

Chairman's report

Tuesday 22 April 2014



Murray Irrigation

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

Senator Birmingham visit

I reported to the Board on our involvement with the recent visit to the region of the Parliamentary Secretary to the Minister for the Environment, Senator Simon Birmingham, who has responsibility for overseeing implementation of the Commonwealth Government's Water Act, including the Murray-Darling Basin Plan.

Murray Irrigation enjoyed considerable access to the Senator during his visit, and took the opportunity to discuss a wide range of topics, including: the recent announcement of a water purchase round in the region; the status of the basin water recovery strategy; the proposed review of the long term conversion factors (cap equivalents); the priorities and activities of the Commonwealth Environmental Water Holder (who was represented on this visit); the Water Act review; the Menindee Lakes system review; and other Basin Plan matters.

The Senator was also given an insight into our infrastructure upgrade works presently underway via our PIOP project, and particularly enjoyed visiting our operations room where the automated and remote control elements of our water distribution activities are overseen. The Senator was particularly impressed with the responsiveness of our infrastructure to changes in customer demand for service.

NSW Water Commissioner, David Harriss visit

NSW Water Commissioner, David Harriss, joined the Board on the day of the meeting for a lengthy discussion on many topics, including: proposed administrative amendments to the NSW Water Management Act; the review of the Water Sharing Plan for the Murray and Lower Darling Rivers; the Menindee Lakes system review; the status of NSW projects being proposed for consideration under the Basin Plan's sustainable diversion limits adjustment mechanism; and NSW priorities for the constraints management strategy. We also again raised the issue of NSW Office of Water shallow groundwater licence fees.

Murray Irrigation continues to maintain a positive and robust working relationship with the NSW Government as the Minister, Katrina Hodgkinson and Commissioner Harriss work to represent the interests of the state and its water entitlements holders in a range of forums.

Independent director recruitment

The Board has commenced the process to recruit a replacement for current independent director, Tony Read, whose term of office expires at the conclusion of the 2014 Annual General Meeting. Tony has brought to the Board considerable engineering and project management expertise in his time on the board, and his fellow directors are keen to see his replacement identified in a timely manner to allow a smooth transition.

Advertisements will appear over the next week in local and national newspapers, as the Board seeks to identify Tony's replacement. I will keep all shareholders informed as to the progress of this recruitment effort in future editions of the Chairman's report.

Supplementary agreements replaced by Policy and Rules

The Board agreed in March to change its historic approach to supplementary agreements and replace these agreements with a policy and rules approach. This new approach will take effect from 1 July 2014. Customers with current supplementary agreements will not be materially worse off under the new arrangements. The delayed announcement has arisen from the time needed to inform key supplementary agreements holders of the changed approach. We will be writing to all customers with supplementary agreements in the near future with details of the new policy.

Season end planning

The company continues to plan for a system wide shut down of water deliveries on and from Monday 12 May. All customers are encouraged to prepare themselves for this date. Further widespread rainfall, like we enjoyed earlier this month, would see this date brought forward. At this stage, this seems unlikely.

Bruce Simpson, Chairman