



Water Trade – Permanent and temporary

Summary	Explanation
Application	<p>Either for:</p> <ul style="list-style-type: none"> • Permanent water (shares, water entitlements or delivery entitlements) – see www.murrayirrigation.com.au • Customers > Forms > General forms, Replacement certificate, Shares WE and DE transfers or Land • Temporary water (allocation, megalitres or annual delivery entitlements) – see www.murrayirrigation.com.au <p>Customers > Forms > Water exchange forms or Annual transfers.</p>
Amalgamation	<p>The process of combining two or more adjoining landholdings and the associated shares, water entitlements and delivery entitlements together into a single parcel.</p> <p>More information can be found in the Amalgamation fact sheet, available on our website www.murrayirrigation.com.au under Customers > Fact sheets.</p>
Area of operations	<p>The area that can be serviced by Murray Irrigation's works for water delivery and includes the former irrigation districts and areas known as:</p> <ul style="list-style-type: none"> • Berriquin (East and West) • Denimein • Deniboota • Wakool/Tullakool
Annual allocation and allocation announcements	<p>Annual allocation is determined by the NSW Office of Water (NOW) from water available for use in the NSW Murray Valley and is expressed as a percentage licence held. Announcements of allocation are made by NOW on the first and 15th day of the month during the water season. Announcements on the first of the month may continue until the allocation reaches 100 percent or the end of the season.</p> <p>Murray Irrigation generally announces the same allocation amount to its customers, expressed as a percentage of water entitlements, i.e. <i>40 percent announced allocation equals 40 percent of permanent water entitlements held, credited in ML.</i></p> <p>Different allocation percentages may be announced for different classes of water entitlements.</p> <p>Annual allocation is subject to a limit. For Class C water entitlements annual allocation plus carryover cannot exceed 110 percent of water entitlements. Once this limit is reached, no further annual allocation will be credited to the account for that water year. Carryover water is not 'lost' at this point.</p> <p>Annual allocations are 'reset' each water year, starting at zero (0).</p>

Glossary

January 2015



Annual delivery entitlements	Where a landholder sells the right to the use of the delivery entitlement for a specified sum during a water season. This right of use will terminate automatically at the end of the water season and revert back to the registered landholder.
Annual transfer	An internal annual transfer between landholdings (water allocation or annual delivery entitlements) or an external annual transfer of water allocation to or from Murray Irrigation's licences.
Bid	An offer to buy a parcel from the Water Exchange at a specified price.
Bulk licence	<p>Murray Irrigation holds five bulk licences (WALs) with the NSW government for receiving annual allocation and extracting water from the NSW Murray river system.</p> <p>The company in turn issues water entitlements to individual customers to receive a portion of the allocation made to the bulk licences.</p> <p>The categories of bulk licences with corresponding water entitlement classes are:</p> <ul style="list-style-type: none"> • High security town water supply (Class A) • High security (Class B) • General security (Class C) • Conveyance (no corresponding water entitlements, used for the company's conveyance losses associated with operating the channel system) • Supplementary (no corresponding water entitlements, this water is opportunistic only).
Buyer	In the context of the Water Exchange, a party or person/s who have entered into a transaction to purchase units from the Exchange.
Buyer/seller terms	<p>The following terms are used to describe buyers and sellers in various contexts:</p> <ul style="list-style-type: none"> • buyer: <ul style="list-style-type: none"> ○ purchaser ○ transferee • seller <ul style="list-style-type: none"> ○ vendor ○ transferor
Carryover water (or just 'Carryover')	<p>The volume of unused water allocation (ML) remaining in a water allocation account at the end of a water year, up to a certain limit (usually 50 percent of Class C water entitlements) is automatically carried over to the next water year. That volume is then called carryover water and can impact on the amount of annual allocation received.</p> <p>Unused amounts exceeding the 50 percent limit at the end of the water year are forfeited.</p>

