



Murray Irrigation



Murray Irrigation **WATER SOLUTIONS**

Murray Irrigation is launching WATER SOLUTIONS— a new initiative designed to strengthen our business and support our customers in a changing water landscape.

Water Solutions will acquire and hold permanent Water Entitlements, then sell the temporary water allocations to customers within our footprint.

Building on our existing water sales capabilities, this initiative will help retain water for irrigation in our region and offer Water Entitlement sellers a competitive market.

Why establish **Water Solutions**

- Secure a **sustainable water supply** for irrigators within the Murray Irrigation footprint.
- Support **long-term growth** and **cost-effectiveness** for the future.
- Generate **additional earnings** for Murray Irrigation's Investment Fund to maintain **infrastructure**.

To learn more, please attend our shareholder meetings in **July 2025**, or contact our Customer Experience team on **1300 138 265**.

murrayirrigation.com.au

Overview of **Water Solutions**

- Shareholders at the 2024 meetings¹ were supportive of Murray Irrigation “exploring new water market-based initiatives to retain irrigation water within its footprint”. This was subject to due diligence and a pilot.
- Following significant preparatory work, we are ready to establish a pilot. The Board will review the pilot performance in mid 2026.
- **Water Solutions** will begin purchasing permanent Water Entitlements from July 2025.
- **Water Solutions** will be managed by our Customer Experience team.

Water Solutions will be supported by:

- An Inventory Finance Facility from a leading bank² to fund the purchase of permanent water.
- A Risk Management Policy that follows best practice, with clear operating limits and strong governance oversight.

The **Water Solutions** pilot will be in operation from July 2025.

1. Why is Murray Irrigation establishing Water Solutions?

In line with shareholder feedback¹, Murray Irrigation's long-term objective is to retain water in our footprint by purchasing and holding permanent water for irrigation.

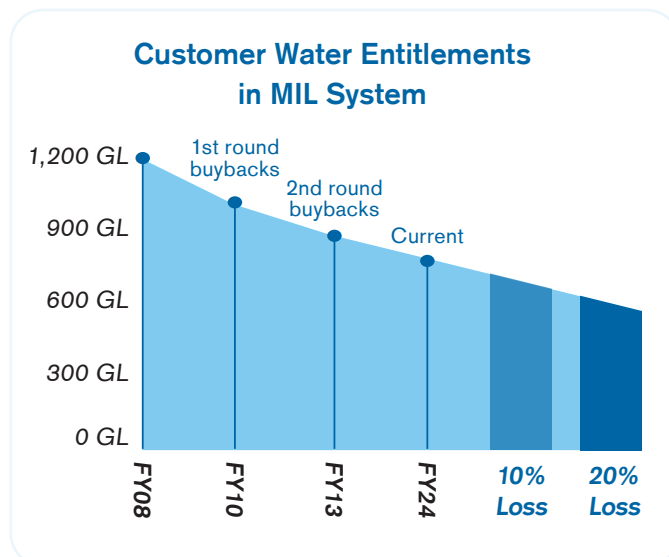
Water Entitlements for productive use in our footprint have reduced by 34% since the 2008 buyback program.

The current buyback program could reduce customer Water Entitlements by a further 10-20%. This will further reduce on-farm water delivery volume, placing pressure on:

- Sustainability of current fees.
- Maintaining the water delivery network.
- A community that relies on irrigated agriculture.

Water Solutions will enable Murray Irrigation to meet commitments to customers outlined in the 2023 Business Review³:

- Increase operating expenditure by \$4m pa, improving reliability and service.
- Contribute \$54m from water sales to the Investment Fund by 2029 to sustainably maintain infrastructure.
- Increase fees by only CPI until 2029 (except government pass throughs).



2. Why is Water Solutions using Sustainability Product as a base?

To underpin the purchase of permanent water, **Water Solutions** will incorporate the 80 GL of temporary water sales of our Sustainability Product. There will be no change in how Sustainability Product water is sold in 2025 for the 2025-26 water year.

From 2026-27, **Water Solutions** will progressively use market-based products to sell temporary water to customers, in line with the Resource Management Strategy determined by the Board. This will enable Murray Irrigation to use the Sustainability Product water, along with purchased permanent water, to offer tailored solutions that meet individual customer requirements including forward contracts and leases.

3. Will Water Solutions compete with customers?

No. **Water Solutions** will provide sellers of permanent water entitlements an alternate buyer in the market that will focus on:

- Selling temporary water to customers within our footprint.
- Selling temporary water from the permanent water Murray Irrigation owns.

4. How will the purchase of permanent water be funded?

Murray Irrigation has reached in-principle agreement with a leading bank for a competitive, flexible and scalable Inventory Finance Facility to fund the purchase and holding of permanent water. The bank will have security over the purchased Water Entitlements but will have no recourse to Murray Irrigation's other assets and property, the Conveyance Licence, the Investment Fund or delivery infrastructure.

5. How will Murray Irrigation manage the risks?

Water Solutions will operate under a Risk Management Policy. This Policy will provide strong governance and independent oversight to monitor and manage both volume and price risks in selling temporary water.

Murray Irrigation will manage the variability of water volume and prices by leveraging our portfolio of water sales and existing capability. **Water Solutions** will work with the Investment Fund (which has a current balance of around \$75m), and **Water Solutions** earnings will be contributed to the Investment Fund.

6. Will the WaterWell products continue to operate?

Yes. Murray Irrigation will continue to distribute available water via our WaterWell suite of products (including Resource Distribution, Water Users Credit and Allocation Advance) in accordance with the Resource Management Strategy determined by the Board.

¹ 2024 shareholder meetings feedback: murrayirrigation.com.au/shareholder-update-shareholder-discussion-groups-sentiment-report

² Subject to documentation and internal approvals

³ 2023 shareholder meetings and outcomes: murrayirrigation.com.au/businessreview