



**PARLIAMENT OF TASMANIA**

**TRANSCRIPT**

**HOUSE OF ASSEMBLY**

**GOVERNMENT BUSINESSES SCRUTINY COMMITTEE**

**Tasmanian Irrigation Pty Ltd**

**Tuesday 25 November 2025**

**MEMBERS**

Ms Helen Burnet (Chair)  
Mr Rob Fairs (Deputy Chair)  
Mr Vica Bayley  
Ms Kristie Johnston  
Mr Marcus Vermey  
Mr Dean Winter

**OTHER PARTICIPATING MEMBERS**

Ms Janie Finlay  
Prof George Razay  
Mr Mark Shelton



## **WITNESSES IN ATTENDANCE**

**Hon. Gavin Pearce MP**, Minister for Primary Industries and Water

**Mike Sylvester**,  
CEO, Tasmanian Irrigation Pty Ltd

**Kate Vinot**  
Chair, Tasmanian Irrigation Pty Ltd

**Sue Whidborne**  
Chief Financial Officer, Tasmanian Irrigation Pty Ltd



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**THE HOUSE OF ASSEMBLY GOVERNMENT BUSINESS SCRUTINY COMMITTEE MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE HOBART ON TUESDAY, 25 NOVEMBER 2025.**

## **Tasmanian Irrigation Pty Ltd**

### **The committee met at 8.45 a.m.**

**CHAIR** (Ms Burnet) - Good morning, everybody. I welcome the Minister, Chair and CEO to the Committee today, and also welcome the other members of this committee.

The time scheduled for the scrutiny of Tasmanian Irrigation is two hours - well, minus two minutes. As is the practice of the committee, the time taken for any breaks will not be added to the time for scrutiny. So, I don't intend to take a dedicated break, but yell out if you need one. Members and witnesses are welcome to help themselves to tea and coffee throughout the day and take any other appropriate breaks as necessary, please. Members would be familiar with the practice of seeking additional information, which must be agreed to, to be taken by the minister or the chair of the board and the questions handed in writing to the Secretary - Fiona, in this instance.

I invite the minister to introduce any other persons at the table, including names and positions - and minister, if you'd like to make an opening statement? Thank you very much.

**Mr PEARCE** - Thank you, Chair, and good morning to the committee. It gives me great pleasure to introduce, on my left, the Chair of Tasmanian Irrigation, Kate Vinot; on my right, Mike Sylvester, the CEO. To his right is Sue Whidborne, the Chief Financial Officer.

In terms of opening comments, Chair, most people in this room will have heard me say many times before that I have an enormous passion for agriculture. My family has been farming in Tasmania since the mid-1800s, and I continue that farming vocation. Farming is in my DNA. I understand what it means to work on a farm. I understand the struggles involved. I understand what it's like to borrow money and employ people.

I think this is one reason I am such a strong supporter of irrigation. Put simply, irrigation unlocks potential. It mitigates the risk for farmers, and in agriculture more generally. That's why the work of Tasmanian Irrigation is central to the government's AgriVision target to increase farm gate values to \$10 billion by 2050.

The sustainable growth of the Tasmanian farming sector is occurring in lockstep with building increased capacity in Tasmanian Irrigation's network and irrigation schemes across the state.

Farming businesses are increasingly dependent on the high reliability of water supplied by Tasmanian Irrigation (TI). We are shaping up, for the third year in a row, of record water delivery to farmers over the summer irrigation season. With reliable access to water, those irrigators diversify into higher-value land uses, and they intensify their operations, they increase yield and product quality, and they have the confidence to enter valuable supply contracts.

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With reliable access to water, farmers can also build resilience in their own operations in the face of a drying climate. With reliable access to water, Tasmanian farmers position the state as an important contributor to the national food security.

When farmers thrive, communities thrive. That's why I'm pleased to report on the progress made by TI over the past year. That progress includes advancing construction on the Northern Midlands Irrigation Scheme (NMIS), which I was delighted to recently visit. I'd seen firsthand that new dam and met some of the project team. It was great to get that grassroots feedback. My congratulations to everybody involved in that particular project and the delivery of that important irrigation scheme, which will bring 25,500 megalitres of water to nearly 9000 hectares of farmland.

Three more important projects were also progressed during the year. Federal environmental approval was secured for the Sassafras Wesley Vale augmentation project. A preliminary business case has been completed for the Tamar Water Scheme, which would supply water for agriculture and for a hydrogen industry at Bell Bay. Early work is under way on the Greater South East Irrigation Scheme.

In combination, these projects will deliver more than 78,000 megalitres of highly reliable irrigation water to more than 600 irrigators. They join a network of schemes that continues to operate year in, year out, with a high degree of reliability, ensuring that water is delivered when and where it is needed.

I'm pleased to report that almost all irrigation schemes opened with their full allocation. Tasmanian Irrigation has responded flexibly to meeting customer needs by opening season early or extending the end of the season, where the scheme design makes it possible. This level of responsiveness enables irrigators to continue production and to finish crops through what was, in some areas and extended, and unseasonably dry autumn and early winter.

There is no question about the value of reliable irrigation in a drying climate. Without access to this water, farmers face reduced yields, crop failure, selling of livestock, and reduced revenue. The economic outcomes are bad for farms, bad for communities, and bad for Tasmania.

The Tasmanian Government remains committed to the development of irrigation schemes in areas of demand and where broad value will be delivered to the state. I'm pleased to report that the company achieved an underlying operating surplus in 2023-24, although the net result was a loss after impairment of a non-current asset adjustment, the majority of which related to capital works from the Northern Midlands Irrigation Scheme and the augmentation of the Greater Meander scheme.

I note that the company continues to pursue strategies that will ensure its financial sustainability into the future, and I look forward to working in partnership with TI to deliver high-value irrigation schemes not just for farmers but for all Tasmanians, by growing our farming sector and continuing on its sustainable growth.

Finally, Chair, I take the opportunity, as I've already done, on congratulating the good work by the board, the chair, the CEO, and all involved in TI. I'm up for any questions.

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**Ms FINLAY** - Thank you, minister, and welcome. It's nice to have our annual conversation. There'll be no surprise that a couple of the conversations that I want to unpack are around the Tamar scheme and also the Winnaleah community management. I also want to talk about the future of schemes in terms of fit for purpose, your current instruments, and then as schemes get harder, whether you're having internal conversations about how to prepare for future, more tricky schemes.

With the Tamar scheme, off the back of some of our Estimates scrutiny last week I did pose a question to the Energy minister that I'm hoping you can add some clarity to. You said in your introduction that the cost of borrowing money is big for farmers. I know a lot of the farmers on the Tamar scheme actually had quite significant capital improvements before this scheme became an opportunity, so they borrowed for the funds that they had to submit with their expressions of interest. They've been paying interest on that.

The Energy minister indicated to me that, as a measure of good faith, farmers were being offered their money back. In clarifying questions with some of the people who are hoping to be on the scheme, they've said that they've had correspondence that says you might be able to offer it back, but if you do, there's no certainty that you could come back into the scheme in the future.

As a first point of clarification, is someone able to make a comment about the burden on farmers of having to hold funds for so long when it's been such a slow scheme to come out of the ground, and also what the specific is at the moment about managing their funds that are being held?

**Mr PEARCE** - I thank you for your question. The Tamar Irrigation Scheme is complex, at best. You would be aware and just for the benefit of the remainder of the committee and all those listening in at home that there has been an extremely difficult history leading up to this point. I'm going to hand over in a minute to the CEO and he'll step you through the process in terms of the question you specifically raised around deposits held because we want to be fair with, with farmers. Let me just say, that he'll also - and I'm hoping that Mike, you'll be able to give us a brief background on where that scheme is - the reason for that particular answer to that question, the reason for that, the catalyst for that, the paradigm for that, and where we look forward to going in the future with our farmers in the Tamar.

**Mr SYLVESTER** - Thank you, minister. I thank the members for the question and through you minister. You know the Tamar Water Scheme is a complex project, as you will know, it started off life as the Tamar Irrigation Scheme. We've been out to water sales twice now. We didn't meet the threshold that was acceptable to develop a standalone scheme, whilst the agriculture benefits were really strong. Legislation was passed in 2023 that enabled Tasmanian Irrigation to develop the project as a broader water scheme and target hydrogen into Bell Bay, which we've done. We've now submitted a preliminary business case to the government that demonstrates really strong economic impacts, but that's not without some significant commercial risks. At the moment, we're in a position where -

**Ms FINLAY** - Sorry, would you mind if I ask a clarifying question on that? Is that a commercial risk to TI or to the government?

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**Mr SYLVESTER** - Both. There's a level of acceptance that both TI and the government - and also our customers - need to accept in this scheme, which we're working through at the moment.

With respect to the specificity of your question on water entitlements and holding deposits, I've written to the irrigators personally. I've requested and extended the water entitlement period out to 31 December -

**Ms FINLAY** - 2025?

**Mr SYLVESTER** - 2025. That coincides with the timing to enable ReCFIT to get some feedback from the Commonwealth Government about the next steps in relation to hydrogen to confirm demand and the demand curve that we would need to do a design to for that water scheme.

In terms of any customers who withdraw or hand back their water entitlements and not being able to buy back into the scheme, I think they'll have ample opportunity to do that in due course.

If we proceed through the next phase of that project, which will be detailed design and environmental approvals, that stage will take between 24 and 27 months and we'll get to a point about midway through that project where we'll be really clear about what the demands are that we're designing to and that'll be the opportunity then for the water entitlements to be confirmed with irrigators.

**Ms FINLAY** - Thank you, I appreciate that. For clarification, and there will be people listening and, if not, relying on *Hansard* later. The Energy minister said to me that farmers had a level of comfort that, in good faith, if they sent their deposits back, that was a way to not continue to pay interest and have it held, and they could do other things with it, or whatever.

