



Lower Mary Interim Board

FACT SHEET 3: Business Structure

An outline of how management of the Lower Mary channel scheme could operate under the Lower Mary Interim Board's business proposal for local management is provided below.

Proposed Business Structure:

- It is proposed that the Lower Mary Irrigation Business will be locally managed from the current SunWater Administration Centre and Depot on Woongool Road, Tinana.
- The irrigation business will be staffed by operational staff who are responsible for day-to-day operation of the scheme, a managing director who supervises operations and reports to the Board of Directors, and two administrative staff.
- In addition, the new business will require support from contractors and consultants.
- The Business will be overseen by a 6 member shareholder-elected board of management, comprised of irrigators, independent skills-based directors and the managing director. The board will act under the provisions of the Corporations Act and report to annual shareholder/member meetings.
- The Interim Board has recommended that the new business be provided with sufficient funds to optimise the use of new technology and software systems, in order to enable the business to operate the scheme with maximum efficiency and least cost.



Caption: The SunWater Administration Centre on Woongool Road will be transferred to irrigators as part of the LMA process.

Asset management:

- The Interim Board recognises that a new irrigation business must ensure scheme assets are maintained appropriately and that water delivery to customers remains reliable.
- The interim Board has proposed that the current SunWater service levels and asset management systems are continued by the new irrigation business, in order to ensure a reliable supply to customers during the transfer period.
- The Interim Board has recommended operational decisions be left to the future board of the new irrigation business in consultation with irrigator owners of the Lower Mary scheme.

Insurance program:

- The new irrigation business will require appropriate and adequate insurance, including for flood events, in order to ensure that major repairs (such as after a flood) are carried out and the supply to irrigators is maintained.
- The Interim Board has reviewed the general insurance needs of the future business to determine how these might be met.
- The Interim Board recommends that the future irrigation business take out comprehensive commercial insurance (including for flood cover).
- The Interim Board has also recommended that uninsurable risks (such as earthen water storages) are protected via "self-insurance" – a sinking fund that is set aside by the business to pay for damage to these structures.

For further information about our business proposal go to our website at www.lmairrigation.com.au or email mary@lmairrigation.com.au.