

# Water trading in the Western Mount Lofty Ranges

June 2020



Vineyard in Ashton

Water in the Western Mount Lofty Ranges Prescribed Water Resources Area (WMLR PWRA) is a vital resource. It enables our livelihoods, lifestyles and landscapes to thrive.

Water licenses and water allocation plans support an economically important and diverse agricultural industry, by ensuring water resources remain viable into the future. This prescribed area extends from Gawler in the north to Cape Jervis in the south, and covers parts of the Adelaide Hills and the Fleurieu Peninsula. It also includes the Onkaparinga,

Torrens (Karrawirra Parri), Little Para and the Gawler rivers as they cross the Adelaide Plains from the hills to Gulf St Vincent.

## Explaining licensing and allocations

An area becomes 'prescribed' to protect water resources from unsustainable use and to balance the economic, social and environmental needs for water. This introduces a legal process to manage the taking and using of water through water licensing and allocation.

A water allocation plan outlines how the prescribed water resources will be managed sustainably. This plan is developed with the local community and industry to ensure all needs, including the needs of the environment, are met.

A water licence is a personal asset that is separate from the land and can be sold or traded to others.

In the WMLR PWRA, all water taken from groundwater (wells/bores), surface water (dams) and watercourses, which are used for irrigation, industrial, commercial or recreational purposes require a licence and allocation.

**A licence is not required to use water for domestic purposes (households and gardens up to 0.4 ha), watering of stock (not subject to intensive farming), fire-fighting and road-making. This applies to all water sources except for large dams having a capacity of 5 megalitres or greater, which require a license for stock and domestic purposes.**

Granting new allocations is currently restricted, although an allocation can be acquired by trading (transferring) from someone with an existing licence and allocation.

### What is water trading?

Water trading is the transfer of a water licence and/or allocation, usually in return for monetary payment. A water broker can assist with water trading (buying and selling water allocations) and information on current market prices.

Trade can be permanent or temporary (a lease) subject to the water allocation plan's trading (transfer) principles, and a licensee may trade all or part of their allocation.

Water trading can be a change in the holder of the licence, e.g. through the sale of a property. This is usually a simple administrative transfer and requires no technical assessment against the plan.

A trade can also be a change in location from where water is taken, along with a change in the holder of the allocation.

Water trade does not include physically moving water from one property to another, e.g. through a pipe or water cart/tanker.

When traded, water licences or allocations remain related to the same water resource type – e.g. groundwater, surface water or watercourse water.

### The benefits of water trade

The whole community benefits from water trade as water is used where it is most valued and needed. Putting a dollar value on water also encourages efficiency and increased productivity.

Water trade could allow new businesses to establish or existing ones to expand.

It may allow flexibility in water use, including being able to increase the allocation during prolonged periods of drought.

Purchasing an extra allocation may help a licence holder avoid exceeding their original allocation and a penalty for overuse.

### Where can water be traded?

Trading water licences and allocations to a different location is subject to an assessment to ensure sustainable water use and to minimise detrimental impacts on water resources or other users, including the environment. This assessment is based on the principles in Sections 6 and 7 of the WMLR Water Allocation Plan (WMLR WAP) and can be quite complex as it has to consider potential regional and local scale impacts of the proposed trade. The WMLR WAP can be found at <https://www.naturalresources.sa.gov.au/adelaidemtloftyranges/water/water-planning/water-allocation-planning/western-mount-lofty-ranges>

Water can only be traded between the same resource types (e.g. surface water to surface water) and not between different resource types (e.g. surface water to groundwater).

The trading of groundwater can occur throughout the entire WMLR PWRA. However, the trading of surface water or watercourse water is restricted to within catchments (i.e. South Para River, Little Para River, River Torrens, Onkaparinga River, Willunga Basin, Myponga River, Fleurieu Coastal and the Hindmarsh/Inman Rivers Catchments). On the plains, trading allocations from a watercourse may only occur on the same watercourse.

To better manage water resource variability across the region, the WMLR PWRA is divided into 45 groundwater management zones and 333 surface water management zones.

Some of the key assessment principles for trading groundwater and surface water are detailed below.

