



2009/10 Charges Announced

Murray Irrigation to comply with Water Market Rules and Water Charge (termination fee) Rules from 1st July 2009

The Murray Irrigation Limited Board of Directors has announced its;

- 1) 2009/10 charges and
- 2) Changes to various Murray Irrigation policies to comply with the Water Market Rules and Water Charge (termination fee) Rules 2009 effective from the 1st July 2009.

This announcement provides member customers with certainty and direction about Murray Irrigation's charges for 2009/10 and also arrangements for the transfer of water entitlements.

This *Talking Water* outlines the Murray Irrigation charges. Details of the main changes to Murray Irrigation's policies in order to comply with the Water Market Rules and Water Charge (termination fee) Rules are also described.

The detailed charges schedule and explanatory information is in preparation and will be released early next week.

The revised policies and Water Entitlements Contract will be released at the end of June 2009. This will include arrangements for "transformation" as required by the Water Market Rules. Transformation is where a water entitlement holder converts their water entitlements to a separate Water Access Licence.

Murray Irrigation also intends to proceed with the 17% reduction in water entitlements to remove the conveyance licence component. The number of delivery entitlements on a landholding will be reduced by the same amount as the reduction in water entitlements. The charges announced are based on the reduced number of delivery and water entitlements. The exact date for the reduction has not been set - member customers will be advised of the date for the reduction when it is confirmed.

Murray Irrigation charges

In setting the 2009/10 charges and payment policy, Murray Irrigation has recognised the difficult financial circumstances faced by our member customers and delivered a "no net increase" in total payment when compared to Murray Irrigation's 2008/09 charges and water use. The Directors have agreed to utilise Company funds to provide a drought concession to all member-customers. The drought concession applies to the entire Murray Irrigation invoice. A further 10% discount is available for on time payment of the quarterly invoice. The discount for on time payment has been a feature of Murray Irrigation's payment policy for the last two years.

The charges announced reflect the full cost recovery of Murray Irrigation's 2009/10 activities.

Significant changes have also been made to the Land and Water Management Plan (LWMP) charges, with the administration charges for the LWMPs ceasing in all regions. The LWMP capital charges for surface drainage will also cease in Denimein, Deniboota and Wakool because no construction of storm water escapes is occurring or proposed in these areas.

In Berriquin the LWMP capital charge for B2 landholdings will cease, and the capital charge for B1 landholdings that were paying this charge in 1999/00 will also cease. For landholdings that started paying this charge in 2000/01, this charge will be reviewed during 2009/10 with the aim of setting an end date for its collection. The Berriquin surface drainage capital charge and the Wakool sub surface drainage charges remain the same as in 2008/09, the only adjustment being for the reduced number of delivery entitlements.

Murray Irrigation's standard charges for 2009/10

Fixed charges

Murray Irrigation Access Fee	\$13.96/DE
Government water entitlement charge	\$3.42/WE

Variable charges based on water use

Murray Irrigation variable usage	\$7.37/ML
Government usage charge	\$4.40/ML

Other charges

Minimum landholding charge	\$200 per landholding
Non-member administration charge	\$200 per account
Rice administration charge	\$175
Premium water usage charge (suspended in 2009/10)	\$37.89/ML
Termination Fee	\$139.60/DE

Murray Irrigation's schedule of administration charges have also been changed to recover the costs associated with these transactions. The amended schedule will be available early next week.

A \$55 (including gst) per transaction charge has been introduced for external annual transfers as well as charges for use of the Water Exchange. It will cost \$55 (including gst) to list water for sale on the Water Exchange or to register a buyer bid. It will cost \$15 (including gst) to purchase water from the Water Exchange. These charges have been introduced to recover the costs of these services previously not recovered from users.

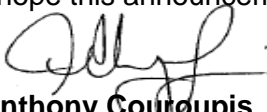
Policy changes – Water Market and Water Charge Rules 2009

Key policy changes for water entitlement transfers, separate to land, which will be effective from the 1st July 2009 include;

- Compulsory termination of delivery entitlements **will not** be required when water entitlements are transferred without the corresponding number of delivery entitlements.
- The termination fee will be 10 times the access fee.
- Murray Irrigation can request security equal to the termination fee when the landholding has greater than five times more delivery entitlements by volume than water entitlements.

Applications to transfer water entitlements in accordance with the new policies will be accepted at Murray Irrigation from Wednesday the 1st July 2009.

I hope this announcement provides our member customers with the certainty they have been seeking.


Anthony Couroupis
General Manager