



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Irrigation Pty Ltd

Friday 6 December 2024

MEMBERS

Mr Street MP (Chair);
Mr Behrakis MP (Deputy Chair);
Mr O'Byrne MP;
Mr Willie MP;
Mr Winter MP; and
Dr Woodruff MP

OTHER PARTICIPATING MEMBERS

Ms Finlay MP;
Ms Badger MP;

WITNESSES IN ATTENDANCE

Hon. Jane Howlett MP, Minister for Primary Industries and Water, Minister for Hospitality and Small Business, Minister for Racing

Kate Vinot, Board Chair

Andrew Kneebone, Chief Executive Officer

Byron Fraser, Chief Financial Officer

Sophie Grace, General Manager Environment, Health and Safety

The committee resumed at 12.15 p.m.

CHAIR - The time being a little after 12.15 p.m. the scrutiny for Tasmanian Irrigation can begin. We have one hour. Minister, if you want to introduce those at the table, then make a brief opening statement.

Ms HOWLETT - Yes, thank you very much, Chair. To my left I have Kate Vinot, chair of Tas Irrigation; to my right, I have CEO Andrew Kneebone; and Byron Fraser, CFO; and Sophie Grace, General Manager of Environment, Health, and Safety.

Tasmanian Irrigation (TI) is vital to the Tasmanian government's plan to grow the value of agriculture. This past year has provided ample evidence of how the company is doing that. It was a year like no other. The prolonged dry resulted in record demand for reliable irrigation water and Tasmanian Irrigation responded by delivering an unprecedented 100,593 megalitres of water to Tasmanian farmers. This enables crops to be finished, pastures to prosper, and livestock to reach target weights. This was a 177 per cent increase on the quality of water last year and demonstrates the commitment of TI for getting water to its customers where and when it is needed. Without access to this water, farmers would face reduced yield, crop failure, selling off livestock, and reduced revenue which would have a flow-on effect for the Tasmanian economy.

There is no doubt that the investment that has occurred in Tasmania over the past 15 years in irrigation infrastructure has underpinned substantial job creation, regional economic growth and on-farm drought-proofing. This past year we have seen the commissioning of the Don Irrigation Scheme, the first project delivered under the Tasmanian Irrigation Tranche 3 program. We have also recently seen construction start on the Northern Midlands Scheme. This will be the largest irrigation scheme in Tasmania in terms of investment and I thank farmers for their ongoing commitment to this project. We continue to work with Tasmanian Irrigation to progress the Tamar Irrigation Scheme. The government has recently approved to fund the development of a business case to test whether a scheme that supports both agriculture and green-hydrogen production is feasible.

We're also very pleased that the Australian Government recently committed to its share of capital funding for the Greater South East Irrigation Scheme. The state government's \$75 million funding commitment has always been secure. I know farmers have also made a significant financial commitment to the capital costs of this scheme. I can't wait to progress this scheme and I would like to take the opportunity to thank chair, Kate Vinot and all at Tasmanian Irrigation for their ongoing commitment to water development. I would also like to make special mention of outgoing CEO Andrew Kneebone. Andrew has been an incredibly steady hand at the helm of this very important business and I'd like to wish him all the very best for his retirement.

Ms FINLAY - Thanks. No update from the chair, just from the minister?

Ms HOWLETT - The chair can certainly provide an update -

Ms FINLAY - I'm happy to go straight into questions. I am really interested in your overview talk about the Tamar scheme and you talk about how you have now made a commitment to do the business case. I find it almost disrespectful to both the farmers of the valley and also the proponents at the Bell Bay zone that you would window-dress an

announcement days before scrutiny, when this has been years in the making and years of understanding of how important it is. The delays have material impacts. In documentation sent out to people wanting to express interest in industrial water use, which is dated March 2023, there was an outline for this, which indicated that the business case development would occur by September 2023.

My question is what have you been doing to develop and progress the business case with urgency up until now? How many funds have been allocated to it? I know you said that you want to have it done by the end of the financial year, but why on earth, with all the information that you have and the urgency that's required, and the funds that farmers and industrial users have physically allocated towards this, can you not get it done by the end of January in advance of the federal election?

Ms HOWLETT - Chair, I thank the member for her question. I know she has a strong interest in this scheme. As you are very aware, we've been out for water sales twice on this scheme, unsuccessfully. I'm very pleased with our announcement that you seem to be so unimpressed about. I'm very happy that we're moving forward.

Ms FINLAY - I'm not alone in being unimpressed, minister.

Ms HOWLETT - Aren't you? Well, I'm very pleased about this and we're getting on with the job and moving forward.

Ms FINLAY - You said it would be done by September 2023.

CHAIR - Ms Finlay.

Ms HOWLETT - Thank you, Chair. I know that the CEO would like to speak more about the Tamar scheme.

Mr KNEEBONE - This is a fairly complex set of arrangements and I think the business case you're referring to was actually delivered. We delivered - we did a market sounding for ReCFIT (Renewables, Climate and Future Industries Tasmania) and did a preliminary business case on industrial water, as to say -

Ms FINLAY - Why delay another 12 months?

