



Murrumbidgee
Irrigation

BUILDING A NEW FUTURE



2017
COMPANY REVIEW

Growing our future together
Customers • Company • Community

The Murrumbidgee Irrigation Area is a progressive and changing landscape with a range of innovative farming enterprises and crop types.

Our farmers are the strength behind this region.

We are working with existing and new customers to create opportunities for growth and capitalise on our regional advantages. Delivering the service you want at the best price.



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Murrumbidgee Irrigation Area

The Murrumbidgee Irrigation Area (MIA) is Australia's premier irrigation area and the centre for thriving and vibrant regional communities

The MIA covers an area of 670,000 hectares. Over 117,900 hectares were irrigated in 2016

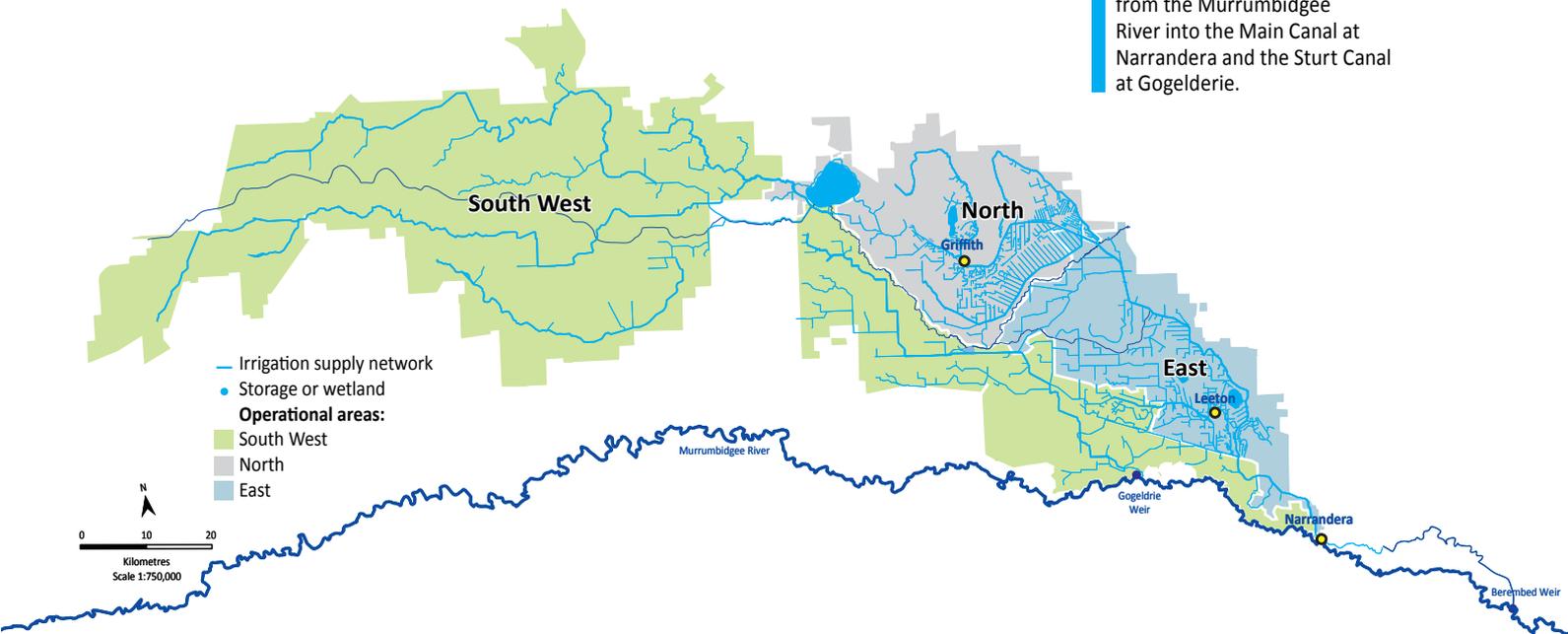
Murrumbidgee Irrigation services over 3,300 landholdings, ranging from small family farms to large scale broadacre farms

