

Working with Farmers to Grow the Wealth of Tasmania

SIGNIFICANT PROGRESS ON SMIS

There has been significant progress on the Southern Midlands Irrigation Scheme (SMIS) project in recent months.

Tasmanian Irrigation (TI) is pleased to inform you that TI’s Board recently endorsed a Preferred Option Design for this important irrigation project.

The Preferred Option Design is centred on water being sourced from Lake Binney utilising 173km of pipeline to service Bothwell, Jericho, Apsley, Melton Mowbray, Kempton, Colebrook, Elderslie and Hermitage.

The alignment also shows there could be potential to service Broadmarsh, Pelham and Elderslie dependent upon demand.

The development of this Preferred Option Design has been guided significantly by consultation with the SMIS Irrigator Representative Committee (IRC) members, who have repeatedly emphasised to the project team the critical need for low operating costs, and low fixed operating costs in particular.

This need has driven the concept selection process for SMIS, resulting in a gravity fed preferred option with no pump stations, and correspondingly low operating costs. The project has now been referred to the Tasmanian Government for a decision to proceed to the next stage.

Southern Midlands Preferred Option Design Capacity and Costs	
Water source	Lake Binney
Summer capacity	18,000 ML
Winter capacity	18,000 ML
Pipeline length	173km
Pressure reducing valves	7
Pump stations	0
Forecast cost	\$289 million
Estimated fixed OPEX	\$37 per megalitre (full capacity sold)**
Estimated variable OPEX	\$122 per megalitre*
Summer entitlement	\$2,250 per megalitre
Winter entitlement	\$1,285 per megalitre
*At 2023/24 Hydro pricing – cost of water only	
**Fixed OPEX will be higher if not fully sold. e.g. increases to \$47.50 per ML at 70 per cent capacity sold	

“Tasmanian Irrigation sincerely thanks Southern Midlands landowners for their support of this irrigation project and looks forward to continuing to work together to deliver this game-changing infrastructure for the region.”
 -Andrew Kneebone, Tasmanian Irrigation CEO

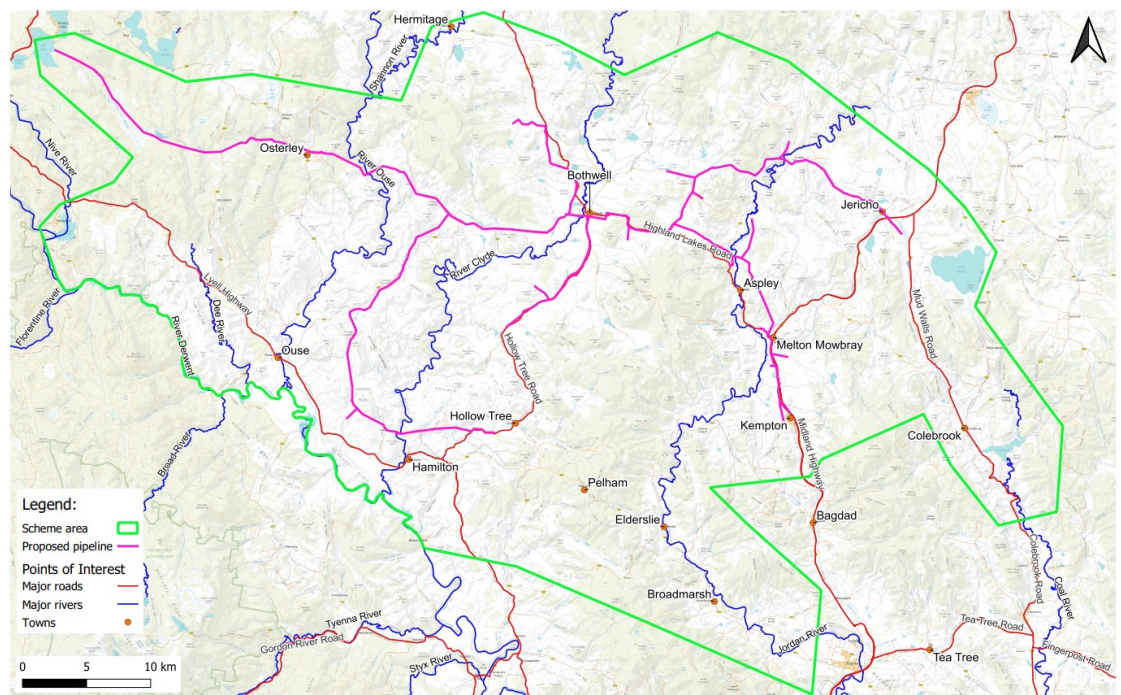


Southern Midlands Irrigation Scheme Newsletter

Proposed Area

This map illustrates the proposed area to be covered by the Southern Midlands Irrigation Scheme.

