



**Murray Irrigation**



## **Shareholder Meetings 2025**

### **Report**

[www.murrayirrigation.com.au](http://www.murrayirrigation.com.au)

PO BOX 528 DENILQUIN NSW 2710 | 1300 138 265

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## 1 Executive Summary

Murray Irrigation Limited (MIL) hosted Shareholder Meetings across the footprint from 1 to 24 July 2025. The aim of these meetings was to provide an update on key initiatives that came out of the September 2024 shareholder discussion groups, as well as inform shareholders of the MIL's strategic direction and provide an update on current strategic initiatives and performance.

One of the chief aims of the 2024 shareholder discussion groups was to gather constructive feedback on how the company can work with shareholders to minimise the impacts of buybacks on MIL, MIL's shareholders and customers, and the local community. Based on the feedback received, MIL has launched Water Solutions as one of the key initiatives to help minimise the impacts of buybacks on our region. This initiative formed an important part of discussion during this year's July Shareholder Meetings.

All MIL shareholders were given the opportunity to attend the July Shareholder Meetings via an open RSVP system. These meetings were promoted through email, SMS, *Talking Water* and phone calls.

Twelve face-to-face meetings and one online meeting were held across the footprint (see figure 1), with 155 shareholders attending. The 155 shareholders represented 31% of the 2024/2025 water usage.

Figure 1: map of meeting locations





## 2 Meeting Content and Discussion

The focus of each meeting was to update shareholders on the progress of initiatives MIL has already committed to, and to discuss new key initiatives that have been developed as a result of the September 2024 meetings. The following presentation was given at every meeting and was presented by the CEO Ron McCalman.



### Topic 1: Company Performance

#### Presentation Content

The projected 2024/25 financial performance of the company was discussed with shareholders. Please note that the numbers discussed and shown below have been forecast and are subject to change before the AGM. The purpose of sharing these forecast numbers was to keep Shareholders updated with the 2024/25 indicative company performance. These results point to a very pleasing financial year, with high water delivery, close management of expenses and an over-performance of the investment income.



### Financial performance\*



#### Net Profit

**\$12.0m**

(Budget: \$0.99m)  
(FY24: \$11.07m)

#### Operational Revenue

**\$42.50m**

(Budget: \$39.02m)  
(FY24: \$40.28m)

#### Operational Expense

**\$31.57m**

(Budget: \$32.19m)  
(FY24: \$28.09m)

#### Net Operational Income

**\$4.79m**

(Budget: **-\$3.70m**)  
(FY24: \$2.09m)

#### Investment Fund Income

**\$5.31m**

(Budget: \$3.54m)  
(FY24: \$7.43m)

#### Investment Fund

**\$80.0m**

(Budget: \$74.30m)  
(FY24: \$68.82m)

\*Projected to 30 June 2025

## Discussion

Shareholder discussion around the projected 2024/25 results was positive.

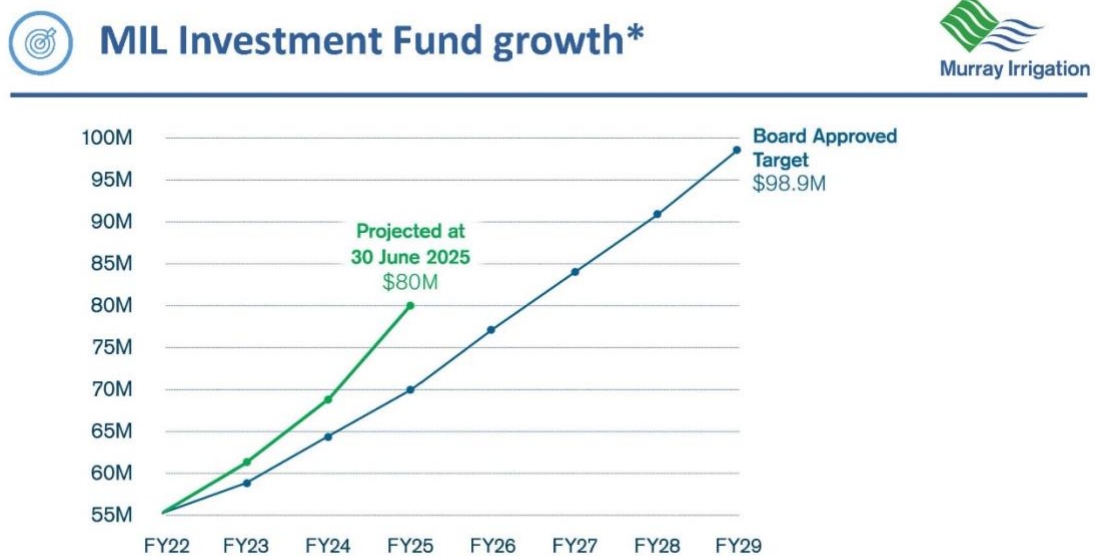
The CEO explained that the company has had four good allocation years, which has contributed to the positive financial performance.

