

Information Statement

2017/18 Fees and Prices, effective 1 July 2017

Issued: 16 June 2017

Introduction

This Information Statement has been prepared by Murray Irrigation to meet the requirements of the *Water Charge (Infrastructure) Rules 2010 (Cth)* (the Rules). It replaces the Information Statement issued on 1 July 2016 - effective 15 July 2016. It should be read in conjunction with Murray Irrigation's updated Fees and Prices Schedule for 2017/18 (Annexure A to the Fees and Prices Policy) effective from 1 July 2017.

Under changes to the Rules, Murray Irrigation no longer operates under what was formerly known as a Network Services Plan. As such, this information statement identifies changes to current fees and prices for season 2017/18.

Over the next 12 months, Murray Irrigation will conduct a full review of its structure for its fees and prices and how we charge for services in consultation with our customers.

This Information Statement applies to Murray Irrigation's fees and prices from 1 July 2017 to 30 June 2018.

Adjustments to regulated charges

Murray Irrigation decided to freeze most of its 2016/17 fees and prices for 2017/18 at the 2016/17 levels. The exceptions are Government fees, which are a direct pass through from the government authorities, and Murray Irrigation Outlet Fees (increase of 15%) and DE Fee – AMRR (increase from \$4.00 to \$4.60) components which have been increased to reflect the need to invest in our infrastructure upkeep. Outlet Fees will be diverted to the AMR Reserve.

2016/17 fees compared to actual 2017/18 fees

Murray Irrigation's fees include fixed and variable fees, for supply and drainage services. The company also has a small number of other fees for services which are regulated by the Rules. The following tables provide details of the 2016/17 fees compared to actual 2017/18 fees. Unless otherwise stated, all fees exclude the goods and services tax (GST).

Fixed fees

Table 1 compares Murray Irrigation's fixed fees for 2016/17 with the actual fees for 2017/18 for operating income items. *Table 2* compares Murray Irrigation's fixed fees for 2016/17 with the actual fees for 2017/18 for infrastructure reserve items.

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Table 1: Annual fixed fees 2016/17 compared to actual 2017/18 fees – Operating Revenue

Annual Fixed fees	Notes	2016/17	2017/18
Landholding access fee (irrigation) per landholding	1	\$1,190	\$1,190
Domestic landholding access fee (domestic) per landholding	2	\$595	\$595
Fee per landholding for domestic customers supplied by consumer contract	3	\$300	\$300
All customers			
Delivery entitlement fee	4	\$6.57	\$6.57
Water entitlement fee – Conveyance per water entitlement	5	\$1.37	\$1.37
<u>Government Charges</u>			
Water entitlement fee Class A (town supply) per water entitlement - Total	6	\$6.44	\$10.48
<i>WaterNSW</i>		\$1.78	\$1.57
<i>MDBA</i>		\$3.22	\$7.42
<i>DPIWater</i>		\$1.44	\$1.49
Water entitlement fee Class B (high security) per water entitlement - Total	6	\$6.44	\$10.48
<i>WaterNSW</i>		\$1.78	\$1.57
<i>MDBA</i>		\$3.22	\$7.42
<i>DPIWater</i>		\$1.44	\$1.49
Water entitlement fee Class C (general security) per water entitlement - Total	6	\$4.15	\$5.89
<i>WaterNSW</i>		\$0.97	\$0.77
<i>MDBA</i>		\$1.74	\$3.63
<i>DPIWater</i>		\$1.44	\$1.49
<u>Account administration fee</u>			
Account administration fee (max) per account (incl. GST)	7	\$210	\$210
Account administration fee (min)(per account) (incl. GST)	8	\$52.25	\$52.25

Notes to Table 1

1. The landholding access fee for landholdings classified as irrigation.
2. The landholding access fee for landholdings classified as domestic having only a pipe outlet, no irrigation activity and water use per landholding or household of 2ML or less.
3. The fixed fee for customers who have entered into a 'Domestic Water Supply' agreement with the company and do not hold any water entitlements or delivery entitlements.
4. The delivery entitlement fee payable applies to delivery entitlements on both irrigation and domestic landholdings and is a fee for holding Delivery entitlements. It is now separated into two portions, the second portion listed as an infrastructure reserve revenue item.
5. The Water Entitlement Fee – Conveyance is a Government charge associated with Murray Irrigation's Conveyance Water Access Licence. It stands alone from the Water Entitlement Fees and allows Murray Irrigation to remove tiered usage from Government Water Usage Fees.

