



Preferred Option Design Overview

TASMANIAN IRRIGATION

Level 2, Launceston Airport Passenger Terminal Building. 201 Evandale Rad, Western Junction TASMANIA 7212

Phone:
(03) 6398-8433
Email:
GSEIS@tasirrigation.com.au
Web:

www.tasmanianirrigation.com.au

This exciting irrigation infrastructure project has the capacity to deliver 41,000 megalitres of highsurety irrigation water, the largest in Tasmania.

The Greater South East Irrigation Scheme has been designed to service land around Gretna, Jordan River Valley, Brighton, Cambridge, Richmond, Tea Tree, Colebrook, Campania, Sorell, Forcett, and Pawleena in Tasmania's south east.

The project has just progressed to Preferred Option Design, enabling landowners to provide feedback about the design prior to Water Sales being launched in early August 2022.



Who is Tasmanian Irrigation?

Tasmanian Irrigation Pty Ltd is a recognised economic enabler that owns, operates, designs and develops irrigation schemes to deliver high-surety irrigation water to Tasmanian landowners.

A State-owned Company, Tasmanian Irrigation is renowned for its proven ability to reliably and cost effectively deliver irrigation water, as well as complex infrastructure projects, to enable farmers to expand, diversify and value add their agricultural businesses.

Tasmanian Irrigation plays a critical role in assisting the Tasmanian Government to achieve its target of increasing the farmgate value of the State's agricultural sector to \$10 billion a year by 2050.

Since Tasmanian Irrigation was established in 2008, the Company has taken over management of a range of inherited assets, including dams, irrigation schemes and river works, constructed 15 new irrigation projects and advanced planning on the first six Tranche Three priority projects — Don, Northern Midlands, Sassafras Wesley Vale Augmentation, Tamar, South East Integration project and Southern Midlands.

These six projects will more than double Tasmanian Irrigation's current water delivery capacity of 134,000 megalitres, increase the State's agricultural output by more than \$1 billion, create an additional 3,500 jobs and underpin a further \$450 million of on-farm investment.

All schemes developed and operated by Tasmanian Irrigation are economically viable, environmentally sustainable, have strong community endorsement, are designed to last at least 100 years and deliver water at an average reliability of more than 95 per cent per annum.





Project Overview

Tasmanian Irrigation currently owns and manages three irrigation schemes in the South East of the State:

- South East Stage One (completed in 1986 to supply 2,650 megalitres of water each year along the Coal River Valley to Colebrook, Campania and Richmond);
- South East Stage Two (completed in 1992 to supply 1,980 megalitres of water each year to the Richmond, Dulcot and Cambridge areas); and
- South East Stage Three (completed in 2015 to deliver up to 3,000 megalitres to the area around Tea Tree, Campania, Orielton, Pawleena, Penna, Sorell and Forcett).

A reliance on treated water from TasWater for South East Stages Two and Three has been a long-held concern for Tasmanian Irrigation and landowners due to the rising cost of the water, competing pressures for supply and uncertainty of supply during dry seasons. There is also a high level of demand for additional water from existing irrigators and new water from surrounding landowners.

Tasmanian Irrigation has worked closely and cooperatively with irrigator communities to determine the best possible long-term solution to secure an alternate, reliable and fit-for-purpose water source, as well as amalgamate all three existing schemes and standardise entitlement contracts.

This has led to the Greater South East Irrigation Scheme (formerly known as the South East Integration Project) being developed as one of the Tranche Three priority projects.

The initial expectation was for demand of 11,230 megalitres. Expressions of Interest were launched in February 2020 and concluded with 27,000 megalitres of interest registered. Ongoing expansion and the incorporation of the Gretna area into the project has resulted in a Preferred Option Design being developed based on a scheme with a 41,000 megalitre capacity.

The key features of the Greater South East Irrigation Scheme design are:

- Water to be sourced from Lake Meadowbank via two pump stations;
- A rising mainline to be constructed over Back Bluff to an elevated tank and a long falling mainline to the existing Tea Tree pump station, which supplies the existing Stages Two and Three;
- Extend the south east pipework into the Coal River Valley to just below Craigbourne Dam to service the existing Stage One irrigators and new demand in the area; and
- Construct and / or augment pipelines to service Gretna, Elderslie and Broadmarsh and to extend the existing Stages Two and Three schemes to meet increased demand.



Preferred Option Design Snapshot

Name	Greater South East Irrigation Scheme
Cost	\$408 million
Potentially Irrigable Area	135,670 hectares
Extent of Area	The irrigation area encompasses Gretna, Jordan River Valley, Brighton, Cambridge, Richmond, Tea Tree, Colebrook, Campania, Sorell, Forcett and Pawleena
Climate	One of Tasmania's driest regions with unreliable rainfall, particularly throughout the summer months
Projected Capacity (ML)	41,000 megalitres
Water Source	Lake Meadowbank
Water Reliability	Greater than 95 per cent
Major Infrastructure	Two pump stations and 206km of pipeline
Nature of Development	Construction via public / private partnership
SE summer water entitlement price*	\$3,500 / ML
SE winter water entitlement price	\$1,850 / ML
Gretna summer water entitlement price	\$1,650 / ML
Operational Costs	Operation of scheme fully funded by irrigators and public sector. Operating costs estimated between \$270 and \$350 per ML (2023-24 dollars).
Water Use	Berries, leafy greens, wine grapes, orchards, pasture, vegetable crops and dairy.