At no point, however, was it indicated that that would prevent them from being able to maintain their existing interest in their entitlement. Can I just clarify the language with you? Is the offer to farmers that they can continue to secure their current request for entitlement, but until there is a further decision on the scheme, they can pull their funds out? Or are you saying that that would also remove their request for entitlement? So, that's a complete withdrawal from the scheme until a further time that they could re-step into the scheme.

They are quite two different things from the Energy minister and what you're outlining in the letter.

**Mr SYLVERSTER** - Sure, through you, minister, and I thank the member for the question. The situation with Tamar is no different to the development of any other scheme. We will design to a demand and that demand is committed through pre-sales. Once the demand on any of our schemes is exhausted, there's no opportunity to buy in because there's no more capacity in that scheme. Right here and now, farmers have a choice to withdraw their water entitlements and get their deposits back and use that money for whatever they choose to do.

**Ms FINLAY** - Okay. But that reduces the number that the scheme is then calculating your decisions on, because they've withdrawn that?

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**Mr SYLVESTER** - Through you, minister. No, not necessarily. The next stage of this project is to move into the detailed design and environmental approval stage. Midway through that we will go back out to the market and reconfirm the design.

**Ms FINLAY** - Okay.

**Mr SYLVESTER** - The sentiment from the irrigators to withdraw their water entitlements is just removing their uncertainty at this point in time because there's no formally binding contract. But, we will revisit the market and provide assurance on that design in due course.

**Ms FINLAY** - Okay. Thank you. So really, what the Energy minister said was perhaps not correct. If you have the capacity and you want to stay committed to the scheme and keep the numbers there, keep your money in. If you're thinking of maybe fully withdrawing from the scheme and doing something else, you have an opportunity you don't normally have. That's the point where it's different and unique here, that there's this opportunity to withdraw and then you could put back in again later if you wanted to. So, that's the difference here?

**Mr SYLVESTER** - I'm happy to respond to that, minister, and again, through you, minister. That is the subtlety, at this point in time. Normally, what happens through our water sales process is that the state government and the Australian Government would make a binding commitment at this stage to build a scheme, then we would go into detailed design and environmental approvals with that full commitment. The complexity of this scheme - and it's a scheme that's not yet federally funded as well - is that we don't want to be in a position where we're holding farmers money, their deposits for their water entitlements for the foreseeable future, until we have certainty about the demands that we're building to. In a sense, it is a good faith gesture on our behalf to do that.

**CHAIR** - Okay. Minister, I'm asking questions on behalf of Ms Badger, who would ordinarily be here. I want to go to the Northern Midlands irrigation scheme. The annual report, on page 50 - and there are footnotes - talks about five *Environment Protection and Biodiversity Conservation Act* (EPBC) nonconformances relating to the Northern Midlands irrigation scheme construction. Could you outline what those five incidents were, please, and the reporting outcome of those breaches?

**Mr PEARCE** - Yes, Chair, and my regards to Ms Badger and her interest on that. In relation to the EPBC -

**CHAIR** - I'm sure she's listening, minister.

**Mr PEARCE** - Yes, sure. In relation to the EPBC delay, project approval under the *Environment Protection and Biodiversity Conservation Act 1999* was received in July 2024. Delays in receiving the permit were due to TI being requested to provide an offset of 17.6 hectares of land due to permanent and temporary impact on denning habitat for the Tasmanian devil, the eastern quoll and the spotted-tail quoll. Delay in the EPBC process resulted in a delay to the planned start of construction and, therefore, completion of the scheme is now scheduled to occur in time for the October 2026 irrigation season.

In terms of operations, I will hand over to Mr Sylvester, and he will outline some of the other issues around the *Environment Protection and Biodiversity Conservation Act*.

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**Mr SYLVESTER** - Thank you, minister and through you. For the Northern Midlands project, we have very strict environmental guidelines under the EPBC permit conditions for that project. With respect to the five breaches, most of those were concerned with construction machinery, that is, excavators moving outside of the permitted zone. That was encroaching on what was defined as optimal denning habitat for quolls and devils and -

**CHAIR** - Did you say that they moved outside of the zone?

**Mr SYLVESTER** - Of the construction -

**CHAIR** - Did you say that they moved outside of the construction zone?

**Mr SYLVESTER** - Of the construction corridor.

**CHAIR** - How did that happen?

**Mr SYLVESTER** - That happened in just the natural course of moving large machinery around a very tight corridor. To give some perspective to this, we're working on land where farmers drive farming machinery and construction machinery through those very paddocks all day. It is an imposed corridor that we have to work within. Quite ironically, we have cases where the local farmer will come and check on construction progress and drive right through the very area that we're prohibited from being to come and access the work that we -

**CHAIR** - You have very strict guidelines, might I add, through you minister.

**Mr SYLVESTER** - Through you, minister, yes. One of the key requirements of the EPBC permit that we have is that we work within that corridor. These permit breaches certainly weren't taken lightly by us. Our general manager, people, culture and sustainability, and broader project team intervened on that. We've written letters of nonconformance to the contractor. We've been very collaborative in restoring good working practices on that site. All five of those permit breaches have been referred back to the EPBC, and they have been investigated with no further action received.

**CHAIR** - Would you mind, through you, minister, tabling those breaches, please?

**Mr SYLVESTER** - Through you, minister. That will be fine. We will take that on notice and table those details.

**CHAIR** - Thank you. There are always good learnings when this kind of thing happens. What is the plan to ensure that this kind of thing doesn't happen again, from the board and the organisation's perspective?

**Mr SYLVESTER** - Through you, minister. There are numerous learnings around this. One of the learnings that we have - similar to our approach on the Poatina buffer dam - is about the model of early contractor involvement. We have a constructor-only model, which means we do the design and the environmental permitting, then hand that over to a contractor to build. We make our best endeavours to make sure the construction is as practical as possible. Bringing some of those construction insights in early and influencing the way that we shape the permit conditions is really important.

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I think there is another key learning in relation to how we provide oversight over the contractor's subcontractors. A couple of nuances around those permit breaches were just down to communication and getting greater oversight and control of that is another key learning.

**CHAIR** - It's significant, isn't it?

**Mr PEARCE** - If I could just add, Chair, to that end, there have been - and I'd like this on the record - that there have been no MNES (Matters of National Environmental Significance) orders issued on that project.

**Prof RAZAY** - Minister, a business case has been submitted to the government regarding the Tamar Irrigation Scheme. Could you please outline the economic cost benefits for the farmers and the Bell Bay hydrogen hub?

**Mr PEARCE** - I thank you for your question. It's certainly been front of mind. We've had much discussion in relation to this and also the reliance of the scheme on that particular proportionality of the business case. I will hand it over to Mr Sylvester and he will run you through the hydrolyser and the economic portion of the business case.

**Mr SYLVESTER** - Thank you, minister and through you. The economics of the combined Tamar water scheme is really strong, and the success of the scheme requires both the irrigation and the industrial components to be successful component. It is unlikely that the economics would be strong in either standalone scheme. Although, whilst they were generally positive, it's the financial business case that really doesn't stack up with the standalone schemes. The agricultural and industrial benefits of the preliminary business case indicate a net present value of \$473 million and benefit-cost ratio of 2.64. Employment creation during construction: we're looking at about 174 full-time equivalent jobs and post construction up to 247.

This is a project that we want to make work. There are very strong economic benefits to the state. As I said in my previous answer, it's not without significant commercial risks that we need to work through.

**Prof RAZAY** - Can I ask, is this is based on if there is enough water for both schemes. The last couple of years we had dry weather. Do we have a contingency plan in case there is a shortage of water for the scheme?

**Mr SYLVESTER** - Through you, minister. Some of the strength of Tas Irrigation's design and development model is that we build to the demand of the day. We go out for water sales, we confirm that demand and we build to that demand. Some of that strength means that we don't carry a lot of debt as a business associated with unsold water. Some of our more recent schemes do have some latent capacity and it's really important that we continue to build some latent capacity into our schemes for climate resilience. That's a key part of the mandate of our organisation. I think the reality of this scheme and any future schemes is, whilst there might be some latent capacity, it is likely to be little, not a great amount. Thank you.

**Mr PEARCE** - Can I just clarify, Chair? Just in relation to what we are doing now, and I think that's important given what we've already heard. We have committed to that scheme and we are supportive of getting that going. However, what you've heard is the reality of the situation in front of us. It doesn't stop us there. We are still committed to providing irrigation

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water to farmers in the Tamar. That is our primary role. To that end, we've looked outside the box, outside the square and, if I could just run you through some of those steps.

We recently, three or four weeks ago, had a meeting with Renewables, Climate and Future Industries Tasmania (ReCFIT) - TI and myself. We were exploring some of the federal options around renewable energy grants that we could possibly aim at or take advantage of or avail ourselves of in that particular project, to compensate the hydrolyser aspect of the business case. To that end, ReCFIT have already progressed negotiations and interest with the federal government and the minister, so that is ongoing and I'm happy to report back as soon as we get any information from our federal colleagues.

**Mr SHELTON** - Before I start, though the minister, I own a property with my brother at Bracknell. My brother runs the farm, we do have a contract with TI to supply irrigation water. Just to get that out there. At the same time, the Northern Midlands scheme travelling from Bracknell down to Hobart - the best way to come is via the back road of Ross and I follow the scheme all the way down and put 700mm, 800mm pipes in the ground and imagine the water carrying capacity of that - it's going to be fantastic for that area, when it's completed and the machinery on the side of the road up and down and so forth.

My interest isn't for that one, it's the Greater South East Irrigation Scheme, which I'm told is going to be the largest scheme that Tasmania has put in. If it's bigger than the couple of schemes that's put in, then it's a substantial irrigation scheme. You mentioned in your introductory speech that talking about that's in the initial stages. Can you enlighten the committee further on the benefits of that scheme and what it will bring to those regions?