The general feel from shareholders was that irrigators will be unable to sustain the continuous increase in fees. To ensure shareholders can be confident in their planning, the business has committed to and is delivering fee increases of CPI only until 2029, regardless of financial performance.

## Topic 2: Investment Fund Growth

### Presentation Content

The projected investment fund growth to 30 June 2025 was tracking approximately 1.5 years ahead of target. The investment fund has grown \$32 million in the last three years. This is a great outcome for shareholders, as it is developing the foundations to maintain and replace where needed the \$1 billion worth of assets that MIL must maintain for the future generations.



\*Projected to 30 June 2025

## Discussion

Discussion on this topic was limited, with shareholders happy MIL is ahead of target.

There was some discussion about if the investment fund would be used to help fund Water Solutions. It was explained that it was to keep accumulating for the cost of maintenance and replacement of our assets in the future.

## Topic 3: Operational Performance

### Presentation Content

2024/25 was an incredible water delivery year, with a projected water delivery volume of nearly 1,100GL and 98% of orders delivered in full and on time. The company supplied 193GL of water back into the footprint. This volume was made up of 77GL via the sustainability product and 116GL via other WaterWell products, including the Resource Distribution and Water Users Credit.

Operational performance*		
<b>Volume delivered</b> <b>1,096GL</b> <i>(Budget: 850GL)</i> <i>(FY24: 970GL)</i>	<b>Net cash - operating activities</b> <b>\$16.00m</b> <i>(FY24: \$7.68m)^</i> <i>^including (\$7.5m) LWMP transferred to new trustee</i>	<b>Lost time injuries</b> <b>2</b> <i>(FY24: 0)</i> <i>(Last LTI: 11/12/2024 - one day LTI)</i>
<b>DIFOT</b> <b>98%</b> <i>(FY24: 98%)</i>	<b>Customer Enquiries</b> <b>87%</b> resolved within 1 day <i>(~15,000 total enquires)</i> <i>(Target: 80%)</i> <i>(FY24: 86% resolved within 1 day)</i>	<b>Company Supplied Water</b> <b>193GL</b> <i>(77GL Sustainability Product)</i> <i>(116GL other WaterWell)</i> <i>(FY24: 188GL)</i>

\*Projected to 30 June 2025

DIFOT – Delivered In Full and On Time

## Discussion

Shareholder sentiment across the meetings regarding the amount of water used was positive.

In response to questions about the future of the Sustainability Product, MIL explained that there will be no change to the Sustainability Product for the 2025/26 water year. However, from 2026, water traditionally allocated to the Sustainability Product will be rolled into Water Solutions. This will result in the Sustainability Product being released to the footprint differently, through a number of different mechanisms.

## Topic 4: Water Delivered 2024/25

### Presentation Content

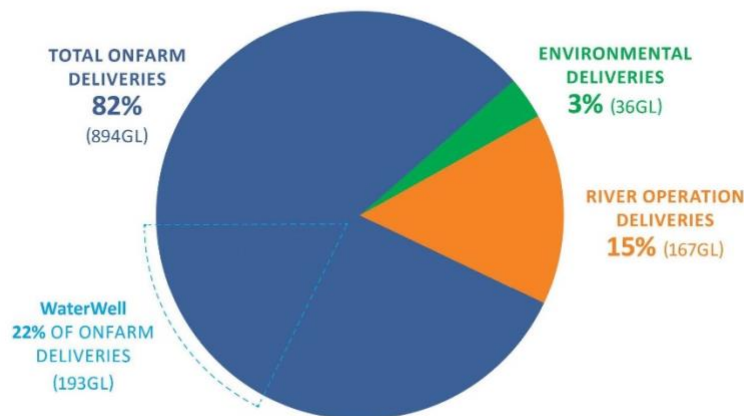
The following slide shows the percentage of water that was used in the MIL footprint during the 2024/25 year and by which customer. MIL is focusing on diversifying its income streams to ensure it isn't solely reliant on irrigator fees, and to help reduce the ongoing effects of buybacks on the company and on irrigators. 22% of water was distributed back into the footprint via MIL's WaterWell products.



