Tasmanian Irrigation

Great Forester Irrigation District
Overview Document

Key scheme facts

Volume	1,980ML
Status	Operational
Irrigable Area	1,800ha

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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Scheme Map

1. Important information

Item	Summary	Further Information
How much water can the scheme supply?	The scheme can supply 1,980 ML of water each year during the summer irrigation season.	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 during the irrigation season.	Section 5
What is the reliability of the irrigation rights?	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.	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 *Water Management Act 1999* ("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.	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.	Section 7

Item	Summary	Further Information
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.	Section 6
Is anything else required to use water?	In addition to holding water entitlements, to take water from the scheme you will require a river off-take, 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 Great Forester Irrigation District ("irrigation district") commenced operations during the 2011-12 irrigation season.

The district services pasture and cropping land around the townships of South Springfield, Springfield, Scottsdale, North Scottsdale and Waterhouse. Production in the area includes dairy, potatoes, vegetables (processed and fresh) and livestock finishing.

The scheme has the capacity to supply 1,980 ML of water each year during a summer irrigation season. Depending on rainfall, additional water may be able to be supplied by the scheme outside the irrigation season.

Water supplied in the district is taken into storage in the Headquarters Road Dam located near South Springfield on an unnamed tributary of the Great Forester River. Water is delivered throughout the district by releases into the Great Forester River.

The outlet valve on the Headquarters Road Dam has the capacity to release approximately 24 ML/day into the Great Forester River, meaning that supply of 1,980 ML can be made over a minimum delivery period of 83-days.

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 is contained at the end of this document.

District	Current Price ($/ML)	Trading capacity (ML)	Current commitments (Sold ML)	Unsold (ML)
Great Forester	**$1,200**	**1,980**	**1,980**	**0**
Great Forester River	$1,200	1,980	1,980	0
Total	**$1,200**	**1,980**	**1,980**	**0**

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: Great Forester 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% 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.

95% reliability means that the allocations made to irrigation rights will be equal to 100 per cent of the entitlements held under irrigation rights in at least 95 of every 100 consecutive irrigation seasons.

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. 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: Great Forester Irrigation District".

Delivery rights confer entitlements to a share of the capacity of the scheme to deliver water during each irrigation season. The entitlement arising under delivery rights is defined as a percentage share of the daily capacity of the scheme to deliver water.

The allocation made to delivery rights for each irrigation season is expressed as a percentage of the scheme capacity (%) units and equals the share entitlement held under delivery rights on the opening day of the season multiplied by the daily delivery capacity of the scheme as determined by Tasmanian Irrigation for that 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 zone of the scheme as shown on the map of the irrigation district at the end of this document. Because all water is supplied throughout the irrigation district by the Great Forester River, there is only one zone in the district which means water can be freely traded throughout the entire district.

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 underpins 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.

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

Because all water is supplied by releases into the Great Forester River, there is only one zone in the irrigation district which means that water can be freely traded throughout the entire district.

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.

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 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 annexure at the end of this document.

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.

8. Connections

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

To access water from the irrigation district, an off-take from a watercourse used by the scheme to deliver water 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 river off-take.

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.