Glossary

January 2015



	<p>Carryover water is not 'lost' as annual allocation builds.</p> <p>Carryover generally does not apply for Class A and B water entitlements.</p>
Casual usage	<p>Casual usage fees apply for water delivered in excess of 120 percent of delivery entitlements held.</p> <p>The fees are tiered and are higher than the standard water usage fee. Casual usage fees can be avoided by purchasing either permanent or annual delivery entitlements.</p>
Casual usage exemption	<p>Customers who transferred water entitlements to non-landholders (included sales to government programs) between April 2008 and July 2009 and were required to terminate a corresponding number of delivery entitlements have been given an exemption from the casual usage fee.</p> <p>This exemption will apply as long as the registered owner at the time of the termination remains the registered owner. A change in name will result in the exemption being removed.</p> <p>The exemption applies for a volume corresponding to the number of delivery entitlements terminated.</p>
Casual usage threshold	<p>The volume of water (ML) that can be used before casual usage fees would apply.</p> <p>At the start of each season, the casual usage threshold is calculated using the number of permanent delivery entitlements held and can be increased or decreased by the purchase or sale of permanent or annual delivery entitlements through the water year.</p>
Class A water entitlements	<p>High security town water supply entitlements. These entitlements cannot be transferred.</p>
Class B water entitlements	<p>High security water entitlements.</p>
Class C water entitlements	<p>General security water entitlements; the most common within Murray Irrigation.</p>
Conditional approval	<p>The process by which applications for permanent transfers can be granted approval prior to all documentation being submitted, i.e. approval is granted on the condition that certain requirements are met.</p> <p>This gives applicants comfort that their application meets Murray Irrigation's rules and that they can proceed to settlement, after which time the remaining requirements can be fulfilled.</p> <p>Conditional approval is generally considered once per week based on applications received up to that day.</p>

Glossary

January 2015



Consent by encumbrancee/security holder	Where a security interest or encumbrance is listed on land titles, Murray Irrigation's registers, or an unregistered interest is disclosed; consent by the security interest holder (encumbrancee) is required for permanent trade applications to proceed.
Consolidated view water allocation account	Two or more water accounts which have been consolidated for the purposes of viewing multiple water account balances on one water account statement – see – <i>Form 34 available on our website under Customers > Forms > General forms.</i>
Customer number	The seven digit identification number given in Murray Irrigation's registers to each person or entity that is or has been a customer, or who has authority to deal with a customer's account. This is also a person's login number for the <i>Water ordering</i> system, both telephone and web ordering, and the customer portal on our website.
Consolidated account number	The number used to identify multiple accounts that have been consolidated for financial purposes.
Delivery entitlement	The right to have up to 1.2ML of water delivered (subject to the Entitlements Contract) at the standard water usage fee. Casual usage fees apply in excess of this amount.
Delivery right	See water delivery right.
Deed of account authority	The process by which a customer grants access rights to an agent for the purposes of water allocation and accounting purposes only. A deed which creates a binding legal relationship between the company, the customer and the agent specified, for the agent to carry out nominated types of activities on behalf of the customer (account authority).
Drainage/supply escape extraction	The process by which the landholders may extract water from company drainage works on supply channel escapes. This approach replaces supplementary agreements.
Efficiency allocation or water efficiency allocation	<p>Murray Irrigation occasionally makes water efficiency allocations available to its customers, expressed as a percentage of permanent delivery entitlements held.</p> <p>This can occur when the company has water available surplus to its requirements in a given water year, and is usually announced on the day after a Board meeting (which are generally held on the third Thursday of each month).</p> <p>This is separate to the annual allocation plus carryover limit of 110 percent of water entitlements and excludes Class A town water supply landholdings.</p> <p>Water efficiency allocations do not have any particular allocation 'reliability' in the same way that water entitlements do, and should not be relied upon from year to year.</p>

