



Australian Government

AHCWAT505 Purchase and sell temporary water for irrigated agriculture and horticulture

Release: 1

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Modification History

Release	Comments
Release 1	This version released with AHC Agriculture, Horticulture and Conservation and Land Management Training Package Version 8.0.

Application

This unit of competency describes the skills and knowledge required to navigate water markets, purchase and sell water products for irrigated agriculture and horticulture

The unit applies to individuals that apply specialised knowledge, skills and judgement to navigate complex water regulations and markets, research and analyse information, monitor change and develop strategies to purchase and sell water. The unit may be used by agricultural workers, including those that purchase water to grow permanent or annual crops and/or livestock. It may also apply to the purchase and sale of water for other sectors.

Commonwealth and state/territory and regional/local legislation, regulations and rules apply to the purchase, sale and use of water. Requirements vary between jurisdictions.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil

Unit Sector

Water (WAT)

Elements and Performance Criteria

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Undertake preliminary research	1.1 Identify the agriculture or horticulture activity and cyclical and/or seasonal water requirements 1.2 Identify rules, risks and limitations that have potential to affect

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
	water market 1.3 Determine volume of water, including transmission losses and timing of watering to successfully undertake the agriculture or horticulture activity 1.4 Identify existing water reserves, water allocations and determine additional water to be purchased 1.5 Identify water product required 1.6 Identify eligibility and conditions to purchase water according to regulatory requirements 1.7 Monitor water market allocation announcements, product releases, pricing and other announcements that may affect water purchase.
2. Prepare for water purchase	2.1 Research water market and identify water products that are suitable and available in trading areas 2.2 Undertake risk and cost benefit analyses to determine return on investment associated with proposed water purchase 2.3 Develop strategy for purchasing water, and sequencing water acquisition if required 2.4 Determine quantity, type and price range of water product required 2.5 Identify platforms, water brokers and other trading options to purchase water 2.6 Identify and calculate fees, commissions and other costs related to water purchase 2.7 Seek legal, financial, agronomical and other specific advice related to proposed water purchase as required 2.8 Monitor water market for product releases, pricing and other variables that affect water purchase
3. Purchase water	3.1 Select and confirm water product chosen is available, within budgeted price range, and meets specific regulatory requirements for buyer's proposed use 3.2 Select water trading platform and/or broker or method to purchase water, and apply to purchase and use water if required 3.3 Check and confirm terms and conditions for sale 3.4 Complete water transaction, payment and other regulatory reporting requirements, including options for financing 3.5 Confirm water transaction has been lodged with regulatory

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
	authority 3.6 Undertake ongoing requirements that apply to the water trade, if required
4. Determine water available for sale	4.1 Check balance available for sale 4.2 Research current season water outlook and identify possible allocation for new season 4.3 Identify water pricing and availability trends 4.4 Undertake cost benefit analysis to determine whether to carryover or sell water 4.5 Decide water product and quantity proposed for sale and/or retention
5. Prepare to sell water	5.1 Identify conditions to sell water according to regulatory requirements and confirm water quantity eligible for sale 5.2 Develop strategy for selling water, and sequencing water sales if required 5.3 Undertake risk analysis associated with proposed water sale 5.4 Determine quantity, class and type and price range of water product to be sold 5.5 Identify platforms, water brokers and other trading options to sell water 5.6 Identify and calculate fees, commissions and other costs related to water sale 5.7 Seek legal, financial and other relevant advice related to proposed sale water if required 5.8 Monitor water market for product releases, pricing and other variables that affect water purchase
6. Sell water	6.1 Confirm water product offered for sale meets regulatory requirements and is priced competitively 6.2 Check and confirm terms and conditions for contract of sale 6.3 Commit to sell water, select water trading platform and/or broker or other method to sell water, and list water for sale 6.4 Accept suitable purchase offer, complete water transaction, confirm payment and other regulatory reporting requirements 6.5 Confirm water transaction has been lodged with regulatory

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Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential for performance in this unit of competency but are not explicit in the performance criteria.

