

Chairman's report

Friday 19 October 2012



Murray Irrigation

This is the Chairman's report following the monthly meeting of the Murray Irrigation Board of Directors.

Meeting with Commonwealth Environmental Water Office

Management and some Directors met with representatives of the Commonwealth Environmental Water Office (CEWO) this week to discuss progress with development of the Commonwealth's position for trading of environmental water. Key points from this meeting were;

- The CEWO will have in place arrangements for its participation in the water market finalised in the coming weeks.
- At this point in time, the CEWO has no plans to put any of their available water in the southern connected Murray-Darling Basin on the market in 2012/13.
- The CEWO confirmed that their first priority is the use of their available water to achieve environmental outcomes and that their participation in the market will be regulated by Commonwealth and State legislation as well as rules currently being developed.
- The CEWO plans for their annual water use, including any sale, will be included in their Portfolio Management Statements, that are available from their website:
www.environment.gov.au/ewater/publications/index.html#management

The Board welcomes progress made by the CEWO in relation to trade and looks forward to the release of their trading arrangements and to increased interaction between the irrigation industry and the CEWO in the future.

Murray-Darling Basin Plan (the Plan)

The Board discussed progress with the Plan and uncertainty about the outcomes of negotiations between State and Commonwealth governments over the last month. It was agreed that the customer meetings proposed at the September Board meeting would be deferred because of uncertainty about the content and date for introduction of the Basin Plan to Parliament.

Today the Chairman, some Board members and management will meet with David Harriss, NSW Commissioner for Water, to discuss progress with Basin Plan negotiations. The Board welcomes this opportunity to discuss in more detail this difficult and important issue.

Fees and Prices Policy review

The Board approved the scope and timetable for its review of the current Fees and Prices Policy. This review will include feedback from customers in November and further consultation in February.

Annual Report

Murray Irrigation's 2012 Annual Report is now available from the 'Corporate' section of our website: www.murrayirrigation.com.au. Our Annual General Meeting (AGM) will be held at 10.30am on Thursday 29 November 2012. The Notice of Meeting will be posted to shareholders on Friday 26 October 2012. There are two items of special business which shareholders may be keen to understand clearly. These items relate to the Disputes Panel and Shareholder Directors. More details are included in the Notice of Meeting and will also be provided in *Talking Water* in the weeks prior to the AGM. I encourage shareholders to attend the AGM.

Water efficiency allocation remains unchanged

The Board, after reviewing the volume remaining on Murray Irrigation's conveyance licence, made no change to the efficiency allocation.

Noel Graham
Chairman