

16 October 2017

NSW Murray and Lower Darling

Water allocation update

Allocations

NSW Murray general security allocation **has increased by 1 per cent to 30 per cent of entitlement**, with a commensurate increase in allocation to conveyance entitlements.

There has been little recent rainfall across upper Murray catchments and temperatures have been warmer than average. The improvement in NSW water resource availability has been mostly due to internal storage spills¹ which occurred in September 2017.

The resource improvement has also allowed 124 gigalitres (GL) of the Barmah-Millewa environmental water allowance borrow to be repaid. A further 63 GL remains to be paid (equivalent to about 4 per cent of general security improvement) after which, further improvement can again accrue to general security entitlement holders in accordance with the water sharing plan rules.

Average carryover in NSW Murray general security water accounts is 44 per cent of entitlement, meaning that the total volume set aside for general security water users is over 1,230 GL or 74 per cent of entitlement on average. However, it is acknowledged that water availability for those who chose not to carry water over, is 30 per cent of entitlement.

	High Security	General Security	Average Carryover
Murray	97%	30%	44%
Lower Darling	100%	100%	

Upper Murray storage levels (as at 13 October 2017)

- Dartmouth Dam is 85 per cent full – rising – holding 3,293,000 megalitres (ML).
- Hume Dam is 89 per cent full – falling – holding 2,670,000 ML.

Climatic outlook

The Bureau of Meteorology's seasonal outlook for November to January indicates about even chances of receiving median rainfall in coming months. Also average daytime temperatures are generally likely over that period.

The Pacific Ocean is likely to cool towards La Niña levels over the coming months. However, the corresponding warm sea surface temperatures that typically develop to the north and northwest of Australia during La Niña events are less likely to develop. Hence the likely median rainfall conditions for NSW.

¹ NSW and Victoria each have access to half the capacity of each MDBA storage. When a state 'fills' its half, any additional inflow 'internally spills' to the other state.

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Trade

In the Murray, trade across the Barmah choke remains restricted to **'no net trade downstream'**. Downstream trade opens automatically to the extent of the volume of any upstream trade.

The trade restriction helps to protect existing downstream entitlement holders from an increased risk of delivery shortfall caused by the limited physical capacity of the Barmah choke.

Water users are encouraged to monitor the Murray-Darling Basin Authority (MDBA) website at - <http://www.mdba.gov.au/managing-water/water-markets-trade/interstate-water-trade/barmah-choke-trade-balance> - for information about the trade balance and status of trade.

Lower Darling water source trade is open, including inter-valley trade.

All Murrumbidgee Valley trade is also open. Water users are encouraged to monitor the WaterNSW website at - <http://www.waternsw.com.au/customer-service/trading/murrumbidgee> - for information about the Murrumbidgee inter-valley trade (IVT) account balance and closure triggers.

Next announcement

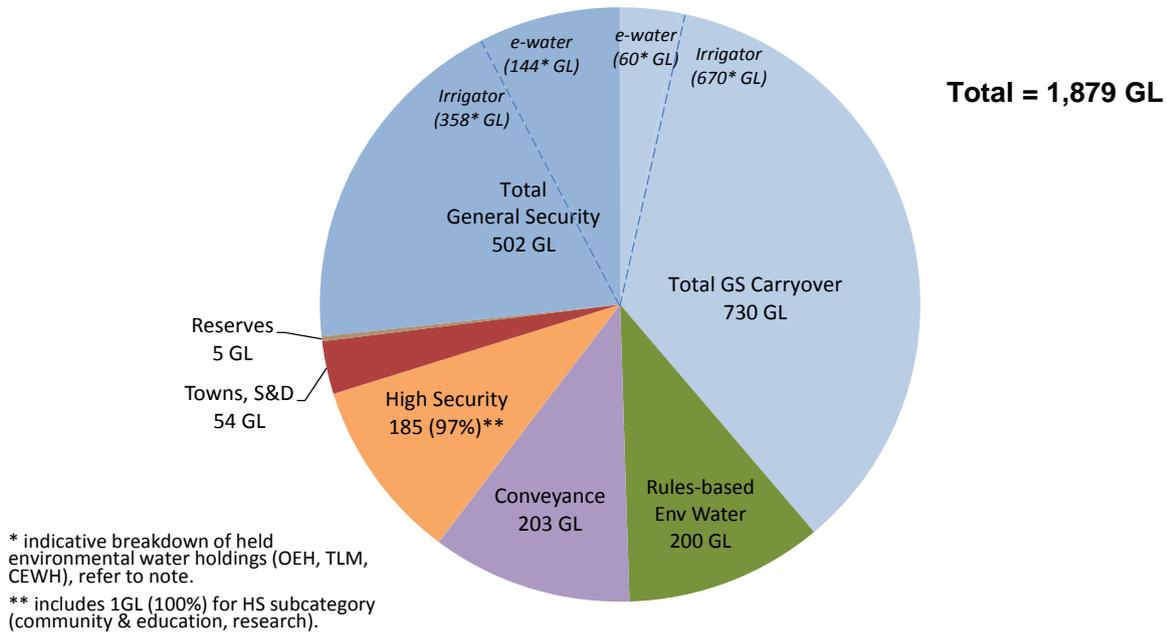
The next allocation update for the Murrumbidgee Valley will be on **Wednesday 1 November 2017**.

