

Transition of bills of sale and interests noted against water licences to The Water Register



1 July 2022

The Department for Environment and Water (DEW) administers the *Landscape South Australia Act 2019* along with the *Landscape South Australia (Water Register) Regulations (2020)*. This legislation enables The Water Register, which is also administered by DEW.

From 1 July 2022, the legislation allows for security interests, caveats and other administrative improvements to The Water Register. Financiers are therefore now able to lodge security interests against water licences directly on The Water Register, administered by DEW.

Since 2009, financiers seeking to secure a financial interest against a water licence have undergone a two-step process. They have registered a bill of sale under the *Bills of Sale Act (1886)* through Land Services SA and, separately, have applied to have their interest noted on The Water Register. This process ceased on 1 July 2022.

From 1 July, prescribed bills of sale became security interests, while interests which were noted on The Water Register but did not have a complementary bill of sale were transitioned to security interests through a confirmation process, which is now complete.

Interests noted on The Water Register at 30 June 2022 that have *not* been transitioned will remain on The Water Register as administrative notes only and will have no legal effect. These can become security interests at no charge until 16 December 2022, or become security interests for the prescribed fee thereafter. This measure was instituted in response to representations from financial institutions with interests noted on the water register who were unable to complete the transition process.

It is very important that financiers transition interests noted on The Water Register to security interests expediently. This is because an interest noted on The Water Register is an administrative note only and therefore has no legal force. A security interest on The Water Register has the benefit of the provisions as set out under the *Landscape South Australia Act 2019* and the *Landscape South Australia (Water Register) Regulations 2020*.

What does this mean for water licence holders?

If you are a water licence holder who has a financial arrangement with another party where the water licence has been used as security, and this arrangement was noted on The Water Register before 30 June 2022, you may be contacted by your lender to register this arrangement as a security interest on The Water Register.

To find out more about security interests, please read the guidelines located here (refer to SI guideline weblink) or refer to Schedule 4 of the *Landscape South Australia Act 2019* and Part

4 of the *Landscape South Australia (Water Register) Regulations 2020*.

For any queries regarding the process outlined above please contact the DEW Enhanced Water Register Project team by email: DEW.WaterLicensingProjects@sa.gov.au or telephone: (08) 8463 3752.

Legislation

The legislation referred to above can be accessed at the following links:

Landscape South Australia Act 2019

<https://www.legislation.sa.gov.au/lz?path=/c/a/landscape%20south%20australia%20act%202019>

Landscape South Australia (Water Register) Regulations 2020

[https://www.legislation.sa.gov.au/lz?path=/c/r/landscape%20south%20australia%20\(water%20register\)%20regulations%202020](https://www.legislation.sa.gov.au/lz?path=/c/r/landscape%20south%20australia%20(water%20register)%20regulations%202020)