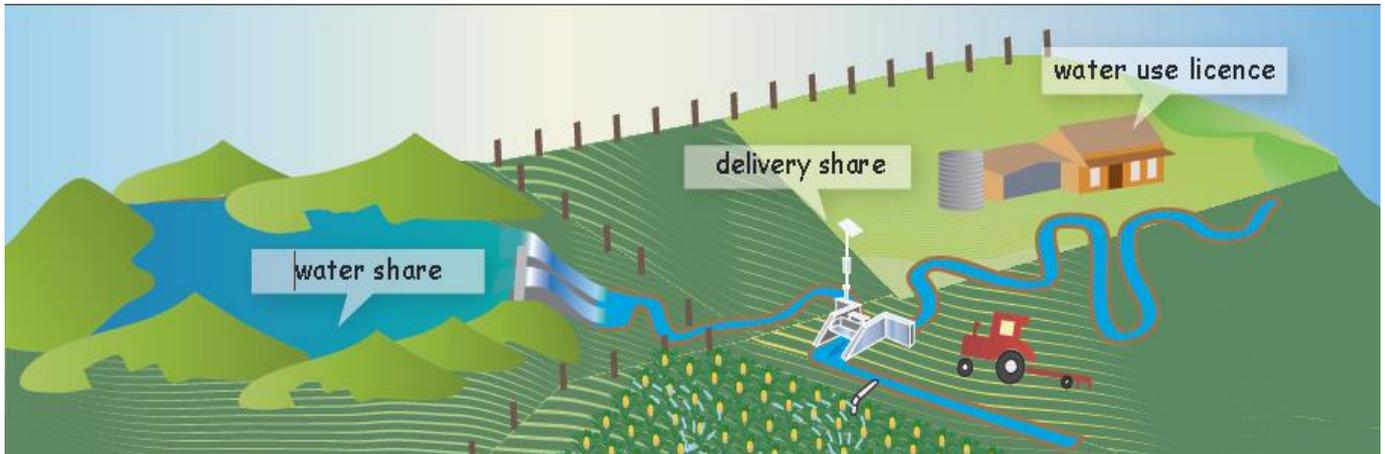


Key concepts explained for Northern Victoria



What is a delivery share?

A delivery share is an entitlement to have water delivered to land in an irrigation area. It gives you access to a share of the available capacity in the channel or piped network that supplies water to your property.

It provides the security of having water delivered when there is demand for water from other landholders on the channel or network. It is linked to fixed charges that must be paid regardless of water use.

More information about delivery shares can be found on the Victorian Water Register (waterregister.vic.gov.au).

Where do delivery shares exist?

Delivery Shares are used within irrigations districts. The current review of Delivery Shares covers the Goulburn Murray Irrigation District and Lower Murray Water's pump districts. It includes the following areas:

Goulburn-Murray Irrigation District:

- Campaspe
- Central Goulburn
- Loddon Valley
- Murray Valley
- Nyah
- Rochester
- Shepparton
- Torrumbarry
- Tresco
- Woorinen

Lower Murray Water pumped districts:

- Merbein
- Mildura
- Red Cliffs
- Robinvale

When were they introduced and why?

Delivery shares were implemented across northern Victoria in July 2007 as part of the unbundling water rights into three separate water related entitlements:

- A water share – an ongoing entitlement to a share of the water available in a water system. A water share can be bought and sold separately to land, and does not stay with the property if the land is sold.
- A water-use licence (or water-use registration for non-irrigators) – an entitlement to irrigate specific parcels of land. The licence is tied to the land, and automatically transfers to the new owner if the land is sold.
- A delivery share – as described in detail in this factsheet.

Who owns them?

A delivery share is tied to the land and stays with the property if it is bought or sold. A delivery share can be divided across a number of different outlets.

If you sell your property the delivery share automatically transfers to the new owner. Delivery shares must be declared to prospective purchasers of a property.

Delivery share does not go when the water share is sold. Delivery share charges will continue to be apply unless unwanted delivery shares are terminated.

How does a delivery share work?

A delivery share is defined by a rate of megalitres (ML) per day. This rate sets out how deliveries will be shared if everyone on the channel or piped network wants water on the same day.

Delivery shares were designed to provide five key purposes:

1. To manage the obligation to continue a delivery service
2. To manage level of service, including rationing in congestion events
3. To share the fixed costs of irrigation infrastructure
4. To protect from price shocks as water is traded
5. To signal areas that could be rationalised

Each water corporation has developed their own ways to implement delivery shares.

Goulburn-Murray Water districts:

When a channel or pipeline is at full capacity and 100% rationing is required, a customer holding 1 ML/day of delivery share can have 10 ML delivered over a 10 day period. Depending on other orders in the system this could mean receiving the 10 ML in one day or some other combination of volume and days.

Rationing is rarely required and customers can order and receive deliveries well above that provided by the level of delivery shares they hold.

Delivery share also includes an annual delivery allowance – the amount of water that can be delivered to the land without incurring additional costs (casual use fees). The annual delivery allowance is based on the delivery share in megalitres per day, multiplied by the number of days in the irrigation season. A customer holding 1 ML/day of delivery share in the gravity system will have an annual delivery allowance of 270 ML/year.

Fixed charges per delivery share held are administered through the **infrastructure access fee**.

Lower Murray Water districts:

Delivery share is defined by a rate of megalitres per day multiplied by 7 days. If rationing is required then a customer with 1 ML/day of delivery share will be able to have 7 ML of water delivered over seven days (their seven day rate). If rationing is not required then more water can be delivered.

Annual delivery allowance is not used in Lower Murray Water's districts.

Fixed charges per delivery share held are administered through the **delivery share fee**.

What fees are involved?

Delivery shares are linked to fixed fees charged by the water corporations. Delivery share charges are the main way the costs of operating and maintaining the channels, pipes and automated gates are shared.

Delivery share fees are not linked to water use. This means that the charges still apply even when you don't own or use any water.

In some cases, these fees are significant and can be the main item on your water corporation bill. Check with your water corporation about your delivery share fees.

How to adjust your delivery shares

You can increase your delivery share by transferring from another property in the same irrigation district. If there is spare capacity in the irrigation district you can also apply to your water corporation to issue you delivery share.

You can decrease your delivery share by transferring to another property in the same irrigation district or terminating all or part of your share and paying the termination fee.

The termination fee is set at 10 times the annual infrastructure access fee / delivery share fee, and can be significant.

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