Glossary



Murray Irrigation

January 2015

Encumbrance/Security interest	A security interest arises when water entitlements or delivery entitlements are accepted by a lender as security for a loan. This creates a mortgage, charge, or other type of interest in the entitlements which can be registered against the entitlements – see – <i>Form 19 available on our website under Customers > Forms > General forms.</i>
Entitlements or 'Share' register	The registers maintained by Murray Irrigation which record, amongst other things: <ul style="list-style-type: none"> • each customer's name and address; • the number of shares, water entitlements, and delivery entitlements held by each customer; • any security interest registered with the company; and • details of the customer's landholding.
Entitlements contract	A contract between Murray Irrigation and the customer which sets out, amongst other things, the terms and conditions under which a customer holds and deals with water entitlements, delivery entitlements and shares, takes delivery of water, other dealings with the company such as transfers or drainage, and other related matters – see our website under Customers > Forms > General forms.
External annual transfer	An annual transfer of water allocation (ML) to or from Murray Irrigation's bulk licences.
External permanent transfer	The permanent transfer of water entitlements to or from Murray Irrigation's WAL and consequently the customer's water allocation account. External permanent transfers from (out of) Murray Irrigation are also known as a transformation.
Flow share	Each landholding has an equal share of the available flow during periods of delivery restrictions in most cases (see: Distribution Rules Policy). Where a landholding has been subdivided, its share of the flow is also divided; and where two or more landholdings are amalgamated their share of the flow is combined (subject to some exceptions). A landholding's flow share is the representation of this share of available flow, where a flow share of one (1) means the standard equal share (e.g. a flow share of two (2) would mean a double share).
General security	Refers to the most common type of licence or water entitlement in the NSW Murray Valley and has a lower reliability of receiving 100 percent of annual allocation each year than high security entitlements. In Murray Irrigation's case, these are Class C water entitlements.

Glossary

January 2015



High security	<p>Refers to licences or water entitlements that have a higher reliability of receiving annual allocation than other types of licences such as general security. This is less common in the NSW Murray Valley.</p> <p>In Murray Irrigation's case these are Class A and B water entitlements.</p>
Internal annual transfer	The transfer of water allocation (ML) or annual delivery entitlements between two Murray Irrigation customers. Annual transfers take place within one water year only, unlike permanent transfers.
Internal permanent transfer	A permanent transfer between two Murray Irrigation customers.
Irrigation Corporation	The term used in NSW legislation to refer to operators of irrigation infrastructure such as Murray Irrigation.
Irrigation Infrastructure Operator (IIO)	The term used in the <i>Water Act 2007</i> (Cth) to refer to operators of irrigation infrastructure such as Murray Irrigation, though defined differently to Irrigation Corporation.
Irrigation right	A term used in the <i>Water Act 2007</i> (Cth) to define rights to receive water from an Irrigation Infrastructure Operator. In Murray Irrigation's case, water entitlements and domestic water supply agreements are both irrigation rights.
Landholding	<p>A parcel of land that is connected to Murray Irrigation's supply and/or drainage systems and may have associated shares, water entitlements or delivery entitlements.</p> <p>A landholding may be made up of one or more land titles, must be within the area of operations and must have an outlet.</p> <p>Landholdings can be irrigation or domestic.</p>
Landholding reference Number (LRN)	A unique number used by Murray Irrigation to identify a landholding.
Maximum Murray Irrigation allocation; Or Allocation plus carryover limit	<p>The total amount of annual allocation (ML) plus carryover that can be received by a water account, and is equal to 110 percent of Class C water entitlements.</p> <p>In order to have access to the full 110 percent volume in a single year, customers must have at least the equivalent of 10 percent carryover, as annual allocation will usually only be announced to a maximum of 100 percent.</p> <p>The limit for Class A and B water entitlements is 100 percent.</p>
Megalitre (ML)	One million litres.
Merged water allocation account	A single account which replaces one or more existing water allocation accounts for water ordering and water accounting purposes, to simplify the administration of those accounts by combining them together.
Off allocation	At some times of a water year, Murray Irrigation may make off allocation water available. When this occurs water delivered is not debited from the customer's water allocation.

Glossary

January 2015



	<p>Off allocation water deliveries are still subject to water usage fees, and count towards the casual usage threshold.</p> <p>Off allocation may be announced during a 'supplementary water event' available in the NSW Murray, or at other times such as during channel draining at the end of a water year.</p> <p>Customers on 'stop supply' or payment arrangements are not eligible to receive off allocation water.</p>
Offer	An offer to sell a specified amount of tradeable rights on the Water Exchange.
Permanent trade	See permanent transfer.
Permanent transfer	<p>A permanent transfer or change in the ownership of shares, water entitlements or delivery entitlements from one party to another, i.e. the change is in perpetuity or until another transaction is completed.</p> <p>Includes internal permanent transfers, external permanent transfers and Transformation.</p>
PIN	A four digit Personal Identification Number (PIN) created by the customer and used with a customer number to log in to both Murray Irrigation's customer portal (website) and <i>Water ordering</i> systems.
Seller	A party who has listed for sale on the Water Exchange a parcel of tradeable rights.
Shares	<p>Company shares in Murray Irrigation Limited. Issued to landholdings in 1995 upon privatisation along with water entitlements.</p> <p>Shares can be traded between Murray Irrigation landholders.</p> <p>As a not-for-profit organisation, Murray Irrigation does not distribute dividends on shares nor do they attract any cost.</p> <p>Every shareholder has one (1) vote per landholding that they are recorded as the registered proprietor for in the Share Register.</p>
Stamp duty	Payable to State Revenue where shares are transferring. A minimum duty of \$10 per transfer applies (current at 1 July 2014).
Standard water usage fee	Applies for all water use, including off allocation water, up to 120 percent of delivery entitlements. Refer to the schedule of fees available on our website www.murrayirrigation.com.au under Customers > Fees and prices.
Subdivision	<p>The process of dividing a landholding and the associated shares, water entitlements and delivery entitlements into two or more parcels.</p> <p>More information can be found in the Subdivision fact sheet, available on our website www.murrayirrigation.com.au under Customers > Fact sheets.</p>

