



## WATER MANAGEMENT UNDER THE NRM ACT — PRESCRIPTION AND WATER ALLOCATION

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The *Natural Resources Management Act 2004* (the Act) provides for a number of different mechanisms for managing water resources:

- ◆ rights to water
- ◆ prescription and water allocation planning (introducing a licensing regime)
- ◆ temporary caps on water use
- ◆ controls on activities that can affect water.

### What is prescription of a water resource?

Prescription is a water management tool under the *Natural Resources Management Act 2004* (the Act) that is used, when required, to ensure the resource is used sustainably and shared appropriately between different users. The Act distinguishes between surface water, watercourse water and underground water. Surface water, watercourse water or wells can be prescribed.

Most water users in a prescribed area require a licence to take water. The licence may contain conditions on how the water can be used. The licence is a personal property right that can be transferred to another person, with the Minister's approval, by sale, lease or will.

### What is the purpose of prescribing a water resource?

Prescription is the most intensive water management tool under the Act. It establishes a system for sharing the water resource and protects against the unregulated use of water. Water resource development is allowed to continue up to designated sustainable limits.

Prescription provides security for water users and aims to balance social, economic and environmental needs for water. It thus improves security of water access and reduces conflicts over water sharing.

“ Water allocation plans balance social, economic and environmental needs. ”



Image: A. Schofield



Image: R. Mussared



## Who can prescribe a water resource? How is it done?

The Governor, on the Minister's recommendation, can prescribe a water resource.<sup>1</sup> The Minister must be satisfied that prescription is necessary or desirable for the proper management of the water resource.

Before actual prescription, the Minister must first issue a notice of intent to prescribe the resource and consult the community within a minimum consultation period of 3 months.<sup>2</sup>

## What does prescription mean for existing water users?

Following prescription, all existing users can continue to take water freely until licences are issued, unless a notice of prohibition or restriction is in operation (see below). Licences are usually issued once the water allocation plan has been adopted so that the conditions are consistent with the policies set out in the water allocation plan. Existing users are issued with a water licence endorsed with a water allocation before new users are considered.

Existing users have six (6) months from the time a water resource is prescribed to submit an application to be considered as an existing user.

Developing a water allocation plan is a complex process. It requires extensive community consultation and further scientific investigations to

ensure that the process for allocating water is sound and equitable.

It may take 2–3 years for the plan to be finalised, and therefore for licences to be issued to existing users. In the meantime, existing water users can continue to take water freely or, if a notice of prohibition or restriction (temporary cap) is in place, in accordance with an authorisation issued under that notice.

## What is a notice of prohibition or restriction (temporary cap)?

A temporary cap or moratorium on water extraction through a notice of prohibition or restriction is often used in conjunction with the notice of intent to prescribe.<sup>3</sup> The cap allows existing water users to continue their current use but prevents new or additional water resource development for the period of the notice. It is usually removed when the water allocation plan comes into operation.

## Does prescription impact on stock and domestic water users?

The Act does allow for stock and/or domestic water users to require a water licence when that use is a significant draw on the resource or the resource needs specific protection. In South Australia such users are licensed in the Northern Adelaide Plains, the River Murray and the far



Image: C. Wilson



Image: KI NRM Board



north pastoral areas. In other prescribed areas, stock and domestic water users do not require a water licence.

### **What is a water allocation plan?**

A water allocation plan must be prepared for every prescribed water resource or prescribed water resource area. Water allocation plans set out how water in a prescribed area can be allocated to new licensed water users and how licences or allocations on licences can be traded. The Act requires that the water needs of the environment must be taken into account when determining the quantity of water available for allocation to water users.

The plans provide for water allocation and use, so that there is a balance between social, economic and environmental needs.

Water allocation plans also set out the policies for water affecting activities, such as drilling a bore or constructing a dam, which require a permit.

### **How is a water allocation plan prepared? How long will it take?**

The Act sets out a compulsory process for preparing and consulting on a water allocation plan. Every existing water user as well as other stakeholders, must be contacted. Two years is the usual minimum time for preparing a water allocation plan because of the detailed planning and consultation process.

### **Who prepares the water allocation plan?**

Regional natural resources management boards are responsible for preparing water allocation plans, which come into force and become Government policy once adopted by the Minister.

### **Will people new to a prescribed area be able to get water?**

Existing users are issued with a water licence endorsed with a water allocation before new users are considered. New water users would be granted a water licence if the water allocation plan identifies that there is water available for further development once existing users have received an allocation.

The planning process includes assessment of the capacity of the water resource to meet present and future demand. This establishes the sustainable limits of the resource that can be allocated under the plan.

### **What does a water licence mean?**

Water licences are a personal property right held by a person or legal entity and are not attached to land. Water licences have allocations endorsed on them as well as conditions on how the water can be taken and used. The allocations and conditions reflect the provisions in the water allocation plan.





The entire licence, or parts or all of the allocation, may be traded according to the rules in the water allocation plan.

### Are there costs for water users in getting a licence?

For the 2008–09 financial year the licence application fee is \$179.00 (GST exempt). In some circumstances other fees may apply. The Department of Water, Land and Biodiversity Conservation administers the licensing process.

### Can water allocations on a licence be reduced?

Provisions exist under the NRM Act for the Minister to reduce water allocations if necessary, either proportionally or through a scheme established by regulation<sup>4</sup>:

- ◆ at any time at the request of, or consent of, the licensee<sup>5</sup> or

- ◆ in response to an urgent situation, such as lack of availability of water, poor water quality or environmental harm, requiring long-term changes to allocations<sup>6</sup> or
- ◆ when a new or amended water allocation plan is adopted that identifies a smaller total ‘capacity of the resource’<sup>7</sup>.

### References

1. Section 125 of the Act
2. Section 125(5) of the Act
3. Section 132 of the Act
4. Section 156 of the Act
5. Section 147(a) of the Act
6. Section 156 of the Act
8. Section 147(1) of the Act

For more general information on water management, please see the first fact sheet in this series, Water Management Under the NRM Act — An Overview.

Further information on prescription and water allocation planning is available from the Department of Water, Land and Biodiversity Conservation.

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Image: Dept for Environment, Water, Heritage & the Arts



Image: C. Wilson