



21 September 2020

Dr Sean Turner
Committee Secretary
Senate Select Committee on the Multi-jurisdictional Management
And Execution of the Murray-Darling Basin Plan

Via email: murraydarlingplan.sen@aph.gov.au

Dear Dr Turner

Thank you for again providing Murrumbidgee Irrigation (MI) a right of reply to the additional statements made by Mr Pierotti in his email to the Committee on 13 July 2020. We stand by all of the points made in our letter to you of 25 February and confirm that submission to be both accurate and complete. Our response to Mr Pierotti's additional statements is below:

Delivery Entitlements

There is no doubt that our recent expansion and customer information programs have increased the general understanding about Delivery Entitlements (DEs) and their value. However, we again stress that no customer is required to hold delivery entitlements. Customers have a choice as to whether they hold any DEs, and if they do how many. MI does not sell DEs. If there is available capacity, MI will issue DEs at no charge. If a subsystem is constrained (ie at full capacity) DEs are available either via the market (from another customer in the same part of the network) or through additional works that increase capacity. Sometimes additional works will require a customer funding contribution. This is determined on a case by case basis in response to the scale and cost of any works. More information on how DEs work and frequently asked questions about DEs is publicly available on our website.

Water Trading

Murrumbidgee Irrigation strenuously rejects Mr Pierotti's claims of insider trading. MI has a water investment fund which is part of the Company's asset reserve. The allocation is sold each year to generate the funds for the ongoing capital needs of the business. Information on the water investment fund is reported to our shareholders annually at our AGM and in our annual report which is publicly available on our website. As detailed in our previous response MI does not receive market sensitive information ahead of other market participants. We have strong governance arrangements in place supported by administrative protocols.

NBC Expansion

We have detailed the consultation process for the NBC and other expansion projects in our earlier response to the Committee. We reiterate that government funding was only used to modernise the system, and any works to increase the capacity of the system were funded jointly by MI and participating customers. The length of the NBC was not altered. Overall, through all of the improvement works completed, MI has actually reduced its footprint from over 690,000 hectares to approx. 380,000 hectares. No channels have increased in length, several channels have been shortened and several areas rationalised.

Town Water Supply

We reiterate our earlier response. During winter 2017, MI conducted planned works on the Main Canal that coincided with major works conducted by WaterNSW at our river off-take (ie no water could be brought into the MIA via the Main Canal). Through extensive pre-winter planning with Griffith City Council (GCC), MI was able to secure town water supply throughout the outage predominantly via river-sourced

water held in the Yenda Storage and the Main Canal system itself. Over the entire winter period, and in consultation with GCC, water was drawn from Lake Wyangan to supplement town supply for only 15 days. This water was treated and tested by GCC as part of their water supply requirements which included providing regular community updates.

Community advocacy

Mr Pierotti's statement that MI collects a 9c/ML levy from its customers to fund advocacy is just plain wrong. MI does not now (nor has it ever) collect a levy from its customers to fund advocacy and similarly does not purport to represent the community. As a significant local employer with a shareholder base of over 5000 community members who have invested in water and irrigation, Murrumbidgee Irrigation does and will continue to engage in matters of significance to the region and the irrigation industry.

Mr Pierotti's personal customer issue

No customer is entitled to take water ("overdraw") beyond their allocation. Customers are required to manage their water account balances so as not to use water that they do not own. MI has an established procedure for the management of overdrawn accounts which was followed for the Myall Park Water Users Association (of which Mr Pierotti is a member). Murrumbidgee Irrigation maintains that we acted in good faith and consistent with our processes as applied to all customer accounts throughout all dealings with the Myall Park Water Users Association.

Again, thank you for the opportunity to correct the record with respect to Mr Pierotti's claims. We are pleased to note that you will not be entering into any further correspondence on this matter and wish the Committee well with its review.

Yours sincerely

Brett Jones
Managing Director & CEO