Carryover recorded against water shares

Information for buyers of a water share

The purpose of this document is to inform customers who intend to purchase a water share (or enter into a limited term transfer of a water share) of the potential impact of carryover recorded against a water share on either:

- allocations available under that water share in the current season, or
- storage charges levied against that water share in the current season.

Background

The ability to carry over unused water from one water year into the next is a right provided by a water share in accordance with rules determined by the Minister for Water.

Carryover is currently only available to water shares in the regulated water systems of northern Victoria. Different rules apply in:

- the Murray, Goulburn, Campaspe water systems, and
- the Loddon, Broken and Bullarook water systems.

More information on carryover rules, and why they are important, is available on the Victorian Water Register website at http://waterregister.vic.gov.au/Public/Carryover.aspx

Carryover recorded against a water share

Any volume of carryover recorded against a water share in the current season is displayed on the Copy of Record, which can be downloaded from the Victorian Water Register website.

COPY OF RECORD IN THE VICTORIAN WATER REGISTER
WATER SHARE
Water Act 1989

Information in this copy of record is an extract at the time of printing. There may be errors. This document should be obtained by a search of the register. The State of Victoria does not warrant the accuracy or completeness of this information and accepts no responsibility for an inaccurate release, publication or reproduction of this information.

<table>
<thead>
<tr>
<th>Water Share Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Active</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Volume</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00 ML</td>
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<table>
<thead>
<tr>
<th>Water authority</th>
<th>Murray Goulburn</th>
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<tr>
<td>Source</td>
<td>Goulburn</td>
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<table>
<thead>
<tr>
<th>Reliability</th>
<th>High</th>
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<tbody>
<tr>
<td>1A Goulburn Area</td>
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<table>
<thead>
<tr>
<th>Water system type</th>
<th>1A Greater Goulburn</th>
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</thead>
<tbody>
<tr>
<td>Source</td>
<td>1A Greater Goulburn</td>
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<table>
<thead>
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<th>Tenure</th>
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</table>

<table>
<thead>
<tr>
<th>Warehouse</th>
<th>WAREHOUSE</th>
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</table>

Current Year Allocation

Carryover at 1 July: 50.000 ML

- Advance allocation 1 July: 0.000 ML
- Seasonal allocation 1 July: 80.000 ML
- Total allocation to date: 130.000 ML
- Possible future allocation to 30 June: 20.000 ML

If this water share is transferred, this carryover may have implications for the buyer for the duration of the current season. This is described below for:

- Loddon, Broken and Bullarook water shares.
- Murray, Goulburn and Campaspe water shares
- Limited term transfers

www.waterregister.vic.gov.au
**Carryover recorded against water shares**

In the Loddon, Broken and Bullarook systems, the carryover recorded on a water share limits the maximum possible allocation against that water share in the current season.

**The 100% limit**

The volume carried over plus the volume of current season allocations is limited to the water share volume (the 100% limit).

For example, if 30 ML of carryover is recorded against a 100 ML Loddon water share, only a maximum of 70 ML of new allocations will be available to that water share in the current season. Any allocation increases after 70% will be forgone as this water share will have already reached its 100% limit.

Buyers of a Loddon, Broken or Bullarook water share should be aware of both the volume carried over, and the possible future allocation to 30 June, which are shown on the Copy of Record in the section titled ‘Current Year Allocation’.

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**Current Year Allocation**

- Carryover at 1 July: 30.000 ML
- Advance allocation since 1 July: 0.000 ML
- Seasonal allocation since 1 July: 50.000 ML
- Total allocation to date: 80.000 ML
- Possible future allocation to 30 June: 20.000 ML

In these systems, no additional storage charges apply for water carried over as the water share cannot receive more water than the entitlement volume already paid for.
Spillable water accounts

Carryover plus allocations made against a water share in the current season up to the water share volume (100%) are always made available in an allocation account (ABA). However, if allocation increases result in the volume of carryover and current season allocation exceeding 100% of the water share, the additional volume is quarantined as spillable water, until the Resource Manager makes a low-risk-of-spill declaration.

This spillable water:

- Is only lost if the storage spills (in proportion to the amount spilled)
- Cannot be used or traded until after a low-risk-of-spill declaration is made
- Is made available in the allocation account after a declaration is made. This is shown as ‘returned to available balance’ in the allocation account.

After a low-risk-of-spill declaration is made, any further allocation increases are immediately made available in the allocation account.


Above entitlement storage fees

Above entitlement storage fees apply if the total carryover and allocation available over the season is more than the full water share volume. This ensures people who hold more water in storage than their entitlement volume contribute their fair share of storage costs. Fees do not apply to any water that spills, or any allocation traded in during the current season.

Like the fixed entitlement storage fees, above entitlement storage fees are paid by the water share owner. However, above entitlement storage fees cannot be raised until allocations are finished and the declaration has been made. These fees generally are not raised until late in the season, with variable charges accounts.

It is important to be aware that if you buy a water share prior to the above entitlement storage fees being raised, you will be liable for any above entitlement storage fees issued later in the year for that water share.


The charges for each basin are available in the pricing plans of your water corporation;

- Goulburn-Murray Water (www.g-mwater.com.au), or

What does this mean for water share buyers?

