Subject: Help protect irrigators and MIL’s future

Why this matters!

1. **It increases risk.** When water was separated from the land, DEs were created to protect irrigation infrastructure operators such as MIL and the irrigators that rely on them. The DE system was designed specifically to ensure irrigation companies like MIL could remain solvent. The ability to pass on costs to landholders is one of MIL’s greatest assets. Giving this protection up, voluntarily, is unnecessarily exposing the company to significant risk. Doing this prior to the MDBA completing its final review of the basin plan which is due for release in 6 months only heightens this risk.

2. **It will augment the negative impacts of the basin plan.** The basin plan has had many negative impacts on our community. After having spent millions of dollars advocating against the basin plan, MIL’s changes will make the situation worse.

    a. The separation of water from land resulted in institutional investors purchasing large volumes of water with the aim of selling that water to farmers for a profit. MIL has decided to join this process – more water that used to be distributed will now be sold.
    b. The basin plan purchased water in an unstructured way, leaving a patchwork of irrigation farms across irrigation systems. DEs were created to protect the remaining farmers from the financial impact this would have. MIL is removing this protection, thereby allowing the full financial impact of the basin plan to fall on the remaining irrigators. Over the years, more farmers will leave irrigation, and the cycle will continue to worsen.

3. **Shareholders were misled prior to the survey.** MIL has long advocated that DEs have value due to the value of various water distributions made against them. The customer calculator that MIL provided to shareholders prior to the survey excludes that value such that outcomes for shareholders appear to be better than they will be or would have historically been. Statements such as ‘By implementing this change on 1 July 2026, the majority of customers will benefit from lower fixed fees’ are misleading. In a dry year many customers will be better off with a resource distribution – as MIL have communicated to shareholders in the past.

4. **There is nothing to lose by undertaking this process.** Across the globe in many industries, peer review is used as a process to verify and improve important pieces of work. MIL's work on its financial sustainability and fees and charges framework have led the company to a decision with far-reaching and potentially irreversible implications. A body of work of such importance should be able to withstand external scrutiny. The current pricing structure has served the company for 30 years, through periods of change for irrigated agriculture and under the guidance of various Boards of Directors. If the Board is confident in the work done that has led to the decision to abandon this reliable fee structure, there is nothing to lose by undertaking this common and widely used process.