

Tasmanian Irrigation / Irrigator Representative Committee Meeting: Upper Ringarooma Irrigation District

Date: Monday 9 July 2018, 2.00 pm – 4.00pm

Location: Cottons Bridge Pump Station

Present: Ron Berwick, Tim Branch, Russell McDougall, Nicola Morris (Chair), Mike O’Shea, Andrew Kneebone, Anna Graham.

Apologies: Stan Cox, Ted Forsyth, Ian Edwards.

Minutes

1. Previous minutes taken as read.
2. No outstanding actions.
3. Nicola introduced Andrew Kneebone, the new GM of Water Delivery, and gave an update on recent staffing changes. Aim of these changes has been to cut down the levels of management between the Scheme Operators and the executive.
4. Mike presented the Scheme Update notes to the group and invited people to provide feedback. Russell gave a summary of the season operations:
 - Power outages didn’t interrupt delivery. Pumps operating well, with four pumps running at a peak of 30 ML/day.
 - Not much delivered down the Ringarooma River.
 - New filter installed for the TasWater pumps, with some of this cost to be recovered from TasWater. This will help to prevent the frequent blockages.
 - Dam level is around 500ML from full, with an expectation that no more pumping will be required.
5. Mike provided a line by line commentary on the draft May financials:
 - Financial information provided at this time is in draft, with end of financial year underway.
 - Build business pays for 75% of the Corporate Overhead costs, with the remaining 25% shared across Water Delivery. This 25% of Corporate Overheads, and also the Water Delivery (operations) Overheads are allocated to irrigation schemes on the basis of volume (ML) on issue (40%) and the number of customers (41%). Around 19% of the overheads are met by power stations, self-managed schemes, and other infrastructure managed by TI.
 - When TI has no more Build projects, the Corporate Overheads will need to drop to a level which reflects the 25% component currently met by the Water Delivery business.
 - Some asset renewal expenditure was undertaken on the floating intake.
 - TI has an ongoing project to review the basis of rates/land tax being applied. This is not expected to be resolved quickly.
6. Nicola presented the draft budget for 2018-19
 - Used three year average of water deliveries to estimate the demand in 2018-19.
 - Around 20% of Farm WAPs are audited each year. Expected to continue, with more of the work to be undertaken by the Scheme Operator, to save costs.
 - TI is undertaking a review of insurance portfolio, including the levels of cover and whether this is appropriate.

- Noted the significant reduction in the allocation of overheads in the budget. Due to savings in employee expenses, and other non-employee savings.
 - Annual Fixed Charges are set to increase by 2% in this budget.
ACTION: TI to look at reducing the Annual Fixed Charge (Operation & Maintenance charge) rate increase to 0%.
 - Energy rebate is likely to be extended for another year, TI aims to provide more information about the impact of this in the next two weeks. Pricing announcements are expected to be delayed until after this impact has been confirmed, and also once the dam fill program is a little further advanced.
ACTION: TI to confirm final budget including fixed and variable pricing, and a breakdown of all Asset Renewal Fund movements.
 - Mike explained the recent work on Asset Renewal Levy modelling, and the development of Asset Management Plans for schemes. The idea of the Asset Renewal Levy is to provide for the replacement and refurbishment of scheme assets, over the life of the scheme. These plans are to be reviewed annually.
7. Anna explained that the obligation for Annual Fixed Charges arises on the first day of the season, with charges based on the current entitlement volume at that time. Invoices historically have been issued in January, and so any trades between season opening and January often result in questions about who is liable. Irrigators agreed that it would be fine to raise the invoice on the first day of the season, and allow extended payment terms to January/February.
 8. Nicola explained that the scheme by-laws have been put in place, and are available on the website.
ACTION: Attach a copy of the by-laws to these minutes to circulate.
 9. Other business:
 - Nicola gave an update of the Future Irrigation Project which has drawn strong interest from potential irrigators for 10 new schemes. This is resourced with a specific project team, funded by a grant. The funding will dictate any timeframes for construction. More information is expected by the end of this year.
 - Nicola outlined the recent funding received to investigate additional mini hydro power generation opportunities around Tasmania. Any new infrastructure will be installed on existing TI assets, with any expected revenue expected to reduce power costs for all irrigators with water entitlements in TI schemes (ie the funds will not be kept in the individual schemes where infrastructure may be located).
 - TI website is being updated, and will include general information such as dam levels and river flows.
 - Irrigators noted that there may not be value in holding a general irrigator meeting, noting that as the scheme is operating well, that many farmers may not feel a need to attend.
 - Nicola confirmed that it is possible to purchase water, with an agreement for deferred payment terms. Any interest in purchasing water entitlements please contact Russell or Anna at TI.