

UNDERSTANDING YOUR WATER ACCOUNT STATEMENT

MURRAY VALLEY: 2006-07 WATER YEAR

February 2007

Introduction

Accounting rules and terminology now used under NSW legislation in the Murray Valley is very complex and often difficult to understand. This information sheet has been provided to State Water customers in the Murray Valley to assist them to better understand the information provided in their water allocation account statements.

Although relatively long and detailed, State Water encourages all customers to be aware of water related issues, so better business decisions can be made and water allocation accounts can be managed well. Please take the time to consider this information carefully. Should you require any further advice, please feel free to contact your Customer Service Officer.

What is a Water Account Statement?

In some respects, a Water Account Statement is similar to a bank account statement. State Water maintains accounts for every regulated Water Access Licence in the Murray Valley. These accounts calculate how much water is available for each Water Access Licence

holder to use in association with the licence. The details of these transactions are recorded in Water Account Statements.

How much water do I have available?

Many customers are just interested in the 'bottom line' and only want to know how much water they have remaining in their account.

High Security and **General Security** balances available for use for the remainder of the 2006-07 season are shown at the **bottom of the STANDARD balance column** of the statement

(i.e. **not** the Account Balance column). The Drought Balance column refers to the amount of water restricted by the Department of Natural Resources, as announced on 15 October and 10 November 2006. The Account Balance column is the sum of the Standard and Drought Balance columns.

Further details regarding the Transactions Section of your Water Account Statement are provided later in this Information Sheet (see Page 5 and/or Information Sheet titled *How to Read Your Water Account Statement* available at www.statewater.com.au – select Murray-Lower Darling Valley).

Water Access Licence Details

Most Water Access Licences have two reference numbers being a DNR Licence Reference (eg 50AL000001) and a Water Access Licence (eg WAL 0001).

Your Water Access Licence (WAL) number is the official number registered with the Department of Lands and Property Information (LPI). Not all Water Access Licences have yet been officially registered and issued from LPI. As a result, it was necessary for the Department of Natural Resources to issue interim licence numbers at least until this process is finished. These are referred to as DNR Licence Reference numbers.

When dealing with State Water, it is our preference for you to detail your DNR Reference Number. We will however still accept Water Access Licence numbers.

Statement Date

The Statement Date is the date that the Water Account Statement was generated.

Reporting Period

The Reporting Period is the period of time that the Water Account Statement has been generated for. Generally reporting periods commence from the start of a water year on 1 July.

Licence and Water Account Status

The Licence Status of most licences will be "Current". Other examples include "Cancelled" or "Suspended". Licences that are suspended are not available for use.

A licence's Water Account Status is either "Open", "Closed" or "Locked". The majority of licences for a current season will be "Open". Statements from previous water years (eg 2005-06 season) will indicate a status of "Locked".

If you have any concerns regarding your Licence Status or Water Account Status, please contact your Customer Service Officer.

Primary Holder & Address

The Primary Holder and Address is the registered contact name and address of the Water Access Licence. In cases where licences are owned by several parties, this contact is responsible for the distribution of information to all other owners of the licence.

Account Parameters

The Account Parameters box details the conditions of the Water Access Licence.

Licence Category

Different Licence Categories have different conditions. The most common types of Licence Categories include:

- Domestic & Stock
- Local Water Utility
- Regulated River (High Security)
- Regulated River (General Security)
- Supplementary Water

Tenure

The "Tenure" refers to the period of time that the licence is valid for. The majority of licences in the Murray Valley are Perpetual (i.e. continuous/permanent).

Share Component

The "Share Component" is the new *Water Management Act 2000* terminology for what used to be commonly referred to as the entitlement. Share Components, in conjunction with Available Water Determinations (AWD), previously referred to as allocation announcements (see Transactions for further details), define how much water is credited to an account depending on resource availability for the water year.

On 1 July 2006, the Department of Natural Resources announced the following Available Water Determinations (AWD) for the Murray Valley.

Domestic & Stock:	100% of Share Component
Local Water Utility:	100% of Share Component
Regulated River (High Security):	0.97ML per Share (97% allocation)
Regulated River (General Security):	0.0ML per Share (0% allocation)

Other Conditions

Other conditions detailed in the Account Parameters Section vary depending on the category of licence. A typical General Security licence set of conditions could be as follows.

Example of General Security licence set of conditions:

Share Component: 104 unit shares

	ML per Share	Volume (example)
Carryover Limit	0.5	52ML (0.5 x 104 = 52)
AWD + Carryover	1.1	114.4ML (1.1 x 104 = 114.4)
AWD Limit for Uncontrolled Flow	0.6	62.4ML (0.6 x 104 = 62.4)
AWD + Carryover + Uncontrolled Flow Usage Limit	1.0	104ML (1.0 x 104 = 104)

A description of these terms is shown on Page 4.

Description of Terms	
Carryover Limit	<p>Maximum volume of unused water that can be made available for use at the start of the following water year.</p> <p>Carryover is normally only available to General Security licences. **</p>
AWD + Carryover	<p>Only applicable to General Security licences.</p> <p>The combined maximum volume of water a licence can be credited with from carryover and Available Water Determinations. The volume of water credited to accounts in excess of this limit is forfeited. This typically occurs in water years with high resource availability.</p>
AWD Limit for Uncontrolled Flow	<p>Only applicable to General Security licences.</p> <p>Once total Available Water Determinations for General Security Licences exceeds 0.6ML per Share (60% allocation), General Security licences no longer have access to Uncontrolled Flows. Uncontrolled Flow access is the General Security version of Supplementary Access (although fundamentally different, this was previously referred to as off-allocation water).</p>
AWD + Carryover + Uncontrolled Flow Usage Limit	<p>Only applicable to General Security licences.</p> <p>Maximum volume of water available to be considered as Uncontrolled Flow Usage. As combined Available Water Determinations (allocations) improve, Uncontrolled Flow Usage over and above this limit is converted to normal usage (previously referred to as on allocation usage).</p> <p>The Uncontrolled Flow Usage Limit is reduced every time there is an increase in the combined Available Water Determinations (allocations) and equals zero at 1.0ML per Share (100% allocation).</p>

** The Department of Natural Resources has advised that a 'one off' carryover provision for High Security licences will be made available from the 2005-06 to 2006-07 water years.

