

Smart water

with **AMY CANE**, Customer Relations Officer, Percat Water

Farmers trade \$3b water despite drought easing

IN 2009-10, the value of water trading in Australia reached about \$3 billion. This is an increase of 7 per cent from 2008-09 and a 100pc increase from \$1.5b in 2007-08.

These figures released in the National Water Commission's Water Markets Report 2009-10 demonstrate the growth in Australian water markets over the past year, despite the easing drought conditions and increased rainfall.

This growth is reflected in the increasing volume of both allocation (temporary) and entitlement (permanent) trading and is a sign that water markets are providing many benefits to licence holders. These benefits include the ability to move water to higher value users while generating some level of economic return.

The Murray Darling Basin is Australia's principal water market. More than 90pc entitlement and allocation trading occurred within the MDB in 2009-10.

Entitlement water trading increased 20pc from the previous year, while allocation water trading increased 22pc from last year.

South Australia traded about 126 gigalitres of entitlement

water and 19pc of this was traded within Central Irrigation Trust. South Australian licence holders continue to be the net importer of water allocations. New South Wales is the biggest supplier of allocation water to SA and Victoria with 77pc of the total allocation water bought by SA licence holders coming from NSW.

Although there was an increase in the value and volume of water trading within the MDB, other regions in SA experienced a decrease in entitlement and allocation trading.

The River Murray is the most active market in SA followed by the Lower Limestone Coast and Northern Adelaide Plains Prescribed Wells Areas.

Entitlement and allocation trading is light in these areas.

Trading volumes will increase over time. Many of these areas' Water Allocation Plans are currently under review, such as the management zones in the Lower Limestone Coast. When the final WAPs are released, licence holders will have a clearer understanding of the trading rules and farmers may have trading opportunities.

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