**Mr PEARCE** - Yep, no, brilliant question and I certainly appreciate and acknowledge your service to the agricultural sector over a lifetime. As you noted, the Greater South East will be the largest irrigation project in Tasmania. The largest. It's going to be a game changer. I don't like you using those buzzwords, but it is. It really will change the landscape, in terms of irrigation. In what has traditionally been a drier area of the state - that's coming from the north-west - we want to remedy that.

I'm pleased to advise the committee that highly qualified international dam and water project manager Andrew Pattle has joined TI to lead the development Greater South East Irrigation Scheme. As the project director, Andrew will oversee landowner consultation, technical and environmental surveys, final design approvals and construction, to ensure that this \$301 million project proceeds on time and on budget. Andrew brings decades of experience managing complex projects and ensuring that safety and environmental considerations are at the core of every project. His 37-year career includes time with Hydro, SMEC in Malaysia, and Damwatch Engineering in New Zealand. This is one qualified individual.

I understand from our CEO that Andrew has hit the ground running, has engaged landowners and is already adjusting the project scope and re-baselining the project budget, following the second round of water sales. With funding commitments secured now from the Tasmanian and federal governments, Andrew's first focus was on recruitment of the project team to give it momentum on all fronts.

The Greater South East Scheme will unlock secure and reliable water and will integrate existing south-east stages one, two and three, servicing existing and additional demand of the

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south-east. It includes Gretna, Jordan River Valley, Brighton, Richmond, Dulcote, Cambridge, Colebrook, Campania, Tea Tree, Pawleena, Penna, Sorell, Forcett, Elderslie and Broadmarsh.

Construction of the Greater South East Scheme is forecast to commence in early 2028 and the first water is expected to flow mid 2030. The government has a bold vision to grow the farm gate value of Tasmania agriculture to \$10 billion by 2050 and its projects like this that are going to make it happen. So thanks for the question.

**Ms FINLAY** - Just tracking back to the Tamar scheme, the response to Mr Razay, the introduction, all of your information, there is no doubt that there's significant benefit to our producers in terms of the scheme. As you said in your introduction, benefits to producers benefit our community.

I acknowledge that it's been complex, but there's been a lot of work done from the parliamentary legislative side to enable this to happen and what I hear is, there's deep frustration with the time it's taken to work through the complexity.

So, it's been slow, really slow. That is causing people - and that's why I wanted that clarification around the deposits - it's causing people to contemplate whether they just go out alone if they have capacity. Some of them have the capacity to manage water on their own properties, but some don't. It's an inter-reliant system, so the slowness is a problem.

You just mentioned that you've been to the feds recently to contemplate what might be available -

**Mr PEARCE** - ReCFIT has.

**Ms FINLAY** - in terms of federal money, but that could have happened a long time ago. It feels like that each step in this process has been delayed and quite slow.

Given that ReCFIT went to the feds - your language on this project implies a lot of ownership of the entire project. Who's actually leading this? One of the challenges with this current government - forgive me for the comment, but it's true - is that where multiple agencies are involved in a project often there's not a driver or a leader and things take time and, as a result, they fall away or collapse. So, who's actually driving the project?

**Mr PEARCE** - Thank you for your question, although I disagree with the premise of it. I am -

**Ms FINLAY** - You're driving it?

**Mr PEARCE** - I am certainly pulling all the strings and all the levers that I possibly can to deliver that. I meant it when I said that my principal role is to deliver that water in the right places at the right price and it needs to stack up, but it needs to be reliable.

One of the reasons that TI has the reputation that it has is because of the surety that it provides. The 98 per cent surety that that water is delivered on time and it is reliable, it's one of the reasons that TI has done so well. I congratulate TI for that. I won't compromise on that.

Having said that, we need to deliver that water. It also needs to be done in a very reliable, grown-up and practical way, and the risks involved with any potential shortfalls or downfalls

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need to be clearly identified and built into the risk matrix on that project. I'm going to hand over to Mike Sylvester and he will talk through some of the frustrations that he's had, but I want to assure you that that this is being driven, that we're not sitting on our hands. I'm only a recent minister, a few months in the job, but let me tell you that this is one that I've placed a lot of energy into, and I know TI have done the same.

**Ms FINLAY** - Just before you pass over, I'm really happy to hear about where those challenges have been and it's great as minister - and I've heard you at many forums and I trust that your intention is to drive things and to get things done. Many of the farmers on this scheme have worked with four ag ministers over the last four months.

**Mr PEARCE** - Yes, I get that.

**Ms FINLAY** - It's been horrendous for them and that's why that holding of deposits when it's been complex - but it's been slow. It's really frustrating. People are thinking of opting out, and that's not going to help because then you're not going to have the numbers and the business case is going to have to shift again. If you are, across ReCFIT and TI and the government, taking the lead on this, then please do drive it; because a lot of these things around what is the risks, what are the volumes that are needed, how do we bring it together, actually, it's complex, but it's pretty simple as well. It's mathematical, right? It's about relationships, but it's about effort and it's about action and you are the new minister in the role: great if you drive this, but there has been a lot of stop-start and a lot of no action.

This is the place where we share these things, but when someone has the water, so when a scheme is developed, it's out of the ground and the water's available and they're irrigating and it's an irrigating season, then people love the water that comes from TI, but as minister you have a responsibility, and as a new CEO you have a responsibility to check the process culture and the process reputation of TI, because there are things that across the board can lift to take these frustrations and these delays out of the system. I'm happy for you to share, if you could, what you see those -

**CHAIR** - What was the question, Ms Finlay? We may get another round in.

**Ms FINLAY** - Yes. What are the barriers and how are you going to get across them quickly, because this has been years to this point and now we're only just asking the feds where the funds are at.

**Mr PEARCE** - There was a question at the end.

**Ms FINLAY** - What I was doing was giving reference to your comment before you handed over the response to the question, which is where the challenges are and what are you going to do to overcome them. You made a couple of comments that I didn't think were reflective of how the farming community feel, particularly in around this Tamar scheme where there are unfortunately frustrations that need to be managed with TI from the farming community. Once they've got the water, it's turned on and they're using it to their benefit, that's fantastic, and where that can add to your future farmgate value, that's fantastic, but to get from an idea to actually the delivery of the water, unfortunately, there are challenges with reputation and culture across TI, and I welcome your appointment and I hope that shifts.

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**Mr PEARCE** - Can you talk about - if you wouldn't mind, thanks to the member, the demand and the lack of strength in demand, how that would stack up in terms of percentages, the 8 or 9 versus the 25, typically, to give that aspect of - not as an excuse, but basically paint the reality please, Mike. Thank you.

**Mr SYLVESTER** - Through you, minister: the first part of my answer, I want to talk to my appointment, as you call it, as a new CEO and the culture within Tas Irrigation. As you know, I've been in the role now for seven months, but I've been really impressed by what Tas Irrigation gets through as a very small GBE. We've got about \$1.3 billion worth of projects under design and construction at the moment. There's 10 permanent staff in our capital works department.

By way of example, we've developed 16 irrigation schemes in about 16 years. We're one of the fastest water developers in the country. We have a formidable reputation across Australia and New Zealand for bringing high-reliability water to the irrigated community and using water as an enabler to unlock growth in the agriculture sector. That's also testament to a chart in our annual report where there was almost linear correlation between the water that Tas Irrigation provides and the farmgate value growth in the last decade.

**Ms FINLAY** -None of that's disputed. Those relationships with your irrigating farmers and your potential irrigating farmers is something that could improve.

**Mr SYLVESTER** - Yes, and certainly the signal that I'm sending under my leadership is that we're open for business.

**Ms FINLAY** - Yes and like I said, that's welcome, but there's a history or a legacy that those things need to correlate as well over time. The question: the challenges to delivering the Tamar scheme, what do you identify them specifically to be and what are you specifically going to do about achieving the scheme, because there has been frustration in the delays?

**Mr SYLVESTER** - Through you, minister, again, thank you for the clarification question. The key risk remains the uncertainty of demand. We have confirmed demand from the irrigator community, notwithstanding that that demand is insufficient to develop an irrigator-only scheme. Normally, we would aim for 25 per cent in terms of water entitlement sales, but if we sell all the water we possibly can on this scheme to irrigators, we're still only going to raise about 8 per cent of the capital costs, so there is a significant shortfall in demand. For me personally, it's working very closely and continuing to work very closely with ReCFIT and overseeing my project team to do the same with their project team, to advance the demand from the provisional proponent at Bell Bay, so then we have some certainty to design to.

**Ms FINLAY** - Can I ask a question between your relationship with TI and ReCFIT, given that you are the water developers, is there a lead in that relationship? Are you the lead in that relationship with ReCFIT?

**Mr SYLVESTER** - Through you, minister, no. The lead in the relationship with ReCFIT is the general manager of project development and delivery, and the lead on ReCFIT's side is the director in their department.

**Ms FINLAY** - Sorry, not as individuals, but as an entity: which entity, TI or ReCFIT, is taking the lead, because again, and this is not a comment to you but a comment across

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government, when there are multiple agencies involved in delivering projects, I could think of the *Spirits* as an example, unfortunately one of the shortfalls is that no one's actually punching and driving. So in the relationship between TI and ReCFIT, who takes the lead there?

**Mr PEARCE** - In terms of the ReCFIT involvement in that, we requested -

**Ms FINLAY** - You're taking the lead?

**Mr PEARCE** - that ReCFIT become involved to look at the non-irrigation component, the commercial component, the hydrogen component and that's what they do, that's where that federal funding was aimed at, that is their jurisdiction under that. In terms of providing that water, then that is my responsibility and they're mutually inclusive and mutually supporting, I would have thought, so -

**Ms FINLAY** - Do you understand the question, though?

**Mr PEARCE** - I understand your question, and there needs to be a give and take when you're working into interdepartmentally. However, my job is to deliver -

**Ms FINLAY** - But as you give and take, there are more and more delays.

**Mr PEARCE** - water and that component will aid in that goal, in that mission outcome and that's why we convened that meeting with ReCFIT.