A total of 8,500 ML of irrigation water can flow into our network per day - 6,600 ML via the Main Canal and 1,900 ML via the Sturt Canal

The MIA's gravity fed irrigation system supplies water to the farm gate through over 3,500 kilometres of water delivery channels

Most water for the MIA comes from Burrinjuck and Blowering Dams near Yass. Their combined storage capacity is 2,657,410 ML

Water from the dams is diverted from the Murrumbidgee River into the Main Canal at Narrandera and the Sturt Canal at Gogelderie.



The main use of irrigation water in the MIA:

HORTICULTURE GRAPES, CITRUS, PRUNES, STONEFRUIT, OLIVES AND NUTS

VEGETABLES ONIONS, CARROTS, BROCCOLI, TOMATOES, GHERKINS AND MELONS

BROADACRE RICE, WHEAT, BARLEY, COTTON, CANOLA, SOYBEANS, MAIZE AND GRAZING PASTURE

LIVESTOCK FEEDLOTS, POULTRY PRODUCTS

TOWN SUPPLY GRIFFITH CITY COUNCIL, LEETON SHIRE COUNCIL, CARRATHOOL SHIRE COUNCIL, AND GOLDENFIELDS WATER COUNTY COUNCIL



Murrumbidgee Irrigation

Murrumbidgee Irrigation Limited 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 wine
- 25% of Australia's rice
- 30% of all of Australia's citrus, and
- Enough cotton in one season to make 193 million pairs of jeans.

We are home to Australia's largest producers of

- Prunes, walnuts and almonds

And home to the largest producer of chicken meat and the biggest wine bottling plant in the southern hemisphere.



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Building a new future

We are in the middle of something great. Our region is thriving and there is new investment everywhere you look. Being at the helm of Australia's premier irrigation district at the time of the biggest renewal of infrastructure in over 100 years comes with great obligation and great reward.

Our job is to deliver the service customers want at a fair price and in the best possible way. In June 2016, we launched our new Corporate Plan, and since that time we have been going about turning what were merely words on a page, into action. We have focused our efforts on building a better network, working better together and getting the job done right. It has been an exciting and challenging 12 months with more to come.

Our modernisation and targeted maintenance programs are two ways we are improving how we meet customers' changing needs. Similarly, our focus on removing waste and overhauling our pricing structure are steps towards keeping our prices fair. Our new approach to customer engagement and working in partnership with other stakeholders (particularly Councils) is already paying dividends in saving costs and providing opportunity for growth.

The needs of our customers are changing and we are changing to meet those needs. This company review serves as a record of our past years achievements and our plans to continue building a new future with our customers and the community.

At Murrumbidgee Irrigation, we are proud to be part of the most productive irrigation area in the nation. By delivering water to more customers than any other irrigation district, we are leaving a positive future for generations to come.



Frank Sergi
Chairman



Brett Jones
Chief Executive Officer

Building a better network and increasing value for customers

Our irrigation network needs to be reliable and to deliver the flow rates our customers want. Our customers expect this to be done in the best possible way and at a fair price. Consequently, we are undertaking the most ambitious renewal and expansion of our infrastructure in the region's 105-year history. Modernising our network will increase water efficiency and reduce operating costs helping keep customer prices down. It will also deliver a reliable and responsive service to customers to support growth and meet their changing irrigation needs.

Modernising the Main Canal

The pinnacle of our modernisation works so far has been the automation of our Main Canal. This \$15 million refurbishment involved the automation of all the regulating structures along the Canal and the complete replacement of Roaches Regulator - our key 13 gate regulating structure near Yanco. The program of works was extensive and involved increasing our normal six week winter works shutdown of our irrigation network.

