



DIRECTOR SHIRE SERVICES REPORT

9TH May 2006

**DSS2 WATER SUPPLY EXTRACTION LICENCE
CHANGES UPDATE
FILE: 332 & 667 EU**

SUMMARY:

Reporting on Water Supply Extraction Licence Changes.

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Council at its Ordinary Meeting of 14 March 2006 requested that the previous report of August 2002 [Appendix A](#) on the water extraction licences be brought forward. As indicated in the August 2002 Council Report, water extraction licences issued by the Department of Natural Resources (DNR) are undergoing significant changes due to the implementation of the new Water Management Act 2000. This process of change is still occurring and will conclude with the gazettal of the Macleay River water Sharing Plan in late 2006.

Under the old Water Act 1912 water licences were renewed every 10 years and were attached to specific land parcels. With the introduction of the new Water Management Act 2000 these licences will now be issued into perpetuity, will no longer be attached to a land parcel and will be required to have an annual volumetric allocation. Other key considerations regarding the new water licences under the Water Management Act 2000 are:

- Town Water Licences take priority over all other licences
- Licence allocations will be reviewed every five years and automatic adjustments made to allow for residential population growth.
- Licence increases for non-residential purposes are not automatic adjustments.
- Catchment Water Sharing Plans will set out rules regarding the extraction of the Licence allocation.

Water licences will remain divided into two categories, Groundwater Licences and Surface Water Licences.

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Ground water licences cover the majority of Macleay Water's water supplies. The DNR has not yet formally issued volumetric allocations (except Stuarts Point) for ground water supplies.

In the past it was indicated that ground water volumetric allocations could be less than the volumes allowed under the existing licences (refer to attached Council report at [Appendix A](#)). However recent verbal discussions with DNR senior staff has indicated that it is more likely that the existing licence allocations will be transferred to the new licences unchanged.

The following table outlines the various water supply schemes in the Kempsey Shire that access their water via groundwater licences. The table also compares the schemes existing extraction rates with existing licence allocations.

Water Supply Scheme	Average Actual Extraction (ML) **	Highest Actual Extraction (ML) **	Current Licence Allocation (ML)
Kempsey District	3027	3232	10,100
South West Rocks	595	619	2,646
Crescent Head	206	210	520
Hat Head	71	72	146
Stuarts Point*	176	191	300

** Stuarts Point Licence has already been transferred under the new WMA 2000 and the volumetric allowance has been set at 300ML per annum.*

*** These volumes have been determined by analysing extractions over the past 3 years.*

Willawarrin and Bellbrook are Macleay Water's only surface water licences. Although bores, they are determined as 'surface water' because the bores are sunk within the river beds.

Initially DNR, formerly the Department of Infrastructure, Planning and Natural Resources (DIPNR), issued Willawarrin with an annual allocation of 21ML and Bellbrook with an annual allocation of 18ML. Although satisfied with Willawarrin's allocation, Macleay Water calculated that at least a further 2ML per year would be required for Bellbrook. Correspondence in this regard was sent to DNR, resulting in an adjustment to Bellbrook's Licence allocation. Willawarrin's volumetric allocation has been set at 21ML/annum and Bellbrook's volumetric allocation set at 20ML/annum. These volumes seem to be sufficient for at least the next five years.

Macleay Water staff have been involved in the initial stages of developing the Water Sharing Plans. To date two workshops have been held. The most recent gave an opportunity to comment on

the Macleay River Report Cards and a submission was lodged with the Northern Rivers Catchment Management Authority.

The next phase will be the opportunity to review the draft Macleay River Water Sharing Plan and this is expected in July.

REPORT IMPLICATIONS:

- *Environmental*

The Macleay River Water Sharing Plan will ensure that environmental flows are catered for.

- *Social*

Proposed new licences will ensure that urban water demands catered for until licence review (5 year's time).

- *Economic (Financial)*

Proposed new licences will ensure that residential growth is catered for until licence review (5 year's time).

- *Policy or Statutory*

Council is operating within licence limits.

To cater for growth (both residential and non-residential) into the future, water demand management programmes will need to be implemented. Macleay Water staff will continue to participate in the Water Sharing Plan development.

- *Acting Director's Review*

Current advice from DNR is that existing licence allocations will be transferred. The development of the Water Sharing Plan and its implications for Council will continue to be closely monitored.

RECOMMENDATION:

That the information be noted.

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A P Vermeulen
ACTING DIRECTOR SHIRE SERVICES