

Chairman's report

Thursday 24 March 2016



Murray Irrigation

This is Chairman Mark Robertson's report following a meeting of the Murray Irrigation Board of Directors on Tuesday 22 March.

Seeking additional volumes of water

Your Board is focussed on bringing additional volumes of water into Murray Irrigation's footprint and supporting our farmers during low allocation years.

The water efficiency allocation announced in the February *Chairman's report* has now been delivered to all financial Delivery Entitlement holders. This brought the season's total water efficiency allocation to six percent.

We will be announcing the pricing structure for the Snowy Advance after Easter. This will provide our customers with another tool to plan their winter and summer farming programs. While recognising the property right of water, Murray Irrigation is committed to maximising the productive use of this additional volume within our footprint. For full details, see the dedicated 'Snowy Advance' section of our website: www.murrayirrigation.com.au.

Blue-green algae outbreak

Murray Irrigation is very concerned about the quality of water entering our system. We are proactively working with the relevant Government departments to identify the source of the outbreak.

In the meantime, I'd encourage customers with any concerns to refer to the NSW DPI Water website for up-to-date information on the blue-green algae bloom: www.water.nsw.gov.au/water-management/water-quality/algae-information.

An updated fact sheet on managing livestock when blue-green algae blooms are present is available here: www.dpi.nsw.gov.au/agriculture/resources/water/quality/publications/blue-green-algae/rivers-creeks.

Negotiations with non-farming water users

While Murray Irrigation has its irrigation customers, it also has other users of the system through River Operations (managed by Water NSW). We have commenced negotiations with these non-farming water users of our system to align commercial returns to the company. It is our aim to complete these negotiations with sufficient time to factor into our calculations any changes associated with the company's ongoing and considerable efforts to reduce costs, in order to minimise fee changes on our farming customers. These negotiations are currently underway and are expected to be completed prior to our upcoming fees and prices review (scheduled for May, subject to successful completion of these discussions).

Chris Badger resignation

I would like to advise shareholders that independent Director Chris Badger has notified the company of his decision to resign from the Board.

Chris has been a strong and independent voice around the Board table bringing experience in utilities management, business management and engineering. He has been pivotal in our review of the rollout of the PIOP project and ensuring that as a company we focus on a return on investment. His decision to resign follows a desire to focus on other opportunities and business interests and we wish him all the best in his new endeavours.

Murray Irrigation had commenced the recruitment process, through an executive recruitment firm, to find a suitable replacement for Ms Robyn Clubb who resigned last November. This process will now be expanded to fill the two vacancies.

Renewed customer focus

As part of Murray Irrigation's renewed customer focus, more of our staff have been out in the field in recent weeks working directly with customers across our footprint, including visits to Moulamein and Jerilderie.

Murray Irrigation Chief Executive Officer Michael Renehan completed a day out in the field with one of our Channel Attendants mid-March. This allowed Michael to better understand some of the complexities and challenges that come with delivering water. You can expect to see more new faces as we work towards a stronger customer focus to meet the changing needs of the irrigation industry.

World Water Day

I'd like to recognise the efforts of the 'Speak Up' campaign for organising the community march in Deniliquin on Tuesday. The event was well supported by our community with well over 300 people in attendance. Well done to all involved.

In closing, I would like to wish all of our customers a safe and happy Easter.