*South East Stage One irrigators have an option to convert their stage one entitlements to the new integrated GSEIS project at \$1,950 / ML. *No winter water proposed for Gretna area at this stage.

Forecast Timeline

June 2022 Preferred Option Design Launch



August 2022 Water Sales Launch



Late 2022Business Case Submitted



Late 2026 Scheme Commissioning

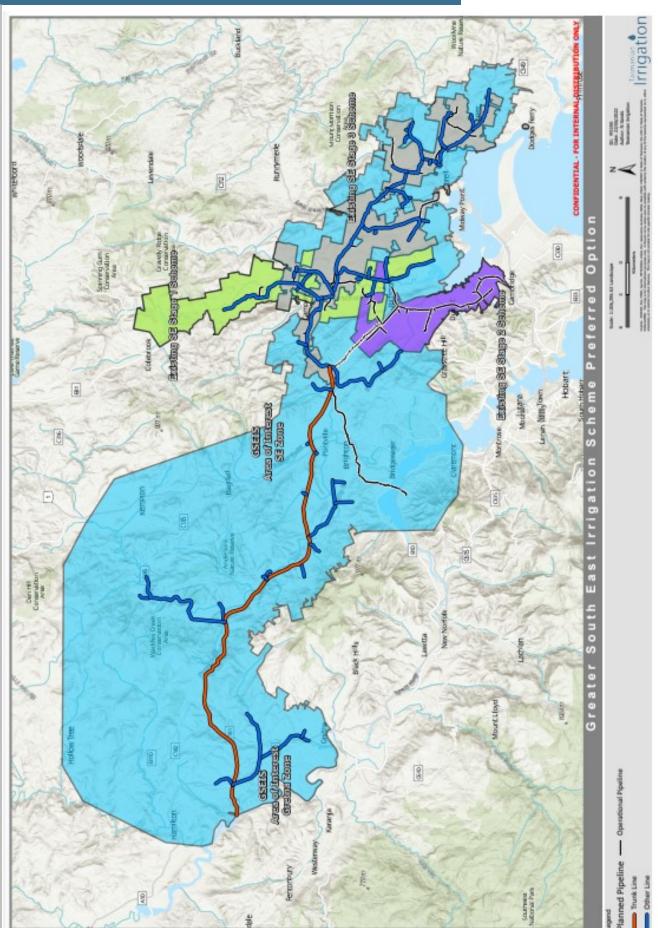


Late 2023 Construction Start Date



2023Permits and Approvals





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Prefeasibility Investigation Results

Environmental Assessments

Desktop environmental assessments are being undertaken to ensure the project does not impact on areas of environmental significance.

A section of the proposed pipeline is proximal to a significant area of Themeda grassland, which is managed by the Tasmanian Land Conservancy. This area also includes other threatened species.

The next stage of development will include further detailed investigations for the flora and fauna permits, as well as lodging for approvals under the *Environment Protection and Biodiversity Conservation Act*.

Cultural Heritage Assessment

A desktop assessment advised that there are a number of Aboriginal heritage sites along or within proximity to the proposed alignment.

Further design development and appropriate construction practices will be engaged to ensure areas of significance are mitigated.

Economic Assessments

An enterprise mix and margin survey, as well as a preliminary economic analysis, have been completed as part of the prefeasibility investigations.

The enterprise mix and margin survey involved interviewing 52 participants, representing a variety of agricultural enterprises across 78 farms and 40 per cent of the current Expression of Interest demand.

The survey indicated employment is likely to double with the additional water and on-farm investment.

The preliminary economic analysis was undertaken to estimate the value of the scheme to the wider region. The analysis modelled various scenarios to

compare against the base case and understand sensitivities to cost variances.

Although these assessments are only indicative representations of the potential economic impacts of this scheme, the results are among the highest of any Tasmanian Irrigation scheme for this stage of project development.



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Economic Benefits

The integration and expansion of the existing three South East Irrigation Schemes will increase the reliability of fit-for-purpose water available on existing and new enterprises, create jobs, underpin confidence to invest, improve property values and facilitate expansion in the area.

After constructing 15 irrigation schemes around the State as part of Tranche One and Tranche Two, Tasmanian Irrigation has seen the vast array of economic benefits to individual businesses, regions and the State as a whole.

Irrigators that sign up to Tasmanian Irrigation schemes can realise a number of benefits, including:

- ⇒ Reduced long term water costs;
- ⇒ Greater water supply security and reliability;
- ⇒ Greater flexibility with rotations and diversification;
- ⇒ Additional employment opportunities; and
- ⇒ Scalable growth.

The Greater South East Irrigation Scheme is also expected to create:

Estimated direct jobs	316
Estimated indirect jobs	154
Estimated total jobs	474

For further detail...

For more information about the Greater South East Irrigation Scheme, please contact:

-Lorrienne Lyte, Project Manager

M: 0418 846 369

E: GSEIS@tasirrigation.com.au

W: www.tasmanianirrigation.com.au/schemes/greater-south-east-irrigation-scheme



