

Title:	Water Licence Change of Purpose Administrative Licensing Criteria
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Background

Directors under the *Water Act* can use the administrative licensing criteria to deal with applications filed that include a change of purpose.

A change to the purpose identified in a license may be considered, subject to the terms of the applicable section of the Act, through an application for an amendment where there are no changes to the appurtenance of the license (land or undertaking) or through an application for a transfer of water allocation where there are changes to the appurtenance.

As water licences become more complex, there may be unintended consequences of any proposed changes in purpose. Risks could be related to water speculation, transfer applications and uses of water that may not meet the original intent of a licence or even the *Water Act*.

Guidance

Licensing criteria have been established to provide guidance on how much water within a licence can be changed under a request for change in purpose. It establishes a size threshold as well as a cap (based on the size of a user's licence) on the amount of water that will be considered in a change of purpose decision.

The *Water Act* provides for the following:

- a) A change to the purpose identified in a licence may be considered, subject to the terms of the applicable section of the *Water Act*, through an **application for an amendment** where there are **no changes** to the appurtenance of the licence (*land or undertaking*)
- b) A change to the purpose identified in a licence may be considered, subject to the terms of the applicable section of the *Water Act*, through an **application for transfer** where there are **changes to** the appurtenance of the licence (*land or undertaking*)
- c) The *Water Act* requires that the appurtenance of a licence to land or undertaking is described in each licence. Therefore a licensee is restricted to using or delivering water only within the lands or

undertaking described in a licence, and may not apply for an amendment to deliver water to any other lands or through any other undertaking.

The Director under the *Water Act* will use the following guidance when applications are filed for existing licences that include a change of purpose:

- a) **The public must be aware:** Applicants for an amendment or a transfer must describe how the water allocation that is the subject of the application will be used; including specifics of the quantity of water required for each of the amended purpose(s), and any new works to deliver the water to that use and any changes to return flow.
- b) **Limits to "re-distribution":** Projects that receive water from the licensee under the additional purposes may not redistribute the water to new or additional projects. Licensees that are issued additional purposes must report annually the names and purposes of the projects that receive water under the amended purposes including the specified water volumes.
- c) **Limits to the water volume of additional multiple purposes:** For licences greater than 1,230,000 m³ (or 1,000 acre feet), Directors will only consider an amendment application, where new purposes are added, for a maximum of 1,230,000 m³ plus 2% of the remaining license allocation.
- d) **To promote conservation of Water:** An application for amendment for change of purpose may only apply to water that is being used under the licence at the time of application, or, **to promote conservation of water,** has been used by the licensee in the previous 3 years, or is identified as a quantity of water that has been used and subsequently conserved by an identified project initiated after January 1, 1999.
- e) **Prevent speculation:** For the purpose of determining water use for d) above, wasting of water to increase the water used is not eligible for inclusion. Water is considered wasted for the purpose of this licensing criteria if any part of the licensed water is used for any purpose in an amount exceeding the median water use for similar purpose licensees in the area by 10% or that exceeds any standards accepted by the Minister.

Does not include delivery of another licensed allocation: This criteria does not apply to the circumstance where a licensee delivers water for another licensee (which may have a different purpose) through the licensee's existing works, or undertakings.

Original signed by: _____

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