Carryover of Commonwealth environmental water from 2012-13 into 2013-14 – NSW Murray and Murrumbidgee



What is meant by carryover of water?

Carryover is provided for in regulated parts of the Murray-Darling Basin (the Basin) and allows water entitlement holders to hold water in storages so that it is available in subsequent years. Carryover therefore provides water entitlement holders with greater flexibility to manage their own water availability across years.

How is carryover governed?

The States have created rules that apply to the carryover of water. The rules manage the impact that water entitlement holders may have on other entitlement holders through their carryover decisions.

The Commonwealth environmental water holdings are a set of water entitlements and associated allocations. The Commonwealth Environmental Water Holder, supported by the Commonwealth Environmental Water Office, manages these water holdings under the same rules and pays the associated fees and charges as other entitlement holders do with respect to their holdings. The Commonwealth can carry over water in the same way as occurred when the water entitlements were managed for agricultural use. So:

- carryover that was previously available to the water entitlements now held by the Commonwealth and its acquisition for environmental purposes does not affect the maximum carryover in dams overall or associated with these entitlements; and
- the Commonwealth, like any other water holder, cannot fill up dams to the exclusion of other water entitlement holders.

The State rules, in water sharing plans¹, differ between catchments. For example, in the NSW Murray, the carryover limit on all general security entitlements is 50 per cent of these general security entitlements and in the Murrumbidgee catchment it is 30 per cent. In addition, carryover affects how much additional water can accrue in an account in the following year as no entitlement holder can have more than 110 per cent in their NSW Murray general security accounts (including carryover) or 100 per cent in their Murrumbidgee general security accounts.

If an entitlement holder's account is at the account limit then water that would otherwise accrue into the account would be foregone and re-allocated to other entitlement holders. The carryover limit and account limit processes are illustrated in figure 1.

¹ Water sharing plans are NSW instruments that can be reviewed or changed from time to time.











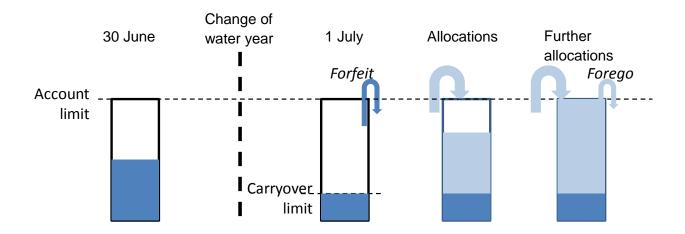


Figure 1. How the rules related to carryover and account limits are applied.

Commonwealth carryover in the NSW Murray and Murrumbidgee catchments

Periods within 2012-13 were quite dry, and carryover from 2011-12 into 2012-13 was drawn upon to achieve environmental outcomes. Across the Basin, the volume of Commonwealth environmental carryover on 1 July 2013 was less than that on 1 July 2012 by 212 GL.

A total of 20.1 gigalitres of Commonwealth environmental water was carried over into 2013-14 in the NSW Murray, and 45.5 GL was carried over in the Murrumbidgee catchment. Both volumes were within carryover limits given the Commonwealth's entitlement holdings – no water was re-allocated under State rules, or forfeited, in either of these two catchments. Even though usage in 2012-13 was high for most entitlement holders in the southern connected basin, proportionately, the usage of Commonwealth environmental water in the NSW Murray and Murrumbidgee catchments was slightly higher than use by others on average.

The Commonwealth carried over water against its NSW Murray entitlements equivalent to 0.2 per cent of the volume of major storages in the River Murray System, and against its Murrumbidgee entitlements it carried over equivalent to 1.7 per cent of the volume of Blowering and Burrinjuck reservoirs. Whilst this gives a sense of proportion, it is a simplification that overstates the amount of Commonwealth environmental water in storage, because water orders can be supplied from storages or from tributary inflows downstream of storages.

Annual reporting of carryover

The <u>Commonwealth Environmental Water Office annual carryover report</u> provides further information about the volume of water that has been carried over in the Basin each year. Over the longer term it is expected that the percentage of Commonwealth environmental water that is carried over will be similar to other water entitlement holders - although like all water entitlement holders it will vary from year to year.