### Water Delivered\*



2024 / 25 WATER DELIVERY VOLUMES - 1,097GL



\*Projected to 30 June 2025

### Discussion

Shareholders welcomed MIL diversifying its income streams. Questions focused around how MIL can ensure that governments and their agencies are paying the same fee as irrigators. The CEO explained that since [1 July 2024, there has been fee parity across all customers](#). MIL also receives conveyance water on top of delivery fees from governments and their agencies.

### Topic 5: Restoring Murray Waterways

#### Presentation Content

*(A video was presented to the meetings which showcased a project completed in stage 4 of RMW)*

Restoring Murray Waterways (RMW) is a Commonwealth Government funded environmental watering initiative. The \$33.5M pilot phase is nearing completion with more than:

- 300km of creeks connected and 2,000ha of wetlands restored,
- 200 structures upgraded and constructed, including escapes, large fish friendly box culverts and boundary fence crossings.

The overarching objective of RMW is to deliver environmental outcomes using water already recovered through water reform.

Moving forward, the Basin Official's Committee have confirmed that RMW will be a notified Sustainable Diversion Limit Adjustment Mechanism (SDLAM) project, with the outcomes recognised as a water recovery offset contributing to the 605GL target.

Given this status, they have indicated support for the expansion phase of RMW. The team is currently working through the details of applying for the grant funding through NSW DCCEE, which will hopefully be around \$75M. MIL expects to be able to share further information on this initiative later this year.

Benefits to shareholders from the RMW project include:

- Revenue diversification – to deal with the impact of historical buybacks.
- Increased environmental water passing through MIL infrastructure – more customers contributing to the cost recovery of the business.
- Upgrade to the MIL system and landholder properties.
- SDLAM recognition – water recovery offset of the 605GL.
- Enhanced reputation of MIL in our capacity to deliver capital projects for the benefit of all stakeholders.

#### Discussion

Shareholders raised concerns that MIL would be responsible for more assets as a result of RMW. It was explained that the majority of the assets installed will be handed over to the landholders for ongoing maintenance and replacement costs.



## Topic 6: Asset Inspections

### Presentation Content

In January 2025, MIL embarked on a Foundational Asset Condition Assessment Project. The purpose of this project is to collect valuable data that will inform MIL's asset management strategy.

MIL has contracted specialist consultants to survey and collect data via aerial photogrammetry, LiDAR (Light Detection and Ranging) and in-channel bathymetric survey across all civil and earthen assets.

By utilising this survey technology, MIL will have a consistent set of data captured over a few months' period that can be stored and analysed to determine the condition of all our assets. This will enable our asset management system to be aligned to best practice.

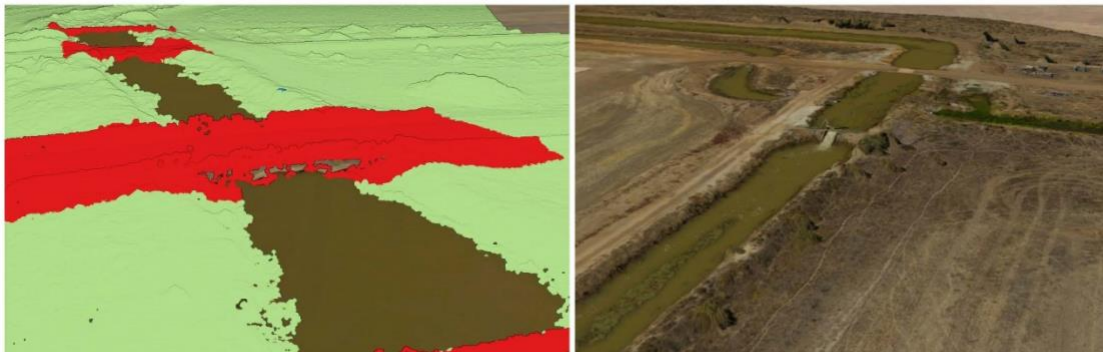
This is the first time MIL has assessed and benchmarked the entire earthen asset base, which is the largest and potentially highest risk asset due to its potential impact on long-term asset liability.

