



Critical water planning for the Murray Valley

Issue 12 | 17 March 2008

Current water availability

There has been little to no rainfall in the last month in the Murray Valley. The small amount that has fallen has been due to isolated storms.

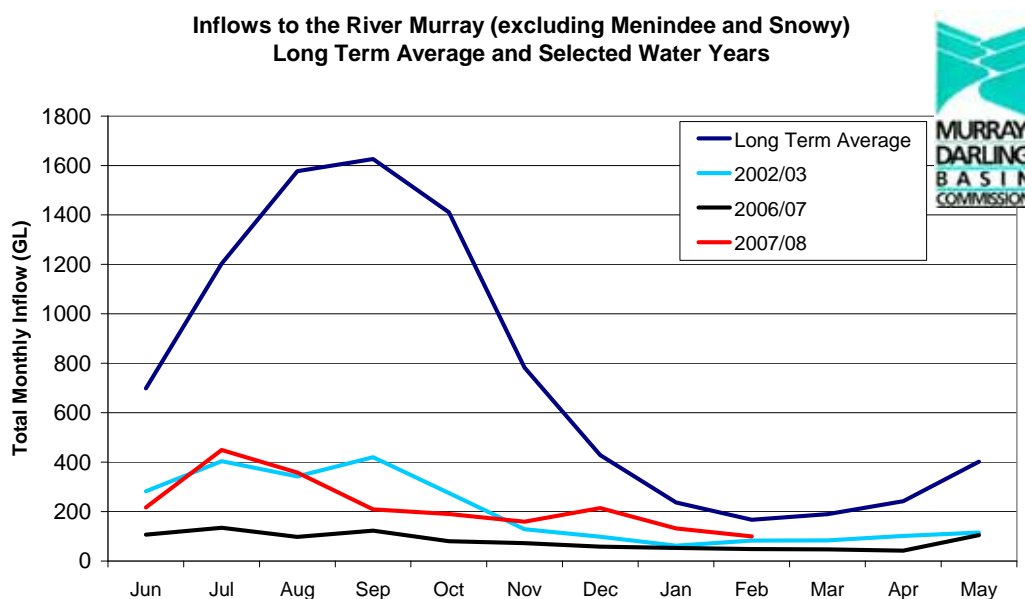
From 13 February to 12 March 2008, Albury received 59 millimetres (mm) of rain, Deniliquin 0.2 mm, Wangaratta 4.6 mm, and Tumbarumba received 37mm.

As of 12 March 2008, the total volume of water available to NSW Murray Valley water users is 570 gigalitres (GL). A small improvement in resources over the past month enabled an allocation of 25 per cent to be made to high security licence holders on 3 March.

Storage levels as at 12 March 2008

| Storage @ 12 March 2008 | Volume GL | Percent of capacity | Change in Volume 12 February 2008 to 12 March 2008 GL |
|-------------------------|-----------|---------------------|---|
| Hume Dam | 370 | 12 | -119 |
| Dartmouth Dam | 683 | 15.5 | -3 |
| Lake Victoria | 349 | 52 | -6 |
| Menindee Lakes Storage | 541 | 28 | +175 |

This graph shows the long term average inflows into the Murray River



What this means

Dry conditions have returned to the Murray Valley. While inflows are still above 2006/07 levels, they are well below the long-term average and 2007/08 has been one of the 10 driest years on record in the last century.

Water availability for 2008/09 remains seriously low and the Department will continue with drought contingency planning based on a “worse case” scenario. This will involve working co-operatively with the other States, regional communities and industry to conserve as much water as possible.

Now that sufficient water has been reserved to meet basic human needs for 2008/09, the next priority is to reserve water to meet the requirements of high security users, stock and domestic needs and ensure the delivery of carryover.

A further priority is to balance the water accounts of licence holders who participated in the critical water program. It is hopeful that all accounts can be balanced before the end of the 2007/08 water year. If this is not possible, triggers for pay-back will be introduced in 2008/09.

Carryover

Whilst the Murray Lower Darling Water Sharing Plan (WSP) remains suspended, all water in accounts will automatically be carried over into 2008/09. This does not apply to local water utilities (town water) or stock and domestic licences.

Allocations will not be made where this will result in the sum of the carryover and any previously announced allocations exceeding entitlement.

If the WSP is reinstated before 1 July, then the normal carryover rules in the WSP will apply.

For high security licences, this means that all carryover will be forfeited. However, before the WSP is reinstated, sufficient water will need to be available so that an allocation of 97 per cent for high security can be made from July 2008.

For general security licences, this means that carryover will be limited to 50 per cent of their licensed entitlement.

Zero share access licences would forfeit any water in their accounts.

Licence holders should be aware that if there is significant rain over autumn, then there is a real chance that the WSP could be reinstated.

Trade

All water in accounts is tradeable. Close off of all trade in the Murray Valley, including inter-state and inter-valley trade, will be close of business on 30 April 2008. Applications can be made to trade water downstream of the Barmah Choke. All other rules relating to trades within the Murray Lower Darling Water Sharing Plan area will remain.

If the drought in the Murray Valley worsens and reserves in the Darling River are satisfactory, then consideration may be given to enabling temporary trades out of the Lower Darling River in the 2008/09 water year.

