

## **Implementation of Continuous Sharing in Queensland**

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Building on its successful pilot of capacity sharing five years ago in the St George Water Supply Scheme in South-West Queensland, SunWater is developing a new system of water sharing and water accounting that is planned to offer a viable alternative to the range of announced allocation systems that are in use today.

The "Continuous Sharing" (CS) system (previously referred to within SunWater as the Individual Capacity Sharing or ICS System) is currently being introduced in response to intense interest from - and in close consultation with - customers in the Macintyre Brook Water Supply Scheme and is underpinning a range of important new value-adding industries and associated investments by irrigators in that scheme.

CS is essentially a new water sharing and accounting system that is operated by SunWater and offered to customers in selected water supply schemes. The system involves adjusting each customer's water account on a daily basis to account for scheme inflows, evaporation, storage releases, transmission losses and water trades.

Unlike the current water accounting system, CS provides each customer with a detailed daily inventory of the storage and transmission losses that are applied to their individual account balance. This provides the information and an important incentive for customers to be more efficient in the way that they store or take water.

Although capacity sharing was originally conceived as a set of rules for managing water supplies within a relatively simple storage system like that at St George, the refined CS arrangements have been developed to address more complex schemes involving multiple water supply sources and more complex water allocation hierarchies. CS is considered a more robust water sharing arrangement than capacity sharing because the latter is limited in its application to single-storage schemes whereas the CS approach is applicable to most situations.

The CS arrangements - whilst designed to facilitate and maximise water trading opportunities within a scheme - are based on the principle that the water sharing and management rules should prevent one water user's decisions or water usage patterns from impacting on other water users in the scheme. The CS system will, in schemes where it is offered, provide customers with access to a range of improved water products and other features. These include:-

- automatic full carryover of each customer's remaining water account balance at the end of each water year – the CS system offers a way for irrigators to make personal choices about whether to save or use their available water supplies during a season without facing the prospect of potentially "losing" their saved water at the end of the water year (which is an issue with the traditional announced allocation system). Although carryover rules and forward draw rules attempt to address the problems of the current announced allocation system, they are never fully successful in removing the inequities that inevitably arise between customers with different watering behaviours and/or cropping needs.

- enhanced seasonal assignment and water trading options – under the CS water accounting system, two separate accounts are kept: one for the volume of water that each customer is authorised to use under a resource operations plan and another for the physical volume of water that is actually available to be taken at any time. This means that under the CS system customers will have more options for and less constraints on buying and selling water. This will in turn allow customers to be able to more easily acquire water to maximise their on-farm production or to sell water should they have supplies in excess of their needs;
- access to water previously set aside to cover future potential evaporative losses – under the CS system customers have the choice as to whether they use all of their water over a shorter period of time to grow a cash crop or whether they wish to hold some of their water over until the next season as insurance water against drought;
- clear rules that allow available water supplies to be automatically and more quickly allocated to each customer in the scheme, including between those holding different priority water allocations – under the CS system, customers have more immediate access to scheme inflows;

The CS system means that customers are able to plan and make on-farm investments confident in the knowledge that any water that they are able to save or conserve will not be reallocated at the start of the next water season. By buying and selling water entitlements and using the trading options offered under the CS system, customers are able to customize the water supply reliability and drought risk profile that they are comfortable with to support their own particular farming enterprise. The bottom line to the new system is that it supports high value enterprises.

SunWater customers in the Macintyre Brook scheme such as Clive Wylie from Inglewood Farms, Graham Bond from Yarranbrook Feedlot and Ric McDougall from Three Rivers Cooperative agree that the establishment of the CS system will underpin the ongoing security and growth of their significant investments in high value agricultural enterprises in the Inglewood scheme.