

Sales Rules for the Open Class Tendering of Water Entitlements Midlands Irrigation District

This schedule constitutes the terms for the purposes of the Open Class Tender

The Schedule

The Irrigation District	The Midlands Irrigation District as varied by Tasmanian Irrigation in its absolute discretion
Available Volume	3,414 ML – Zone 3: Macquarie River
Tendering Period	Opening Date: 22 April 2025 Closing Date: 20 May 2025
Water Reliability	Greater than 95% reliability
Delivery Period	Winter Delivery Period: 1st of March to the 30th of September.
Pricing Structure	Reserve Price: N/A No reserve price will be set; however Tasmanian Irrigation reserves the right to reject any offer that does not meet its expectations. Tasmanian Irrigation is open to varied payment arrangements proposed by irrigators. An assessment of the price and net present value per ML, at an annual discount rate of 7%, will be made when considering the application.
The Deposit Percentage	Full payment due upon acceptance of offer.
Minimum Purchase Volume	5 ML
Incremental Purchase Volume	5 ML
Flow Rate Conversion Factor & Transmission Losses	$1/215 = 0.00465$ Transmission Losses will be between 8.50% and 15.02% depending on the offtake location you nominate. The average loss per KM downstream of the Floods Creek Dam, via Tunbridge, is 0.60%.
The Acceptance Date	18 th of August 2025

1. Interpretation

1.1 Definitions

In the Tender Rules:

- a. “the Acceptance Date” refers to the deadline by which Tasmanian Irrigation will notify successful bidders, set as 90 calendar days after the Closing Date;
- b. “the Allocation Process” means the methodology outlined in Clause 6 for determining how water entitlements will be allocated among bidders;
- c. “the Applicable Zone” means the specific delivery zone where the Tenderer’s nominated Connection Point is situated;
- d. “a Business Day” means a day on which trading banks are open for business in both Hobart and Launceston in Tasmania;
- e. “the Closing Date” means the final deadline specified in the Schedule by which all tenders must be submitted to Tasmanian Irrigation;
- f. “a Complying Tender” means a tender which complies with the requirements of clause 5 or is otherwise treated by Tasmanian Irrigation as a Complying Tender under clause 7.1(b);
- g. “the Guarantors” means the individuals or corporations specified in and executing the Tender Form as Guarantors;
- h. “the Irrigation District” means the Midlands Irrigation District;
- i. “the Minimum Take Up” means the minimum volume of water entitlements, as specified in the Schedule, that must be collectively allocated for the tender process to proceed;
- j. “notify” means the act of formally issuing written communication, including electronic or physical mail, to relevant parties;
- k. “the Preliminary Connection Point” means a point on the boundary of the Qualifying Land specified as the Preliminary Connection Point in the Tender Form;
- l. “the Qualification Criteria” means the set of eligibility requirements outlined in the Schedule that Tenderers must meet to participate;
- m. “the Qualifying Land” means the Qualifying Land specified in the Tender Form;
- n. “Rights” means Rights as defined in the Water Entitlement Purchase Contract;
- o. “the Scheme” means the undertaking as defined by section 2(1) of the Irrigation Clauses Act 1973 planned for the Irrigation District;
- p. “the Tenderer” means the Tenderer named in the Tender Form;
- q. “the Tender Form” means the form accompanying the Tender Rules and which is required to be completed by a Tenderer;
- r. “the Tender Lodgement Details” means the Tender Lodgement Details specified in the schedule;
- s. “the Tendered Price” in respect of a tender means the Tendered Price per ML specified in the Tender Form;
- t. “the Tendered Volume” in respect of a tender means the Tendered Volume of the Rights specified in the Tender Form;
- u. “the Tender Rules” means the guidelines and regulations governing the Midlands Irrigation Tender process as outlined in this document;
- v. “Tasmanian Irrigation” means Tasmanian Irrigation (ACN 133 148 384);
- w. “the Water Entitlement Purchase Contract” means the contract in the form of annexure 2;
- x. “Zone Delivery Capacity” in respect of a Zone means the maximum capacity as determined by Tasmanian Irrigation of the Scheme to deliver water to that Zone in each irrigation season planned for the Irrigation District; and
- y. “the Zones” means the Zones (if any) of the Irrigation Scheme specified in the schedule being the separate delivery zones applicable to the Irrigation District.

