



Registered Office:
443 Charlotte Street DENILIQUIN NSW 2710
PO Box 528 DENILIQUIN NSW 2710
T. 03 5898 3300 F. 03 5898 3301
www.murrayirrigation.com.au

TRIM Ref: E3472

Monday 29 March 2010

Mr James Cox
Acting Chairman
Chief Executive Officer
Independent Pricing and Regulatory Tribunal (NSW)

Email: ipart@ipart.nsw.gov.au

Dear Jim

Subject: Determination for Water Administration Ministerial Corporation

Murray Irrigation understands that the current Determination for the Water Administration Ministerial Corporation (Min Corp) is unlikely to be completed before Christmas 2010. This departure from IPART's original timetable is a serious concern to Murray Irrigation which holds a bulk Water Access Licence on behalf of its 2,400 customers.

Murray Irrigation has commenced its budget development for 2010/11 which includes setting the company's 2010/11 charges. Murray Irrigation's charges are inclusive of both the State Water Corporation and Min Corp charges. In the setting the 2010/11 budget and charges Murray Irrigation is required to make assumptions about the 2010/11 bulk water charges.

Murray Irrigation's timetable requires the presentation of its draft 2010/11 charges to the May 2010 Board meeting and to finalise the 2010/11 charges on June 17, 2010. The finalised charges will be publicly released on or prior to 1 July 2010.

Assuming the Water Charge (Infrastructure) Rules are made by the Australian Government's Minister for Water, Murray Irrigation will be required to comply with the Rules requirement to provide a schedule of charges to its customers.

Murray Irrigation does not consider it appropriate for IPART to make a determination that commences during the financial year. This option is problematic for Murray Irrigation: it could cause compliance issues with the Water Charge (Infrastructure) Rules; would impose additional administrative costs on the company; and be confusing for customers.

Given the limited information provided by the NSW Office of Water (NOW) to IPART and stakeholders to date about Min Corp costs, and the justification for the significant increases sought by NOW, Murray Irrigation does not support IPART making an interim, 12 month determination which is based on a percentage of NOW's requested increase. The NOW approach to IPART's

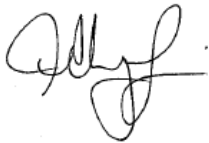
determination is extremely frustrating and to date has been wasteful of the commercial irrigation sector's time and limited financial resources.

Murray Irrigation therefore recommends IPART maintain the current determination for Min Corp charges and aim to complete the current review with the new charges effective from 1 July 2011.

It would greatly assist Murray Irrigation if IPART resolved its position in relation to 2010/11 Min Corp. charges in the near future, so the current uncertainty in our charge setting process can be removed.

If you require further information about the content of this letter please contact Mrs Jennifer McLeod, Executive Manager Policy & Stakeholders, on T. 03 5898 3340. Otherwise I look to your response as to how IPART proposes dealing with this unsatisfactory situation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anthony Couroupis', with a stylized flourish at the end.

Anthony Couroupis
General Manager