

## General Irrigator Meeting: North Esk Irrigation Scheme

Date: 24<sup>th</sup> September 2019  
Time: 10.30am  
Location: Evandale Memorial Hall, Evandale

### Minutes

#### 1. Scheme overview

- Scheme performance

*Only delivery to date has been under General Availability (outside of a normal irrigation season). Just over 700 ML was delivered to 5 or 6 irrigators with no significant problems identified.*

*Dam is full for the 2019-20 season.*

*Final inspections of the scheme assets underway whilst still within the defects period. If anybody identifies any issues (eg leaks) please advise Scott Williams as soon as possible.*

- Financial performance

*In the 2018-19 financial year, the scheme had a small surplus (\$12k). This was not a complete season and some costs were met by the construction side of the business. Next year will provide a better reflection of normal operating costs.*

*Each scheme is accounted for separately, with any over/under recover retained within the scheme working capital. It is good to keep a small surplus in the working capital account, to absorb any uneven cash flows and avoid price shock for the irrigators. The aim is for the scheme to break even.*

#### 2. Scheme forecast

- Budget

*Budget has been prepared with a four year forecast, which enables TI to maintain more stable fixed charge pricing. Dam safety requirements peak every five years with the comprehensive dam safety surveillance program, which is a compliance requirement for the scheme.*

- Pricing 2019-20

*Pricing announcement for 2019-20 Irrigation Season provided at the meeting. Pricing is made up of fixed charges which are levied on the total water entitlement volume, and variable charges which are levied on the volume used during the season.*

*Resourcing costs are higher than they were originally forecast, which is why the Operation & Maintenance Charge rate has been increased. A discount has been provided this year from the Asset Renewal Levy, due to the likelihood of requiring any major refurbishment or*

*replacement of assets in the first few years. Pricing is reviewed annually, and presented to the Irrigator Representative Committee for comment prior to being released.*

*Components of charges:*

- *Operation & Maintenance Charge (fixed): recovers the day to day fixed costs of operating the scheme.*
- *Asset Renewal Levy (fixed): recovers cost of major refurbishment or replacement of assets over the life of the infrastructure (100 years)*

*Question was asked regarding the proportion of indirect overheads. The Build function at TI which develops new schemes pays for 75% of the administrative overheads for TI (eg office rent, Board, executive), with the other 25% met by the operational schemes.*

### 3. Irrigator Representative Committee

- Election

*The Irrigator Representative Committee Charter is available on the TI website, or on request.*

*The following entitlement holders were nominated and will form the North Esk IRC:*

- *Charlie Watson*
- *Kellie Hoffmann (Treasury Wine Estates)*
- *Tom Graesser*
- *Michael Hart*
- *Michael Graham (Dalness Farming)*
- *Nick Talbot*
- *Paul Willows (White Hills Pastoral)*

*Thank you to Peter Lindsay and Andrew Hogarth who have provided valuable support on the committee during the construction of the scheme.*

### 4. Normal irrigation season preparation:

- Purchase contract completion

*Prior to using or trading water, the Water Entitlement Purchase Contracts must be completed (paid and entitlement contracts returned).*

*Prior to using the water, a Farm Water Access Plan must be in place.*

- Farm Water Access Plans

*Please ensure that where any water is applied is covered by a Farm Water Access Plan. If not covered please contact TI and it can be added to an existing Farm WAP.*

- Trading

*Fact sheet available on the website, also available at the meeting.*

*Short term trades are the most common, and apply within a single season. These can be submitted via email.*

*Whoever holds the entitlements on the first day of the season will be invoiced for Annual Fixed Charges. If you transfer entitlements prior to the start of the season, the transferee will receive this invoice.*

*Transfers can take place back towards the water source; if your water would pass by somebody else's outlet on its way to your property, then you can transfer to that person.*

*Please contact Fiona Buckingham on 6398 8435 or [fiona.buckingham@tasirrigation.com.au](mailto:fiona.buckingham@tasirrigation.com.au) or Scott Williams for forms, the email template, or any other assistance with transfer paperwork.*

*Emailed transfers should be sent to [watertrading@tasirrigation.com.au](mailto:watertrading@tasirrigation.com.au).*

- Other Business

*Proposed season start date is 1 November but as the dam is full can start earlier if required. Some indication of interest around mid-October, and so the season could open earlier.*

*Question raised regarding the term of the water entitlement contracts, and how this is extended or rolled forward.*

**ACTION:** *TI to advise the process to be undertaken at the end of the water entitlement contract term, and how the extension of the term is expected to take place.*