

## Permanent trade from a regulated to an unregulated water system

If you intend to apply for a permanent trade from a regulated to an unregulated water system please ensure you read the information below and refer to the trading rules

For more information contact the Licensing Unit

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### **What are the benefits of transferring water entitlements from a regulated water system to an unregulated system?**

Trading provides land owners in unregulated systems with the opportunity to source a water entitlement from a regulated water system where there may be little opportunity to purchase unregulated water in their area. In areas where there are water share owners with excess entitlement, allowing transfers to an unregulated system provides greater access to the water market.

### **How can I tell if my water entitlement is in a regulated or unregulated system?**

If you hold a Licence to Take and Use Water (generally called a diversions or surfacewater licence) your water entitlement will be associated with an unregulated system.

If you are the owner of a high reliability water share in northern Victoria, your entitlement will be associated with a regulated water system.

### **Can I transfer water from a regulated to an unregulated system on a temporary or annual basis?**

No, transfers are only permitted on a permanent basis.

This is because trade between the two systems involves cancelling the water share in the regulated system and issuing a licence to take and use water in the unregulated system.

### **How can I determine if this type of transfer would be available in my area?**

Generally opportunities are limited for this type of transfer. Rules have been established to ensure transfers do not adversely affect other water users or the environment.

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 G-MW website: [www.g-mwater.com.au](http://www.g-mwater.com.au)

You are urged to read and consider the relevant rules prior to considering this type of transfer.

### **What general rules apply?**

The following general rules apply, however you should check the specific rules before proceeding to make arrangements for a transfer:

- The trade must comply with the relevant trading zones and rules.
- The water share must have a high reliability.
- The owners of the water share must discharge any mortgage or charge held by another party over the water share prior to the trade being approved.
- All charges relating to the sellers water share are payable prior to the transfer being approved.

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## What general rules apply? (cont)

- The licence to Take and Use Water issued in the unregulated system will contain specific conditions relating to the period in which water can be taken. The licence will only permit water to be diverted to an on-stream or off-stream storage between 1 July and 31 October each year.
- The licence will require that the point of supply is metered.
- The licence will not become operative until 1 July the following year and will be issued for a term of one year, renewable upon payment of annual charges.
- All transfers into unregulated sub-catchments are subject to an assessment against the sustainable diversion limits.
- Additional rules may apply to individual catchments as a result of rules established under a Water Supply Protection Area

## What is a trading zone?

A trading zone defines the physical boundaries to, from or within which water may be traded. Trading zones apply in northern Victoria across both the regulated and unregulated water systems.

Any application to transfer must comply with the trading zone rules. Details about the trading zone for an entitlement can be found on the licence or water share document. The trading rules and a map of the zones can be downloaded at [www.g-mwater.com.au](http://www.g-mwater.com.au).

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

G-MW 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.

## How do I make application for a transfer?

Once you have considered whether your proposed trade will comply with the rules and trading zone constraints you should contact G-MW for information about application procedures and fees.

Generally to apply for a trade of entitlement from the regulated system (a water share) to the unregulated system (a licence to take and use water) the following forms will be required:

- Application for a Licence to Take and Use Water.
- Application to cancel a Water Share (Form 8)

Application fees apply and all parties are required to complete and sign the application forms. Please contact the Licensing Unit for more information and application forms.

## How does G-MW assess the application?

All applications are assessed against the trading rules, relevant legislation and policy and other guidelines which all aim to limit any potential for the proposed transfer to adversely impact the environment or other users. When the application has been assessed, all parties will be notified of the decision by G-MW in writing.

## Are there ongoing costs associated with having a Licence to Take and Use Water in the unregulated system?

Yes, licences are subject to annual fixed charges, issued by G-MW in July each year. If you do not currently have works installed to extract or divert the water, you may be required to apply for a licence to construct works. Application fees apply. Please contact the Licensing Unit for information about the current fees and charges.