Buyers of a Murray, Goulburn or Campaspe water share should consider the following:

- The volume of carryover and allocations are recorded against a water share since 1 July
- The status of the low-risk-of-spill declaration
- If above entitlement storage fees have been raised by your water corporation

These two factors will affect:

- Whether further allocation increases for the water share will go into the available balance of the allocation account or will be quarantined as spillable water in their account, and
- If there will be above entitlement storage fees payable for the water share later in the year

<table>
<thead>
<tr>
<th>Water System</th>
<th>Price per ML</th>
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</thead>
<tbody>
<tr>
<td>Murray</td>
<td>$5.02</td>
</tr>
<tr>
<td>Goulburn</td>
<td>$3.92</td>
</tr>
<tr>
<td>Campaspe</td>
<td>$12.16</td>
</tr>
</tbody>
</table>
Where can I find this information?

This information is provided on the Copy of Record in the ‘Spillable Account Details’ section. This provides a single source of information to help buyers and sellers make any necessary adjustments for future above entitlement storage fees.

Spillable Account Details

Low risk of spill declaration:
Volume spilled:
Current volume subject to above entitlement storage fee:
Maximum volume subject to above entitlement storage fee:

Current Year Allocation

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Carryover at 1 July:</td>
<td>50,000 ML</td>
</tr>
<tr>
<td>Advance allocation since 1 July:</td>
<td>0,000 ML</td>
</tr>
<tr>
<td>Seasonal allocation since 1 July:</td>
<td>80,000 ML</td>
</tr>
<tr>
<td>Total allocation to date:</td>
<td>130,000 ML</td>
</tr>
<tr>
<td>Possible future allocation to 30 June:</td>
<td>20,000 ML</td>
</tr>
</tbody>
</table>

The current year allocation and spillable account details sections show if a low-risk-of-spill declaration has been made or not, and whether any water above entitlement has spilled. You can see the current volume stored above entitlement, and the maximum volume this could increase to with further allocations. This is a guide to any potential future fees for the water share.

If a low-risk-of-spill declaration has not yet been made, it is not possible to be certain of any future charges, as the volume subject to above entitlement storage fees could fall if more water spills from the storage.

If a declaration has been made, the current volume subject to fees could increase if allocations for that share have not yet reached 100%.

A sample Copy of Record is attached at the end of this document.

More information on how the low-risk-of-spill declaration is assessed and the current risk of spill in each water system is available on the Resource Manager website [www.nvrm.net.au](http://www.nvrm.net.au).
Limited Term Transfers

Information for water share owners and limited term transfer holders

A limited term transfer of a water share can give the holder of that limited term transfer the right to carry over against the water share.

Just like when buying or selling a water share, when entering into a limited term transfer customers should consider the effects of water carried over on allocations available to the water share and potential storage charges:

More detail on who has the right to carry over when a limited term transfer applies is provided below.

Impacts on allocations

Any water carried over against a water share will have an impact on allocation for the duration of the season, even if:

- it was carried over by a limited term transfer holder in a different allocation account, or
- it was carried over by the water share owner before a limited term transfer is recorded during the season

Above entitlement storage fees

Any above entitlement storage fees arising from water carried over will be raised against the water share. These charges will be sent to the current owner of the water share. If these charges arise as a result of water carried over by a limited term transfer holder, then the limited term transfer holder and water share owner should reach agreement about the payment of these charges.

What does this mean for people entering into a limited term transfer?

Parties entering into a limited term transfer should consider who they want to have the right to carry over water against that water share, and the potential consequences for allocations and any above entitlement storage fees.

- If a limited term transfer (LTT) is in place, and this LTT does not expire before 1 July, then the right to carry over against the water share is with the LTT holder. In this situation, the water share owner cannot carry over unused allocation against that water share.
- If a limited term transfer expires on or before 30 June, the right to carry over unused allocation against the water share on 1 July reverts to the water share owner, and the LTT holder cannot carry over unused allocation against that water share.
COPY OF RECORD IN THE VICTORIAN WATER REGISTER

WATER SHARE

Water Act 1989

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Water Share Description

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<tr>
<th>Status</th>
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<tbody>
<tr>
<td>Volume</td>
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<tr>
<td>Water authority</td>
<td>Goulburn-Murray Water</td>
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<td>Carryover allowed</td>
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</tbody>
</table>

Water Share Owner(s)

Sole Owner 1 of 1

JOHN CITIZEN of PO BOX 0000 HOMETOWN VIC 3XXX
WE1000000 Lodged on : 01 Jul 2007 Recorded on : 01 Jul 2007

Current Year Allocation

| Carryover at 1 July: | 50.000 ML |
| Advance allocation since 1 July: | 0.000 ML |
| Seasonal allocation since 1 July: | 80.000 ML |
| Total allocation to date: | 130.000 ML |
| Possible future allocation to 30 June: | 20.000 ML |
### Spillable Account Details

- Low risk of spill declaration: Not yet made
- Volume spilled: 0.000 ML
- Current volume subject to above entitlement storage fee: 30.000 ML
- Maximum volume subject to above entitlement storage fee: 50.000 ML

### Water Share Association

#### Water use reference(s)

<table>
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<tr>
<th>Water use ID</th>
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<tbody>
<tr>
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#### Land description

- Volume 0000 Folio 000
- Lot 0 of Plan PS000000

### Recorded Interests

#### Mortgage

- Priority: Nil
- Reference: Nil

#### Limited term transfer

- Reference: Nil
- Start date: End date: Nil
- Trading zone use: Delivery system: Nil
- Water-use licence: Water authority: Nil

### Notifications

- Reference: Nil
- Recorded date: Notification details: Nil

### Application History

<table>
<thead>
<tr>
<th>Reference</th>
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END OF COPY OF RECORD