



critical water planning

for the Hunter Valley

ISSUE 3

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CURRENT WATER AVAILABILITY

Stream flows across the Hunter River Valley have improved over the last month, as a result of significant rain throughout the Hunter during August. Moonan Brook received 63mm, and 150mm fell at Hunter Springs (above Glenbawn Dam), and 112mm was recorded at Carrowbrook (above Glennies Creek Dam). Most inflows occurred in one event on 20 August 2007.

Storage levels in Glenbawn and Glennies Creek dams have risen significantly following the recent falls due to a 'wet catchment' as a result of the June storms. Storage inflows have collectively increased by 30GL in August, and a further 6GL to date in September.

The following table shows storage levels as at 13 September 2007.

| Storage @ 13 September 2007 | Volume GL | Percent of capacity | Change in Volume since 1 July 2007 |
|-----------------------------|------------|---------------------|------------------------------------|
| Glenbawn Dam | 289 | 38.4 | 48GL (6.3%) |
| Glennies Creek Dam | 102 | 35.8 | 6GL (2.2%) |
| Total | 391 | 37.7 | 54GL (5.2%) |

Note: Of this total, approx 6GL is held for Macquarie Generation as 'Barnard Reserve Water' and 'carryover', while approx 10GL is 'carryover' held for General Security irrigators.

WHAT THIS MEANS

Enough water is available to meet town water supply, Major Utility (Power Generation), and Domestic and Stock for the whole of 2007/2008 and 2008/2009. Town water supplies are currently on restrictions, as decided by the relevant council. High Security allocations of 75% are now assured for 2008/2009.

As critical water supply needs for 2008/2009 are now assured, a 10% allocation for General Security users was announced on 23 August 2007. High Security allocations increased from 75% to 80%. As inflows to storages have continued at higher than anticipated levels, a further announcement was made in early September, increasing allocations for General Security from 10% to 18%, while High Security was increased from 80% to 84%.

RIVER MANAGEMENT DURING 2007/2008

Flows from tributaries are continuing to meet the operational and environmental requirements of the Water Sharing Plan. Recent high flows have allowed the declaration of both supplementary and uncontrolled flows. The availability of these flows will continue to be closely monitored and opportunities to pump will continue to be notified to licence holders. High flows have allowed Available Water Determinations for supplementary water to be increased to 40%.

If dry conditions return, regulated flows in the Hunter River will be at lower than normal levels in many parts of the system. This will maximise the water available for allocations, but will require a greater level of management by water users to ensure their pumps can access the water available in the river. End of system flows are also below the usual levels. For the remainder of the 2007/2008 water year, end of system targets have been reduced from the normal 95th percentile, to the 98th percentile, as shown in the table below.

| | Summer (ML/d) | Autumn (ML/d) | Winter (ML/d) | Spring (ML/d) |
|---|---------------|---------------|---------------|---------------|
| 95 th %ile (plan targets) | 36 | 40 | 73 | 61 |
| 98 th %ile (amended targets) | 15 | 22 | 47 | 30 |

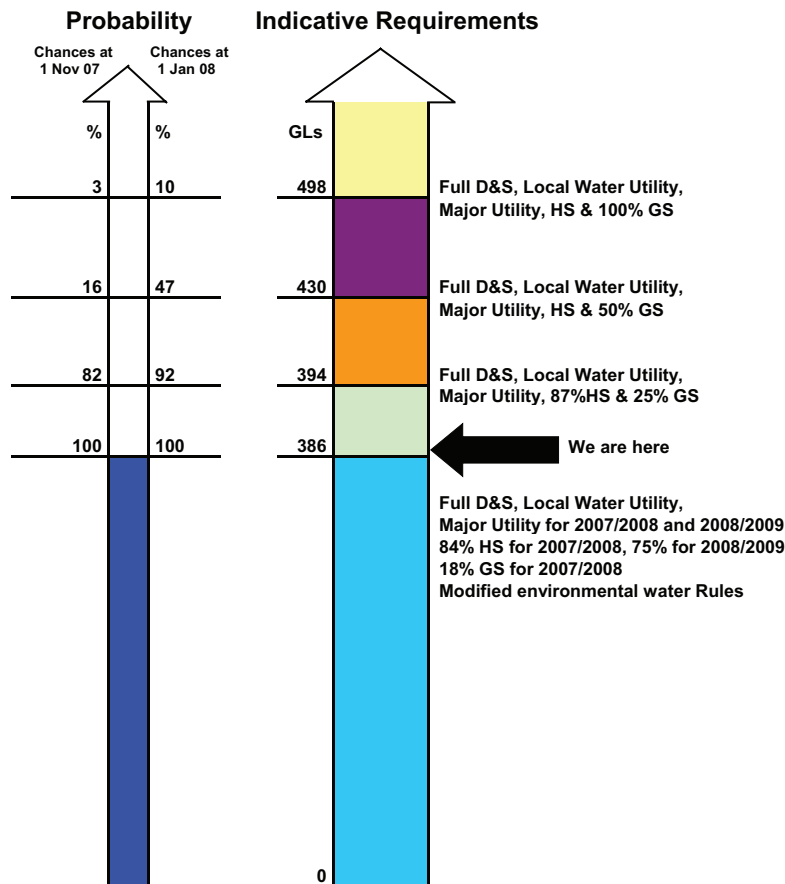
WATER TRADING IN 2007/2008

All water held in accounts may be traded, including all water made available in 2007/2008, as well as account water carried over from 2006/2007.

WATER AVAILABILITY OUTLOOK

The following diagram shows the approximate probabilities of improvements in water availability occurring by 1 November 2007 and 1 January 2008. This diagram will change throughout the season as a result of inflow conditions, patterns of usage, and loss conditions.

Hunter Valley Indicative Outlook



In this diagram, the water currently stored is shown in the blue shading on the left hand arrow. The chances of the water availability (blue shading) increasing by 1 November 2007 and 1 January 2008 are also shown on either side of the left hand arrow. These probabilities are calculated assuming a high level of losses and full utilisation of entitlement.

The water required to meet the various needs in the Hunter Valley are shown on the right hand arrow, with the highest priority requirements (reserving critical demands for 2008/2009) now assured. As a result, an AWD for General Security licence holders has been made. The probabilities of a 25%, 50% and 100% allocation are also shown.

For example, there is an 82% chance of a General Security allocation of 25% being available by 1 November 2007, and a 92% chance by 1 January 2008.

As water availability increases (represented by the blue shading) more of the requirements shown on the right hand arrow can be met.

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