1.2 General

In the Tender Rules, unless the context otherwise requires:

- a. the word ‘include’ does not exclude;
- b. the singular includes the plural and vice versa;
- c. a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government and vice versa;
- d. a reference to any gender includes all genders;
- e. a reference to a recital, clause, schedule, annexure or exhibit is to a recital, clause, schedule, annexure, or exhibit of or to the Tender Rules and a reference to the Tender Rules includes any recital, clause, schedule, annexure or exhibit;
- f. a recital, schedule, annexure or a description of the parties forms part of the Tender Rules;
- g. a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- h. where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- i. where an expression is defined anywhere, it has the same meaning throughout;
- j. headings are for convenience of reference only and do not affect interpretation;
- k. no provision of the Tender Rules will be construed adversely to a party solely on the ground that the party was responsible for the preparation of the Tender Rules or that provision; and
- l. a reference to anything (including any right) includes any part of that thing, but nothing in this clause 1.2(l) implies that performance of part of an obligation constitutes performance of the entire obligation.

2. Tender process

2.1 Eligibility to Participate

- 2.1.1 The open class water sale is available to:
 - a. landholders within the Midlands Irrigation District; and
 - b. any other interested parties, on an equal basis and subject to compliance with these Tender Rules.

2.2 Lodgement of Tender

- 2.2.1 The sale shall be conducted by way of a competitive tender process.
- 2.2.2 To participate in the tender process, a Tenderer must:
 - a. complete the Tender Form in accordance with these Tender Rules;
 - b. submit all required documentation as specified in clause 3; and
 - c. lodge the completed tender with Tasmanian Irrigation by no later than 5:00 PM on 20 May 2025 (the *Closing Date*).
- 2.2.3 Tenders may be lodged using one of the following methods:
 - a. by post, in an envelope clearly marked “MWS Open Class Water Sale – Private and Confidential” and addressed to Tasmanian Irrigation, PO Box 84, Evandale TAS 7212;
 - b. in person, at Level 2, Launceston Airport Terminal Building, Western Junction, Tasmania; or
 - c. via email, sent to tenders@tasirrigation.com.au, with all documents referenced in clause 3 attached in PDF format.

- 2.2.4 Tenders submitted by post or email must be received and acknowledged by Tasmanian Irrigation before the Closing Date and time. Late submissions will not be accepted.

2.3 Tender Requirements

- 2.3.1 Each Tender must include:
- the full name of the Tenderer;
 - a postal address for the Tenderer; and
 - a contact email address and telephone number.
- 2.3.2 Each Tender must specify:
- at least one bid; and
 - up to a maximum of three bids (optional),
- which will be assessed in the order listed in the Tender Form.

2.4 Bid Structure

- 2.4.1 Each bid may, at the discretion of the Tenderer, include a minimum acceptable allocation.
- 2.4.2 Where a minimum acceptable allocation is included, the Tenderer is indicating the lowest volume of water they are willing to accept in the event of partial allocation.
- 2.4.3 Where no minimum acceptable allocation is specified, a default minimum of 5 ML will apply.

2.5 Connection Point (Optional)

- 2.5.1 A Tenderer may nominate one or more proposed connection points for each bid.
- 2.5.2 Any nominated connection point must:
- be associated with a defined parcel of land;
 - be situated within the Macquarie River watercourse; and
 - fall within the legal boundary of the parcel of land specified.

2.6 Financial Capacity and Guarantors

- 2.6.1 Tasmanian Irrigation reserves the right to request a Tenderer to provide evidence of financial capacity to fulfil any contractual obligations arising from an accepted bid.
- 2.6.2 Where the Tenderer is a company, Tasmanian Irrigation:
- may, in its absolute discretion, require one or more directors or other persons to act as Guarantors;
 - will not require guarantors where the Tenderer is a publicly listed company; and
 - will require the parent listed company to act as Guarantor where the Tenderer is a subsidiary of a listed company.

2.7 Multiple Bids

- 2.7.1 Tenderers may submit multiple bids within a single Tender.
- 2.7.2 Each bid will be treated as an individual submission and assessed independently, subject to the order of preference indicated on the Tender Form.

3. Tender Documents

3.1 The tender documents include:

- The tender application
- Water Entitlement Purchase Contract(s)
 - Irrigation Delivery Right
 - Zone Flow Delivery right
 - Connection agreement (if applicable)
- The tender sale rules

Failure to provide any required document may result in the tender being deemed invalid.

