

Unregulated Surface Water Trading

Fact Sheet 1



Temporary Transfer of a Licence to Take and Use Surface Water

If you intend to apply for the temporary trade of a licence to take and use unregulated surface water please ensure you read the information below and refer to the trading rules

For more information contact the Licensing Unit

Phone: 1800 013 357

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What is the temporary transfer of a licence?

Temporary transfer of a licence (or temporary trade) involves the requested licence volume (ML) moving from the sellers licence to the buyers licence for a period of up to five years.

What are the benefits to buyers and sellers?

Transferring a licence allows existing license holders to maximise the value of their licence by trading their unused entitlement. Trading provides the opportunity for other licence holders in compatible trading zones to access additional water.

How do I find out if my licence can be transferred?

A Licence to Take and Use Water is issued within a particular trading zone which relates to the source of the water. Identifying the trading zone for the licence is the first step in determining where a licence can be traded to or from.

There are a number of other considerations that must be taken into account before GMW can approve an application for a transfer. Trading rules are specified in the *Policies for Managing Take and Use Licences* (the Policies) issued by the Minister for Water, and also specified in local management rules and management plans.

The Policies and information about the trading rules and zones can be downloaded from the GMW website: www.g-mwater.com.au

If you cannot access the internet please contact the Licensing Unit to request a copy by email, mail or fax.

What volume of water is available to the buyer when a temporary transfer is approved?

If an application to transfer is approved, the buyer will be able to use the volume transferred, plus any unused volume from their existing licence in the current year.

The use of the transferred volume is subject to the same restrictions as the buyers existing licence.

What general rules apply?

The following general rules apply to temporary transfer of a Licence to Take and Use Surface Water, however you should check the specific rules for your licence/ area before proceeding to make arrangements for a trade.

- The transfer of entitlement is permitted for up to five years. The transferred volume reverts back to the sellers Licence on 1 July in the year following the approved transfer period. Any volume transferred to a licence cannot be transferred on to another licence.
- Temporary transfer of a licence volume is not permitted to or from a Farm Dam Registration Licence. Licence holder must request that GMW convert their licence to a standard licence. There is no charge to convert the licence, however a standard licence is subject to annual fees and you will be required to install a meter.

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What general rules apply? (cont)

- Temporary transfers of an all-year licence are permitted downstream, subject to a reduction in the transferred volume of 20% or as a winter-fill licence.
- Temporary transfers of an all-year licence are permitted upstream as a winter-fill licence only. If a licence is to be used to harvest run-off in a catchment dam, a permanent licence transfer approval will be required.
- If a licence has been issued with a winter-fill condition, it cannot be transferred to a licence which has been issued as an all-year licence.
- Approval of an application is subject to an assessment against the sustainable diversion limits for the sub-catchment. If your licence is in a sub catchment which is fully committed you will only be allowed to transfer from another licence within your sub-catchment.
- Water cannot be used by the buyer until the transfer has been approved and GMW has notified all parties in writing.

What is a Winter-fill Licence?

A winter-fill Licence contains specific conditions relating to the period in which water can be taken from the source and diverted to a water storage (dam etc).

If water is diverted to an on-stream or off-stream storage, the Winter-fill period, when water can be diverted from the river or stream, is between 1 July and 31 October each year. At all other times the entire stream flow must be passed downstream of the licensee's storage.

Where can I access more information about trading opportunities and current prices in my area?

You should contact the Licensing Unit at GMW to confirm the trading rules applicable to your licence prior to proceeding to purchase or sell a licence.

GMW cannot provide you with information on the current market value of water. If you decide to proceed with an application, information about market activity and pricing can be obtained from your local water broker. Details of brokers in your area can be located in the Yellow Pages or through advertisements in your local newspaper.

What information do I need to get before I lodge an application?

You must ensure that the application complies with the trading rules, and obtain the sellers and buyers licence numbers before proceeding with an application.

The buyer will also need to provide details on the application form about the land on which the water will be used.

If I am purchasing a licence volume and I do not currently hold a licence do I need to apply separately?
Yes, before your trade can be approved you will need to apply for a Licence to Take and Use Water. This application will be assessed and a site inspection will be undertaken to review the existing or proposed pump site.

If this application is approved you will be issued with a licence to Take and use Water which will contain a number of licence conditions relating to the take and use of water you trade in.

How does GMW assess the application?

When an application form is lodged, GMW will make an assessment under the relevant trading rules and policies to determine if the transfer can be approved.

When the application has been assessed, the buyer and seller will be notified of the decision by GMW in writing.

Water cannot be used by the buyer until the transfer has been approved and GMW has notified all parties in writing.

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