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Foreign Ownership of Australian Water – Don't forget to register!

Foreign persons (including temporary residents) who invest in Australian water now need to register their interest with the Australian Taxation Office.

In the current "stocktake period" of the legislation (1 July 2017 – 30 November 2017) a foreign person that currently holds or acquires during the stocktake period either a:

- *"registrable water entitlement"* or
- *"contractual water right"* whose term is likely to exceed 5 years as at 30 November 2017,

must register that interest **on or before 30 November 2017**, or 30 days after acquiring the interest, whichever is the later.

A "registrable water entitlement" includes broadly an irrigation right or a right to take or hold water from a water resource in Australia. Certain water rights such as stock and domestic rights, riparian rights (ie riverbank rights) and annual water allocations are excluded from the regime.

A *"contractual water right"* essentially means the contractual right of a person to another person's "registrable water entitlement" or water allocation.

From 1 December 2017 when the stocktake period ends, foreign persons will have a duty to notify when certain events happen in relation to their water right (ie they acquire or dispose of a right, become a foreign person or stop being a foreign person). Generally, foreign persons will have until the end of 30 days after the end of the financial year in which the relevant event occurs to notify the ATO.