



## Government Announcement on Water Reform

The State Government has released a Green Paper on sustainable water management for community discussion ahead of new legislation to be introduced in to Parliament next year. 'Securing Our Water Future', sets out more than 80 proposals to protect and manage Victoria's long-term water supplies.

The paper includes a review of water resource management at a statewide level and announces a moratorium on the issuing of additional water entitlements within seven major river systems south of the divide, including the Yarra River. These river systems have all been classed as at risk of being stressed, or very likely to be stressed. The lower reaches of all these rivers show up as being in marginal, poor or very poor condition according to government environmental reports.

The announcement of the moratorium means that new water allocations cannot be granted in the catchment and that new development must obtain water through trading with existing licence holders, identical to the system that has been in place for the Goulburn-Murray system since 1995. The cap will help drive greater efficiencies in water use and prompt a greater appreciation of the value of water. New development will be able to occur through the water market with the aim being to prevent further environmental damage resulting from water extraction.

The Government is seeking public comment on this paper and a summary of some of the key issues is included in the enclosed document. Submissions must be made by 30 November 2003.

Further information on this announcement can be obtained from [www.dse.vic.gov.au](http://www.dse.vic.gov.au) or the Department of Sustainability and Environment Customer Service Centre on 136 186.

## Trading and Transfers

With water recognised as a limited resource and becoming more valued as a commodity, people are more frequently seeking information about the trading of water licences.

Licences can be traded on a permanent or temporary (annual) basis, subject to assessment by Melbourne Water. The buyer and seller will determine prices and approvals can generally be granted where it is demonstrated that such transfers have no impact on the security of supply of other licence holders or on the environment. (For example, a trade downstream of the current licence location). Some restrictions or limitations do exist in trading between different areas or zones and Melbourne Water is currently working on trading rules between zones.

Melbourne Water receives regular enquiries from people seeking water on both a permanent and temporary basis. In order to be able to assist with such enquiries, Melbourne Water requests the details of any licence holder currently willing to engage in such trading. A register exists to store such information and enable prospective purchasers to be placed in contact with prospective sellers. The register currently contains only a small number of prospective traders.

As trading becomes more common in the Yarra catchment it is expected that water exchanges such as [Watermove.com.au](http://Watermove.com.au) will be utilised by licence holders to facilitate the buying and selling of water.

Licence holders not utilising their entitlements in full should consider trading as a means of putting their unused water to work and gaining some return on their asset.

If you are at all interested in trading in full or in part or on any basis, you are encouraged to register your details by faxing them to Melbourne Waters Diversions Team on 9784 6471.

## Farm Dam Update

Owners of existing farm dams used for other than domestic and stock use had until 30 June 2003 to apply to register their dams.

Approximately 700 applications were received by Melbourne Water across the Yarra River catchment in regards to the registration process.

Acknowledgement letters have been sent to all applicants. We are currently working through the applications and expect they will be completed by June 2004.

Owners of farm dams used for irrigation who have not applied to register their dams, should contact Melbourne Water immediately.



## Pricing News

The 2003/04 accounts were recently mailed out to all licence holders. Melbourne Water has kept fee increases to a minimum, largely in line with CPI, in recognition of the difficulties being experienced by many licence holders during the current drought period.

While fee increases have been kept to a minimum over the past few years, costs associated with managing the water resources and licence holders have increased in response to drought conditions, implementing legislative and regulatory changes, and through the continued implementation of metering and monitoring programs.

All of these activities are aimed at improved management of streamflows for the benefit of diverters and the environment. These activities are necessary to provide protection of entitlements and equity to all users in managing our limited resources.

As a result of these increased costs, Melbourne Water will review the current pricing structure as part of moving towards a user pays system through a staged increase in diversion pricing over a number of years.

Before this occurs, and as part of the review process, Melbourne Water will seek feedback from licence holders, industry groups and other stakeholders on the most appropriate pricing method and levels of service to adopt.

Melbourne Water is committed to the improved management of water in order to better service the interests of all licence holders. A review of pricing will enable us to consider a system more consistent with:

- user needs
- other water authorities
- government policy in terms of appropriate value for water.

Further information, including a customer survey and updates on the pricing review, will be forwarded to all licence holders in the future.

## Drought Response Plan

After several years of utilising the current Private Diverter Drought Response Plan, a comprehensive review of the document is underway.

As a result of lessons learned during the drought, a new draft plan has been prepared and provided to members of the Diversions Management Advisory Committee for comment. The new plan seeks to be more responsive to the needs of diverters and streamflows and to rely on the co-operation of licence holders in determining the status of restrictions within their catchment before pumping takes place.

It is hoped, once any comments are received, that the plan can be finalised and advice forwarded to all licence holders in time for possible implementation this summer.



## Diverter Handbook

Melbourne Water has recently developed a Handbook for both licence holders and water users generally. The handbook contains an overview of the diversion licensing function as well as useful information on a range of general diversion and licensing topics. Copies of the handbook can be obtained free of charge by accessing [www.melbournewater.com.au](http://www.melbournewater.com.au) or by calling the diversions team on (03) 9784 6373.

The document has not gone into full print as yet and any feedback or comments on the handbook from licence holders would be gratefully accepted.

## Metering

Metering of water use is becoming an increasing requirement across Victoria under recommendations from Streamflow Management Plan committees. Consequently, following consultation with the Diversions Management Advisory Committee, Melbourne Water is continuing to introduce metering of diversion licences across the Yarra catchment. Several sub-catchments have had meters installed already and further catchments are planned in conjunction with the Streamflow Management Plan process.

Metering is expected to provide both Melbourne Water and the licence holder with greater understanding of water use and provide licence holders with an effective tool to manage their licensed volume. An additional benefit for diverters is that meters allow the removal of the licensed area condition from their licence.

Licence holders will be contacted formally by Melbourne Water when metering is planned on their waterway. The cost of supplying and installing meters is free to existing licence holders, while the cost of maintenance and provision for ultimate replacement of the meters will be spread across all licence holders.

Once installed by Melbourne Water, the meter should not be tampered with or removed by the licence holders. If any difficulties or problems arise as a result of the meter installation, licence holders should contact Melbourne Water for assistance.

## Want More Information?

*Please contact Steve Hosking, Phil Biasi or  
Tim Donovan on telephone (03) 9784 6373  
or 131 722 for further information*