

## Water Entitlements

Irrigation Rights and Delivery Rights are the two types of water entitlements issued in irrigation districts managed by Tasmanian Irrigation.

### Irrigation Rights

Irrigation Rights confer entitlements to have an allocation of water made available during each irrigation season within an irrigation district. The entitlement arising under irrigation rights is defined as a volume and denominated in megalitre (ML) units. The reliability of the Irrigation Right is calculated as the percentage of every 100 consecutive irrigation seasons the irrigator receives that volume.

Tasmanian Irrigation's schemes generally have a guaranteed reliability of 95% incorporated into the Irrigation Right, taking into account potential seasonal variations in water supply. In those seasons when the total volume of the Irrigation Right may not be deliverable, Tasmanian Irrigation will advise the irrigator of the potential change.

Where the system of delivery rights operates, Irrigation Rights do not provide secure rights to have water delivered but do so when held in conjunction with Delivery Rights.

### Delivery Rights

A Delivery Right grants to an irrigator a right to a share of the capacity of a scheme to deliver water during each irrigation season (or a delivery period of each irrigation season) within an irrigation district in conjunction with the Irrigation Right.

The Delivery Right is defined as a set flow rate in megalitres per day (ML/day) and the rate available to the irrigator may be subject to the zone of the irrigation district the irrigator is situated in. A known flow rate during a season provides certainty over the timing of supply and a tradable product to assist irrigators to plan water deliveries, manage seasonal risks and maximise the benefit of their entitlements.

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## Frequently Asked Questions

### Are water entitlements an asset?

Water entitlements are long-term rights to the supply of water, are freely tradeable and are separable from land, so they could be considered an asset.

### Are water entitlements attached to land?

Water entitlements are separate to land.

### Do I have to pay GST on the purchase of water entitlements?

Water is not currently taxable for GST purposes. Should this change as a result of a change to the law or a change to the interpretation of the law, GST will apply.

### If I purchase water entitlements, when do I have to pay the upfront cost?

You would need to pay a deposit of 2% on making an application and a second instalment of 8% when full public funding is committed. If your application is successful, you will be required to pay the balance of the purchase price within 28 days of receiving notification of commissioning of the scheme in exchange for receiving water entitlements.

### What happens if my application to purchase water entitlements is not accepted?

Your deposit will be refunded.

### Can I purchase water entitlements in any zone of the scheme?

You can only purchase water entitlements in a zone that will service your property.

### Do I have to pay for a connection point to be installed so that I can take water from the scheme?

As part of the sale of water entitlements, Tasmanian Irrigation will install one connection point for each parcel of adjoining land that is operated as the same business. Additional connection points or connection point upgrades can be purchased from Tasmanian Irrigation if required and approved by Tasmanian Irrigation.

### What happens if my application to purchase water entitlements is accepted but Tasmanian Irrigation fails to commission the scheme?

Your deposit will be refunded in full plus any interest earned on your deposit while held by Tasmanian Irrigation.

### In purchasing water entitlements, will I be buying a share of the infrastructure of the scheme?

All infrastructure of the scheme will be the property of Tasmanian Irrigation. With water entitlements, you are buying the rights to a supply of water. They are rights to have an allocation of water made available [irrigation right] during each irrigation season and rights to have that water supplied [delivery right] within a zone of the scheme at a constant daily flow rate.

### Can investors buy into a scheme?

Initial water sales are only offered to Landholders who provide evidence of land ownerships or a connection to a property.