Glossary

January 2015



Supplementary water	Water released subsequent to a rain event or other, enabling the customer to access this water without any impact on their annual allocation. Delivery entitlements are still required to deliver supplementary water through company outlets.
Title search	A search of the land title register to gain information regarding the registered owner, lot and DP (deposited plan) and any security interest registered against the land title. This is required for permanent transfers to confirm ownership and establish any security interests or encumbrances that may exist.
Total farm water balance limit (TFWB)	<p>This is the maximum volume that can be used on a landholding in one water season to comply with Murray Irrigation's Environment Policy. One of the reasons for this policy is to maintain a sustainable water table in the region as part of the company's commitment to environmental responsibility.</p> <p>All landholdings start with a total farm water balance limit of 4ML/ha. Customers can apply to increase this limit.</p>
Tradeable rights	This refers to either water allocation (ML) or annual delivery entitlements that are tradeable on Murray Irrigation's Water Exchange.
Transaction	The sale and purchase of tradeable rights in accordance with Murray Irrigation's Exchange terms and conditions.
Transformation	Has the same meaning as external permanent transfer out. Special rules apply to transformations, specified in the <i>Water Market Rules 2009</i> (Cth).
Water Access License (WAL)	<p>A Water Access License granted under Water Management Act 2000 (NSW). This is a perpetual and ongoing entitlement issued by the State Government to give access to a share of a water resource.</p> <p>Murray Irrigation's WALs are classed as 'above the Barmah Choke' or 'upstream of Picnic Point' and therefore all Murray Irrigation water entitlements and water allocation (ML) are also classed as 'above the Choke'. This has meaning when application is made to transfer from Murray Irrigation's WAL to another WAL. Customers are advised to check with NSW Office of Water and/or State Water for permissible trades before submitting applications.</p>
Water allocation	Any form of water (ML) available in a water allocation account. Can be made up of annual allocation, carryover, traded water allocation, compliant meter usage credits, etc.
Water allocation account	An account where all water allocation, water usage, and related data is recorded for each customer.
Water delivery right	A term used in the <i>Water Act 2007</i> (Cth) to describe a right to have water delivered to a landholding. In Murray Irrigation's case, delivery entitlements and domestic water supply agreements are water delivery rights.
Water entitlement	Each water entitlement is equal to a volume of one (1) megalitre of annual allocation when the announced allocation, relevant to the class of entitlement, is 100 percent.

Glossary

January 2015



Water Exchange	A market for the sale and purchase of tradeable rights facilitated by Murray Irrigation, i.e. Murray Irrigation is not involved in brokering transactions between the parties, it simply facilitates a market where this can occur.
Water Exchange account	<p>For a buyer, this is an account which records the amount of tradeable rights the buyer has purchased.</p> <p>For a seller, this is an account which records the amount of tradeable rights that have been listed for sale and are held in escrow.</p>
IVR	Interactive Voice Response, the old telephone system that was used to order water. Murray Irrigation no longer uses an IVR system and has moved to a Rubicon system that provides both telephone and web ordering. The <i>Water ordering</i> telephone system is accessed by calling T. 1300 781 431
<i>Water ordering</i> system	The system for customers to place orders for delivery of water, which is an interactive system accessed by logging in via Murray Irrigation's website, or via water.murrayirrigation.com.au , or by calling T. 1300 781 431.