

## Permanent Trade - Solicitors

Murray Irrigation shares, water entitlements and delivery entitlements can be transferred between landholdings, and water entitlements can be transferred to and from any person. Water entitlements can also be transformed from Murray Irrigation's WAL to another WAL so long as the NSW Office of Water approves the trade. There are limitations on where unit shares from Murray Irrigation's WAL can be transferred to.

In some cases a sale of land will involve shares, water entitlements and delivery entitlements which are sold to a new owner along with the landholding itself.

Murray Irrigation landholdings may be subdivided (with or without entitlements), amalgamated or have their boundary altered to include or exclude new 'Lot & DP' or landholdings may be disconnected from Murray Irrigation's supply system.

Murray Irrigation shares may be cancelled if no longer required and no purchaser can be found, similarly delivery entitlements may be terminated if no longer required and no purchaser can be found.

All permanent trade functions are performed via application to Murray Irrigation and application forms are readily available on our website under 'Customers' then 'Forms'. Each application form contains a guide to completing the application and a checklist outlining the requirements necessary to register the permanent trade function.

### What the permanent trade process involves

Murray Irrigation receives the application submission from the customer, solicitor or agent and reviews it for compliance with Murray Irrigation rules and performs some other basic checks.

If these requirements are met, the application is considered for what Murray Irrigation calls 'conditional approval'. This means that the application is approved subject to certain conditions being met. Applications are considered for conditional approval once per week.

Murray Irrigation Water Trade staff will communicate with the person(s) who submitted the application with regard to any further requirements for registration until such time that all the identified requirements have been received.

Once all requirements have been received and verified the application is registered and new certificates produced if relevant.

Murray Irrigation will release the new certificates and any executed copies of Entitlements Contracts as instructed.

### Length of time taken to register an application

Each Murray Irrigation application contains a guideline to the application which includes comment on processing times.

Processing time will take as long as it takes for all requirements to be submitted to Murray Irrigation.

It is therefore possible for an application to be submitted with all requirements and be processed within a fortnight. However, in the majority of cases the guideline comment regarding processing times is a more accurate reflection.

### Title searches must be dated within three months of application submission

Title searches must be dated within three months of application submission as proof of most recent land title information held by NSW Land and Property Information (LPI). This enables Murray Irrigation to confirm registered ownership and ascertain if any security interest is held over land in question.

# Fact sheet



January 2015

## **Entitlements Contract, current version, in duplicate**

Murray Irrigation requires (where identified as a requirement of application) Entitlements Contracts, current version, in duplicate so that upon registration of application an executed copy is released as instructed and a second copy is retained by Murray Irrigation on file.

**Please ensure that all pages of the Entitlements Contract are supplied, not just the Schedule 1 - Details and execution pages.**

## **Where both a removal of security interest and consent by the security interest holder is required**

### **Where a Discharge of Mortgage can be supplied in lieu**

Where a security interest is noted on the land title, a certified copy of Discharge of Mortgage may be provided in lieu of consent by the security interest holder provided that it is accompanied by written undertaking that it will be, or has been, lodged with LPI.

Where a security interest is noted on the Water Entitlements certificate or Delivery Entitlements statement, a removal of security interest is required to remove from the document in question.

A Discharge of Mortgage is not sufficient to remove a noted security interest from entitlements certificates.

Where a permanent transfer involves water entitlements **only**, a removal of security interest alone is sufficient.

Refer to *Security Interest* fact sheet available on our website.

### **Where a caveat is held by Murray Irrigation on a parcel of land with respect to a permanent transfer or sale of land**

Where a landholding (post permanent transfer or sale of land) continues to meet Murray Irrigation's security requirements an existing caveat held by Murray Irrigation will not be withdrawn but caveat consent will be granted subject to the approval of the Executive Manager Customer and External Relations.

Where a landholding (post permanent transfer or sale of land) no longer meets Murray Irrigation's security requirements, an existing caveat held by Murray Irrigation will be withdrawn.

Refer to the *Security Policy* fact sheet available on our website.

### **Listing 'Tenants in Common' on Murray Irrigation entitlements certificates**

Murray Irrigation's *Entitlements Contract* provides that the company is not bound to treat joint holders of water entitlements and delivery entitlements other than as joint tenants subject to the conditions of the contract (refer clause 46).

### **Water entitlements transferring without delivery entitlements**

Murray Irrigation does not require that water entitlements must transfer with a corresponding number of delivery entitlements. Murray Irrigation does however suggest that the impact of utilising any annual allocation associated with the extra water entitlements is conveyed to clients who may wish or need to purchase corresponding annual delivery entitlements at time of water usage to avoid any possible ensuing casual usage fees.

Refer to *Annual Trade in Delivery Entitlements* fact sheet available on our website.

### **Annual allocation in conjunction with permanent transfers**

All announced allocation and carryover megalitres (ML) will remain with the vendor unless specified to transfer to the purchaser. Where ML are to transfer with entitlements, the volume to be transferred must be specified in the application form where indicated. The amount of ML to transfer may include carryover ML, allocation ML or efficiency allocation ML (as applicable). Murray Irrigation will not particularise between water classified as carryover, annual allocation or efficiency allocation at the time of transfer; it is simply carried out as an annual transfer at the time of registration. Where ML are indicated to transfer 'pro-rata', Water Trade will confirm the amount to be transferred, in writing, immediately prior to registration.

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If a purchaser is required to have immediate access to allocation, Murray Irrigation suggests that a *Form 6A – Annual Transfer* is submitted prior to registration.

**Murray Irrigation is not in the position to interpret contracts between vendor and purchaser and will only transfer the amount of ML as instructed by the application form or in correspondence.**

## Carryover

Where a customer chooses to carry over water (ML) from the previous season, Murray Irrigation reminds solicitors that this will impact on the amount of annual allocation received in the current season depending on the amount of carryover.

Murray Irrigation customers may receive a total of 110 percent within a season (being carryover **plus** annual allocation).

## Negative balance of water allocation account

Where a water allocation account will post-transfer contain either a negative ML balance or a negative annual delivery entitlement balance, a condition of the application will be the adjustment of this negative balance to either zero or a positive balance.

Murray Irrigation will indicate in written correspondence regarding outstanding requirements from conditional approval through to registration the current balance of the water allocation account as at date of writing.

Murray Irrigation suggests that solicitors obtain a current copy of water allocation statement from their client at date of settlement to ensure that all water allocation account balances will remain either zero or positive post-registration of transfer. All Murray Irrigation customers have the ability to log into our *Water ordering* system to obtain a current copy of their water allocation account statement as at date of logging in.

## Murray Irrigation definitions and terminology

For further information on Murray Irrigation definitions and terminology, please refer to *Water Trade Glossary* available on our website under 'Customers' then 'Customer information'.

## Contact us

For further information please contact reception on T. 1300 138 265.

## More Information

Please refer to Murray Irrigation's website: [www.murrayirrigation.com.au](http://www.murrayirrigation.com.au).

The *Entitlements Contract* is available on the website under 'Corporate' then 'Company policies'.

Fact sheets on other topics including Security Interest, Security Policy and Amalgamation are available under 'Customers' then 'Customer information' and 'Fact sheets'.

Forms are available under 'Customers' then 'Forms'.