



Murrumbidgee
Irrigation

2018 COMPANY REVIEW



Change in Action



“
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has an emphasis on
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orientated business.
”

Murrumbidgee Irrigation's journey to the fully automated highly performing business we want is well underway, and we are excited about what the future holds.

Our vision recognises the need for us to ensure that we continue to meet our customers' changing needs and deliver the right service at the right price. With this in mind, we have spent a lot of time listening to customers about current and future needs and how we can change together to support your future.

We have heard that the reliability of our water deliveries needs to remain front and centre of our operations. Our efficiency programs include reducing seepage and evaporation by channel lining, reconstructing and reconfiguring channels, and reducing losses through automation and improved operations.

We understand that, especially in changing times, it is critical to maintain open and constructive communication. Hence, our customer engagement capability, and activity has increased.

We also learned that our customers expect us to deliver the service they want in the best possible way and at a fair price. Our ongoing efforts to reduce costs has focused on automation benefits, reconfiguring our assets, improving our procurement practices and continuing to simplify the way we do business.

Throughout 2017/18 we have improved how we work with customers, modernised our asset base and changed the way we work together inside and outside of the company. Everything we now do has an emphasis on being a customer centric, commercial and team orientated business.

We are committed to delivering value to you. You are the strength behind this region and we will continue to work with you to grow our region together.



Brett Jones
Chief Executive Officer &
Managing Director

Our water delivery network services over 5,000 connection points across an irrigated area of around 170,000 hectares.

A tremendous amount was achieved over the past year, building confidence in the business for our customers and stakeholders:

- Positive net trade of allocation into the MIA for the first time this decade
- First time since DE's commenced that we had a significantly greater number on issue at the end of year than at the start
- Contained price increase to CPI as well as a lowering our DE charge
- First expansion project undertaken since turning on the water last century
- First time since 2004 that we ended the year with more general security entitlement on our licence
- Annual trading remained open to the end of the water year. This allowed 327 trades, totalling nearly 20 GL, to be traded in the last two weeks
- Simplified our asset base with 173 farm outlets and 11 regulators removed
- Modernised 200 farm outlets, 150 regulators and fully refurbished 6.5 kms of channel
- Our water delivery and maintenance staff travelled 624,000 kms to service our customers' needs
- Over 10,000 individual maintenance jobs were completed in the year, with close to 6,400 of these focused on ensuring our supply and drainage channels meet customer needs

Automation working for our customers

Through MI's Outlet Automation Program, Tabbita irrigators, Murray Robertson and his son Harry, have replaced three of their 15 megalitre outlets with one 60 megalitre outlet.

Murray said like all farmers they are looking to get the most out of the water available and "chase the return per megalitre."

"The new larger outlet is great and has exceeded my expectations," he said.

The current automation works have been critical in enabling both customers and the company to maximise the benefits of the projects already completed across the Murrumbidgee Irrigation Area.



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This program has given us the opportunity to reconfigure outlets to get the flow rate most suited to our farming needs.
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Murray Robertson, Tabbita

