



Critical water planning for the Murray Valley

Issue 7 | 15 October 2007

Current water availability

While water availability to users in the Murray Valley has improved marginally, it remains at the lowest level ever. Despite some promising forecasts, little rain has fallen across the Murray Valley in the past month. Without further inflows, there may not be any additional water available for consumptive use this year.

Water supply for essential human needs in 2008/09 will be met from future inflows to Murray and Snowy systems. Plans to guarantee these reserves are now being implemented.

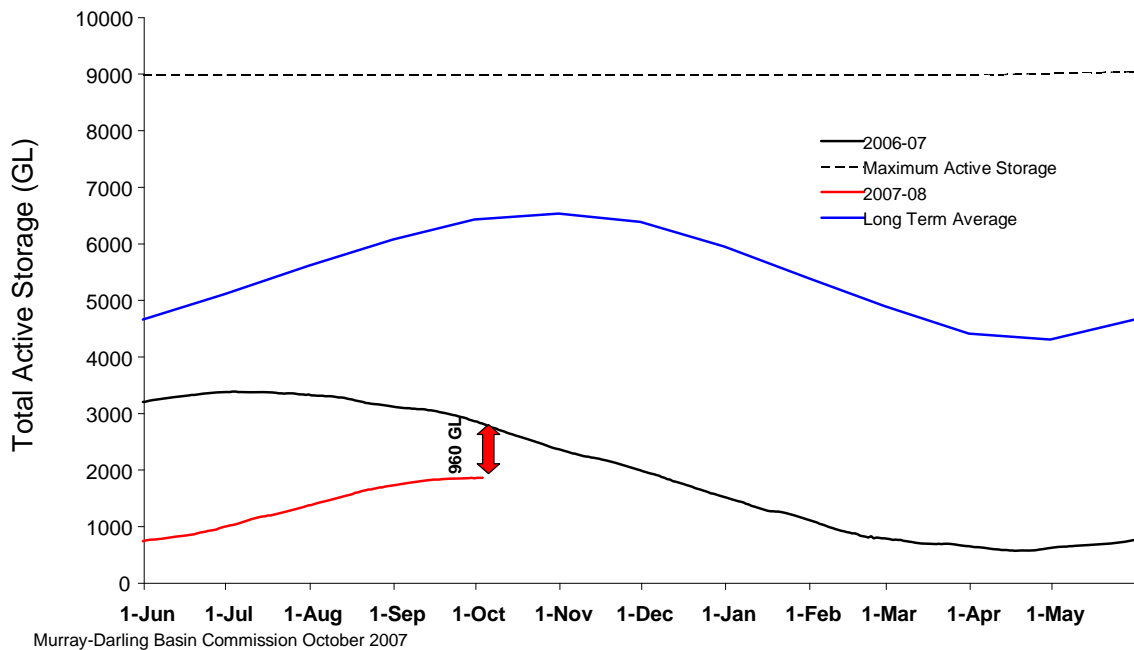
From 13 September to 10 October 2007, Albury received 3.4 mm of rain and Deniliquin received 4.8 mm. Some moderate falls in the Upper Kiewa and Overs River catchments, coupled with hot weather causing some snow melt, has resulted in a small volume of inflow.

There was also a small increase in Snowy Mountain resources.

Storage levels as at the 10 October 2007.

| Storage @ 10 October 2007 | Volume GL | Percent of capacity | Change in Volume 13 September to 10 October GL |
|---------------------------|-----------|---------------------|--|
| Hume Dam | 873.9 | 28.5 | +74 |
| Dartmouth Dam | 688 | 15.6 | -36 |
| Lake Victoria | 513 | 75 | -43 |
| Menindee Lakes Storage | 38.4 | 2.3 | -29 |

This graph shows the long term average storage volumes in the Murray Valley comparing 2006-07 and 2007-08



What this means

There is sufficient water available to supply the restricted requirements for all towns in the Murray Valley, and also for the critical needs of intensive livestock and forest industries until the end of the water year. There is also enough water to provide contingency water for November 2007.