Transactions

All transactions that impact an account's water availability are detailed in the Transactions Section of the Water Account Statement. The columns shown in your statement vary depending on the Licence Category. The most complex statements are associated with General Security licences.

The table below describes each of the columns detailed in a General Security statement.

Date	Transaction	Transaction		Balance			
		Uncontrolled Flow Limit	Account	Uncontrolled Flow Limit	Standard	Drought	Account
Date of transaction	Transaction details	Change in Uncontrolled Flow Limit (ML)	Date of transaction	Maximum remaining volume (ML) available for Uncontrolled Flow Usage	Volume of water (ML) available for use for the remainder of the water year	Volume of water (ML) currently unavailable for use as announced by DNR	Sum of the Standard and Drought columns.



This column only applies to General Security licences



This column only applies to General Security licences



This column only applies to High Security and General Security Licences



This column only applies to High Security and General Security Licences

Examples

The following table details examples of some common types of transactions recorded in Water Account Statements.

Term	Description of Term
Carry forward balance from previous water year	<p>Final Carry forward balance from the previous year refers to the volume of carryover from the previous season. Normally, unused water can only be carried over from one season to the next on General Security licences.</p> <p>If a licence holder has exceeded their available water from the previous season, a negative carryover will be displayed resulting in a reduction in water availability for the current water year.</p>
AWD X.X ML per Share	<p>Available Water Determinations (AWD) is the new <i>Water Management Act 2000</i> terminology for what used to be commonly referred to as allocation announcements. AWDs are incremental which means they only detail the change in water availability from the previous announcement.</p> <p><u>For example of Incremental AWD Announcements</u></p> <p>1 Jul Announcement AWD 0.1ML per Share 11 Aug Announcement AWD 0.05ML per Share 28 Aug Announcement AWD 0.03ML per Share</p> <p>Total AWD for the year to date: 0.1 + 0.05 + 0.03 = 0.18ML per share (eg 18% allocation in old terms)</p>

Term	Description of Term
Allocation Assignment	An Allocation Assignment is the new <i>Water Management Act 2000</i> terminology for what used to be referred to as a temporary trade. Allocation Assignments either credit or debit licences depending on if the licence holder has purchased or sold available water for the current water year.
Meter(s) read	Meter(s) read indicates that a meter reading has occurred for either the Works or Combined Approval number indicated (eg 60WA000001 or 50CA000001). The River Section and Stream Order Number where the works are located are also displayed.
Usage	<p>Usage is the volume of water in megalitres (ML) debited from a licence following a meter reading or usage assessment. Usage at a site is debited to Water Access Licences in accordance with supplied water orders. If no water order is available, usage is debited to the highest priority licence linked to the works and is all debited on the day prior to the meter reading.</p> <p>For General Security licences, usage can be debited as either Uncontrolled Flow usage (similar to off allocation usage but with fundamental differences) or as normal usage (previously referred to as on allocation water).</p>

Term	Description of Term
Drought Suspension	<p>The Drought Suspension transactions refer to the restrictions to available water announced by the Department of Natural Resources on 15 October (20%) and 10 November 2006 (32%). These reductions applied to the remaining available water in each account for both High Security and General Security Licences.</p> <p>The end result is a reduction in water availability as shown in the Standard Balance column and an increase in the Drought Balance column. The volume of water restricted as indicated in the Drought balance column will be made available for use at a future date (when announced by the Department of Natural Resources) after there is sufficient improvements in resources available to do so.</p>
AWD + Carryover Forfeits	Volume of water from Available Water Determinations (AWD/allocation announcements) that exceeds the maximum volume of water that can be credited to a licence. The maximum amount of water that can be credited to a licence (including Carryover) = 1.1 x Share Component (see Account Parameters for further details).
Conversion of Uncontrolled Flow Usage to Controlled Flow Usage	Volume of Uncontrolled Flow Usage (similar to what used to be referred to as off allocation usage but fundamentally different) that has been converted to Controlled Usage (normal or regulated usage – previously referred to as on allocation usage).

Customers who are uncertain about any of their transactions should contact their Customer Service Officer.

Optional Additional Information Available on Statements

State Water's Water Account Statement may also be generated to include additional information. This includes:

	Description of Term
Allocation Totals	Summary of available water and trades.
Order and Usage Totals	Summary of water orders including accuracy comparison with actual usage.
Inherited Liabilities	Liabilities inherited from other access licences in association with certain dealings administered under the <i>Water Management Act 2000</i> .
Works Approvals	Licence numbers and details of works associated with the Water Access Licence.
*Last Meter Readings	Details of the last recorded meter reading.
Usages	Summary of usage for the water year.
Customer Information	State Water Customer Number

* Included in the February 2007 mail out of High Security and General Security Water Account Statements.

What if I require more information?

Customers requiring more information regarding their Water Account Statement should contact their Customer Service Officer.

State Water welcomes your feedback on our customer information sheets. Please feel free to fax or phone through any suggestions or feedback. Phone: (03) 5898 3923 Fax: (03) 5881 5073.