The planning and innovation required to coordinate ten construction teams working shifts for two months while maintaining critical water supplies to towns and industries was an exceptional challenge. Couple this with the State Government refurbishment works on Berembed Weir - effectively sealing our access to the river - and a 20,000 ML environmental water flow being delivered at the same time as we were refilling our system - and the true value of the collaboration and teamwork involved is evident.

If you are considering expansion or a new development talk to us. We want to hear about your water delivery needs (02) 6962 0200.

- ▶ \$15 million invested in our Main Canal in 2017
- ▶ 158 regulator gates replaced
- ▶ A new 13 bay regulator installed
- ▶ 21 offtakes installed
- ▶ 10 teams worked in shifts for over 2 months
- ▶ 77 kilometres of channel automated

Business growth

By building a better 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. Projects like our Main Canal automation are setting us up for the future by providing greater efficiency, more flow rate and a responsive network. We are actively responding to meet the changing needs of our customers for the future.



The automation of the Main Canal means we can deliver more water, more efficiently through a responsive network.





Channel lining

With a longer than usual winter maintenance period, we were able to ramp up the lining of sections of the Northern Branch Canal (NBC) and Lake View Branch Canal (LVBC). The high-density polyethylene lining (HDPE) will improve delivery efficiency, create water savings and extend the life of the canals.

- A total of 26 kilometres of canals were lined (20 km LVBC and 6 km NBC)
- All HDPE lined channels have been fenced for safety



Completion of the YBL program

The Yenda/Bilbul/Leeton (YBL) program was expanded to cover a wider area of the network. Ageing infrastructure was replaced, channels were lined and supply regulators automated. These works will improve service reliability for customers through better control of pools between regulators.

- 230 regulators automated
- 160 outlets replaced
- 4.5km of channel piped



Gunbar Water on the horizon

Wah Wah Stock and Domestic farmers are well on the way to becoming their own Private Irrigation District. Planning and design of the Gunbar Water pipeline is now complete and farmers have commenced installation of their on-farm pipelines, tanks, troughs and telemetry ready for connection to Gunbar Water in 2018.

- 300 km surveyed
- 21 farm plans completed and 8 under construction
- 6 bores approved



Before



After

Reclaiming our channels

We have over 5,000 km of supply and drainage channels. Some of these have had little maintenance for some time. We are progressively refurbishing our network - including reclaiming channel banks that have been neglected or obstructed with farm waste and equipment.

- \$1.5 million was invested in maintenance, 30% more than the previous year
- 130km of channels rebuilt
- 300km of channels de-weeded and de-silted



Opening doors for investment

Increasing the use of our network pays dividends by lowering costs for all customers. In 2016/17, we responded to requests by customers to increase access to our supply network. As a result we issued new Delivery Entitlements (DEs) and brought in new water to our network.

- Over 60,400 new DEs issued across the business
- 20,000 ML of new water to our network
- We expanded our area of operations by 10,000 ha



Making the price fair

We have changed our pricing so that our charges are simple and focused on the real cost of our business - delivering water. Realigning charges to outlets and flow rate means customers have choices about the level of service they want and we avoid unnecessary infrastructure costs.

- We wrote to all customers, and have met with over 600 to discuss their service needs and opportunities to save costs
- Over \$13m is projected to be saved in future asset replacement



Sharing the savings from efficiency

Our focus on removing waste and inefficiency from our business started showing gains this year. We have exceeded our targeted efficiency savings of \$1.27 million over three years, achieving \$2.5 in efficiency savings within just two-years. For 2017/18 we have limited overall price increases to only 2% - the lowest price increase in a long time.

- Over \$1.5M in consolidating management positions
- Over \$0.5M in reducing the size of our fleet
- Lowest price increase in over 7 years



Increasing the value of Delivery Entitlements

Our inaugural forward water sale provided an opportunity to increase the value of Delivery Entitlements. By making water available to DE holders we are providing additional value beyond flow rate to DEs.

