

# Chairman's report

Friday 18 January 2013



Murray Irrigation

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

## Water availability update

It is **unlikely** that there will be any further Murray Irrigation efficiency allocations this season. The remaining available conveyance allocation is fully committed to deliver the forecast on-farm usage.

## Flow restrictions

The last two weeks of hot weather and high irrigation demand have presented challenges for everyone. The Board congratulates customers and staff on the way they have worked co-operatively through the implementation of flow restrictions to minimise their impact.

This year the requirement for Murray Irrigation to supply the majority of the Wakool Canal's water from the Mulwala Canal, via the Edward River Escape, has increased the load on the Mulwala Canal. In some previous years of high summer demand, the Wakool Canal has been largely supplied with flows from the Edward River reducing the need for and size of restrictions within Murray Irrigation.

## Water Exchange operations

The Board discussed concerns raised about the operation of the Murray Irrigation Water Exchange. Murray Irrigation's involvement in the Water Exchange is only to administer its operation in accordance with its Rules. The Water Exchange provides a transparent and efficient platform for buyers and sellers, with all decisions about listings etc. made by the buyers and sellers, not Murray Irrigation.

## Fees and Prices review

The Board considered progress with its Fees and Prices Policy review, particularly feedback received from customers and key stakeholders in November and December, 2012. The Board's consideration of any changes to its fees and prices structure is based on any changes being revenue neutral (i.e. the same income collected but from a different fee structure) and the change being equitable to customers.

Feedback received during the survey period showed there are very different views about the current fees and prices structure among customers, with some small irrigation farmers seeking lower fees, whilst some other customers consider the current fees and prices structure to be fair, providing customers with incentives and price signals.

In response to customer feedback and the Board's extensive consideration of fees and prices options over 20 months, the Board yesterday agreed to **retain the current fees and prices structure into 2013/14**. Further information will be provided to customers in a Chairman's Communiqué released later today.

All customers support the need for Murray Irrigation to identify opportunities to control its costs. As such I remind customers that the Board has reduced its Delivery Entitlements fee for the third and fourth quarters of 2012/13, resulting in the collection of \$500,000 less in fixed fee revenue in 2012/13.

## Customer meetings

Murray Irrigation will be holding five customer meetings in the week starting Monday 11 February. I encourage all customers to attend and I look forward to meeting you at these meetings. Details of the meetings will be in *Talking Water* in the coming weeks.

Noel Graham  
Chairman