Accounting for contingency water

The recent high security announcement of 25 per cent has balanced the accounts of more than half of those who participated in the critical water program, effectively eliminating all debts on these accounts as they come into the new water year. The Department will continue to work towards balancing the remaining accounts before 1 July 2008.

Licence holders may elect to repay water to balance their accounts before the end of the 2007/08 water year. Licence holders who do choose to take up this option can do so by completing the attached form and returning it to State Water's Buronga office.

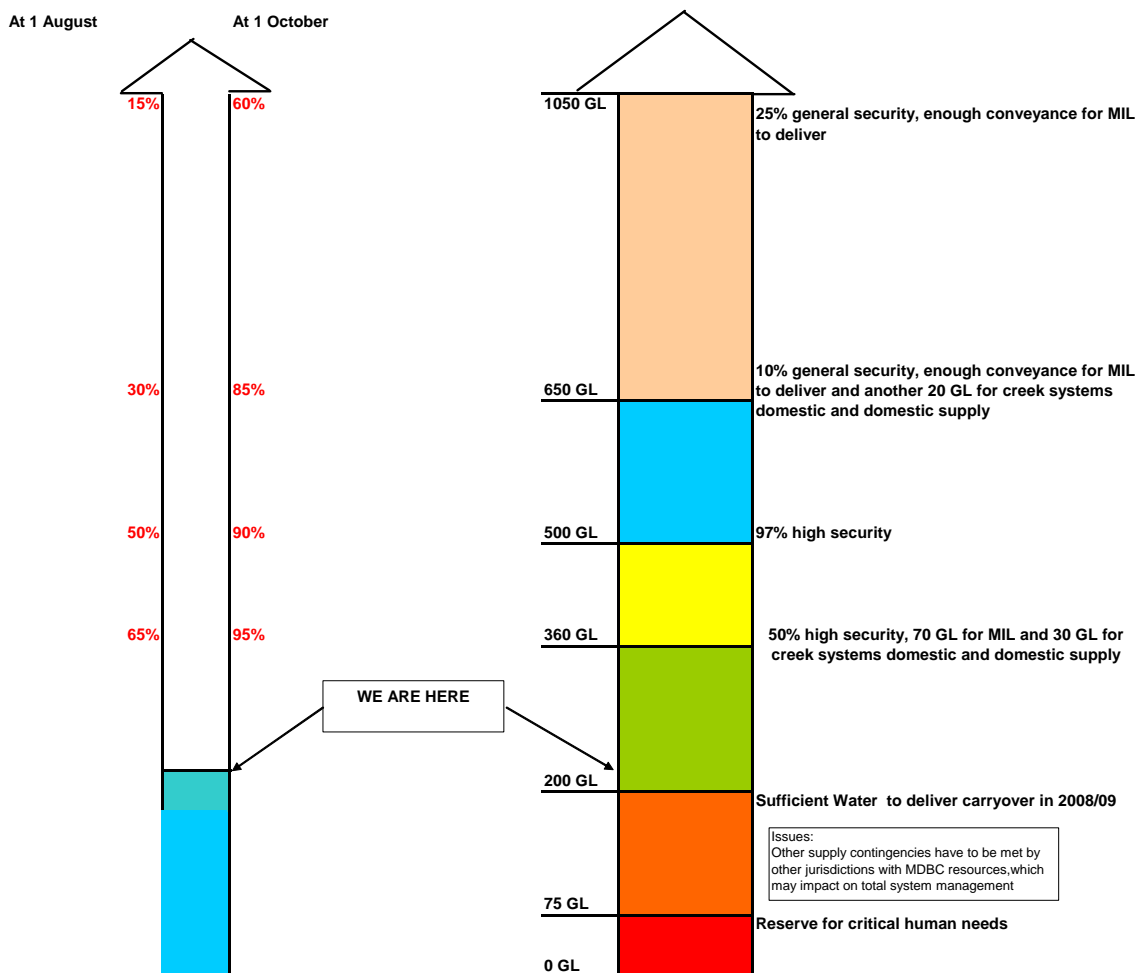
If all accounts cannot be balanced before 1 July 2008, then water will be debited against normal allocations once high security allocations reach the agreed trigger levels in the 2008/09 water year.

Compliance

The water contingency planning program will only work if everyone adheres to the restrictions and is careful with all water use. To ensure that the system is run fairly, the community should report any suspected breaches to the Department of Water and Energy's Compliance Unit on 1800 633 362 or by email to watercompliance@dwe.nsw.gov.au.

Water availability outlook

NSW Murray Valley



These indicative probabilities are based on analysis of all years taking into account the existing predictions from the Bureau of Meteorology, and the lack of a strong relationship between current and normal inflow conditions for Winter Spring in the Murray Valley.

Contact: Bunty Driver 03 5898 3900



NSW Government
Department of Water & Energy

Application to repay critical water allocated in 2007/08

Name:

Address:

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Phone Number:

Fax number:

Email address:

Date:

Licence number (High Security only):

Amount of water to be repaid:

Signature of licence holder or delegated person

Please return this form to Daniel Bailey

State Water PO Box 363 Buronga 2739

Phone 03 50 516200

Fax 03 5051 6258

OFFICE USE ONLY

Critical water account balance _____

Volume repaid _____

Volume outstanding _____

Signature _____