



Farm Dams Review Process

Legislation to introduce licensing of new farm dams used for other than stock and domestic purposes was introduced into Parliament at the end of September by the Minister for Conservation and Environment, Sherryl Garbutt.

The legislation was debated at length in the lower and upper house but could not gain bipartisan party support and will be reintroduced at Parliament's next sitting in March 2002.

The proposed legislative changes follow the recommendations put forward by the Farm Dams (Irrigation) Review Committee after extensive debate and a long period of consultation and public submissions.

It is the Government's intention that any new irrigation or commercial dam will require licensing in the same way as existing licensing arrangements apply to dams built on or fed from waterways. This will enable all significant water use to be accounted for in whole-of-catchment management of the resource.

Owners of existing unlicensed catchment dams used for commercial irrigation will be given the choice of applying for either:

- a) a standard licence, which is tradeable, to which normal annual fees apply, with the cost of the initial application fee being met by government; or
- b) a licence to register the existing use, issued for five years, renewable on payment of a nominal fee to recover the cost of registering and maintaining records. Government will meet the cost of the first five years fees.

Other important aspects of the licensing and registration arrangements are:

- there will be no change to domestic and stock rights and so domestic and stock dams do not require licensing/registration
- all existing irrigation catchment dams on a property can be covered by one licence / registration;
- no water trading will be allowed from registered dams;
- a registration licence can be converted to a tradeable licence at any time;
- The metering requirements that licensing authorities currently have in place for new developments should apply, but as a minimum meters will be required on new irrigation or commercial dams when:
 - a licence exceeds 20 megalitres; or
 - when the volume of the licence is less than the volume of the dam;
 - existing reuse dams will not be affected if they are within the specified design criteria. Reuse dams outside the criteria will need to be registered / licensed.

The impact of the new arrangements on anyone who currently store or use water for irrigation or commercial purposes in catchment dams is expected to be minimal.

To help with the transition into the new arrangements, access to farm plan incentives in the form of a grant will be available to meet the costs of establishing a new irrigation / commercial enterprise.

For further information, including copies of the Farm Dams (Irrigation) Review Committee Final Report and information sheets, contact the Department of Natural Resources and Environment Customer Service Centre on 136 186 or visit www.nre.vic.gov.au/irrigationfarmdams.



Payment of Annual Fees

Diversion accounts for the 2001/02 year fell due on 1 July 2001 with accounts being forwarded to licence holders in early August and were due for payment by 30 September 2001. Melbourne Water would like to thank those licence holders who paid on time but would also like to remind all licence holders of the importance of paying these accounts by the due date in order to ensure the licence is renewed and avoid possible licence cancellation. Diversion licences are valid for a 12 month period only and payment of annual fees is accepted as a renewal application.

Late payments incur additional fees in order to renew a licence and recover costs, however, in some circumstances it may not be possible to reinstate a licence once it has been cancelled.

If you cannot pay an account by the due date because of exceptional circumstances but wish to retain your licence, you must ask Melbourne Water in writing before the due date to consider deferring your payment, and outline your reasons.

Licences, particularly irrigation and commercial licences, are a tradeable commodity and are generally worth far more than the annual fee. If licensees are no longer using their licence or are unable to afford the fees, they should consider making it work for them by either leasing it to a third party on an annual basis or selling it. For more information on trading of licences see article below.

Diversion Licence Conditions

Diversion licence documents contain a host of important information relating to the day to day operating conditions under which they are issued. Licence holders are encouraged to read their licences regularly and ensure that they are familiar with their licensed volume and area as well as the other general operating conditions.

A recent copy of your licence should be held in a safe but accessible location. Licence holders who are unable to locate a copy of their licence document should contact Melbourne Water so that a new one can be provided. Likewise should you have any questions or queries regarding any of the details or conditions of your licence, please contact any of the Melbourne Water officers listed in the "Want more information" box at the bottom of this document.

Diversions On the Internet

Melbourne Water is pleased to announce the creation of an internet web page dedicated to providing information and support to our diversion licence customers. The page contains a host of information regarding diversions management including access to all relevant application forms, guidelines for obtaining or transferring diversions licences, the latest diversions drought response plan, past Stream News newsletters, payment options and Streamflow Management Plan information.

The page is located as part of Melbourne Water's web site at www.melbournewater.com.au. Simply visit the web site and click on 'business' and then the 'diversion licences' links.

Dam Sharing

In many instances it can be common for licence holders to utilise a dam that is located partly or wholly on another property other than their own. Likewise there can often be

two or more parties sharing a dam as a source of water and a pumping point. These dams are usually located on a waterway which may also form the title boundary between properties.

Individual rights to use these dams can vary significantly and is often not clear. Ownership of a diversion licence entitles the holder to a particular quantity of water from a waterway but does not instil any additional rights in respect to how you gain access to the waterway or any dams.

Disputes can arise when one dam user's activities affect the other(s). Melbourne Water requires that people sharing a dam enter into an appropriate dam-sharing agreement between all interested parties. The purpose of these agreements is to establish each party's respective rights and responsibilities with regard to the dam and similarly outline the process for any maintenance necessary to take place. The agreements are private between the parties concerned and may contain any details/conditions that are agreed upon.

Sample agreements are available from Melbourne Water as a guide only in order to help begin the process. Legal advice is generally recommended to ensure that all relevant matters are taken into account and that the agreement adequately protects each party's interests into the future.



Trading and Transfers

As advised in a previous edition of Streamnews, diversion licences are now a tradeable commodity. 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, on payment of a nominal transfer fee, 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.)

Melbourne Water receives regular enquiries from people seeking water both on a permanent and temporary basis. In order to be able to assist with such enquiries Melbourne Water require 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.

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 Water's diversions team on 9840 5710.

Want More Information?

Please contact Steve Hosking, Phil Biasi or Peter Rankin on telephone (03) 9840 5700.