

## Managing groundwater access to extraction limits

### Important information about your privacy

All feedback received by NSW Department of Planning, Industry and Environment as part of this consultation will be reviewed to inform the finalisation of our future approach to managing groundwater access to extraction limits.

The department values your input and accepts that information you provide may be private and personal.

If you would prefer your submission or your personal details to be treated as confidential, please indicate this by ticking the relevant box below.

If you do not make a request for confidentiality, the department may make your submission, including any personal details contained in the submission, available to the public.

Please note that, regardless of a request for confidentiality, the department may be required by law to release copies of submissions to third parties in accordance with the *Government Information (Public Access) Act 2009*.

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### Information on confidentiality and privacy

I would like my submission to be treated as confidential\*

Yes

No

I would like my personal details to be treated as confidential \*

Yes

No

**Name**

**Postal address**

**Telephone**

**Email address**

# Managing groundwater access to extraction limits



Feedback form

Are you an individual or representing an organisation?

Yes

No

If organisation, please specify

If your comments refer to a specific water source, which one?

## Background

The amount of groundwater that can be extracted each year is limited.

If average extraction in an area by all water users exceed the limits, the Department may need to reduce access in the following year/s.

We can do this by:

- reducing the amount of water going into accounts (known as an **available water determination**)
- reducing the amount of water that can be taken or traded from accounts (known as the **maximum water account debit**).

These methods can be used separately or in combination.

We are initially seeking feedback from licence holders in areas in inland NSW that are most likely to exceed groundwater extraction limits in 2020-21 based on a re-occurrence of extraction levels in 2019-20. This includes the following groundwater sources:

- Great Artesian Basin Eastern Recharge
- Lower Murrumbidgee Deep
- Upper Macquarie
- Lower Lachlan
- Upper Namoi Zone 3
- Upper Namoi Zone 5
- Upper Murray

We seek your comment on the method or combinations of methods that best suit your area.

## Methods

The presentations outline four options to reduce extraction by all water users to the limits, including:

- Option A - Reduce water into accounts only by reducing the available water determination
- Option B - Reduce water out of accounts only by reducing the maximum water account debit
- Option C - Combine A and B reduce water into accounts and out of accounts
- Option D - Reduce the available water determination so that total volume in accounts (carryover + allocations) does not exceed extraction limit (carryover + basic rights + allocation = limit). Maximum account debit may need to be reduced if the volume of carryover available in accounts exceeds the extraction limit (carryover >limit).

Options A, B and C make assumptions about future extraction and trade of individual water users based on historical practice in order to determine an available water determination or maximum water account debit that will be effective at returning extraction to limits while maximising water available to users.

Option D does not make assumptions about what a water user is likely to use or trade in the future. This option reduces available water determinations and only changes the maximum water account debit if necessary.

**Note for Upper Macquarie only:** In the Upper Macquarie the volume available to be extracted or traded can only be managed by reducing available water determinations – the methodology options here are if assumptions for predicting future use should be applied or not and the timeline for implementation of reduced available water determinations (between 1 – 3 years).

1. Which option would **best** suit your business and / or your community?  
Why?

2. Which option is least suitable for your business and /or community?  
Why?

3. How would reducing an available water determination (the volume added to your account at the start of the water year) affect your business?

4. How would reducing your maximum water account debit (the volume you can take or trade from your account in a water year) affect your business? (NOT relevant to Upper Macquarie)

5. Would a combination of reducing available water determination and maximum account debit be better suited to maximise your business or community outcomes? Why? Why not? (NOT relevant to Upper Macquarie).

## Principles

6. Which of the following principles for managing extraction to the limits do you think are the **most & least** important and why?
- Each licence holder is allocated their share of the extraction limit (i.e. available water determination equivalent to the extraction limit divided by shares).
  - Each licence holder can extract their share of the extraction limit (i.e. maximum water account debit equivalent to the extraction limit divided by shares)
  - Available water determinations don't drop below 0.5 ML/share in the year 1.
  - Maximum water account debit is not reduced below 1ML/share.

