

DARWIN RURAL WATER LICENSING

1.0 PURPOSE

To guide the prioritisation and assessment of groundwater licence applications in the Darwin Rural Water Control District (DRWCD) received as a result of the revocation of the exemption from the requirement to hold a licence that applied to bores equipped to pump 15L per second or less.

This version of the policy is a revision of earlier versions of the Darwin Rural Water Licensing policy dated 9 August 2018.

It is intended to bring this policy which provides for a transition from exemption to licensing to a conclusion. This policy will end on 1 March 2019 (subject to any extension of that timeframe).

This policy takes effect from 1 December 2018.

2.0 SCOPE

This policy is intended to be read subject to the operation of the *Water Act (Act)*.

The policy is concerned with applications for groundwater extraction licences received from **existing water users** who have applied for a water extraction licence for their **current water use volumes**,¹ in the DRWCD on or before 1 March 2019.

The geographic area of the DRWCD is shown at Appendix 1.

For the purposes of this policy, **existing water users** are considered to be:

- (a) persons requiring water in the DRWCD for commercial purposes; or
- (b) residents of the DRWCD using groundwater for any purpose that is not authorised under the Act. This includes irrigating a garden of greater than 0.5 of a hectare;

who, prior to 6 July 2016, were exempt from licensing requirements under the Act because of the operation of the exemption.

This policy does not apply to owners or occupiers of land using ground water for:

- (a) drinking water for grazing stock on the land;
- (b) domestic purposes; or
- (c) irrigating a garden, not exceeding 0.5 of a hectare, which is part of the land and used solely in connection with a dwelling.

¹ See glossary.

Land owners and occupiers using water for these purposes remain exempt from water licensing requirements under the Act.

This policy does not apply to groundwater licence applications from persons who were not previously reliant upon the exemption or to applications for an increase to a groundwater licence in the DRWCD.

3.0 INTENT

The intention is to provide transparent and documented information on the policy approach that will be adopted in relation to water extraction licence applications received from existing water users in the DRWCD area. This policy has been developed to ensure the efficient, fair and appropriate transition of a large number of water users to a licensing regime.

Water extraction licensing will improve water resource management, establish more accurate estimations of use and ensure future extractions will be managed to ensure the sustainability and quality of water resources.

4.0 CONTEXT

4.1 Background

On 6 July 2016, the Administrator of the Northern Territory revoked a declaration previously made under the Act exempting water extractions from bores equipped to pump 15L per second or less from the licence requirements under Division 4 of Part 6 of the Act. The exemption had been in place since 1992, was unique to the DRWCD and was intended to encourage horticultural development in the area. In 2016, there were 12 water extraction licences in the DRWCD.

Revoking the exemption in the DRWCD means that existing water users will be subject to the same licensing requirements as apply in all other water control districts in the Northern Territory.

The exemption was revoked in response to the following risks relating to water sustainability and quality in the DRWCD:

- An observed decline in groundwater levels in monitoring bores across the region;
- Environmental flow impacts on key environmental assets, such as Berry Springs;
- Bore records of more than 4800 production bores in the region without accurate records of use or ability to monitor or regulate use from those bores,
- Limited ability to monitor existing water use or to regulate future water use; and
- Increased risks of bore supply failure and/or salt water intrusion in some areas as a result of the volume of water users in a region and unregulated use.

Water extraction licensing is a water management tool used to establish rules on water use and water quality measures and which obligates water users to monitor and report on their water use, which in turn contributes to overall water management in a region. The introduction of a licensing regime in the DRWCD will enable decisions about new and increased extractions to be made to adequately protect environmental assets and existing water users.

4.2 Relevant powers and functions under the *Water Act*

Section 60 of the Act provides the Controller of Water Resources (Controller) the power to grant a licence to take groundwater in response to an application or of his/her own motion. The Controller must follow the process prescribed in the Act when considering applications for a water extraction licence, including publishing a notice of intention to make a water extraction licence decision under

Part 6A of the Act. The Controller must also consider the factors set out in section 90 when making a water extraction licence decision.

The Controller may grant a licence subject to the terms and conditions specified in the licence.

5.0 POLICY STATEMENT

Groundwater extraction licence applications in the DRWCD will be assessed in accordance with the requirements of the Act.

To ensure applications are progressed in an efficient manner, the publication of Notices of Intention to Make a Water Extraction Licence Decision and Notices of Water Extraction Licence Decision will occur in groups for each water resource and in order of priority set out below. Each licence will continue to be the subject of an individual assessment on its merits and statement of decision in accordance with the requirements of the Act.

Applications by existing water users lodged on or before 1 March 2019

Applications for a groundwater licence from existing water users reflecting **current water use volumes** will be processed in precedence to applications seeking volumes greater than their current water use volumes or by applications from new water users.

Applications from existing water users will nominate the quantity of water proposed to be taken under a licence. Generally, in the DRWCD, this quantity will reflect current water use volumes which will be subject to verification by the department through desktop assessments, data on cropping rates, registered bore records and property inspections. Any discrepancies between the quantity of water sought by an applicant and the department's assessment will be raised with this applicant.

The department will meet publication costs for applications from existing water users received prior to 1 March 2019.

Applications for an increase to licence entitlements or by new water users lodged on or before 1 March 2019

Applications from existing users seeking allocations for volumes greater than their current water use volumes or from new water users will be processed after applications from existing water users reflecting current water use volumes and otherwise in accordance with the policy 'Prioritising Water Extraction Licence Applications'.

Applications by existing water users lodged after 1 March 2019

Applications from existing water users lodged after 1 March 2019 will not be dealt with in accordance with the policy.

