Water Allocation Statement

15 November 2017

NSW Murray and Lower Darling

Water allocation update

Allocations

NSW Murray general security allocation **has increased by 3 per cent to 35 per cent of entitlement**, with a commensurate increase in allocation to conveyance entitlements.

Rainfall, although below average across upper Murray catchment during October, plus tributary inflows provided this small improvement.

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 approximately 1,316 GL or 79 per cent of entitlement on average. However, it is acknowledged that water availability for those who chose not to carry water over, is 35 per cent of entitlement.

	High Security	General Security	Average Carryover
Murray	97%	35%	44%
Lower Darling	100%	100%	

Upper Murray storage levels (as at 13 November 2017)

- Dartmouth Dam is 87 per cent full – rising – holding 3,362,000 megalitres (ML).
- Hume Dam is 80 per cent full – falling – holding 2,408,000 ML.

Climatic outlook

The Bureau of Meteorology's climate outlook has not changed since the last statement, with the seasonal outlook for November to January indicating equal likelihood of above or below average rainfall conditions. November is likely to be drier than average for much of the valley. Above average temperatures are also likely over the three months, particularly in November for the eastern portion of the valley.

While the Bureau of Meteorology predicts an even chance of La Niña forming in the remainder of this year, should this occur, it is expected to be short lived and weak. Current temperature patterns in the Indian Ocean would typically push Australia's climate into a drier phase, hence the typical above average rainfall patterns associated with La Niña are not expected. A weak La Niña could also result in prolonged heatwaves for southeast Australia.

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.

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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. However, once the Menindee system falls below 480 GL (currently at 542 GL) and the Lower Darling becomes administratively separated from the Murray, trade with the Murray typically ceases until the system recovers to above 640GL.

Trade **out** and **within** the Murrumbidgee Valley is open, but trade **into** the Murrumbidgee Valley is closed. 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 status of trade.

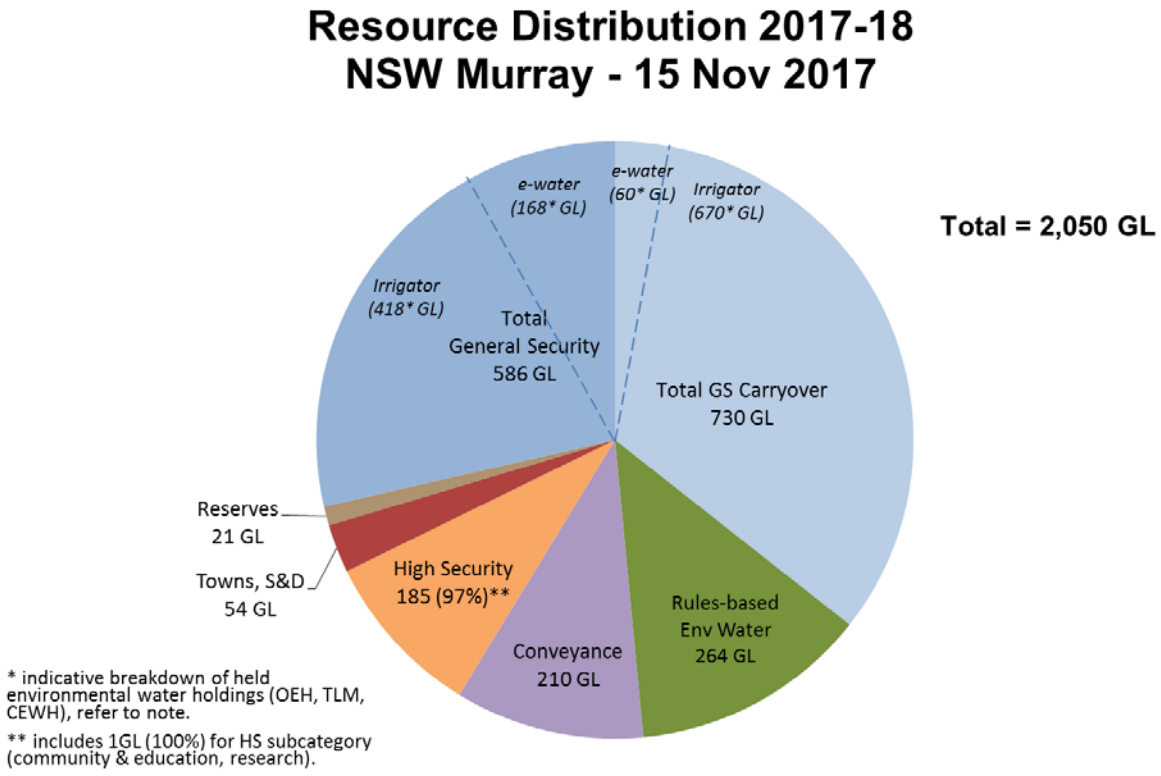
Next announcements

The next allocation update for the NSW Murray is expected to be on **Friday 1 December 2017**, followed by Friday 15 December 2017.

NSW Murray Resource Assessment Data Sheet

Resource Distribution (15 November) for 2017-18	Volume (GL)
Total Available Resource[1]	2,050
less	
Carryover[2], [7]	730
Rules based Environmental Water[3]	264
Towns, Stock, Domestic[4]	54 (100%)
Announced High Security subcategory (education, research)[4]	1 (100%)
Announced High Security[4]	184 (97%)
Conveyance[5]	210
Reserves[6]	21
Announced General Security[7]	586 (35%)

See notes below.



