Modification history

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

| AHCWAT5X1 | Purchase and sell temporary water for irrigated agriculture, horticulture and production horticulture |
| --- | --- |
| Application | This unit of competency describes the skills and knowledge required to navigate water markets, purchase and sell water products for irrigated agriculture, horticulture and production 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. |
| Prerequisite Unit | Nil |
| Unit Sector | Water (WAT) |

| Elements | Performance Criteria |
| --- | --- |
| Elements describe the essential outcomes. | Performance criteria describe the performance needed to demonstrate achievement of the element. |
| 1. Undertake preliminary preparation | 1.1 Identify the agriculture and/or horticulture activity and cyclical and/or seasonal water requirements  1.2 Identify rules, risks and limitations that have the potential to affect the water market  1.3 Determine the volume of water, including transmission losses and timing of watering to successfully undertake the agriculture and/or horticulture  1.4 Identify existing water reserves, water allocation/s and determine the additional water to be purchased  1.5 Identify the 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 area/s  2.2 Undertake risk and cost benefit analyses to determine the return on investment associated with the proposed water purchase  2.3 Develop a 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 the proposed water purchase if required  2.8 Monitor the 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 the 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  3.5 Confirm water transaction has been lodged with regulatory 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 retain 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 a strategy for selling water, and sequencing water sales if required  5.3 Undertake risk analysis associated with the proposed water sale  5.4 Determine quantity, class and/or 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 the proposed sale water if required  5.8 Monitor the 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 the water trading platform and/or broker or 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 authority  6.6 Undertake ongoing requirements that apply to the water trade, if required |

| 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 legislation, 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 unit costs * 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 |
| AHCWAT5X1 Purchase and sell temporary water for irrigated agriculture, horticulture and production horticulture | Not applicable | New unit created for the purchase and sale of water | 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 |

| TITLE | Assessment requirements for AHCWAT5X1 Purchase and sell temporary water for irrigated agriculture, horticulture and production horticulture |
| --- | --- |
| 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 the financing * determined the selection criteria for choice of water trading platform and water broker * determined the 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 the 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 legislation and regulations that apply to the transactions being undertaken * functions and compliance powers of state and regional water authorities that apply to the 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 carry over 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 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/or 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 * timing and/or 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, horticulture and/or production 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 legislation, 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 | Companion Volumes, including Implementation Guides, are available at VETNet:  https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72 |