**Ms FINLAY** - Through you to the CEO, is TI taking the lead in the departmental relationship between TI and ReCFIT?

**Mr SYLVESTER** - Through you, minister, so TI is taking the lead in providing the water solution in accordance with the demand that we know about. That demand comes from two areas: it comes from our irrigation customers and it also comes from the work that ReCFIT are doing with their provisional proponent, and other proponents that they have in that area as well.

**Ms FINLAY** - Has the conversation shifted -

**CHAIR** - We will move on, and you can ask again, but we want to get through at least two rounds. You wanted to say something, Mr Pearce?

**Mr PEARCE** - Thanks, Chair. It gets back to your question that you raised on behalf of Ms Badger. I'm happy to clear that up now, if it's okay with you and the rest of the committee.

**CHAIR** - Sure, thank you.

**Mr PEARCE** - In relation to that request for NMIS non-compliances, these are contained in our publicly-published project compliance report, which is on our website [tasmanianirrigation.com.au/source-assets/images/annualcompliance2025](http://tasmanianirrigation.com.au/source-assets/images/annualcompliance2025).

**CHAIR** - Well, that makes it very clear, thank you very much.

**Mr SHELTON** - Listen to the tape again.

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**Mr PEARCE** - It's on the site and that's just the link, so -

**CHAIR** - My question is around the annual report, which I actually found quite difficult to find, but there you go. The annual report shows a \$71.5 million loss, with \$89.186 million in impairments. This seems like a significant amount of debt, and I note that the Auditor-General in his report on table 7, the debt-to-equity ratio for Tasmania Irrigation is only rivalled by TT-Line. Tasmania Irrigation is at 99.9 per cent, so what is Tasmanian Irrigation's plan to get out of this financial hardship, in the first instance?

**Mr PEARCE** - Thanks for the question, Chair. To that end, I'll hand now to the Chair, Kate, and possibly you might want to hand over to Mike throughout the question response.

**Ms VINOT** - Thank you very much, minister. As we've been talking today, you will hear that TI is very much a two-part business. We run operations, but we also develop new projects. The reason for a lot of our debt is that those projects are financed through debt, which is why we have a debt facility through TASCORP. So when we are building, we get paid against milestones on that. The assets that we are building we don't pay dividends to the government on. Our operational model is that we are a cost-recovery business and therefore we don't have a significant return on those assets once they are in operation. Therefore, we're required to write those assets off, which gives us that debt-to-equity profile.

We also, as was spoken before, have some unsold water debt at the start of projects, which is to be sold over time so that we're not under-sizing our projects at the time of commissioning, and that there is opportunity for further farmers to be able to buy in as they discover that the product is available and important to their business, and they can grow and expand and new entrants into the schemes can join as well, so we're carrying some debt from that. That also adds to the profile that is reported very openly and transparently in the annual report, and it's a methodology that's enabled us to build those 16 schemes in 16 years as Mike, our CEO spoke before. Mike, would you like to make any additional comments, the CEO or the CFO in relation to the question?

**Mr SYLVESTER** - Yes, thanks Chair, and through you, minister: I will answer the latter part of the question in terms of what are we doing about that financial sustainability piece. That is certainly a key pillar of our strategic planning, to continue to work with the government to define a business model for TI into the future where we may be in a landscape of not delivering projects anymore as a water-distribution-only business and making sure that we can stand on our own two feet. It is very much part of the landscape of our strategic plan to work through that.

**CHAIR** - How many projects are coming up and how does that level of debt influence how you roll those programs out?

**Mr SYLVESTER** - Through you, minister: yes, it's materially important that we manage our debt facility with TASCORP appropriately through that. So, you will be aware there's 10 projects under consideration with tranche 3. One of those was ruled out reasonably early, which was the Fingal scheme because we had sufficient demand, so what follows Northern Midlands is Sassafras, Wesley Vale, Greater South East, potentially Tamar that we've talked about, Southern Midlands, Harcus, Flowerdale and Detention up in the north-west coast in traditional agriculture country. We've certainly got our eyes on that debt facility to enable us to develop those schemes.

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**CHAIR** - Finally, before I move on to Prof Razay, so you have this level of debt, you're trying to manage it, then why would you - is there a time where you just pull back from undertaking an irrigation scheme or a project?

**Mr SYLVESTER** - Through you, minister, so in terms of developing our schemes, and our typical model is that we achieve 50 per cent of the capital funding from the Commonwealth government, 25 per cent from the state, and then the rest is 25 per cent through private participation in which we create a product called a water entitlement and sell that to our irrigators, and our irrigators use that water entitlement and sell that to our irrigators, and our irrigators use that water entitlement as an asset to create equity on their farms to then go and leverage against in terms of their own borrowings for their on-farm infrastructure. That's really underpinned the success of our delivery model and will continue to be part of what we need to do in the future.

**CHAIR** - Will you pull out of projects if you think it just is not viable?

**Mr SYLVESTER** - Through you, minister, we have a history of doing that. The Fingal scheme was a case in point where we went out to water sales. We had three customers that were interested. We raised in the order - or could raise in the order of 11 per cent, noting that 25 per cent was the threshold, our recommendation was that we didn't proceed with those schemes. One of the key requirements of our statement of expectations is that our schemes are financially viable, so we work very closely with the minister's office to make sure any advice into the government meets that target.

**Prof RAZAY** - Minister, one of the main challenges on embarking on a very massive irrigation scheme is to know what's the impact on the environment. How can we ensure that these irrigation schemes would not be harmful to our environment, especially the groundwater, and how do we monitor that?

**Mr PEARCE** - And you raise a very real concern and it's a concern not only of my own self, but also of TI and in fact, the broader agricultural sector within Tasmania. We understand if we don't look after our land, then we won't have a farm for future generations. It's no different with the environment. We're also very cognisant of the impacts that agricultural and irrigation infrastructure has on the environment. To that end, it is exhaustive, the amount of process that we go through in order to meet not only EPA but also EPBC requirements. It is ever-present, and we've touched on that already. I'm now going to hand over to Mike, and he will step you through the depth of where we are with this. It's not only the environment; it's water quality; it's environmental flows; it's also the amount of water that we're delivering to that agricultural land as well, which can have consequences. Mike, would you mind outlining that for us?

**Mr SYLVESTER** - Certainly. Through you, minister, and I thank the member for the question. We use our farm water access plans, or farm WAPs, if I could refer to them, as the benchmark in which we guide environmental practice for on-farm irrigation. I believe the farm WAPs have been referred to in the state government *State of the Nation Report* as best practice for irrigation. We have over 800 Farm WAPs in practice at the moment. We audit in the order of about 10 to 15 per cent of those each year. In addition to our farm WAPs, we also work very closely with NRE around statewide water quality monitoring.

I think it's important, also, to emphasise that whilst our business is called Tasmanian Irrigation, we are only responsible for 10 per cent of Tasmania's irrigation, so we are a very

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small player, but we're a very niche player in that high reliability, high surety piece. So we have over 140 water-quality monitoring sites. We collect over 9000 data points in relation to that. We produce our water entity reports that we submit to the department as the responsible water entity. We look at things like dissolved oxygen, electrical conductivity and neutrality across all our schemes. This year, in terms of the water quality reports that we submitted, we also had a look at a 10-year baseline for those reports, and none of the schemes showed any correlation between water health and irrigation.

**Prof RAZAY** - I am beginner in this topic. Can you tell us how could the irrigation have impact on the groundwater, and how do you measure the groundwater level?

**Mr PEARCE** - Mike, would you mind running through water table levels and measurement of that hydrology, please?

**Mr SYLVESTER** - Yes. Through you, minister: we measure that through hydrological analysis. So, in terms of farm WAPs, we look at water table levels on that farm in terms of the water quality and the sampling we do at particular sites. We look for runoffs in terms of fertiliser and other components that will affect the electrical conductivity. We are able to draw correlation between irrigation impacts and water quality.

Consistent with my previous answer, a study across our 10-year baseline shows that there's no correlation between the irrigation water that Tas Irrigation provides and any water health issues in our irrigation districts.

**Ms VINOT** - Thank you, minister, and thank you also for the question. Our CEO has described very clearly exactly what we do in terms of monitoring the impacts once we're into operations, but I also wanted to reinforce that the projects themselves are designed and approved with very rigorous environmental modelling and studies, and those approvals come both from the state level and also from the federal level.

The *Environment Protection and Biodiversity Conservation Act 1999* is a very rigorous act that we've had to get approval under those acts, which takes into account all that hydrological modelling, the baseline assessments and so forth, including not only the hydrology but also the biodiversity in those areas.

The description with the farm water action plans and so forth are actually us monitoring that what our modelling and our approvals originally expected to occur is actually occurring, better or worse, how do we - and those, as Mike has said, is actually proving to be as good if not better than the modelling anticipated.

**Mr SHELTON** - Before I go any further - as a water user, professor, the pricing of the water is a substantial - it has a disincentive to overuse. And so, it's -

**Prof RAZAY** - More economical.

**Mr SHELTON** - Well, you don't - overwater anything you need to, otherwise it costs you money.

My question to you, minister, is - all government departments like TI need access to private land and on the landowners and that sort of thing, and the relationship therefore between

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government businesses and landowners is important. Thereon, to reading meters, to repairing any breakages and that sort of thing. And so, I'm interested in understanding that relationship and what's been done to improve or that sort of thing, as far as farmers rights go, for operating the business on their land. If you could just - to the committee please?

**Mr PEARCE** - It's important. Relationships are important - I think there's something in that for all us.

The relationship between a farmer and a contractor is absolutely pivotal, and at times, we need compromise from both parties, if you like. Most farms are businesses first, and we need to get that through our heads loud and clear. Often from the metro person's mind's eye, it's a beautiful utopian place where we just farm and the sun shines. The fact is that farms, if they're not businesses, if they're not returning to a bottom line, if they don't have that business model positivity, then they're not farms at all; they're just places to exist.