The combination of photogrammetry, LiDAR and bathymetric survey is the most cost-effective and efficient way to collect and enable analysis of survey data on the entire network.

### Asset inspection and innovation



- Ground control = 100% complete
- Bathymetric survey = 92% complete
- Photogrammetry 96% complete
- LiDAR (Mulwala Canal only) commencing this week



### Discussion

Shareholder discussion on this topic was limited.

Shareholders were positive that MIL is taking steps to address the condition of the channels. The condition of the earthen channels was raised by shareholders in a number of meetings.

## Topic 7: Water Solutions

### Presentation Content – Product explanation

Water Solutions was born out of feedback from the September 2024 Shareholder Discussion Groups, where shareholders stated they wanted MIL to provide a solution to buybacks. This Water Solutions concept was supported by shareholders during these discussions, with the following two caveats:

- MIL had to complete due diligence, and
- The program would be initially run as a pilot program. Shareholders were informed that the pilot will be going back to the Board in 2026 for review, to ensure the key metrics are being met.

The primary purpose of Water Solutions is to retain productive water in the MIL footprint.

This is a commercial solution to a structural problem driven by government, but we need to pick up the pieces. Historic advocacy has had little benefit to solve this problem, so we need to do something different to ensure the future viability of the company, irrigators and communities going forward.

The initiative forms a key element of MIL's growth strategy, and is supported by:

- An Inventory Finance Facility from RaboBank to fund the purchase of permanent water, and
- A Risk Management Policy that follows best practice, with clear operating limits and strong governance oversight.



*Shareholders at the 2024 meetings were supportive of Murray Irrigation "exploring new water market-based initiatives to retain irrigation water within its footprint".*



Water Solutions will acquire and hold permanent Water Entitlements, then offer temporary water allocations for purchase by customers within our footprint.

Retain productive water in the Murray Irrigation footprint.

Support long-term business growth.

Generate additional earnings for Murray Irrigation's Investment Fund to maintain infrastructure.

**Water Solutions will be supported by:**

- An Inventory Finance Facility from a leading bank to fund the purchase of permanent water.
- A Risk Management Policy that follows best practice, with clear operating limits and strong governance oversight.

### Discussion

There was very strong shareholder support for Water Solutions across all meetings.

The majority want to ensure the water is kept and used in the footprint, and they were pleased when it was explained that the intent of the product is to retain productive water in the footprint.

There were a number of comments along the lines of "We should have done this years ago" or "About time".

Shareholders queried how much water MIL will purchase and how much money would be borrowed. The CEO explained that the company is unable to disclose that information, as it would open MIL up to being arbitrated by other market participants and hinder its ability to generate real value from the product.

Water Solutions is going to be debt funded and will not be using any of the money in the investment fund to purchase water. The inventory finance facility is a non-recourse loan with RaboBank. RaboBank will only have security of the Water Entitlements; and no other assets owned by MIL.

Shareholders questioned whether taking out a sizeable debt facility would create risk for MIL. However, they were comfortable with the CEO's explanation that the loan only has security over the water purchased, not on any of the other MIL assets, including the investment fund. Several shareholders indicated their interest in Water Leases and Forward Allocation Products going forward.

### Presentation Content – Risk management

The Water Solutions Risk Management Policy (RMP) is structured in line with the following three levers and tools:

- Governance,
- Operating guardrails, and
- Risk controls.

The RMP will be overseen by a new Board committee called the Water Risk Committee, which was approved at the 26 June Board Meeting. The Water Risk Committee is made up of MIL's two Non-Member Directors, the CEO and an Independent External Expert. This committee is structured in this manner to give shareholder comfort that there is no Member Director conflict of interest. Member and Non-Member Directors have the same fiduciary duties to MIL.

Significant due diligence was undertaken before the Board approved Water Solutions, both by MIL and by the potential banking partners.

While the Board understands there may be some risk associated with this initiative, the Board and Executive team are satisfied that the work undertaken to develop Water Solutions will mitigate the

risks involved. Furthermore, by approving the inventory finance facility, RaboBank have shown they are also comfortable with the risk management structure.



