

Mareeba Dimbulah Water Supply Scheme

Customer Meetings

26th & 27th September 2013

Interim Board's investigation of local management for the Mareeba Dimbulah Distribution Channel System.

LMA Board

- The Mareeba Dimbulah LMA Board was ~~appointed by Minister for Water and Energy Mark McArdle~~ on 13 June 2013
- The LMA Board comprises:
 - Joe Moro, Chairman
 - Maryann Salvetti
 - Brad Maisel
 - Murray Smith
 - Brett Stevenson

Our Goal

Managing the Mareeba Dimbulah Irrigation System to ensure the long term viability of the scheme and its customers

Our Strategies

- Identify and deliver cost efficiencies whilst maintaining acceptable levels of service
- Ensure the entity is sustainable, now and into the future
- Build and maintain a consensus amongst customers
- Develop the regional community
- Manage risk and protect the entity from the consequences of unpredictable events

What are we working on?

- Business Proposal due to government March 2014
- Engineering Due Diligence to undertake a high level review of key asset condition.
- Financial Models, based upon the work carried out by the QCA in 2012.
- Keeping customers updated on our progress

Corporate Form

Investigation into options for corporate form is underway.

We have:

- received legal advice and are waiting on tax and accounting advice.
- considered structures adopted in other places.

SunWater

- Our relationship with SunWater is important.
- We are working collaboratively with SunWater staff (both locally and Brisbane based).
- SunWater have provided a range of information in the data room.
- We are working through issues as they arise with SunWater Management

Staff

- SunWater staff are engaged on an Enterprise Bargaining Agreement.
- It is proposed that staff be transitioned on the same terms and conditions of current employment in accordance with the Fair Work Act.

Lessons Learnt

- Success is dependent upon ensuring that funds are put aside for your long-term asset protection.
- A clear understanding as to who is responsible for roads, bridges and culverts is essential.
- Systems and software that is appropriate for the size of the business should be adopted.
- Good staff are critical, but working arrangements can vary enormously.
- Boards need to critically consider their investments strategies for funds set aside for day-to-day operations and funds set aside for long term replacement.
- It is essential to negotiate the correct separation payment initially, as it is key to sustainability.
- **Presentation from Murray Smith on Coleambally Irrigation**

