

Special Talking Water

Thursday 22 December 2016



Murray Irrigation

Water distribution announcement

Murray Irrigation has announced a water resource distribution of three percent allocation to be issued against delivery entitlements.

Murray Irrigation is focussed on becoming more commercially driven, both in financial management and how water is managed within the system. The priority for the Company is to address the three available levers - price, volume and cost - to return to operational break-even financial status.

The Board and Management are committed to encouraging water use within the Murray Irrigation area of operations and is seeking to maximise water availability and use through this distribution. It is understood that January is a pivotal month for summer crops, and access to water at this time is crucial to ensure maximum yields contributing to regional productivity.

The current distribution is being made following a regular review of company performance, which has determined that after allowing for the sale of water in October to offset operational losses, a volume is now available for distribution to delivery entitlement holders. This has been made available through increased system control due to regulator upgrades, commercial delivery contracts negotiated with other users of our infrastructure and a change in operating culture, resulting in a volume surplus to forecast operational requirements.

In determining whether to make water resource distributions or sales, consideration is given to seasonal conditions and the Company's current and expected financial performance. It is expected that any future volume available this season will be sold to shareholders to realise a return for the asset and to minimise operational losses this year in accordance with the Company's objective to balance our financial needs against the needs of our customers.

To provide structure and governance around the management of Company water resources, a policy has been developed to ensure that available volume is managed in a way that contributes to financial sustainability as a priority and delivers benefit to shareholders when possible. In this way, the Company can use its water assets to address both the price and volume levers. We will be consulting with shareholders in the New Year about the best ways to achieve these outcomes.

The current distribution will be made available to delivery entitlement holders who have paid all outstanding accounts by close of business today, Thursday 22 December, and will be credited to customer accounts by Friday 13 January 2017.

Michael Renehan
Chief Executive Officer

For further details, contact Customer Support on T. 1300 138 265.