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6. Water entitlement fees are the Government bulk water charges and include both WaterNSW (formerly State Water Corporation), DPI Water (formerly NSW Office of Water) and Murray-Darling Basin Authority (MDBA) charges. WaterNSW charges are consistent with the ACCC determination for 2017/18. The DPI Water charges are consistent with the IPART Determination for 2017.
7. The maximum account administration fee applies to all customer accounts, including treating consolidated accounts as a single account for manual processing.
8. The minimum account administration fee applies to customers that elect to receive invoices, *Talking Water* and make payments electronically and maintain their account within Murray Irrigation's payment terms.

Table 2: Annual fixed fees 2016/17 compared to actual 2017/18 fees – Infrastructure Reserve Revenue

Annual Fixed fees	Notes	2016/17	2017/18
Irrigation landholdings			
Extra-large irrigation outlet per outlet	1	\$975	\$1,121
Large irrigation outlet per outlet	2	\$732	\$842
Small irrigation outlet per outlet	3	\$550	\$633
Unmetered domestic pipe per outlet	4	\$365	\$420
Domestic landholdings			
Large irrigation outlet	5	\$376	\$432
Metered pipe outlet (domestic) per outlet	6	\$300	\$345
Unmetered pipe outlet (domestic) per outlet	7	\$192	\$221
All customers			
Delivery entitlement fee – AMRR Component	8	\$4.00	\$4.60

Notes to Table 2

1. Extra-large irrigation outlet fee for high flow outlets >15ML/day.
2. Large irrigation outlet – Dethridge outlet (all forms except half-wheel), including metered pipe >300mm, or other high flow outlet.
3. Small irrigation outlet (Dethridge outlet half wheel) or metered pipe outlet (300mm or less).
4. Unmetered pipe outlet on an irrigation landholding with a deemed water use of 2ML per pipe outlet.
5. The large irrigation outlet applies to Community Associations with a Dethridge outlet or other high flow outlet.
6. The outlet fee for a metered pipe on a domestic landholding where the meter is owned and maintained by Murray Irrigation, does not apply to customers in a 'Domestic Water Supply' agreement.
7. The outlet fee for an unmetered pipe outlet on a domestic landholding where the meter is owned and maintained by Murray Irrigation does not apply to customers in a 'Domestic Water Supply' agreement.
8. The delivery entitlement fee applies to delivery entitlements on both irrigation and domestic landholdings. This portion of the fee is set aside for infrastructure replacement, renewal and maintenance costs in the future (AMRR).

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Variable fees

Table 3 compares Murray Irrigation's variable fees for 2016/17 with the actual fees for 2017/18.

Table 3: Annual variable fees P 2017/18 compared to actual 2017/18 fees (all fees are per ML)

Tier	Notes	ML usage	Govern. recovery	2017/18	Total	Actual 2017/18		Total
				Murray Irrigation		Govern. recovery	Murray Irrigation	
Standard water usage fee per ML								
One	1,2,3	0-5ML	\$7.51*	\$44.41	\$51.92	\$4.54*	\$44.41	\$48.95
Two	1,2,3	6-100ML	\$7.51*	\$12.00	\$19.51	\$4.54*	\$12.00	\$16.54
Three	1,2,3	Above 100ML	\$7.51*	\$5.99	\$13.50	\$4.54*	\$5.99	\$10.53
Casual water usage fee per ML								
	1,2,3,4,5	>0ML	\$7.51*	\$45.00	\$52.51	\$4.54*	\$45.00	\$49.54

Notes to Table 3

- *Government bulk water charges include WNSW \$1.95, MDBA \$1.53 and DPI Water \$1.06.
1. The first 5ML delivered is charged at the tier one rate, delivery of water from 6ML to 100ML is charged at the tier two rate and delivery of water above 100ML is charged at the tier three rate. The tiers allow the sharing of season start up and conveyance costs.
 2. Government water usage fees include WaterNSW, including MDBVA, and DPI Water charges and represent a direct pass through of the variable costs of water from Government bulk water charges.
 3. The applicable fee applies to water use on the landholding from 1 July 2017.
 4. Casual water usage fees apply where water use greater than 120 percent of delivery entitlements. These charges are not tiered.
 5. Customers can avoid the casual usage fee through the annual transfer of delivery entitlements or (where applicable) consolidation of accounts.