Skill	Skill
Reading	- Interpret regulations and rules related to water trading - Identify critical information in water market reports
Writing	Record and report information and data accurately using appropriate regulatory and industry terminology
Oral communication	- Use open and closed questions to gather information - Use summarising and paraphrasing to confirm information and messages
Numeracy	- Measure and calculate area, volume, percentage, ratio and price per megalitre (ML) - Use appropriate terminology to describe water volumes, including kilolitres (KL), megalitres (ML) and gigalitres (GL)

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
AHCWAT505 Purchase and sell temporary water for irrigated agriculture and horticulture	Not applicable	The unit has been created to address a skill or task required by industry that is not covered by an existing unit	Newly created

Links

Companion Volumes, including Implementation Guides, are available at VETNet: -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72>

Assessment Requirements for AHCWAT505 Purchase and sell temporary water for irrigated agriculture and horticulture

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Performance Evidence

An individual demonstrating competency must satisfy all of the elements and performance criteria in this unit.

There must be evidence that the individual has undertaken the processes required to purchase at least two different temporary water products. For each purchase, the individual must have:

- calculated water requirements for the plant or livestock production period
- identified at least two different water trading areas or zones that can supply the required water, where possible
- identified regulatory requirements and trading rules related to the purchase of water products
- completed a cost benefit analysis, including return on investment for the water purchase
- developed a strategy to purchase the water, including options for financing
- determined criteria for selection of water trading platform and water broker
- determined risks and benefits of trading without using a water trading platform or broker
- used digital technologies to research water products
- produced a report for each water purchase that includes:
 - purpose for the water purchase
 - summary of applicable regulations
 - risk analysis
 - financial planning
 - purchasing strategy, including a rationale for timing of the purchase
 - water product mix
 - key sources of information for water products.

There must also be evidence that the individual has undertaken the processes required to sell at least two different temporary water products. For each sale, the individual must have:

- determined the volume of water for sale
- identified water for retention and water proposed for sale
- identified regulatory requirements and trading rules related to the sale of water

- completed a cost benefit analysis for the water sale
- developed a strategy to sell the water
- determined criteria for selection of water trading platform and water broker
- used digital technologies to research water products
- produced a report for each water sale that includes:
 - determination of water quantity and type proposed for sale
 - risk analysis
 - financial planning
 - selling strategy, including a rationale for timing of the purchase
 - water product mix
 - key sources of information for water products.

Knowledge Evidence

An individual must be able to demonstrate the knowledge required to perform the tasks outlined in the elements and performance criteria of this unit. This includes knowledge of:

- key features of regulations that apply to the transactions being undertaken
- functions and compliance powers of federal, state and regional water authorities that apply to water transactions being undertaken
- functions and operations of state water registers
- water use licences and water trade restrictions that apply to local area
- key features of water entitlements and water allocations, including seasonal variations
- key principles of carryover water
- water products, including types and classes, available in local water market and other markets
- features and benefits of temporary water trading
- risk analysis and risk management strategies related to trading water, including soil carbon, long range weather forecast and long-term water allocation
- when and how to seek legal and financial advice related to water trades
- water broker and water trading platforms functions, benefits and costs
- water trading rules and guidelines provided by local water authorities
- information on allocation, allocation announcements and market opportunities
- historical data and analysis on long-term reliability of different entitlement types or water products
- considerations for developing a strategy for trading water, including:
 - total volume
 - water losses during transmission
 - timing and sequencing water sale
 - legal advice
 - financing
 - production requirements
 - weather forecasts

- water allocation seasonal forecasts.

Assessment Conditions

Assessment of the skills in this unit of competency must take place under the following conditions:

- physical conditions:
 - a workplace or an environment that accurately represents workplace conditions
- resources, equipment and materials:
 - digital technologies required to complete the tasks specified in the performance evidence
 - historical data related to irrigated agriculture and/or horticulture specified in the performance evidence
 - access to water trading platform and/or documentation required to trade water without use of a water trading platform or broker
- specifications:
 - access to regulations and trading rules that apply to the water purchases and sales specified in the performance evidence

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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