



CARRYOVER FACT SHEET

Carryover rules are changing on the Murray, Goulburn, and Campaspe regulated systems for the 2010 – 2011 irrigation season.

What's changing:

-  You will be able to carry over **all the unused** water in your *Allocation Bank Account* (ABA) from June 30, 2010
 - Previously the volume you could carryover was capped at 50 per cent of the water shares linked to your ABA
-  Your carryover and 2010-11 allocations **will no longer be limited to 100 per cent of your water entitlement** in the coming season. You will only lose your carryover if the dams actually spill.

Why change:

The changes to the carryover rules are designed to provide irrigators with greater certainty and flexibility to manage their own water availability. They were developed through the Northern Region Sustainable Water Strategy in consultation with irrigators and water corporations.

Most importantly, the new rules will decrease the risk of losing carryover in full allocation years. Many irrigators missed out on allocations in 2009-10 once their carryover plus allocations reached 100 per cent of their entitlement volume. The new rules use spillable water accounts to ensure that **you will only lose your carryover if the dams actually spill**.

How the new rules work:

1. You can carry over all the unused water in your ABA from 30 June 2010. However, your unused water still needs to be in an ABA linked to water share, limited term transfer of a water share or supply by agreement in order to carryover.
2. On 1 July 2010, 5 per cent will still be deducted from the amount you have carried over will be deducted to cover evaporation losses in 2010-11.
3. Your carryover and any seasonal allocations up to your full entitlement volume will always be available in your ABA.
4. Until the Resource Manager declares that the risk of the dams spilling is very low, any carryover plus allocations above 100 per cent of entitlement volume will be recorded as spillable water in your account. A spillable water account will be an automatic feature of your existing ABA from 1 July 2010.
5. Water in your spillable account cannot be used or traded until this declaration, after which this water will be made available in your ABA.
6. If the storages spill, water from all spillable water accounts will be deducted proportionately for all entitlement holders, in line with the volume of water spilled from storage. The entitlement holder fully bears this risk.

The diagram on page 2 steps through how the new carryover rules will work

Understanding the new carryover rules on the Murray, Goulburn and Campaspe

1. CURRENT IRRIGATION SEASON DRAWS TO AN END

Is my unused allocation in an allocation bank account (ABA) linked to a:

- Water share
- Limited term transfer of a water share valid on 1 July 2010, or
- Supply by agreement

YES

All your unused water in that ABA will automatically be carried over to 2010-11

NO

If you want to carry over your unused allocation you will need to transfer it to a linked ABA

2. NEW IRRIGATION SEASON STARTS ON 1 JULY

5% is deducted to cover evaporation losses in 2010-11
 From 1 July, any carryover and new allocations in your account up to 100% of your entitlement volume will be available for use* or trade
 Any water above entitlement volume will be classified as spillable water on 1 July

* Delivery of your carryover at the start of the season depends on the operation of the supply system that services your property

3. ALLOCATIONS INCREASE THROUGHOUT THE SEASON

Has the Resource Manager made a declaration that there is a very low risk of the storages spilling in the new season?

YES

Once a declaration is made, any water recorded as spillable in your account will be made available in your ABA for use or trade
 All remaining allocations in the new season will be credited directly to the available balance of your ABA

NO

Once your carryover plus allocations reach 100% of your entitlement volume, further allocations will be recorded as spillable in your account
 Spillable water in your account cannot be used or traded until either...

DECLARATION

DAM SPILLS

Water will be deducted proportionately from all spillable accounts, in line with the volume of water spilled from storage

Some things you may want to know

How will I find out my spillable account number?

A spillable account will be an automatic feature of your existing ABA from 1 July 2010. You will not have to manage any extra accounts as a result of the new rules.

Who is responsible for making the declaration?

The Resource Manager for northern Victoria (Goulburn-Murray Water) will be responsible for making a declaration each year. The Resource Manager is responsible for river operations, running irrigation delivery systems and making seasonal allocations as well as providing season outlooks.

When will a declaration be made?

The Resource Manager will make the declaration as early as possible in the season, as soon as he is confident that the risk of the storages spilling in the current season is very low.

In dry years a declaration could be made as early as 1 July. In wet years it may take until the end of the peak inflow period later in the year.

How will the Resource Manager make a declaration?

As he does with seasonal outlooks, the Resource Manager will look at factors such as storage levels, and the range of possible inflows under prevailing climate and catchment conditions in determining the likelihood of the storages spilling later in the season.

What happens if the storage spills?

If the storages spill, water from all spillable water accounts will be deducted proportionately for all entitlement holders, in line with the volume of water spilled from storage. The entitlement holder fully bears this risk.

Which storages will affect my spillable water account?

In the Murray system, Victoria controls a half share of Lake Dartmouth and Lake Hume. To manage spillable water accounts, a spill will be classified if there is a spill or pre-release from Lake Dartmouth, but only if this spill cannot be re-harvested in Lake Hume.

On the Murray system, spillable water accounts will be affected by either a physical or internal spill from Victoria's share of Lake Dartmouth, but only if this water cannot be re-captured in Victoria's share of Lake Hume. The Resource Manager will advise when such a spill has occurred.

Will I have to pay for a spillable water account?

Users will contribute a small charge for water held in spillable water accounts.

This charge is to make sure that people who hold more water in storage than the entitlement volume they pay for are contributing their fair share of storage costs. Customers will not be charged for any water that spills from the storage. The revenue will be used to reduce fixed storage fees for all entitlement holders in the following season.

For further information

Please call Lower Murray Water on 50513400