



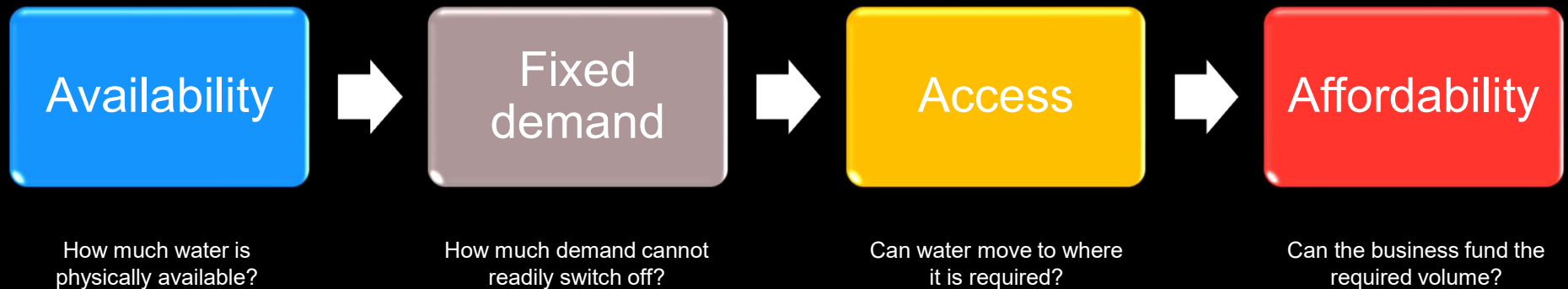
NAVIGATING A CHANGING WATER MARKET

Risks and opportunities for almond growers

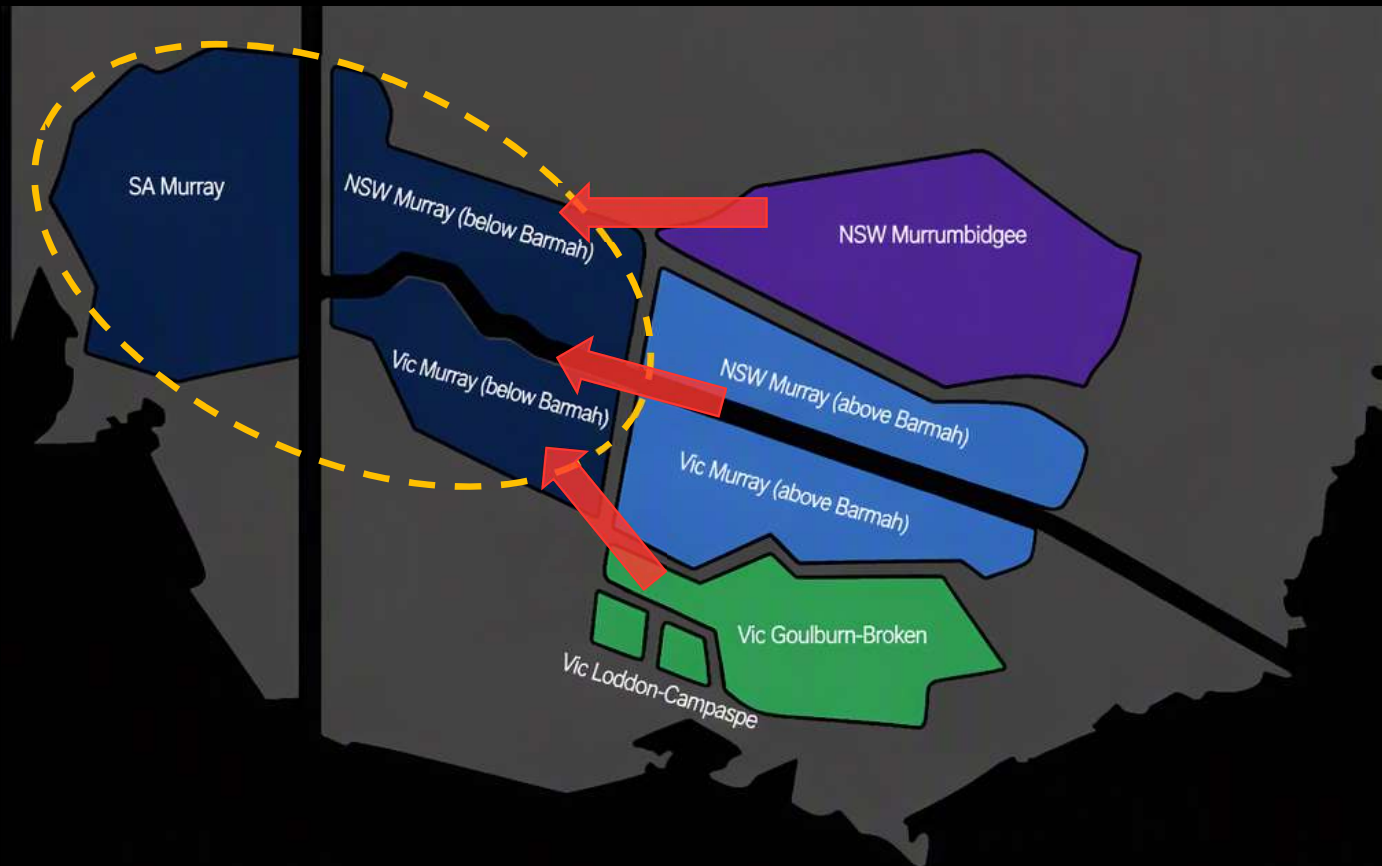
Benjamin Williams | Associate Director, WSP



