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MEDIA STATEMENT

Water auction part of Tasmania's water market development

Tasmania's developing market for agricultural water will reach a milestone early in 2013 with the first auction of water entitlements in Tasmanian Irrigation schemes.

TI says there has been sustained demand for irrigation from the 10 schemes it currently operates and there has been higher than usual temporary trading of water between farmers.

"Some farmers have either used or are approaching their full allocation of scheme water and are wishing they had secured larger amounts," said TI Chief Executive Chris Oldfield.

"We are approaching the time when farmers may wish to secure entitlements which remain in some schemes."

The auction will be conducted by Landmark Harcourts in Launceston in March 2013.

The parcels to be offered are still being determined. However, they are likely to include the Meander Valley Irrigation Scheme and its pipeline sub-schemes, the Midlands Water Scheme, Upper Ringarooma Irrigation Scheme, Whitmore Irrigation Scheme, Great Forester Irrigation Scheme and Kindred North Motton Irrigation Scheme. Further details will be advertised in January 2013.

Mr Oldfield said that demand for high surety water seems certain to increase over coming years.

"This auction is likely to be the first of many and will help lay the foundations for an active Tasmanian water market."

He said that the reserve price for entitlements will be no less than that paid by landholders during the initial water sales period for each scheme and that water offered for sale will have payment terms available until September 2013.

"Water entitlements earmarked for the auction will not be available for purchase beforehand. However, farmers who need additional water before March may lease them for use during the current irrigation season," he said.

Mr Oldfield said that water auctions and other forms of trading were common on the mainland but new to Tasmania.

"This is the first time that parcels of entitlements across a number of irrigation schemes in Tasmania will be offered. Last year, a small number of Government-issued licences to take water from natural waterways were auctioned."

He said that water trading encouraged water to be applied to higher value uses over time, ensuring that the wider community realised the greatest social and economic benefit from its use.

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