

FREQUENTLY ASKED QUESTIONS & ANSWERS

RE: SYSTEM CLOSURE END MARCH

19 Feb 2007

We have received a number of calls from customers inquiring about the seasonal conditions and the reason for changes to water access and metering announced recently. In keeping with our commitment to improved communication with you and all our customers, we have developed the following question and answer sheet. We trust this will address many of your queries however, please do not hesitate to contact us for further information.

Why is the system shutting down early?

Early shut down has been necessary following the allocation cuts announced by the NSW Government in November last year.

Murrumbidgee Irrigation (MI) has a conveyance allowance - a volume of water that is used by the company to cover system losses when delivering your allocations each year. The volume varies each year depending upon the levels of allocation announced by DNR.

When the allocation cuts were made by DNR, the MI conveyance allowance was also cut. In addition, because of the cuts, some customers went into a negative position on their water account. MI also had to absorb this impact as DNR declared these to be "frozen" until the cut allocation was returned. The combined effect has been a cut of over 35,000ML from water available to MI for losses – in the absence of this reduction we are confident that MI would have had sufficient water to run the system through to the end of May.

Is there any chance that the season will be extended beyond March?

At this stage, our best estimate is that we can run through to the last week of March, at which point we will be closing our diversion points from the River and holding water in our system for as long as possible.

We are working with the NSW Government to try and find water for after March but at this stage it remains uncertain. If some additional water can be sourced, the most likely scenario is that we will shut down in the last week of March as planned, then try and run periodic rostered waterings for essential supplies. How many and how much is not known and will be dependent on more water becoming available.

Why is MI now proposing to assess the usage on supply outlets operating at low flows?

With the seasonal conditions becoming critical, we cannot continue to allow some customers to receive more water than their peers because they operate their outlets at low flows where measurement accuracy is known to be unreliable.

All water meters have differing levels of accuracy depending upon how they are installed and how they are operated. At very low flows, Dethridge outlets deliver significantly more water to the customer than is metered.

MI considered making this change to assessed usage in November when the cuts to allocation were announced by DNR. Instead, at that time we suspended trade for those with low flows. The situation has become worse and therefore we have been forced to further tighten our position.

Will different types of supply outlets be treated differently?

Yes, the rating factors will vary depending upon whether you have a 6ML per day wheel or a 12ML per day wheel. Doppler meters and Magflow meters are significantly more accurate and will have different treatment to wheels.

Please talk to our field team about the different rating factors that will be used. Customers with alternative meters on pump systems may be able to have these meters used as the measurement point, subject to our confidence in the quality and accuracy of the installation.

How did MI come up with the rating factors being applied?

We have used independent test results from Manly Hydraulics Laboratory – a NATA accredited facility with capability for testing water meters. The factors come from their extensive testing.

Why is MI suspending trade?

Trade is not being suspended at this stage. We have cautioned that trades be processed before the 28th February if customers want certainty of having the traded water supplied during March.

MI does not want people to waste money buying expensive water on the market which we may not be able to deliver. There is a significant risk that we will have insufficient conveyance allowance to deliver any water you buy late in the season.

Even if the water is bought to carry-over into next season, there is some risk that we will be unable to deliver it at that time, depending upon seasonal conditions.

What is happening with the 5% enhancement to High Security?

DNR cut high security allocations from 95% to 85% in November. Due to on-going dry conditions and high levels of trade prior to November, some crops reliant on high security allocation were put at risk. MI offered to provide additional water to high security customers running short of water, but only if needed after February. This offer stands and the water is available in March.

The recent modification to the offer only applies if water is secured to facilitate deliveries after March. In this case, our arrangement after March is that crops remaining unharvested will gain preference **for the enhancement**. This is consistent with the state government's interpretation of sharing emergency supplies. Any customer that has used or traded less than 85% will still have access to their own allocation after March. All of this is subject to extra water being available.

What about next year?

It is too soon to make a call. We will be watching conditions closely in Autumn and Winter to provide a guide as to how next season will shape up. We need rain, especially in our catchments.

Please contact our Customer Services team in either Griffith (6962 0200) or Leeton (69530100) if you have any further questions or specific issues relating to your situation. We will continue to keep you informed of any developments and encourage you to provide us with your fax or email details so you can receive important information like this quickly. Our website www.mirrigation.com.au is also regularly updated with the latest media releases from MI as well as DNR, plus other pertinent information.

Ends