

Goulburn-Murray Water/North East Water

Notice of applications to amend the Ovens System bulk entitlements

Questions and Answers

Q What are bulk entitlements?

A A bulk entitlement is a legal right to water granted by the Minister for Water under the Water Act 1989. Bulk entitlements are commonly held by water corporations in Victoria and may contain:

- a share of the storage capacity in the system
- a share of the inflows of water into the system
- the right to take water from specified points in the system
- the obligation to provide or allow flows past at a point on the river
- the obligation to supply customers and primary entitlement holders in the system
- financial and reporting obligations.

Q Who holds bulk entitlements in the Ovens system?

A Goulburn-Murray Water and North East Water hold bulk entitlements to take water from the Ovens and King rivers and their tributaries to supply rural and urban water supplies.

Q Why have Goulburn-Murray Water and North East Water applied to amend their bulk entitlements?

A The 2006/07 water year was the driest on record in the Ovens system and resulted in a severe water shortage that threatened urban and irrigation supplies. Since July 2007, Goulburn-Murray Water, North East Water, North East Catchment Management Authority and the Department of Sustainability and Environment have been working together to identify and implement actions to better manage the system during extreme drought conditions.

The parties have identified several issues with the bulk entitlements and have proposed changes that will help secure water supplies for consumptive users and the environment for the future.

Q What has Goulburn-Murray Water applied to do?

A Goulburn-Murray Water has requested that the Bulk Entitlement (Ovens System – Goulburn-Murray Water) Conversion Order 2004 be amended to :

1. Improve the method described in the bulk entitlement to estimate North East Water's customer demands during times of restriction.
2. Link the trigger which allows access to low-reliability water entitlements to times of surplus flows in the system.
3. Improve the formula used to estimate natural flows for the Ovens River at Mulwala.
4. Streamline the approval process for future changes to the Operational Agreement.
5. Correct minor reference errors.

Q What has North East Water applied to do?

A North East Water has requested that the Bulk Entitlement (Ovens System – Moyhu, Oxley and Wangaratta – North East Water) Conversion Order 2004 also be amended to improve the method for estimating urban demands during times of restriction.

Q Will the amendments materially affect existing water users or the environment?

A No. The amendments are largely administrative and operational in nature and will help Goulburn-Murray Water and North East Water better manage water supplies during times of low streamflows.

The amendments do not alter the volume of water Goulburn-Murray Water and North East Water are entitled to take from the system.

Q Will changing the way urban demands are estimated in the bulk entitlements increase North East Water’s water entitlement?

A No. These amendments will not increase North East Water’s annual entitlement volume from the Ovens system.

They will increase supply security for Wangaratta, Moyhu and Oxley during times of water restrictions. This is because the new method will help North East Water provide Goulburn-Murray Water with better estimates of its customer’s demands when ordering water from the system.

Q What are surplus flows and how do they link to the availability of low-reliability entitlements?

A Surplus flows are when streamflow volumes exceed those required to meet the consumptive and environmental demands of the system. During times of surplus flows on the Ovens system, Goulburn-Murray Water is not required to release water from Lake Buffalo or Lake William Hovell and therefore does not draw upon water that is reserved in storage for the drier months.

Under the bulk entitlement, irrigators on the regulated Ovens system can access their low-reliability entitlements between 1 July and the date Lake Buffalo or Lake William Hovell ceases to spill. This rule assumes that the reservoirs will fill every year and therefore allows irrigators to access low-reliability entitlements before high-reliability supplies and supplies for North East Water and the environment are secured in storage. Managing the system this way places a risk on all users during dry years because there is a greater risk that the storages will not fill under the changing climate.

The new Operational Agreement aims to fill the reservoirs every year to secure water for high-reliability entitlements, North East Water and the environment. Amending Goulburn-Murray Water’s bulk entitlement to align access to low-reliability entitlements with surplus flows will help achieve this because it will prevent water held in storage from being allocated for this purpose. This remains consistent with the intent of the bulk entitlement.

Q How will estimates of natural flows of the Ovens River at Mulwala be improved?

A The method used to calculate natural flows of the Ovens River at Mulwala in Goulburn-Murray Water's bulk entitlement is not suitable because it references streamflow gauges that are no longer in use or provide inaccurate readings.

The amended formula uses more accurate and operational streamflow gauges to estimate the natural flows.

Q How will the approval process for future changes to the Operational Agreement be streamlined and will this result in any impacts?

A The Ovens Operational Agreement is a formal agreement, between Goulburn-Murray Water, North East Water and North East Catchment Management Authority, which documents the system's operating rules and the roles and responsibilities of each authority.

Goulburn-Murray Water's bulk entitlement requires the authorities to develop the Agreement. It also requires the Minister for Water to approve any proposed changes. Removing this second requirement will allow future changes to be implemented more quickly and efficiently in response to changing circumstances.

The amendment will not result in any impacts on water users or the environment because the agreement requires all changes to be agreed to by all signatories. In addition, major changes to system operations will still require the bulk entitlement to be amended, which the Minister for Water will have to approve.

Q What happens now?

A The Minister for Water will now determine Goulburn-Murray Water's and North East Water's applications, taking into account the requirements of the Water Act 1989. This will involve considering the potential impacts the amendments will have on water users and environment in the Ovens system and how they will be managed.

Q Where can I find out more about Goulburn-Murray Water and North East Water's application?

A For information on Goulburn-Murray Water's application, please contact its Reception on (03) 5833 5500.

For information on North East Water's application, please contact its General Switchboard on (02) 6022 0555.

For more information on Victoria's water allocation framework, please visit the Victorian Government's *Our Water Our Future* website at www.ourwater.vic.gov.au.