



Entitlements Contract, Charges Policy and Transfer Rules Policy all amended

Murray Irrigation's Board of Directors recently agreed to amend the Company's Entitlements Contract, Transfer Rules Policy and Charges Policy.

The updated Entitlements Contract (version 16) was placed on Murray Irrigation's webpage today and becomes effective from Tuesday 19 January 2010. The Entitlements Contract is available from the Forms and Customers Sections of Murray Irrigation's website www.murrayirrigation.com.au. The revised policies are only available in the Customer Section and are dated to become effective from Tuesday 19 January 2010.

The Entitlements Contract and Policies have been rewritten in line with the changes to Murray Irrigation's Constitution supported by members at the November 2009 Annual General Meeting. The primary drivers for the change to the Entitlements Contract and Policies were to;

1. Better position the Company to be able to efficiently respond to anticipated further legislative changes, largely arising from the *Water Act 2007* (Cth).
2. Use terminology consistent with Murray Irrigation's Constitution and State and Commonwealth water legislation and to ensure Murray Irrigation's policy documents are streamlined and internally consistent.
3. Ensure compliance with the *Water Market Rules 2009* (Cth) established under the *Water Act 2007* (Cth).
4. Remove overlap between the Entitlements Contract and Policies.
5. Improve clarity on a number of specific, separate issues.

This *Talking Water* draws customers' attention to specific changes to the Entitlements Contract and Policies that may be material to Entitlements Holders.

Entitlements Contract

- 1. Annual allocation announcements are now explicitly linked to the NSW Office of Water (NOW) allocation announcements (Clause 7.1)**

The change requires Murray Irrigation to make annual allocation announcements when NOW makes an announcement, and confirms that Murray Irrigation's announcement will generally be the same as the state announcement.

Murray Irrigation's past practice was to make annual allocation announcements when the NSW Government made an announcement. This change explicitly requires Murray Irrigation to do so.

2. Murray Irrigation's powers have been increased and made more specific in relation to default for payment of outstanding accounts and compliance (Clauses 21 and 27)

The changes allow Murray Irrigation to purchase water where a landholder has taken water without authority and charge the cost to the landholding account (if there is no or insufficient water available on the landholding).

The changes also allow Murray Irrigation to sell future allocation water, which may place a landholding into a negative balance, to fund the payment of outstanding accounts.

The Board of Directors intends to continue to apply Murray Irrigation's policy of stop supply, suspension of annual and Water Entitlements transfers where the customer has an outstanding account. The Entitlements Contract (clause 10.2 (3)) provides for the Company and the Customer to reach satisfactory arrangements for the payment of outstanding accounts.

The new default provisions are intended for circumstances where efforts to reach satisfactory arrangements with Customers for payment of outstanding accounts have failed, or in certain compliance matters.

3. Reference to 4% trade out limit has been removed

Consistent with recent changes to the *Water Management Act 2000* (NSW) and requirements of the *Water Market Rules 2009* (Cth) this limit has been removed.

4. Delivery of Water (Clause 10)

This change provides greater clarity around water delivery and delivery rights at times of restrictions.

These changes introduce modified arrangements during periods of restriction. The change gives precedence to delivery of water available against Delivery Entitlements (subject to usual delivery constraints and exceptions, e.g. channel maintenance, insufficient conveyance etc.) compared to where water usage has already equalled or exceeded Delivery Entitlements in that water year.

5. Construction of fences (Clause 16)

This is a change that deals with the situation where a landholding is disconnected from the channel system and a Murray Irrigation channel or stormwater escape runs through the property. The land is no longer on our landholding register and the owner holds no Delivery Entitlements or shares. In this case the owner may be required to construct a fence, at the owner's cost, along the length of Murray Irrigation's infrastructure.

Previously there were no provisions for fencing of infrastructure where a landholding is disconnected.

Transfer Rules Policy

The only substantive change to the Transfer Rules Policy is the restrictions on sale or transfer of Class A (domestic) annual allocation. This change affects Local Government and the change is required to ensure Murray Irrigation's policy is consistent with conditions on the Company's licence (Clause 10).

The Transfer Rules Policy also describes Murray Irrigation's security requirements.

Customers are advised that whilst the Transfer Rules Policy defines where Murray Irrigation may require security for annual access charges, Murray Irrigation's current position is not to require security. Instead of taking security, the Company will require the registration of a caveat on a landholding that, as a result of a Water Entitlements transfer will have 250 or more Delivery Entitlements and five times more Delivery Entitlements than Water Entitlements.

Charges Policy

The changes to the Charges Policy are drafting changes. There are no policy changes.

Copies of the Entitlements Contract and Policies are available by contacting Deniliquin Reception on T: 03 5898 3300.

If you have any questions about the revised Entitlements Contract and Policies please contact Matthew Watts, Assistant Company Secretary on T: 03 5898 3372.



Anthony Couroupis
General Manager