

Policy – Irrigation Supply System Reconfiguration

Policy

SRW supports capital investment to reconfigure the irrigation supply system to support the following objectives:

- to reduce the overall whole of life costs of the supply system
- to generate water savings
- to increase on-farm productivity.

When the following conditions are satisfied:

- the investment is consistent with strategic plans
- the value of the benefits exceeds the costs based on a net present value assessment
- customers agree to the reconfiguration
- there is sufficient budget provision.

Reconfiguration costs may include on-farm works.

Where the costs are more than the benefits, then the customer directly impacted by the reconfiguration must agree to fund the difference so the value of the benefits including the payment is equal to the costs.

Customers must sign an agreement prior to the start of reconfiguration works. The agreement will cover SRW's right to remove agreed redundant assets and construct new assets.

Any compensation payments made as part of a reconfiguration will require Managing Director approval, and must be in accordance with the financial delegations.

Definitions

Irrigation supply system includes the Macalister Irrigation District, Werribee Irrigation District and Bacchus Marsh Irrigation District.

Reconfiguration is defined indirectly by the Water Act in s.161C as:

upgrading, downgrading or discontinuation of works that provide irrigation or other rural water services to properties within the relevant district of the Authority and any associated drainage works

Benefits include:

- value of water savings
- the avoided future capital and operational costs which would have been incurred without the reconfiguration works
- consideration of intangible benefits – such as removing narrow road crossings

Costs include:

- capital investment of the reconfiguration, including on-farm works
- future capital and operational costs of the new assets.

On-farm works are limited to the works required to ensure the customer retains the ability to commercially irrigate the same area of land as they did prior to reconfiguration.

Effective date and review date

This policy takes effect on 6 December 2017.

It is due for review by December 2020.

Who is affected

This policy applies to all staff involved in reconfiguration negotiations.

Rationale

There is significant opportunity in the Macalister Irrigation District to reduce the scale of the irrigation supply system. The opportunity arises from:

- the potential to have fewer customer outlets, because farms have increased in size and will continue to become larger; and they have more irrigation options and flexibility (such as sprays) compared with when the systems were built
- major modernisation projects which generate customer interest in service upgrades.

There is some opportunity in the Werribee Irrigation District and Bacchus Marsh Irrigation District but to a lesser extent due to the extensive on-farm works that limit supply system changes.

Part 7A of the Water Act specifies the powers for reconfiguration plans. This policy sets the framework for making reconfiguration decisions by agreement.

Where SRW is unable to reach agreement and wants to pursue reconfigurations without agreement, it will have to use the reconfiguration powers and general powers to do works under the Water Act.

Where a reconfiguration requires land acquisition – the process will follow the Land Acquisition and Compensation Act or be negotiated by agreement.

Contact

For more information on this policy, contact General Manager Technical Service

Related documents

- *Water Savings Protocol – Technical Manual for the Quantification of Water Savings, Department of Sustainability and Environment, 2012*
- *SRW Board Policy on water savings*
- *Voluntary Irrigation Rationalisation Policy – which this policy replaces.*
- *Water Act 1989*
- *Land Acquisition and Compensation Act 1986*

Communications

This policy will be made available on SRW's website.