A tighter market gives growers less time to respond.



**How much demand can safely remain exposed,
and what triggers action?**





Permanent horticulture has reset the demand baseline

Growth between 2015 and 2024 across the assessed southern Basin regions.

+80%

Almond area growth

+28%

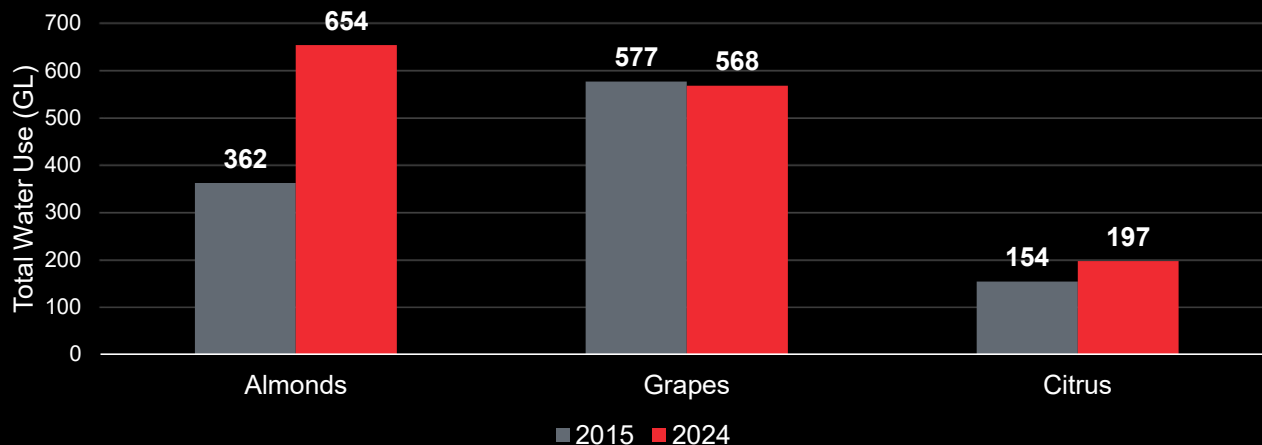
Citrus area growth

119,890 ha

Total permanent horticulture

1,199 GL

Full-maturity demand



What changed?

- Almonds account for most of the net area increase.
- Demand is increasingly fixed within the season.
- Young orchards add demand as they mature, even without new hectares.

Source: WSP analysis using 2024 SunRISE data; water demand assessed at full maturity.



