

Chairman's report

Friday 17 January 2014



Murray Irrigation

This is the Chairman's report, distributed following a meeting of the Murray Irrigation Board of Directors yesterday.

Setting the scene for 2014

Yesterday I welcomed my fellow Board members and outlined what I see as the challenges we face in 2014. These include finalising our new strategic plan, implementation of our PIIOP project, better engaging with our customers, working with Southern Riverina Irrigators' (SRI), and ensuring Murray Irrigation's efforts to influence implementation of the Murray Darling Basin Plan delivers results.

I look forward to working with all Directors and the management team to meet these challenges.

Water efficiency allocation

The Board agreed to make a water efficiency allocation of two percent of permanent delivery entitlements, excluding Class A (Town Water Supply) and domestic supply agreement customers.

This efficiency allocation provides customers with an additional 22,000ML. It is possible because of conveyance savings from operational efficiencies. The Board is confident that the company retains sufficient conveyance to meet our requirements for a range of possible water delivery scenarios in both the 2013/14 and 2014/15 irrigation seasons.

Meeting with the Hon. Sussan Ley MP

During the Board meeting Tim McKindlay, Director and Jenny McLeod, Executive Manager Corporate Affairs, met with local member for Farrer, the Hon. Sussan Ley MP. Key issues discussed at this meeting included; the impacts of governments' water reform programs on irrigators, in particular the extent of change in annual water market prices; and the importance of government sensitivity to the impact of the Basin Plan implementation on this region and the need to identify opportunities to mitigate these. The government's proposed actions to address mobile phone coverage 'black spots' were also discussed.

Customer meetings in March

Murray Irrigation will hold customer meetings in the first two weeks of March, which will include an opportunity for customers to 'tell us their views' about how Murray Irrigation can improve both its services and customer engagement. The meetings will also provide an update on Murray Irrigation activities including its PIIOP rollout and the new *Water Ordering* system. I encourage customers to attend these meetings which will be communicated in *Talking Water*.

PIIOP reconfiguration funding

The Board agreed to invest additional company funds from its termination fees to assist fund reconfigurations identified as part of the PIIOP program rollout. This funding will allow the PIIOP team to progress a number of reconfigurations identified during customer consultations so far. These reconfigurations allow Murray Irrigation to alter supply arrangements to our customers, whilst reducing outlets, channels and other related infrastructure, all with the intention of delivering a reduced long-term cost base.

Finance Manager

The Board acknowledged the valuable contribution of Rob Fruewirth, Finance Manager who leaves Murray Irrigation today to take up new employment. In his almost five years with Murray Irrigation, Rob has made a significant and positive contribution to our financial management. Aspects of Rob's work deserving of specific reference include; significantly improved annual and long-term budget processes, modelling of options for implementation of the new Fees and Prices structure, and Rob's achievements in managing Murray Irrigation's significant investments in accordance with our policies. We wish Rob and his family well in their future endeavours.

Bruce Simpson
Chairman