## Water Solutions - Risk Management Policy



RMP structured in line with the 3 levers and tools



Examples of Identified key risks to be managed

<b>Permanent Water Cost</b>	<ul style="list-style-type: none"> <li>Overpaying for purchased Permanent Water</li> </ul>
<b>Available Temp Water</b>	<ul style="list-style-type: none"> <li>Unknown water allocation</li> </ul>
<b>Temp Water volume &amp; price</b>	<ul style="list-style-type: none"> <li>Available water not optimally sold within Water Year</li> <li>Variable water pricing and timing of sales</li> </ul>
<b>Counterparty</b>	<ul style="list-style-type: none"> <li>Default by a buyer to pay or execute contract</li> </ul>
<b>Inventory financing</b>	<ul style="list-style-type: none"> <li>Insufficient earnings to pay interest</li> <li>Exposure to change in interest rates</li> <li>Exposure to banking covenants</li> </ul>

### Discussion

Shareholders questioned if Permanent Water Entitlements would be purchased from outside of the footprint. It was explained that Permanent Water Entitlements from outside the footprint would be considered if the allocation is able to be used within the MIL footprint, and if the price was within tolerance. MIL will not acquire Permanent Water Entitlements that will not provide a sufficient return on investment, or that are not capable of being used within the MIL footprint. The main purpose of Water Solutions is to retain productive water within the MIL footprint.

MIL will purchase Permanent Water Entitlements at market value. It was emphasised that the market will set the price, not MIL.

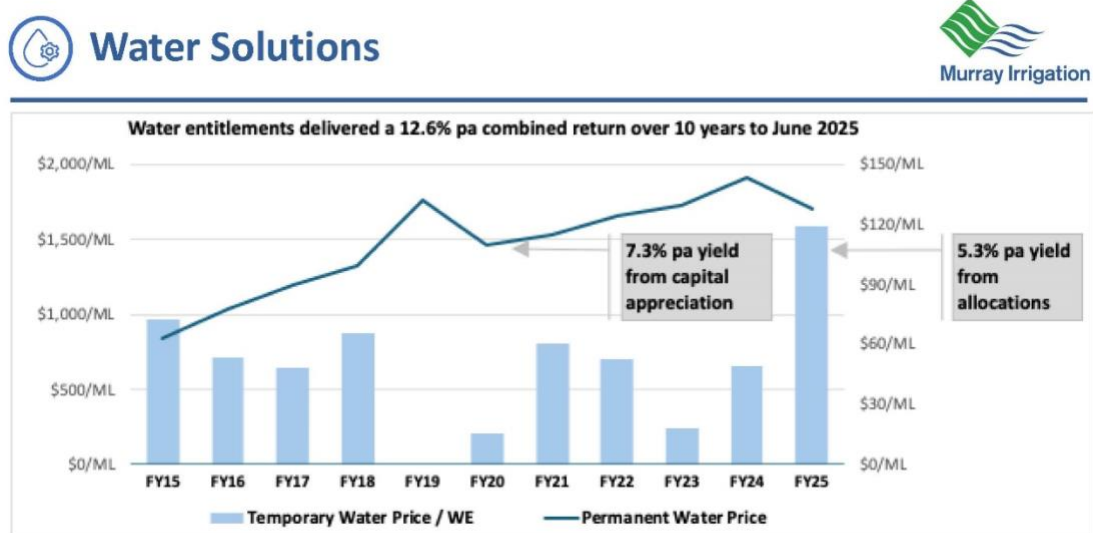
Water Solutions will operate within the organisation and will be managed by the Customer Experience team.

There was shareholder concern about whether future Boards could potentially sell the Permanent Water Entitlements. Shareholders were reassured that, while the current Board is unable to speak on behalf of future Boards, the intent is to own the Permanent Water Entitlements in perpetuity.



## Presentation Content - Potential return

The below slide shows how the Water Solutions strategy would have benefited MIL over the past 10 years, had MIL purchased and retained Permanent Water Entitlements in 2016, and commercialised the temporary water annually.



## Discussion

Below is a sample of shareholder comments in relation to MIL's Water Solutions initiative:

- "Fully supportive of a profitable and expanding water delivery business."
- "It should have been done 10 years ago"
- "About time."
- "You have given us faith to now hold onto our Water Entitlements."
- "Hats off to MIL for bringing Water Solutions together since what was heard from Shareholders in September last year."