- 43,110 ML of forward water was taken up by DE holders
- Over 130 customers took up the offer
- The second forward water offer was over subscribed within one day

Working better with others and together

In every area of our operations, working with others has improved our efficiency, innovation and productivity. From working with customers on the Northern Branch Canal expansion, Councils during localised flooding and government to get the best outcomes from water reform, our partnerships have served to support the continued growth and prosperity of the MIA.

Customers co-fund the expansion of the Northern Branch Canal

The modernisation of our Northern Branch Canal (NBC) took a new turn when customers asked us to look outside the square. Rather than merely upgrade the Canal to meet existing demand they asked us to investigate a program of expansion to meet future needs. Following customer consultation, it became clear that there was enough interest to effectively double the capacity of the NBC.

While the modernisation components of the program were met by the Commonwealth Government in return for water savings, customers agreed to co-fund the expansion part of the program in return for delivery entitlements. The NBC expansion program has now been completed and over 50,000 new DEs have been issued. Working in partnership with our NBC customers has allowed us to deliver more water and higher flow rates to meet their changing needs and build a better network for the future.

This expansion benefits customers directly involved and also helps share fixed costs for all customers, thus putting downward pressure on prices.

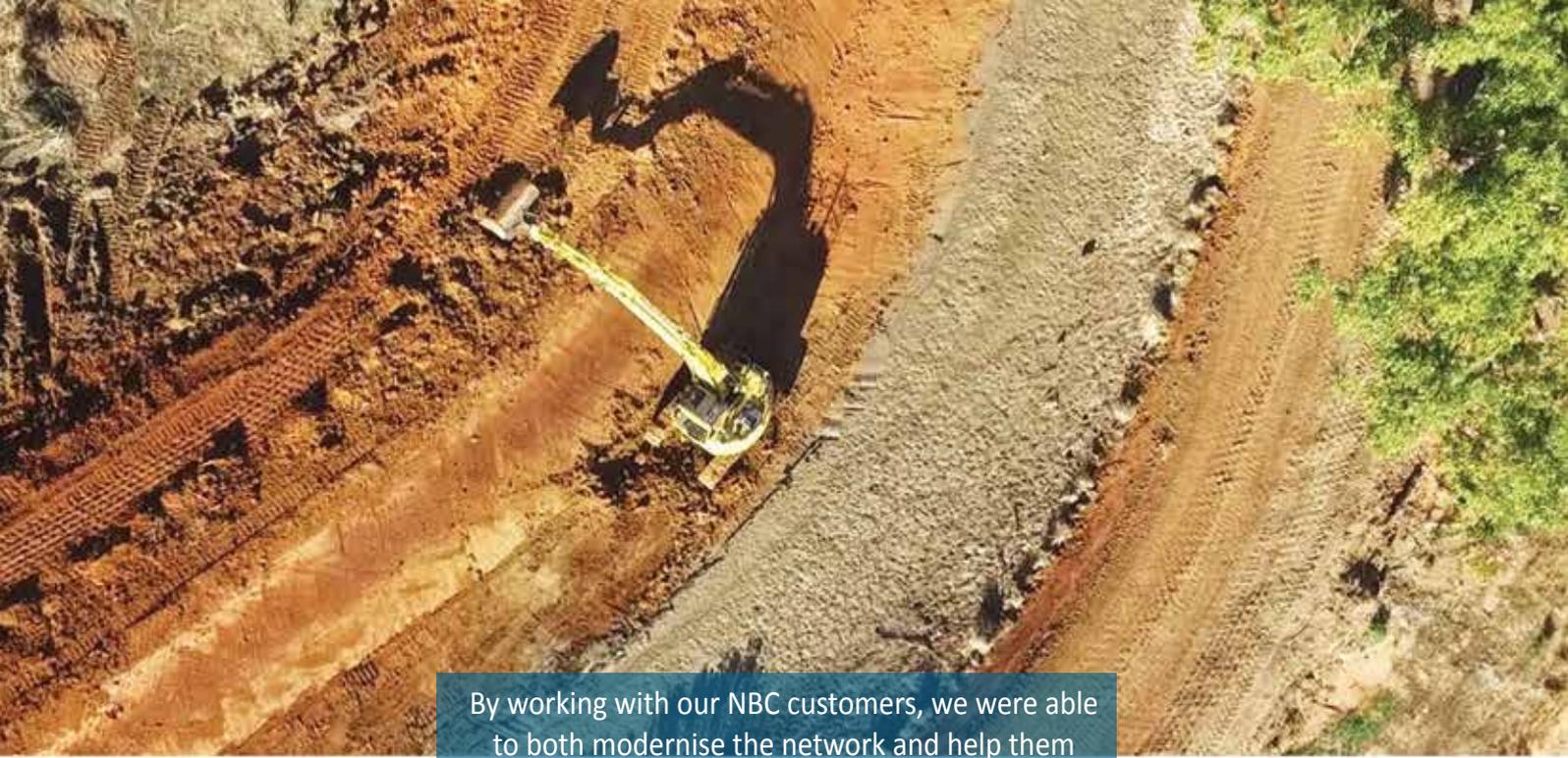
The NBC expansion now serves as a model for other parts of our network. We have started canvassing interest in expansion works to compliment modernisation projects that have commenced in the Sturt Canal, Benerembah Channel, Wah Wah, Warburn and Tabbita systems.

