



Amalgamation

Amalgamation involves combining two or more Murray Irrigation landholdings with a common boundary into one landholding. This has a range of benefits where multiple landholdings are effectively run as a single farm, such as:

- Reducing the need to transfer water between accounts
- The ability to use water across the boundaries of individual lots
- Greater ease in ordering water to outlets
- Combines both allocation and permanent water entitlements and delivery entitlements
- Reduces Murray Irrigation fees.

Amalgamation will result in a new landholding number being created.

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

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 two or more landholdings with a common boundary may amalgamate. Landholdings may be in individual names, company names or a combination of both, provided they are operated as a common business entity.

Landholdings separated by Government infrastructure

Two landholdings separated **only** by Government infrastructure such as a public road may be amalgamated if the supply and/or drainage systems of the two landholdings are connected, i.e. the two landholdings are able to be operated as a single landholding.

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 amalgamated landholding will be issued in the names of all registered owners of the new landholding. One set of certificates will be issued for the new landholding which combines all previous shares, water entitlements and delivery entitlements.

Costs associated with amalgamation

There is no application fee to amalgamate.

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

In some situations, boundary stock stops on channels and or drains will become internal stock stops which are the responsibility of the landholding owner.

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

Customers who amalgamate are not disadvantaged in the outlet assessment process under the PIIOP project as the assessment is based on the original landholdings. Amalgamation may provide benefits for outlet rationalisation.

Permanent transfer of water entitlements or delivery entitlements

Amalgamation does not alter the water entitlements or delivery entitlements held. If a permanent transfer is desired, this is subject to separate application and conditions (refer 'Customers', 'Forms' then 'Shares WE and DE transfers' section of Murray Irrigation's website).

Amalgamation does not change the ownership on land titles.

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Sale of part of landholding in the future

Murray Irrigation customers wishing to sell a portion of an amalgamated landholding may be required to subdivide the landholding to separate the portion being sold. This will require an application to subdivide and all applicable fees (refer to 'Standard Service Fees – Annexure B' available via Murray Irrigation's website www.murrayirrigation.com.au).

Minimum requirements for a subdivision include:

- Minimum of five shares and four delivery entitlements per landholding/s created by the process
- Inspection by Water Distribution and Infrastructure Services to identify any works required (a common example is installation of boundary stock stops)
- Title searches of landholding and consent of any mortgagee
- Map showing proposed subdivision
- Entitlements contracts for both original and new landholding/s to be created
- Original share/water entitlement/delivery entitlement certificates.

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

Annual allocation

Announced allocation will be calculated on the total amount of water entitlements held on an amalgamated landholding.

Water efficiency allocation announcements

Murray Irrigation's current policy is to make efficiency allocations as a percentage of permanent delivery entitlements held. For amalgamated landholdings this will be calculated on the total amount of permanent delivery entitlements held.

Water efficiency allocations are not guaranteed and customers should not rely on their availability.

Carryover

The amount of unused water able to be carried over from one water year to the next will be calculated on the total amount of water entitlements held on the amalgamated landholding.

Flow shares

Flow shares of landholdings to be amalgamated will be combined unless the original landholdings were supplied from different channels and third party impacts may be caused. If the landholding is subdivided in the future, flow shares will be re-distributed evenly amongst the new landholdings.

Voting

The new landholding retains the number of voting rights from each landholding amalgamated; for example, an amalgamation of two landholdings with one vote each will result in the new landholding having two voting rights.

On-going costs

The following costs will continue to apply after amalgamation (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 for the amalgamated landholding
- Outlet fees
- Account administration fees – one account administration fee
- Water entitlement fees
- Variable fees for water delivery (including Murray Irrigation and government).

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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 water orders online via the water ordering login link.. All outlets for the amalgamated landholdings will be associated with the one customer number that represents the amalgamated ownership. In some cases a new customer number will be issued.

Outlets will be re-numbered to the one landholding thereby making ordering water much easier. No transferring of water between landholdings is required once landholdings have been amalgamated.

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

Security requirements

In the event that amalgamation results in you holding five times more delivery entitlements than the number of water entitlements you have remaining 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 amalgamation

How to apply?

An application form (*Form 28 - Amalgamation*) 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 encumbrances (e.g. mortgages) including title searches as evidence
- Seeking consent of mortgagees, etc. or discharges of encumbrance, as required
- Providing the original certificates for the water entitlements
- Providing an updated, signed Entitlements Contract
- 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* 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'.