

WaterWell

What is Murray Irrigation's WaterWell?

The WaterWell bundle aims to increase the volume of water used within Murray Irrigation's footprint and increase shareholders' certainty when business planning, through better resource management.

There are five initiatives bundled under WaterWell:

- ➔ Allocation Advance
- ➔ Sustainability Product
- ➔ Resource Distribution
- ➔ Water Users Credit

The Customer Operations department is constantly exploring opportunities to create new products to fit within WaterWell.

Which products will likely be available each season?

Murray Irrigation develops the annual Resource Management Strategy at the beginning of each season. This strategy outlines how the season's water will be distributed, in-line with the company's Resource Management Policy.

The 2022/23 Resource Management Strategy outcomes are:

- 1) Meet operational requirements by setting aside water to meet this season's operational and next season's critical needs requirements.
- 2) Maximise the value of the company's bulk licence by holding contingency water for future assessments.
- 3) Achieve break-even profitability by commercialising no more than 40 gigalitres of water via the Sustainability Product, and water made available through the System Innovation Product.
- 4) Provide an early allocation to customers through a 5% Allocation Advance and a 5% Water Users Credit applied to every megalitre delivered through compliant outlets.
- 5) Provide a benefit to delivery entitlement holders by allocating realised conveyance savings to delivery entitlement holders via the Resource Distribution.

Who is eligible for WaterWell products?

Murray Irrigation customers who are currently in financial terms with the company.

When will the products be available?

When the trigger points of each WaterWell product are reached throughout the year. Murray Irrigation will communicate this information including dates when it becomes available. When applicable, some products may be announced early.

Can water received from WaterWell products be carried over to next season?

Yes. If a customer has water remaining in their water allocation account at the end of the Financial Year, the usual carryover rules apply.

Allocation Advance

What is the Allocation Advance?

The Allocation Advance is an early allocation distributed to shareholders. It is distributed according to delivery entitlements and must be included within the maximum annual allocation limit under the Water Sharing Plan (WSP) to allow the product to be available early in the season.

Who is eligible for the Allocation Advance?

Murray Irrigation shareholders who are currently financial.

How much water can I get through Allocation Advance?

Water is allocated as a percentage of the shareholder's total *delivery entitlements*. This is up to a limit of 110 percent of *water entitlements* (Class C) held within the same account. The Allocation Advance forms part of your total allocation limit.

If insufficient water entitlements are held, the account will not be eligible for the full Allocation Advance volume due to Water Sharing Plan limits.

An online calculator is available on the Murray Irrigation website under Customers > Allocation Advance.

The table below illustrates four examples, based on an Allocation Advance of 5%.

Customers	WE's	DE's	Maximum Annual Allocation	Carryover	Allocation Advance Volume
Customer A	600	600	660	0	30
Customer B	600	600	660	300	30
Customer C	20	500	22	0	22
Customer D	20	500	22	10	12

How can I access the Allocation Advance if I do not hold enough Water Entitlements?

Customers seeking to increase their Allocation Advance (up to the limit of 5% of delivery entitlements) may 'borrow' Maximum Annual Allocation (associated with Class C General Security water entitlements) from another customer.

This arrangement requires Murray Irrigation's consent. Customers seeking consent for this arrangement can do so by submitting a Form 6M, located on the Murray Irrigation website. The deadline to submit a Form 6M to the company is 30 business days after the Allocation Advance is announced.

How do I access the Allocation Advance when it is announced?

The water will be applied to eligible customers' water accounts as soon as the trigger point is reached. Customers can access the allocated water as they normally would.

Do I have to pay the Allocation Advance back?

No. The Allocation Advance is exactly that; an advance on water allocations.

How often will Murray Irrigation release an Allocation Advance?

The Allocation Advance volume will only occur once annually, when 1% General Security allocation is announced.

Sustainability Product

What is the Sustainability Product?

The Sustainability product is a volume of water offered to eligible Murray Irrigation shareholders for purchase at a discounted market price. It is an initiative intended to simultaneously put downward pressure on fees and prices, increase water availability in the region, and strengthen the company's financial position.

Who is eligible for the Sustainability Product?

Murray Irrigation shareholders who are currently financial.

How much water can I get through the Sustainability Product?

During the EOI phase, shareholders nominate the volume they would like.

What if shareholders apply for more or less than the available volume?

If the offer is oversubscribed, participants will be offered a pro-rata volume based on their delivery entitlements. When a volume of water is offered, it is non-negotiable. Participating shareholders can either accept or reject the offer.

If shareholders apply for less than the available volume, surplus available water will remain in Murray Irrigation's water portfolio for future opportunities.

How do I access the Sustainability Product?

Eligible shareholders can access it through an Expression of Interest (EOI) once it has been announced; and then 'opt-in' through the Customer Portal.

How is the water applied to my account?

The accepted volume will be applied to the shareholder's water allocation account as an uncleared trade. Water can be used on farm as an uncleared trade, but for it to be traded or transferred it must be paid and cleared.

Can water purchased from the product be traded?

Murray Irrigation encourages shareholders to use the water on-farm, but no special restrictions exist to prevent trade or transfer once it is paid and cleared. The usual rules for trade of water allocation apply.

Are there fees associated with accessing water purchased through the Sustainability Product?

The product is offered at a set price per megalitre. Usual fees for trade and usage apply.

Resource Distribution

What is the Resource Distribution?

The Resource Distribution is an amount of water made possible by cumulative savings made from the efficient operation of the system. Expressed as a percentage of delivery entitlements, it is geared at increasing the value of delivery entitlements and promoting productive water use in the footprint.

Who is eligible for the Resource Distribution?

Murray Irrigation shareholders who are currently financial.

How can I access the Resource Distribution?

Murray Irrigation will credit water allocated to eligible shareholders accounts when the benefit is announced.

When will the Resource Distribution be released?

Since it is cumulative and progressive, it is typically announced when these savings are realised later in the season.

Water Users Credit

What is the Water Users Credit?

The Water Users Credit, formerly the Compliant Meter Credit, is a five percent per-megalitre credit applied to water accounts based on each megalitre delivered on farm through a compliant outlet.

Who is eligible for the Water Users Credit?

Murray Irrigation shareholders with compliant outlets. Water deliveries on behalf of the Department of Planning, Industry and Environment, WaterNSW and the Commonwealth Environmental Water Holder are not subject to the Water Users Credit.

How can I access the Water Users Credit benefit?

The Water Users Credit is automatically applied to your water allocation account daily, based on imported meter readings.

Why does Murray Irrigation apply this benefit?

Murray Irrigation applies the Water Users Credit to promote and reward productive on-farm water use within the footprint.

For more details, visit the WaterWell section on Murray Irrigation's website or contact Customer Support on T. 1300 138 265.