

August 2020

Tasmanian Irrigation

Working with Producers to Grow the Wealth of Tasmania

Fingal Irrigation Scheme

Fingal Preferred Option

After much investigation a preferred option for the scheme has been finalised and approved by the TI Board.

The economics of this scheme are challenging with the transmission losses in the South Esk River a contributing factor. Unfortunately the piped sections of the scheme are uneconomic under all scenarios investigated to date. This means that at this stage the project scope is confined to riparian delivery in the South Esk.

Whilst we understand that this is disappointing the team thanks expression of interest holders in these areas for their understanding in the delivery of this news.

The current preferred option for the scheme is a larger

12,600ML riparian delivery, South Esk only scheme. This larger scheme will provide futureproofing of demand in the region and allow for potential augmentation of the scheme to include the piped sections at a later point in time should there be sufficient demand and water available at that stage to do so.

The preferred option will be publicly launched in the coming weeks at the Avoca Memorial Hall, the date will be advertised in local newspapers and invites will also be sent out prior to the launch. The community will have three weeks to provide feedback and suggestions on the preferred option before a period of review by the team.

It is intended that water sales will commence in November 2020 once transmission losses can be more clearly defined.

Pipeline to Prosperity Update

Tasmanian Irrigation has successfully constructed 10 irrigation schemes as part of Tranche One and delivered a further four under Tranche Two with the fifth currently being commissioned. The combined capacity of these schemes allows the delivery of in excess of 150,000 ML of high reliability irrigation water annually.

Of the current 10 schemes being investigated as part of Tranche Three five are being progressed as part of phase one. These five schemes consist of Don, Northern Midlands, Tamar, Sassafras Wesley Vale Irrigation Scheme Augmentation and Fingal.

Don is the first scheme to complete water sales. Both the Northern Midlands Irrigation Scheme and Fingal now have approved preferred options and the remaining two schemes are at various stages working towards preferred options.

Enterprise mix and margin assessment

In the time since the last newsletter the second enterprise mix and margin assessment (EMM) has been completed. This second assessment was conducted to gain an understanding of the increased interest in the scheme and the new areas identified in the expression of interest (EoI) finalisation.

The EMM identifies which enterprises producers intend to peruse and is used in estimating the benefits from TI water. The survey identified that the main proposed enterprises across the scheme included livestock finishing, potatoes, dairy conversion and cereal and lucerne production.

The net margin for each enterprise is calculated as the gross margin (revenue less variable costs of production) less the cost of capital infrastructure required to use the water, less any increase in farm overhead costs less the gross margin generated from the existing use of the land to which water will be applied.

The economic benefit is the estimated net margin/ML

of each enterprise multiplied by the assumed volume of water used by that enterprise. This benefit is one of the considerations used in the economic modelling for the scheme.

The project team recognises how busy people are and would like to thank those EoI holders who participated in the survey for sparing some of their time to sit down and speak with the consultants.

South Esk River Transmission Losses

The temporary data loggers which were installed at three different locations in the South Esk River prior to Christmas have been faithfully recording the levels in the river.

The most recent download of this data is being used to inform a new transmission loss study which will assist in better understanding the transmission losses in the South Esk River.

It is hoped that this study will allow for an adaptive transmission loss calculation which will take into consideration the distance from the dam release to the offtake point, the time of the year and the flows in the river, both with and without water releases.

The outcomes of this study are expected mid November.

The temporary data loggers will be left in the river for the remainder of the winter period to continue collecting data.

Covid-19 & Tasmanian Irrigation

During these uncertain times we wish to note that we are trying to keep things as normal as we can. We are still working, albeit remotely.

In order to keep our staff and customers safe much of our communication over the next few months will be electronic and ask that you provide email and/or phone contact details if you haven't already so we can keep in touch.

This newsletter contains information of a general nature and reasonable care has been taken to ensure accuracy at the time of publication.

Scheme details and policies may change and individual circumstances may vary. This newsletter should not be relied upon as a basis of individual decision-making. For more information and details regarding the articles in this issue, please contact:

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The project team would like to note that Richard Gee and Alistair Crisp have stepped down from the Working Group. We sincerely thank them both for their contribution to the project during their time with the group.

Fingal Area of Interest



A map and additional information on the Fingal Irrigation Scheme (FIN) can be found on the TI website at:

www.tasmanianirrigation.com.au



Fingal Irrigation Scheme

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