## Groundwater allocations

**Extraction limits:** Trading must not result in the extraction limit for the receiving management zone to be exceeded (or further exceeded). The map on the next page, 'Groundwater Management Zone Allocation Status' shows the management zones divided into three categories:

**Red - at limit:** the zone is fully allocated and groundwater cannot be traded into this zone. However, allocations may be traded within the zone.

**Orange - near limit:** total groundwater allocations are within 100 ML of the extraction limit, so there may be limited opportunities to trade into this zone.

**Green - under limit:** total groundwater allocations are less than the extraction limit, with available groundwater greater than 100 ML. This allows for a potential trade into this zone.

This map will be updated periodically and is available online at

<https://www.environment.sa.gov.au/licence-and-permits/water-licence-and-permit-forms/adelaide-and-mount-lofty-ranges-water-licences-and-permits>

**Well buffer zones:** Water trading must not cause well buffer zones to overlap (or further overlap). These buffer zones, defined in the WMLR WAP, are deemed to be a circular area of potential impact resulting from groundwater pumping and drawdown. This area of impact depends on the maximum volume of groundwater allocation, if the trade was approved.

They should also not overlap (or further overlap) established buffers which protect groundwater-dependent ecosystems (e.g. wetlands).

## High intensity underground water use:

Water trading should not move groundwater allocations into existing (or create new) zones of high intensity underground water use. These are areas where concentrations of allocations significantly exceeds recharge to the groundwater system.

## Surface and watercourse water

The assessment of water trading for surface and watercourse water allocations is complex, as it needs to consider regional catchment scale impacts, management zone limits and local runoff limits.

Similar to groundwater, the trading of surface water should not result in the extraction limit being exceeded (or further exceeded) for either the receiving surface water management zone or any downstream zones. There is also a local runoff test to ensure there is sufficient runoff to a site. An additional local runoff test applies to water sources located in a catchment of a Fleurieu Wetland, where the total surface water use (existing and proposed) should not exceed 25% of the runoff to the wetland.

Furthermore, water trading must not result in any increase in water use upstream of a reservoir.

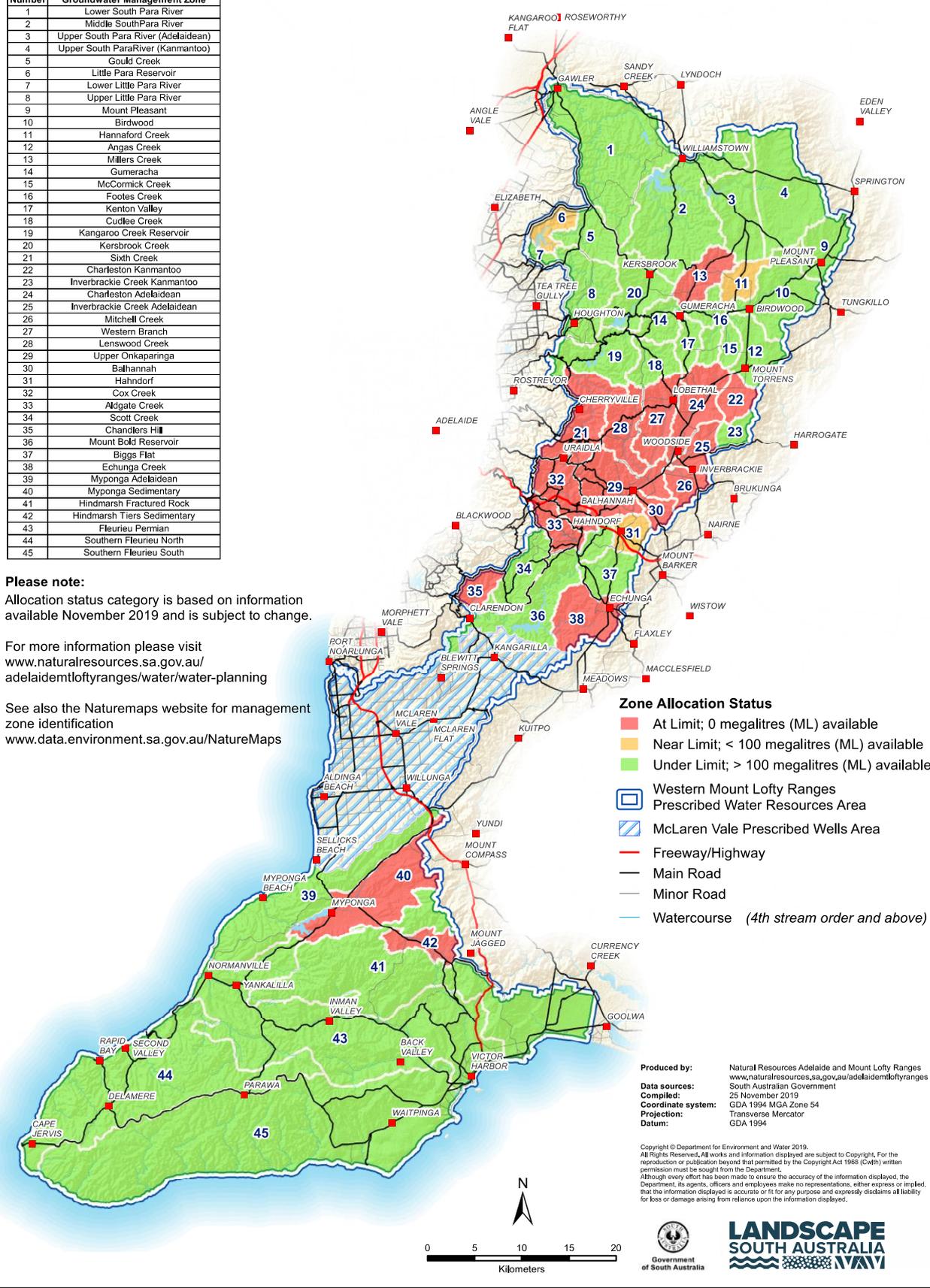
# Western Mount Lofty Ranges - Groundwater Management Zone Allocation Status (November 2019)

