



Friday, 26th June 2009

Adapting to the Water Market Rules 2009 and Water Charge (Termination Fees) Rules 2009

The *Water Market Rules 2009* and *Water Charge (Termination Fees) Rules 2009* have now become law. On 1 July 2009, Murray Irrigation will make some changes to adapt to these new laws.

In the "Customers" area of our website (www.murrayirrigation.com.au), you will find a revised Entitlements Contract, Transfer Rules Policy, Charges Policy, and Distribution Rules Policy. On 1 July 2009, these will replace the existing Water Entitlements Contract and respective policies. The following key changes will take effect on that date:

- The number of water entitlements will generally be reduced by 17% to remove the transmission losses component.
- Delivery entitlements will be reduced by the same number.
- Transformation will be permitted. Transformation is where a water entitlement holder converts their water entitlements into a water access licence with the NSW government. You may apply for transformation from 1 July 2009.
- Delivery entitlements will no longer have to be terminated when water entitlements are transferred or transformed without a corresponding number of delivery entitlements. You will be able to retain the delivery entitlements and continue paying the Access Fee.
- If, after transferring or transforming water entitlements, you will hold at least five (5) times more delivery entitlements than water entitlements, Murray Irrigation may require you to provide security for payment of future Access Fees up to an amount equal to the Termination Fee that would be payable if your remaining delivery entitlements were terminated.
- If you elect to terminate delivery entitlements, the termination fee will be ten times the Access Fee.

The following process will be put into place by Murray Irrigation on 1 July:

1. Applications for transfer of water entitlements ready to be finalised on 30 June will be completed
2. Water and delivery entitlements will be reduced on 1 July. Processing of transfers will pause whilst this takes place.
3. Snowy Borrow repayment rates will also be adjusted following the reduction.
4. Processing of transfers will resume immediately thereafter. All parties with applications in progress will be asked to confirm in writing the new number of water and delivery entitlements to be transferred under their application.
5. Murray Irrigation will write to all holders advising of the new number of water and delivery entitlements as soon as possible.

For information and queries relating to the processing of transfer applications, please contact Murray Irrigation's Share Register staff on 03 5898 3368 or 03 5898 3367.

For further information regarding the change to the Entitlements Contract and policies, please contact Matthew Watts, Assistant Company Secretary, on 03 5898 3372.



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