



Office
of Water

Barwon-Darling Unregulated River Concessional conversion principles



Leading policy and reform in sustainable water management

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The Office of Water is part of the NSW Department of Primary Industries. It manages the policy and regulatory frameworks for the State's surface water and groundwater resources to provide a secure and sustainable water supply for all users.

The Office of Water also supports water utilities in the provision of water and sewerage services throughout New South Wales.

Barwon-Darling Unregulated River: Concessional conversion principles

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Background

In 2006, the then Minister for Natural Resources signed the *Heads of Agreement for the Barwon-Darling River System Cap* (the Heads of Agreement) with the Water Administration Ministerial Corporation, Mungindi-Menindee Advisory Council Inc, Bourke Shire Council, Clyde Agriculture, Darling Farms and the NSW Irrigators' Council. The Heads of Agreement sets out proposed management actions to comply with the Murray-Darling Basin Cap (the Cap) on diversions.

Each licence holder in the Barwon-Darling was given a share of the Cap, called a "Cap share". Each licence now specifies a Cap share and an Annual Volumetric Limit (AVL), which places a limit on the volume of water that can be taken under the licence in any one water year. Cap shares and accounting rules were designed such that total extractions over the long-term would not exceed the Cap. Additionally, extractions are limited on a daily basis by "commence to pump" rules which set a minimum flow level for licences in each river reach of the Barwon-Darling before pumping can commence. River reaches and river sections of the Barwon-Darling are detailed in Appendix 1.

As part of the introduction of the Heads of Agreement, the NSW Office of Water agreed to permit "concessional conversions" to allow individual licence holders to transfer Cap share from one licence class to another (e.g. from C Class to B Class). The purpose of concessional conversions is to enable existing licence holders to reinstate their pre-Cap conversion history of extraction at the specified access conditions without resulting total extractions exceeding the Cap.

Purpose of this document

The purpose of this document is to set out the rules, limits and application processes that will apply to concessional conversions in the Barwon-Darling Unregulated River. This document complements the *Barwon-Darling Unregulated River – water transfer rules*, which on its own would not be sufficient to enable licence holders to reinstate their pre-Cap conversion history of extraction. This document will have effect until the *Water Sharing Plan for the Barwon-Darling Unregulated and Alluvial Water Sources* commences. Concessional conversions will continue under the rules of the water sharing plan for the first year of the plan only.

Note: The *Barwon-Darling Unregulated River – water transfer rules* are available on the Office of Water's website at www.water.nsw.gov.au under Water Licensing > About licences > Water-Act-1912

Concessional conversion principles

The concessional conversion rules set out in this document have been designed to ensure that:

- legislative requirements are satisfied
- conversions will not have unacceptable impacts on the environment and water dependent ecosystems
- conversions will not result in increased extractions from areas identified as being of high conservation value
- conversions will not result in extractions exceeding the Cap
- each licence eligible for a concessional conversion will be subject to a concessional conversion limit equal to the benchmarked history of extraction in a particular licence class (1995 – 2005) minus the Cap shares assigned to that licence for that class. Concessional conversion limits are specified in Appendix 2
- conversions transfers will not adversely affect the ability of landholders to exercise their basic landholder rights
- conversions will not have unacceptable third party impacts
- conversions will not adversely impact geological and other features of indigenous, heritage or major cultural significance.

Information for applicants

Concessional conversions will be conducted via a notice under section 17A(2) or 20H(2) (for authorities) under the *Water Act 1912* until the *Water Sharing Plan for the Barwon-Darling Unregulated and Alluvial Water Sources* commences and the licensing and approvals provisions of the *Water Management Act 2000* (WM Act) are activated for this area.

Applications for concessional conversions must be lodged with the NSW Office of Water for assessment. Information on how to apply for a concessional conversion under the WM Act is available on the Office of Water's website at www.water.nsw.gov.au under Water licensing > Dealings and trade > Change access licence. Concessional conversions under the WM Act are conducted by completing a section 71O dealing in accordance with the rules in the water sharing plan.

Application forms for concessional conversions under the *Water Act 1912* are available on the Office of Water's website at www.water.nsw.gov.au under Water licensing > About licences > Water Act 1912. The parties to a conversion should be aware that:

- application fees may be payable to the Office of Water depending on the workload involved. Applicants are advised to contact the Office of Water to find out what fees will apply
- in the case that multiple parties are involved in the conversion, all parties must indicate their consent to the conversion on the application form
- a condition of all conversions will be to:
 - release the Office of Water from all or any claims for compensation for loss, damage, injury, or inconvenience and from all other actions, suits, proceedings, claims, accounts, demands, costs, and expenses
 - indemnify the Office of Water against all such claims and other actions by any person including any person claiming ownership, partnership, share farming or mortgage interest or otherwise in their lands or the crops there on or produce there from howsoever arising in respect of the Office of Water consenting to this application or any inability of the Office of Water to supply all or any part of the volume of water referred to in the application resulting from circumstances or acts over which it has no control.

