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Media Release

Theodore irrigators consider State Government offer to own and operate irrigation channels

Theodore Water, a company formed to represent scheme irrigators in Theodore, will undertake further due diligence and financial modeling after receiving an offer from the State Government to own and operate SunWater's irrigation channels locally.

Announcing the formal offer this week, the Minister for Energy, Biofuels and Water Supply Mr Mark Bailey said the local management of water assets presents a major opportunity for local communities to determine the future of their irrigation schemes.

"The transfer of these water assets from SunWater to local management demonstrates the government's commitment to agriculture and regional Queensland," he said. "Local management will give greater transparency, while giving water users greater control of their water pricing and future changes to the scheme."

Mr Bailey welcomed an indication from Theodore Water that in light of the offer, which includes \$15.1 million to help with the transition, customers wanted to continue to pursue the transfer of all below-dam water assets from SunWater to local ownership.

Chair of the Board of Theodore Water, Mr Malcolm Finlayson, said a meeting of customers will be held on January 20, 2017, to discuss what the government's offer means for the scheme. The offer was made in response to the Business Proposal that scheme customers put to the government in 2014.

"Moving away from Government ownership gives locals control over an asset that is important to our regional economy. The board believes locals are best placed to efficiently manage and sustainably grow the scheme over the long-term. A very strong level of support was received from customers for the Business Proposal during the consultation process in Stage 2," Mr Finlayson said.

"At this stage we are engaging consultants to undertake further engineering due diligence and financial modeling which will assist in finalising the terms of the transition."

"The process the government has established shows that it is serious about empowering local people and we believe that local management will mean a better scheme for all users," he said.

The local management of the Theodore Scheme will enable the transfer of irrigation infrastructure that distributes water to around 50 customers, irrigating 3,000 hectares of land. If customers continue to support the move, the transfer is likely to occur in the second half of 2018 and local employees will continue in their positions post the transition.

Scheme customers in Emerald, St George and Eton are also considering offers from the State government while government-appointed boards in the Burdekin-Haughton, Bundaberg, Mareeba-Dimbulah and the Lower Mary are conducting further investigations into the local management option.

More information about Local Management Arrangements (LMA) for SunWater's irrigation channels is available at www.lmairrigation.com.au.

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