

Thursday, May 24, 2007

UNBUNDLING WATER ENTITLEMENTS – 1 JULY 2007

Water rights and domestic and stock allowances in districts and entitlements held on diversion licences will be unbundled on 1 July 2007. This represents the next step in the Victorian Government's water reform program.

What is unbundling?

Unbundling is a concept introduced by the Victorian Government's water reform program.

Unbundling recognises that an irrigator's current water entitlement is actually a bundle of different types of entitlements and services that can be better managed when separated into the following individual components:

1. *Water share*: a legally recognised, secure share of water available for use.
2. *Delivery share*: an entitlement to have water delivered to a property.
(For diversion licences this will be called an extraction share.)
3. *Water use licence*: authorisation to use water for irrigation on a property.
4. *Works licence*: authorisation to place pumping works on the Murray waterway.

What does it mean to irrigators?

For the majority of irrigators, unbundling water entitlements will make no difference. They can continue operating as they do now. However, some irrigators may wish to take advantage of the opportunities afforded under the new unbundled system. Irrigators will have the flexibility to develop their business in new and innovative ways.

Unbundled water entitlements will:

- make water trade easier; sellers will no longer have to advertise their intention to sell water off their property;
- enable the level of delivery service to be bought and sold to better suit farm needs;
- enable leasing of allocation over a number of years;
- make water trading faster and lower the costs;
- allow mortgages to be registered on water share titles, instead of land titles, allowing access to other sources of finance.

More information

We understand that unbundling is an important change and you may want more information to help you fully understand it. You can find out more about unbundling by reading the attached fact sheet.

Please take the opportunity to find out about these important changes, which will help ensure that together we can provide sustainable water services into the future.

For further information please contact Peter Ebner or Owen Russell on 50513400

Thank you,

A handwritten signature in blue ink, appearing to read 'Ron Leamon', with a long horizontal flourish extending to the right.

RON LEAMON
CHIEF EXECUTIVE OFFICER