

Meander Dam

Irrigation Rights

There will never be a better time to secure ongoing irrigation rights from the Meander River.

The Meander Dam project is nearing completion and now is the time to purchase irrigation rights.

Water is currently the most pressing issue in Australia and the current once in a lifetime drought has pressed home just how vital water is.

The Meander Dam will provide 24,00ML of reliable (98% surety) irrigation water for farmers in the Meander Valley, however, now is the time to make a commitment to buying irrigation rights.

The current price is \$1,000 per megalitre, however this will increase to \$1,100 per megalitre on 1 July 2007.

The current system of Temporary Water Allocations will cease when the Meander Dam is commissioned and farmers without a water licence or permanent irrigation rights will have to buy irrigation water on the spot market.

The following Meander Valley farmers are confident of the benefits of the Meander Dam and have committed to purchase irrigation rights:



Chris Kilby of Pine Lodge, has 440ha and has bought 100 mega-litres of irrigation rights.

Chris believes the security of irrigation supply is the key to the success of the Meander Dam project, it will allow farmers in the district to plan ahead and plant crops with confidence.

"Irrigation is the future of the Meander Valley and considering the price farmers on the mainland are paying for water, the price per mega-litre from the Meander scheme is very reasonable."

Chris thinks the available water from the Meander Dam scheme will be completely taken up and had the dam been finished two years ago the current drought would have demonstrated the value of the scheme.

Jamie Berne of Meander has purchased 480 mega-litres of irrigation rights for his dairy farm that runs 300 Friesians.



Jamie sees the dam as being very positive for the whole district, right through to Launceston. He pointed to the fact that until late

December there was almost no flow in the Meander River.

"We were on total ban for water until Christmas, and were buying water from another farmer, unfortunately it was only what we normally use in a good year".

"We managed to maintain production by supplementing feed with silage and grain, and fortunately the rains came just in time."

Jamie sees a very bright future for the valley, he says water is life and supplying the valley with reliable town water in addition to certain irrigation supplies is an added bonus of the scheme.

Peter Clutterbuck

of Hagley is farming approximately, 300Ha and has purchased 70 Mega-litres.

"The season has been very difficult, with half the expected rainfall, not being able to finish off several crops and we had to abandon over 100 acres of grass seed, because we didn't have enough water."

"To be able to finish crops is vital, you can't enter into a contract to grow a crop, if you can't rely on water, guarantee of supply is vital to plan and to finish crops when they are needed."

Peter said that making the irrigation right an in-perpetuity right is very important as it becomes an asset of the farm. He is hoping that in years to come the initial capital outlay will appear good value for money, in a similar fashion to land and house prices.



Irrigation Right Products

The four products on offer by the Commission for the purchase of irrigation rights before 30th June 2007 are based on \$1,000/ML.

1. Up-Front Payment in Full

The up-front payment in full product offers a discount of 8% pa for payment before 30 June 2007. The discount schedule for this product is detailed below:

Payment made before	Price
31st March 2007	\$980/ML
30th April 2007	\$987/ML
31st May 2007	\$993/ML
30th June 2007	\$1,000/ML

2. Payment by Instalments

Payment by Instalments is the outright purchase of irrigation right by a maximum of 3 instalments with a minimal first-instalment of \$100/ML. Similar to the up-front payment in full product, each instalment attracts a discount of 8% pa for payment before 30 June 2007.

3. Fixed Repayment Loan

Fixed Repayment Loans over a Five or Ten-year period are offered for the purchase of Irrigation Rights on competitive credit terms as detailed below:

	5-year	10-year
Interest Rate*:	7.40%pa	7.45%pa
Annual Repayment:	\$239.88	\$142.08

*Note: Interest rates are current until the 31st March 2007 or unless withdrawn earlier.

4. Deferred Purchase

Deferred Purchase provides for nominated additional volumes of irrigation rights to be secured now but purchased progressively over say 3 years.

The price paid for the Irrigation Right purchased in future years will be that secured at the time of signing the contract to purchase with a holding charge applied to the deferred Irrigation Rights as per the following example.

- Irrigation Right per ML: \$1000
- Holding Cost on Deferred Amount: \$65/ML

Please note that once accepted, your offer to purchase Irrigation Rights is a non-renounceable binding commitment.

Irrigation right products offered following completion of the Meander Dam will be structured on a base price of \$1,100/ML and will be indexed in line with CPI and associated costs.

The Commission has also set the initial annual charge for supply and use of the water in the 2007-08 season at \$35 per ML with an end-of-season rebate on water not used of \$7/ML. In setting the annual charge of \$35 per ML, the Commission has made some positive assumptions on the level of support that will be forthcoming from irrigators and we trust that this confidence is rewarded and the \$35 per ML can be sustained.

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Meander Dam

a Regional Resource, Tasmania's Future



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