CHAIR - Ms Finlay, please. That was a first and only warning of interrupting officials at the table while they're answering a question.

Mr KNEEBONE - The business case that you refer to was in respect of the feasibility of, and under what conditions, an industrial water supply could be undertaken. We did not have at that point a viable agricultural component to that. What this business case is doing is bringing those two components together. In the meantime, we've been doing - since we've discovered that, we went out for a second round of water sales, they finished in February of this year.

We've since then been working with ReCFIT to do some more advanced geotechnical work to determine whether or not, in fact, it could be done. We arrived at the decision after those water sales that there was no viable standalone agricultural scheme. We had to go through all of that process to then say, 'Well, we actually need to put an integrated scheme together. We

need to work out whether technically it was still going to be viable and wonder what sort of budgetary conditions'. We needed to understand all of that information and we've been working with, and through, the departments that the government has asked us to work with and through to try to advance it. We have been asking now for some time as to how we want to progress this because otherwise we have to go back to our irrigators, there are 90 of them who have put expressions of interest in, but it's only - not that they've contracts in - but it's with two per cent deposits, but not sufficient to justify the scale of the scheme and for the amount. The water sales that we achieved was less than 40 per cent of the total of the amount of irrigated contribution we would need to raise.

Ms FINLAY - Through your chair to the minister. There're no surprises in that. We already knew that at the very beginning. The frustration of being able to advance the dual system, which includes the industrial users, was the solution to make the combined scheme viable. You knew that as a government so clearly, you can't keep hiding behind those numbers because you spent hours of OPC (Office of Parliamentary Counsel) time and parliamentary time to get the legislation through the parliament to enable this. That was a year ago. So, we have funds proposed for Bell Bay nearly three years ago, the scrambled announcement - after Dean Winter suggested to the government that the Bell Bay hydrogen hub was falling apart there was a scrambled announcement to say, 'We have a solution, we will put the agricultural irrigators and the industrial water together and make a scheme.' And now, a year after we provided for that with legislation in the parliament -

CHAIR - We need a question Ms Finlay.

Ms FINLAY - only today, or in the last few days, are you saying that you will do the business case. My question initially was will you ensure that the work is done in advance of the federal election next year, so we can bring both of these projects on in the best interest of Tasmania, and not delay by another year and hold farmers' money, industrial investment behind for Tasmania?

Ms HOWLETT - I don't actually have a date of the federal election next year. Do you?

Ms FINLAY - Well, it's going to be next year.

CHAIR - Ms Finlay.

Ms FINLAY - I'm being asked a question by the minister.

CHAIR - Ms Finlay, I warned and no, you were not asked a question.

Ms HOWLETT - You're asking me to give you a date.

Ms FINLAY - 'Do you?' she said.

CHAIR - Ms Finlay.

Ms FINLAY - I'm saying, can you please require of your people, whether they be departmental, ReCFIT or by Tasmanian Irrigation to have the work completed? It is the sole task of Tas Irrigation to do work like this; they are experts in this field. Can you ensure that the work is done prior to the federal election, to ensure that both farmers and the Bell Bay hydrogen

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hub doesn't have investment put at risk or farmers' deposits continue to be held for a delay of another 12 months?

The frustration in the community is high. Can you commit to bringing everybody together to ensure the information required by either both sides of government, both sides of the parliament, that they can decide before the federal election next year?

Ms HOWLETT - I'm not going to commit to giving you a date by the federal election next year. What we will do is get on with the job -

Ms FINLAY - With urgency?

Ms HOWLETT - And work through this very complex case. Andrew, would you like to add to that?

Ms FINLAY - So, there's a single - Tas Irrigation's purpose is to deliver water.

Ms HOWLETT - Correct.

Ms FINLAY - That is their area of expertise.

CHAIR - I'm going to move on to Ms Badger for a question.

Ms BADGER - In December 2023, just after the legislative changes were made last year, Tas Irrigation sent a letter to the Winnaleah scheme stating that the self-management would be discussed in January 2024. They didn't receive anything and followed up with TasFarmers in February to find out where Tas Irrigation was up to. My understanding is the outcome was Tas Irrigation would have information to that group by October in regard to self-management. We're now in December, and they haven't received anything right when they need it. Have you attempted to send them any correspondence? If so, what have you sent them?

Ms HOWLETT - Yes, we certainly have provided them correspondence. Thank you, Mr Kneebone.

Mr KNEEBONE - Thanks for the question, but I'm sorry; it's factually incorrect.

Ms FINLAY - Which bit is factually incorrect?

CHAIR - Ms Finlay, it wasn't even your question and you're interjecting. Please do not interrupt the officials at the table.

Ms FINLAY - Look, can I just -

Mr KNEEBONE - I'm happy to provide the detail. I wrote to Winnaleah to let them know that the legislation had passed and that we would now have to work through the development of the required components and processes that the legislation required.

Ms BADGER - This was December 2023, the letter that I said?

