**NATURAL RESOURCES MANAGEMENT (TRANSFER OF WATER LICENCES) AMENDMENT BILL 2006**

**Legislative Assembly, 3 May 2006, page 81**

Second reading

**The Hon. K.A. MAYWALD (Minister for the River Murray)** obtained leave and introduced a bill for an act to amend the Natural Resources Management Act 2004. Read a first time.

The Hon. K.A. MAYWALD: I move: That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted.

The Natural Resources Management (Transfer of Water Licences) Amendment Bill 2006 is part of an initiative of the South Australian Government to encourage the community to participate directly to help increase flows to improve the health of the River Murray.

South Australia is pursuing water recovery measures to provide ecological outcomes at all priority sites in South Australia as part of a long-term process to improve river health and achieve South Australia’s Strategic Plan target of recovering 1 500 gigalitres of environmental flows for the River Murray by 2018.

One important water recovery mechanism is the voluntary donation of water to environmental watering projects. Voluntary donation represents a potentially significant additional opportunity to increase environmental flows at priority sites. Additional environmental water will be used to improve the condition of ecological systems, enhance water quality and improve the robustness of the river system to withstand extreme events (such as drought or adverse impacts arising from climate change).

A number of groups and individuals have indicated that there is significant willingness within the community to donate water for specific environmental projects. The SA Murray-Darling Basin Natural Resources Management Board strongly supports the proposal, which is seen as a positive contribution by Government to encourage commitment and participation by the community to improve environmental flows.

The South Australian Government has already announced its commitment to remove certain fees and charges when water is donated to an accredited environmental watering project. The Government has committed to— · reimbursing a proportion of the Natural Resources Management water based levy paid by the donor in respect of the water donated; · removing transfer fees on a water allocation or water licence donated to the environment and establishment fees for an environmental donations licence; and · removing stamp duty on a water allocation and water licences donated to the environment.

Two of these measures have already been taken. Reimbursing the water levy and removing water transfer fees under the Natural Resources Management Act 2004 have been achieved through new Regulations under that Act.

The remaining incentive, removing stamp duty on environmental transfers, requires an amendment to the Natural Resources Management Act 2004 itself. That amendment is the subject of the Bill now tabled.

Section 157 of the Natural Resources Management Act 2004 presently provides that stamp duty is not payable in respect of the transfer of a licence or water allocation, despite the provisions of the Stamp Duties Act 1923 if the transfer is for a period of five years or less.

However, for transfers longer than five years, ie permanent donations or leases with extension rights which amount to more than five years in total, the Stamp Duties Act 1923 requires stamp duty to be paid, on an increasing scale depending on the value of the water transferred.

The amendment Bill will enable a regulation to be made under the Natural Resources Management Act 2004 to exempt stamp duty on the transfer of a water licence or water allocation donated to an environmental donations licence.

The recently-made Natural Resources Management (General) (Environmental Donations Licences) Variation Regulations 2005 set out the criteria for environmental donations licences. An environmental donations licence will only be able to be used on accredited environmental watering projects. The SA Murray-Darling Basin Natural Resources Management Board is a key partner in improving flows to the river. The Board will administer the accreditation scheme, using agreed guidelines to assess watering projects for accreditation.

A list of environmental donations licences and the associated approved environmental watering projects will be maintained and made publicly accessible via the Department of Water, Land and Biodiversity Conservation and the SA Murray-Darling Basin Natural Resources Management Board’s websites. The SA Murray-Darling Basin Natural Resources Management Board will monitor and annually report on water donations made to the environment.

Information on the proposal will be widely advertised by the Department of Water, Land and Biodiversity Conservation and the SA Murray-Darling Basin Natural Resources Management Board in local community forums, through the local press and local interest groups such as the Local Action Planning groups, regional local governments and irrigator groups.

I commend the Bill to Members.

EXPLANATION OF CLAUSES

**Part 1—**

**Preliminary 1—Short title**

This clause is formal.

**2—Commencement**

The measure will be brought into operation by proclamation.

**3—Amendment provisions**

This clause is formal.

**Part 2—Amendment of Natural Resources Management Act 2004**

**4—Amendment of section 157**—Transfer Section 157(9) of the Act is to be revised so that the stamp duty exemption will be able to be extended to the transfer of licences, or the transfer of water allocations, that fall within categories prescribed by the regulations.

Dr McFETRIDGE secured the adjournment of the debate.