

Cotton Australia is a great supporter of the concept of “Continuous Accounting” as practiced in the Valleys of North-West NSW. In effect each entitlement holder has a defined share of storage capacity in the headwater storage. Water is allocated to them, and it remains in their account until it is used. Accounts have a set limit, which varies from catchment to catchment, and that limit in effect reflects the capacity of the dam in relation to the various water entitlements attached to it.

For example, in the Gwydir the Account limit for General security is 150% of the general security entitlement. If an irrigator allows his/her account to reach 150%, any additional allocations that are made will be shared among all the other entitlement holders whose accounts hold less than 150%.

This system really allows entitlement holders to manage their own risk profile, and works well in highly variable catchments such as those in North-West NSW. An irrigator may choose to use all their water in the year it is allocated, or spread it over a number of years, which allows a smoothing of their production system.

In many ways continuous accounting is a refinement of the carry-over rules that are used in the Southern Basin, which provides irrigators with some, but not as much flexibility.

It is important to keep in mind that carry-over limits and account limits are constrained by the amount of physical storage capacity available, over and above the entitlement levels.