

19 July 2010

OPPORTUNITIES FOR COMMONWEALTH FUNDING FOR ON-FARM INFRASTRUCTURE MODERNISATION

Over the coming weeks MI will be providing opportunities for all MI customers to help identify on-farm water savings activities which will form part of our revised bid for Commonwealth funding later this year.

You may be aware that in April, Senator Wong announced Commonwealth funding of up to \$50 million for Murrumbidgee Irrigation (MI) to replace the ageing concrete-lined channel supply system within the Lake Wyangan catchment with a modern, integrated water delivery system. This represents only a part of the overall funding of \$272 million that was requested in the first round for a number of projects throughout the MIA under the Private Irrigation Infrastructure Operators Program (PIIOP). However, it will provide the opportunity to accelerate MI's ongoing program of infrastructure modernisation and deliver one part of a comprehensive modernisation plan. We are currently seeking advice on the taxation implications of the draft funding agreement before deciding whether or not to accept the funds.

We are disappointed that we did not receive funding for the full program of works and have been working closely with the Commonwealth Government to submit a strong application for the next funding round later in the year. As part of this process, and in response to Commonwealth feedback, MI is inviting all customers to work with us to identify on-farm activities that can be linked directly to the off-farm infrastructure modernisation projects that we will seek funding for under this second round. Further, we would like to work with customers in identifying rationalisation opportunities that might include the sale of water entitlements and/or the decommissioning of inefficient channels, pipelines and other infrastructure.

In order to facilitate the development of these programs we will be holding a series of information sessions throughout August/September, **the details of which are provided overleaf**. The information sessions will be used to seek your input into the types of on-farm infrastructure that could make up the on-farm program and how this will integrate with off-farm infrastructure requirements should funding be secured.

If you are interested in participating in either the on-farm or rationalisation programs, you can complete the enclosed expression of interest (EOI) form and return to the MI Hanwood office by 30 September. Alternatively, if you would like further information or assistance with completing the form, I encourage you to attend one of the information sessions.

Once completed, the outcomes of the information sessions and EOI's will be used to form the basis of our next application for funds from the Commonwealth Government. The EOI is not binding in anyway, but simply provides an indication of your future intentions and will assist us to provide the level of detail required to complete the funding application.

If you require any further information please do not hesitate to contact Rob Kelly, Executive Manager, Environment on 6962 0200 or 0409 535 274.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Brett Tucker".

Brett Tucker
Managing Director

INFORMATION SESSIONS FOR ON-FARM MODERNISATION PROGRAM DEVELOPMENT

Date	Area	Venue	Time
9 August 2010	Lake Wyangan/Griffith	Exies Club	2:30 pm – 4:00 pm
9 August 2010	Lake Wyangan/Griffith	Exies Club	5:00 pm – 6:30 pm
11 August 2010	Hanwood	Hanwood Club	5:00 pm – 6:30 pm
16 August 2010	Murrami/Leeton	Murrami Hall	9:00 am – 10:30 am
24 August 2010	Wah Wah	Goolgowi RSL	9:00 am – 10:30 am

Information Session Outline

The information session will provide an overview of where we are at in terms of modernisation including:

- The current climate and drivers that are influencing our decisions
- MI's Modernisation Plan (key drivers, and projects proposed), PIIOP Application Round 1, PIIOP Round 2 application and the basis for the on-farm program development and the importance of being involved in the process.

The information session will finish with a facilitated discussion that provides guidance on the completion of the EOI form enclosed, including:

- Information required to complete it
- Boundaries/Guidelines
- Types of activities that could be considered
- Where to get further assistance to complete the EOI's

To assist us with catering and administration, please RSVP to Michelle Quinlivan on 02 6962 0200 or quinlivanm@mirrigation.com.au by Friday 6th August