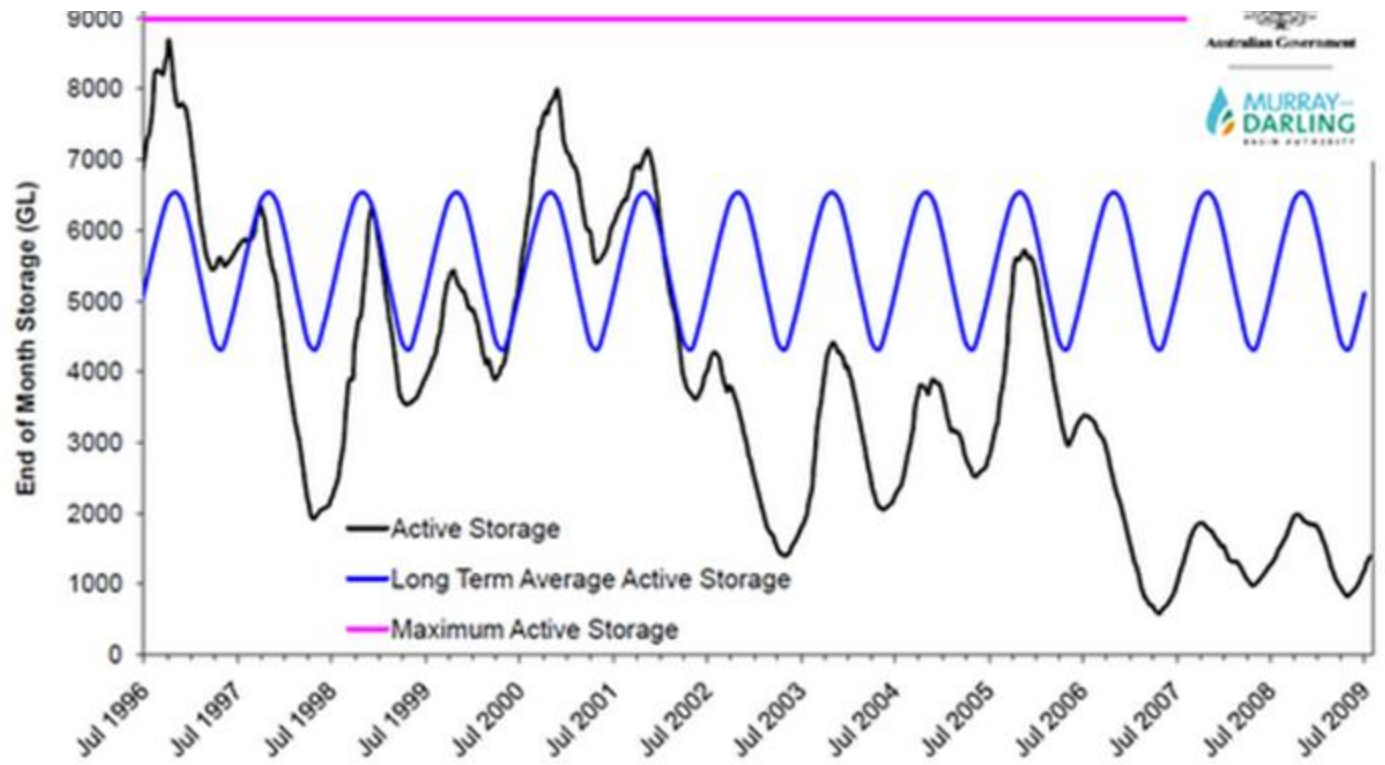
Murray Darling Basin



