

Media release



Murray Irrigation

Friday 16 December 2016

Tax legacy resolved

Murray Irrigation is pleased to announce the successful resolution of an outstanding taxation credit which will see the Company credited \$6.368 million by the Australian Tax Office.

Special Minister of State, Senator Scott Ryan advised Murray Irrigation in writing that he has approved an Act of Grace payment to Murray Irrigation to resolve the matter of a tax debt incurred in relation to Land and Water Management Plan funding.

Murray Irrigation Chairman, Mark Robertson welcomed the Senator's ruling which he said signals the end of a very long process advocating for a ruling in Murray Irrigation's favour.

"This legacy issue dates back to payments made to Murray Irrigation between 1996 to 2004 for which Murray Irrigation has been seeking a favourable ruling since 2002," Mr Robertson explained.

"The favourable ruling is credit to the efforts of many past and present Directors and management of the Company dating back to former Chair, Bill Hetherington.

"In his correspondence, Senator Ryan noted Noel Graham's efforts and we must acknowledge Bruce Simpson continued to keep the pressure up to get this issue resolved.

"More recently, new Director Sharman Stone has been following up this issue since she joined the Board and her knowledge of Canberra and how the system works added to the significant contribution she made in getting a favourable result," he said.

Mr Robertson also thanked Local Member of Parliament, Sussan Ley who he said made sure Murray Irrigation's issues were not forgotten and lost in the bureaucratic processes in Canberra.

Murray Irrigation Chief Executive Officer, Michael Renehan praised past and current management who have been tireless in continuing the pursuit of a fair ruling.

"This has not been a simple issue and it has taken great effort by management to ensure the ATO and the Advisory Committee, established to review this issue, were provided with the necessary facts and information dating right back to privatisation," Mr Renehan said.

"Our Company Secretary Ross Mallet has spent a lot of time on this issue and its successful resolution is a great relief," he said.

The taxation legacy issue has been an ongoing issue that relates to Government payments made between 1996 to 2004 for the Land and Water Management Plans with the taxable status being questioned by Murray Irrigation since the early 2000s.

In making the ruling, Senator Ryan said special circumstances existed to support the payment of an Act of Grace payment in accordance with Section 24 of the Public Governance, Performance and Accountability Act.

"This decision is consistent with the intent of tax law changes made in 2004 to address an unintended consequence of the taxation legislation that applied before the introduction of concessions for water irrigation providers, and to improve equity for irrigation water providers consistent with other primary producers and businesses using rural land," Senator Ryan wrote.

"Murray Irrigation can now put this issue behind them and clearly focus on the future of our business and our region. We have a Board that is commercially-focused and outcome driven to bring the company to breakeven and create the operating environment for more water coming onto our footprint," Mr Robertson said.

Ends:

Media contact: Nathan Holahan, Communications Officer, T. 1300 138 265.