4. Effect of a Tender

4.1 Nature of Offer

- 4.1.1 Each Tender submitted constitutes a valid and irrevocable offer by the Tenderer to enter into a Water Entitlement Purchase Contract with Tasmanian Irrigation, subject to:
- the terms and conditions set out in these Tender Rules;
 - the allocation of water entitlements to the Tenderer under the Allocation Process; and
 - a volume not exceeding the Tendered Volume at the Tendered Price as specified in the relevant successful bid.

4.2 Pricing Model

- 4.2.1 The Tender Process shall adopt a pay-as-bid pricing mechanism.
- 4.2.2 Under this model:
- water entitlements will be allocated to successful bids at the exact price per megalitre (ML) submitted in each respective bid;
 - no uniform or market-clearing price shall apply; and
 - each successful Tenderer shall pay the Tendered Price per ML applicable to their individual bid.

4.3 Obligation to Complete Purchase

- 4.3.1 The person or entity nominated as the customer under the Water Entitlement Purchase Contract shall be legally bound to:
- complete the purchase of the water entitlements allocated pursuant to the Allocation Process; and
 - pay the outstanding balance of the purchase price within 28 calendar days of being notified of the acceptance of their bid.
- 4.3.2 While it is anticipated that acceptance notifications will be issued by August 2025, Tasmanian Irrigation reserves the right to issue such notifications at any time prior to the applicable sunset date defined in the Water Entitlement Purchase Contract.

4.4 Entire Agreement

- 4.4.1 The following documents shall, upon acceptance of a Tender, collectively constitute the full and binding agreement between Tasmanian Irrigation and the successful Tenderer (and, if applicable, any Guarantors):
- the Tender Rules;
 - the completed and submitted Tender Form; and
 - the executed Water Entitlement Purchase Contract.
- 4.4.2 This agreement shall supersede any prior correspondence, representations, negotiations, or understandings, whether written or oral, relating to the matters set out herein.

5. Complying Tender

5.1 Requirements

- 5.1.1 To lodge a Complying Tender, the Tenderer must comply with this clause 5.

5.2 No collusion

- 5.2.1 The Tenderer must not engage in any agreement, coordination, or understanding with any other bidder that could influence the tender process. Any indication of collusion will result in immediate disqualification.

5.3 Tender Form

- 5.3.1 The Tenderer must tender on the Tender Form completed as required by clause 5.4. The Tender Form must not be removed from the Tender Rules.

5.4 Completion of the Tender Form

5.4.1 The Tender Form must be completed where indicated on the Tender Form with:

- a. the full name of each of the parties comprising the Tenderer;
- b. an address for service in Tasmania for the Tenderer;
- c. the Qualifying Land;
- d. the Connection Point (if applicable);
- e. the Tendered Volume being the volume of the Rights expressed in ML's for which the Tenderer tenders;
- f. the Tendered Price being the price per ML which the Tenderer tenders for the Tendered Volume;
- g. the full name and address of any Guarantor required by clause 5.6.

5.5 The Tendered Price

- 5.5.1 The Tendered Price may be any price; however Tasmanian Irrigation reserves the right to reject any application at its sole discretion.

5.6 Guarantors

- 5.6.1 If any Tenderer is a company and is not a listed company or a subsidiary of a listed company, each director of the company is required to be a Guarantor.
- 5.6.2 If any Tenderer is a subsidiary of a listed company, the listed company is required to be a Guarantor.

5.7 Executing the Tender Form

- 5.7.1 The Tender Form must be executed by each Tenderer and each Guarantor (if any) and must be dated.
- 5.7.2 The Tender Form and the Tender Rules and the annexures to them must be signed at the foot of each page by each Tenderer and each Guarantor (if any).
- 5.7.3 Where the Tender Form is executed under power of attorney, a certified copy of that power and evidence that the power has been registered must be lodged with the Tender Form.

5.8 Competing tenders

- 5.8.1 The tender must be:
- a. the only tender which nominates any part of the Qualifying Land as the qualifying land for the purposes of the tender; or
 - b. approved by Tasmanian Irrigation.
- 5.8.2 Where Tasmanian Irrigation receives another tender or other tenders under which part or all the Qualifying Land is part or all the qualifying land for that other tender, Tasmanian Irrigation:
- a. will consult with the relevant tenderers in relation to the tenders and any potential variations to the tenders; and
 - b. may:
 - i. allow any of the tenders to be varied by the relevant

- ii. tenderer; and
- after any variation made, decide in its absolute and unfettered discretion which of those tenders, if any, it will approve.