As the above comments indicate, overall there was an extremely positive response to Water Solutions. There were some shareholders who, while happy with the intent behind the initiative, voiced concerns about the roll out and the effects it may have on the market for other buyers, specifically young farmers. These shareholders indicated that MIL should report back to shareholders after the pilot has been assessed in 2026.

## Topic 8: Feasibility Study

### Presentation Content

MIL partnered with our fellow Southern Basin Irrigation Infrastructure Operators (IIOs), Murrumbidgee Irrigation Limited and Coleambally Irrigation Co-operative Limited, to apply for funding under the Resilient Rivers Water Infrastructure Program (RRWIP) to conduct a feasibility study with the aim of finding a pathway forward that will minimise the resultant harm of water buybacks on farmers and communities.

Feedback from a customer survey that MIL conducted as part of this feasibility study found 72% of people who completed the survey do not support permanent Water Entitlements being exchanged to government for water savings works/projects in the footprint.

69% of people who completed the survey were supportive of MIL retaining any permanent Water Entitlements that could be found through infrastructure upgrades and annually commercialising the water on the temporary market to fund water savings works in the footprint.

More than 300 people completed this feasibility survey, which was higher than the other two IIOs and represents more than 22% of customers in the MIL footprint. Based in part on this feedback, MIL will not be progressing with any government funded water savings projects under this program.

A large portion of this project focused on the design and build of a forecasting platform to consider and react to the effects of reduced future water availability within the footprint and its many implications, including asset under-utilisation, maintenance costs and the implementation of new technologies.



### Feasibility study

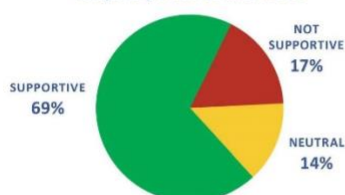


To find a pathway forward that would minimise the resultant harm of water buybacks on farmers and communities.

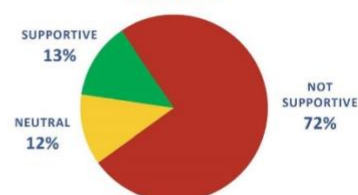
Shareholder and customer feedback strongly opposed progressing with Government funding in exchange for water entitlements.

Outcome - reinvigoration of company forecasting platform to help inform future investment and growth opportunities.

MIL retaining water savings and commercialising temporary water to fund works



Transferring water savings to government to fund works



### Discussion

Shareholders were supportive of MIL's decision to not progress with any government funded water savings projects requiring MIL to give water entitlements to the government under the RRWIP.

There was limited shareholder discussion on this topic.

## Topic 9: We deliver on our promises

### Presentation Content

The below six points highlight shareholder commitments that MIL has achieved over the past three years.

1. Sustainable financial business model – complete with the 2023 business review and continues to be built on as the environment changes.
2. MIL Investment Fund – consistently growing and currently sitting 1.5 years ahead of target.
3. Water Fund (Water Solutions) – a response to shareholder feedback for MIL to retain productive water in the footprint - officially commenced in July 2025.
4. Feasibility study – completed as of 30 June 2025, with pleasing outcomes and tools to better model future scenarios.
5. Advocacy – taking a collaborative and strategic approach to ensuring this region has the best possible chance of gaining benefit from the Australian Government's Sustainable Communities Program, and any other funding opportunities that arise.
6. Foundational Asset Conditions Assessment Project – survey work completed in July 2025, with assessment and recommendations to be delivered over the next 12 months.



### Delivering on our promises



#### Key Initiatives

- |   |  |
|---|--|
| 1. Sustainable financial business model | 4. Feasibility – Business Resilience           |
| 2. MIL Investment Fund                  | 5. Advocacy - Sustainable communities' program |
| 3. Water Fund (Water Solutions)         | 6. Foundational Asset Condition Assessment     |

*The initiatives are positioning the business to **address the issues of today AND the future**  
securing intergenerational sustainability of the business*

## Discussion

There was limited discussion around this topic.

## Topic 10: Strategic Direction

### Presentation Content

During the July Shareholder Meetings, MIL's Board Chair, Phil Snowden, and Deputy Chair, Geoff McLeod, presented the updated company strategy to shareholders and highlighted key focus areas for the Board moving forward, including specifically adding value to Delivery Entitlements (DEs) and developing a fit for purpose shareholding structure.



## Discussion

The main discussion points at most of the meetings were about the value to the DE holders, the future of the shareholding structure and how that could look going forward.

