district is sourced from inflows into the South Riana Dam and supplemented by water pumped from the Blythe River. The 4,000 ML South Riana Dam is located on an unnamed tributary of the Blythe River near South Riana. The dam, filled during the winter months, can be topped up during summer if required as water is released for irrigation.

Delivery throughout the district is via a pipeline distribution network, with water pressurised at the South Riana Dam Pump Station.

A summary of the capacity of the scheme as at **December 2017** is contained in the table below. For reference, a map illustrating the infrastructure of the irrigation district and the zones is contained at the end of this document.

District	Current Price (\$/ML)	Trading capacity (ML)	Current commitments (Sold ML)	Unsold (ML)
Dial Blythe	\$15,600	2,855	2,450	405
Cuprona Zone 1	\$1,200	315	285	30
Cuprona Zone 2	\$1,200	390	390	0
Cuprona Zone A	\$1,200	165	115	50
Cuprona Zone B	\$1,200	40	40	0
Cuprona Zone C	\$1,200	210	210	0
Cuprona Zone D	\$1,200	20	20	0
Dial Zone 1	\$1,200	150	80	70
Riana Zone 1	\$1,200	400	350	50
Riana Zone A	\$1,200	15	15	0
Sulphur Creek Zone 1	\$1,200	650	445	205
Sulphur Creek Zone 2	\$1,200	425	425	0
Sulphur Creek Zone A	\$1,200	50	50	0
Sulphur Creek Zone B	\$1,200	25	25	0
Total	\$15,600	2,855	2,450	405

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 licences. Water licences 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 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) who are responsible for operating irrigation districts.

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.

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.

5. Water entitlements

Water entitlements are either irrigation rights or delivery rights.

Irrigation rights

Irrigation rights in the irrigation district are issued under the *Irrigation Clauses Act 1973* (“ICA”) and are subject to the terms of the agreements titled “Irrigation Right: Dial Blythe Irrigation District”.

Irrigation rights confer entitlements to have an allocation of water made available for delivery during each irrigation season. The entitlement arising under irrigation rights 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.

Reliability

Irrigation rights in the irrigation district have been assessed as having a reliability of at least 95 per cent based on the conditions applying at the time reliability was assessed and that the scheme continues to operate as it was originally designed.

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

95% reliability means that over 100 years the annual allocation for each irrigation right will total at least 95% of the annual volume for that irrigation right.

Irrigation season

The irrigation season for the irrigation district is determined each year on the basis of the prevailing seasonal conditions and in consultation with irrigators. Each season will remain open for a minimum period of 120 days, but may be extended if warranted by demand. The allocations made to irrigation rights during an irrigation season are valid for use or trade during the whole of the season.

Delivery rights

Delivery rights in the irrigation district are subject to the terms of agreements titled “Zoned Flow Delivery Right: Dial Blythe Irrigation District”.

Delivery rights confer entitlements to a share of the capacity of the scheme to deliver water within a 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.

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.

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 end of this document.

Zones arise because of 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 source for the irrigation district (i.e. the South Riana Dam Pump Station) and extends to the furthest downstream point of the zone as shown on the map.

For example, Cuprona Zone 2 does not just include those parts of the scheme identified on the map as Cuprona Zone 2 but also includes Cuprona Zone 1 and Riana Zone 1 because water must pass through these zones to reach Cuprona Zone 2.

Term of water entitlements

The term of the water entitlements issued in the irrigation district is set to match the term of the water licence issued under the WMA which will underpin the irrigation district's supply. The term of water licences are 40-years with provisions for the renewal of water licences set out in the WMA. If the term of the water licence that underpins the irrigation district's supply is extended, the term of water entitlements issued in the district will be extended by the extended term of the water licence.

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.

Tasmanian Water Trading Notice Board

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.

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

7. Water charges

The on-going costs associated with the irrigation district and its related infrastructure are funded through annual water charges, which comprise of fixed charges that are levied on water entitlement holdings and variable charges that are levied on actual water supplied.

Each year, prior to the start of the irrigation season Tasmanian Irrigation determines water charges. Current year charges are contained in the annual pricing announcement which is available prior to the opening of the irrigation season. Please be aware that these charges are subject to change and are determined each year on the basis of 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.

Water charges are further detailed in the **annual pricing announcement**, which can be found on our website. If you require a copy of the annual pricing announcement, please contact our office.

Fixed charges

Fixed charges include an operations and maintenance charge 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, telemetry, compliance, administration, finance and insurance.

The asset renewal levy provides for refurbishment and replacement of significant scheme assets and funds that may be made 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 recovers the cost of supplementing inflows into South Riana Dam by pumping water from the Blythe River. Transfer of water from the Blythe River to supplement the South Riana Dam storage levels will be distributed evenly across all scheme participants.

Variable charges

Variable charges are payable on water supplied. Variable charges recover the costs associated with pumping water into the pipeline distribution network at South Riana Dam Pump Station.

8. Connections

The water entitlements issued in the irrigation district are separate from land.

To access water from the irrigation district, a connection to a pipeline of the scheme needs to be in place and associated with water entitlements through a connection agreement.

Connection agreements specify the location at which water may be accessed from the scheme, and contain the terms and conditions of taking supply through a property outlet.

An important condition of connection agreements is that water taken from the irrigation district may only be used on land that is covered by a Farm Water Access Plan (see section 9 below).

To discuss connection requirements, please contact Tasmanian Irrigation.

9. Farm Water Access Plans

A Farm Water Access Plan must be in place for every property that receives water from the irrigation district.

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 are completed in accordance with 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.