- ▶ The NBC expansion program has effectively doubled the canal's capacity
- ▶ Over 22km of earthen channels widened
- ▶ 10 major structures installed
- ▶ In excess of 382,000 m³ of earth moved
- ▶ During peak periods, up to 70 heavy earthmoving plant engaged

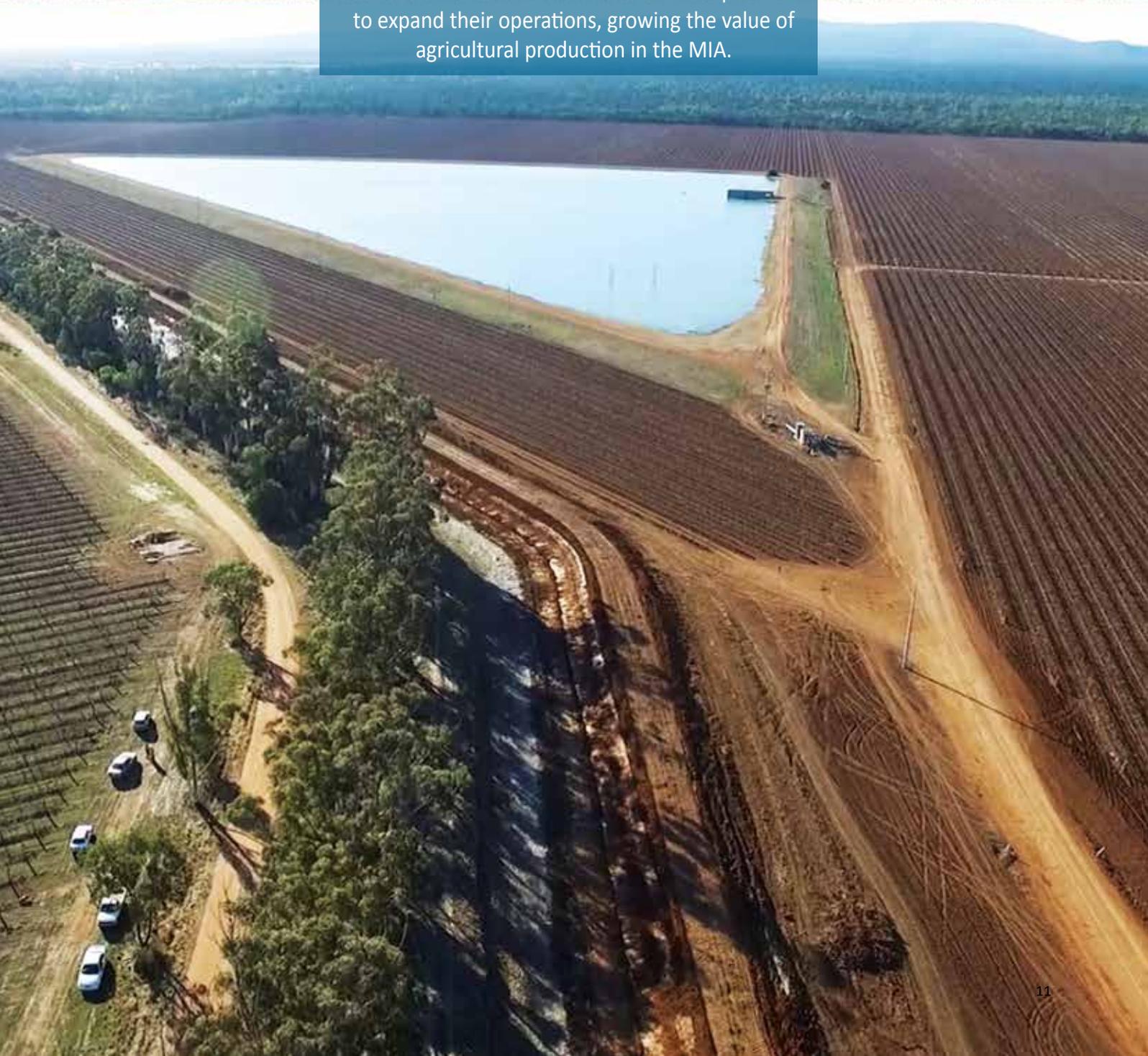
Strategic partnerships

By working with our customers, we have revised our modernisation program to provide greater opportunities for customers for expansion and to optimise their farm design. Expanding our channels and providing options around outlet sizing means we are able to deliver more water at higher flow rates helping to grow the value of agricultural production to the region. Our NBC modernisation program was expanded in collaboration with customers. Strategic partnerships bring innovation and new ideas to help us grow our future together.

Innovation comes from sharing great ideas - if you have an idea for a new product or an improvement to our network, let us know on (02) 6962 0200.



By working with our NBC customers, we were able to both modernise the network and help them to expand their operations, growing the value of agricultural production in the MIA.





Protecting town water supply

Maintaining the water supply for our towns while our Main Canal was completely drained involved early planning and good collaboration with local Councils. With the dry winter, all our storages, including Lake Wyangan, were called into play along with some clever contingency thinking involving pumping around Roaches and Scotts Regulators.

Pumps at Roaches and Scotts regulators provided an important safety net for Griffith and Leeton town water supplies when the winter remained dry



Listening to industry

When our citrus customers became aware of the longer than usual network shut down they raised concerns about potential crop impacts. We listened, realigned our works programs and augmented supply by pumping water past Roaches Regulator to support their critical crop needs.

- 80 ML daily diverted around works for 32 days in June and July
- 95% of customers with critical needs had some access to water during the winter works period



Teaming up with IREC for automation

MI trialed automated farm outlets in early 2017 in cooperation with the Irrigation Research and Extension Committee (IREC) and customers at Gogelderie. Full channel automation is complete and automated farm outlets will be rolled out by the end of 2017.

- Automation and improved channel operation allows customers greater ease and flexibility when watering
- "This could be a real game changer for many farmers in the region" Rob Houghton, IREC Chairman



Working with flood agencies

Following heavy winter rains in 2016, we responded to requests for assistance from local flood management agencies. Working together with local councils and SES we helped redirect flows away from towns and minimise impacts on farmland.