5.9 The Preliminary Connection Point

- 5.9.1 Any Connection Point must be approved by Tasmanian Irrigation.
- 5.9.2 Tasmanian Irrigation may decide in its absolute and unfettered discretion whether it approves the Connection Point.

5.10 Lodging the tender

- 5.10.1 The completed and duly executed Tender Forms must be submitted in accordance with the Tender Lodgement Details no later than 5:00 PM on the Closing Date.

6. Allocation Process

6.1 Objective of Allocation

- 6.1.1 The primary objective of the Allocation Process is to maximise the total proceeds of the sale to Tasmanian Irrigation, subject to the constraints and conditions outlined in this clause.

6.2 General Allocation Principles

- 6.2.1 The Allocation Process shall be undertaken in accordance with the following principles:
- a. No allocation will be made to a bid if such allocation would prevent the full or partial allocation of a prior bid submitted under the same tender;
 - b. No allocation will be made to a bid where the volume available is less than the minimum acceptable allocation specified in respect of that bid.
- 6.2.2 Subject to clause 6.3.1, water entitlements will be allocated in descending order of Tendered Price per ML until:
- a. there are no further Complying Tenders; or
 - b. the entire volume of water available for sale has been allocated.

6.3 Exceptions to General Allocation Order

- 6.3.1 The general order of allocation under clause 6.2.2 may be varied in the following circumstances:
- a. Where the volume of water remaining is less than the minimum acceptable allocation specified in the next bid considered, following the satisfaction of all higher Tendered Price bids. In such case, the next eligible bid (by price) shall be considered;
 - b. Where a bid with a higher Tendered Price would, if allocated, prevent allocation to a lower-priced bid with a significantly larger Tendered Volume, and allocation to the lower-priced bid would result in higher total proceeds. In such case, the lower-priced bid may be prioritised.

6.4 Tie-Breaking Process

- 6.4.1 In the event that two or more bids are received with the same Tendered Price per ML and cannot be simultaneously satisfied in full, the following order of priority shall apply:
- a. First, priority shall be given to landholders with property located within the Midlands Irrigation District;

- b. Second, if the bids are submitted by Tenderers of the same priority under clause 6.4.1(a), water shall be allocated proportionally based on their respective Tendered Volumes, provided that each allocation meets or exceeds the minimum acceptable allocation specified in the respective bids;
- c. Third, where proportional allocation is not feasible, allocation shall be determined by a random selection method (lot draw), conducted at the sole discretion of Tasmanian Irrigation.

6.5 Sole Consideration

- 6.5.1 For the avoidance of doubt, the sole consideration in the Allocation Process shall be the maximisation of proceeds to Tasmanian Irrigation.
- 6.5.2 Tasmanian Irrigation shall not be required to consider:
 - a. the location of the Qualifying Land (except where required under clause 6.4.1(a));
 - b. the identity or status of the Tenderer (except as otherwise provided); or
 - c. any other factor not expressly stated in these Tender Rules.
- 6.5.3 It is acknowledged and accepted by all Tenderers that it is possible for the entire volume of water available in the open class sale to be allocated to a single Tender, where this results in the maximum proceeds.

7. Tasmanian Irrigation's rights in relation to Tenders

7.1 Rights

- 7.1.1 Without limiting any of its other rights under the Tender Rules, Tasmanian Irrigation has an unfettered discretion:
 - a. to reject a tender which is not a Complying Tender;
 - b. to treat a tender as a Complying Tender even though it is not otherwise a Complying Tender;
 - c. to call for new tenders;
 - d. to extend the Closing Date;
 - e. to terminate the tender process at any time before notifying successful Tenderers; and
 - f. to take such other action it considers, in its absolute and unfettered discretion, to be appropriate in relation to the tender process.

7.2 Tasmanian Irrigation not liable

- 7.2.1 Tasmanian Irrigation is not liable to:
 - a. any unsuccessful Tenderer in respect of expenses incurred by the Tenderer; or
 - b. any Tenderer in respect of any costs incurred in the preparation of a tender or because of the exercise of any rights of the Tasmanian Irrigation under these Tender Rules.

8. Post tender process

8.1 Notice of allocation

- 8.1.1 Tasmanian Irrigation shall notify the Tenderer of the volume of Rights allocated to the Tenderer and the final price both as determined under the Allocation Process as soon as reasonably possible after the Allocation Process has been completed and in any event before the Acceptance Date.