As an indication of the cost of preparing a Farm Water Access Plan, the net cost to landholders to date has generally been \$2,200 (inc. GST) or less. This figure is provided as a reference only. The actual cost to prepare a Farm Water Access Plan may be higher and 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. Ordering water

To receive water from the irrigation district you must place a water order.

Water orders can be completed and submitted electronically via Tasmanian Irrigation's website at www.tasirrigation.com.au. Alternatively, water order forms can be downloaded from the website, completed in hard copy and either emailed or faxed.

Ordering water is an important requirement in the irrigation district. Failure to order water may lead to compliance actions.

11. Pressures

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

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

To assist irrigators to understand the range of pressures that may be experienced at an outlet, Tasmanian Irrigation can provide information on the range of pressures that are likely to be experienced at different points along the pipeline alignment.

The provision of information on pressures is given on the basis of the scheme as it is currently designed and will not in any way limit the ability of Tasmanian Irrigation to make changes to the scheme or 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 5 m head (7 psi) at each property outlet connected to a pipeline of the scheme.

Information on pressure estimates can be provided by Tasmanian Irrigation on request.

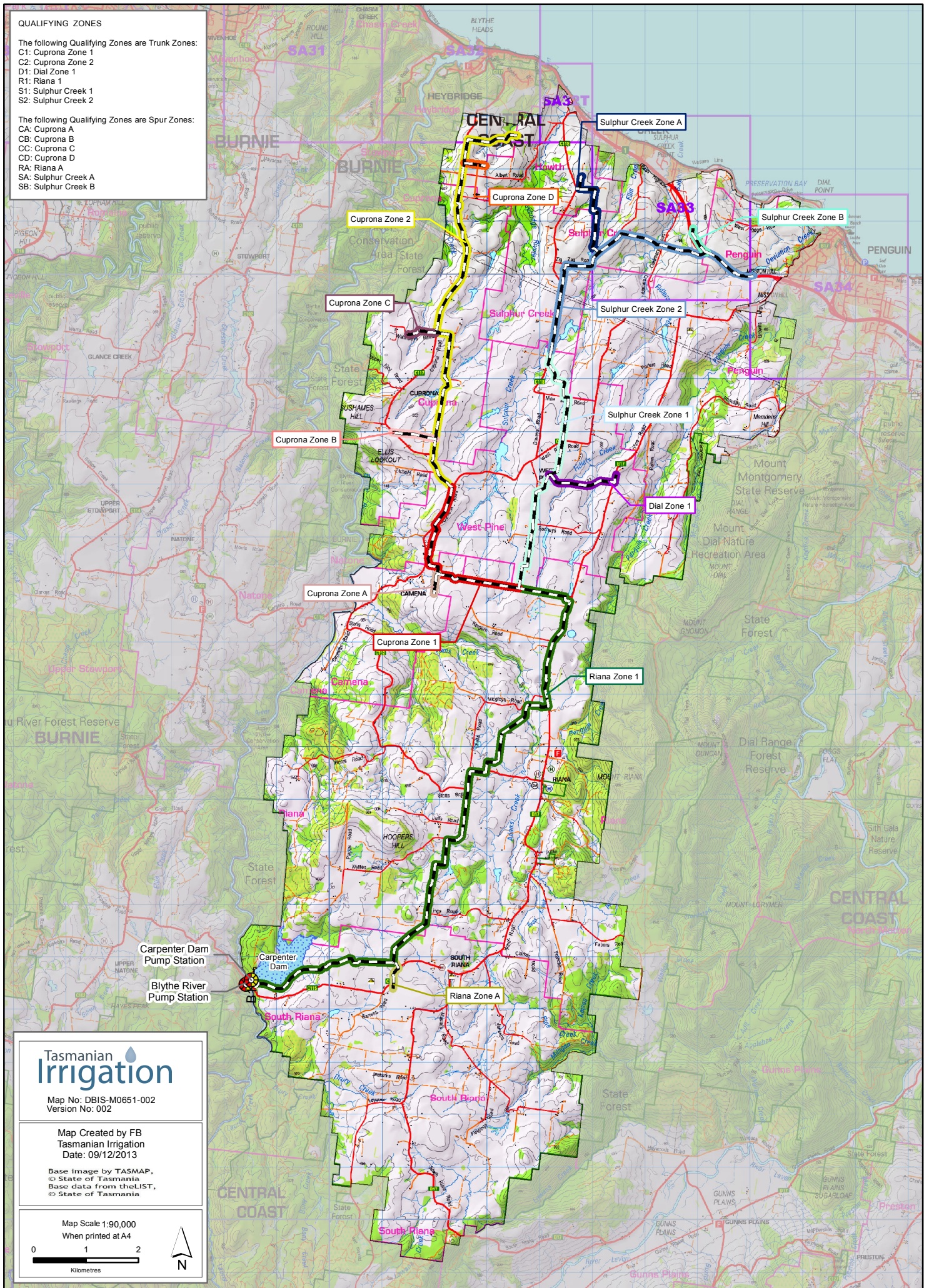
QUALIFYING ZONES

The following Qualifying Zones are Trunk Zones:

- C1: Cuprona Zone 1
- C2: Cuprona Zone 2
- D1: Dial Zone 1
- R1: Riana 1
- S1: Sulphur Creek 1
- S2: Sulphur Creek 2

The following Qualifying Zones are Spur Zones:

- CA: Cuprona A
- CB: Cuprona B
- CC: Cuprona C
- CD: Cuprona D
- RA: Riana A
- SA: Sulphur Creek A
- SB: Sulphur Creek B



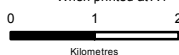
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