Such applications will be processed in accordance with the Act and the policy 'Prioritising Water Extraction Licence Applications' available online.

6.0 NT WATER ALLOCATION FRAMEWORK

The factors set out in section 90 of the *Water Act* must be considered by the Controller when making a water extraction licence decision. These include considering any adverse effects on the supply of water to which any person (other than the applicant) is entitled under the Act and that proposed extractions are within sustainable limits. To date, sustainable limits have been

determined through the NT Water Allocation Planning Framework or prescribed in declared water allocation plans.

The NT Water Allocation Planning Framework provides that at least 80 per cent of water flow/annual recharge is allocated for environmental and other public benefit uses and that 20 per cent of annual recharge is available for consumptive use.

In some areas of the DRWCD existing water use is estimated to exceed 20 per cent of recharge provided for in the NT Water Allocation Planning Framework. As this usage is unlicensed and is not subject to any monitoring and reporting requirements, whether or not existing use exceeds 20 per cent of recharge will not be able to be confidently verified or managed without converting existing unlicensed use to licenced use. Concerns about the ongoing sustainability of water resources in the DRWCD, coupled with the limited management tools is the basis for introducing the licensing regime in the DRWCD.

It is expected that in some areas of the DRWCD, the sustainable limits set by the NT Water Allocation Planning Framework will not be able to be applied if existing water users are granted licences to extract at their current water use volumes. However, the ongoing dependence of existing water users in those areas of the DRWCD will be considered in preference to the application of the NT Water Allocation Planning Framework where their use can be appropriately verified, while this policy applies. Accordingly, the threshold level of 20 per cent of annual recharge for consumptive uses established by the NT Water Allocation Planning Framework may be exceeded by the amount necessary to fulfil the objectives of this policy.

It is hoped that by introducing a comprehensive licensing regime in the DRWCD and regulating water usage, water extractions in these areas will be able to be brought in line with the NT Water Allocation Planning Framework in the future.

7.0 ORDER IN WHICH APPLICATIONS WILL BE DETERMINED

Order in which applications received from existing water users on, or before, 1 March 2019 will be determined

It is common for applications for water allocations to be assessed in the order in which they are received (“first in, first served”). On that approach, later applications are decided on the basis that they will only be granted if they will not prejudice the entitlements under existing licences.

Given the intention of this policy is to licence all existing water users in the DRWCD and the fact that a significant numbers of applications will be received from existing water users at about the same time, it is not practical or appropriate to follow a “first in, first served” approach in relation to applications in the DRWCD.

Applications will instead be processed in batches by water source area.

The general order of priority for processing applications by water source area is:

- Berry Springs Aquifer System
- Howard
- South Alligator
- Burrell Creek Formation
- Cretaceous Cox Peninsula
- Mount Partridge
- Palmerston Dolostone.

Actual progress and access to required information may result in variations to this schedule.

As stated above, applications from existing water users for allocations which reflect their current water use volume will be assessed prior to:

- any application for an increase in an entitlement under a water extraction licence or from a new water user.
- any application lodged after 1 March 2019.

Once the applications from existing water users have been decided, the department will undertake monitoring to determine actual water usage. This will assist to identify appropriate water resource management strategies that may be required in the future.

Applications from existing water users lodged after 1 March 2019

Applications from existing water users lodged after 1 March 2019 will be considered and determined in accordance with the Act and the policy entitled 'Prioritising Water Extraction Licence Applications'.

The Controller will make a decision to grant a water extraction licence based on the factors set out in section 90 of the Act.

8.0 GLOSSARY

| Term | Definition |
|--------------------------|---|
| existing water user | is: <ul style="list-style-type: none"> (a) a person using water in the DRWCD for commercial purposes; or (b) a resident of the DRWCD using groundwater for any purpose that is not authorised under the Act (this includes irrigating a garden of greater than 0.5 of a hectare); who, prior to 6 July 2016, were exempt from licensing requirements under the Act because of the operation of the exemption. |
| current water use volume | is the volume of ground water being extracted or which an applicant requires for a commercial plan, commitment or proposal as at 6 July 2016, where such commercial plans, commitments or proposals can be demonstrated by documented evidence. |
| new water user | is: <ul style="list-style-type: none"> (a) a person using water in the DRWCD for commercial purposes; or (b) a resident of the DRWCD using groundwater for any purpose that is not authorised under the Act (this includes irrigating a garden of greater than 0.5 of a hectare); who, does not at 6 July 2016, have current water use volumes. |

9.0 RELATED DOCUMENTS AND LEGISLATION

This policy is to be read subject to the provisions of the Act and the Water Regulations. Related documents include:

- Northern Territory Water Allocation Planning Framework;
- Department Policy and Code of Practice – Non-urban water metering code of practice for water extraction licences; and
- Policy – Prioritising Water Extraction Licence Applications.

10.0 DOCUMENT CONTROL

Document Control

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Document Change History

The following table records the history of any significant changes made to this document. The version number of the document is incremented as follows:

- by 1.0 for significant changes
- by 0.1 for changes made for clarity and reading ease only.

| Version | Date | Change Details and Approver |
|----------------|-------------|--|
| 1.0 | 27/9/2017 | Northern Territory Government. |
| 1.1 | 17/1/2018 | Correction to administrative error. |
| 1.2 | 11/7/2018 | Spelling corrections and formatting, Executive Director Water Resources. |
| 1.3 | 9/8/2018 | Removal of reference to outdated policies, Executive Director Water Resources. |
| 1.4 | 30/11/2018 | Add Glossary, define current water use volume and establish an end date for the Policy as 1 March 2019, Northern Territory Government. |