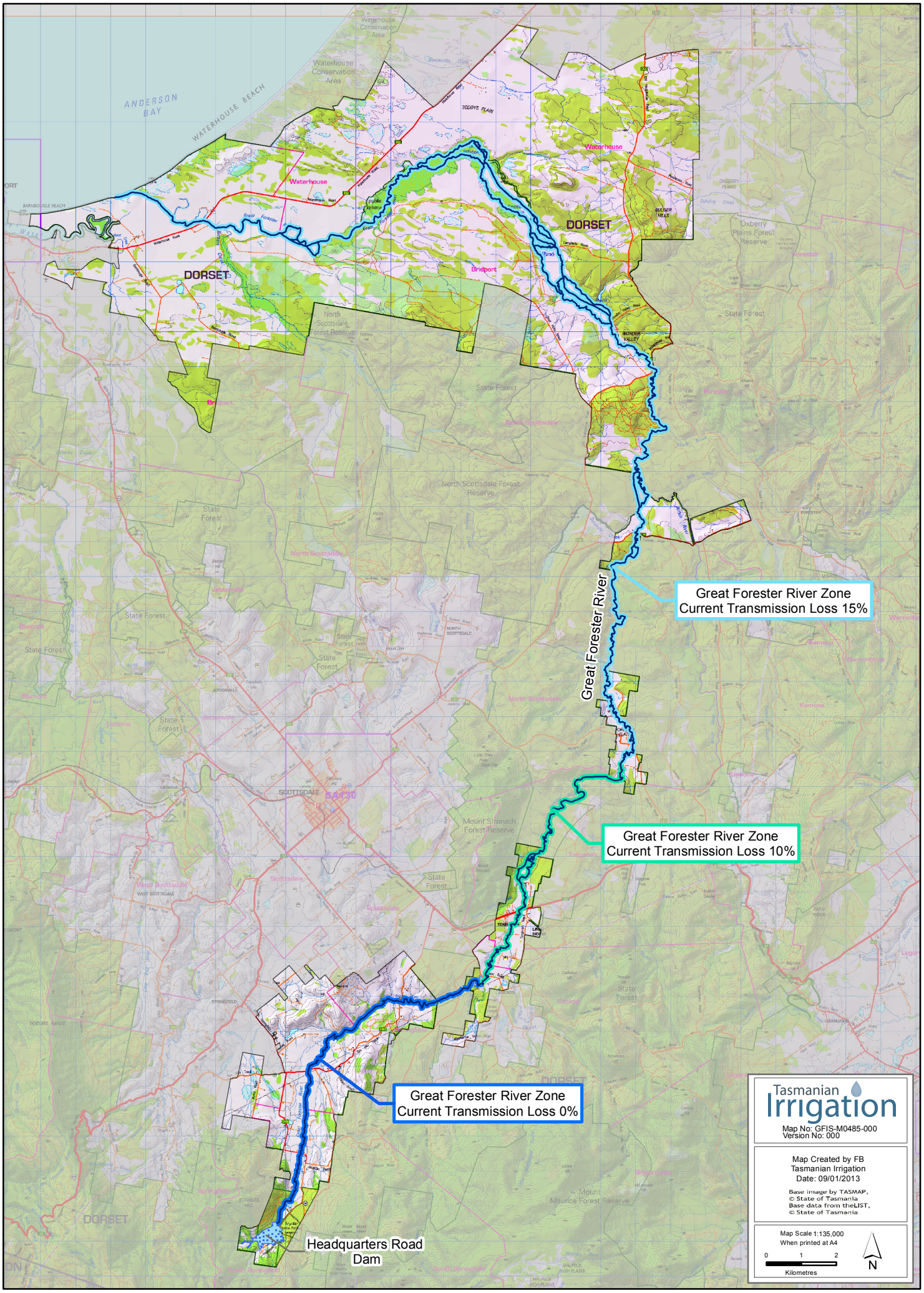
11. Transmission losses

Depending on where water is extracted from the Great Forester River, transmission losses may apply. These losses are deducted from the amount of water that can be taken by an irrigator receiving water from the irrigation district.

Transmission loss rates are determined by DPIPWE under a watercourse authority issued in respect the Great Forester River. The loss rates are set on the basis of the best available information on the conveyance efficiency and performance of a watercourse and may be amended from time to time by DPIPWE.

The transmission loss rates that currently apply under the watercourse authority held by Tasmanian Irrigation for the Great Forester River are:

- 10 per cent loss for water extracted downstream of the confluence of the Great Forester River and Mackenzie Rivulet; and
- 15 per cent loss for water extract downstream of the confluence of the Great Forester River and Parrs Rivulet.



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