

SRI Update

14/08/2018



A dry start

The season has opened with a zero percent general security allocation.

While this itself is not unusual, it comes on the back of six months of below average inflows, 50% allocation last year and in the face of forecast below average rainfall for the next three months.

Given that NSW and parts of Queensland are currently in crippling drought, our region is in the unique position where we could finish crops that could be used for stock feed if only we had water to finish our winter crops.

Over the last five weeks, SRI has approached Government and water agencies alike to ask for consideration to review water holdings and evaluate the potential to make a volume of water available at this crucial time in the cropping cycle through whatever means is possible. Our activities include:

- Letter to the CEWH requesting consideration of a trade of environmental water in the NSW Murray consistent with the Water Act 2007 that establishes the conditions under which the CEWH can trade environmental water;
- Letter to the MDBA requesting consideration of releasing some or all of the volume held in Hume Dam as River Murray Increased Flows (RMIF) via either a trade or borrow mechanism;
- Letters to Parliamentary representatives including the office of the Prime Minister, Federal Agriculture and Water Minister David Littleproud, Minister for Infrastructure, Michael McCormack, Member for Farrer Sussan Ley, State Water Minister Niall Blair and State Member for Murray Austin Evans.
- Direct conversations with the Prime Minister's office, Deputy Prime Ministers Office, Sussan Ley, Austin Evans and advisors to the State and Federal water ministers.
- Multiple and ongoing conversations with agencies including NSW Department of Industry – Water, MDBA and the CEWO.

Our key message is that with access to water now, we can be part of the drought solution, but without it we will become part of the problem. We are also not questioning anyone else's ownership of water, but we are highlighting that for us – timing is critical, and the time is now.

We continue to work across the water network to pursue all opportunities and have gained the support of both National and NSW Irrigators' Councils who are also pushing the message on our behalf. Murray Irrigation has also been working towards bringing forward some water for customers. All these joint efforts are complementary to achieving our goal.

We understand Sussan Ley is pursuing the issue in conjunction with Andrew Broad is being raised in the Coalition Party room today.



Environmental water holdings

According to the CEWH, the dry season means their environmental water holdings are also comparatively limited.

In a response to the SRI request for consideration of trading volume the CEWH explains that in the NSW Murray only 55GL of Commonwealth water was carried over, of which 25GL has already been used for environmental flows. According to the letter key environmental needs this year include:

- Variable flows through Murray, Edward-Wakool, Goulburn, Campaspe and Loddon Rivers and the Broken and Gunbower Creeks for fish flows (Murray and Goulburn held water);
- Yanga Lake on the Lowbidgee to support a golden perch spawning event (Murrumbidgee water);
- Improving conditions for fish spawning and migration in the Coorong (Southern connected system).

As well as carryover, the CEWO has access to around 19GL of NSW Murray High Security.

In NSW the Office of Environment and Heritage holds 2GL of High Security and 30GL of conveyance (currently issued equivalent of 12%).

Across jurisdictions there is also around 500 entitlements held against Living Murray licences which includes 5.5 high security (97% allocation), 188 general security (0% Murray and 6% Murrumbidgee allocations) and supplementary (opportunistic) licences.

In the last year there was also a release of 314GL River Murray Increased Flows (see below) which is apportioned between the States and is quarantined for environmental use and managed by the same committee as the Living Murray water. Of the 131GL apportioned to NSW, 36GL has effectively been borrowed by the State for resource distribution (current allocation commitments).

SRI has requested that any opportunity for accessing these or a portion of these parcels of water be considered and we continue to work with Federal and State agencies to investigate these options.

In the NSW Murray, planned environmental water includes the Wakool system requirements (currently 40GL of 70GL requirement) and the Barmah-Millewa Allowance which is currently 100% borrowed.

Inflows required

The NSW Murray-Lower Darling Water Sharing Plan requires water to be shared in order of priority and there are still some commitments that must be met before general security allocations can be made unless allowance is made to circumvent the priority rules of the WSP for exceptional circumstances.



The NSW Department of Industry – Water, has already applied some flexibility to prioritising allocations in order to ensure full access to carryover and some conveyance by assuming future inflows can recover enough water for Wakool and RMIF environmental needs. Therefore, the following priority requirements must be met in order to have general security allocations in the NSW Murray:

Priority	Requirement	Volume available (GL)	Deficit
1	River operations, critical human need, SA commitments, Reserves	1,540	0
2	Carryover (current estimates)	55 CEWH 34 other e-water 147 MIL on farm 284 other private held	0
3	Rules based e-water: - MAA - Wakool - RMIF - Barmah-Millewa	6 70 (currently 40) 131 (currently 95) 234 (currently 0)	0 30 36 234 - Before GS reaches 30%
4	Towns, Stock and Domestic	54	0
5	HS – subcategory research	1	0
6	HS	184 (97%)	0
7	Conveyance when HS is at 97%	165 (currently 40)	125
8	Conveyance when: - GS 1-60% - GS 60-99% - GS 100%	Up to a total of 241 330	Allocated pro-rata
	<i>Shortfall to GS allocation</i>		<i>191 (not including Barmah-Millewa borrow)</i>

According to the interstate water sharing arrangements all inflows upstream of Hume Dam are shared 50:50 between NSW and Victoria, however, when a respective State’s share of a storage becomes full, any inflows then “spill” into the other State’s bucket. As at 30 June Victoria’s share of Dartmouth airspace was full. Depending on transfers and storage management, there may be a chance NSW could benefit from inflows into Dartmouth.

Snowy releases and outlook

The Snowy water year runs from 1 May to 30 April each year. The Murray Required Annual Release (RAR) is nominally 1,062GL each year, however, the amount released is adjusted by:

- Snowy Water Savings (from Water for Rivers) which are transferred into River Murray Increased Flow (RMIF) holdings – approximately 70GL per year;
- Flex – Snowy pre-releases in one water year to be taken off the RAR the following year;
- Dry inflow sequence volumes – the volume difference between water available and the RAR.



Inflows to the system flow into below target water (BTW) first and, once that is filled it goes into above target water (ATW). But, once it is in ATW, it does not flow back into BTW as holdings in that storage fall. The RAR is held in and delivered from below target water (BTW), while RMIF is held in ATW and any remaining volume in ATW can be released at the discretion of Snowy Hydro.

In 2017/18 Snowy Hydro released the following from the Murray development.

Release	Volume	End use (from Hume)
RAR	414	Supports Vic/NSW allocations
FLEX	200	Supports 2018/19 Vic/NSW allocations
ATW	78	Supports Vic/NSW allocations
General RMIF	100	Payback of environmental water previously delivered from pool – Supports Vic/NSW allocations
RMIF	314	Quarantined for the environment as per RMIF rules
TOTAL	1,106	792 Support allocations 314 environment

2017/18 inflows into the Snowy system were well below average at around the 80% dry mark – which means 80% of years are wetter than the one we experienced. As at July, inflows were tracking along the same, if not worse, trajectory. For 2018/19 the guaranteed RAR for the Murray development under current conditions is 763GL of which 383GL goes to NSW. This volume has already been factored into the NSW Murray resource distribution.

Unfortunately, this means that while our region has been able to work with Snowy in previous dry years to make water available, there just isn't any water in the system for us to access this year.

We continue to work for you

Please know that SRI will continue to explore every avenue available and ask if every practical and creative option has been explored to identify a parcel or parcels of water that can help us get through this season. We will continue to work with Murray Irrigation and the Irrigators' Councils to maximise our chances of success.

Ends:

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