NSW Murray Resource Assessment Data Sheet

Resource Distribution (16 October) for 2017-18	Volume (GL)
Total Available Resource ⁽¹⁾	1,879
less	
Carryover ^{(2), (7)}	730
Rules based Environmental Water ⁽³⁾	200
Towns, Stock, Domestic ⁽⁴⁾	54 (100%)
Announced High Security subcategory (education, research) ⁽⁴⁾	1 (100%)
Announced High Security ⁽⁴⁾	184 (97%)
Conveyance ⁽⁵⁾	203
Reserves ⁽⁶⁾	5
Announced General Security ⁽⁷⁾	502 (30%)

**See notes below.*

Resource Distribution 2017-18 NSW Murray - 16 Oct 2017



Notes:

- (1) Total available resource - NSW's state share of active storage volume (Hume, Dartmouth, Menindee and Lake Victoria) as assessed and accounted for under the Murray-Darling Basin Agreement at the time of the assessment plus any usable flows in transit plus assumed drought inflows for the rest of the year plus Snowy Hydro's assured Required Annual Release (RAR), as well as estimated usage to date. NSW is in Special Accounting with South Australia (SA) but this currently has no material impact on NSW allocations. Special accounting is triggered when NSW is forecast unable to meet the required reserve of 1,250 GL by the end of the water year to supply SA with its entitlement in the following water year. Details can be found in the MDB Agreement Clauses 123-129.
- (2) Carryover – NSW Murray general security water users can carryover a maximum account balance of 50 per cent of their entitlement into the following water year. The account limit is 110 per cent of entitlement, which can consist of both allocation and carryover.
- (3) Primarily rules-based planned environmental water – water required to be set aside under water sharing plans to provide for riverine environments. In the NSW Murray this includes Additional Environmental Allowance (AEA) (about 6 GL), Wakool system requirements (up to 70 GL), and the Barmah-Millewa Allowance (B-MA) (which is currently 100 per cent borrowed). Excludes 'licence-based' environmental water also known as held environmental water (HEW).
- (4) The *Water Sharing Plan for the New South Wales Murray and Lower Darling Regulated Rivers Water Sources 2016* has subcategories of high security licences in the Murray Water Source. High security subcategory licences under *Part 7 Division 2 Clause 46(2)* that are present in the Murray include community and education, research, and town water supply. At the commencement of each water year, these licences are to receive 100% allocation, while remaining high security licences are to receive 97% allocation. For the purposes of this water allocation statement, the high security town water supply allocation volume has been grouped as "Towns, S&D".
- (5) Conveyance entitlement – a category of access licence originally issued to Irrigation Corporations to facilitate delivery of water through their channel systems. Allocation to this category is prescribed in the water sharing plan and is a function of current high and general security allocation.
- (6) Reserves – required primarily under statutory plans; set aside for emergency purposes and critical needs.
- (7) Held environmental water (HEW) – As a trial, general security allocation and carryover water administered by the environmental water holder has been identified in the above pie chart. This reporting of held environmental water is limited to only NSW entitlements, reporting of credits to accounts (not usage or trade), and estimated to be 144 GL of GS, 24 GL of HS, 26 GL of conveyance allocation and 60 GL of GS carryover. These entitlements are held and/or managed either singly or jointly by various environmental holder groups, including the NSW Office of Environment and Heritage (OEH), The Living Murray (TLM) and the Commonwealth Environmental Water Holder (CEWH). For more details on environmental holdings please refer to individual Agency websites.

NSW Murray Resource Assessment – Comparison with this time last year

Item	Mid Oct 2016 (GL)	Mid Oct 2017 (GL)	Comments
NSW share of total resources	2,323	1,879	Wetter conditions in 2016
less			
Carryover	451	730	significantly higher carryover in 2017
Environmental	276	200	Barmah-Millewa Allowance still 100% borrowed in 2017.
Towns, Stock, Domestic	54	54	same
High Security	185	185	same
Critical Human Need (CHN) reserve*	55	5	less than last year
Conveyance	248	203	higher allocation in 2016, due to less carryover and the onset of large 2016 tributary inflows.
General Security	1,054	502	

* CHN reserve target 61 GL.

Chances of improvement

The chances of inflows being above historical minimums, and therefore the likelihood of improved allocations, are as follows:

NSW MURRAY Potential Inflow Conditions[#]	Forecast 1 Dec 2017 General Security Allocations[^]	Forecast 1 Feb 2018 General Security Allocations[^]
Current allocation (99% inflows)	30%*	30%*
9 chances in 10 (very dry) (90%)	33%**	42%**
3 chances in 4 (dry) (75%)^^	41%**	54%**
1 chance in 2 (average) (50%)	55%**	100%**
1 chance in 4 (wet) (25%)	100%**	100%**

[^] Licence holders can add individual carryover to the relevant allocation percentage.

