



## **Media Release**

28<sup>th</sup> May 2009

### ***River Water Entitlement Sales***

The Twynam Agricultural Group advises that it has completed the sale of river water entitlements to the Commonwealth Government pursuant to its applications under the *Restoring the Balance in the Murray-Darling Basin* programme.

[www.environment.gov.au/waterpurchasing](http://www.environment.gov.au/waterpurchasing)

Twynam made a strategic decision to offer water for sale to the Australian Government's water buyback programme as part of a realignment of its agricultural portfolio in Australia. This is in response to the Kahlbetzer Family shareholders' desire to diversify their Australian business operations. In 2006 Twynam sold most of its post farm gate businesses and over the past four years has sold some of its properties to enable a more balanced geographic spread.

Twynam's outlook for the future of its Australian agricultural business will be to operate in strategic geographic locations which enable economies of scale and integrated management that addresses changing commodity markets and sustainable productivity.

Twynam will continue to hold licences for sustainable groundwater resources and will maintain further flexibility by retaining River Water Access Licences to enable access to its entitlements and temporary river allocations.

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## ***Background Note***

### ***The Twynam Group***

The Twynam Agricultural Group currently operates an aggregation of farming properties in New South Wales with a total land area of approximately 285,000 hectares located on the Murrumbidgee, Lachlan, Macquarie and Gwydir River systems. Twynam's rural enterprises include cattle and sheep production, dryland and irrigated cropping and horticulture. Further information about the location of Twynam's properties can be found on its website [www.twynam.com](http://www.twynam.com)

### ***Past seasonal conditions***

Over the past few years river water allocations have been well below the historical availability of water on those river systems in which Twynam operates due to dry seasonal conditions.

As a consequence of this reduced water availability, Twynam has been actively managing the transition of its operations away from extensive irrigation. This change of operations has led to a significantly reduced workforce of employees, contractors and utilisation of downstream facilities.

### **The sale of river water entitlements by Twynam may have the following impacts:**

#### ***People***

It is not envisaged that there will be a substantial reduction in numbers due to the sale of the river water entitlements as Twynam continues to address its changed production mix.

#### ***Employees***

Twynam presently employs approximately 63 full time and 8 part time people and also engages a pool of casual employees throughout the year.

Twynam will offer training programmes to those staff where required.

In the past Twynam has offered agricultural cadetships to regional based school leavers. Those cadets presently studying or training will be supported through their cadetship.

#### ***Contractors/Downstream relationships***

Twynam has various relationships with valued service providers and contractors who support its business operations. Twynam will communicate with each of them any changes that will impact on those relationships.

### ***Local Communities***

Whilst Twynam acknowledges that there will be changes in the nature of its operations, the Twynam properties will continue to be agricultural production units in those river valleys in which they operate and will actively support the local communities.

### ***Productivity***

Twynam's cropping productivity will not be significantly impacted compared to recent seasons.

Twynam has responded to drier seasonal conditions by utilising more of its water allocations for winter cereal cropping where appropriate and/or implementing water efficiency programmes or changes to its commodity mix to maximise productivity.

It has reassessed the effective on farm use of lower levels of water delivered and has actively participated in the temporary water market.

To efficiently continue to use its retained water resources, there will be an ongoing reassessment to improve water efficiency, energy use and commodity mix.