

Dorset Community Economic Development Group Inc.

EO Report

February 2013

Irrigation Development

Upper Ringarooma Irrigation Scheme (URIS)

Scheme design

At the close of water entitlement sales 36 landholders have committed to the purchase of 3,680 ML of irrigation water.

The scheme design has now been modified to accurately reflect the contractual water entitlement sales volumes and distribution. This has resulted in the deletion of some segments of pipelines, the elimination of one boost pump, the re-alignment of some sections of pipeline and the addition of new pipeline sections.

Open class water availability

Within the new design parameters there is capacity for an additional 2,000 ML of water to be made available for purchase via the open class purchase process.

This is comprised of:

- 600 ML in the Legerwood pipeline
- 1,000 ML in the Alberton pipeline
- 400 ML in the Ringarooma River

Open class water sales process

Harcourt's have been contracted to undertake an open class water entitlement auction to be held on March 7th 2012. Approximately 4-5,000ML of water entitlements from across a total of 6 schemes will be offered for sale.

All open class water entitlement sales will have a minimum reserve price equal to that which water was made available to landholders under the initial class sales process.

Irrigation Season – commencement & closing dates

TI in consultation with the schemes working group or management group has the capacity to amend the opening and closing dates of the irrigation season to best reflect the local seasonal conditions and enterprise mix demands for water.

Test Holes

A series of test holes are currently being drilled along the pipeline route to determine the subsoil structure. This will determine the degree of difficulty that is likely to be encountered when the trenches for the pipelines are being dug.

Dam Wall – Geotech

Exploratory work on the dam wall site is continuing with good results to date, including;

- A good solid rock foundation base has been identified across the entire proposed site for the wall and abutments;
- Sufficient clay deposits have been identified to construct the earthen wall.

It is anticipated that the design work will be finalised in late January – early February.

Timelines

It is anticipated that the following indicative timelines; whilst extremely tight are achievable:

- Development Applications to be lodged with the Dorset Council – early New Year
- Tenders will be called for the construction of the dam wall and pipelines – March 2013
- Construction to begin – October 2013

Local Contractors

The potential to include a 'preferential use of local contractors and staff' clause within TI's contractual process has been discussed.

It was agreed that when the tender has been let Dorset EDG would facilitate an information forum between the contractors and local community members who may have machinery, equipment and skills which could be utilised during the construction phase.

Dorset EDG will work with the lead contractors to identify the legal / site requirements which potential operators may need (eg. 'White Card'), as well as training needs well in advance of the commencement of construction so as to allow for the provision of training programs within the Scottsdale area.

Scottsdale Irrigation Scheme (SIS)

Preferred Option Update

In September 2012 the Minister wrote to the SIS Working Group to advise that it was his intention to approve the Preferred Option upon receipt from TI and that the project would be funded through to completion of the Business Case. The Preferred Option was approved by TI in September 2012 and supplied to the Minister for approval, following the completion of required amendments, in early December 2012.

TI anticipates that the Minister will approve the Preferred Option in Jan/Feb and that a public launch of the Preferred Option will be held in Feb/Mar 2013.

The scheme is made up of two separate components:

The **Irrigation Scheme** (i.e. Scheme excluding mini-hydro power station and associated elements)

- Funding: **\$40m**
- \$12m landowner purchase of Water Entitlements @ \$1400 / ML
- \$28m government subsidy – Water Infrastructure Fund : Tranche 2 (pending)

The **Mini-Hydro Power Scheme**

- Funding: **\$6m**
- Funded by a *Clean Energy Finance Corporation* loan or TI borrowings,

or a combination of the two (NB: The Irrigation Scheme is economic with or without the mini-hydro)

- TI will be the initial owner / operator of the mini-hydro scheme

Mini-Hydro

Ownership and operation of the mini-hydro will be separate from the irrigation scheme - initially by Tasmanian Irrigation Pty Ltd. Irrigators would not contribute to any mini-hydro scheme costs, but would receive a benefit through access to lower charges for summer pumping.

The mini-hydro scheme would produce 5.83 GWh per season.

Irrigators will require 1.69 GWh per season for scheme pumping.

TI will supply irrigators with mini-hydro power at the Aurora summer wholesale price plus 15% (i.e. 11.5 cents/kWh). This represents a 12% saving on the summer retail price of 13 cents/kWh. TI will sell the balance to Aurora for the summer wholesale price of 10 cents/kWh. This arrangement allows TI to fund the mini-hydro development and provides irrigators a power cost saving and a natural hedge against rising energy prices.

Northern Regional Economic Development Strategy

The DEDTA have completed the Northern Regional Economic Development Strategy which was launched by the Minister prior to Christmas. DEDTA conducted a series of workshop in Scottsdale in the development stages and Dorset EDG had 'numerous' meetings with DEDTA staff and the steering committee during the development and draft review process.

A summary of the plan can be found at the following link:

http://www.development.tas.gov.au/_data/assets/pdf_file/0009/67455/Northern_REDP_web.pdf

The complete plan can be found at the following link:

http://www.development.tas.gov.au/_data/assets/pdf_file/0010/67456/Northern_Regional_Economic_Development_Plan_-_November_2012.pdf

Centre for Food Innovation

Regional Development Australia and UTAS have contributed \$150,000 each towards a feasibility study and associated consultancies into the establishment of the Centre for Food Innovation (CFI).

