

More choice for water users

At a glance

- > Climate change means a greater chance of zero allocation years for irrigators and more severe restrictions in towns.
- > The Draft Strategy aims to provide more choice for all water users – to manage the risk of less water in the way best suited to them.
- > The Draft Strategy proposes to improve the rules around carryover and trade – the key tools available to manage the risk of less water.
- > For carryover and trade to be effective, water must be accessible when it's needed. Changing the reserve policy helps to ensure the distribution system can be run every year – even in the worst droughts expected.

Under severe climate change, there would be:

- > more frequent and severe water restrictions in towns and cities
- > significantly reduced reliability of water shares for irrigators
- > the risk of zero allocations for the entire season in some years
- > a huge reduction in production.

Table 1. Change in the amount of water available for water users under the most severe climate change scenario (compared to long-term average)

River system	Murray	Broken	Goulburn	Campaspe	Loddon
Change	-15%	-10%	-30%	-49%	-67%

Carryover and trade are the key tools that entitlement-holders can use to manage the risk of water scarcity. But they rely on distribution systems being run every year – so that water can be delivered when needed. That's why system reserves are critical. See Chapter 5 of the Draft Strategy for more information.



System reserves

The Draft Strategy proposes to set water aside in reserve earlier so that the distribution systems can operate in all years. Rather than allocating all of the available resource in the current season, some would be set aside in case of drought the following year.

This means that before high-reliability water shares are fully allocated, a portion of available water is put aside in reserve.

Under this proposal, it would be possible to make an allocation at the start of each season on the Goulburn system, even in the worst droughts expected. Without the proposal, the most severe scenario would result in 11 years out of 100 with no opening allocations.

Without changing the system reserve on the Murray, under the most severe scenario there would be 16 years out of 100 without opening allocations. The system reserve proposal (when combined with some other changes to system operations) reduces this to five years out of 100 with no opening allocations.

As the River Murray is a joint interstate commitment, there is also a separate process to identify options to ensure the river can be run every year (including an interstate reserve).

For more detail about the proposed reserve policy, see Chapter 5 of the Draft Strategy.

Carryover

The Draft Strategy proposes greater flexibility for entitlement-holders to carry over water. It recommends a two-stage process for reviewing the rules.

The first stage of the review will be implemented in time for the 2009/10 season. It could include:

- > entitlement-holders be allowed to carry over up to 50 per cent of entitlement volume
- > carryover be recorded first against low-reliability water shares and then high-reliability water shares.

The second stage of the review will be implemented in time for the 2010/11 season. It will look for additional flexibility in carryover rules.

Use of carryover has doubled in two seasons. Entitlement-holders carried over 273 GL (billion litres) into 2008/09. More than 90 per cent of this was by individual irrigators.

The water market

The Draft Strategy proposes greater flexibility for entitlement-holders to use trade. The water market allows individuals to adjust to reduced water availability by buying and selling water as they need to.

The Draft Strategy proposals include:

- > greater flexibility to trade licences in unregulated rivers and groundwater systems
- > using trade to avoid the most severe impacts of water restrictions
- > factors for the Commonwealth Government to consider in its \$3.1 billion program to purchase water for the environment
- > conditions to be met before lifting the four per cent limit on trade of water shares out of irrigation districts.

Further information

Individuals, organisations and the community are invited to provide formal feedback on the proposals in the Draft Northern Region Sustainable Water Strategy. These will inform the directions in the Final Strategy, due for release in early 2009.

To obtain a copy of the Draft Strategy, or to find out how to make a submission, please call 136 186 or go to www.ourwater.vic.gov.au/programs/sws/northern.

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