

Media Release

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Murray Irrigation admits 'error'

Murray Irrigation General Manager Anthony Couroupis has acknowledged the company's 'misinterpretation' of the Australian Competition and Consumer Commission (ACCC) complex water trade rules.

The Rules in question came into effect from 1 September 2009, and the breaches relate to fees imposed **after** this date.

The ACCC earlier this week announced it had accepted an enforceable undertaking from Murray Irrigation for breaches of the *Water Charge (Termination Fees) Rules 2009*.

The breaches relate to the following:

1. Failing to account for the discount for on-time quarterly payments when calculating the Termination Fee; and
2. Imposing a fee for the surrender of Delivery Entitlements.

Murray Irrigation's customers see its offer of a discount for on-time payment as an important benefit, so the company has been reluctant to change the practice. Instead, it needs to ensure it calculates any Termination Fee individually for every customer's unique circumstance. Murray Irrigation cannot now provide a 'standard' Termination Fee advice for this reason.

Arising from these breaches, Murray Irrigation has already refunded almost \$140,000 to affected customers commencing over six months ago, comprising over \$115,000 for the first series of breaches and almost \$25,000 for the second series of breaches (both as described above).

"These refunds do not represent a fine on Murray Irrigation – they represent a refund to customers of inappropriately calculated and or levied fees," Mr Couroupis said.

The enforceable undertaking also imposes a number of other conditions upon Murray Irrigation which, amongst other things, relate to the calculation and imposition of termination fees.

"Murray Irrigation voluntarily worked with the ACCC over the period of its investigation into these breaches to ensure its customers were charged according to the Rules. Compliance is a complex and growing part of Murray Irrigation's business.

"This collaborative approach is necessary to ensure Murray Irrigation is compliant in regard to these Rules, and the myriad of other Rules that are already in place or shall soon be in place, that impact on a variety of Murray Irrigation's operations. For our customer's information, it is also worth noting that these Rules do not apply to every operator of water delivery infrastructure.

"Provided Murray Irrigation complies with the enforceable undertaking, there are no further implications to its business from this announcement by the ACCC," Mr Couroupis said.

For more information contact Murray Irrigation General Manager Anthony Couroupis on T. 03 5898 3300.

Ends.