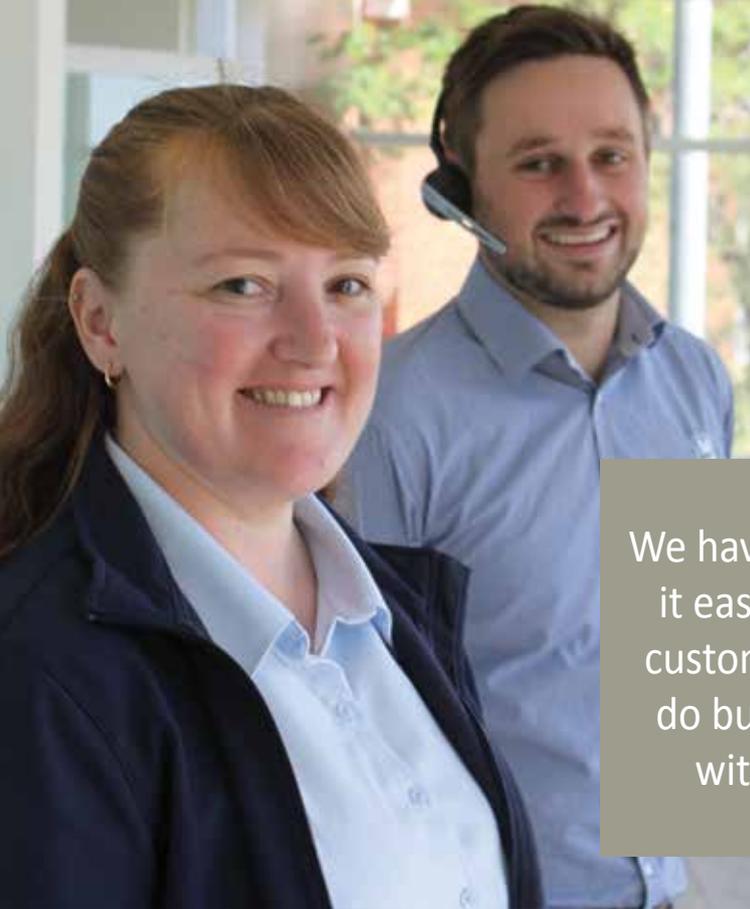


Our automation works are nearing completion in the Sturt Canal, Benerembah, Wah Wah, Tabbita, and Warburn areas. The 2018 works are building on from the automation of the Main Canal last year and takes the total investment by the Australian Government in our region to almost \$348 million.

These works will significantly increase customer service levels, expand system capacity and provide the flexibility to allow customers to grow their business operations. This will have direct economic flow-on benefits for the community. Automation enables more timely and accurate water delivery. It also enables customers to benefit from their on-farm automation.

We are installing new metered farm outlets and upgrading existing outlets so they are automation ready. This will allow remote operation and monitoring of outlets, which will in turn benefit customers through:

- Greater flexibility in water delivery
- Consistent flow rates
- Being safer to operate, and
- Lower maintenance and operational costs resulting in cost savings that MI can pass on to customers.



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Customer service experience changing

At MI we recognise that our customers’ needs are changing and have made significant changes to meet those needs.

We have made it easier for customers to do business with us, no matter where they live, by:

- Streamlining processes and setting up dedicated customer engagement teams
- Releasing our new ‘MI Overdraft’ product to support customers managing their end-of-season water accounts
- Significantly fewer forms and less red tape
- New look consolidated billing to make life easier for customers with multiple properties, and
- An automated answering component of our phone system to help us prioritise customer calls.



Delivering fair prices

We have been able to contain price increases to CPI and reduce the Delivery Entitlement (DE) charge. To achieve this, we have focused on delivering water more efficiently and reducing unnecessary administration and other costs.

The reduction in DE charge is largely a result of our expansion projects where we have listened to customers and changed our network to better meet their service needs. Essentially, customers have co-invested with us to increase capacity in parts of our network in return for a higher assured flow rate.

DEs provide a simple and fair way to share the available flow rate during a supply restriction. The recent move to higher flow rates by many of our customers has created a renewed interest in DEs.

Our Enquiries Team is receiving an increased number of requests from customers wanting to better understand DEs and what they mean for them and their business. We have been engaging with customers and will continue to do this over the next six months through group meetings, information sessions and individual communications.



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Changing how we run water operations

We have introduced significant changes to how we run water operations over the past year to increase our efficiency and reduce costs for customers.