Permanent horticulture is growing, but it has slowed



SA



+3,020 ha



+ 285 ha



- 1,935 ha

NSW



+ 730 ha



+ 1,080 ha



+ 145 ha

VIC



- 40 ha



+ 930 ha



- 595 ha



Future developments add to the demand baseline

Projected change in Lower Murray permanent horticulture over the next five years, assessed at full maturity.

+3,452 ha

Projected almond plantings

+1,308 ha

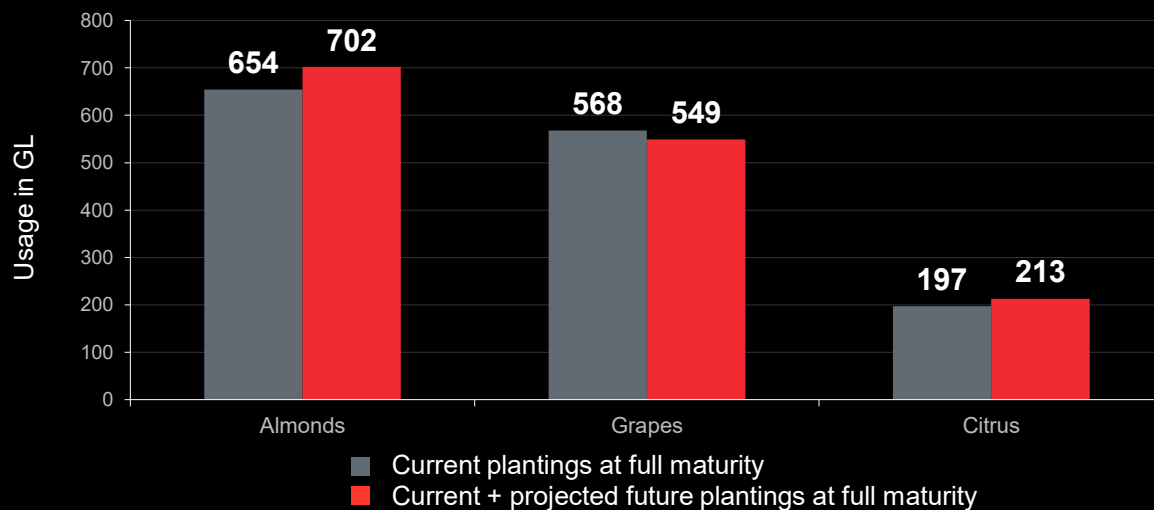
Projected citrus plantings

-1,899 ha

Projected grape removals

1,244 GL

Projected demand at full maturity



Growth rate has slowed

+45 GL

Net increase in annual demand if identified developments proceed.

Almonds continue to lead growth

About +48 GL, partly offset by approximately -19 GL from grape removals.