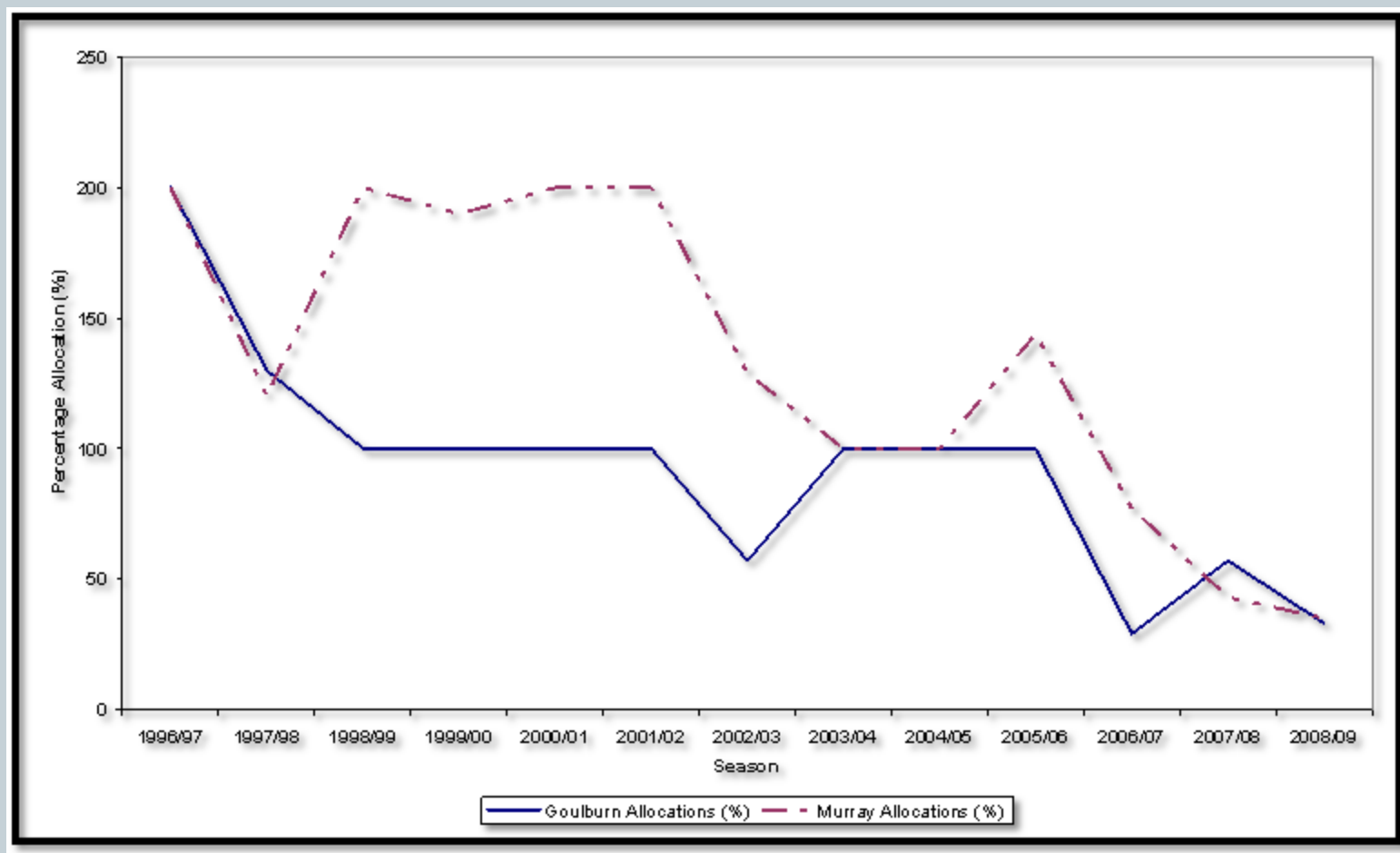
The Basin generates:

- 39% of the national income derived from agricultural production
- Produces 53% of Australian cereals grown for grain (including 100% of rice)
- 95% of oranges
- 54% of apples
- 28% of the nation's cattle herd
- 45% of sheep
- 62% of pigs.

Water Stored in the MDB System 1996 - 2009



Water Allocations in the GMID

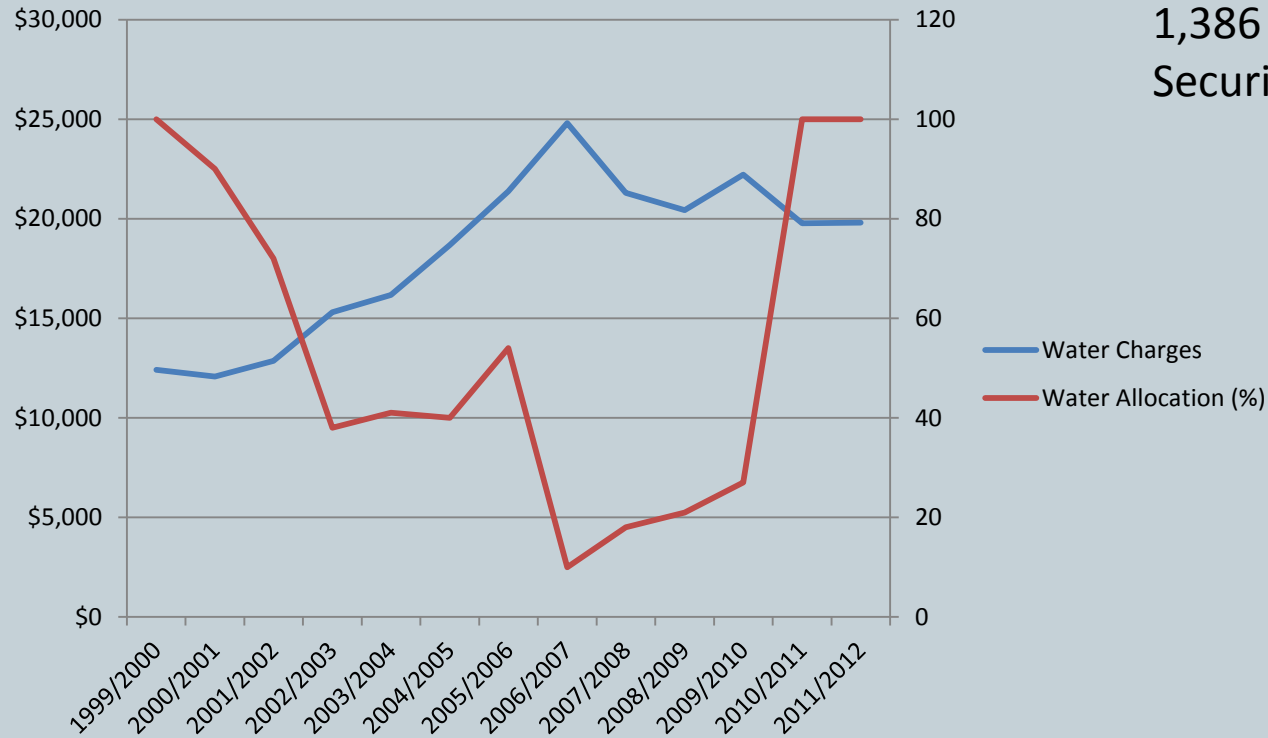


Coleambally – A Case Study

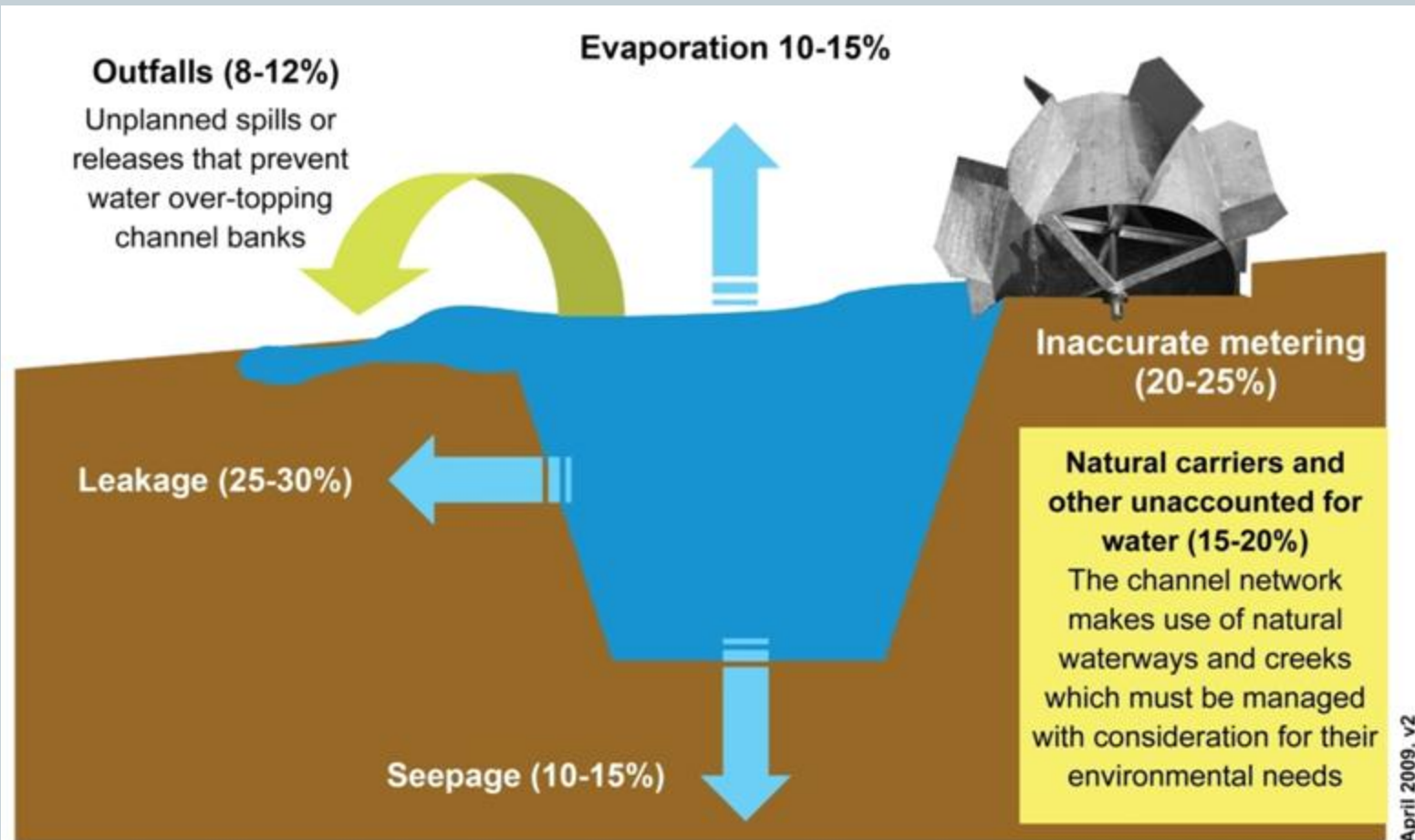
Charge	14 Year Comparison of Annual Water Charges																	
	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2007/08 Budget	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00	1998/99	1997/98
Fixed Charge HS / ML Entitlement	20.47	19.87	19.02	19.02	19.57	19.00	13.49	13.49	11.96	9.84	8.27	5.91	5.65	5.49	5.33	4.91		
Fixed Charge GS / ML Entitlement	11.86	11.51	11.01	11.01	11.33	11.00	2.37	7.42	7.20	6.89	6.69	5.91	5.65	5.49	5.33	4.91	6.93	6.84
Usage Charge / ML Metered							5.65	5.65	3.80	4.56	5.31	4.65	3.51	2.45	2.38	3.05		
LWMP Levy	1.02	0.99	0.95	0.95	1.50	1.50	1.50	1.50	1.49	1.50	1.49	1.11	1.06	1.03	1.00	1.00	1.00	1.00
Meter Fee / Large Outlet	886.91	861.08	824.00	824.00	824.00	800.00												
Peak Flow / ML	55.43	53.82	51.50	51.50	51.50	50.00												
% increase from previous year	3%	4.50%	0%	-3%	3%	77%	-66%		4.5%	3%	13%	4.5%	3%	3%				
Allocation		100%	100%	100%	27%	21%	18%		10%	54%	40%	41%	38%	72%	90%			
Water Distributions																		