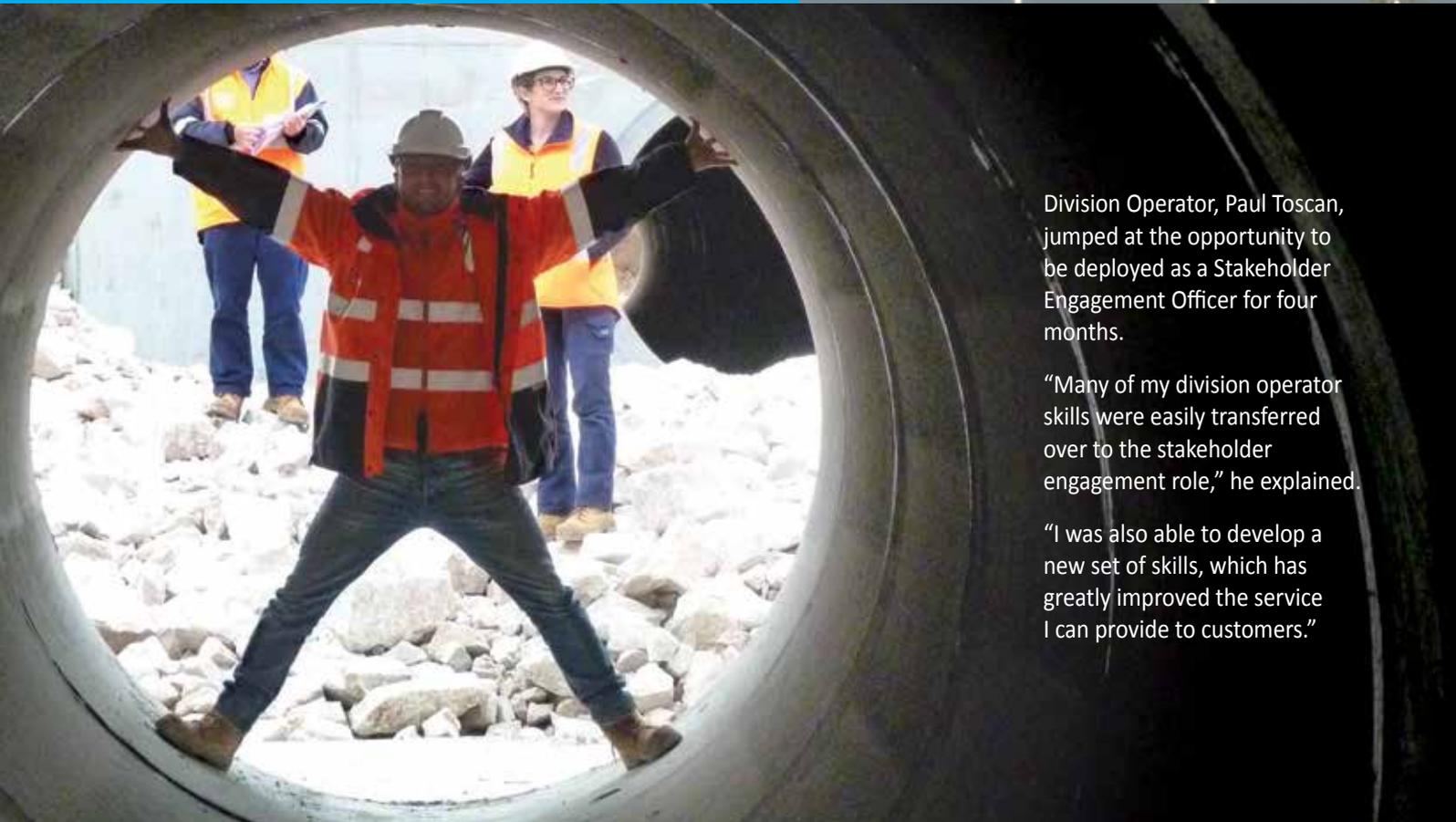
This includes co-locating our key operational and planning staff to better support our customers with automated systems.

The rollout of our automation program has also given our water delivery team the opportunity to branch out into other areas of the business.

This exposure has improved information sharing and teamwork across all areas of operations and the business.

Some of the roles our division operators have gained exposure to include: modernisation technicians, stakeholder engagement officers, vegetation control officers and technical maintenance.

“
We are changing
from within and
are committed
to delivering the
service customers
want at a fair
price.
”



Division Operator, Paul Toscan, jumped at the opportunity to be deployed as a Stakeholder Engagement Officer for four months.