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Mr KNEEBONE - That was 2023, yes, and I asked them for an indication so that could help us at the time to indicate what they thought the scope of their application might be and I never got a response to that. But in the interim, we developed our required guidelines and draft application forms. Winnaleah were engaged, along with every other irrigation group, through a public consultation process. They were individually written to. All of our irrigators were written to and invited to come to consultation sessions and to provide feedback on the drafts that we provided. Members of the Winnaleah board did come to our session in Scottsdale at the time.

We undertook all of that process because this is a state-wide issue - it's not just a Winnaleah issue of community management - so we have to develop a set of systems and processes and draft contract documentation to go through that to satisfy the requirements of the act.

And we completed that consultation. It's taken us a bit longer than we had hoped because there were some to go around the second round of consultation. We've finalised- we took on the feedback that we were given. We had to seek some additional advice from the department in respect of, particularly, prescribed fees and what structure they had to comply with. We didn't understand that particular technical point of the legislation at the time. We've since put out a second round of consultation documents. We've written to every irrigator again, as well as the peak bodies, to seek some additional feedback in respect of that documentation. That was only a matter of a week or two ago. Because of the time of year, we've left that consultation open until the end of January. We're still in the process of getting drafted the forms of contract people would need to enter into now, because we have never had these forms of contract before.

The lease contracts anyway, we've had sort of operations and maintenance type contracts previously, but this is a fairly large piece of work that actually needs a lot of detail put into it in terms of the specifications associated with it. The legislation passed was a fundamental change to our business model. It requires the board to decide about essentially the outsourcing of their responsibilities to third parties. They need to be assured that they're making the appropriate risk-based assessment when they're considering those applications.

The only other point I'd raise is we have been engaging with Winnaleah. I understand through the minister's office and we understand there is a terms of reference for a working group. We've agreed to a trial with them, to trial their application process and we will work with them to go through how they would prepare their application. We would use that as our test case ahead of finalising these documents.

They're actually getting some assistance in preparing the associated documentation, but they've never had to comply or demonstrate these sorts of things that are required by the act previously in order to undertake this.

Ms HOWLETT - Can I add to that comment?

CHAIR - Very briefly.

Ms HOWLETT - I absolutely want to support Winnaleah and why I provided them with the terms of reference and I'm confident this will be a good outcome for all parties and they'll be able to work through the details together.

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Ms BADGER - I would like you to table the terms of reference and, as a part of what was provided to all schemes, not just Winnaleah, for that second round of consultation. Were they also provided with any kind of outcomes from the first round as to why the second round was necessary, going to broaden the scope of it to narrow that down?

Mr KNEEBONE - If I may, minister, the second round of consultation was always foreseen. We did an initial round. We said there would be a second round once we got and considered the feedback. As part of the documentation we've put on our website, there is a list of the feedback we received and our responses to that feedback, as well as marked up copies that show clearly the changes made to the draft documents. Whereas as a result of that consultation, it's still open because we said we need to have them finalised. But we weren't going to just do it on the basis of one set. We wanted to make sure that people had ample opportunity to give us feedback.

CHAIR - Is there a request to table document?

Ms HOWLETT - I'm happy to table the draft terms of reference.

CHAIR - Have you those here, minister, or do you need to take that on notice?

Ms HOWLETT - I'll have them by the end of the session for you.

Ms FINLAY - Back to the Tamar scheme, can you please specifically step out what needs to happen to complete the business case and what impediments there are to having that ready before the federal election next year?

Ms HOWLETT - As I've stated, the government will fund the development of a business case to test whether a scheme that supports both agriculture and green hydrogen production is feasible.

Ms FINLAY - Can I ask how much?

CHAIR - You can ask in your second question when she's finished.

Ms HOWLETT - Tasmanian Irrigation will now work with the Tasmanian government, including Renewables, Climate and Future Industries Tasmania known as ReCFIT, to finalise the arrangements. This is great news for more than 90 irrigators who've expressed interest in the scheme.

Ms FINLAY - My question was actually what specifically needs to be done to complete the business case? What impediments are there to having that completed before the federal election?

Ms HOWLETT - I will hand over to the company to provide more details for that.

Mr KNEEBONE - With the process associated with developing this business case, we still don't have certainty about what the actual demand is. We're preparing a preliminary business case based on aggregating what is now a known demand, which is less than for agricultural purposes, which was less than was originally forecast.

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The process of developing a business case is we'd have to work out the economic benefit that will now be derived from economic uplift of change in farming practices and do all of that work so it has changed to what we call a mix and margin study. That has to be completed for the agricultural side. We also need to understand how from an economic perspective we're going to combine those benefits with an assessment of economic benefit for the industrial water. It's not just a traditional financial business case, which is how much it's going to cost, how much it's going to make and what's the difference, because we have to look at the economic uplift and make an assessment of that.

Traditionally, our business cases from start to finish would take a period of three months to be written, they're substantial documents, and then it has to go through an approval process of our board and get submitted to the government. Generally, they take between three and four months to from a standing start to this point of where we are in development of this scheme.

