

Chairman's report

Friday 18 May 2012



The Chairman's report from Murray Irrigation Limited Chairman Noel Graham is sent to *Talking Water* recipients following the monthly meeting of the Murray Irrigation Board of Directors. This report provides an update on strategic issues relevant to the management of the company.

Chairman election

I am honoured to be elected Chairman by my fellow Directors. In taking on this role I will endeavour to continue the good work undertaken by my immediate predecessor, Stewart Ellis.

It is vital that Murray Irrigation continues to focus on our Strategic Plan and core business of delivering an efficient and cost effective water supply service. Murray Irrigation is well placed to do this with a committed and commercially focussed Board and management team.

External issues, such as the proposed Murray-Darling Basin Plan, are also important and we must continue to work with and support all groups that are arguing for a similar outcome to us. However, we must also be positive about the opportunities offered by the current high levels of water availability and the offer of government infrastructure funding.

Election to fill the casual shareholder director vacancy

Murray Irrigation will immediately commence the process for filling the casual vacancy for a shareholder director, created by Stewart Ellis' recent resignation, via a postal ballot. The call for nominations will occur soon and be open for three weeks. The Australian Electoral Commission will again be contracted to run the postal ballot. Full details of the election timetable will be announced shortly. I encourage all shareholders to seriously consider the contribution they may be able to make to the Board and the company by nominating to contest this election.

National Irrigators' Council representative

The Board today nominated Tim McKindlay as our representative to the National Irrigators' Council. I thank Tim for taking on this position, particularly with the proposed Basin Plan expected before parliament later this year. Tim is also Murray Irrigation's representative at NSW Irrigators' Council.

Basin Plan

Deputy Chairman Mark Robertson and fellow Director Michael Hughes met this week with NSW Irrigators' Council Chairman Richard Stott and Chief Executive Andrew Gregson to discuss Council's approach to the Basin Plan. This meeting was convened by Ted Hatty, Southern Riverina Irrigators' Chairman and a Council Director. It is essential that the different groups involved in this issue continue to present consistent messages to politicians about the proposed Basin Plan. It is encouraging that there appears to be a common approach between Murray Irrigation, NSWIC, National Irrigators' Council and the Murray Group of Concerned Communities.

2012/13 budget and fees and prices

The Board approved the 2012/13 budget and associated fees and prices yesterday. Murray Irrigation has held its fee increases to three percent (CPI). This is a significant achievement. The government component of Murray Irrigation's fees (over which we have no control) has been increased as determined by IPART.

Customers are encouraged to take opportunities to reduce their costs by account consolidation, amalgamation and or outlet removal. The fees and prices schedules will be available on our website later next week.

2012/13 annual operating plan

The Board also approved yesterday the 2012/13 annual operating plan. This plan is similar to 2011/12, though it has been simplified to focus on the essential elements of the operation of supply and drainage infrastructure. The 2012/13 annual operating plan will be available next week from reception or our website www.murrayirrigation.com.au.

Water efficiency allocation

After an assessment of the water available, the Board agreed to make no changes to the water efficiency allocation. Murray Irrigation will carryover any surplus conveyance allocation to the 2012/13 irrigation season.

A handwritten signature in black ink, appearing to read "Noel Graham".

Noel Graham, Chairman