

Subdivision

Subdivision involves dividing a Murray Irrigation landholding into two or more landholdings and parcels of water entitlements, delivery entitlements and shares.

This practise is most often used where a portion of a landholding is to be subsequently sold independently of the rest of the landholding. The sale of the subdivided portion is subject to separate processes.

Subdivision will result in new landholding number/s being created.

This fact sheet provides information specific to Murray Irrigation customers interested in better understanding subdivision.

Murray Irrigation recommends that customers seek their own independent legal and financial advice relevant to their individual circumstances.

Who does it apply to?

Any Murray Irrigation customer with a Murray Irrigation landholding may subdivide.

Can I rename my new entitlements certificates to my business name?

No; the ownership of the landholdings and related entitlements does not change. As such the new certificates issued for the subdivided landholding/s will be issued in the names of all registered owners of the land. One set of certificates will be issued for each new landholding created.

Can I subdivide my landholding into a 'dry block' or Domestic Water Supply Agreement holding?

Yes; removal of a portion of an existing landholding as a 'dry block' i.e. not connected to Murray Irrigation, is possible and does not involve any changes to entitlements or shares. See Form 27 – Boundary Alteration for full details of requirements.

Alternatively the new landholding can be established under a Domestic Water Supply Agreement, rather than an irrigation landholding. No irrigation outlets may be present on the new landholding in this circumstance and water must not be used for irrigation purposes.

Costs associated with subdivision

There is an application fee to subdivide, please refer to *Standard Service Fees* > Subdivision Application Fee.

The cost of any on-farm works required or desired as a consequence of subdivision is the responsibility of the customer.

Implications for rollout of the Private Irrigation Infrastructure Operators Program (PIIOP) or new outlets

Customers who subdivide may or may not be disadvantaged in the outlet assessment process under the PIIOP project as the assessment is based on the original landholding. Subdivision may or may not provide benefits for outlet rationalisation.

Land ownership or sale of land

Subdivision does not change the ownership on land titles. Separate processes are required to transfer ownership of a newly created landholding to a new owner, if required.

Subdivision of the land titles (Council subdivision)

Murray Irrigation subdivision does not alter the land titles in any way. If the land titles are to be subdivided, the relevant Council processes must also be followed. Those processes are the customer's responsibility.

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Minimum requirements for subdivision

Minimum requirements for a subdivision include:

- Inspection by Water Distribution and Infrastructure Services to identify any works required, for example each Murray Irrigation landholding requires a supply point. There may also be a requirement to connect the new landholding to the drainage system and to construct boundary stock stops, Title searches of landholding and consent of any interest holder.
- Map showing proposed subdivision.
- Completed Council subdivision process, if land titles are also being subdivided.
- Entitlements contracts for both original and new landholding/s to be created (or a Domestic Water Supply Agreement where the subdivision creates a Domestic Water Supply Agreement holding).
- Original share/water entitlement/delivery entitlement certificates.
- Murray Irrigation has no minimum requirements for entitlements to remain connected to the supply system. Please note that a minimum of one share is necessary to retain voting rights.

No council subdivision application is necessary unless the land titles are also being subdivided.

Annual allocation

Annual allocation will remain with the original landholding unless specified in the application for subdivision.

Flow shares

Flow shares of landholdings to be subdivided will generally be re-distributed evenly amongst the new landholdings, with some exceptions such as Domestic Water Supply Agreement landholdings. This means the original landholding, and the new landholding/s will have reduced share of flows in times of restriction. Please note that subdivided portions under four hectares are not generally allocated any flow share.

Please refer to the *Distribution Rules Policy* for further information on flow shares.

Voting

Each new irrigation landholding (excludes Domestic Water Supply) will receive one (1) vote. Noting that a minimum of one share is necessary to retain voting rights

If the landholding being subdivided has previously been amalgamated, the votes may be divided amongst the landholdings to reflect the original votes prior to amalgamation.

On-going costs

The following costs will continue to apply after subdivision (refer to the *Fees and Prices Schedule* available under 'Customers' then 'Fees and prices' on the Murray Irrigation website for full details, as this is not intended to be an exhaustive list):

- Delivery entitlement fees
- *Landholding access fees – one fee per landholding post subdivision
- Outlet fees
- *Account administration fees – one account administration fee per landholding post subdivision unless the landholdings are consolidated for billing purposes.
- Water entitlement fees
- *Variable fees for water delivery (including Murray Irrigation and government).

* Domestic Water Supply Agreement holdings will incur only landholding access fees, account administration fees and variable fees for water delivery (including Murray Irrigation and government) up to the agreed amount of ML per season (refer to the *Domestic Water Supply Agreement* fact sheet available under 'Customers' then 'Fact sheets' on the Murray Irrigation website for full details).

Ordering water, access to water information and the Exchange

Access to the 'Customer login' section of our website will continue. Here you can obtain account balances, purchase from the Exchange online, complete annual transfers online, view account information and place

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water orders online via the water ordering login link. All outlets for the landholdings will be associated with the one customer number that represents the original and subdivided ownership.

Outlets associated with new landholding/s will be re-numbered, thereby making ordering water much easier. Transferring of water allocation between landholdings may be required once landholdings have been subdivided.

Please contact Water Trade to discuss any login issues, via reception, on T. 1300 138 265.

Security requirements

In the event that subdivision results in any of the involved landholdings having five times more delivery entitlements than the number of water entitlements, then Murray Irrigation is entitled to require you to provide security for payment of ongoing fees.

Murray Irrigation's current policy in these circumstances is to lodge a caveat on the titles of the landholding where more than 250, but less than 2,000 delivery entitlements, are held; and to request a cash deposit or bank guarantee if more than that number is held. This request, if necessary, will be made once the initial application for transformation has been reviewed.

A caveat means that Murray Irrigation's consent is required for certain dealings with your land, for example, if you sell it to another party. Consent will not be withheld where the account is within terms or payment arrangements are in place.

Process for subdivision

How to apply?

An application form (*Form 27 – Boundary alteration/amalgamation/subdivision*) is available from our website under 'Customers' then 'Forms' and 'Land'.

Murray Irrigation recommends that customers seek their own independent legal and financial advice.

What is involved?

The requirements for application for amalgamation are described in the application form and include:

- Disclosure of security interests (e.g. mortgages) including title searches as evidence
- Seeking consent of interest holders, etc. or discharges of security interest
- Providing current version, signed Entitlements Contracts for both original and new landholdings and or Domestic Water Supply Agreement
- Payment of outstanding fees, if any.

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.

Forms are available on the website under 'Customers' then 'Forms'.

The *Fees and Prices Schedule* and the *Standard Service Fees* are available under 'Customers' then 'Fees and prices'.

The *Entitlements Contract*, *Distribution Rules Policy* and *Transfer Rules Policy* are available on the website under 'Corporate' then 'Company Policies'.

Fact sheets on other topics are available under 'Customers' then 'Customer Information'.