Ms FINLAY - Given that this has been known and that combining the industrial needs and the farming irrigator needs is the solution to making this happen to uplift agriculture and to secure the Bell Bay hydrogen hub, why has it taken so long to get to the position where this government would fund - and can I please ask how much it is - a business case? Why hasn't this happened in the last 12 or 18 months? Why are you asking farmers to wait another 12 months? The Bell Bay advanced manufacturing zone proponents are furious at another 12-month delay. Why hasn't the work been done and why didn't you prepare for the potential of a federal election to ensure that we can tick this off the list and get it done? It makes no sense that for years you've sat on your hands and not got this done, and only days before scrutiny you would make the announcement that you were going to fund this. How much are you funding and why has it taken so long?

Ms HOWLETT - I absolutely disagree with you on that question. We've done a lot of work on the Tamar scheme. As the CEO has mentioned before, we have been out for water sales twice. A lot of work has been done -

Ms FINLAY - The frustration is that you know -

CHAIR - Ms Finlay, the minister is answering the question. Please don't interrupt.

Ms HOWLETT - A lot of work has been done and now we're looking at the business case.

Ms FINLAY - So the question -

CHAIR - Ms Finlay.

Ms HOWLETT - As the CEO has said, it will take between three to four months to look at that business case.

Ms FINLAY - And how much has been allocated to that?

Ms HOWLETT - I'll get you the correct amount of what's been allocated.

Ms FINLAY - And where are the funds coming from?

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Mr KNEEBONE - I haven't got the specific amount but it's in the order of \$400,000 to develop a business case. My understanding is that it's being funded through the Tasmanian Green Hydrogen Hub.

Ms FINLAY - Were there any changes to the deed -

CHAIR - Ms Finlay, you've had six questions now, two lots of three. It is Ms Badger's turn.

Ms BADGER - I want to touch on Tas Irrigation's involvement with the working group responsible for their data monitoring and reporting in terms of the water data and monitoring around the different sites. What are you currently doing to make that water monitoring - and the very specifics of it, not just the overarching part that is available in the environment reports and your annual report - more publicly available and user-friendly to the communities around the areas?

Ms HOWLETT - I thank the member for her question. It's a very important question.

Mr KNEEBONE - If it's okay, I'll take the first part and then hand over to Sophie who can provide some greater detail. With the water quality and water monitoring data we provide, elements of that go straight through to the portal that NRE runs. That is live data but that's more about flow. We are part of a working group that that NRE have in place which is looking at the consolidation of all of this water quality data from not just ours, but across the state. They've got a working group looking at that and part of the outcome that working group is looking at is the development of a system. That's all under the remit of the Rural Water Use Strategy and that's ongoing work that is funded. I think the outcome of that is likely to be a consolidated database that then allows for this to be aggregated and much more easily prepared for analysis.

In respect of our own water quality results, they are embedded in our water entity reports which are submitted to the government every year. We have recently made some decisions in respect of how that is going to be publicly displayed. Do you want to take that on, Sophie?

Ms GRACE - This year we will be making that data available through our website and we're currently working on the details of what's contained on the website as well. Essentially, this financial year we'll be making that data available.

Mr KNEEBONE - Just one point of clarification on the previous question. The exact amount of funding is \$403,000.

Ms BADGER - In terms of groundwater monitoring, that was independently reviewed in 2023 and TI updated their practices in line with the review recommendations. Is that review publicly available to understand if all of those recommendations have been fully implemented.

CHAIR - To be clear, Ms Badger, the question needs to through either the chair or the minister.

Ms BADGER - Through you, minister.

Ms HOWLETT - Thank you.

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Ms GRACE - It's not a report that we've made publicly available but it's certainly something that is available through RTI.

Mr KNEEBONE - The groundwater monitoring is a condition of our environmental approvals for the south-east 3 scheme, so if there's a requirement for a report, it's to go to the federal department. I'm not sure what the process of public release of those reports is, but we're accountable to the federal department in respect of ensuring that we're not doing environmental harm in those schemes. One of their ways of ensuring we're not doing environmental harm is to monitor the groundwater. It's only in south-east 3 because of the Ramsar wetland sites.

Ms BADGER - Just to clarify, I wasn't speaking about the reports as such, but the review of the reports that happened in 2023 and whether that review done by TI is publicly available or whether it could be tabled. Not the reports themselves.

Ms GRACE - The review that was done, we currently having a further review of our actions over the past 12 months. As I said before, we're going to be making that water quality data available through our website, so all of these different activities we're doing will be also available. In short, yes, the outcomes and the tracking of what we're actually doing about it will form part of that body of work.

Ms FINLAY - Minister, was there an amendment required to the Commonwealth deed to secure the funds for the business case?

Ms HOWLETT - Which business case are you referring to?

Ms FINLAY - Tamar.

Ms HOWLETT - Tamar, thank you. There's been quite a few.

Mr KNEEBONE - We're not privy to what the funding deeds are. That is a matter for ReCFIT; they're the ones who are providing the detail. We've just been told we've had funding approved so we can proceed on that basis and it will be funded through the Tasmanian Green Hydrogen Hub. I don't believe anyone here actually has the detail. We were notified by the Minister for Energy that that was going to be the case. I'm not sure what the mechanics of that are.