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 the Murray Additional Allowance (MAA) (about 6 GL), Wakool system requirements (up to 70 GL), and the Barmah-Millewa Allowance (B-MA). 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 licenses 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 168 GL of GS, 24 GL of HS, 27 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 Nov 2016 (GL)	Mid Nov 2017 (GL)	Comments
NSW share of total resources	2,710	2,050	Wetter conditions in 2016
less			
Carryover	160	730	significantly higher carryover in 2017
Environmental	246	264	similar
Towns, Stock, Domestic	54	54	same
High Security	191	185	full allocations in 2016
Critical Human Need (CHN) reserve*	55	21	less than last year
Conveyance	330	210	higher allocation in 2016, due to the onset of large 2016 tributary inflows.
General Security	1,674	586	

* CHN reserve target 61 GL.

Chances of improvement

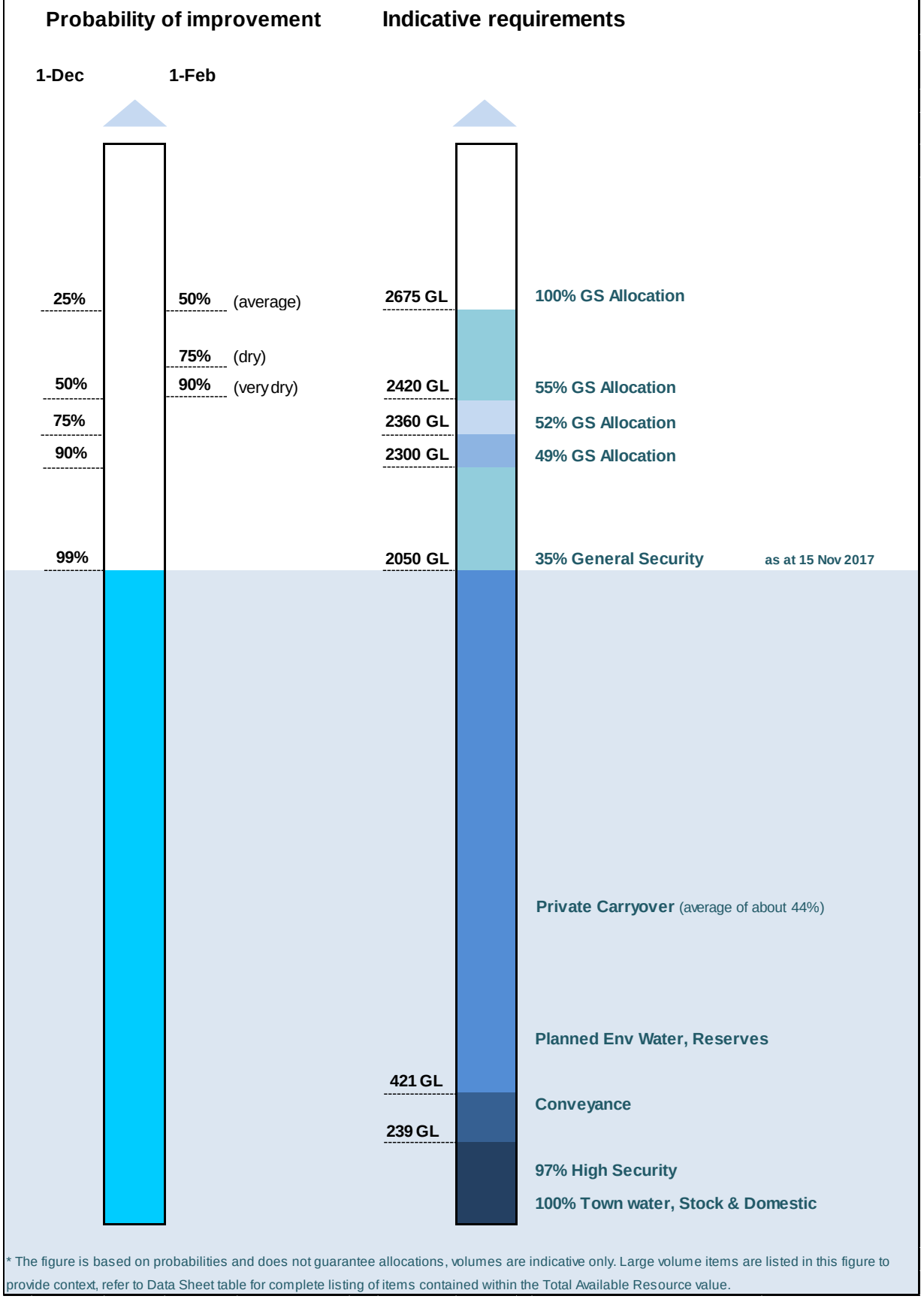
The chances of inflows being above historical minimums, and therefore the likelihood of improved allocations, are as follows:

NSW MURRAY Potential Inflow Conditions#		**Forecast 1 Dec 2017 General Security Allocations^**	**Forecast 1 Feb 2018 General Security Allocations^**
Current allocation	(99% inflows)	35%	35%
9 chances in 10 (very dry)	(90%)	49%	57%
3 chances in 4 (dry)	(75%)^^	52%	62%
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).
^^ Currently overall Murray system inflows are tracking a bit drier than here (Year to date from Jul to Oct 2017 = 82% AEP, and Oct 2017 = 78% AEP).

NSW Murray Valley Outlook

as at 15 November 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 provide context, refer to Data Sheet table for complete listing of items contained within the Total Available Resource value.