



Our Ref: #3043751

Upper Ovens WMP  
c/o Matthew Pethybridge  
Goulburn-Murray Water  
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Dear Matt

### **Response to Upper Ovens River Water Supply Protection Area Draft Water Management Plan**

Goulburn-Murray Water (G-MW) congratulates the Upper Ovens River Water Supply Protection Area (WSPA) Consultative Committee on its efforts in developing a comprehensive Plan to balance the sharing of water resources in the Upper Ovens River catchment.

The development of a conjunctive groundwater and surface water management plan (the Plan) for the Upper Ovens River WSPA, is prescribed by the Northern Region Sustainable Water Strategy. G-MW supports the Plan as it gives certainty to water users in the catchment. In addition to setting rules for the Upper Ovens River catchment, the Plan will guide integrated management in other systems with high groundwater and surface water interaction across Victoria.

G-MW supports the proposed management zones and the proposal to manage groundwater and surface water in Zone 1 equally. G-MW understands that this management approach is supported by technical studies and a sound conceptual understanding of the system.

Proposed prescriptions on restricting the taking of water management in Zone 1 are supported by G-MW and are considered an equitable sharing regime for water users in periods of water shortages. Including groundwater extraction in the restriction regime will prevent extraction dewatering the stream and affecting critical environmental habitat in extremely dry summers.

Based on management experience G-MW has identified that reliability of access for surface water users is not impacted under the plan when compared to historical practices. In fact the proposed sharing regime may actually provide improved access as reductions in stream flow from groundwater use will now be managed conjunctively with the surface water restrictions not independently as has occurred in the past. G-MW recognises the increased impact on Zone 1 groundwater users but supports the plan as it treats all users who will impact on summer flows equally. Transition arrangements for groundwater users also allow these users to adapt to the reduced access to water.

Trading rules are supported as they are a mechanism for optimising the value and productive use of the water. The allowance for future development of winter take and use within Zone 2 groundwater under the proposed cap on entitlements, combined with the trading rules, provides adjustment options for users to adjust to changes under the Plan.

Implementation of the Plan will be the role for G-MW and involve considerable planning to deal with the tasks that need to be addressed. The Plan will result in higher operational management and compliance costs for water users and therefore they will need to be consulted during its implementation.

However, G-MW wishes to highlight two potential implementation tasks that may result in considerable cost increases to users. The first is Prescription 43 which gives G-MW 5 years to install meters on operational groundwater bores with licensed volumes between 10 and 20ML. Based on table 16 in the plan there are roughly 24 meters that need to be installed. The cost of installing the meters is estimated to be around \$240,000. Ongoing maintenance costs are estimated to be in the order of \$12,000 per year with the increased meter reading costs annually of an estimated \$8,000. Of concern is who pays for the installation of these meters as this requirement to meter these sites is below the metering thresholds identified in the Victorian State Implementation Plan for Metering and the Victorian Policy for Managing Take and Use Licences.


The second implementation task that will have cost implications for customers relates to determining whether existing groundwater users are in Zone 1 or 2. This is anticipated to be a large task and will require significant G-MW resources in the order of \$40,000.

As indicated to the Consultative Committee, the Government will not be financing the cost of the additional meter installations or determining groundwater users zones as required under the Plan. Under current arrangement G-MW would finance these projects and then recover costs through increased intensive management fees for Upper Ovens groundwater licence holders. G-MW estimates the increase in tariffs would be approximately \$14 ML/year above the proposed 2011/12 intensive groundwater management fee of \$4.41, a four fold increase. Alternatively the Consultative Committee may prescribe that individual owners be required to fund the meter installations.

G-MW requests that the committee considers the financial implications of these Plan requirements on existing groundwater licence holders. The implications of increased prices or costs to individual users should be communicated and understood as an outcome of the adoption and approval of the plan.

Overall G-MW supports the Plan and again congratulates the consultative committee for its work developing the Plan.

Yours sincerely

  
Graeme Hannan  
ACTING GENERAL MANAGER WATER SERVICES