

Media release

Monday 21 March 2016



Stranded assets ignored

Murray Irrigation welcomed the release of the Senate Committee Report into the Impacts of the Murray-Darling Basin Plan, but expressed concern that the issue of stranded assets had not been addressed in the recommendations.

Murray Irrigation Chief Executive Officer, Michael Renehan said the Company welcomed most of the Committee's recommendations including to strengthen the triple bottom line provisions in the Water Act and that the Commonwealth assume liability for damage caused by environmental flows.

"Liability has long been an issue, particularly in our region where the risk of negative third party impacts due to higher flow rates is real," Mr Renehan said.

"We also support the Committee's recommendations that the full 650GL worth of offsets must be achieved through the SDL Adjustment.

"It is clear the Committee have heard the concerns of communities about the real social and economic impacts that are being felt through the implementation of the Basin Plan, and that is why we are surprised that they did not look at recommending a way to mitigate the effects of stranded assets on schemes like ours."

Mr Renehan explained that despite hearing evidence from several irrigation corporations throughout the Basin and the former Victorian Water Minister about the issue of stranded assets, the Committee did not propose any recommendations for mitigation.

"Murray Irrigation provided a comprehensive supplementary submission that clearly outlined the impact of water recovery on our Company and our customers and the potential flow-on impacts in the community.

"The way water recovery has been implemented, the individual is compensated but the negative impacts are socialised across our customer base.

"The only way we can address this is to review our fees and charges or review our cost base – which includes looking at our footprint and what service we provide where and who will pay.

"We hoped the Committee would look at the unique circumstance for group schemes such as ours and recommend to the Government to develop a program to mitigate the ongoing loss of our core product – water – from our systems," Mr Renehan said.

Mr Renehan said he hoped the Government considered the full report to understand the depth of concern in communities that were presented to the Committee through written submissions and at the public hearings.

"The Committee heard from across the Basin and they have worked hard to reflect the range of concerns that were presented to them in their report for which they should be commended."

Ends.

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