

# Chairman's report

Friday 30 November 2012



Murray Irrigation

This is the Chairman's report, distributed following the November meeting of the Murray Irrigation Board of Directors and Annual General Meeting, held yesterday.

## Murray-Darling Basin Plan (the Basin Plan)

The Murray-Darling Basin Plan's development is now complete. In the last week the Basin Plan became law and two motions to disallow the Basin Plan have failed in both the House of Representatives and the Senate. We now move into the implementation phase. The company will host a round of customer meetings early next year to discuss, amongst other things, our view of the Basin Plan, its implications for this business, and Murray Irrigation's proposed responses to those threats and opportunities.

NSW Minister for Primary Industries, Katrina Hodgkinson, was in Deniliquin yesterday to discuss with stakeholders the NSW Government's position in response to the Basin Plan. Murray Irrigation commends both the Minister and the NSW Government for the strong stance it has taken in resisting many of the less palatable elements of the Basin Plan, and encouraged it to continue to negotiate for better outcomes that will protect our communities from further unnecessary harm arising from the Basin Plan's implementation.

I also wish to express my gratitude to Federal Member for Farrer, Sussan Ley, who was instrumental in achieving the Federal Opposition's commitment to, if elected, limit the amount of water that can be recovered under the Basin Plan via non-strategic purchases. Large scale non-strategic water entitlements purchases have created significant challenges for Murray Irrigation in planning for future service delivery. A more strategic approach is to be commended as it gives the company the greatest opportunity to ensure service standards and costs are not compromised for remaining customers.

## Election of Chairman and Deputy Chairman

The Board yesterday conducted elections for the positions of Chairman and Deputy Chairman. I am delighted to have been returned as Chairman by my fellow Directors, and look forward to working with new Deputy Chairman Bruce Simpson. Mark Robertson did not seek re-election as Deputy Chairman and I would like to thank him for his contribution in that role over the past three years. All Directors recognise the significant responsibility they carry – we look forward to continuing to meet and exceed your expectations.

## 2012 Annual General Meeting (AGM)

Our 2012 AGM carried all of the proposed resolutions. It is pleasing to be able to present an Annual Report to the AGM that demonstrates our strong financial performance in 2011/12 and a robust balance sheet. The Board remains committed to implementing its 2014 Strategic Plan that will see this position maintained, whilst providing improved service delivery for customers and controlling the company's fees and prices. This situation, despite the challenges of continuing Government water reform, should provide our customers with an environment to invest with confidence in their farm businesses.

## Water efficiency allocation remains unchanged

The Board agreed to make **no change** to the water efficiency allocation. The Board will continue to assess water availability each month and advise of any improvements through the monthly *Chairman's report*. The Board also increased its assessment of likely on-farm deliveries this season to 1,000,000ML. This also brings with it increased demand for conveyance allocation that is likely to see all the remaining available conveyance allocation fully committed until at least the end of autumn.

I wish all shareholders and customers a safe and enjoyable Christmas and New Year. On behalf of the Board and shareholders I thank all Murray Irrigation staff for their work and achievements for us all during 2012 and wish them a safe and enjoyable Christmas and New Year.

Noel Graham  
Chairman