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.