“Many of my division operator skills were easily transferred over to the stakeholder engagement role,” he explained.

“I was also able to develop a new set of skills, which has greatly improved the service I can provide to customers.”

Delivering a responsive service

Having just finished two of our biggest ever winter works periods, we are now starting to see the benefits of our Australian Government funded modernisation program, through water efficiency savings.

Our modernisation program is delivering a reliable and responsive service to customers to support growth and meet their changing irrigation needs.

Last December, we were faced with a water shortage. By taking advantage of the automated system, we were able to operate the Main and Sturt canals as an integrated network, and also optimise the levels in our irrigation pools.

This meant that both the duration and impact of the restriction were significantly reduced.

By changing our network, we are enabling existing and new customers to grow their business and continue to contribute to the prosperous and vibrant region that is the MIA.

“
We are providing
a reliable network
to deliver the
flow rates our
customers want
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We have changed
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Maintaining supply

Rather than shutting down the entire network over the winter period, we are moving towards maintaining supply all year where possible. This was how we operated the Main Canal this winter.

Once all the Australian Government funded PIOP works have been rolled out across the MIA, this is how we will operate our network each winter. These changes will allow us to be more responsive to irrigators' critical water needs, 12 months of the year.

Of course, there will still be some times when we have to suspend supply, to allow for periodic maintenance and capital works. This will be done by draining sections and working with our customers to minimise impacts.



Gunbar Water Pipeline changes our area of operations

Wah Wah Stock and Domestic farmers will soon become their own Private Irrigation District, with works on the Gunbar Water Pipeline scheduled for completion in December 2018.

MI will hand over ownership of the new pipeline to Gunbar Water, which will result in a significant change to our area of operations.

The pipeline is part of the Wah Wah Stock & Domestic Pipeline Project that will supply pressurised piped water to 62 properties in the Wah Wah district, which covers 310,000 hectares in our west. Project works include the construction of a 270 km Gunbar Water Pipeline and private pipelines, as well as pumping stations and outlets.

The current supply system is inefficient with water conveyed from Barren Box Storage along the Wah Wah main channel and into 1,590 km of earth channels, to fill more than 600 in-ground tanks on the properties. Losses from evaporation, seepage and unauthorised access are very high.

Once the project is completed all MI customers will benefit from operating and maintenance savings, lower future refurbishment costs and conveyance water savings.

Wah Wah Stock and Domestic farmers will benefit through improved levels of service, with year-round access to the river and bores, a filtered pressurised water supply and measured water use, which can be remotely monitored.



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The \$47 million Wah Wah Stock and Domestic Pipeline Project forms part of MI’s major modernisation program, funded under the Australian Government’s Private Irrigation Infrastructure Operators Program in New South Wales.

Murrumbidgee Irrigation is proud to be part of the most productive irrigation area in the nation. We deliver water to more customers than any other irrigation company in Australia.

The irrigation water that we supply feeds the diverse and highly productive agricultural region known as the Murrumbidgee Irrigation Area (MIA).

The MIA produces:

- 1 in every 4 glasses of Australian wines, and is the largest wine producing region in NSW, and the second-largest in Australia
- 25% of Australia's rice and 44% of NSW's rice
- 30% of all of Australia's Citrus and 60% of NSW's, and
- Enough cotton in one season to make 193 million pairs of jeans.

The MIA is home to:

- Australia's largest producers of prunes, walnuts and almonds
- The largest producer of chicken meat in the southern hemisphere, and
- The biggest wine bottling plant in the southern hemisphere.



Murrumbidgee
Irrigation

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We're growing our
future together,
with customers, company
and the community
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Four generations of the Cremasco family from Yenda.

MURRUMBIDGEE IRRIGATION LIMITED

PHONE: (02) 6962 0200 EMAIL: info@mirrigation.com.au

OFFICES: 86 Research Station Road, Hanwood NSW 2680 and Dunn Avenue, Leeton NSW 2705

www.mirrigation.com.au