Tasmanian Irrigation Pty. Ltd.

Tamar Irrigation Scheme
Community Meeting

Sidmouth Community Hall
Thursday 12 December 2019
Agenda

1. Introductions

   SAFETY SHARE

2. Tasmanian Irrigation (TI) overview & next steps

3. Scheme development & Farm WAP’s

4. Questions from the floor

5. Irrigator Representative Committee Overview and Election

6. General discussion and light refreshments
2. TI Overview

Andrew Kneebone

CEO
Who is TI?

Tasmanian Irrigation Pty. Ltd.

A State Government owned company

- Minister: Guy Barnett
- Chair: Samantha Hogg
- CEO: Andrew Kneebone
What is TI’s job?

• To develop and operate sustainable irrigation schemes in Tasmania, in partnership with farming communities

• Formerly the TIDB. Tasmanian Irrigation Pty. Ltd. formed in July 2011 under the *Irrigation Company Act 2011*

• The principal objectives of the Company are –
  - to develop, own and operate irrigation schemes in Tasmania; and
  - to operate its businesses and activities effectively and efficiently and in accordance with sound commercial practice.
Sustainability – a must

For a TI scheme to proceed it must be:

• Economically sustainable
• Environmentally sustainable; and
• Socially sustainable
TI Projects are designed to ensure:

- 95% reliability of irrigation water supply
- Pipelines with 100+ year lifespan (HDPE)
- Water Storages (Dams) with 200+ year lifespan
- Design focus is on minimising variable costs (power) wherever possible
Current TI Irrigation Schemes

- 17 Operating Schemes with a combined capacity of 154,000ML
- 15 of these schemes have been constructed by TI. Scottsdale Irrigation Scheme currently in construction
- Investigating 10 schemes which forms Tranche 3 including the Tamar Irrigation Scheme
Capital Costs

Scheme development (capital) costs are shared between the Community and the Private sector.

Public (Australian and Tasmanian Governments):
- By funding commitments supported by TI Business Cases

Private (e.g. Irrigators):
- By purchasing water entitlements – $1,390/ML
  OR
- 25% of Capital Expense (CAPEX) whichever is greater
Working in Partnership

- Scheme Management in partnership between TI and the Irrigator Committee
- Ongoing asset ownership and compliance reporting by the Responsible Water Entity (TI)
- Annual costs (fixed and variable) are the responsibility of the Water Entitlement holder
The next steps for Tranche 3

- State Government commitment - $70M
- Australian Government Commitment - $100M
3. Scheme Development

Sven Rand

Project Manager
Investigating 10 schemes which forms Tranche 3 including the Tamar Irrigation Scheme
TAMAR Irrigation Scheme

- Minimum Tranche 3 scheme size is 3,000ML
Tamar EOI process

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  - >100 properties ~8000ML
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South Esk / Meander
• Lake Trevallyn pump station
Minimum Tranche 3 scheme size is 3,000ML

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South Esk / Meander
• Lake Trevallyn pump station
• Mainline(s) to N of Batman
• Minimum Tranche 3 scheme size is 3,000ML
• Initial EOI process run early 2018 and with recent re-issue is currently
  • >100 properties ~8000ML
• Final scheme design will be based on actual water sales
  • South Esk / Meander
  • Lake Trevallyn pump station
  • Mainline(s) to N of Batman
  • Main spur to Lilydale
  • Batman booster(?)
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>100 properties ~8000ML

Final scheme design will be based on actual water sales

- South Esk / Meander
  - Lake Trevallyn pump station
- Mainline(s) to N of Batman
- Main spur to Lilydale
  - Batman booster
- Spurs and riparian delivery
Minimum Tranche 3 scheme size is 3,000ML

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**FINAL SCHEME DESIGN WILL BE BASED ON ACTUAL WATER SALES**

- South Esk / Meander
- Lake Trevallyn pump station
- Mainline(s) to N of Batman
- Main spur to Lilydale
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Scheme Concept Design

- Lake Trevallyn is the proposed scheme water source
  - (South Esk / Macquarie / Meander / Central Highlands)

- Investigation required on specific pump station site.

- Rising main ~8 km from the pump station to a balance tank

- ~112 km of distribution pipeline – HDPE pipe (largely gravity)

- Smaller booster pump stations and pipeline to East of Tamar

- Further work required to confirm demand.

- Aim to complete construction within five years for the 2024/25 irrigation season, sooner if possible.
Scheme Development – Next Steps

Subject to community support for TI’s continued investigation for an irrigation scheme in the district:

- Confirm community interest (This meeting)
- Election of an Irrigator Working Group (This meeting)
- Finalisation of EOI’s and ground truthing concept design
- Preferred Option
- Water Sales
- Scheme Business Case
- Detailed Design, permits and approvals and tendering
- Construction (subject to funding)
- Development of Farm Water Access Plans
- Commissioning and operation - WATER USE
Sustainability

Farm Water Access Plans

- Consider soil, water and biodiversity modules within an overall farm plan
- Requirement of public sector funding and aim to ensure that the application of TI water does not cause any degradation to the land, waterways or environment
- Are compulsory for all land to which TI water is to be stored or applied
- Percentage are audited annually for compliance
Thank you

Any Questions?

Support?

Irrigator Representative Committee?
IRRIGATOR REPRESENTATIVE COMMITTEE

The IRC represents irrigators to exchange information, provide advice and operational feedback to TI on operational matters.

Ideally the IRC members will represent

- Geographic spread of the scheme
- Different agricultural enterprises
- An understanding of the value / opportunities / costs and implementation issues associated with irrigation (not necessarily an entitlement holder).

Ideally the IRC will comprise

- more than 3, ideally five to six and no more than 9 or 10
- Nil impact on gorge E-flow
- Water will be purchased at cost of “forgone electricity”
- **Annual** irrigation scheme volume is ~equivalent to maximum **daily** throughput of generator.
  so irrigation potentially represents ~1/365\textsuperscript{th} of maximum power station throughput (0.3%)
Once off construction contribution
- Tranche Three irrigation schemes will involve a once-off irrigator contribution towards scheme construction of a minimum $1390 per ML or 25% of the total construction costs whichever is greater; the final contribution for the Tamar scheme will be determined by a number of factors.
- Concept estimated at ~$75 million
  - **IF** 7500ML uptake therefore ~$10,000 per ML to build
  - Irrigators pay 25% = $2,500 per ML (once off build cost)

Ongoing annual costs – Annual Fixed charge and Variable Charge
- Following the initial construction cost contribution, irrigators will contribute annual ongoing costs for water, proportional to the water volume used and the applied location for each respective property; and
- Operating costs are determined by a combination of factors including operational pumping costs, administration and maintenance requirements.
- Estimates of up to $235.00 per ML depending on location
A person must prove a link to land within a district to receive initial water entitlements.

Purchasers of traded water entitlements do not need to own land.

Water entitlements come in two categories;

1. Irrigation Rights (“IR”): **volume** of water for use during the irrigation season (ML); and
2. Delivery Rights (“DR”): right to have the IR volume delivered at a set **flow rate**, generally ML per day, (or a percentage of the scheme capacity)

Allocation trades refer to transfers of the **volume (IR)** and **flow rate (DR)** allocations

Tradability within an irrigation district is regulated through the Delivery Right **zone**

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**Diagram**

- **Source**
- **Zone 1**
- **Zone 2**
- **Zone 3**
- **Spur A**
Thanks again - DRIVE SAFELY