In recent months, most of the improvement in resources for New South Wales has been used to repay the debt that New South Wales owed to Victoria. This debt has now been fully repaid. Any future increases that may occur will now be shared more normally between NSW, Victoria and South Australia. The increase in Murray Valley inflows coupled with the slight improvement in available Snowy Mountain resources this month, enabled the re-crediting of a further 10 per cent of the water suspended (including carry-over) in 2006. This re-payment means that up to 35 per cent the volume of water that was in accounts as at 1 July 2007 can now be taken. This water is now available for use in addition to any water that has been allocated as contingency water and any water traded in.

The Murray Darling Basin Commission has resolved that any unregulated inflows that are surplus to immediate requirements will be shared between the States.

Contingency water

Contingency water was made available for July to September. Applications are now being sought for November.

The provision of contingency water may be taken into account when the Department is making further available water determinations prior to the recommencement of the water sharing plan.

High security licence holders with permanent plantings must apply for contingency water on the attached form by 31 October 2007.

Water will be allocated on the basis of area of crop planted.

1. Grapes this will be 0.3 ML/ha,
2. Citrus 0.6 ML/Ha
3. Stone fruit 0.6ML/ha

Accurate information is vital.

Applications for contingency water during November 2007 **must be made with your local water licensing authority** (ie Irrigation Corporation or Department of Water and Energy. Irrigation Corporations will put one order through to the Department).

Licence holders who have a licence with Department of Water and Energy may fax completed applications directly to 03 58813456.

Town water supply

Town water supplies have currently been given an allocation of 50 per cent of entitlement. This allocation will increase if and when additional water becomes available. It is advised that Councils continue to adopt Level 4 water restrictions, equivalent to no outside water use.

Councils may relax this restriction on a month by month basis, if they purchase a volume equivalent to 20 per cent of the volume required for Level 4.

Current Level 4 restrictions will be eased when water supplies improve to allow all suspended and carryover water to be re-credited and when a 20 per cent available water determination to high security licences can be made.

Domestic and stock supplies

Domestic and stock supplies are now critical for many landholders. The supply of this water has the highest priority from unregulated surplus flows. Landholders who pump water for domestic and stock use as permitted under the basic landholder rights provisions of the Water Management Act are reminded that this water cannot be used for production.

It can be used for watering of stock, and internal domestic use and non-commercial gardens. As water is very scarce, the Department advises users to extract and convey this water as efficiently as possible. Earthen channels and dams have high losses and where possible water should be conveyed by piped system.

Restrictions apply on basic landholder rights in urban centres. The restriction is identical to the current town water restriction in-force in each town.

Water trading in 2007/08

Water in accounts may be traded. This includes all water made available in 2007/08. However it should be noted that water users who choose to trade from the contingency water will have difficulty justifying an allocation of water for critical needs in subsequent months. If the allocated water is not required it should be carried over.

In the Murrumbidgee all suspended water has been re-credited to accounts and 75 per cent high security allocations have been made available. Victoria and South Australia also have made water available. Water may be purchased from these sources. The rule that does not permit trading from upstream to downstream of the choke has been suspended until at least December 2007.

All water credited to accounts in 2007/08 will be counted as part of the total water available to that licence for the year. This includes any water previously suspended in accounts.

Buyers of water from the Murrumbidgee need to be aware that those Murrumbidgee users with an outstanding debt from the 2002-03 Snowy advance cannot sell water. Potential purchasers should make sure that they make the right inquiry before proceeding.

Outlook for 2008/09

It is not necessary to set aside reserves now to secure water for 2008 critical human needs. This allows all water in storage to be made available in 2007.

The Murray Darling Ministerial Council will continue to investigate a “southern basin approach” which could be adopted if conditions continue to stay dry. This would include looking at combining the resources of the Murray, Murrumbidgee and relevant Victorian tributaries.

