

## Merging or Consolidating Water Accounts

Customers owning multiple landholdings and water accounts can merge or consolidate these water accounts to simplify their administration. There are two options to choose from:

- Option 1 – Merge multiple landholdings into a single account, or
- Option 2 – Retain multiple water accounts with a consolidated water balance for reporting. This is separate from previous consolidation of accounts for billing purposes.

### Considerations before applying

**Murray Irrigation provides these options for customers' benefit. Customers should seek their own independent financial and legal advice about the implications of these options, before they proceed.**

### Option 1 – Merge water accounts into a single account

Customers with multiple water accounts and/or landholdings may now merge their accounts into a single water account to simplify administration. This means that whilst owning multiple landholdings and parcels of water entitlements, your water entitlements, delivery entitlements, annual allocation and any annual trade are combined together in a single account. Ownership of permanent water entitlements and delivery entitlements is not altered.

When ordering water, customers will need to select which outlet water is to be delivered from. Water usage is deducted from the single account.

Rules relating to the operation of merged water accounts are set out in the *Entitlements Contract*, available on our website [www.murrayirrigation.com.au](http://www.murrayirrigation.com.au) under 'Corporate' then 'Company policies'.

### Benefits

- A single water account eliminating the need to transfer water between accounts or landholdings to ensure a positive balance for water ordering and delivery
- The ability to trade on the annual market to and from a single account
- Allocation plus carryover (from previous year) limits are combined, maximising water availability (applies only to current and future season allocations)
- Carryover capacity is combined, eliminating the need to transfer water between accounts or landholdings before the close of annual trade
- A single, concise view of all your water allocation
- Provides all the benefits of consolidating accounts for billing purposes such as:
  - Delivery entitlements combined for the purpose of the casual usage fee
  - Tiered water usage fee savings (each tier applies only once per year across the entire account)
  - Single account administration fee

### What it does NOT do

- Permanent water entitlements and delivery entitlements are not combined – they remain in separate permanent ownership on each landholding
- Landholdings are not amalgamated. Individual landholding fees will continue to apply and Total Farm Water Balance Limits continue to apply to individual landholdings
- Flow shares in times of water delivery restrictions are not consolidated and still apply on an individual landholding basis

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## Single accounts in different ownership

Accounts in different ownership (e.g. one account in two names as joint owners, and another in a company name) can be merged together.

Customers in this circumstance should consider:

- All parties will have access to the merged account (see granting access below)
- Taxation and legal implications, if any
- What will happen if a dispute between the parties arises (see disputes below)
- How water in the merged account will be divided amongst the parties should the account be split in the future.

## Disputes

Any dispute arising between customers involved in a merged water account is the responsibility of those parties to resolve.

In the event that Murray Irrigation becomes aware that a dispute has arisen, Murray Irrigation may at its discretion, or at the direction of any one of the parties involved, freeze the account until **all** parties agree that the dispute is resolved and direct Murray Irrigation to unfreeze the account.

## Leasing / Share-farming arrangements

Customers leasing (either as lessor/landlord or lessee) a water account or involved in a share-farming arrangement are strongly encouraged to seek their own independent legal and financial advice to ensure appropriate arrangements are in place between lessor/landlord and lessee.

While merging (option 1) a leased account with other accounts owned by the lessee is possible in certain circumstances, option 2 may provide greater flexibility and transparency in record keeping in some circumstances.

Customers considering this circumstance should contact Murray Irrigation to discuss which option best suits their needs.

## Billing

When water accounts are merged they are also taken to be merged for the purposes of billing; that is all water use, annual delivery entitlements, etc. will be combined together in a single invoice.

Murray Irrigation recommends customers wishing to keep track of individual landholding water usage to keep detailed personal records utilising the available outlet meter readings on Water Account Statements. Murray Irrigation is not responsible for calculating individual landholding water usage where accounts have been merged.

In the event of default of payment Murray Irrigation when exercising its rights to sell a customer's water allocation to recover debts may sell all water allocation in the merged account. The stop supply provisions will also apply to all landholdings associated with the merged account.

## Future ownership changes and trade of single accounts

### Sale of landholding

When a landholding that is part of a single account is sold, the landholding, associated water entitlements and outlets are removed from the single account and become attached to the new owner's account.

The seller retains all water allocation for the current year and carryover from the previous year. The process for transferring the landholding allows for allocation to be transferred to the new owner. This should be determined and agreed between seller and buyer at the time of entering into agreement for the sale.

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## Subdivision

When a landholding is subdivided to create a new landholding, the new landholding remains part of the merged account until such time as it is sold (see sale of landholding above) or the owner advises accordingly.

## Permanent trade of entitlements

Permanent trade of water or delivery entitlements does not impact the ownership or make-up of a single account; it just results in a change to the number of water and or delivery entitlements associated with it.

In all permanent trades the seller retains all water allocation unless the trade application specifies allocation is to be transferred to the buyer. The seller and buyer should determine and agree on this at the time of entering into the agreement for sale.

## Change to partnerships and business arrangements

At any time including where circumstances have changed, customers with single water accounts can request landholdings or parcels of water entitlements (i.e. non-landholder accounts) be separated from the single account. The consent of the owners of the landholding to be separated is required to do this.

Water allocation, carryover (from the previous year), etc. will remain in the single account unless an annual transfer is completed. Annual transfers require the consent of all owners of the single account unless another authorisation has been provided (see granting others access to your account above).

## Option 2 – Retain multiple accounts with a consolidated view of your water accounts

This option does not affect the operation of your individual accounts, but allows you to view a summary of your accounts together in one place. A similar function has been in place in recent years; however associated with the launch of Murray Irrigation's new *Water ordering* system customers will need to elect to take up either option described in this fact sheet.

It is also possible to consolidate multiple merged accounts which may suit more complex account ownership arrangements.

## Benefits

- Retains flexibility and traceability for customers with complex account ownership arrangements, or where an account is leased.

## What it does NOT do

- Does not provide the benefits of merged accounts as described in Option 1 above
- Accounts are not consolidated for billing purposes (though this can be done at the same time)
- Annual trade must be carried out on individual accounts
- Individual accounts must still be 'squared up' by the end of each season, to ensure individual account balances are positive, do not exceed individual carryover capacities, and optimise the percentage of carryover on each separate landholding.

## Billing considerations

Customers considering consolidating their water accounts should also consider, if they have not already done so, consolidating their account for billing purposes.

Water accounts can be consolidated in different combinations to accounts consolidated for billing.

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## General information

### Granting others access to your account

Customers may grant access (and a customer number login) to their accounts to other people, whether a partner or joint owner having their own access, a lessee, sharefarmer, manager, or any other person.

Details about this are available in the fact sheet titled *Authorising others to act on your behalf* available in the 'Customer information' section on our website.

### Security interests (e.g. mortgages)

Murray Irrigation does not recognise security interests in water allocation. Murray Irrigation will however comply with all lawful directions of the customer (including a mortgagee where exercising appropriate rights on behalf of a customer) and court orders, and in the event of a dispute will apply the actions described above.

### How to apply

Customers interested in these features are encouraged to contact Water Trade staff on T. 1300 138 265 to discuss the benefits of each option and for application forms. Application forms are available from Murray Irrigation's website [www.murrayirrigation.com.au](http://www.murrayirrigation.com.au) under 'Customers' then 'Forms'.

### Enquiries and further information

For further information please contact Water Trade on T. 1300 138 265.