

Assignment of rights 71Q

Fact sheet

Under the *Water Management Act 2000*, the holder(s) of two water access licences may apply to assign rights between the licences. This can include the share component, the extraction component, or both.



Note

WaterNSW can provide general advice on water access licence dealings. Please seek independent advice that considers your specific circumstances. This transaction may have tax implications and actions may be required to ensure that residual water remaining in a water account is not forfeited.

When might this dealing apply?

The whole or part of the share or extraction component can be assigned from one licence to another. A water access licence holder may wish to sell all or part of their share component – being their share of the available water – to another licence holder.

If all the share component of a licence is assigned, the water access licence becomes zero share. Available water in the water source/management area is no longer allocated but fees are still charged for holding a zero share access licence – you can surrender the licence by completing the [Notice to surrender a water access licence form](#). Fees cease when the licence is surrendered.

Limitations to keep in mind

There are some limitations that apply to assignment of rights or shares between water access licences:

- Licences must be of the same category and have share/extraction components in the same water source or water management area.
- An assignment to a water access licence linked to a work approval for a groundwater work, that does not have a condition specifying an annual bore extraction limit (BEL), will require referral to the NSW Department of Climate Change, Energy, the Environment and Water for assessment.

Note: Purchase of additional shares does not increase any bore extraction limit that is in place.

- Where water access licences have multiple holders, any reduction or increase in the number of shares with this dealing will affect the values of all the co-holdings of the licence/s. Holder/s can lodge a [Transfer form](#) to realign individual share holdings.
- This dealing only allows for the movement of shares between two water access licences and does not move the account water held in the water accounts. If account water is also being moved, then an assignment of account water under s71T ([Assignment of water allocations](#)) also needs to be undertaken.
- Reducing the share component may also reduce the water allocation account limit. Should this happen, water allocations more than the new limit may be forfeited (refer to water sharing plan account rules).

- Any negative balances in a water access licence must be addressed before the dealing can be processed. Negative balances are reported to Natural Resources Access Regulator (NRAR) for compliance action.
- Reduction of the share and/or extraction component of a local water utility access licence is not authorised by this kind of dealing.

When is this dealing type prohibited?

The *Access Licence Dealing Principles Order 2004* prohibits this type of dealing if any of the water access licences are suspended or issued as a specific purpose access licence.

How do I go about it?

Use the [Application to assign share components between water access licences form](#) and [guide](#). You can also complete an application using [Water Applications Online](#).

If a share assignment involves a reduction in the share component of the water access licence, the written consent of any 'security interest holders' must be provided to Land Registry Services to register the share assignment. Registered security interests include mortgages and company charges held by a bank or other lending institution. The water access licence certificate must be produced for registration.

Security interest holders' consent is not required to increase a share component of a licence and production of the water access licence certificate is not necessary.

WaterNSW prepares a Notice of determination and form. Forms must be lodged with [NSW Land Registry Services](#) within six months of consent, to register the dealing. Contact them for further information.

Note: In addition to the assignment of share components between water access licences, any residual account water must be assigned out using a [Transfer form](#) by the end of the water year or any remaining water will be forfeited.



Schedule a meeting

[Book a meeting](#) to discuss your dealing with one of our Water Regulation Officers.

Need help?

If you need more information, please contact our Customer Service Centre on [1300 662 077](tel:1300662077), Monday to Friday between 8am-5pm or email Customer.Helpdesk@waternsw.com.au

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