8.2 Effect of notification

- 8.2.1 If Tasmanian Irrigation notifies the Tenderer under clause 8.1 before the Acceptance Date, Tasmanian Irrigation, the Tenderer and any Guarantors who executed the Tender Form enter an agreement on the terms of the

Water Entitlement Purchase Contract for the purchase of the notified volume of Rights at the notified final price when Tasmanian Irrigation so notifies on the basis that the Connection Point, the Qualifying Land, and the Applicable Zone as the Zone are taken to be inserted as applicable in the schedule.

8.3 The Water Entitlement Purchase Contract

- 8.3.1 Tasmanian Irrigation must complete and scan copies of the Water Entitlement Purchase Contract with the details referred to in clause 8.2.
- 8.3.2 Within thirty (30) calendar days after Tasmanian Irrigation notifies the Tenderer under clause 8.1, Tasmanian Irrigation, the Tenderer and the Guarantors must execute the Water Entitlement Purchase Contract completed with the details referred to in clause 8.2 and date them with the date of the notification under clause 8.1.
- 8.3.3 One of the executed copies is to be retained by Tasmanian Irrigation and the other is to be retained by the Tenderer.
- 8.3.4 The completion and execution of the Water Entitlement Purchase Contract is only intended to permanently record the terms of the agreement arising under clause 8.2 and the parties will be bound by that agreement on the date of and by virtue of the notification given under that clause.

8.4 The Deposit

- 8.4.1 Tasmanian Irrigation does not require a deposit to be made for the application of this tender.

8.5 Unsuccessful Tenderer

- 8.5.1 Unsuccessful Tenderers will be formally notified via email or post within 90 days after the completion of the allocation process.

9. Notices

9.1 How given

- 9.1.1 A notice required or permitted to be given by one party to another party under this agreement must be in writing and is treated as being duly given if:
 - a. left at that party's address;
 - b. sent by pre-paid mail to that party's address; or
 - c. transmitted by email to that party's email address.

9.2 Receipt of notice

- 9.2.1 A notice given to a party under this clause is treated as having been duly given and received:
 - a. when delivered (if left at the party's address);
 - b. on the third Business Day after posting (if sent by pre-paid mail to the party's address); and
 - c. on the Business Day of transmission (if given by email and no intimation is received that the notice had not been received whether that intimation comes from the Customer or from the operation of the email service or otherwise).

10. General

10.1 Variation and waiver

- 10.1.1 No variation of, waiver of, or consent to any departure from the Tender Rules or the Water Entitlement Purchase Contract has any effect unless it is confirmed in writing:
 - a. signed by the parties in the case of a variation; or

- b. signed by the party waiving or consenting to the departure in the case of a waiver or consent to a departure,

and then its effect is strictly limited to the extent for which it is made or given.

10.2 Invalidity

- 10.2.1 If any provision of the Tender Rules or the Water Entitlement Purchase Contract is invalid, other provisions which are self-sustaining and can be performed separately from the invalid provision, are valid and enforceable on their terms.
- 10.2.2 If any provision of these Tender Rules is found to be invalid or unenforceable, the remaining provisions will continue to apply in full force and effect

10.3 Sole agreement

- 10.3.1 If a tender is accepted. the Tender Form, the Tender Rules and the Water Entitlement Purchase Contract:
 - a. constitute the sole and entire agreement; and
 - b. supersede all prior agreements and understandings, among Tasmanian Irrigation, the successful Tenderer and any Guarantor relating to Rights.
- 10.3.2 A warranty, representation or guarantee connected with the subject matter of the tender or other term not contained in the Tender Form, the Tender Rules or the Water Entitlement Purchase Contract has no force or effect and may not be relied upon by the Tenderer or any Guarantor.

10.4 Acknowledgment by Tenderer

- 10.4.1 Each Tenderer acknowledges that in deciding to tender it:
 - a. does not rely on any representation or arrangement whether oral, written or by other conduct as adding to or amending the Tender Rules or the Water Entitlement Purchase Contract; and
 - b. did so relying solely in its own judgement.

10.5 Applicable law

- 10.5.1 The tender and the Tender Rules must be interpreted under the law of the State of Tasmania.

10.6 Joint and several liability

- 10.6.1 Where more than one person accepts liability under any provision of the tender, the Tender Rules or the Water Entitlement Purchase Contract, each of those people is liable severally and every two or more of them is liable jointly.

10.7 Dispute Resolution

- 10.7.1 Any disputes arising from this tender process shall first be attempted to be resolved through negotiation. If unresolved, disputes will be referred to mediation before any legal proceedings