



Save the Murray

The Savethemurray Project Manager
Phone: +61 8 8226 4402 Email: info@savethemurray.com
PO Box 75 West Richmond, ADELAIDE SA 5033

Water Trading



Water trading is the buying and selling of water rights. Just like you can buy and sell a car or a house, you can buy and sell water.

There are a certain amount of water licences that entitle the holder to a specific amount of water per year if the full allocation is available. Licence owners are able to sell their water rights if they are not going to use the water.

In some catchments such as the Murray-Darling Basin, where there is a high demand for water, only existing water rights can be bought and sold to conserve our remaining water resources.

The sale of new water is no longer possible. This could be likened to building a new home. If no land was available, you would have no where to build and thus would have to buy an established home. It is this concept of buying new water that is no longer permitted.

Water trading allows water users in the upper Murray, the River Murray in South Australia and the regulated reaches of Goulburn, Campaspe, Loddon and Murrumbidgee river systems to buy and sell water entitlements.

How is water traded?

Some water trading is instigated by word of mouth but others irrigators register an interest with a water broker that they would like to sell.

Potential buyers are identified and the water broker sets up the necessary transfer.

The trade of river water is slightly different for each state in the Murray-Darling Basin. If the trade is across a state border in the Basin, The Murray-Darling Basin Commission must be notified and certain prerequisites must be met in the state of origin and state of receipt before approvals are granted.

This approval process is necessary as water trade can influence environmental conditions in the river if too much water is taken out of the system in the upper reaches.

If water is allowed to travel through the greater length of the river, this maximises environmental benefits.

How is the price determined?

Water can be traded on a temporary or permanent basis and the water that is traded can be either high or general security water. General security water is less reliable than high security water and therefore has a higher risk because the total licensed allocation may not be available every year, General security licences may be bought and sold at a much lower and variable price in comparison with high security licenses. All licences in SA are for high security water. However, in NSW and Victoria, there is a mixture of high and general security licences.