Concessional conversion rules for the Barwon-Darling

The following rules will apply to concessional conversions.

1. The Office of Water may refuse an application for a conversion, or request that applications be amended, to ensure that the conversion meets all legislative requirements, it will not adversely impact the environment, basic landholder right and other licence holders, geological and other features of significance and is permitted in accordance with all other rules under this document.
2. Only licences that existed on 1 July 2007 are eligible to receive a concessional conversion, except where a licence was granted after 1 July 2007 as the consequence of an amalgamation or permanent transfer.
3. Concessional conversions will only be permitted where the Cap share of the recipient licence after the completion of the concessional conversion will not exceed the average History of Use (HOE) used in the initial allocation of cap shares, that is, an individual can convert no more than their concessional conversion allowance to that licence class. Appendix 2 details the concessional conversion limits for each class.
4. Where an eligible licence has been subject to a permanent transfer since the introduction of Cap shares but prior to the introduction of the *Barwon-Darling Unregulated River – water transfer rules*, the concessional conversion allowance for that licence will be adjusted proportionately.

5. Concessional conversion limits will not be adjusted for permanent transfers undertaken under the *Barwon-Darling Unregulated River – water transfer rules*.
6. Account water will not be transferred with the converted Cap share. Parties interested in transferring account water should refer to the *Barwon-Darling Unregulated River – water transfer rules*.
7. Concessional conversions are only permitted from:
 - (a) B Class to A Class licences; or
 - (b) C Class to A Class licences; or
 - (c) C Class to B Class licences.
8. Concessional conversions to or from D Class licences are prohibited.
9. Concessional conversions are permitted between licences in different river sections and river reaches.

Note: To apply for a concessional conversion between licences in different river sections and river reaches, and which are owned by the same licence holder/s, the licence holder/s need only to complete the Concessional Conversion of Murray-Darling Basin Cap share (in the unregulated Barwon-Darling River) application.

Note: To apply for a concessional conversion between licences in different river sections and river reaches, and where surface water rights are acquired from a third party, the licence holder/s need to complete both the Permanent Transfer of Surface Water Rights and the Concessional Conversion of Murray-Darling Basin Cap share (in the unregulated Barwon-Darling River) applications.
10. Annual Volumetric Limits (AVL) will not be adjusted as a result of concessional conversion.

For more information

If you would like more information about concessional conversions or how to apply, you can contact NSW Office of Water Dubbo office on (02) 6884 2560, call our general water licensing enquiries hotline on 1800 353 104 or email information@water.nsw.gov.au.

Appendix I – River sections and river reaches

River section	River reach
River section 1	Mungindi to Boomi River Confluence
	Boomi River Confluence to Upstream Mogil Mogil Weir Pool
	Mogil Mogil Weir Pool
	Downstream Mogil Mogil to Collarenebri
	Collarenebri to Upstream Walgett Weir Pool
	Walgett Weir Pool
River section 2	Downstream Walgett to Boorooma
	Boorooma to Brewarrina
River section 3	Brewarrina to Culgoa River Junction
	Culgoa River Junction to Bourke
River section 4	Bourke to Louth
	Louth to Tilpa
	Tilpa to Wilcannia
	Wilcannia to Upstream Lake Wetherell

Appendix 2 – Concessional conversion limits

A Class concessional conversion limits

Water Act 1912 entitlement	A Class concessional conversion limit Unit shares
85SL021298	36
85SL029986	6
85SL040876	109
85SL044614	43
85SL045530	2
85SL047088	2
85SL096050	24
85SL096168	18
85SA012503	2,514
85SL105049	45

B Class concessional conversion limits

Water Act 1912 entitlement	B Class concessional conversion limit Unit shares
85SA001836	2,883
85SA012502	1,783
85SA010578	10,366
85SL027632	620
85SL030049	884
85SL031658	558
85SL036565	83
85SL037049	16
85SL038627	426
85SL044420	1,090
85SL049419	906
85SL051368	230
85SL051372	484
85SL051650	1,154
85SL051895	314
85SL051976	356
85SL052000	834
85SL052153	309
85SL095034	1,127
85SL095208	592
85SL095365	1,154
85SL095725	526

Water Act 1912 entitlement	B Class concessional conversion limit Unit shares
85SL096134	848
85SL096196	39
85SL096220	1,200
85SL096254	5,390
85SA001710	657
85SL100380	169
85SL100792	30
85SL105002	328
85SL105058	2,774
85SL105059	3,622
85SL105065	2,855