

Chairman's report

Friday 20 January 2012



Murray Irrigation Limited

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The Chairman's report from Murray Irrigation Limited Chairman Stewart Ellis is sent to Talking Water recipients following the monthly meeting of the Murray Irrigation Board of Directors. This report provides an update on strategic issues relevant to the management of the company.

Welcome to the New Year to our shareholders I hope 2012 is a positive year for you and our region.

Proposed Murray-Darling Basin Plan – I congratulate our community for the groundswell of concern expressed about the impact of the proposed Basin Plan on our region. Thank you to those who attended and contributed to the Murray-Darling Basin Authority's public meeting in December 2011.

I also thank Bruce Simpson, Chair of the Murray Group of Concerned Communities for his leadership and for the work of his Group in co-ordinating the excellent speakers and the morning. I encourage all shareholders with access to the internet to keep informed by regularly checking the Group's website www.mgcc-nsw.org.

Whilst we can look back on the December meeting as a success, our efforts are far from over. I recognise there are people in the wider community who have different views about the proposed Plan and how to respond, but I am sure we all agree that the current proposal is unacceptable. I encourage you all to stay involved in this issue that will ultimately determine the future of both our region and communities. We continue to talk with politicians whilst also preparing our submission on the proposed Plan. Our three key points to politicians and the MDBA are;

1. What is the justification for the additional volume and what will be achieved from it?
2. The proposed volume in the Basin Plan is not deliverable without impacting on public infrastructure, private property and the red gum forests.
3. The social and economic risks are too high and are of a scale that would not be contemplated if the impact was in either Sydney or Melbourne.

Water deliveries – It is good that we seem to have passed the summer irrigation peak demand period without widespread restrictions across our area. Where restrictions have been a major issue for customers, it is where crops planted have exceeded the supply capacity of our channels. Our diversions peaked at 9,500ML/day on the Mulwala Canal (which included 2,400ML/day for State Water) and Wakool Canal diversions peaked at 2,250ML/day which was close to the Wakool Canal's capacity.

Carryover – At the 18 January 2012 water use on farm was 610GL. However large volumes still remain in individual customer accounts. Murray Irrigation is forecasting potential carryover to next year of more than 30 percent of the on-farm general security water entitlements. Of course the volume carried over to next year will be sensitive to the volume used in autumn and annual trade. Customers should be aware that with the Water Sharing Plan reinstated the maximum carryover on Class C (general security) water entitlements is 50 percent water entitlements.

Water efficiency allocation – The Board in reviewing current water availability agreed to make not changes to the water efficiency allocation.

Customer meetings – I encourage you to attend one of the customer meetings in February and advise an additional meeting will be held in Jerilderie on Tuesday 14 February commencing at 1.30pm.

A handwritten signature in black ink that reads "Stewart Ellis". The signature is written in a cursive, flowing style.

Stewart Ellis
Chairman