	10% free	10% free	16% free	13% free	10% free	3% free	3% free		10% @ \$35	4% @ \$52	2% @ \$68	1 ML/ha crop b/f@\$53						
		2% @ \$32			3% @ \$30	7% @ \$35	7% @ \$35		5% @ \$20	3% @ \$25	6% b/f@\$6	2% @ \$86						
		6% @ \$26			10% b/f				2% @ \$35									
Accurate Meter Rebate				5%	10%	10%	10%		5%	10%	5%	5%	5%					
Notes																		
	2007/08 - Reduced Fixed Charge for GS to 30%, Zero Usage for GS and deferred LWMP for both GS & HS																	
	2004/05 - LWMP levy deferred																	

Typical Irrigation Farm

220 ha
1,386 ML (General
Security Water)



Typical System Losses – Will vary between systems



April 2009, v2

(%) indicates the amount of loss that is attributed to this component as a proportion of the total channel distribution losses in the irrigation areas. The estimates are based on historical data and past research, and will be constantly improved as more of the network is automated.

Transition

- Transition is subject to majority support from the irrigators and Government Approval
- Subject to the negotiation of an acceptable separation payment.
- Subject to the negotiation of an acceptable long term bulk water price – (long term contract)
- Target Date – 2015

MDWSS Opportunities

- Scheme modernisation
- Water trading opportunities
- Potential for Mareeba Shire Council to access water from the channel system rather than the River
- Potential to generate power through mini-hydro's on the channel

Questions

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