

Tasmanian Irrigation / Irrigator Representative Committee Meeting: SEIS 1 & 2 Irrigation Districts

Minutes

Date: 25 June 2019 at 11am
Location: TI Cambridge Office, U Tas Farm
Attendees: Andrew Kneebone, Fiona Buckingham, Simone Reynolds, Anna Graham, Jody Arnol, Ron Gunn, Justin Nichols, Ian Newnham
Apologies: Matt Pooley

1. Previous meeting minutes accepted.

2. Previous meeting actions:

- Clarify the balance of the ARL fund as at 30/06/2018
Reconciliation undertaken, can provide further detail upon request.
- TI to ask the State Gov for financial assistance for legacy dam costs
No funding provided to date. To be discussed later in the meeting. Still in discussions with Government re funding for legacy assets such as Craighourne and Daisy Banks Dams.
- SEIS2 additional dam fill product
To be discussed later in the meeting as a flow strategy.
- By-laws circulated with minutes
Done

Subsequent questions:

- Anything in writing (by-laws etc) which says we can/can't use SEIS1 water to supply into Daisy Banks Dam
Doesn't appear to be any legal barriers to supply, however given the scarcity of water Craighourne Dam needs to be managed carefully.
- Request to amalgamate committees
Preseason Irrigator meeting is an opportunity to formalise a combined committee. Information to be prepared and distributed prior to meeting.
ACTION: Notice of proposed amalgamation of committees to be distributed to all SEIS 1, 2 and 3 irrigators prior to season start
- Flow management strategies for SEIS2, including flow restrictions/caps and backdating trades
To be discussed in detail later in meeting.

3. Scheme summary:

Coal River (Stage 1)

KEY NOTES

- *backdated trades: need to encourage trading before/at the time of water usage*
- *delivery volume slightly under budget for SEIS1*
- *Jan-March was peak delivery time*
- *couple of water meters repaired during the period*
- *Stage 1 pump station need to be relocated. Delays mainly due to contractor issues.*
- *Dam level 7,222 ML just below 60%. Should still be above 7,000ML at start of the season which is sufficient for a 100% allocation for the 2019-20 season.*
- *water quality fairly standard*
- *Some limited flood take availability during late November/early December in Stage 1*

South East Stage 2

- *Delivery volume slightly over budget for SEIS2*
- *Dam level at Daisy Banks around 158 ML – little below full*
- *Salinity currently around EC231.*
- *All dam surveys ok*
- *replaced one water meter and repaired two others*
- *leak on Tea Tree Rd. Capped the outlet rather than replacing as it is unused at the moment*
- *Leak at Richmond Pump Station – socket split - repaired*
- *Jan -March peak delivery period*
- *Some limited flood take availability during late November/early December in Stage 2*

4. Financial information (to May 2019):

Profit and Loss statement:

Lack of funding for legacy assets is evident for the schemes.

Admin overheads impacted by staff movements which increased costs, including with the need to source external support to cover accounting resources. Now have a new CFO, James Hipwood and a new accountant also. Current allocation for admin overheads operational business covers 25%, with the build business covering 75%.

Operations overheads: Asset management staff not employed due to budget constraints so no progress made on asset management to date. Intention is to add asset staff in the near future.

Organisational structure under review – budget reflects worse case. A relief operator has been added to the operational staff, but business needs additional resources and aims to build some more redundancy into operations.

IRC asked if irrigators can assist with staffing issues when unexpected leave etc. As this is often at peak delivery times, this option has not been feasible in the past. Preference is to have coverage within TI.

IRC enquired re land tax and rates being payable. TI can request exemption but there is another tax that may become payable instead so decision made to leave as is for the moment. TI will enquire about rates and land tax exemptions.

ACTION: TI to enquire about potential for rates/land tax exemptions for dams.

TI asked the IRC about their view for continuing the minimum 5ML fixed charge. The IRC is supportive of this continuing as irrigation scheme is not a stock and domestic supply, and cost need to be recovered no matter how small the entitlement.

5. 2019-20 budgets and draft water pricing:

KEY NOTES

- *New South East schemes operator appointed – Geoff Young*
- *Employment benefits includes a Scheme Manager and so could come down*
- *Staffing and management costs to be reviewed in line with the new restructure – worst case presented in budget*
- *Draft pricing: CPI increase advised by Tas Water yet to be confirmed. IRC note: Tas Water delivery not preferable but acknowledge little other option.*
- *IRC to review the fixed charge increase which was proposed at CPI, TI to review potential to reduce this increase to 0%.*
- *Request further discussion with TasWater to reduce pricing.*

ACTION: TI to review actual working capital with a view to reduce the fixed charge increase from CPI to 0%

6. Draft Irrigator Representative Committee Charter:

IRC to review and discuss with the rest of the committee and advise of any feedback.

7. Flow management strategy update:

IRC supportive of implementation of flow management. TI has the power under the bylaws to implement.

First component relates to the limitation of daily flow rate: Standard level at 8% of annual allocation over a 7-day period. This flow rate is then reduced based on the level of Daisy Banks Dam, with a cease to take if the Dam level is under 18ML.

Second component of the strategy is to introduce an 11 month season with additional supply under General Availability for the other month.

Final component is the enforcement of annual allocations, and disallowing irrigators from exceeding their allocations and then arranging backdated trades at the end of the season.

IRC suggests send out proposal to the irrigator community. Need to clearly define rules around allocation and non-compliance.

Additional fixed charges payable for the General Availability supply will contribute to the scheme. In accordance with TI pricing principles, the GA water includes a contribution to fixed charges.

ACTION: Communication to be sent to all irrigators to enable consultation at the general meeting.

8. Tranche 3 update:

Have received pre-feasibility money for first five Tranche 3 schemes. TI will advance first five schemes and investigate viability of following two (including South East and Southern Midlands). Need to review funding before can progress or commit to the South East and Southern Midlands schemes. Should have more information by the general irrigator meeting.

ACTION: TI to provide update on Tranche 3 program at the general irrigator meeting.

9. Other business:

- *General irrigator meeting to be arranged prior to season start.*
- *Andrew asked if information provided is sufficient. IRC advise happy with level of detail provided.*
- *New scheme operator Geoff Young to start on Monday July 1st.*
- *IRC requested that TI continue to pursue options for reducing water supply costs, such as potential use of Boyer Pipeline.*

ACTION: TI to continue to pursue options for reducing water supply costs in Stage 2 and Stage 3.

- *Rural water use strategy – DPIPWE talking to various stakeholders seeking feedback. IRC not consulted but TI in discussions.*