

Water Transfers - Groundwater and Unregulated Surfacewater

What is a transfer of a licence?

A transfer of a licence involves a licence volume (ML) moving from the seller's licence to the buyer's licence, or in some cases from a seller to a person that does not hold a licence. A transfer can be either temporary or permanent.

The Water Act 1989 (Section 62) refers to the transfer of licence, however it can be helpful to think of transfers as being like 'leasing' (temporary) or 'buying' (permanent).

That is a temporary transfer is similar to leasing in that it is for a specified period of time and on terms agreed between the parties. So like a lease, at the end of the temporary transfer period the licence volume is returned to the seller (the actual licence holder). A permanent transfer is similar to buying in that it is sold permanently on terms agreed between the parties. The permanently transferred volume stays with the buyer.

Why transfer water?

In many areas throughout Southern Victoria, water is fully allocated and new licences are not available. In these areas, the only option to get a licence or more licence volume is to transfer it from an existing licence holder.

Transferring is a good way to obtain water during a dry period when your existing licence volume may not be enough to get you through the season. If you are not using all of your licence volume transferring it to someone that needs water is a great way to support your local and regional communities to increase food, fibre and regional productivity. Additionally it allows the licence holder to maximise the value of their licence by transferring their unused volume at a value agreed with the buyer.

Transferring water that would not normally be used can provide benefits to both buyer and seller, but not only that, also has the potential to:

- assist with increasing local employment
- provide financial benefit to the community
- provide a source of water to potential users who cannot obtain a licence
- improve the efficient allocation of water entitlements
- create a local market for water trading

Who can transfer water?

Water can be transferred between licence holders and

- other licence holders
- non licence holders but who have access to water.

Licence holders wanting to transfer water must apply to Southern Rural Water and the application must be assessed and then approved before the water is used.

Transfers can only occur within the same groundwater area or surface water catchment, with many areas being subject to specific transfer rules.

If you are unsure of the transfer rules in your area, it is best to contact us to discuss your proposal in more detail.

To apply to transfer water you must apply using the appropriate form and submit the correct application fees.

Finding a buyer or seller?

In many cases buyers and sellers find each other via word of mouth in their local communities or via placing advertisements in local newspapers. Our local field staff are also available to provide assistance. In recent times we have introduced an online system to bring buyers and sellers together, which is called Watermatch.

Watermatch is a free service for customers and others seeking to trade water. "Watermatch" is an online trading forum that irrigators use to find a someone to either buy or sell water in southern Victoria. Users can advertise that they want to buy or sell water on a temporary (seasonal) basis, or permanently. Anyone can easily register their interest in buying or selling water in different systems. They can also register for automatic notifications whenever water becomes available to buy or sell in a particular area. People who are not internet users can use the service by talking to SRW staff to arrange an entry.

How much should be paid when buying water?

The price for the water needs to be negotiated between the seller and buyer. Southern Rural Water does not play a role in transfer price negotiations however we encourage transfer partners to tell us the water transfer price when submitting a transfer application as this can help us to better understand the market price of water. Details of the transfers including basin or volume of water and advised water price become public which may make future transfer negotiations easier in the future. Personal details of any water transfer remain confidential and transfer partner details are never disclosed or published.

Up to date history of licence transfer sale prices can be found on the waterregister.vic.gov.au web site.

More information

Contact us on 1300 139 510 for more information or to make an appointment to chat to one of our assessment staff. Information can also be found at www.srw.com.au