Drainage fees

All fixed drainage fees are levied per delivery entitlement and all variable drainage fees are per megalitre of water usage. Table 4 compares Murray Irrigation's drainage fees for 2016/17 with the actual fees for 2017/18.

Table 4: Annual fixed and variable drainage fees 2016/17 compared to actual 2017/18 fees

Category	2016/17		Actual 2017/18	
	Fixed fees	Variable fees	Fixed fees	Variable fees
B1/B2 (Berriquin)	\$0.00	\$0.49	\$0.00	\$0.49
W1 (Wakool)	\$0.41	\$1.43	\$0.41	\$1.43
W2 (Wakool)	\$0.41	\$1.43	\$0.41	\$1.43
W3 (Wakool)	\$0.21	\$0.91	\$0.21	\$0.91
W4 (Wakool)	\$0.41	\$1.05	\$0.41	\$1.05
W5 (Wakool)	\$0.21	\$0.53	\$0.21	\$0.53
W6 (Wakool)	\$0.00	\$0.24	\$0.00	\$0.24

¹ If payment commenced in 2004/05 or after (payment applies for 10 years).

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Surface and sub-surface drainage categories

Area Description

B1/B2	Berriquin irrigation district farms with access to surface drainage.
W1	Wakool farms with access to surface drainage and services by the WTSSDS.
W2	Wakool farms with access to surface drainage previously joint ventured and serviced by the WTSSDS or farms with access to new surface drainage on the perimeter of the WTSSDS.
W3	Wakool farms with access to surface drainage previously joint ventured with government on the perimeter of the WTSSDS or farms with access to new surface drainage not serviced by the WTSSDS.
W4	Wakool farms with access to surface drainage previously joint ventured with government and not serviced by the WTSSDS of farms without access to surface drainage and serviced by the WTSSDS.
W5	Wakool farms without access to surface drainage on the perimeter of the WTSSDS.
W6	Wakool farms without access to surface drainage and not serviced by the WTSSDS.

Other fees

Murray Irrigation has a range of other fees that are regulated by the Rules; 2016/17 prices for these other fees compared to actual 2017/18 fees are in *Tables 5 and 6*.

Table 5: Disconnection, outlet removal and connection fees

Disconnection and removal fees *	2016/17	Actual 2017/18
Pipe outlet (metered and unmetered)	\$262	\$262
Dethridge outlet	\$384	\$384
Compliant outlet (to ATS 4747)	\$1,246	\$1,246
Outlet connection or reconnection (compliant meter)#	From \$15,000 outlet, depending on meter type	From \$15,000 outlet, depending on meter type

*Removal fee may be waived at company discretion.

#Additional five percent of metered use allocated to existing, new or replacement compliant meters.

Table 6: Snowy Advance Fees

Fee per ML	2016/17	Actual 2017/18
Option fee	\$8.00	TBA
Exercise fee	\$39.00	TBA

The Snowy Advance fees relate to the scheme for the advance of water against a landholder's entitlements and covers the administration costs and risks borne by Murray Irrigation in providing the scheme.

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Table 7: Assumptions underlying Murray Irrigation's pricing 2017/18

Parameter	2017/18
Delivery entitlements ¹	1,046,988
Water entitlements ¹	1,025,387
Conveyance usage (ML)	212,000
CPI applied	2.0
On-farm usage (total ML)²	
Tier 1 usage (0-5ML)	4,911
Tier 2 usage (6-100ML)	62,289
Tier 3 usage (101+ML)	732,800
Number of landholding access fees	
Irrigation ³	1,896
Domestic customer with entitlements ³	189
Domestic Supply Agreement ³	90
Outlets	
Irrigation – Extra-large	611
Irrigation – large ¹	2425
Irrigation – small ¹	232
Irrigation – domestic pipe ¹	978
Domestic – metered pipe	38
Domestic – unmetered pipe	170

Explanatory notes:

1. Last quarter number
2. Based on forecast 800ML on farm delivery in 2017/18.
3. Average number of landholding access fees for the year

Explanation of different regulated charges for the same class of infrastructure service

Murray Irrigation's fees for the same class of infrastructure service are identical.

Disclaimer

The information in this document is presented for information and consultation purposes only and is correct at the time of publication. Forecast revenue and underlying assumptions may be subject to change. Any person using this information should seek their own independent agricultural, financial and/or legal advice