Number	Groundwater Management Zone
1	Lower South Para River
2	Middle South Para River
3	Upper South Para River (Adelaidean)
4	Upper South Para River (Kanmantoo)
5	Gould Creek
6	Little Para Reservoir
7	Lower Little Para River
8	Upper Little Para River
9	Mount Pleasant
10	Birdwood
11	Hannaford Creek
12	Angas Creek
13	Millers Creek
14	Gumeracha
15	McCormick Creek
16	Fooles Creek
17	Kenton Valley
18	Cudlee Creek
19	Kangaroo Creek Reservoir
20	Kersbrook Creek
21	Sikh Creek
22	Charleston Kanmantoo
23	Inverbrackie Creek Kanmantoo
24	Charleston Adelaidean
25	Inverbrackie Creek Adelaidean
26	Mitchell Creek
27	Western Branch
28	Lenswood Creek
29	Upper Onkaparinga
30	Balhannah
31	Hahndorf
32	Cox Creek
33	Aldgate Creek
34	Scott Creek
35	Chandlers Hill
36	Mount Bold Reservoir
37	Biggs Flat
38	Echunga Creek
39	Myponga Adelaidean
40	Myponga Sedimentary
41	Hindmarsh Fractured Rock
42	Hindmarsh Tiers Sedimentary
43	Fleurieu Permian
44	Southern Fleurieu North
45	Southern Fleurieu South

**Please note:**  
Allocation status category is based on information available November 2019 and is subject to change.

For more information please visit [www.naturalresources.sa.gov.au/adelaidemtloftyranges/water/water-planning](http://www.naturalresources.sa.gov.au/adelaidemtloftyranges/water/water-planning)

See also the Naturemaps website for management zone identification [www.data.environment.sa.gov.au/NatureMaps](http://www.data.environment.sa.gov.au/NatureMaps)

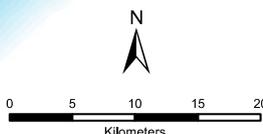


**Zone Allocation Status**

- At Limit; 0 megalitres (ML) available
- Near Limit; < 100 megalitres (ML) available
- Under Limit; > 100 megalitres (ML) available
- Western Mount Lofty Ranges Prescribed Water Resources Area
- McLaren Vale Prescribed Wells Area
- Freeway/Highway
- Main Road
- Minor Road
- Watercourse (4th stream order and above)

**Produced by:** Natural Resources Adelaide and Mount Lofty Ranges  
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## How much does water trading cost?

The price of a water licence or water allocation to be traded is negotiated between the buyer and the seller, or their representatives. A water broker can assist and provide information on current market prices.

