

27<sup>th</sup> March 2017

**Dear Customer**

The Lower Mary LMA Investigation Board, has been appointed to represent local irrigators in Stage 3 of the Local Management Arrangements (LMA) Project. The objective is to develop a sustainable business case to support the transition to local management of the Lower Mary channel irrigation scheme.

As Chair of the board I have over 30 years' experience in agribusiness management, irrigated cropping and horticulture, processing and supply chain management. I am joined on the Board with a mix of local expertise in irrigator Allen Birt, Stewart Norton, a local sugar industry executive, and engineer for water infrastructure in the region Trevor Dean. Independent Directors Warwick Yates, who is an experienced agricultural advisor and Director as well as Bernie Wilson who is an accomplished accounting and finance professional complete the skill set of the Board to assess and develop your business case for the proposed transition to local management.

As you are no doubt aware this process was instigated in 2012, with the Lower Mary being one of eight SunWater schemes to prepare a business proposal outlining how the scheme could be managed under local management.

This included the proposed move to establish a corporate entity with customer ownership, which would manage the assets, determine pricing, and other financial arrangements in order to deliver the services currently provided by SunWater, and ensure financial arrangements required to secure the financial viability of the new entity were accounted for. The Government has asked that we revise and strengthen our Stage 2 business proposal in a number of areas.

We have now entered Stage 3 of the project which will build on the work undertaken in the previous stages. The Board are seeking opportunities for efficiency gains while ensuring security for all irrigators serviced by the scheme. We are committed to actively investigating the opportunity and options for the Lower Mary irrigators by determining and developing the optimum business case which would enable viable transition to local management.

The board is committed to transparency ensuring all customers in the scheme are consulted regarding the proposed change to local management. This is the only way that customers in the scheme can then determine their support for the move to local management. To do this we need to explore how best to communicate with customers such as yourself. In the near future we intend to have our Communications Personnel phone all customers and seek their advice on the best ways we can keep customers informed and seek their views.

It's critical that we present a proposal that is supported by the customers and irrigators and that is viable and sustainable. Therefore, the board is actively seeking opportunities to discuss the project's progress with interested customers and stakeholders. We would welcome the opportunity to address industry or scheme meetings at your request.

Whilst the Board have an intimate knowledge of the scheme and the skills required to produce a comprehensive business case for transition, ultimately it's the feedback and support of the local irrigators and customers and their desire for this transition that will decide its future.

If you would like to discuss any part of this project or you would like myself or another Board member to speak with you, your irrigator or farming group or aligned interest group please don't hesitate to give me a call directly on 0428 657 624.

Kind Regards,

Geoff Wormwell

Chair – Lower Mary Investigation Board.