



Friday, 6 September 2013

Time needed to clear Murrumbidgee trade imbalance

NSW Water Commissioner, David Harriss, today confirmed that allocation trades into the Murrumbidgee Valley have reached their limit and that further trades would only be approved against equivalent or greater trades out of the Murrumbidgee Valley.

Mr Harriss said that approving any additional trades into the Valley now would mean that it was physically impossible to deliver that water to individual accounts unless, there is further trade out of the Murrumbidgee Valley to balance them.

“Water users have been trading water into the Murrumbidgee Valley for use in 2013/14 due to the current low general security allocation.

“However there is a limit on the additional volumes of water that can be delivered via trade into the Murrumbidgee Valley,

“Inter-Valley trade applications into the Murrumbidgee will not be accepted by State Water Corporation, but all water currently in accounts including announced allocation and carryover is available and is fully deliverable.”

Water may still be traded out of the Murrumbidgee Valley.

The NSW Office of Water in consultation with State Water Corporation will provide advice if and when circumstances change, and trade into the Murrumbidgee Valley can be reopened.

Mr Harriss said that the amount and distribution of rainfall across southern NSW has caused the low general security allocation in the Murrumbidgee Valley compared to the Murray. Similarly more water is stored in Blowering Dam, where releases are more limited than Burrinjuck Dam.

Water users are reminded that the outlook for allocations over the coming months will be updated on 15 September.

Ends

Media contact: Bunty Driver – 0407 403 234

Our news releases are on the web: www.water.nsw.gov.au Follow us on Twitter @OfficeofWater



Key facts

- All water currently in accounts, including announced allocation, carryover and approved trades is fully deliverable in 2013/14
- The Inter-Valley Transfer (IVT) account tracks the net volume of trade activity into and out of the Murrumbidgee Valley over time. This account is normally managed between the limits of 0 GL and +100 GL.
- These limits are imposed due to physical constraints in delivering water traded into the Valley from the Murrumbidgee Valley to Murray Valley.
- The IVT should not exceed 100 GL because that is the volume of water that can be efficiently delivered through Balranald each year. Beyond this, channel capacity is exceeded and delivery losses increase significantly.
- This imbalance has occurred because of increased trade into the Valley due to low rainfall and the low general security allocation.
- A positive IVT account balance is needed before trades into the Murrumbidgee can resume. A positive IVT balance results from net trades **out** of the Valley. Trade **out** of the Valley is likely to be stronger when the imbalances described above are reduced and the market forces change.
- No further trades into the Murrumbidgee Valley will be approved until this imbalance has cleared. Those trade applications not approved have been returned to the applicant, along with the application fees. No further applications for trade **into** the Murrumbidgee can be accepted for the time being.
- Trade **within** the Murrumbidgee Valley can continue unaffected, as can trade **out** of the Valley. In fact, trade **out** of the Valley under the current circumstances is particularly beneficial and to be encouraged.
- Water cannot be 'traded across the top' through the Snowy Scheme and into the Murrumbidgee. This is because Murray RAR and Flex is already fully delivered. There is not the water to transfer, and even if we could get water into the top of the Murrumbidgee (Blowering) it would exacerbate the potential deliverability difficulty in the Murrumbidgee.

Media contact: Bunty Driver – 0407 403 234

Our news releases are on the web: www.water.nsw.gov.au Follow us on Twitter @OfficeofWater