- 91,000 ML was captured into Barren Box Storage & Wetlands
- A further 142,000 ML continued down the watercourse



Getting the right outcomes from the Basin Plan

We continue to seek the right outcomes for our region by securing investment and protecting irrigation water for production. We are actively involved at an industry and political level to bring positive outcomes to this region.

- \$348 million in infrastructure funding
- A limit on the amount of water that can be bought by government
- 605 GL reduction in the volume of irrigation water earmarked for the environment



Looking after our storages and water ways

Research partnerships with Griffith City Council and Deakin University have been established to improve the environmental management of our storages and water ways. Program areas include weed management and ultrasonic algal control.

- Ten ultrasonic algal units deployed as part of a trial at BBSW
- The trial has now been extended to include South Lake Wyangan
- Weed research program established with Deakin University



Protecting habitat for threatened species

Introducing a mosaic of vegetation at BBSW will build diversity into the ecosystem, to increase the number and variety of birds and animals. Several threatened bird species, such as the Blue-billed duck and the Freckled duck, have been identified at BBSW.

- National Landcare grant funding received
- 28,000 native trees and shrubs planted
- Support from Co2 Australia for the project



Delivering for the environment

During 2016/17 we delivered 986 ML of environmental water to key wetland sites within the MIA on behalf of the Office of Environment and Heritage.

The MIA is home to several wetlands of international importance because of the presence, abundance and diversity of their waterbirds, including migratory waders and threatened species like the Australasian Bittern

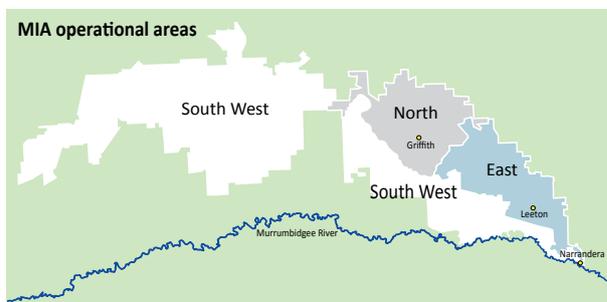
Doing things better

Doing things better starts one process at a time, improving customer service starts one customer at a time. We are making it easier to do business with us by streamlining processes and setting up dedicated customer engagement teams. We are committed to delivering the service customers want at a fair price which means making our service efficient and keeping a close eye on costs.

Transforming water operations and making it easier to do business with us

To increase our efficiency and reduce costs for customers, we are transforming how we run our water operations.

These changes include three new operational areas - North, East and South-West, as well as the amalgamation of some existing Irrigation Divisions.



We are also co-locating our key operational and planning staff to better support our customers with automated systems. The changes will improve information sharing and teamwork across all areas of operations and the business.

Our customer satisfaction survey showed us that we can improve how we work with customers. So, we have established dedicated customer engagement teams aligned to our new operational areas. Having a consistent point of contact, who knows the area and the issues, will make it easier to get to the right assistance in a timely way.

- ▶ Service without extra costs
- ▶ Proactive and consistent engagement
- ▶ Dedicated service areas
- ▶ Efficiency targets exceeded

Organisational excellence

By continually doing things better at MI we are working to keep our costs down, our people safe and making it easier to do business with us. One way we are doing this is by changing how we run water operations. Part of the change is a new customer engagement team - giving a clear point of contact to respond to and resolve customer requests quicker and better. Removing inefficiency and improving service delivery means we will deliver the service customers want in the best possible way and at a fair price.

Making sure you get your questions resolved promptly and by the right person is important to us. If you would like to meet your new customer engagement representative please call (02) 6962 0200.



We have listened to our customers and are changing to increase our efficiency, reduce costs for customers, and improve teamwork across operations and the business.





Embracing new technology

A new vehicle fleet monitoring system is being introduced to support safety and improve efficiency and accountability. After an initial trial of 12 vehicles, the technology is being rolled out across the entire fleet, keeping our people safe and lowering operating costs.