It's our workplace. Also, it's our home, it's our office, it's where the kids grow up. It's everything to us, and when you step onto somebody's farm, then you step into their life. TI recognises that, and they inculcate that through all their subcontractors so that they understand completely the impact that they're having onto those workplace homes and alike.

Sometimes, these visits can - I also pose with the other aspect we need to think about is the biosecurity risks that involve, particularly earth-moving machinery with earth still attached to it, moving that from property to property. It's a biosecurity risk, particularly given the soil-borne pathogens that could remain on that equipment. Therefore, it's important that these risks are managed efficiently.

Now, the government, TasFarmers, TI have worked together to update Tasmania's charter for working on private farmland. The updated charter was released at Agfest this year, and I think you're familiar with that particular document. It outlines what is expected on-farm so that everybody understands their rights and responsibilities. The charter's objectives are to ensure that issues of shared concerns, such as biosecurity, I've already mentioned, and safety risks are considered and that farmers are treated with respect. Importantly, all parties to the charter agree that the more intrusive the work intended, the greater the obligation to consult beforehand, and they work constructively with farmers to minimise disruption on their property. It aims to minimise disruptions to farming operations while they still allow the necessary work that needs to be carried out in a safe and efficient way.

The charter has been in place since 2019 and these updates will ensure that it remains current into the future. TI was an active participant in that update of the charter and I understand that it's field operations are now fully aligned with that charter. I will hand over to Mike and he will detail what that looks like on the ground.

**Mr SYLVESTER** - I thank the member for the question. Certainly, Tasmanian Irrigation is fully committed to respectful engagement with our private landowners for the design, development and operations of the scheme.

As the minister has outlined, we are a signatory to the Tasmanian government's Charter for Working on Private Farmland, which has been in existence since 2019 but refreshed in May this year.

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We have reviewed all our internal processes and realigned our internal processes to ensure compliance with that charter. We've developed and implemented what we call a 'best practice process for field operators', which sets out the clear protocols for accessing private farmland respectfully, safely and with transparency.

**Ms FINLAY** - On the Tamar scheme and the questions around unknown demand, there's a simple calculation that can bring a scheme up to financial viability where you know what you have at the moment with the farmer sales and the gap. The purpose of that instrument was about industrial water sales, the opportunity of industrial water sales to close the gap and you've done a business case now and you're going to the feds asking for money, so could I have the answer to two questions?

What is the current volume of the industrial water sales, so a potential proponent or just a commitment from the government to underwrite industrial water sales? What's the volume that is required to make the scheme ready to deliver, and what specifically are you asking the federal government for? Are you only asking them to back-in, if there is a potential proponent, or has the consideration for the scheme moved to - is there an element of underwriting somewhere to bring the scheme to an end so that you can actually start the process of working towards delivery?

**Mr PEARCE** - I will let Mike talk about the threshold number first.

**Mr SYLVESTER** - I thank the member for the question. The answer to your question is 9000 megalitres of industrial water.

**Ms FINLAY** - Thank you. The second part of the question is: has the conversation evolved between ReCFIT and TI and in its approaches to the feds or to the state outside TI and ReCFIT to underwrite that amount of water so that the scheme has an opportunity to progress, because at some point there is going to need to be water at Bell Bay, whomever the proponent is. I am interested in the language today around flexibility with schemes, providing for future capacity for future sales, those sorts of things. There is a future opportunity at Bell Bay. Has the conversation shifted from needing a proponent to secure the 9000, or is there now a more elevated conversation about underwriting that gap?

**Mr SYLVESTER** - Again I thank the member for the question. We submitted the preliminary business case in October. That business case is currently being assessed by the government. Tasmanian Irrigation has been explicitly clear with the commercial risks that both the government and TI and the customers will need to take on in relation to that project. We've also been clear with government on terms of the size of that risk -

**Ms FINLAY** - Government being state and federal?

**Mr SYLVESTER** - The government being state - in terms of that risk that they would need to underwrite.

**Ms FINLAY** - When you're using the word 'underwrite', so the conversation is now not about having to wait for a proponent, but actually being able to bring together a scheme with some underwriting for that industrial or in fact agricultural water.

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**Mr PEARCE** - We need information, we need data, and we need a certain amount of surety before we offer that to our farmers and build that into the business case. The business case was submitted at the end of October and we're waiting for advice now from the Department of Natural Resources and Environment Tasmania (NRE), from Renewables, Climate and Future Industries Tasmania (ReCFIT) and from Treasury as to what decision process will go forward from there.

**Ms FINLAY** - As the leader of the project, what timeframe have you given them to get back to you so a decision can be made? What's your decision making time frame for that?

**Mr PEARCE** - I can't. I can't give you a -

**Ms FINLAY** - If you're leading, did you give them a timeframe to get back to you?

**Mr PEARCE** - It might be alright in this perfect world that you come from, but they've got a lot of work to do and there are - we've got to liaise with the federal government, that's no mean feat, that really takes some work -

**Ms FINLAY** - Through you, Chair, what you just said to me was that you're talking to ReCFIT, Treasury, NRE, so my question to you is in your conversations with them as a leader trying to bring a project to an outcome, you give people timeframes. I'm wondering when you're expecting to get the information back from them so that you can be clear when you go to the feds, specifically what you're asking for. What's the first timeframe for a decision?

**Mr PEARCE** - In the near future.

**Ms FINLAY** - That's not a date, minister, and it will just continue to be slow, and it'll continue to frustrate people.

**CHAIR** - We will go to the next question, thanks, Ms Finlay. I just wanted to clarify in regard to those breaches that we talked about with the Northern Midlands scheme, were there any fines associated with the contractor?

**Mr PEARCE** - I'm not aware of any fines. No.

**CHAIR** - No, there were no fines? Thank you. I have a question, and it goes to those other projects. I think Prof Razay and Ms Finlay have been talking about Bell Bay. It goes to the new technology of AI and setting up facilities which are mooted. Is TI permitted under the 2023 changes to sell water to AI factories, or data centres as it is now able to sell, for example, to Liberty Bell Bay?

**Mr PEARCE** - In relation with the rules around that, I'm going to throw to Mike. In terms of the requirement for things like AI data centres, that's a significant amount of water. These things need to need to be cooled. As well as that, there are a number of other connectivity issues. How do you get the information in? How do you get the information out? The amount of electrons, the amount of energy that that consumes? There are a number of issues. In terms of our component, that's all we can comment on. I'm going to throw to Mike on your response.

**Mr SYLVESTER** - Through you, minister. Under the act we would need express permission from the minister to provide water for any industrial purpose outside of hydrogen.

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**CHAIR** - Okay. In relation to the - Have you received, or have you requested permission in relation to the AI factory expansion in St Leonards? Because we're talking about significant amounts of water; it's a real environmental issue.

**Mr SYLVESTER** - I want to paraphrase my question by making the committee aware that we're not the only water distribution business in the state. If we were to provide water to a customer outside our said purpose, it does impact on other water distribution businesses. In terms of the specificity of your question, we're very well aware of the AI centre because it's been built very close to our head office in St Leonards. That is not a centre within one of our irrigation districts at the moment and we don't have any infrastructure or plans to supply water to that facility.

**CHAIR** - So you haven't been approached?

**Mr SYLVESTER** - No.

**Mr PEARCE** - If I could just clarify, Chair, that I want to make it very clear that that would require express approval under the act, to provide that that water for those purposes. At this stage, no such approval has been given or sought.

**CHAIR** - Thank you.

**Prof RAZAY** - Honourable minister, the *Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Act 2023* was passed to allow Tasmanian Irrigation to delegate some powers and functions to groups of community irrigators who want to have greater involvement in managing their publicly owned irrigation system. The Winnaleah Irrigation Scheme is such a scheme to look at how community management can work. Can we have an update on the Winnaleah Irrigation Scheme and how many groups of irrigators in northern Tasmania have applied to the scheme and how many of these applications have been granted?

**Mr PEARCE** - Thank you for the question, and for the benefit of the remainder of the committee and others, the Winnaleah Irrigation Scheme - which is often referred to as the WISL - has a lot of history behind it. We have passed amendments to our water management legislation, as you rightly point out, to enable TI to delegate certain powers and functions to irrigator groups and that was done in 2023.

We also facilitated the arrangement between TI and the board of Winnaleah Irrigation Scheme Limited to trial the application process for community management. Both parties agreed, and support from TasFarmers to undertake that trial. I want to recognise the board of WISL, TasFarmers, and Tasmanian Irrigation for their efforts today. The trial is well progressed now and while there have been delays, my office has regularly been checking in with both parties, and they are continuing to proactively engage. Further work, I know, is required for an outcome. In terms of the numbers that you requested in the second part of your response, I'm going to hand now to Mike Sylvester.

**Mr SYLVESTER** - I thank the member for the question. There haven't been any other community groups that have expressed an interest in community management. Our statement of expectations requires us to facilitate greater community involvement in the management of schemes and the community management that's enabled through the amendment to the *Water*

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*Miscellaneous Amendments (Delegation and Industrial Water Supply) Act 2023* is one mechanism to do that.

I think Tasmanian Irrigation does that very well through our irrigator representative committees. Of which one exists in each of our 19 schemes, including Winnaleah. There is a current subset of the irrigator community in which we engage with very closely around asset strategy and maintenance and serviceability of that scheme to set the standards, as we do with others.

We have two schemes under active community management already. One is the Cressy Longford Irrigation Scheme, where that trust is the responsible water entity, but Tasmanian Irrigation owns that asset. We work very closely with them. I personally attend their board meetings and have visited their schemes. The other scheme under community management is on Flinders Island where we have responsibility for those assets.

Concerning the trial specifically, I've been out to the Winnaleah community a couple of times now, I've met with their board, I've toured their scheme, I'm in active and regular discussions with their independent board chair on their application status, which is still pending. At this stage, WISL, as the minister referred to, still needs to work through their steps and make a decision about whether they're going to submit an application and how they demonstrate their 80 per cent irrigated district participant acceptance of such application and then submit the application to Tasmanian Irrigation for assessment.