Ms HOWLETT - I don't believe any change was required to the deed.

Ms FINLAY - Thank you for the information provided just then. You might track back to some people in the room. In a conversation four weeks ago it was indicated to me that the reason funding hadn't occurred from the hydrogen hub money was because an amendment was required to the Commonwealth deed. I'm curious that under pressure that wasn't required and the funds were secured. Minister, do you accept that there is an urgency and an opportunity to have this work done prior to the federal election?

Ms HOWLETT - Of course. This is very important work and we need to get underway with it and we will, but I'm not going to give you a date for when this work will be completed. We've stated before that it will take three to four months to have this work complete. I will not be giving you an exact date based around the federal election because I certainly don't know when that will be.

Ms FINLAY - Chair, a question to you. Given the interest and the importance of both the agricultural irrigation and the industrial uses at Bell Bay, do you accept that there's an urgency to this work? The minister herself has said that a lot of work has already been done, so would you consider amending the timeframes and the priority of the work to ensure that there is a business case ready to be presented to the federal government and to the opposition in advance of the federal election?

Ms VINOT - Thank you for the question. I can only reiterate what's already been said, in the fact that there is a process to go through to complete a business case within a timeframe that that takes. You're asking us to align the outcome of that process with a date that's not yet been specified, which is the date of the federal election. We don't know what that date is, as the minister has said.

Ms FINLAY - We know the worst-case scenario.

Ms VINOT - We also know the process, and I can assure you that Tas Irrigation sees this project as extremely important and we're working as fast as we possibly can. We have the funding now to be able to do that. There is no reason why there would be any delays to us to be able to do that as quickly as possible.

Ms BADGER - Either to the minister or the chair. In your annual report, what probably stands out the most is the increase in irrigation water that's been delivered from over 56 megalitres in the previous year to over 100,000 and 2023-24. Your report describes this as unprecedented, but surely that has to be considered now as part of the new norm under climate change and that we are going to see massive demand growth in the future. It is not unprecedented. What are you doing to plan for that into the future?

Ms VINOT - Thank you very much for your question. If I can, do you want me to take that one, minister? Unprecedented is a very highly used word in the context that we presented it in the annual report. It was the amount of water that we delivered in a year compared with the previous years. Tas Irrigation has gradually got bigger. Obviously, we've got the Don scheme that we were providing water to last year as well and it was an extremely dry year. The capacity of all of the schemes collectively, has not been used to that extent in the past. Nonetheless, we were not exceeding any of the capacities of anything that's gone through construction and environmental approvals. It's just that the total quantity of water was higher than we've ever used before.

I totally concur with you that we are going to have more and more unprecedented levels of droughts and flooding rains in the face of climate change, and that's something that we absolutely take into account when planning new schemes and also when operating the existing schemes. In the particular case you're quoting, the capacity that has been approved and built is easily sufficient to deliver that quantity of water. It's the first time that it's been needed.

I don't know if the CEO would like to add anything to that?

Mr KNEEBONE - That's exactly right.

Ms BADGER - In past years you've advised the Greens that you assess the potential environmental impacts of your scheme on a single-year basis, but that you were looking at an

option to consider trend data across time to assess potential environmental impacts of the schemes. In light of climate change, have you made this change to consider those impacts and the trends data across time rather than just at a single moment?

Mr KNEEBONE - What you're referring to, I believe, is the water quality data and those reports that we undertake in respect of that. That's how we assess the longitudinal impact of irrigation on the receiving - not the receiving environment, but the broader catchment. That really now is in scope of this rural water strategy work that NRE is doing because it's a much broader remit than just the Tasmanian Irrigation. We are only 10 per cent of the irrigation water that is supplied in the state. The vast majority of it is supplied through licence directly with NRE or through supplies out of the hydro schemes.

We've decided not to do anything just on our own other than publishing our data, as Sophie outlined earlier, because it's now been effectively subsumed by the rural water strategy work that's being done across the state.

CHAIR - Minister, just for the benefit of Hansard, I need you to actually say what you have just given us to the table.

Ms HOWLETT - Thank you, Chair. I've tabled the draft terms of reference for the Winnaleah scheme.

Mr BEHRAKIS - Minister, I read in the annual report that the company has faced a number of challenges in terms of *Environmental Protection and Biodiversity Conservation Act* (EPBC) approvals for the Northern Midlands Irrigation Scheme, with the federal government taking considerably longer than anticipated to provide those approvals. It's good news for farmers that the construction is underway, but I'm also aware that a small number of landowners have not agreed access with Tasmanian Irrigation at this point. I'd like to know what's happening in that regard.

Ms HOWLETT - Thank you, Chair, and I thank the member for this question. Agricultural water is a big part of our 2030 Strong Plan for Tasmania's Future. The \$217 million Northern Midlands Irrigation Scheme will deliver over 25,000 megalitres of reliable irrigation water to central Tasmania, including Campbell Town, Ross, and Conara.

