

Managing Groundwater in the Goulburn Murray Water Resource Plan Area

FACT SHEET

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How do groundwater caps apply in Victoria?

In Victoria groundwater extraction for irrigation, commercial and urban use is authorised by a licence or bulk entitlement under the *Water Act 1989*. Licences are administered by the relevant rural water corporation.

Victoria sets sustainable limits on volumes of groundwater resources allowed to be extracted and used by licences. These limits, known as permissible consumptive volumes (PCVs), apply to specific management areas known as Groundwater Management Units (GMUs). In areas outside GMUs the groundwater yield and quality is generally lower, limiting the potential for use. In these areas Victoria hasn't set PCVs on licence entitlement volumes.

GMU boundaries in the Goulburn-Murray Water's (GMW) administrative area are shown below in Figure 1.

Do groundwater limits apply under the Basin Plan?

The *Murray-Darling Basin Plan* (Basin Plan) puts a cap on the total amount of groundwater allowed to be extracted in the Goulburn Murray Water Resource Plan area, shown as GS8 in Figure 2. The Goulburn Murray Water Resource Plan area (GS8) aligns with GMW's administrative area. Caps applied by the Basin Plan are called Sustainable Diversion Limits (SDLs).



Figure 2: Goulburn-Murray Water Resource Plan Area for groundwater (GS8)

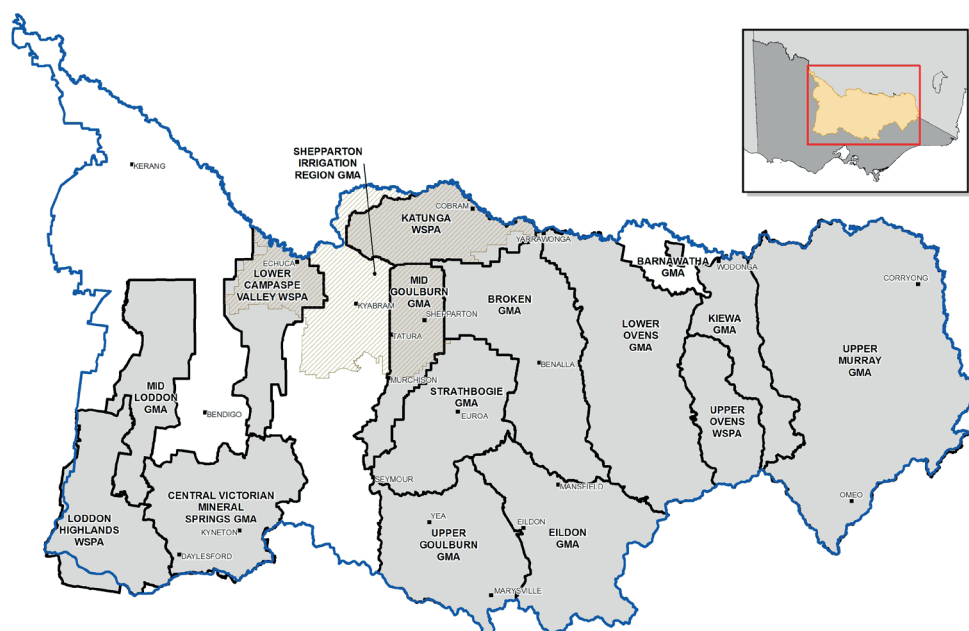


Figure 1 -Goulburn Murray Water Groundwater Management Area Boundaries



What is the key difference between Victoria's PCVs and the Basin Plan SDL?

The key difference between Basin Plan SDLs and Victoria's PCVs is that SDLs place a cap on how much groundwater can be used across the Goulburn Murray Water Resource Plan area, whereas PCVs limit the total volume of all groundwater licences which can be held in particular GMUs.

How much groundwater is used compared to Victoria's PCVs and the Basin Plan SDLs?

Average annual groundwater use in the Goulburn Murray Water Resource Plan area is currently less than 40 per cent of the total volume of licence entitlements. Even including estimated domestic and stock use, total annual groundwater use is still well below Basin Plan SDLs.

How do Basin Plan SDLs affect new groundwater entitlements being issued in the Goulburn Murray Water Resource Plan Area?

Where there is room under Victoria's PCVs and Basin Plan SDLs, Goulburn-Murray Water can issue new groundwater entitlements in accordance with relevant management plans. New entitlements can also be issued in areas not included in GMUs (i.e. which do not have a PCV) provided Basin Plan SDLs will not be exceeded.

How do Basin Plan SDLs affect trade of groundwater entitlements in Victoria?

Groundwater licence trades can be approved by GMW provided Basin Plan SDLs are not exceeded. Additionally, where groundwater licence entitlements are fully allocated under a PCV, additional entitlement can only be sourced through a licence trade from existing licence holders.

Licence trades can occur within or between GMUs in accordance with trading rules in the applicable management plan. Likely impacts to third parties, including the environment, are taken into account in the process used by GMW to assess applications to trade a licence.

Reporting on SDL compliance

From mid-2019, Victoria must show that groundwater use from the Goulburn Murray Water Resource Plan area doesn't exceed the SDLs. Each year Victoria is required to report to the Murray-Darling Basin Authority (MDBA) on its compliance with SDLs. The Victorian government is still negotiating with the MDBA about how this compliance reporting will be done.

Key points

- New groundwater licence entitlements can be issued as long as they don't exceed Victoria's groundwater caps (PCVs), or the Basin Plan's SDLs.
- Subject to particular rules, groundwater licences can be transferred as long as Victoria's PCVs and the Basin Plan's SDLs aren't exceeded.
- If a PCV or SDL has been reached, then people wanting more groundwater will need to trade licence entitlement from existing licence holders.
- Average annual groundwater use in northern Victoria is currently less than 40 per cent of the total volume of licence entitlements. Total licensed use plus estimated domestic and stock use in Victoria is also well below Basin Plan SDLs.

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