

Interstate Water Trade



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FACT SHEET 5
MAY 2006

Environmental and other clearances for new developments

ENVIRONMENTAL AND OTHER CLEARANCES FOR NEW DEVELOPMENTS

A fundamental principle underpinning the Murray-Darling Basin Ministerial Council decision to expand interstate water trade is that trade should increase the efficiency and effectiveness of consumptive water use in ways that do not increase or accelerate environmental degradation.

The Intergovernmental Agreement on a National Water Initiative (June 2004) also reflects this principle. Governments agreed that water trading must recognise and protect the needs of the environment.

Water transfers must also be consistent with the Murray-Darling Basin Ministerial Council's policies on environmental flow management (see below) and the Salinity and Drainage Strategy. Permanent water trading may be suspended or restricted if any government considers that interstate trading has resulted in an increase in or acceleration of environmental degradation.

Lessons from the Pilot Program

The Pilot Program saw water transferring from low value irrigation uses in salt-affected areas, to high value uses with best practice irrigation systems and lower environmental impact.

Transfers were generally downstream, with water remaining in the river longer and contributing to salt and nutrient dilution flows in some reaches. The application of the Cap exchange rate process (see Fact Sheet 3) also generates a positive environmental impact. Transfers upstream reduce the total Cap for the Basin resulting in greater end-of-system flows.

An environmental account has been maintained during the implementation of the pilot project by the Murray-Darling Basin Commission (MDBC). This account has been useful in revising and assessing the implementation of the pilot program over time.

Environmental Clearances

Environmental protection and clearances for new irrigation developments are state responsibilities. A review of the state environmental clearance processes undertaken by the MDBC in 2004 found:

- Despite differences in the specifics of legislative regimes and arrangements for administering approvals, there are similarities in the requirements and processes for assessing and managing potential environmental impacts from water trade within states.
- Advances in understanding of land capability, hydro-geological assessment, irrigation technology and environmental impact have resulted in considerable evolution in these processes over the past decade.
- Generally, environmental considerations for new developments at the point of destination comprise:
 - Impact of water on flow regimes of rivers and streams
 - Groundwater accessions and upper limits

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- Soils data
 - Crop type
 - Irrigation design
 - Drainage and reuse
 - Irrigation scheduling
 - Monitoring program
 - Water quality monitoring
 - Impacts on native flora and fauna
- Environmental considerations between point of destination and point of origin include:
 - Assessment of increased flows in rivers and streams to downstream destinations (exacerbating un-seasonal flow patterns)
 - Assessment of decreased flows in rivers and streams to upstream destinations.
 - Environmental considerations at the point of origin include:
 - Assessment of the impact of removal of irrigation water on reduced accessions to the groundwater leading to less water logging (soil and vegetation impact) and less salinity impact (over time).

The environmental clearance processes ensure that water will move to suitable sites only and to irrigation enterprises that are properly managed. In turn, this ensures that negative environmental impacts are minimised.

State Environmental Clearance Procedures

Further details can be obtained from:

New South Wales

Contact the resource access officer at your local Department of Natural Resources office (contact details are available on our website) or Water Dealings Officer.

Tel: 1800 353 104 or

Email: wma.info@dnr.nsw.gov.au

Victoria

Sunraysia and Goulburn Region
Department of Sustainability and Environment
Dr John Cooke

Manager, Sunraysia

Tel: (03) 5051 4500

Fax: (03) 5051 4302

South Australia

Greg McCarron

Manager River Murray Licensing

Department of Water, Land and Biodiversity Conservation

PO Box 240, Berri, SA 5343

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Australian Government Environmental Clearances

The Australian Government's Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), establishes a framework for protecting matters of national environmental significance. Five of the seven matters of national environmental significance identified by the EPBC Act potentially relate to environmental features within the Murray-Darling Basin. They are: World Heritage properties, National Heritage places, Ramsar wetlands of international significance, listed threatened species and ecological communities, and listed migratory species.

Any action that is likely to have a significant impact on any of these matters of national environmental significance will require environmental assessment and approval under the EPBC Act. The Act also applies to any action that is likely to have a significant impact on the environment of Commonwealth land.

Water trading results in the state government body granting authorisation (for example, a permit or licence) for the trade to proceed and although this is not an action under the EPBC Act, states assess the impacts of water trading on matters of national environmental significance. This really does inform the general public whether or not they have to do anything.

Water Trade and River flow

Concerns have been expressed about the effects of water trade on river flows, especially their environmental implications.

The Murray-Darling Basin Management Council has a clear policy 'to maintain and, where appropriate, improve flow regimes in the waterways of the Murray-Darling Basin to protect and enhance the riverine environment'. When assessing applications for the transfer of entitlements, the licensing authorities must ensure that the transfers are consistent with this policy.

Transferred water entitlements must be able to be delivered without net detriment to the riverine environment and be consistent with the Ministerial Council's Living Murray initiative.

Reporting

The suitability of the current environmental clearances is being monitored and was reviewed after the first year of the pilot project's operation and again in 2004. The reviews found that the existing clearances make a significant contribution to environmental protection.

Photo credits:

Dairy Cows grazing at Woodlands Dairy (photo: Regional Reach Advertising, May 2006)

Hattah Lakes (photo: Andrew Keogh)

Forage Sorghum field at Wylarah (photo: Regional Reach Advertising, May 2006)