In relation to the landowners, I have visited them to hear their concerns firsthand, and I've subsequently called them and written to them. I've encouraged them to engage with Tasmanian Irrigation to resolve the matter and to ensure that this really important project is not delayed for the Northern Midlands region. I know Tasmanian Irrigation has continued to work with these landowners in good faith to ensure a mutually acceptable resolution is agreed. I'll ask the company to provide more details about their engagement and what actions they have taken. Mr Kneebone?

Mr KNEEBONE - As the minister said, it's a pretty important scheme for us and we are very concerned in respect of advancing the scheme and not seeing it delayed any further. It's going to lead to a massive increase in farming revenue in the region and a \$54 million boost to the Tasmanian economy, as well as supporting a range of job outcomes - 150 construction jobs and 450 ongoing. We're working to try to have this commission before- by- in time for the 2026-27 irrigation scheme.

Overall, the entire scheme needs to access 60 properties. And, when we say 'access', it's access for construction; we're not talking about compulsory acquisition of any land in respect of these activities. It's just temporary access to construct, which means we've got to enter land, do work, make good any damage that we've done, then compensate people for their loss of production and any loss of value associated with their property.

So, some people - and a small number - have formed a view as to the amount that they wish to be paid, and that is some seven times our valuation of the amount that would be allowable under our normal purposes and arrangements under the act. Unfortunately, they're not prepared to sit down with us and negotiate. It's been a case of 'here's the number and that's it.' We've made various attempts to offer mediation, additional pay for their - for additional valuations. We've even offered to pay for them to get their own legal advice in respect of those outcomes. They all declined those options, other than the legal advice, and we're still waiting to hear back on that.

This isn't a matter of TI not being willing to pay compensation or pay reasonable compensation for the impact that we're going to have. We understand that this has to have an impact on people's properties. There is no - once the pipes are in the ground, there is very limited issues in terms of what activities can be undertaken over that land, so we don't believe there's ongoing impact - a substantial impact on their properties in terms of impacting their farming operations, et cetera once this has occurred. But we can't give in to the amount that is being asked, and asked us to agree upfront in respect of this amount of this compensation. So, we're- we remain open to discussions with this group.

Ms FINLAY - Minister, thank you for tabling the draft terms of reference. I note with interest and, for those people that I know who are listening across today, although this is not a public document, that it does include- farmers were very concerned about having advocacy; they feel like the process has been very heavy on them. And so, it's noted with thanks that the oversight committee will have a representative from TasFarmers on it and also one from the Winnaleah irrigation scheme.

Ms HOWLETT - Correct.

Ms FINLAY - I also note that there's an intention that the trial will be completed by 30 June 2025, so new arrangements can be implemented for the 2025 irrigation season. Do you mean that if, as a result of the trial, there is a successful framework that can go ahead with community management, that by the 2025 irrigation season, that could be implemented?

Ms HOWLETT - We've certainly established this in order for it to be successful.

Ms FINLAY - Great, thank you. Specifically, they're my questions on this terms of reference. I note with interest that out of scope is the status or consideration of the responsible water entity that's quite pertinent to the whole model going forward. Can I ask why the responsible water entity status is outside the scope of the trial?

Ms HOWLETT - That's because it's outside the scope of the legislation.

Ms FINLAY - I know that there are some things like waiving of fees and things that are under regulations that are also being waived. For the trial to be successful, consideration of the

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RWE needs to occur. So, if at the end of the trial, there is a block to this going ahead because of the consideration of the RWE, what will happen then?

Mr KNEEBONE - The legislation says that effectively asset ownership will remain in the hands of, public hands, or remain in TIs hands, and that the transfer of the responsible water energy status is outside of the scope of the legislation. So community management can't allow for - We're not able to transfer the responsible water or any status to a third party. What we can do is delegate - this is what the legislation allowed - is delegate functions that were not previously delegable under the previous legislation.

So, they're things like to have responsibility for the asset, maintain it, operate it, send out bills, authorise trades, all of those sorts of things. But, the responsible water entity status and all of those responsibilities must remain with the asset owner, which must remain TI under this arrangement.

Ms BADGER - Forgive me if I'm wrong, but under the legislation, absolutely TI don't have that authority to return the RWE, but the minister does, am I right? We can check and take that on notice if you like.

Mr KNEEBONE - We can't. It's up to them.

Ms HOWLETT - Yes, I believe you're correct.

Ms BADGER - Great, thank you. Given that this scheme really is, and for this program to proceed as Ms Finlay has outlined, is reliant on that RWE being returned to Winnaleah, you said that you support the minister, will you step up and see that it's returned if that is a non-negotiable part of this trial proceeding?

Ms HOWLETT - Let's sit down with Winnaleah, with TI and the farmers' representative from Tasmania Farmers, and let's work through the process. But I certainly want it to be a successful process and I've made that very clear to them.

Ms FINLAY - May I ask a follow-up question on that, Chair, to the minister? Can I ask who drafted the element of the out of scope during trial part of the draft terms of reference that had that dot point included?

The specific question being was that TI or the Winnaleah irrigators?