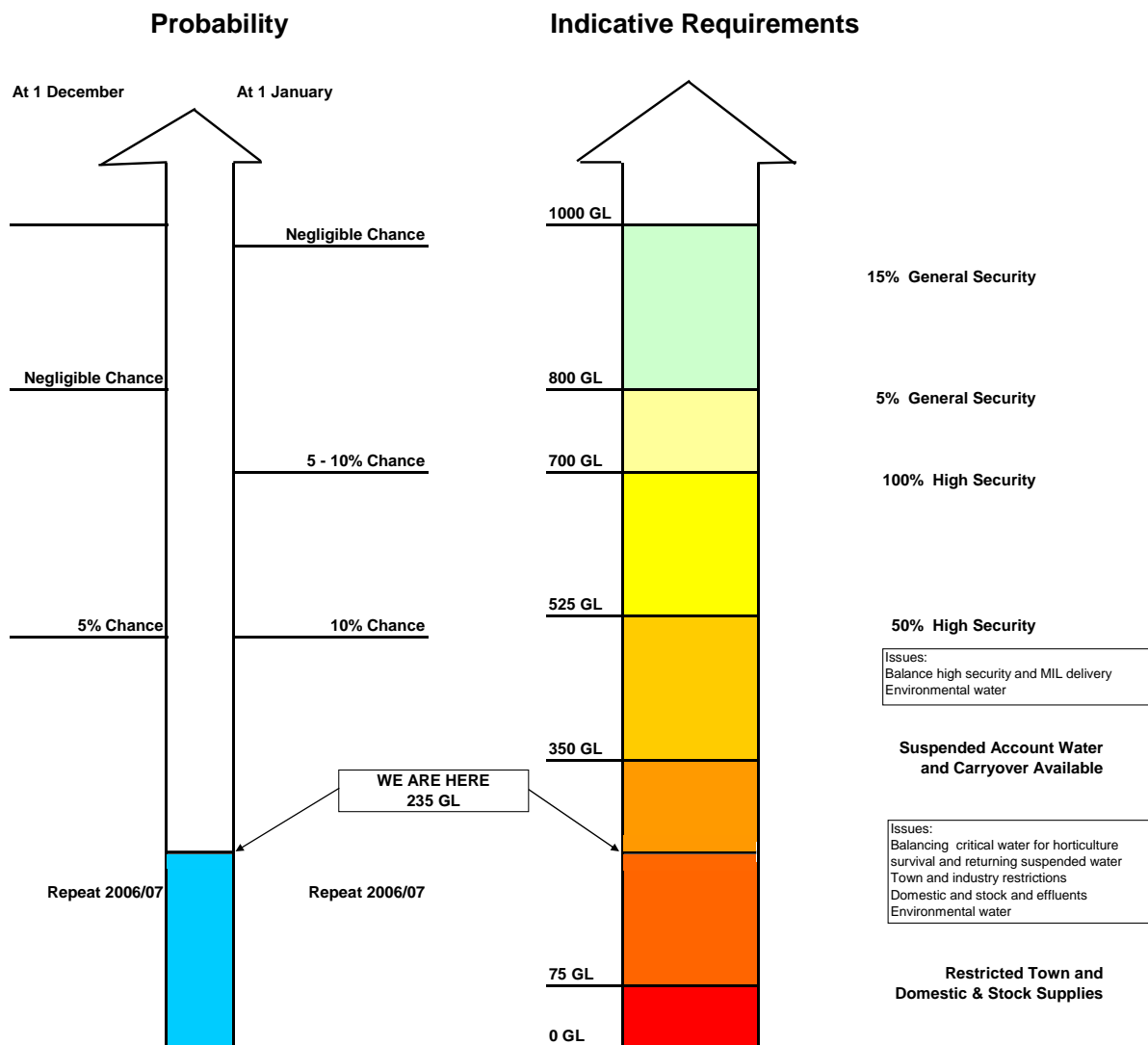
Water availability outlook

The following diagram shows the approximate probabilities of improvements in water availability occurring by 1 December 2007 and 1 January 2008 and will change continually.

NSW Murray Valley Outlook

Based on forecast end of September Assessment

These probabilities use statistics based on continuing drought and may underestimate the probabilities of allocation increases that require wet conditions.



Contact: Bunty Driver 03 5898 3900



NSW Government

Department of Water & Energy

FAX BACK APPLICATION FOR NOVEMBER CRITICAL WATER

Name: _____

Address: _____

Phone Number: _____

Fax number: _____

Email address: _____

Date: _____

Licence Number (High Security only): _____

Industry: _____

Number of Hectares planted:

Grapes: _____

Citrus: _____

Other, please specify: _____

Water will be allocated according to the survival water noted within the main document.
Please note there is no guarantee that this is what you will receive.

Signature of licence holder or delegated person

Fax to your Water Licensing Authority – This is whoever holds your licence. If your licensing authority is an irrigation company, they will send a bulk application to DWE

If your licence is held with the Department of Water and Energy, fax all applications to
03 5881 3465

DWE OFFICE USE ONLY

Approved volume: _____

Signature: _____