

Alternatives to South Australian private carryover

Amending the 2019 Water Allocation Plan for the River Murray Prescribed Watercourse



Background

Water sharing arrangements across the southern connected Murray-Darling Basin system have resulted in a range of water products with different characteristics and levels of reliability.

This means that there are many options to secure water for your business and the characteristics of each will influence what water products you may wish to invest in.

For example, South Australia is able to store water for private carryover purposes through arrangements in the Murray-Darling Basin Agreement. South Australia's stored water sits on top of other water in storages so it spills first when storages are full. This influences South Australia's private carryover policy as its stored water is not as secure as other water available.

This information sets out some of the water products available across the southern connected Murray-Darling Basin system and explains their differences.

How Victoria allocates water

Water is allocated to high and low-reliability entitlement holders based on seasonal conditions and the volume of water held in storage for distribution.

Next year's allocation of high-reliability entitlements is secured before making water available to low-reliability entitlements.

Low-reliability allocations will be provided if high-reliability allocations have been secured and good inflows are received.

Carryover in Victoria

In Victoria, carryover is available for high and low reliability water entitlement shares. Carryover allows water holders to hold unused water from one season to use in the next season, to help prepare for shortages due to drought.

Carryover and allocations above water share volume allow dam space to be used opportunistically. Unused water that is carried over must not displace inflows that support new



Government of
South Australia



Natural Resources
SA Murray-Darling Basin

allocations. This is to ensure that water is available to allocate against entitlements as a priority.

Any carryover plus new allocation greater than the volume of entitlement is set aside in "spillable" accounts, and only becomes available when the Victorian Resource Manager declares a low risk (less than 10 per cent chance) of spill.

Fees apply to store water against your water share, and also to store more than your entitlement (i.e. your carryover volume).

To account for evaporation, 5 per cent is deducted from an individual's carryover volume.

The carryover volume cannot be more than your full water share volume (i.e. you can carry over unused allocation up to 100 per cent of your water share volume). The volume of water available on an account is up to the total volume of water shares linked to an account.

If Victorian water in Hume Reservoir does spill, some or all of the allocation in the spillable accounts may be lost. This then makes way for new allocations to all water shares.

To ensure access to a minimum amount of carryover and allocation, you need to own enough water shares to guarantee your access during the season.

To find out more, visit the [Victorian Water Register website](#).

How New South Wales allocates water

Water is allocated in New South Wales through water sharing plans. These plans are developed in consultation with the community to determine how much water can be extracted over the long-term and how much needs to be set aside for the environment.

The volume of water that licensed users can access each year varies based on the type of licence they have and the individual entitlement. Allocations depend on a range of factors including dam storage levels, river flows and catchment conditions.

Domestic, stock and town water supply are generally provided with 100 per cent allocations, unless conditions are very dry with low water in storage.

High security allocations are the next priority, with full or near full allocations provided at the start of most years, unless it is a very dry year.

General security licences are the last to receive allocations and are the least secure category. These allocations can start at zero and improve as rainfall and runoff increases.

Supplementary water is also allowed under water sharing plans. Supplementary water is surplus flow, not required to meet current demands that cannot be captured or stored. When these conditions occur, a period of supplementary access is announced. Water can only be pumped during these times.

To find out more about how water is allocated in New South Wales, visit the [NSW Department of Planning Industry and Environment website](#).

Carryover in New South Wales

Water sharing plans set the rules for each water source and how much unused water can be carried over.

New South Wales Murray and Lower Darling general security entitlement holders may carryover up to 50 per cent of their entitlement volume, but if the sum of their carryover allocation plus annual allocation is greater than 110 per cent of their entitlement volume, any additional annual allocation is forfeited.

New South Wales Murrumbidgee general security entitlement holders may carryover up to 30 per cent of their entitlement volume, but if the sum of their carryover allocation plus annual allocation is greater than 100 per cent of their entitlement volume, the additional allocation is forfeited.

In both cases, other licences including those in relation to high security, stock and domestic, conveyance, water utility and supplementary water do not have access to carryover.

Carryover volumes can be restricted during years of water shortage to ensure there is enough water available to meet high-priority needs.

Options to access more water allocation

There are a number of options available if additional water allocation is required by a water user in any year. These options are an alternative to utilising South Australia's private carryover, should you require a more secure source of water. These include:

- Purchase of water allocation on the 'spot' water market on an as-needed basis. Water can be purchased from connected parts of the southern Murray-Darling Basin system.
- Purchase of water allocation on the 'forward' market, where a buyer may enter a contract with a seller to buy water allocation for a set price, with delivery at an agreed date in the future.
- Purchase an interstate water entitlement with carryover characteristics that better match your requirements, such as Victorian low security entitlements or New South Wales general security entitlements.
- Enter a contract to temporarily 'park' your spare water allocation in the carryover capacity of an eligible entitlement of an interstate water holder.

These options can be facilitated by a water broker who will discuss the options with you. Fees and charges apply to some products.

There are benefits and risks for each option and it is recommended that you consider what is best for your business. The mix of products that you choose will depend on the level of risk that you are prepared to take to secure the water requirements that you need.



Definitions

Entitlement – or water share, is an ongoing right to a share of the total amount of water available in a system.

- Can be high or low/general security
- High security entitlements are more reliable than low/general security entitlements

Allocation – is the volume of water allocated against entitlements during a water use year, based on the actual volume of water available in a given season. Issued on a 12-monthly basis.

Water sharing plans – are plans that set out the rules, in each state and for each water resource, for taking and using water and trading rules

How can I provide feedback on the water allocation plan?

The South Australian Murray-Darling Basin Natural Resources Management Board (the Board) will be consulting on the proposed private carryover policy in the draft plan until 5pm on Tuesday 10 March 2020.

The Board would like to know what you think about the changes and is inviting responses on the draft plan in the form of written submissions from all interested parties.

Feedback on the draft plan will also be gathered at information sessions to be held during the consultation period at locations along the River Murray.

The dates and locations of these sessions will be advertised, and provided on the Natural Resources SA Murray-Darling Basin website.

Where can I find out more?

More information on the changes in the draft plan is outlined in the following information sheets about:

- Private Carryover: issues and options
- Private Carryover and Basin Plan Compliance

Copies of the information sheets and the draft plan are available on the Board's website, <https://www.naturalresources.sa.gov.au/samurraydarlingbasin/rmwap-private-carryover>, or at Natural Resources offices located in Murray Bridge, Berri and Mount Barker.

Feedback

The period for feedback on the draft Water Allocation Plan for the River Murray Prescribed Watercourse closes at 5pm on Tuesday 10 March 2020.

Written submissions can be directed to:

Rebecca Freshwater
Senior Project Officer River Murray Water Allocation Plan
Natural Resources, SA Murray-Darling Basin
GPO Box 2834
Adelaide SA 5001
T: (08) 8463 6877
E: rmwap.feedback@sa.gov.au

Or online:

<https://yoursay.sa.gov.au/river-murray-wap-2020>



Government of
South Australia



Natural Resources
SA Murray-Darling Basin