[#] Multi-history modelling using historical record (1892 – 2011).

^{**} Borrow from B-M Allowance account is fully repaid. * Borrow from B-M account is partially repaid.

^{^^} [Currently overall Murray system inflows are tracking around here](#)

(The three month period from Jul to Sep 2017 = 78% AEP, two month Aug to Sep 2017 = 71% AEP and Sep 2017 = 82% AEP).

NSW Murray Valley Outlook

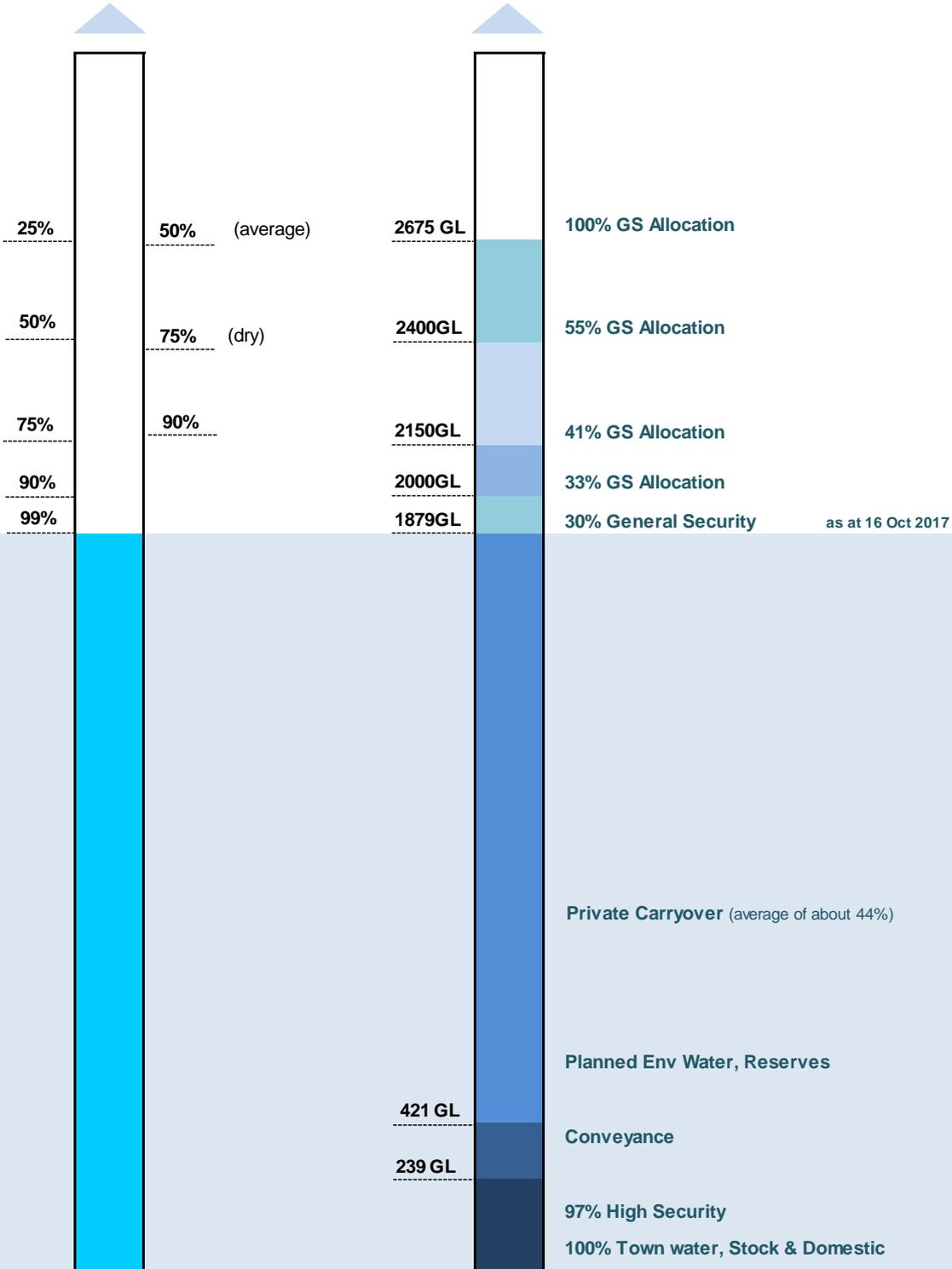
as at 16 October 2017

Probability of improvement

Indicative requirements

1-Dec

1-Feb



as at 16 Oct 2017

* The figure is based on probabilities and does not guarantee allocations, volumes are indicative only. Large volume items are listed in this figure to