Ms HOWLETT - Well, that was in conjunction with my office and TI. As I've stated, these are only draft terms of reference and we'll wait to hear feedback from Winnaleah about the draft terms of reference. They are only draft.

Ms FINLAY - When will the draft terms of reference, now that they've been tabled here, be distributed to the Winnaleah irrigators?

Ms HOWLETT - They already have them. Yeah, they've got them.

Ms FINLAY - Can you tell me when they had them?

Ms HOWLETT - This week.

Ms FINLAY - Right, usefully just in front of scrutiny.

CHAIR - Ms Finlay, you have one more, despite the comment under your breath.

Ms FINLAY - Thank you. So, they're draft terms of reference, you will sit down and complete final terms of reference with the Winnaleah irrigators supported by an advocate from TasFarmers and - no, interesting, so the final compilation of the draft terms of reference won't allow Winnaleah to have the TasFarmers advocate with them. Could you commit today to allowing the Winnaleah irrigators to have a representative from TasFarmers with them in the final negotiations of the term of reference?

Ms HOWLETT - I absolutely see no issue why that can't happen.

Ms FINLAY - Great thank you. I appreciate that.

Ms BADGER - I just want to quickly touch on that there's been a bit of noncompliance with the farm access plans. I know TI made the education program back in about 2023. Could you please confirm whether that's helped to reduce the level of non-compliance and how you're assessing how that education plan is performing?

Ms GRACE - It's an ongoing program. We're at the moment finalising this last lot of auditing. At this stage, just looking at the figures that are coming through, no, it isn't decreasing the number of non-conformances coming through. The non-conformances, however, continue to be related to what we've been reporting in the past on the administrative aspects of the farm water access plan. It's an area of focus we are continuing with.

The issues we have here is when we are auditing, it is a random selection. We're not going back necessarily in every year auditing the same people. I think it's going to take a little while and a few years to actually start seeing a bit of a shift.

The other aspect is some of the things we are focusing on changing or improving with our program is making sure the farm water access plans are appropriately updated and current. That's also an aspect that will help reduce some of those issues we're finding.

Ms BADGER - I had question on the South East Irrigation Scheme coming online. The entire Derwent River and that section is under a lot of pressure. Farmers that have normal water take agreements that may or may not be part of that irrigation scheme have concerns over the lack of research that's gone into how the river flow would be different under the Mariner Link scheme.

We saw before, Basslink, there was a tremendous amount of research on all the major river systems in Tasmania and we haven't seen that happen as yet with Mariner Link. What is Tas Irrigation doing for the confidence of your customers, for Tasmania's, in terms of making sure the proper research is done in preparation? That there is that research done prior to the May 2025 Mariner Link business case to sure up what the different river flow situations might be to and how you will deal with that in terms of meeting demand?

Mr KNEEBONE - In respect of the question, we actually don't have any irrigators on the Derwent River, they're not our irrigators, they're not people who take water that we supply.

Ms BADGER - I understand. That was part of the question. Sorry, Mr Kneebone, I did point that out. I'm just wondering, we have an obligation to make sure that they still have confidence they're going to be able to get water, that the waterway is still going to be healthy as well.

Mr KNEEBONE - In respect of this Greater South East Scheme, we currently extract water or water is extracted on our behalf at Bryn Estyn and supplied to us under licence. Under the new scheme, we'll be taking water directly out of Meadowbank Lake. In agreeing the water supply agreement with Hydro, they have to make an assessment that it's not going to impact at all their releases into the Lower Derwent below Meadowbank.

We can't have that impact, and in fact the amount of water we're taking over a 12-month period - if all of its ever taken - would be less than 1.3 per cent of the total volume of the of the dam. In respect, there should be or is to be no impact on the status quo of the river below Derwent on the basis of what TI are doing, other than we will no longer need our water extracted at Bryn Estyn and we'll have a licence we won't need to use. We still haven't worked out whether we're handing that back to NRE or what we're doing with that particular licence at this point in time because it's a number of years away.

Ms BADGER - That assessment's current model, I guess, is firming my question and it does sound like it's a question for Hydro, not TI, but it's based on the current river flows, not projected for Marinus.

Mr KNEEBONE - Yes.

Mr BEHRAKIS - I'm interested to understand the information-gathering to find out whether or not farmers were using the irrigation water and were actually getting bang for their buck. Are you doing research about this or gathering information regarding this?

Ms HOWLETT - The Tasmanian government has invested \$1.6 million into a research project that will help farmers to understand what influences irrigation efficiency and to adopt practices that minimise environmental impacts. This project is being run by the Tasmanian Institute of Agriculture led by Professor Caroline Mohammed working with Tasmanian Irrigation, and will deliver improved information about the value of irrigation to Tasmania and how we can make our irrigation systems more effective and efficient.

This project has three practical objectives: to determine the value derived from irrigation to Tasmania to inform government policy funding decisions; to aid farmers in their investment decisions and increase knowledge and adoption of practices that optimise irrigation efficiencies; and to investigate irrigation management to minimise environmental impacts and maximise economic returns. Over the longer term, this could result in benefits including reduced water, reduction of crop losses and improved soil health. Having access to current data on that value will help make a case for ongoing investment in irrigation infrastructure. The company may wish to speak more to this.

