

How much are NOIC shareholder charges?

Shareholder charges include fixed and variable charges. They reflect scheme costs and farmer demand for water. How these charges come about, what fixed charges are for the coming year, and what variable charges could be, are explained as follows.

NOIC Annual Charges

Charges per share (\$ gst excl.)	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Budget
Fixed Charges				
AOC - per month	21.00	24.00	24.00	24.00
AFC - per month	30.00	31.00	31.00	31.00
Total Fixed Charges	612.00	660.00	660.00	660.00
Supply Charges:				
Power cost per M ³ used	0.09	0.06	0.06	0.07
Volume of water used M ³	1,538	2,196	3,511	2,385
Total Supply per share	138.19	135.03	211.52	156.20
Total Charges per Share	750.19	795.03	871.52	816.20

What are charges?

NOIC has two fixed charges, Annual Financing Charge (AFC) and Annual Operating Charge (AOC). Fixed charges for July 2021 to June 2022 are set in the annual budget and were approved at the July NOIC Board meeting. NOIC also has variable supply charges that apply to the volume of water actually used.

- AFC is set to cover debt servicing and infrastructure capital costs.
- AOC is set to cover operational and running costs.
- Variable Supply charges meet the monthly cost of pumping irrigation water which is delivered at pressure to farmers' offtakes. NOIC also charges for stock and shed water twice a year.

What are fixed charges?

Total fixed charges are \$660 per share. Fixed charges are paid monthly, year-round (irrespective of water availability or use) as follows.

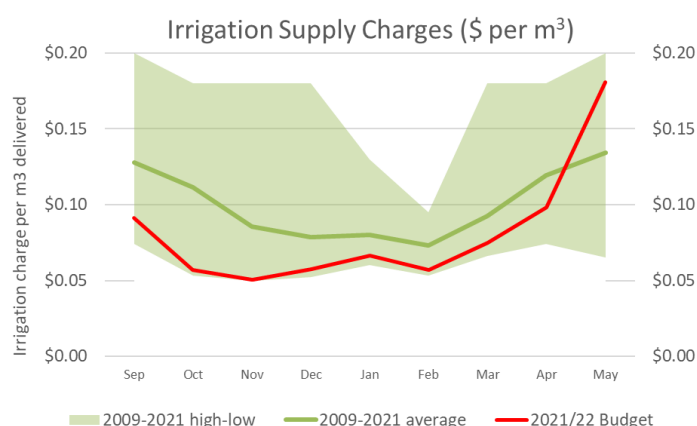
- AFC is \$31 per month or \$372 per annum.
- AOC is \$24 per month or \$288 per annum.

What will variable Supply charges be this season?

Variable supply charges are payable each month during the nine-month irrigation season. They are "user pays" charges calculated on water volumes and NOIC's power cost to pump water which varies each month.

The green area in the first graph shows the range of historical supply charges per m³ of irrigation water.

The graph also shows the budgeted supply charge for 2021-22. While it varies each month, across the season it averages out at \$0.066m³. This is 8% more than the average rate that was charged in the 2020-21 season.



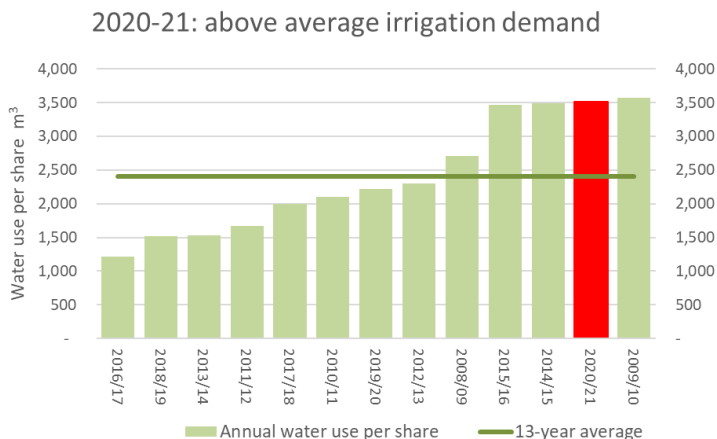
Actual monthly supply charges for 2021-22 will vary according to irrigation demand. If demand is less than expected, then charges will potentially be higher than budgeted.

What is historical demand per share by NOIC farmers?

The second graph compares each season’s total irrigation water use over the last 13 seasons.

NOIC farmers used on average 3,516m³ of water per share last season (in red), which was well above the **13-year average of 2,385m³ per share**.

The graph also shows that four of the last 13 years were very dry with use of 3,500m³ per share or 50% above average, and that four years in 13 had low use of 1,200-1,600m³ per share or between 33-50% below average.



If we assume “average” demand, then Supply Charges are expected to average \$0.066 per m³ and total \$156.20 per share for the 2021-22 season.