Smaller footprint increase

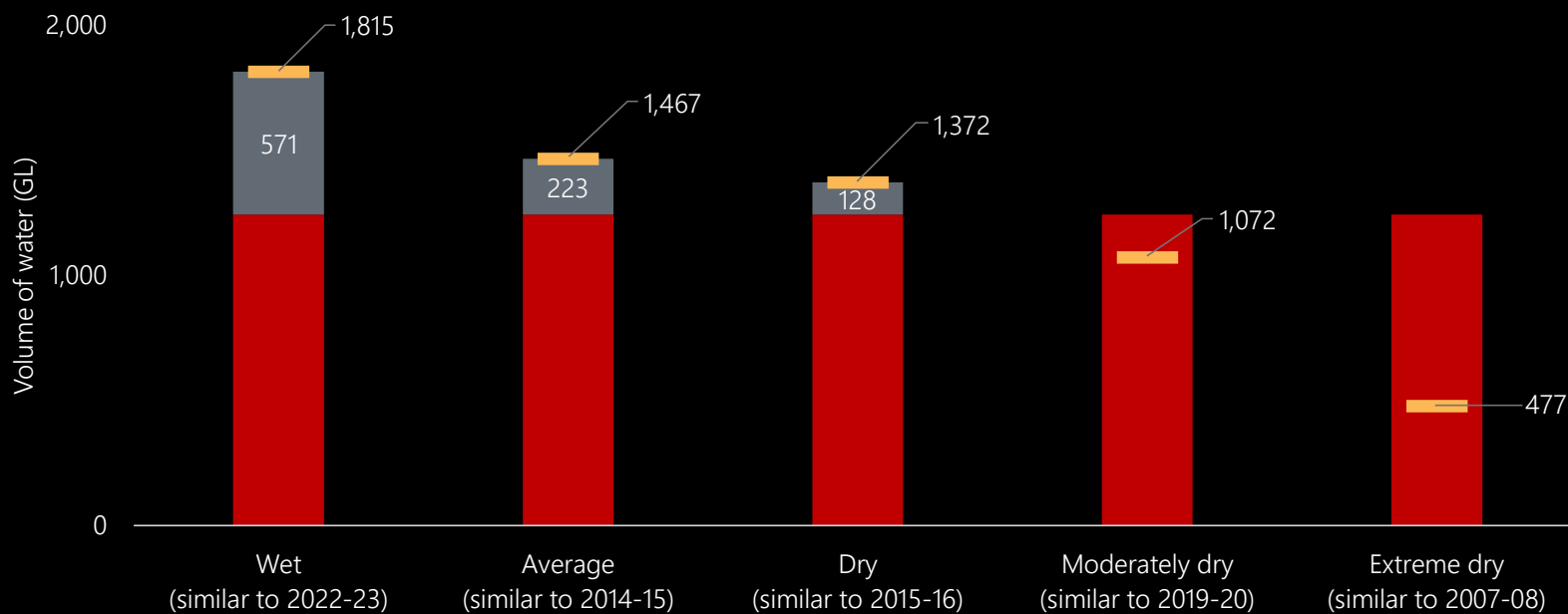
Net projected area growth is 2,861 ha, well below the growth anticipated in 2022.

Projected figures are not locked in and assume identified developments and removals occur.



Lower Murray horticultural headroom

Future plantings at full maturity



- Estimated volume of water allocations to consumptive entitlements in excess of permanent horticulture demand
- Estimated permanent horticulture water demand (1,244 GL)
- Estimated water available (no carryover or IVT)



Carryover and Inter-valley trade

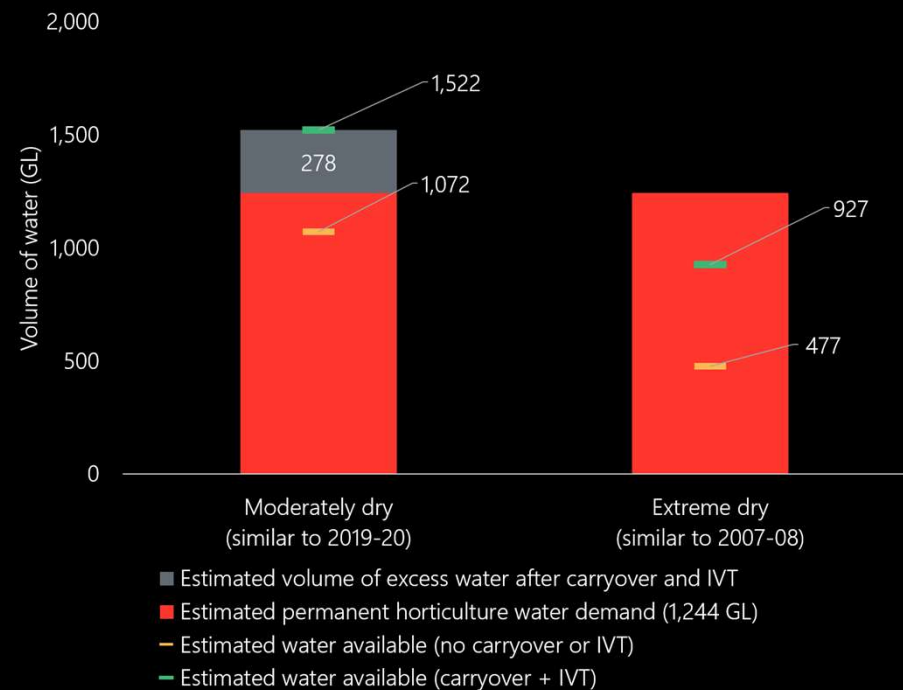
Two methods that can help with water supply