CHAIR - No, I'm going to stop there and go to Ms Finlay.

Ms FINLAY - I think that's really interesting. I'd love to know when that project started and when you expect it to conclude, because there has been concern across the Tasmanian

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community that the case put forward for the Greater South East Irrigation Scheme didn't have the quality submission in it that demonstrated the complexity and the urgency to the federal government. I know that TasFarmers and others called for this work to be done at least 12 months ago, so it could have supported all of the frustration and the, I would say, devastation of irrigators when that was not initially funded. When is that due to be completed and when did that project start?

Ms HOWLETT - I announced the project. I will get you a definite date if you'd like and a definite date on completion. It was around six weeks ago.

Ms FINLAY - That's sufficient information given the time left. I suppose what's curious is that Tas Irrigation has one job: to deliver irrigation. The value of a project like that, which has been called on for over a year, would seem that it is usual course of business and could have been done in advance of the business case for Greater South East, given its complexity and its urgency given all of the other issues around prices with that scheme. It's great that it's happening but, again, it's another demonstration along with delays and problems –

CHAIR - Your question, Ms Finlay?

Ms FINLAY - whether it be South East, Tamar, Northern Midlands or Winnaleah. On the back of all of that - and this question's for the chair - on what basis is an increase of the salaries of the CEO and others at Tas Irrigation justified this year? There were substantial increases to those packages. Based on the fact that there have been so many problems, so many delays and so much frustration in the community, what process does the board undertake to secure what is reported in the annual report as substantial increases in remuneration?

Ms HOWLETT - I thank Ms Finlay for her question.

Ms FINLAY - The question was for the chair.

Ms HOWLETT - I know, but did you advocate to the federal government about funding?

Ms FINLAY - Strongly.

Ms HOWLETT - You did, did you?

CHAIR - Minister, when the question is directed to the chair. You have to allow the chair to answer the question.

Ms VINOT - Our people work extremely hard. They are facing cost-of-living increases like everybody else. A number of our costs have gone up in many ways that we are unable to control, and so have theirs, which is the cost -

Ms FINLAY - Not a great way to start the answer.

CHAIR - Ms Finlay, your opinion on the quality of the answer is of no concern until you get the call again.

Ms FINLAY - It is to Tasmanians.

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CHAIR - Allow the chair to answer the question.

Ms VINOT - The response to the question is that the level of CPI in the country has gone up considerably and in the state, as well, and pretty much all of our costs have gone up in terms of insurance and energy. Our salaries have gone up less than CPI, so we have increased the salaries of our people, which I think is a reasonable thing to do.

Ms FINLAY - Minister, do you think with the current cost-of-living pressures it's reasonable, given all of the concerns around a lot of the schemes, that these increases have occurred?

Ms HOWLETT - Ms Finlay, that's an operational matter for the company, not for me.

Ms FINLAY - My question is do you think it's reasonable?

Ms HOWLETT - I would ask if you could be a little bit more respectful to the people at the table.

Ms FINLAY - Well, if Tasmanian farmers were respected. I'm interested that Tas Irrigation doesn't do a survey in terms of how people feel about the way they are treated by TI. There are repeatedly issues raised with culture, behaviour and engagement, particularly with Winnaleah irrigators, to the point that they feel they have been devoid of the opportunity to have an advocate. I appreciate and note at the table that you have said they can have the TasFarmers advocate with them at the conclusion of the terms of reference negotiations.

The feedback almost universally about TI is that it's a challenging organisation to engage with. Given the delays and the problems with a number of schemes, with the lack of submission being able to secure that initial federal funding, I think it is actually on you to have an opinion about whether you think those increases are warranted.

Also, the chair invited me to have a response to the opening comment around the increases. On a day where the government is hiding behind misinformation around the increase of electricity prices in Tasmania, the lack of regard and consideration for the reality that Tasmanians live in, with a comment about -

Mr BEHRAKIS - Chair, is there a question here?

Ms FINLAY - I was invited to make a response to the comment to say that with cost-of-living pressures that is reasonable -

CHAIR - Ms Finlay, have you put a question?

Ms FINLAY - My question is, minister, do you think those increases are reasonable?

Ms HOWLETT - I thank the member for her question. I did not hear you mention the Greater South East Scheme once in parliament this year. I advocated for the funding of that scheme on multiple occasions in the House.

Ms FINLAY - I'll give you my record on Greater South East Irrigation Scheme.

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Ms HOWLETT - I'd like to see it. I'd like to see how many letters you've written to your Prime Minister.

Ms FINLAY - The reality is that the feedback from people in Tasmania - the people who would benefit from that, agree that the submission wasn't reasonable to get the securing of the outcome.

CHAIR - The time being 1.15 p.m., the time for scrutiny of this GBE is over. I thank those in attendance.

The witnesses withdrew.

The committee adjourned at 1.15 p.m.