

22 April 2014

Dear Irrigation customer

RE: HAVE YOUR SAY ON LMA – FORUMS 5 & 6 MAY

The Mareeba Dimbulah Interim Board would like to invite you to give your view on our proposal for SunWater's channel scheme to be owned and managed by local irrigators.

Local management cannot proceed without a strong majority of customers showing support for our business proposal to government. If a strong majority of customers do not support local management, then the assets are unlikely to be transferred.

Your interim board believes the key benefits of local management include:

- A chance to own and manage the channels with assets transferred at zero cost and a separation payment provided to ensure the scheme is financially viable
- Decisions about scheme assets, operations and channel water prices to be made locally, not in Brisbane, which will provide you with greater certainty in supporting your on-farm decisions
- A local office with locally-based staff will serve irrigation customers and co-ordinate water transfers.

We have also considered the risks of owning and managing the scheme locally including:

- Shareholder/irrigators being unable to elect a board with the skills to run the company in the interests of the local scheme
- Inadequate risk management put in place by the Board to deal with issues such as flood, asset failure and other risks of doing business
- An insufficient separation payment from government to establish the company and run the scheme in the long-term.

We have enclosed a summary of the business proposal for your information. The proposal has been prepared in consultation with three customer focus groups. We now invite you to join us at a customer forum so you can ask questions and let us know your views.

Customer forums will be held on, **Monday 5 May** at the Mareeba Soccer Club at 7pm and on **Tuesday 6 May** at the Dimbulah Soccer Club also at 7pm, to gauge the level of support for the proposal for local management of the Mareeba-Dimbulah scheme.

Please join us at one of the forums but if you can't make it please complete and send through your comments on the enclosed form to mareeba-dimbulah@lmairrigation.com.au or post it to Tableland CANEGROWERS, PO Box 1359, Mareeba QLD 4880.

The final version of the business proposal will be available on our website at www.lmairrigation.com.au/mareeba as soon as it is finalised.

Your interim board has conducted a thorough investigation of the issue on your behalf. Please take the time to join us and have your say on a proposal that could give an irrigator-owned company control over the channel assets.

Joe Moro
Chair
Mareeba Dimbulah Interim Board
Encl.