Carryover

150 - 250 GL

Inter-valley trade

300 GL



Slide 8

BW1 [@Loane, Duncan] want to illustrate here that the additional volumes from IVT and CO are likely enough to create headroom under moderately dry, but not enough under extreme dry. RECOLOUR and RECREATE PLEASE
Williams, Benjamin, 2026-10-02T04:19:26.360



Basin plan recovery update

Bridging the Gap

8.6 GL/y

Remaining to be recovered, mostly required from the northern Basin

450 GL

enhanced environmental outcomes

69.3 GL/y

Remaining to be recovered, significant progress has been made over the past 18 months

SDLAM Projects
(605 GL)

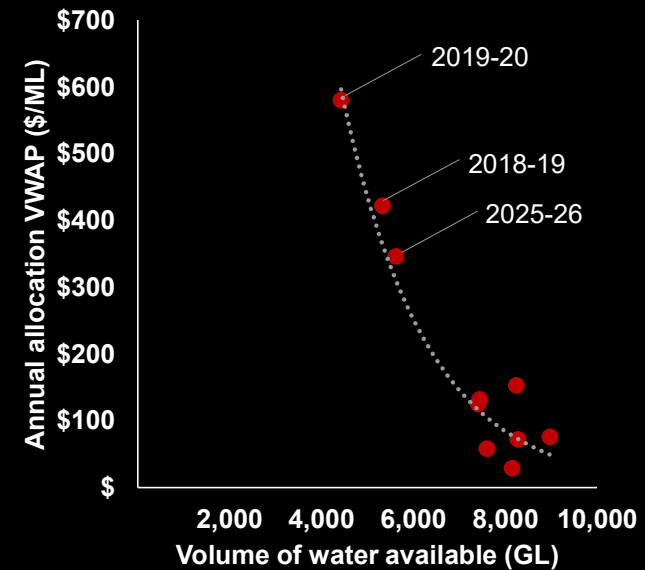
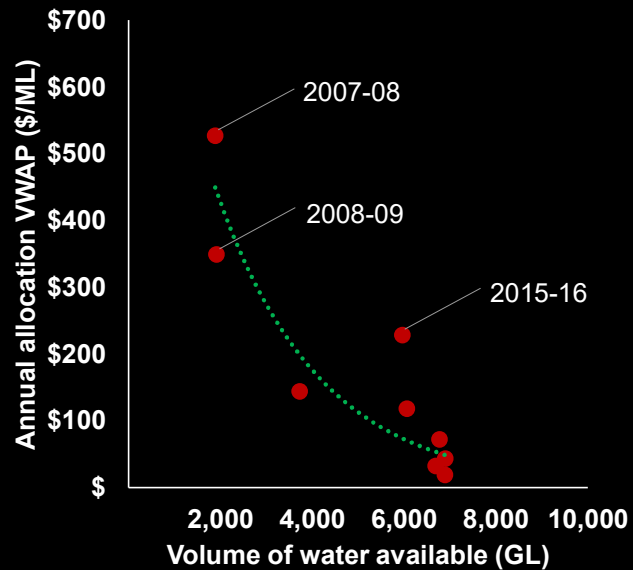
265 GL/y

Due for reconciliation by the end of 2026. It is likely the shortfall will be at the higher end of this range.

Note: current as of 30 June 2026. Source: <https://www.dcceew.gov.au/water/policy/water-recovery/progress>



A higher fixed-demand baseline has made the market more reactive





Managing exposure

Match purchasing commitments to the level of certainty



Aim for an acceptable cost with manageable exposure, not the lowest possible purchase price.



What this all means



In dry years, allocations alone are not likely to provide sufficient water availability for all lower Murray horticultural irrigation requirements to be met.



Carryover and inter-valley trade are increasingly important tools for meeting horticultural irrigation demands in the lower Murray.



The temporary water market is more reactive to changes in water availability. Proper planning can reduce the year-on-year volatility of operating costs.



Thank you

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