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## A GUIDE TO PERMANENT TRANSFERS (PART D)

This paper is provided purely as a guide to Part D of the Transfer and Conversion Rules of Murrumbidgee Irrigation Limited (MI) and does not have any legal effect. This guide cannot be relied on in substitution for, and does not affect the interpretation of, the Transfer and Conversion Rules or any contract, rules or other document that is binding on MI or a customer.

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### 1. INTRODUCTION

#### 1.1 Types of Transfer

- 1.1.1 **Internal**, where both parties hold Water Entitlements Contracts (for transfers of Water Entitlements) or Water Delivery Contracts (for transfers of Delivery Entitlements) with MI.
- 1.1.2 **External In**, where water rights are transferred from a Water Access Licence (WAL) not held by MI to a WAL held by MI and the issue of Water Entitlements to the applicant.
- 1.1.3 **Transformations (External Out)**, where the water rights are transferred from a WAL held by MI to a WAL not held by MI and the applicant's Water Entitlements are cancelled. These rules do not deal with Transformations (refer to Part E of the Transfer and Conversion Rules).

#### 1.2 External Transfer Authorities

Water NSW (WNSW) and the NSW Office of Water (NOW) manage delivery, use, and environmental impacts. The risk and cost of meeting SWC and NOW requirements will be met by those parties involved in the trade.

#### 1.3 Inquiries

- 1.4.1 **MI's Customer Services team** in respect of Water Entitlements held within MI's licences; and
- 1.4.2 **WNSW and NOW** in respect of their management of WALs and processes for dealing with them.

### 2. PROCESSES

#### 2.1 Applications

- 2.1.1 Applications under clause 1.2.1 may be submitted at any time on a prescribed MI Form 9, available from its offices or from its web site at [www.mirrigation.com.au](http://www.mirrigation.com.au).
- 2.1.2 Applications under clause 1.2.2 may be submitted at any time on a prescribed MI Form 12, available from its offices or from its web site at [www.mirrigation.com.au](http://www.mirrigation.com.au).

## **2.2 Effective Approval Dates**

- 2.2.1 For internal transfers – the date on which the transfer is registered by MI;
- 2.2.2 For external transfers in – the date on which the transfer is registered by MI, following registration by the relevant Government Agencies.

## **3. FINANCIAL ISSUES**

### **3.1. Application Fees**

Permanent Transfers must be accompanied by the prescribed fee.

### **3.2. Outstanding Accounts**

- 3.2.1 Approval of transfers of Water Entitlements and/or Delivery Entitlements will be subject to satisfactory financial arrangements having been made with MI for payment of outstanding Charges.
- 3.2.2 MI will not apportion annual Charges for Delivery Entitlements between the parties to a transfer. On completion of the transfer, the transferee becomes liable for the full water year's Charges. However, MI will apply prior payments by the transferor to the amount payable by the transferee, and the parties are free to make arrangements between themselves for the apportionment of Charges. Refer to MI's Charges Rules for further details.

### **3.3. Termination Fees**

For applicants who terminate all or some Rights of Access, a termination fee in accordance with MI's Charges Rules will be payable prior to the approval of the application.

### **3.5 Transfers out of MI's Licence**

WNSW entitlements-based charges (Bulk Water Charges) will apply until the effective date of transfer.

### **3.6 Security**

MI will require security for payment of Charges if the remaining Water Entitlements following transfer are less than one fifth of the number of remaining Delivery Entitlements held.

## **4. EXCLUSIONS AND SPECIAL CIRCUMSTANCES**

### **4.1 Exclusions**

- 4.1.1 Applications for "*Member's Base Allocation Inactive*" will no longer be accepted.
- 4.1.2 Town Water Entitlements (Category 7) are not permitted to be transferred.

### **4.2 Special Circumstances**

- 4.2.1 Domestic and Domestic & Stock Water Entitlements (Categories 5 & 6) are permitted to be transferred internally provided that the Water Allocation derived from those Water Entitlements is used only for domestic and stock purposes.
- 4.2.2 The treatment of Supplementary Water, General Security Surplus Water, and Internal Surplus Water are dealt with in the Surplus Water Rules.

### **4.3 Metering**

Parties to transfers are responsible for managing any risk to them associated with possible changes in water metering resulting in more accurate measurement of water use. For more details of measurement of water usage, see the Access and Ordering Rules.

## 5. DELIVERY ISSUES

### 5.1 External transfers in

MI is under no obligation to provide for the delivery of Water Allocation in the absence or lack of Rights of Access (including Delivery Entitlements) held under a Water Delivery Contract. MI is prepared to discuss with transferees (at its absolute discretion) the possibility of issuing of Delivery Entitlements corresponding with Water Entitlements traded in, subject to there being sufficient capacity in the Company's Supply Works.

### 5.2 Internal transfer

The parties to the transfer of Water Entitlements may –

- 5.2.1 transfer the same number of Delivery Entitlements held under a Water Delivery Contract with the transfer of Water Entitlements; or
- 5.2.2 transfer a lesser number of Delivery Entitlements held under a Water Delivery Contract with the transfer of Water Entitlements; or
- 5.2.3 terminate all or some Delivery Entitlements held under a Water Delivery Contract and transfer only Water Entitlements; or
- 5.2.4 retain all of the Delivery Entitlements in respect of the transferor's Landholding.

## 6. EXCEPTIONAL CIRCUMSTANCES

Any exceptions to the Transfer and Conversion Rules will be treated on a case-by-case basis consistent with the principles reflected in the Transfer and Conversion Rules.

## 7. SPECIAL NOTES

### 7.1 General

No application should be assumed to be approved unless MI has approved it in writing.

#### **Important note:**

This guide is given for your information and every effort has been made to ensure its accuracy. MI does not warrant the accuracy, reliability or completeness of the information and excludes all liability for any decision or action taken on the basis of information included, in or omitted from, this guide.