Tasmanian Irrigation / Irrigator Representative Committee Meeting:
Southern Highlands Irrigation District

Minutes

Date: 1 July 2019 at 2 pm
Location: Central Highlands Council
Attendees: Andrew Kneebone, Fiona Buckingham, James Hipwood, Anna Graham, Robert Stacey, Richard Hallett, Russell Fowler, Peter Downie, James Downie, John Ramsay, Will Bignell, Scott Bowden, Will Bowden
Apologies: Peter Ackland, Richard Ellis and Rob Campbell

1. Previous meeting minutes accepted.

2. Previous meeting actions:
   - TI to confirm with TasWater that they do not wish to purchase the volume, before actively seeking a sale of this remaining volume with the public

   *TI has contacted TasWater on a number of occasions regarding the remaining 60 ML is available for purchase at $1200/ML. Irrigators would prefer this volume to go to TasWater. Taswater would need fund the installation of an outlet.*

   *TI is servicing the debt related to the unsold water so would prefer to sell the volume, any leasing would need to cover at least the interest. IRC suggest could lease the 60.00 ML rather than sell it.*

   **ACTION: TI to make leasing conditions clear to the irrigators for the remaining 60 ML.**

   TI to provide more information about the application of the Energy Rebate and the impact on the variable charges

   *Rebate was applied last year, as a cap to the wholesale price which the retailer pays for electricity. TI contract electricity price is more favourable than the energy rebate for 2019-20.*

   - TI to confirm final budget including fixed and variable pricing

   **Done prior to season start**

   - TI to advise whether there is any free spill water for the Shannon during Meadowbank spill periods – done – free during declared spill periods

   *Yes do have access to flood take, and had opportunity to harvest some of this.*

   - TI to undertake transmission loss study if/when water is delivered from Great Lake to the Shannon River Pump Station

   *Currently the loss is set at 18%. No study done yet as have not had to order water from Great Lake.*

   - Bylaws to be circulated

   **Done.**
• TI to investigate earlier season opening, the expected costs (dam fill and expected low flow delivery) benefit, any funding constraints and other considerations

Andrew advised that the main focus is getting the dam full for in-season supply, then if still an opportunity can offer general availability. The price would be advised at the time of the announcement of availability of water. TI advise can be flexible to a degree with opening and closing dates, but require notice to advertise the dates in accordance with the by-laws.

IRC wrote to TI regarding the need for flexibility in water delivery, harvesting and management. The Scheme was designed based on the ability to fill the dam and providing 95% reliability. IRC suggest TI could revisit contracts and this reliability level as they would prefer year-round water delivery. Public funding has been obtained on the basis that this scheme is operating within the existing Tasmanian model, which includes 95% reliability. IRC want surety of being able to get water when they need it. TI has been trying to reduce reliance on the expensive Great Lake water following from previous discussions with irrigators. Suggested that general availability water could be supplied from Great Lake however the irrigators didn’t support this option due to high cost.

**ACTION: TI to investigate the impact of a 12-month season, and present the findings to the irrigators.**

• TI to draft formalised process for setting season dates, documenting the required conditions to be met for a season to be opened (e.g. dam level)

  *This is included in the draft IRC Charter which was included in the meeting pack.*

• TI to look at the cost to provide meter information to the irrigators, even via email every couple of months

  *TI confirms that a program is underway to rectify some issues with the existing control and communications system in this scheme.*

• TI to investigate the potential for additional supply into the system where there is surplus water available

  *If the dam is sufficiently full and there is water available from the Shannon River, then this may be made available under general availability in consultation with the irrigators.*

### 3. Scheme summary:

**Scheme Operator update**

Key notes:

• *There were a few infrastructure problems early in the season.*

• *Control/comms system serious issues, investigation underway.*

• *PRV problems caused some erosion, once the operator fixed the broken spring it resolved a lot of problems throughout the scheme.*

• *Rectification works for the comms system and pump station switchboard are being funded by build.*
• Bush fires had a big effect on the community, with no damage sustained to scheme infrastructure.

• More MLs delivered than was budgeted

• Around 1,400 ML in dam at end of season

4. General availability supply and 2019/2020 irrigation season opening targets

Discussed earlier in the meeting.

5. Works to improve scheme performance

Switchboard work at Shannon River Pump Station complete. Report for the communications/controls issues is imminent, with indications that the rectification should not be a significant cost.


**ACTION:** TI to provide full financial statements once June accounts are finalised.

**KEY NOTES**

• Overheads well over budget due to $1 million expected funding not received. Staff movements, particularly for executive, costly due to redundancy and contractual obligations. Needed to bring in external consultants to cover loss of most of the finance team.

• Administrative overheads are paid for by all schemes. Operations pay 25% and Build pay 75%. The new schemes Duck and North Esk did not contribute a full year as not operational for the entire year.

• Operations overhead also over budget. Not enough budgeted to cover existing staff. GM not replaced and did not employ planned asset management staff.

• Organisational restructure pending. Seeking to streamline resources where possible between build and operations. Operations structure review underway to include resourcing for scheme operator coverage etc... as currently we have no redundancy.

7. 2019-20 budgets and draft water pricing:

Four-year budget provides a better overview and spread of costs across the period, especially when some years have more compliance obligations and surveys etc

**Key notes:**

• End of year financials pending then can confirm draft pricing

• Closing stock value needs to be recast

**ACTION:** Recast pricing to be provided once June financials finalised.

8. Draft Irrigator Representative Committee Charter:
IRC Charter has been drafted for comment.

9. **Tranche 3 Update**

- First five schemes have been prioritised based on readiness to be constructed within defined timeframe applicable to funding.
- Southern Midlands and SEIS integration are part of the second phase of development. TI investigating if can use excess funding money to be used for pre-feasibility for these schemes. Southern Midlands is a very significant scheme with a large budget and relatively high complexity.
- The EOIs for the first five schemes has increased once funding was confirmed, which may affect costings and the use of committed funding.
- Cost of water from Hydro Tas is a significant issue for the existing and future schemes.

10. **Other business:**

Renewable Energy Project:

- There is a tender out at the moment to develop a business case for renewable energy options.
- The intention is to provide a benefit to all schemes.
- IRC expressed a preference for ring fencing any income from renewable energy within the scheme which supports the generation.
- If the scheme was to self-finance renewable energy, then they would need to pay all associated costs so that any income would then be applied against the scheme.

**ACTION: Kilowatt hour consumption across the business to be provided**

Self-management:

- Legislation would need to be changed for scheme to be fully self-managed.