

MEDIA RELEASE

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Irrigators to take over the St George irrigation channels from 1 July

Irrigators have resoundingly accepted a \$5.1 million offer to own and operate SunWater's irrigation channels in St George.

The offer to local irrigators to own the scheme closed last week, with more than 97% support for the assets to be owned and managed by an irrigator-owned company. The result surpassed the requirement that customers, representing 70% of the water allocation (by volume), accept the offer for local management to proceed.

Chair of the Mallowa Irrigation Transition Board, which negotiated the offer with the State Government, Mr Luke Stower, said the response meant that local irrigators would now be empowered to locally own and manage the St George asset.

"This is a great response from irrigators and represents a vote of confidence in the Mallowa Board's plans for the future management of the scheme," Mr Stower said.

"The transfer of ownership also presents a terrific opportunity for the St George region, with many of the services previously provided from the Brisbane-based SunWater, to be sourced locally."

Subject to the completion of the transfer process, from July 1, 2018, the scheme, comprising 112 kilometres of pipelines and channels, between the Balonne River and Buckinbah pump station, will transfer from SunWater to the irrigator owned company Mallowa Irrigation Ltd. The deal excludes the bulk water assets (like dams) as those will be continue to be owned and managed by SunWater. The scheme, has six local employees and distributes water to around 50 customers, irrigating 10,000 hectares of land.

The Board has appointed water engineer and former SunWater service manager, Justin Schultz to work with SunWater to manage a smooth transition.

Chief Executive Officer Nicole Hollows said SunWater remains committed to its customers and the local management process and will assist the Board of Mallowa Irrigation Ltd to facilitate a successful transition.

"We are focused on continuing the effective operations of the St George scheme and ensuring its long-term sustainability for staff, customers and the community alike," Ms Hollows said.

Mallowa Irrigation will maintain an office in town and is pleased that the local SunWater staff have expressed interest in joining the new local entity.

"We are looking forward to the next phase where water users will have the resources they need to maintain the channels for many generations and have greater control over their water pricing and future changes to the scheme," Mr Stower said

Irrigators in Theodore, Emerald and Eton are also negotiating for the transfer of their schemes to local management. Theodore irrigators are expecting to receive an offer next month (April), while the Emerald and Eton transition boards expect to finalise negotiations with government before 30 June, 2018.

For more on Local Management Arrangements (LMA) for SunWater's irrigation channels go to www.lmairrigation.com.au.

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