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|--------------------|------------------------------------|
| Adopted:           | March 2019                         |
| Review:            | Every three years or as required   |
| Consultation:      | Internal Consultation with Staff   |
| Related Documents: | Transfer of water between offtakes |

## 1. Scope

This policy applies to all ALIL shareholders who control two or more ALIL Property Offtakes (PO) and wish to manage their water allocation in combination rather than as separate allocations.

## 2. Purpose

The purpose of this policy is to facilitate collective management of water allocations through multiple property offtakes, while ensuring this does not detrimentally effect the performance or capacity of the scheme, or other users wanting to take up to their design flow through their PO. This policy is intended to provide a fair and transparent basis for assessment of requests for the collective management of allocations through multiple PO.

## 3. Definitions

**Water Entitlement (Flow Allocation):** The flow in litres per second available via an offtake based on the shares contracted for that offtake/property. This will never exceed the maximum supply rate.

**Design Allocation:** The flow in litres per second based on the existing shareholding and flow allocation at the time of the 2013 prospectus plus 18.3%. The design allocation equals the maximum supply rate for the property serviced by the offtake at the time of the design.

**Maximum Supply Rate:** means the delivery of 5mm per day per hectare or 0.58 litres per second of water for each hectare of land to be irrigated by the Farmer (with variation to that rate where water is being taken for storage) or such other rate as may be determined by the Board.

## 4. Policy Details

Managing the allocation of water collectively from multiple offtakes can only be undertaken with the prior approval of the ALIL Board. Any such approval will be documented in the relevant water supply agreements (WSA).

This policy does not cover the management of a water resource from multiple PO through an internal on-farm network. It only applies to management that involves the ALIL network.

In assessing an application to manage the allocation of water collectively from multiple offtakes the Board will consider the following guiding principles:

1. Applications to take an allocation from one PO through another PO will only be considered where there is no effect on pressure for other shareholders. This will be determined based on the model, and with consultation with the Operations Team.
2. Delivery cannot exceed the maximum supply rate.
3. Water cannot be shared between different shareholding entities unless there is a lease of water in place which has been approved by ALIL. The leasee will always remain liable when a lease is in place.
4. The PO's must be large enough to take the combined volume requested in the collective management application.

5. Approval to take an allocation from one PO through another PO may not be considered, where the PO's are located remotely from one another (i.e. of different pipelines or remotely from each other on the same pipeline) unless special circumstances apply.
6. Any approved application that allows for collective management of water through multiple properties will be subject to the following requirement:
  1. Water must be ordered where it will be used for the 24-hour period. The flow cannot be relocated within the 24-hour period.

### 5. Record Keeping:

All approvals made under this policy will be recorded in the Water Supply Agreement (WSA) for the relevant shareholding, or in the case of a lease in the approval of the lease by ALIL.

- A fee for the review of the model may be borne by the applicant.
- The update of the WSA will incur a \$250 processing fee.

### 6. Sign-Off and Revisions:

| Revision Chronology |  |          |          |         |          |
|---------------------|--|----------|----------|---------|----------|
| Rev                 | Revision Status  | Date     | Preparer | Checked | Approved |
| 1                   | <i>First draft</i>   | 1/3/2019 | RAW      | CF      |          |
| 2                   | <i>Reviewed at Board meeting, updated per minutes of 13/3/19</i> | 13/3/19  | CF       |         | Board    |