

# New Reserve Policy in Northern Victoria

The reserve policy is changing on the Goulburn system for the 2010-11 irrigation season. Water will be put aside and kept in storage for use the following year earlier than has happened in the past.

The changes aim to make sure the distribution systems can deliver water for all users when and where it is needed, and to reduce the risk of zero allocation years.

The reserve policy for the Murray system will change in 2011. Under requirements of the Murray-Darling Basin Agreement, a reserve will be established to ensure that sufficient water is set aside each year to supply critical human water needs.

When these details are finalised it will allow Victoria to develop additional arrangements to reduce the risk of zero allocations on the Murray system.

There will be no changes in allocation reserve policies on the Campaspe, Loddon Broken and Bullarook systems.

## How the changes will work

When allocations on the Goulburn reach 30% of high-reliability water shares, for every two megalitres of inflow, one megalitre will be allocated in the current season and the other megalitre will be reserved for the following season.

Once allocations reach 50% of high-reliability water shares, all further inflows will go to increase current season allocations until the allocation reaches 100% or 1 April, after which additional water is reserved for next season.

This will increase early season allocations and reduce the risk of zero allocations in August and February.

The 2010-11 allocations will depend largely on winter and spring inflows. If average inflows occur, allocations on the Goulburn system are expected to get to 100% by February 2011. If this happens, the reserve policy will have no adverse effect.

## Why reserve policy is changing

The old policy did not put any water aside into reserve until 100% of high-reliability water shares were allocated.

This meant water users did not have any certainty that water would be able to be delivered at the start of the next season, especially in dry conditions. Goulburn allocations reached 100% in 2005-06, but the following year allocations started at zero, with final allocations reaching 29%.

Setting reserves aside earlier provides insurance against drought and the potential impact of climate change.

Under the most severe climate change scenario put forward in the Northern Region Sustainable Water Strategy, there was a risk of zero August allocations in 11 years out of 100. Modelling shows that changes to the reserve policy will eliminate this risk.

## Benefits

For the Goulburn system, the reserve means there is always enough water to run the distribution system to deliver water for towns, farms and businesses, even with the full effect of a changing climate.

Once established, the new reserve policy will make sure water can be delivered to:

- ♦ Allow entitlement holders to manage their own water risk — water can be delivered when they want it
- ♦ Enable water to be delivered early in the season, even in dry years
- ♦ Deliver water reliably to meet critical human needs
- ♦ Increase allocations to all entitlement holders in very dry years.

## Impact of the new policy

A comparison between the new and previous reserve policies over the past 100 years shows that the new policy will reduce average annual allocations by less than 1% over the long term.

This small decrease results from increases in evaporation and spills from Lake Eildon because there will typically be extra water kept in storage.

However, allocations in any given year will increase or decrease by more than this when compared to the previous policy. The change will depend on how much rainfall and runoff the catchment gets and the time of the year that it occurs.

The maximum impact of the new policy on allocations in a year, compared to the previous policy, would be to decrease allocations by 20% (allowing for delivery losses this equates to a volume of about 340,000 ML).

Once the reserve for future years is established there will be a positive and enduring effect on future allocations.

## More information

For a fact sheet on the new reserve policy visit  
[www.gov.vic.gov.au/programs/sws/northern](http://www.gov.vic.gov.au/programs/sws/northern)  
and see information at

[www.gmwater.com.au/policy/reserve.htm](http://www.gmwater.com.au/policy/reserve.htm) or [www.murraygoulburn](http://www.murraygoulburn)



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