

Theodore Channel System Local Management Arrangements

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Australian Government's Agricultural Competitiveness Green Paper

On behalf of the Theodore Local Management Arrangements (LMA) Interim Board, we would like to provide the Australian Government with a second additional submission on the *Agricultural Competitiveness Green Paper* focussing specifically on the section titled *Water and Natural Resource Management*.

As per our earlier submission, please note that at this point in time, the Theodore LMA Interim Board has an advisory capacity only and is not a legal entity. Our submission is made in the context of future Local Management Entities (LME) which potentially will be the owner and operator responsible for the delivery of water entitlements to supplemented surface irrigators and stock and domestic users within the Theodore Distribution System which is part of the Dawson River Water Supply Scheme.

We would like raise the following considerations regarding the potential development of the Nathan Dam. The Nathan Dam is listed in Table 4, page 76 of the Green Paper as "Could warrant future consideration of possible Commonwealth capital investment, but less advanced in stage of development". The Fitzroy Water Resource Plan (WRP) provides for 190,000 ML of medium water allocations from the Dawson River as an infrastructure reserve for the proposed Nathan Dam. The WRP allocates just greater than 60,000ML in medium, medium A and high priority water currently used in the system.

The Theodore LMA Interim Board supports the development of the Nathan Dam, given it will improve the reliability of water supply and provide a platform for far greater agricultural production in our region through productivity gains in existing irrigation areas and the expansion of new areas.

While noting our support for the Nathan infrastructure, the Theodore Interim Board would also like to indicate that should local management proceed, our entity would be able to provide additional support for managing water delivery from the proposed infrastructure.

The Theodore Interim Board is proposing the establishment of a customer-owned and managed entity for delivering water allocations within the Theodore Irrigation Scheme and to contract the release of bulk entitlements for the length of the Dawson Supplemented Scheme. This company will have the modern, representative governance, expertise, and management systems in place that are needed to expand and manage the distribution of future water delivery from the Nathan Dam. By taking advantage of a locally-owned entity with these capabilities, productivity gains and expansion can and will happen earlier, and will focus on farm-gate returns.

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We provide a note of caution regarding pricing; the Hon. Barnaby Joyce, Minister for Agriculture, speculated in Darwin at the Northern Australia Food Futures Conference earlier this month that water from Nathan would easily sell for \$3000/ML. This price would be affordable potentially for the resource industry, depending on demand. (Very little high priority water is being permanently traded in Central Queensland this year.) This is a far higher cost than can be afforded by agricultural industries and subsequently, benefits to agriculture from the proposed infrastructure would be minimal.

We trust this information will be of assistance. Should you have any further enquiries, please contact me on 0429 471 511 or via email liz@bluedogag.com. The Theodore LMA Interim Board remains committed to working with Government to realise the maximum possible productive value from the land and water in the Dawson catchment.

Yours sincerely



Liz Alexander
Chair, Theodore LMA Interim Board