The area is subject to change, depending on the amount of water contractually applied for during the Water Sales process.



Tranche Three Update

Although we are now at the stage of having a great Preferred Option Design for the SMIS, the progress of the scheme must take place within the context of the greater program of Tasmanian Irrigation's Tranche Three projects, and the constraints of the Tasmanian civil contracting market.

As such, in 2022, Tasmanian Irrigation was requested to provide feedback to the State Government on the current program, and provide clarity on the ability of TI, the civil contracting market, supplied networks and support services to deliver the full program of projects.

From the review, it became clear that the projects must be prioritised and delivered over a longer timeframe, with a new phased approach agreed to. The Minister has approved the following projects to continue:

- The Don Irrigation project is on schedule to be completed in October 2023;
- The Northern Midlands project will progress the tender process and is scheduled to commence construction in late 2023; and
- The Sassafras Wesley Vale Irrigation Scheme Augmentation will conclude design and enter into the tender phase in 2024.

These three projects equate to almost \$400 million in capital and will see the civil and supply markets at capacity within this segment out to 2026-27.

The next two projects, the Greater South East Irrigation Scheme and the Tamar Irrigation Scheme, will continue through the feasibility stage and look to deliver business cases and funding requests in 2023.

These two projects have a combined forecast capital estimate of approximately \$550 million and will be the next to progress to design, tender and construction — once the first three projects have advanced.

The next projects — SMIS, Harcus and Detention / Flowerdale — will be held at their current status pending sufficient progress in the present program for resource demand to begin to decline.

Once TI determines that the construction market has capacity to move these projects forward, TI will request the Minister to approve project progression and the recommencement of external communication with project stakeholders and irrigators.

If you required additional clarity on the above, please contact enquiries@tasirrigation.com.au.

Southern Midlands Irrigation Scheme Newsletter

The Next Steps

Once Tasmanian Irrigation has received a green light from the Minister to resume work on the Southern Midlands Irrigation Scheme, the following will occur:

Project Team Reassembled



Preferred Option Design Launch and Public Consultation



Post Public Consultation Concept Review



Launch of Water Sales



Water Entitlement Contracts Offered to Landowners



Approvals, funding, construction, commissioning

SUPPORTED BY



*Water for the 18,000
megalitre Southern
Midlands Irrigation Scheme
will be sourced from
Lake Binney*

Project Team

Tasmanian Irrigation sincerely thanks Project Manager Cathy Sugden for her work on the Southern Midlands Irrigation Scheme.

Due to the project awaiting a green light to proceed to the next stage, Cathy finished with Tasmanian Irrigation in mid June.

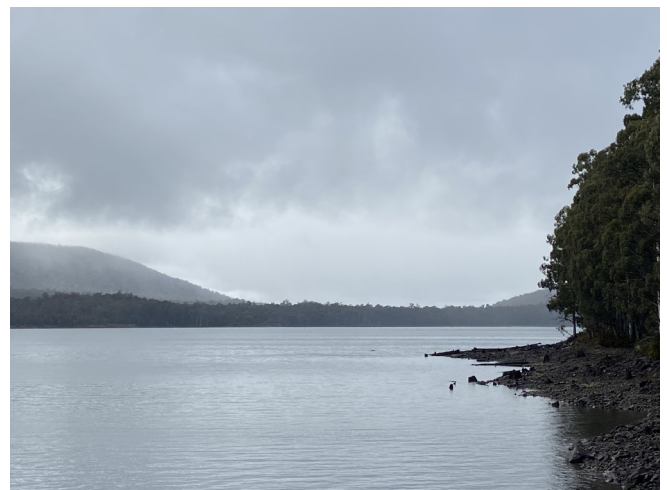
Cathy has very much enjoyed working with the SMIS Irrigator Representative Committee, landowners and TI's Program Development and Delivery Team to progress SMIS to Preferred Option Design.

She encouraged farmers to review the Preferred Option Design and to continue to work together to ensure the project proceeds for the region.

Landowners are welcome to reach out to the volunteer IRC members for a chat about the project.

Cathy sincerely thanks everyone for their support and cooperation during her time as Project Manager.

Tasmanian Irrigation will provide further updates on the project as more information is to hand.



Tasmanian Irrigation looks forward to continuing to work collaboratively and cooperatively with Southern Midlands farmers and other key stakeholders to deliver an irrigation project designed to last at least 100 years and deliver water at an average annual reliability of more than 95 per cent.

This newsletter contains information of a general nature and reasonable care has been taken to ensure accuracy of content at the time of publication. Scheme details and policies may change, and individual circumstances may vary. This newsletter should not be relied upon as a basis of individual decision making. For more information about this newsletter, please contact: **Tasmanian Irrigation Pty Ltd, PO Box 84, Evandale, TAS, 7212 | Ph: (03) 6398-8433 | www.tasirrigation.com.au**