

# Chairman's report

Friday 21 September 2012



Murray Irrigation

The Chairman's report from Murray Irrigation Limited Chairman Noel Graham follows the monthly meeting of the Murray Irrigation Board of Directors.

## Private Irrigation Infrastructure Operators Program (PIIOP)

The Board is pleased to announce to its shareholders that Murray Irrigation and the Department of Sustainability, Environment, Water, Populations and Communities (representing the Commonwealth) have signed the funding agreement for implementation of Murray Irrigation's PIIOP project.

PIIOP is funded from the 'Sustainable Rural Water Use and Infrastructure' component of *Water for the Future*.

Signing allows Murray Irrigation to commence planning for implementation of our PIIOP rollout with confidence. Murray Irrigation's PIIOP project involves investment in a range of projects that will improve water use efficiency both within our delivery system and on-farm. Investments funded under PIIOP include;

1. New irrigation meters including outlets that can provide higher flows as well as remote control capability
2. Remote control and some automation of channel regulators
3. Reconfigurations affecting both Murray Irrigation and on-farm infrastructure
4. Sub-system retirement of 90km of channel involving 35 landholdings
5. Clay lining of channels at five locations.

## Murray Darling Basin Plan (the Plan)

Andrew Gregson, CEO of NSW Irrigators' Council and Tom Chesson, CEO of National Irrigators' Council (NIC) joined the Board and provided an informative update on where the political negotiation is at around the Plan.

Federal Water Minister, Tony Burke is still intending to introduce the Plan to the Federal Parliament in the spring session this year. His discussions are continuing with the state politicians with a number of very important issues still to be resolved. Stakeholders are asking to see the Plan before they can confirm their views on the Plan and also the proposed amendment to the *Water Act 2007* (Cth), introduced to the parliament today.

Recognising that the Plan is significant to our shareholders, the Board intends to roll out an information program about the Plan to provide our shareholders with an opportunity to be informed about what the Plan could mean to them. This will also include information about what the numbers mean to shareholders, the political process and potential outcomes from this political process. Details will be included in *Talking Water*.

The information provided by both Andrew and Tom confirmed the robustness of the planning behind our 2014 Strategic Plan, which is intended to ensure Murray Irrigation remains viable even with the uncertainty about the volume of water sales, whether driven by weather or government regulation, such as the Plan. A cornerstone of this is Murray Irrigation's efforts to drive its costs down in order to provide our customers with an affordable irrigation supply into the future.

## National Irrigators' Council Board appointment

Director, Tim McKindlay has been appointed to the Board of NIC until the NIC Annual General Meeting in November, when there will be an election for a number of NIC Board positions. Whilst this appointment is only for a short time, given expected finalisation of the Plan in the coming months, this appointment is timely. I thank Tim for finding the time to participate in NIC activities.

## Water efficiency allocation remains unchanged

The Board, after reviewing the volume remaining on Murray Irrigation's conveyance licence, made no change to the efficiency allocation.

Noel Graham  
Chairman