

Chairman's report

Tuesday 11 December 2012



Murray Irrigation

This is the Chairman's report, distributed following a meeting of the Murray Irrigation Board of Directors yesterday.

Reduced fees effective 1 January 2013

I am pleased to announce Murray Irrigation has reduced its delivery entitlement fee by 50cents per delivery entitlement for the third and fourth quarters of 2012/13. This means that a reduction of 25cents per delivery entitlement will apply to each of the third and fourth quarter accounts, totalling 50cents for the six months.

Murray Irrigation also proposes to apply a similar reduction to the annual delivery entitlement fee in 2013/14.

The reduced fee will result in Murray Irrigation collecting \$500,000 less in fixed income in 2012/13. The reduction is possible because of:

- The forecast increase in on-farm deliveries for 2012/13 of 250GL compared to budget (i.e. from 750GL to 1,000GL).
- Reduced operating costs.
- Murray Irrigation's significant financial reserves, which are available in the unlikely event water sales are less than the revised forecast of 1,000GL.

The Board of Directors and its management team are acutely aware of the importance of the company passing cost savings onto customers through reduced fees wherever possible. I am pleased to be able to announce this reduction now.

An updated Fees and Prices Schedule and Information Statement, as required by the *Water Charge (Infrastructure) Rules 2010* (Cth) will be mailed to all customers by the end of this week and will also be available from the Murray Irrigation website: www.murrayirrigation.com.au.

I again wish all shareholders and customers a safe and enjoyable Christmas and New Year and reiterate my thanks on behalf of the Board and shareholder customers to all Murray Irrigation staff for their work and achievements during 2012.

The next Board of Directors meeting is scheduled for January 2013.

Noel Graham
Chairman