**Prof RAZAY** - You mentioned that not many farmers have applied for community management. Is it because it's too difficult? Too many regulations for them to be part of?

**Mr SYLVESTER** - I thank the member for the question. We've had two schemes up in the north-west, being Welcome and Montagu districts, for some time. Tasmanian Irrigation established working groups in both of those districts in around 2020. I acknowledge that was prior to the *Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Act 2023*. The aim was for those local groups of irrigators to become the responsible water entity for the annual drainage works. I'm also conscious that under the amendment to the act that Tasmanian Irrigation can't delegate the responsible water entity, but each time we've approached those groups and offered a greater level of community involvement, they've declined and it's really around the reluctance for the risk and responsibility that accompanies the RWE status.

We take our responsibility quite seriously in how we discharge environmental stewardship and quite often support for multipurpose facilities within those irrigation districts, it can quite often be complex and not all community groups are sufficiently resourced and able to do that.

**Mr PEARCE** - If I may add, there's also infrastructure risks and I was wondering whether Mike could just quickly outline the Cascade Dam and the high and the risk matrix that's applied to that.

**Mr SYLVESTER** - Cascade Dam sits within the Winnaleah community and say our highest-rated risk dam in in our portfolio. In terms of working with WISL collaboratively to work out which responsibilities and powers that we seek to delegate as part of the asset lease, we've made the call that we being TI will remain responsible for that for that dam asset. The

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offer around the asset lease to WISL is in particular is to operate the irrigation assets outside of the dam.

**Mr SHELTON** - Minister, I'm interested in getting an understanding of whether farmers are actually making any money out of irrigation and as a water user, I know I've heard it said around the community, it's too expensive to use, but you can't afford not to and so we know that companies require guaranteed water before they offer some contracts and so forth. There's an increasing number of farmers investing in water and diversifying away from their what they did in the past in order to give themselves another income.

Across the schemes and across Tasmania, I'm sure there's been some work done to get an understanding of the returns that on water and what that means to the agriculture sector, and you mentioned \$10 billion by 2050 and how we're achieving there and you have to make money in order to get to that point and produce products.

I can go back to Cressy Longford Irrigation Scheme was just mentioned and that was being put in the Cressy-Longford area when I went to school at Cressy and it was put and it's still fine not deteriorating. I'm sure they be appreciating it over a hundred of years not just 50.

The reality is that it would basically a wool-growing area prior to the scheme going in. A lot of farmers in that time actually didn't buy into the scheme because the wool was profitable and that sort of thing and it went through their property, but then when wool collapsed in 88-90, it allowed farmers to transition and actually stop a lot of farmers from going broke because they could transition into a different area.

It's absolutely crucial to that Cressy-Longford area and the man of amount of product that's coming out of there and not to take up too much committee time, my father-in-law had a fuel business on Cressy and now my brother-in-law has it and the amount of fuel that goes through a farm into tractors and working of ground and that sort of thing, converting that into product to sell on the tonnes of stuff that comes off that that area in potatoes, peas, beans, poppies, it is just incredible.

I'd be interested one day to find out how much out of that area that water creates and so you might have some insight into that.

**Mr PEARCE** - I do that and I really value and appreciate your question you raised a number of fantastic points that often people in the cities or shopping the aisles of Woolworths of Coles don't realise, and that is the enormous investment that a farmer has into their operation and unlocking that potential is incredibly important also.

Where I come from, land is expensive. I sit in that north-west band of krasnozems red soil and as soon as you - It is expensive to buy. It really is. As soon as you add water to it, it almost doubles. The value of that land almost doubles. What that is, is capital effectively that you've just unlocked as soon as you put water on it.

I don't think that is a subject that's talked about enough. I don't think that realisation of that potential capital is realised enough. To that end, we've put a lot of work around this. We've invested \$1.6 million into researching around how we help farmers understand what influences irrigation efficiencies to make the best of that investment and to adopt practices that minimise environmental impacts, you know, transpiration and all the rest of them.

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The Agricultural Innovation Fund project 'Growing value from irrigation for Tasmanian agriculture', is being run by the Tasmanian Institute of Agriculture, led by Prof Caroline Mohammed working with Tasmanian Irrigation. It will deliver improved information about the very things that you speak about, the value of our irrigation to Tasmania and how we make irrigation systems more effective and more efficient.

The project has three practical objectives. Firstly, to determine the value derived from irrigation to Tasmania more generally, and to inform government policy and funding decisions in order to aid farmers in their investment decisions.

Secondly, to increase the knowledge and adoption of practices that optimise irrigation efficiencies, and a big pat on the back to almost all of our farming fraternity who are traditionally known around the country as early adopters of tech and R&D.

Finally, it will investigate irrigation management to minimise environmental impacts and to maximise economic returns. Over the longer term, this could also result in benefits including reduced water-logging, a reduction in crop losses and improved soil health. Having access to that data on that value will help make a case for ongoing investment in irrigation infrastructure.

This project is progressing well and I'm on my way to Forth early in December to see the latest, so I'm looking forward to giving parliament an update on how that is playing out. TI may wish to make an additional comment on this project.

**Mr SYLVESTER** - Happy to do so. I thank the member for the question. We know that for every thousand megalitres of TI water supplied, there's in the order of 25 direct and indirect permanent jobs created. There's on-farm investment in the order of \$2 million to \$4 million and up to \$3 million per annum of benefit is generated to the wider state community. We're really proud of the impact that we make to the state's economy and look forward to a long future of continuing to do so.

**Ms FINLAY** - Not scheme-specific, but over the entire organisation, how many court cases is TI currently involved with and what would be the taxpayer expenditure to defend or prosecute those cases?

**Mr PEARCE** - Thanks for the very specific question. Mike?

**Mr SYLVESTER** - I thank the member for the question, we have one active dispute at the moment. The cost of those are part of the corporate cost that we bear as an organisation.

That current case is in its phase where the respective insurers are having conversations. The rest of the details are obviously commercial-in-confidence and under legal privilege.

**Ms FINLAY** - Yes. I'm not wanting to go into that at all, but you don't code out the costs of prosecuting or defending a position to a separate reportable item in terms of the costs to TI?

**Mr SYLVESTER** - Thank you for your follow up question. No. We don't code those out separately. They sit within a ring-fenced corporate group, so we have full visibility of it. It's just not in its own cost code.

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**Ms FINLAY** - Minister, in your comment to Mr Razay, you said that you're regularly checking in with both parties around the Winnaleah scheme. In Estimates last week, I asked about your engagement with Winnaleah and you said that you'd met with one irrigator and that you're due to have a meeting. Just wondering whether that meeting has now been scheduled, when you're due to meet with Winnaleah, and could you give some depth to the characterisation that you regularly check in with Winnaleah, with the scheme? Last week, it was that you'd met with one person -

**Mr PEARCE** - Yes, no, I get the question. I think it was in their first meeting, talking to the CEO now, I expressed the view that I want to get to those schemes and that I wanted him probably to prioritise my visits. There is a meeting scheduled, and I can check with you and get back to you when that is on. It's in December sometime.

**Ms FINLAY** - With the board, not with individual irrigators with the actual Winnaleah Irrigation Scheme Limited (WISL) group?

**Mr PEARCE** - The board's met with them. That was the premise of my request. My staff often tell me and remind me that you can't be everywhere, minister, but I want to be out on the ground. That's where my strength lies, listening and taking account of the comments made. Given the fact that this is significant, this is steeped in history, that there are a lot of moving parts, I made that request very early in the piece. I have a meeting in December. I think it's towards the middle of December that is going ahead.

**Ms FINLAY** - Will that be your first meeting with the board or committee?

**Mr PEARCE** - I am going there, I'm worried about me.

**Ms FINLAY** - Specifically, is that your first meeting with the board or committee that you will have in December?

**Mr PEARCE** - Yes, it is.

**Ms FINLAY** - I wasn't sure what you were characterising as regularly checking in with them.

**Mr PEARCE** - I check every time I talk to the CEO or the chair.

**Ms FINLAY** - With the actual irrigators, with Winnaleah?

**Mr PEARCE** - This is front of mind for me.

**Ms FINLAY** - Okay, great. I'm glad to hear that you're going out there in December. Can I understand with Cascade Dam being ring fenced out of the agreement; the reference was that there are steps still to be taken. I recognise that you said that we still need to make a decision about whether they submit, but before they can make the decision, there needs to be clarity around what they're agreeing to, what's being offered. Are there still steps from TI's position in terms of information to WISL or exchanges between them or is the ball now in WISL's court to come back to you? Where do you see that conversation?

**Mr PEARCE** - In terms of the dam, then that will need to remain.

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**Ms FINLAY** - I am not talking about the dam, minister. That's been set aside with the balance of the task.

**Mr PEARCE** - Well, I'm happy to hand over to Mike.

**Mr SYLVESTER** - My direct answer is the ball is in WISL's court, but that doesn't remove TI's responsibility from being collaborative in this process. I'm of the view that whilst WISL and some of the broader community members outside of WISL have good asset ownership and history of that, Tasmania Irrigation does also. The best approach through this is in a collaborative way.

**Ms FINLAY** - Minister, in terms of collaboration and WISL, you mentioned earlier, I think it was either yourself or the CEO, who positively mentioned that WISL have been engaging with TasFarmers around this project and getting advice and having conversations there. As I understand it, not from WISL but from other parties, WISL being required to enter into non-disclosure documentation which is now limiting their capacity to engage and get advice from others. Was it your intention that a non-disclosure would stop them from being able to engage in positive conversations with TasFarmers around their circumstances?

**Mr PEARCE** - In terms of that correspondence, we've talked about this a lot.

**Mr SYLVESTER** - The basis of the non-disclosure was for Tasmania Irrigation to share our customer details with WISL as a community entity to protect our interest and protect the customers' interests under the *Privacy Act*. WISL have signed that non-disclosure agreement and sent that back to us and as far as our relationship with WISL, we're very happy with that. If WISL chooses to reflect a non-disclosure agreement with any other service providers that they may be using to help them through this application, that's the responsibility of WISL.