Information on recent water trading sales in South Australia is available on WaterConnect at <https://www.waterconnect.sa.gov.au/Systems/WTR/Pages/Default.aspx>

Fees apply to any applications to trade water. For more information, please contact the Department for Environment and Water, Adelaide Water Licensing office on (08) 8463 6876 or visit <https://www.environment.sa.gov.au/licences-and-permits/water-licence-and-permit-forms/adelaide-and-mount-lofty-ranges-water-licences-and-permits>

Additional costs may apply for water brokers, conveyancers and other services.

## What is the process to trade water?

The buyer and seller negotiate an in-principle agreement regarding the quantity and price of water to be traded. If you are having trouble finding a buyer or seller then a water broker could assist, or you could talk to other water users, or place a notice in a local newspaper, noticeboard or on social media.

The Department for Environment and Water is the authority for administering water licences and trades. Application forms and fees should be submitted to the DEW Adelaide Water Licensing office, which will be assessed against the relevant principles in the WMLR WAP.

Depending on the outcome of the assessment, the trade will be approved or refused. The reason will be provided for any refused applications. For approved temporary trades, the licences and allocations will automatically revert to the pre-trade licence holder and volume at the end of the requested trade period, which will always be the 30 June of a nominated year.

## Can new water sources be established to access traded water allocations?

**Construction of new dams (or enlargements) are temporarily restricted within the WMLR PWRA and as a general rule, can only be considered where there is an equivalent reduction in dam capacity in the same catchment.**

New bores, dams and watercourse sources are subject to assessment against the relevant principles of the WMLR WAP. The construction of bores (or replacement bores) and dams (or modification) requires a Water Affecting Activity permit. The installation of infrastructure to access water from a watercourse may also require a permit.

Proposed dams with a capacity exceeding 5 megalitres or a wall height greater than 3 metres will require development approval with local council, rather than a permit.



A gully dam at Torrens Vale

For information about well construction permits go to

<https://www.environment.sa.gov.au/topics/water/water-licences-and-permits/well-drilling>

Information about permits for dam construction (or modification) go to <https://www.naturalresources.sa.gov.au/adelaide/mountloftyranges/water/managing-water/water-affecting-activities/permits-for-water-affecting-activities>

## More Information

For information about trade (transfer) rules, water licences and allocations please phone the Department for Environment and Water Adelaide Water Licensing office on (08) 8463 6876.

Water brokers may assist in connecting buyers and sellers and brokering agreements. You can search the internet for South Australian water brokers by typing "water brokers South Australia".

The Department for Environment and Water website has a range of useful information including water trading, application forms and fees for trades and water metering at <https://www.environment.sa.gov.au/topics/water>

Information on water planning and management in the Western Mount Lofty Ranges can be found at <https://www.naturalresources.sa.gov.au/adelaidemtloftyranges/water/water-planning/water-allocation-planning/western-mount-lofty-ranges>

A water licence and permit register on WaterConnect contains information on ownership of permits, licences, allocations and approvals. You can search by permit or licence/approval number or land title at <https://www.waterconnect.sa.gov.au/Systems/WLPR/Pages/Default.aspx>

Prior to trading water, it is important to understand current and future water needs. Estimating how much water is required for domestic, stock, irrigation and industrial purposes can be done using the water calculator tool at <https://www.naturalresources.sa.gov.au/adelaidemtloftyranges/water/water-planning/water-calculator>

NatureMaps can assist in locating a property within either a groundwater or surface water management zone. The management zone mapping is found in the 'Water' and either the 'Groundwater' or 'Surface Water' layer category. Alternatively type 'management zone' in the layer search box and navigate to the property. The NatureMaps can be found at <https://data.environment.sa.gov.au/NatureMaps/Pages/default.aspx>

To assist in water planning, different water resource information can be found at

Bore information  
<https://www.waterconnect.sa.gov.au/Systems/GD/Pages/Default.aspx>

Real-time streamflow and rainfall information  
<https://amlr.waterdata.com.au/>

<https://www.waterconnect.sa.gov.au/Systems/RTWD/Pages/Default.aspx>

Groundwater and Surface water resource monitoring reports  
<https://www.waterconnect.sa.gov.au/Systems/GSR/Pages/Default.aspx>