7. Are there any other principles and risks the department should consider in determining the method used in your area? Why?

## Timing

We could aim to return extraction to the extraction limit within one water year or we could take longer to allow time for licence holders to adjust to reduced access. Taking more than one year to reduce access may assist in managing risk to an individual licence holder but should be noted that it also has some risks to the resource and may allow higher levels of extraction to continue for longer.

We welcome your views on these timing options for returning extraction to the limit within one and three years.

8. Do you want to see extraction returned to the limit within a year or over a maximum of three years? Why and what are the risks to consider in adopting a one or three-year timeframe?

## Assumptions

The department makes assumptions when we predict how much water users will extract in the future. We assume that individual water users will:

- extract the same volume they have extracted on average over the past 5 years
- trade in up to the maximum volume traded in over the past 5 years
- that all water available for purchase would be offered to the market.

Options A, B and C all make assumptions about future extraction and trade of individual water users based on historical practice. The objective of these assumptions is to determine an available water determination or maximum water account debit that will be effective at returning extraction to limits while maximising water available to users. It can mean that there is a volume of water in accounts that if taken could exceed the limit again but it is assuming not all water users will extract water.

Option D does not make assumptions about what a water user is likely to use or trade in the future. Instead we reduce the available water determination so that total volume in accounts (carryover + allocations) does not exceed extraction limit (carryover + basic rights + allocation = limit). Maximum water account debit may need to be reduced if the volume of carryover available in accounts exceeds the extraction limit (carryover > limit) at the commencement of the water year.

**Note for Upper Macquarie only:** In the Upper Macquarie the volume available to be extracted or traded can only be managed by reducing available water determinations – the methodology options here are if assumptions for predicting future use should be applied or not and the timeline for implementation of reduced available water determinations (between 1 – 3 years).

9. What are your comments or concerns about the assumptions made to predict user and market behaviour in order to determine available water and / or a maximum account debit? What risks need to be considered?

10. Do we need to alter our assumptions? If so, what assumptions do you suggest?

## Default method if limits are exceeded and transition period to introduce new approach

**Default method if limits are exceeded** - We plan to prepare procedures before July 2021 that will document how groundwater access will be reduced if extraction by all water users in an area exceed limits. Should these procedures not be prepared in time and water sources exceed the extraction limits then the current method of only reducing available water determination will apply.

**Transition period** - We are aware that implementing a new procedure on 1 July may not provide enough time for water users to prepare for the 2021-22 water year. Publishing the procedures will help water users plan and manage their water accounts and provide information to the broader community. We are therefore considering if a transition period is appropriate. Continuing the current approach of only reducing available water determinations for 2021-22 if limits are exceeded and then commencing new procedures that may include reducing the maximum account debit from 1 July 2022.

11. Do you have any comments on the implications of implementing new procedures by July 2021 on your business planning? When in the water year do you start planning your carryover, trade and water access for the following water year? What risks need to be considered?

12. What are your views on introducing a transition period – only reducing available water determinations in 2021-22 if extraction by all water users in an area exceeds limits and then commencing new procedures that may include reducing the maximum account debit from 1 July 2022? What risks need to be considered?

## Other

13. Do you have any other comments, concerns or additional information you'd like to tell us about?

## Submission process

To have your say you can:

- Complete this online feedback form
- Download the feedback form and send it to us by email at [water.relations@dpie.nsw.gov.au](mailto:water.relations@dpie.nsw.gov.au)
- Post your feedback to:  
Groundwater Consultation  
Suite 5/620 Macauley Street,  
Albury, NSW 2640
- Provide feedback during a [scheduled face-to-face information session](#) in your local area

For us to consider your feedback, **you must submit it by Friday 5, March 2021.**

If you have any questions about the consultation information or events, please email [water.relations@dpie.nsw.gov.au](mailto:water.relations@dpie.nsw.gov.au) or call 02 9338 6600.

**Thank you for your submission.**