**CHAIR** - If we could go around, Ms Finlay. Minister, the State of the Environment report found that irrigation contributes to declining river health, and given TI's acknowledgment of that in the annual report, why hasn't the board increased the Farm Water Access Plan audits beyond 10 to 15 per cent annually?

**Mr PEARCE** - It's already been stated, Chair, that environmental impact is front-and-centre of everything we do, not only within NRE but with TI specifically. In terms of that exact question, I'm going to hand over to Mike Sylvester.

**Mr SYLVESTER** - I thank the member for the question. I think the *State of the Environment Report 2024* was referring to all -

**Mr PEARCE** - All, that's right.

**Mr SYLVESTER** - irrigation in the state and again I just want to reinforce the qualifier that Tasmanian Irrigation contributes to just 10 per cent of that volume. The Farm Water Access Plans and the resources behind those audits, and therefore the cost of irrigators of meeting environmental compliance, is something that we scrutinise very closely. At this stage there's no evidence coming from the Farm Water Access Plans to suggest that we need to ramp up the amount of auditing that we're doing.

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**Mr PEARCE** - If I can also add, Chair, some of the other information that I talked about when I talked about TIA and some of the information that they were providing our farmers on the implementation of irrigation, what changes that will have on their farming methodology and also their costs as well, that's what their role is in this. It's modifying and improving farm methodology so that farmers can operate in a new world, which includes R&D, it includes latest tech, it includes irrigation, it includes minimal soil tillage, it includes looking after the soil biome. Because at the end of the day - and I want to make this very clear - it needs to be at that business model focus as well.

If a farmer has irrigation runoff that takes nitrogen, phosphorus, potassium, sulphur and other trace elements away from the farm into the environment it's also costing money somewhere. It's a waste of money. If we can correlate a return to the bottom line and align environmental stewardship with that, then I think that's a positive thing.

**CHAIR** - It certainly is, but does that mean you will fulfil the recommendations of the *State of the Environment Report* in your capacity, minister?

**Mr PEARCE** - One hundred per cent, I'm happy to have the Chair -

**CHAIR** - One hundred per cent, good.

**Ms VINOT** - Thank you, minister, and thank you to the member for the question as well. I just wanted to add that Tasmanian Irrigation is actually the only entity at the moment that is using Farm Water Action Plans. Those are really focused at the 10 per cent or so of irrigation that is provided by Tasmanian Irrigation. It's very specifically focused on those schemes. It's looking at the areas where the Tasmanian irrigation water is applied to the farmers who buy that water from Tasmanian Irrigation and how their individual properties, and the scheme as a whole, is performing within that context of the greater irrigation that's occurring within the state. I think the minister was then taking that on to the broader irrigation aspects for your portfolio, minister, which I think you covered.

**CHAIR** - My second question is around a project which will have huge implications for water and presumably for TI. Has there been any modelling undertaken that you know of regarding the impact of Marinus Link and its associated projects on river flows and how that might impact on impact on TI?

**Mr PEARCE** - Thanks for the question, Chair, but that's really a question that possibly should be aimed at the Minister for Energy.

**CHAIR** - It will be aimed at the Minister for Energy, but this impacts on TI and what sort of modelling has been done to your knowledge.

**Mr PEARCE** - Anything from TI? But again, it's not my portfolio.

**CHAIR** - River flows will change, but anyway.

**Prof RAZAY** - Thank you very much. Minister, we heard this morning that regulation regarding risk and responsibility have prohibited many farmers to join their community irrigation schemes. Just to show you how regulation has been increasing the financial burden on our farmers.

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I will give you an example. The *Water Management Act 1999* and the water management regarding safety of dams in 2015, have placed significant inspection and compliance costs on our dam owner and our farmers. For example, at a cost range between \$10,000-\$15,000 and apparently according to the latest figures this year, 74 per cent of high-risk dam-owners were not compliant. So, my question to you is, does the high level of non-compliance indicate failure of the current regulation regime and what consideration the government has given to help our farmers' compliance costs.

**Mr PEARCE** - You raise a really important point. We have to balance farm safety and risk with potential catastrophe, lives lost and bad, bad, bad. We also have to compare and balance that with the implications that has on a farmer's operation. I know that full well, not only being a farmer but also being an earth-moving contractor and having earth-moving machinery in that role.

The compliance that we need to adhere to in order to build a safe dam that is fit-for-purpose, that is worth the money and will not pose damage to either property or to humans. To that end, across the state there are 22 dams that fit into the Tasmanian Irrigation portfolio, these include four dams classified as extreme or high-risk under the Australian National Committee on Large Dams (ANCOLD).

TI has a program of regular surveillance and inspection of all their dams in their portfolio. According to their risk profile of the asset and external factors including extreme weather events and seismic activities, et cetera. This is a 5-year comprehensive report that needs to be compiled on TI's behalf. We began a 20-year dam safety review with the Meander Dam in phase one; including works on the spillway, the basin and to reinforce the dam's internal structure and operational safety.

Phase two investigations are still underway, including the stability monitoring hydrology updates and geological assessments. They also do visual inspections, and they're undertaken biweekly or monthly, depending on the asset risk profile.

From a shared point dam safety emergency plan perspective, that was implemented improving accessibility and interagency coordination - I covered that in a little bit of detail when I covered subcontractors on farms. All dams rated high or of significant consequence have now been updated, flood inundation mapping and site specific DSEPs. Plan 25-26 works include survey reports of Camden, Dunn's Creek and Lake Leake, and targeted upgrades for risk prioritisation. There are no unmanaged dam safety risks in Tasmanian Irrigation's profile.

**Prof RAZAY** -Minister, in response to your regulation problem with our farmers - farmers commonly rely on public liability insurance to manage operational risks. If a high-risk dam fails and has not been inspected in accordance with the act and regulation, these appear to be a risk that insurers may deny liability. What is our government going to do regarding non-compliance with dam safety obligations, because it might invalidate the liability insurance coverage for high-risk dams?

**Mr PEARCE** - Again, a very good question. You raised the point of insurance and underwriting and it's an important factor given the premium costs that are continuing to rise. If a lot of insurance companies - I don't mind saying this in public - if they took stock of the amount of money that they're charging compared to the risk, then the world would be a better place. But, at the moment what I can say is that this was dealt with in Estimates during

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a question last week, in relation to dam safety in a slightly different portfolio. I'd ask you to refer to that, or I will have my staff avail of that, and we are currently reviewing our dam safety regs.

**Prof RAZAY** - Thank you.

**Mr SHELTON** - Minister, as you've mentioned Meander Dam - you've mentioned my history, and I go back a little bit further than yourself and the members of Tas Irrigation. As far as river quality in the Meander River and environmental flows prior to the Meander Dam - get to late February, and all irrigation would have been restricted. No more, but the environmental flow was very minimal and the Meander River was just this flow of very low flows and slime and that sort of thing. What the Meander Dam did, and the environmental flow that was enclosed after that, was improve the flow right through the season, and that dam has improved the environmental flow with the Meander.

**CHAIR** - Can you get to your question please, Mr Shelton?

**Mr SHELTON** - My question is around the Sassafras scheme. Can you update the committee - I know there's been several issues around the Commonwealth and that sort of thing; it's been talked about in my time a couple of times. Now, hopefully there's been some progress made. Can you inform the committee on that progress, please?

**Mr PEARCE** - Good question. Close to home in the north-west, the Sassafras Wesley Vale Irrigation Scheme. It's actually an 'augmentation', is how it's termed. This will supplement the current operating scheme in the Sassafras-Wesley Vale region.

It's going to deliver high-reliability irrigation water to Sassafras, to Northdown, Wesley Vale, Harford, and Latrobe. The project will more than double the amount of high-surety water available to farmers in that particular region of the north-west. It will deliver 9200 megalitres of new water, support 94 irrigators, and enable irrigation of an additional 3400 hectares.

This project will create approximately 60 jobs during construction and 210 direct and indirect full-time employment positions once fully operational. It will also underpin the \$28.3 million on farm investment.

Completion of the scheme has been delayed to mid-2027, from the planned 2026 date. The first full season will now be summer 2027-28. The delays to the project are due to the level of work required - not only the level of work required, but the schemes approval under the federal *EPBC Act* that I spoke of earlier.

Areas of focus for the EPBC assessment were the Centra North Burrowing Crayfish, the Tasmanian devil, the eastern quoll, spotted-tailed quoll, the green and gold frog, and the swift parrot.

**Mr SHELTON** - I've heard about that one before.

**CHAIR** - Ms Finlay?

**Mr PEARCE** - There's more.

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**CHAIR** - Okay, well, we've got only very limited -

**Mr PEARCE** - I just want to mitigate the environmental impact on those, Chair. I think it's important. Mitigations have been put in place as part of that EPBC process to mitigate any disturbances to those affected animals.

Strict pre-clearance surveys were required, designated exclusion zones. It included also construction timings requirements to mitigate impacts on protected flora and fauna. Final approval under the *EPBC Act* was received in August 2025. The scheme is due to start construction later this year, and I look forward to launching that.

**Mr SHELTON** - It's unfortunate I'm not part of Lyons anymore.

**CHAIR** - Ms Finlay?

**Ms FINLAY** - Noting, minister, that you're relatively new and the CEO is also relatively new - given the previous commitment to community management of schemes, you talked about the importance of being prepared for irrigating seasons. There's been a number of irrigating seasons now, where WISL were given the impression that negotiations and discussions around their community management would be completed in preparation for, for instance, this irrigating season and last irrigating season. On reflection with the work that you're doing, the engagement with WISL, is it still the opinion of you, minister, and of TI that community management is possible?