There was discussion around if the current structure is fit for purpose given 50% of shareholders are using less than 3% of the water. The Board agrees that it is a very complex issue that is going to require comprehensive due diligence and shareholder feedback to ensure the structure is fit for purpose moving forward.



Some of these changes may require constitutional changes, which require a 75% shareholder vote at a general meeting to approve. Significant shareholder consultation will be undertaken prior to any options being put forward for a vote. This consultation will occur during 2026, with an expectation of proposed constitutional changes being put forward at the 2026 AGM (if any are required). Suggestions from some of the shareholders include:

- Putting value into DEs by only allowing access to supplementary events based off your DEs (ie. if you only have 5 DEs you can only get 5MLs of supplementary water),
- Stop the temporary trade of DEs,
- Whether income streams can be directed back to DE holders,
- Dividends on shares,
- Tradeable shares, and
- Consideration of other IIOs structures.

There was discussion around the value of the general security Water Entitlements in zone 10. There were a few questions about LHA and SRI funding going forward. It was made clear that MIL would not be funding these groups but would be happy to assist them to distribute their invoices to their members.

When a motion was raised from the floor by a shareholder at one of the larger meetings for MIL to fund LHA and SRI, less than 20% of the shareholders in attendance voted in favour of MIL reinstating its funding to LHAs and SRI.

### 3 General Sentiment from Meetings

The Board has been extremely encouraged by the general positive response from shareholders at these meetings. The reaction to MIL's proactive efforts to mitigate the impact of water buybacks through Water Solutions initiative was particularly positive.

Participating shareholders indicated that the information shared during these events have provided them greater clarity on the direction the Board is heading under the new Strategic Plan.

Below is a sample of comments provided from attendees:

- "Thank you for coming out and explaining everything to us, being so open and answering all our questions."
- "Shareholders appreciated the honesty and engagement."
- "Preferred the smaller meetings."
- "Liked the open discussion in the rooms."

- "Positive feedback on the stability in the company."
- "Board working well, happy with meeting!"
- "MIL is doing a very good job at consulting and if shareholders wish to engage, every opportunity is given by staff / directors for this to happen."

#### 4 Feedback from Shareholder Survey results

In May 2025, MIL appointed a Shareholder Engagement Manager, Emily Small, to assist MIL's goal to continuously improve shareholder engagement activities and feedback. At the conclusion of each meeting, shareholders in attendance were asked to complete a survey on MIL's shareholder engagement. This survey will be used to benchmark MIL's shareholder engagement as well as to look at what can be improved to ensure MIL and shareholders get the most value from shareholder engagement activities going forward. The results were incredibly positive, with 110 surveys completed and returned.

Key results from this survey are outlined below:

- Most attendees (more than 60%) had greater than 1000 DEs, WEs and averaged greater than 1000ML of water use,
- 75% are satisfied with MIL's overall shareholder engagement,
- Majority would like monthly or quarterly shareholder and Chair updates,
- More than 70% rate their ability to engage with MIL as 'Good',
- More than 70% feel like MIL values their feedback and input,
- More than 70% feel informed about MIL's strategic direction,
- More than 85% are likely to participate in future shareholder engagement activities,
- More than 70% believe MIL is effective in building trust and transparency with shareholders, and
- More than 79% of attendees prefer small in person meetings.

Areas for improvement highlighted by the shareholders are:

- Transparency and openness,
- Opportunities to provide feedback, and
- Getting back to shareholders after engagement activities.

Overall, the survey results were very positive and show that shareholders are happy with MIL's engagement, with a few suggestions on what we can improve on.

## 5 Attendees

Date	Location	Attendees
Tues 1/7	Wakool Services Club	12
Wed 2/7	Murray Irrigation Board Room	7
Thurs 3/7	Lalaly District Hall	7
Thurs 3/7	Finley Country Club	10
Mon 7/7	Bunnaloo Hall	11
Mon 7/7	Moulamein Bowling Club	6
Tues 8/7	Wakool Services Club	4
Wed 9/7	Blighty Pub	25
Tues 15/7	Jerilderie Sports Club	11
Tues 15/7	Central Coree Community Centre	16
Wed 16/7	Pretty Pine Community Hall	16
Wed 23/7	Royal Hotel	18
Thurs 24/7	Online	12
	<b>Total</b>	<b>155</b>