

FACT SHEET

Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Bill 2023

The Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Bill 2023 proposes changes to Tasmania's *Irrigation Company Act 2011*, *Irrigation Clauses Act 1973* and *Water Management Act 1999*.

The amendments are to:

- Enable undertakers, such as Tasmanian Irrigation, to enter into contracts for the supply of water for industrial use for hydrogen production; and
- Address the Government's policy to facilitate community management of publicly-owned irrigation schemes, where feasible and appropriate by providing a capability for Tasmanian Irrigation (or other responsible water entities) to delegate specific functions and powers to an irrigator body.

The Bill covers two strategically important matters that support the delivery of Actions 2.4 and 3.7 under the Rural Water Use Strategy and the *Tasmanian Renewable Hydrogen Action Plan*. Action 2.4 states "Support emerging water-dependent industries in Tasmania including a renewable hydrogen industry" and Action 3.7 states "Finalise amendments to the *Water Management Act 1999* and the *Irrigation Company Act 2011* to facilitate opportunities for irrigator self-management of publicly owned irrigation scheme".

Supply of water for industrial purposes relating to the production of hydrogen

The Bill amends sections and inserts new sections to the *Irrigation Clauses Act 1973* and the *Irrigation Company Act 2011* to allow for an undertaker to enter into contracts for the supply of water for industrial use.

The Bill will provide the legislative basis for Tasmanian Irrigation to supply bulk raw water to the Tasmanian Green Hydrogen Hub at Bell Bay. This was announced in February 2023. This change will support the *Tasmanian Renewable Hydrogen Action Plan* which sets an ambitious goal of transforming Tasmania into a globally significant exporter of green hydrogen from 2030.

The Bill provides that industrial use of water must be associated with hydrogen production and auxiliary or incidental use in an irrigation district. In addition, there is a power for the Minister for Primary Industries and Water to declare, by way of an order that will be disallowable by Parliament, that another use of water within that district is an industrial use for the purpose of hydrogen production.

Supply of water for industrial use will only be available within an irrigation district where a declaration is made by the Minister for Primary Industries and Water (with the agreement of the Treasurer). The declaration cannot be made if it would have detrimental impacts to other existing water users will be subject to conditions regarding what matters are covered in contracts and how much water is to be supplied. Prior to making a declaration, feedback must be sought from TasWater and relevant irrigators or the Tasmanian Farmers and Graziers Association.

Amending the *Irrigation Clauses Act 1973* to allow for contractual arrangements provides for a contemporary approach suitable to the activities associated with the provision of water for industrial uses.

Community management of publicly-owned schemes

The Bill amends specific sections and inserts new specific parts and sections to the *Irrigation Company Act 2011*, the *Irrigation Clauses Act 1973* and the *Water Management Act 1999* to enable the Government's policy to facilitate community management of publicly-owned irrigation schemes, where feasible and appropriate.

This Bill implements robust procedures, measures and conditions for such delegations to ensure the interests of the Government, Tasmanian Irrigation, irrigation scheme participants, local communities and the environment are safeguarded. Key elements include:

- Providing the irrigation entity with a power to delegate any or all of the functions of the irrigation entity to an eligible body (subsequently the irrigation delegate);
- Providing the Minister with a power to prescribe those entities that are approved to delegate their powers; and a limited power to revoke a delegation made by an irrigation entity;
- Specifying parameters for negotiating agreements to lease or licence assets between irrigation entities and irrigation delegates;
- Providing procedural structures and protections which allow an irrigation entity to vary a term or condition, or to revoke a delegation; and
- Making provision to ensure the operation and protection of assets, and protection of irrigation district participant and community interests.

The Bill has been drafted in accordance with the Government's position - that to protect the interests and viability of irrigation entities and scheme assets the ownership of irrigation scheme infrastructure and water licences will continue to be owned by the irrigation entity.