

# Media release

Tuesday 16 February 2016



## Negotiating an Advance of Snowy water

Murray Irrigation today announced it has signed a Letter of Intent to negotiate an advance of water from Snowy Hydro Limited for the 2016/17 water year.

Murray Irrigation has negotiated a framework deal with Snowy Hydro under which terms and conditions will be developed to offer food producers in the Murray Valley access to early season water; however, the deal is contingent on getting approvals from the relevant state governments.

"The Board is united in the belief that access to early season water will increase irrigated production in the region. It is a long term objective for the Company to increase the volume of water used in our region," Murray Irrigation Chairman, Mark Robertson said.

"Our farmers have made it very clear to us that the timing of allocations is just as important as the volume of allocations, so if we can provide early season certainty it will help their business planning.

"The outlook for next season released by DPI Water on Monday was very sobering and it doesn't look like we will have allocations available before key summer cropping decisions need to be made.

"We have discussed opportunities with our local Member Sussan Ley who then facilitated an introduction to Snowy Hydro at the executive and Board level. Her involvement has been critical in getting both parties to work together to achieve a positive outcome for the region," Mr Robertson said.

Murray Irrigation Chief Executive Officer, Michael Renehan explained discussions with Snowy Hydro have been conducted in the spirit of cooperation but there is still a long way to go to finalise details and get the appropriate government approvals.

"Once an agreement is reached, we will need to get the multiple approvals from multiple governments to ensure the deal is accountable and deliverable," Mr Renehan said.

"The early discussions are looking to design an advance mechanism through which Murray Irrigation can facilitate access to early season water.

"It is not new water. It is an advance, delivered from Murray Development 'above target water' to ensure there is no negative impact on other water holders and those who do not participate in the scheme.

"But we are talking about making potentially around 200GL available as an advance from the future for an individual who participates who then commits to repay from their water account once future allocations hit a certain allocation trigger rather than a fixed date. There will be no roll-over fees."

Mr Renehan said the intention was to negotiating a deal that makes good business sense at a farm level for water that will be available at a time that enables informed farm business decision making.

"It is our intention that if we get the framework and details right it is something that we can go back to and repeat in future years to provide the early season certainty to assist our farmers at a time when knowing how much water you have access to is so critical," he said.

"This is an idea that we have been discussing internally for some time," he said, "but after a year of low allocations, Murray Irrigation wanted to take a more proactive approach."

Mr Renehan said Murray Irrigation will be making information available to customers and potential industry partners as details are finalised with a view to calling for expressions of interest in the next few months.

Ends.

*For more information contact Murray Irrigation CEO Michael Renehan on T. 1300 138 265.*