

2011/2012 Water Share Ballot

Fact Sheet



Why is there a ballot for water share trades?

Under Victoria's water trading rules there is an annual limit on the volume of water shares which may be traded out of G-MW's irrigation areas each year.

Trade out of an irrigation area includes:

- Transferring the ownership of a water share to a person who associates it with a different irrigation area, or
- Transferring the ownership of a water share to a person who cannot or does not associate it to an irrigation area - such as the Commonwealth, or
- Varying a water share to dissociate it from an irrigation area.

At the beginning of each year a volume of water shares, equivalent to 4% of the previous year's closing balance of associated water shares, becomes available for trade out of each irrigation area. A separate 4% limit is set for high and low reliability water shares.

To ensure fair and equitable access to the additional volume made available on 1 July and enable an orderly lodgement process, water share applications which are subject to the 4% limits are held for a ballot which randomly determines the order of processing.

How does the ballot work?

The ballot randomly allocates a number to all applications lodged during the ballot acceptance period using a computer program. Balloting of applications via this electronic process takes about 10 minutes to complete and is overseen by an independent auditor.

Does the ballot determine which applications are approved?

- No, the function of the ballot is to randomly allocate the order of processing for applications.
- The decision about whether an application can be approved is made after the ballot when the application is processed.

When can I submit my application for the ballot?

Applications for the ballot must be lodged between:
8.00am Monday 20 June & 4.00pm Friday 8 July 2011.

When and where will the 2011 ballot take place?

The ballot will be conducted on Wednesday 13 July 2011 at G-MW's Tatura office.

How do I submit an application for the ballot?

- **By mail to:** 40 Casey Street Tatura Vic 3616
- **In person to:** G-MW's main office at Tatura, or any of the following Operational Area Offices: Shepparton, Cobram, Kerang, Rochester or Pyramid Hill.

What happens when I submit my application for the ballot?

- The application will be entered into G-MW's ballot system and stored securely until the ballot date.
- Applications will **not** be checked by staff for accuracy before the ballot is conducted.
- Applicants (and their lodging parties) will be sent a letter confirming that their application has been received.

Are all water share applications included in the ballot?

No, only applications which impact on the 4% limits will be included in the ballot. These include:

- Applications to transfer the ownership or vary a water share to associate it with land in a different irrigation area
- Applications to transfer the ownership or vary a water share and remove any association with an irrigation area - for example selling a water share to the Commonwealth Government.
- Applications to transfer a water share to the Commonwealth Government which have been granted an exemption from the 4% limit.*

*These applications are included in the ballot because the exemption granted by NVIRP (or any other eligible program) is subject to verification by G-MW during processing. If an exemption cannot be verified the application will be subject to the 4% limit for the relevant irrigation area.

What if I submit my application during the ballot period but it has no interaction with the 4% limits?

Applications which are lodged during this period which do not impact the 4% limits will **NOT** be included in the ballot and will continue to be processed in the order they are received. These include:

- Applications to transfer a water share within an irrigation area or as part of a land and water dealing where the water share will remain associated to the same irrigation area.
- Applications to transfer a water share which is not associated to an irrigation area (such as water shares held by river diverters or dissociated water shares).
- All other applications which do not impact the 4% limits (divisions, consolidations etc)

What happens if I lodge multiple applications for the same water share in the ballot?

- Multiple applications for the same water share will **not** be eligible for the ballot.
- Only one application will be included in the ballot. The procedures for selecting the eligible application are specified in the 2011/12 Ballot Rules.

How do I know the ballot is conducted fairly?

- The ballot is conducted in accordance with rules agreed between G-MW and the Department of Sustainability and Environment. A copy of the ballot rules is available at: www.g-mwater.com.au/customerservices/water-trading
- An independent auditor attends the ballot to verify that all eligible applications have been included in the ballot.
- A G-MW customer representative is in attendance to observe the ballot.
- To provide assurance that applications are processed in balloted order, an independent audit is conducted after processing of ballot applications has been completed.

What happens after the ballot?

- After the ballot is complete and each application has been assigned a number in the processing queue, applications are processed over a number of weeks or months (depending on the number of applications lodged).
- If an application is found to be incomplete when it is processed, it is removed from the queue and the applicant or their lodging party is notified of the issue or error preventing processing.
- Applications in this category lose their original balloted processing number and do not rejoin the processing queue until all requirements have been met.
- Space is **not** reserved under the 4% limit for these applications.

How will I know if I have been successful?

- Applicants will be notified of the outcome their application in writing after the application has been processed.
- If an application is refused because the 4% has been exceeded by the time it is processed, applicants will be notified of the refusal.
- Applicants who are notified of a refusal due to the 4% limit will receive a refund of the application fee. Please note application forms will not be returned.

How do I make sure I get my application right?

- Water share applications can be complex and often require specialist knowledge.
- To ensure the best possible chance of lodging a correct and complete application form applicants are strongly encouraged to seek professional advice from an experienced broker or advisor prior to lodging an application for the ballot.
- A range of information is available from G-MW's website to assist applicants and their advisors. Visit www.g-mwater.com.au/customerservices/water-trading

Important tips for ensuring applications are correct:

Answer all of the questions on the application form.

- Ensure all sections of the form are fully completed including the full names of buyers and sellers, transfer volume and monetary consideration.

Ensure the correct water share reference number is listed on the application form.

- An application cannot be processed if a valid water share reference is not provided or if the water share reference number provided is cancelled
- Note: a water share reference number always has a prefix of WEE...

Payment of outstanding water share charges

- An application to transfer (or divide and transfer) a water share **cannot** be processed until all outstanding water share fees are paid.
- A statement listing outstanding water share charges and an estimate (or actual amount after 1 July) of 2011/2012 charges will be included with the letter G-MW sends to applicants/ lodging parties upon receipt of ballot applications.
- For applications lodged during the ballot application period the outstanding water share fees include the following:
 - Any unpaid Water Storage Entitlement fees for years prior to 2011/2012
 - The 2011/2012 Water Storage Entitlement fees. Accounts for these fees will be issued by G-MW on 1 July 2011.
 - Any outstanding Spillable Water Account charges for 2010/2011. Accounts for these fees will be issued by G-MW in June 2011.
- If an application is lodged very late in the application period, applicants are encouraged to contact G-MW by telephone to obtain details of the charges which are payable.

Signatures of all sellers and buyers must be provided

- All sellers and buyers of a water share must sign the application form where indicated.
- If any of the current owners of the water share is a company, the Annexure attached to the application form should be completed and an ASIC Company Extract listing all Directors attached to the application.

100 Point checks must be provided for all current water share owners

- The 100 Point check form must be completed by all current owners of a water share and attached to the application along with photocopies of all photographic ID.
- The 100 Point check can be carried out by a solicitor, legal executive, CPA or G-MW officer.
- Information about 100 Point Check requirements is available on the G-MW website.

For general information call or visit

1800 013 357

www.g-mwater.com.au