**Mr PEARCE** - A hundred per cent. In fact, it's not only possible, but it's vital.

**Ms FINLAY** - Great. And so, do you believe - with the nature of the engagement with WISL now and with the steps required to be completed and with the risks that you've talked about - do you think it's possible for WISL, if they go through the process and they submit reasonable documentation and commitments, that it is possible for WISL to enter into community management of their scheme?

**Mr PEARCE** - Yes, I do. Mike, you might want to add your two-bobs' worth.

**Mr SYLVESTER** - I certainly have an opinion on the matter. Thank you, minister, and I appreciate the member's question. I concur with what the minister's said. There's certainly time, obviously not for this irrigation season because it started but for next irrigation season, for WISL to complete the steps they need to under the act, demonstrate their 80 per cent threshold irrigator district participant acceptance, put in an application, give TI enough time to assess that and mobilise WISL in a way that we both agree, that is best for them to manage the assets.

**Ms FINLAY** - Knowing what you know about managing schemes, knowing what you know about WISL, knowing what you know about the risks and what you're expecting from them through the documentation, do you think that it's possible and viable for WISL to enter into community management and for there to be a positive relationship between TI and WISL once they are in community management?

**Mr PEARCE** - The question you ask is obviously dependent on the input and the report that Mr Sylvester's already spoken about - we haven't received that from the board yet. I don't

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want to situate my appreciation on something that I haven't received, but it remains my principle that these systems can exist, and this self-managed component is possible, in fact, it can work very well.

**Ms FINLAY** - I'm not implying that this is happening in this case, but are both similar, I think in terms of being out on the ground, talking to people is how we do our job best, so there's a lot of conversations. I suppose, I would hate to think that there is a more onerous application to community management, say in WISL, than there might be somewhere else. My next question would be, is the engagement that you're undertaking with WISL - because although you haven't had other applications, there are definitely people watching this process to see if they would like to commence the process - would this be creating a model of engagement and a model agreement, so that there would be consistency for any future schemes that might want to apply for community management?

**Mr SYLVESTER** - Absolutely, this is a model for an asset lease arrangement. There's probably three different levels of community management or community engagement or a community group could have. From the asset lease perspective, where the community group is also responsible for asset strategies and asset lifecycle strategies, they're bringing in that balance between proactive maintenance, reactive maintenance and using their judgement to get that right.

**Ms FINLAY** - Because the minister would know that farmers do that every day?

**Mr SYLVESTER** - There is a model -

**Mr PEARCE** - Don't you love it when she does that?

**Ms FINLAY** - That's not something that farmers don't do already.

**CHAIR** - Please continue, Mr Sylvester.

**Ms FINLAY** - I couldn't help myself, Chair.

**Mr SYLVESTER** - I acknowledge the question, and it needs to be done commensurate with the risk of publicly owned assets. Thinking about the public use of the facilities around Winnaleah, with Blue Derby bike park and tourism and everything else like that, that asset strategy piece is actually really important, because it affects people more broadly than just the farming community or the irrigated community. That's one model, being an asset lease and encompasses asset strategy is another model around operations and maintenance only, then there's probably a third model around operations only. The further you get away from the asset strategy, the less impact, the less innovation, the less creativity and the less flex flexibility community groups have.

Our starting point with WISL is absolutely to acknowledge their long-standing history with those assets and that district, all the experience that they have and offer them an asset lease. It is certainly not more onerous than the responsibilities bestowed on Tas Irrigation for managing those assets. In fact, I would go so far as saying it's less, because we haven't delegated -

**Ms FINLAY** - Examples of where it would be less?

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**Mr SYLVESTER** - An example of where it's less is the fact we haven't delegated responsibility of the dam.

**Ms FINLAY** - Outside the dam?

**Mr SYLVESTER** - Outside the dam is probably quite similar.

**CHAIR** - Minister, if we can move on, we only have about 10 minutes to go. I want to move from the beautiful north-east, back to the beautiful south. The Greater South East Irrigation Scheme we talked about earlier - it proposes to take 41,000 megalitres of water from the Derwent, primarily during summer months when the system is at its most vulnerable. Current summer takes transferred as potable via TasWater are limited to 3000 megalitres. There have been previous studies by respected scientists Davies and Parslow in 2002, and that indicated that summer flows in the lower Derwent were already very low, and we've seen that with algal blooms and summer extractions are taking risks or having implications for the river and estuary. Given the demonstrated risks to downstream users and the environment, who has authorised the extraction of this large volume and what studies have been done to assess potential impacts and determine whether the previously recommended environmental flow provisions can be safely altered?

**Mr PEARCE** - There are a number of water sources involved here; water sources directly from Lake Meadowbank. That's a Hydro owned and operated on river dam above the final power stations in the Derwent Hydro Generation Power Scheme. Lake Echo and King William are the two largest storages, 1 million megalitres combined capacity. For the Derwent Hydro Generation Power Scheme and water flows into Lake Meadowbank from these large storages via several downstream lakes, so this is not just one river is what I'm trying to get across.

The annual volume for irrigation is full capacity and is approximately 1.3 per cent of the total average water discharged from Meadowbank, estimated at 2.8 million meg per annum. Hydro Tasmania has formed an initial view regarding any impact of the scheme based on historical inflow data and the flow downstream for Lake Meadowbank will be unaffected. Specifically, Hydro will continue meeting their existing commitments downstream of Lake Meadowbank and they include: maintaining a minimal riparian flow of at least 18 cubic metres per day using responsible endeavours to maintain an average power station discharge of at least 32 Qmax. That's roughly around about 2700-odd meg a day over a five-day rolling period.

TI and Hydro will continue to work together to progress the project through design and environmental approvals. I can hand over now to Mike to talk about some of the specific -

**CHAIR** - Specifically, you talked about an annual flow, but specifically it's when the river is very low, which is in the summer months. There are the parts of Meadowbank, for example, and some of those areas of the river which are very, very low and subject to algal blooms.

**Mr PEARCE** - I understand your concern, and I will hand over to Mike.

**Mr SYLVESTER** - I think it's important to reinforce that the irrigation take from Lake Meadowbank is 18,600 megalitres in the summer period, and there's a commensurate winter period of the same volume as well. Tasmania Irrigation doesn't have any customers on

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the lower Derwent River below Meadowbank Dam, and the operation of Hydro Tasmania's power station isn't affected by the take, so therefore the discharge that Hydro will put into that river isn't affected by this scheme.

**CHAIR** - Given those environmental concerns, I think that was borne out at least in that study by Davies and Parslow in 2002, who will be doing the studies to ensure that the environment won't be adversely affected and will those studies be completed and released?

**Mr SYLVESTER** - Collaboratively, Tas Irrigation and Hydro Tasmania will continue to work together as the project progresses to refine Hydro Tasmania's initial view that there's no impact. Tas Irrigation will take the lead on that with Hydro Tasmania. That study will be materially important to our EPBC submission for the project.

**Prof RAZAY** - Irrigation systems require energy. Do we use clean energy in irrigation systems, especially to run pumps, for example, do we use solar energy for that?

**Mr PEARCE** - I have some information on solar. You raise a good point, and it's not only once that water arrives on farms - and just while I'm looking for that information around solar, many of these schemes, in fact, the Northern Midlands scheme that I visited the other day, a lot of that water is being delivered at a rate and at a flow rate that will feed a pivot irrigator so there's no requirement for secondary pumping at the farm. This is an incredible advantage when it comes to farmers not having to pay for a secondary pump or a turkey's nest, et cetera. These are considerations that we apply all the time. I know for TI it's front and centre.

In relation to your question around solar, it's not only smart, but it's smart business sense as well. I know energy costs are significant, they're a significant portion of the cost of delivering water, and they're a significant cost of doing business in agribusiness. That's why we as a government have invested more than \$5 million in an energy on farms program to reduce these costs and to make irrigation schemes more efficient. The program also encourages the use of renewable energy and the adoption of new technologies for the broader community.

In the year 2024-25, the final two solar arrays included in the energy on farms program were installed. The first was at the Mt Seymour pump station as part of the Midlands scheme, and the second was in Smithton on the Duck River. A solar array was also installed as part of the Don Irrigation Scheme near Devonport and paid for by project funding. I will ask Tasmanian Irrigation now to elaborate on any future plans they have for not only solar but any form of renewable energy uptake.

**Mr SYLVESTER** - Through you, minister: we have eight solar arrays in operation that effectively offset the pumping cost to irrigators, so it reduces the variable charge that our consumers experience. We also have three mini-hydro power stations: so the two in particular that offset variable charges is one on the Scottsdale irrigation scheme and one on the Midlands irrigation scheme, and we have a third mini-hydro situated at Meander Dam that partially offsets the cost there.

Consistent with our sustainability strategy, Tasmanian Irrigation has a sustainability strategy where we're very focused on our carbon emissions and our carbon accounting, and renewable energy is a part of our future for two reasons: I believe it's good stewardship from our perspective as well in minimising environmental harm and promoting good energy sources, but it is also a key ingredient in the design of schemes to reduce operational costs. As we've

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heard today from other members of the committee, whilst we've got a very niche product, it is also an expensive product and in balance with other cheaper water products in the state it's a combination of both of those that really add to the viability of the agriculture sector.

**Prof RAZAY** - Thank you.

**Mr PEARCE** - Thanks for the question.

**Mr SHELTON** - In the last 30 seconds? It's about water quality monitoring, minister, and it's been talked about already today, but what's Tasmanian Irrigation doing to ensure that it continues to monitor water quality statewide? The other one, which we talked about before, is how is the government supporting local agricultural research and development?

**Mr PEARCE** - Yes, and you raise an excellent point when it comes to water quality. Bear with me -

**CHAIR** - The time for scrutiny, unfortunately, of this organisation has now expired. Thank you all for your attendance and we'll have a pause in the broadcast for a moment, and we will organise the next appearance. Thank you very much for coming.

**Mr PEARCE** - Thanks, Chair. Thanks, committee.

**The committee suspended from 10.45 a.m. to 10.47 a.m.**