Funding for this project has been provided by the Tasmanian Forests IGA and the project details are as follows:

Funding:	\$150,000
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Project:	Business plan for the Centre for food innovation – Feasibility Study for a Food Processing, Research & Testing facility at Scottsdale
Purpose:	Funding towards development of a detailed business plan for innovative food systems research and training in the North of Tasmania, and a feasibility study for a food processing, research and testing facility at Scottsdale.

The Australian Government – UTAS CFI Grant Deed specifies the following four outcomes:

1. *A detailed project scoping study for the Centre for Food Innovation in Tasmania (CFI);*
2. *A business plan for CFI;*
3. *A feasibility study for a food processing, research and testing facility at **Scottsdale**;*
4. *Detailed consideration of other CFI related initiatives benefitting the **Dorset** community.*

These studies will consider how such a project will maximise the benefit to the Dorset and broader Tasmanian community including through linkages with the DSTO Scottsdale facility. The proposals must also be consistent with the strategic priorities of UTAS and the collaborative partner organisations; CSIRO and DSTO.

A key first step in undertaking the studies has been the establishment of a Reference Group.

Members of the Reference Group include:

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| • Janelle Allison | UTAS |
| • John Borojevic | Dept. of Regional Australia, Regional Development & Local Government |
| • Judy Davey | DEDTA |
| • Guy Jetson | Dorset Council (Acting GM) |
| • Tom Lewis* | Rural Development Services (Consultant) |
| • Holger Meinke | Head of School of Agriculture - Tasmanian Institute of Agriculture |
| • Terry Moon** | DSTO Manager - Scottsdale |
| • Howard Nichol | Dorset EDG |
| • Craig Perkins | RDA-Tas |
| • John Ranicar | Ranicar Pacific P/L |
| • Kim Seagram | Stillwater / Black Cow |

**Tom Lewis is engaged by UTAS to provide management consultancy services for the CFI project.

*At the inaugural meeting of the CFI reference group HN expressed concern that there was no representatives from either the DSTO or the CSIRO. Terry Moon has since been included onto the reference group.

At the second meeting of the reference group the Terms of Reference (TOR) for the study were discussed in detail. In order to meet the timelines as set out in the grant deed Howard Nichol and Terry Moon volunteered to draft the TOR in collaboration with Tom Lewis (UTAS – CFI project management consultant) and Robert Rowe (UTAS – CFI secretarial support).

The study is being divided into two key consultancies, these being:

1. Research, Education and Training to support Tasmanian food production.
2. Business case for pilot-scale manufacturing infrastructure to support Tasmanian food production.

The two consultancies have been let and the successful tenderers have conducted their first stakeholder workshop in Launceston on Tuesday 5th February. (Full report will be provided under general business at the Board meeting)
The consultants will be visiting the north east region later in Feb.

DSTO – Scottsdale

Dorset EDG continues to meet with and discuss opportunities with Dr. Terry Moon, (DSTO Scottsdale Manager) and Simon Oldfield (Head of CBRN Defence Centre) to further develop our relationship with DSTO and to explore community advantage opportunities that may arise from this relationship.

Major General Cavanagh and Simon Oldfield have invited the EO to meet with him and his support staff at 'Vitoria Barracks' in Melbourne to discuss in greater detail the above opportunities. (Dates and times are being confirmed)

Dorset Agricultural Study

The Dorset Agricultural Study has been let and Macquarie Franklin has been appointed to undertake the role. The project manager will be Lance Davey who has undertaken a range of projects for Dorset EDG in the past and is well familiar with the north east.

Sense 'T'

Discussions are continuing with the Sense 'T' project managers as to the opportunities to develop projects specifically for the Dorset region. Sense 'T' is a \$50 million collaborative initiative which aims to provide accurate, accessible and real – time data to enable more effective and efficient decisions to be made.

Retirement & Aged Care

An update on activities within this sector will be provided at the Board Meeting.

Mountain Bike Trails

Northern Tasmania is well placed to become an international mountain bike (MTB) destination. The region has obvious natural advantages with wild, iconic, natural and cultural landscapes that are already a major attraction for visitors to the area.

This project proposes the development of 75km of dedicated track in order to:

1. Reinvigorate the NE of Tasmania through the development of additional economic activity based on natural advantages;
2. Create tourism infrastructure that will attract new visitors to Tasmania from key national and international markets and;
3. Establish community assets that provide local recreational benefit to enhance regional liveability.

Funding was received from Sport and Recreation Tasmania to undertake Master Planning, including getting track planning to a 'pre-approval' stage. Further investigative work is being undertaken around the possibility of various trails.

An expression of interest for funding towards supporting the trails, and related infrastructure in the North East, has been lodged with Regional Development Australia. This was a joint application between NTD, Dorset, Break O'Day and Launceston City Councils.

The North East Mountain Bike Project has received from the Tasmanian Government a grant of \$800,000 towards the development of the Hollybank Mountain Bike Park.

Tasmanian Government Innovation and Infrastructure Funding (TGIIF)

A number of businesses are being helped with their applications for the current round of TGIIF.

UTAS – Regional Development

Pro-vice Chancellor and Head of Regional Development Janelle Allison will be touring the region at the invitation of Dorset EDG late in Feb.

Howard Nichol
Executive Officer
Dorset EDG.