

# Water trading under the Water Act 1912

There are two types of water trades available under the *Water Act 1912*. These are:

- permanent transfers – the outright purchase of part or all of the volumetric entitlement attached to a licence
- temporary transfers – the purchase of allocation water from another licence holder on a seasonal basis.

Many parts of the State, including the major regulated river systems and some unregulated river and coastal groundwater systems, are now subject to water sharing plans and therefore come under the trading or “dealing” provisions of the *Water Management Act 2000*. To find out whether a river or aquifer is subject to a water sharing plan you can check DWE’s website (Where does the Water Management Act apply) or ask your local DWE office

There are a number of State principles which apply to water trades under the Water Act, but as a general guide trading is permitted only:

- in water sources and for purposes (essentially irrigation and industrial licences) that are subject to licence embargoes
- in those groundwater sources subject to a declared transfer scheme – that is most of the major inland alluvial aquifers – check with the local DWE office for details
- for temporary surface water transfers where usage is metered – as a result temporary transfers are permitted in the regulated Border Rivers, Peel River, Patterson River, Brogo/Bega River, Iron Pot and Eden Creek systems, but not currently in any unregulated river.
- if the purchaser already has a licensed work, or in the case of a permanent transfer, they are submitting an application for a licence with the transfer application.

For advice on or copies of the specific local trading rules and conditions contact your local DWE office. The following processes then apply:

## 1. Finding the other party and negotiating the sale

You can source the other party through word of mouth or by advertising through the local media. Alternatively, in systems where transfers under the Water Act have been operating for a number of years there are often local brokers (listed in the yellow pages) who, for a fee, will find the other party and arrange the transfer on your behalf. Ultimately, however, the vendor and purchaser are responsible for negotiating the sale price and the terms of the arrangement. Therefore, contracts of sale and purchase should be drawn up between the parties. For permanent surface water transfers a sample contract is provided as part of the application form.

## 2. Complete the required application forms

Both parties are responsible for completing their parts of the application forms. The table outlines where application forms can be obtained, where the forms should be submitted and the relevant fees involved. Note: for permanent surface water transfers and some ground water transfers the purchaser also needs to submit an application form for the new licence which will be created as part of the transfer.

Type	Forms required	Available from	Submit to	Fee required
Surface Water Permanent Transfer	Application for Permanent Transfer of Surface Water Rights <b>and</b> Application for a surface water licence <b>or</b> Application for a joint water supply authority	DWE web or local office	DWE local office	\$250  Deposit \$30
Surface Water Temporary Transfer	Temporary Transfer Application Form ( <i>specific to the water source</i> )	State Water web or local office	State Water Local Office	\$25 + \$1/ML up to max \$75
Groundwater Permanent Transfer	Application for Permanent Transfer of Groundwater Rights ( <i>specific to the water source</i> ) <b>and</b> Application for a groundwater licence ( <i>in some cases the licence application form may not be required</i> )	DWE local office  DWE web or local office	DWE Local Office	\$250  \$151 artesian bore \$48 non-artesian bore
Groundwater Temporary Transfer	Groundwater Temporary Transfer Application ( <i>specific to the water source</i> )	DWE or State Water local office	DWE Local Office	\$200

### 3. Assessment of the Application

#### (a) For Temporary Transfers

State Water (for the regulated rivers) and DWE (for groundwater) will check if there are any supply constraints which would prohibit the transfer; it would impact on other water users or the environment; the buyer has sufficient account water for the transfer; and the transfer would exceed any account limits for the buyer.

A decision on most temporary transfers will be made within a few days of receiving the application. The buyer and seller will be advised of the decision.

#### (b) For Permanent Transfers

DWE will check that the application is in accordance with the State wide and local trading rules and considerations. If the application is acceptable, the normal procedures for processing a water licence application take place, such as environmental assessment of the proposed development and the advertising and objection process. This can take a number of months.

The steps involved in processing a licence application are outlined in the information sheet – *Applying for a water licence under the Water Act 1912*. If the application for the licence is approved, DWE will notify both parties and the contracts can be settled. Once settled DWE will issue the new and replacement licences to the buyer and seller.

In the case of both permanent and temporary transfers exchange rates may be applied to the transfer.

### Where do I get more information?

Contact the water licensing officer at your local Department of Water and Energy office (contact details are on the website or phone 1800 353 104), or email [information@dwe.nsw.gov.au](mailto:information@dwe.nsw.gov.au)

More information sheets on water management in NSW are available on our website [www.dwe.nsw.gov.au](http://www.dwe.nsw.gov.au)

Contact State Water

Dubbo : 6841 2000, Email: [statewater@statewater.nsw.gov.au](mailto:statewater@statewater.nsw.gov.au)

Internet: [www.statewater.nsw.gov.au](http://www.statewater.nsw.gov.au)

Note: This information does not constitute legal advice.

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