



Achieving Sustainable Groundwater Entitlements Program

fact sheet

How the changes will affect water licence holders

Implementing the ASGE Program

The implementation of the ASGE program will be conducted by the Catchment Management Authorities and the Department of Natural Resources.

Catchment Management Authorities, with input and support from the NSW Irrigators' Council, will coordinate consultation with groundwater licence holders. This will include developing valley-specific processes for the reduction of access to groundwater.

The Department of Natural Resources will provide technical advice to the Catchment Management Authorities during the consultation process and will be the primary contact for advice on the History of Extraction and licensing details.

History of Extraction process

History of Extraction, previously referred to as history of use, is a measure of past dependence on groundwater. It is the basis for determining the level by which groundwater licences need to be adjusted to achieve sustainable yield.

The History of Extraction will be calculated for each licence holder using the confirmed metered extraction for each licence. The actual water years considered for this calculation varies across the six major groundwater sources.

Based on the History of Extraction, each licence can be divided into an 'active' and an 'inactive' component. This forms the basis for the reduction of entitlements.

The preferred approach for entitlement reductions under the ASGE program applies weightings to the active and inactive components of each licence. For example the 'across-the-board' entitlement reductions, according to the current gazetted plans, treat active and inactive water on the same basis. An approach that favours historical extraction would increase the weighting for active water and decrease the weighting for inactive water.

The weighting of active to inactive water will be one of the main consultation points between the local Catchment Management Authority and licence holders.

The key principles for the ASGE program:

- where possible, recognise water-dependent investment made by licence holders, and
- ensure fairness by recognising that all groundwater entitlements, whether extracted or not, have a 'value'.

The details used to calculate the History of Extraction are specified for each valley in the *Definitions and Rules for History of Extraction* document included in this package.

Alternative option

Some groundwater sources may prefer to use an alternative method to the History of Extraction process to determine each licence holders' reliance or dependence on their groundwater entitlement. In these cases, their local Catchment Management Authority must submit a proposal to the Department of Natural Resources for approval. The alternative process will be tested against the ASGE program's principles, and the level of support by licence holders will also be taken into account. The proposed process must be capable of being undertaken within the program's overall timeframe.

The History of Extraction process will be the default process for entitlement reduction under the ASGE program.

Changes to your licence

Current water licences, issued under the *Water Act 1912*, state the maximum annual volume of water that can be extracted, how it can be accessed and the conditions for using it. Licences issued under the *Water Act 1912* need to be replaced with new licences under the *Water Management Act 2000* when the Water Sharing Plan for your groundwater source commences.

When the Water Sharing Plans come into effect licence holders will be issued with an Aquifer Access Licence and a combined water supply works and use approval.

The entitlements within each groundwater source will be reduced over the term of the water sharing plan to equal the sustainable yield of the system.

The new Aquifer Access Licence will provide each licence holder with a share of the sustainable yield. This licence is issued in perpetuity and is fully tradeable.

Licence holders with a History of Extraction in excess of their new Aquifer Access Licence will receive a second licence called a Supplementary Water Access Licence (Supplementary Licence). This Supplementary Licence will be issued for the difference between the licence holders' Aquifer Access Licence share, and their History of Extraction volume.

Supplementary licences are issued for the ten-year period of the Water Sharing Plan, and are not tradeable. The volume of water available under the supplementary licence will be gradually withdrawn each year, and by the end of Year 10 there will be no water available under these licences.

Conversion of groundwater entitlements

Currently, many licence holders have one or more bore licences under a combined property account. Upon commencement of the Water Sharing Plan the property account will be converted to form the new Aquifer Access Licence. All bores under this new licence will receive a combined work and use approval.

The water credited to Aquifer Access Licences each year will be equal to the sustainable yield of the groundwater source. This will be credited to water accounts at the commencement of each water year. Carryover provisions for these licences are set out in the Water Sharing Plan and provide flexibility for licence holders.

The water credited to supplementary licences is in addition to the sustainable yield. These licences provide access to water for licence holders who have historically used a volume greater than their new Aquifer Access Licence.

Supplementary licences provide a ten-year adjustment period for high-level users to adapt to a reduction in the volume of water they previously extracted. These supplementary licences are not tradeable, and cannot be carried over into subsequent years.

The total water available for a licence holder each year will be the water available under the Aquifer Access Licence (including allowable carryover), plus the water made available under the Supplementary Licence for that year.

The Water Sharing Plan for each groundwater source will contain the rules on carryover and maximum usage provisions.

What happens next?

After the consultation process is complete, you will be contacted by the Department of Natural Resources, around mid-2006, about your new water access arrangements and any financial assistance you may be eligible for.

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