- MI vehicles travel close to 3,500,000 km per year (That's equivalent to around the world 87 times)
- Driver support information helps to improve driving behaviour and save money



Staying focused on safety

Over the past year we have improved our safety culture and systems to enable our staff to work safe and go home safely. In response to these changes we have lowered our overall injury rates and halved our significant injury rates. Safety saves lives and saves money.

- Significant injury rate down from 13 to 6
- Insurance premium reduced by over 20%



Planned maintenance

\$1.5 million in efficiency savings has been redirected to expanding our planned maintenance program. Planned maintenance extends the life of our assets whilst saving money. It also underpins network reliability – meaning you will get the flow rates you need when you need them.

- Hot spot register created to prevent in-season supply restrictions from weeds
- Planned maintenance program implemented for IHS pumpstations



Removing red tape

We are simplifying our customer service processes. This means removing red tape - like statutory declarations on application forms - where possible. We have also reduced the need for filling in forms. Ten forms have been removed so far with more to follow.

- Over 10,000 customer interactions
- Ten forms removed
- Around 2,000 less statutory declarations signed
- Issue resolution time halved



Strong vibrant communities underpin the wealth of this region. We are a proud and active part of our community.



Photos: Staff were involved in many community events such as the Riverina Field Day, Griffith Centenary Street Parade, Leeton High School entrance upgrade and Griffith Spring Festival citrus sculpture.

The building continues...

Strong vibrant communities underpin the wealth of this region. By investing in our people and our infrastructure we are building a future to be proud of.

As recently as July 2017 we received a further \$38 million for water savings projects. This represents a total investment of over \$348 million by the Australian Government in our region as a direct result of the Basin Plan. We are using this investment to ensure the MIA is set up for the future. Replacing aging infrastructure, modernising our structures, relining and refurbishing our channels and automating our main arteries (and in some cases full irrigation divisions) are all part of the program.

Our region is thriving and our network needs to keep pace with changing water delivery needs. We have seen from our Northern Branch Canal, the benefits to customers of leveraging the modernisation works to enable expansion. In 2018, our modernisation and expansion programs will continue and gain momentum with a focus on our South-West district - including the Sturt Canal, Benerembah Channel, Wah Wah, Warburn systems as well as the Tabbita systems.

Our challenge is to deliver this extensive program in the short available time, while improving day to day service delivery and keeping costs down. The combination of automation and changes to our water delivery team will place us in good stead to meet customer demands. Our objective is to deliver the flow rate you need when you need it. In 2018, we will also develop our regional approach to customer engagement. Making sure we listen, respond and resolve customer requests properly.

Removing waste and increasing efficiency remain targets for the business. They directly impact the bottom line and as a shareholder owned, customer funded company we know that every dollar counts. Our objective is to maintain our price increases at or below 2% for 2017-18.

Building a better network drives investment in our communities and supports the diversity that makes our region great. Getting this right means we will be ready for the challenges of the future - ready to keep growing our future together.

Building the future for the next generation





Murrumbidgee Irrigation

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Customers • Company • Community

OUR MISSION

We leverage our system and regional advantages to provide water products and services that are valued by our customers

WE VALUE

- Integrity** We do the right thing, we behave honestly, openly and ethically in everything we do.
- Customers** We deliver excellent service that is timely and consistent; we work together for the long term.
- Accountability** We own our actions and are responsible for delivering what we promise.
- Respect** We listen to others, acknowledge their needs and care for our environment.
- Teams** We work together for a common goal, share what we know and do not compromise on safety.



Photo credits

Page	Description	Photographer
Cover	Canal gates	Vince Bucello
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3	Roaches Regulator	Vince Bucello
4	NBC	Bryan Salvestro
10	Orange orchard	Brett Naseby
11	Australasian Bittern	D Webb
13	Customer with MI Staff	Vince Bucello
21	Stott Family	Vince Bucello

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