

# 1. sMDB Water Entitlements

## Purpose

To provide a list of water entitlements in the southern Murray Darling Basin (sMDB) that are potentially available to GMW customers.

## Background

Irrigators in the GMW operate in a water market that spans the connected sMDB. A suite of water products from Victoria, NSW and SA is available, subject to trading rules. The total volumes of entitlement are shown in Table 1.

**Table 1 – Water products in the sMDB – Regulated surface water entitlements (GL)**

State	High reliability entitlements	Low / general reliability entitlements	Supplementary / spill reliability entitlements
Victoria <sup>i</sup>	2,831	1,097	13
NSW <sup>ii</sup>	648	3,638	701
SA	815	0	0
<b>Total</b>	<b>4,294</b>	<b>4,735</b>	<b>714</b>

Water products have various reliabilities associated with them, generally derived from the original distribution and allocation of water rights by state governments which were determined to suit the interests of the dominant agricultural industries in those states. SA products are high reliability, reflecting the dominance of horticulture in SA.

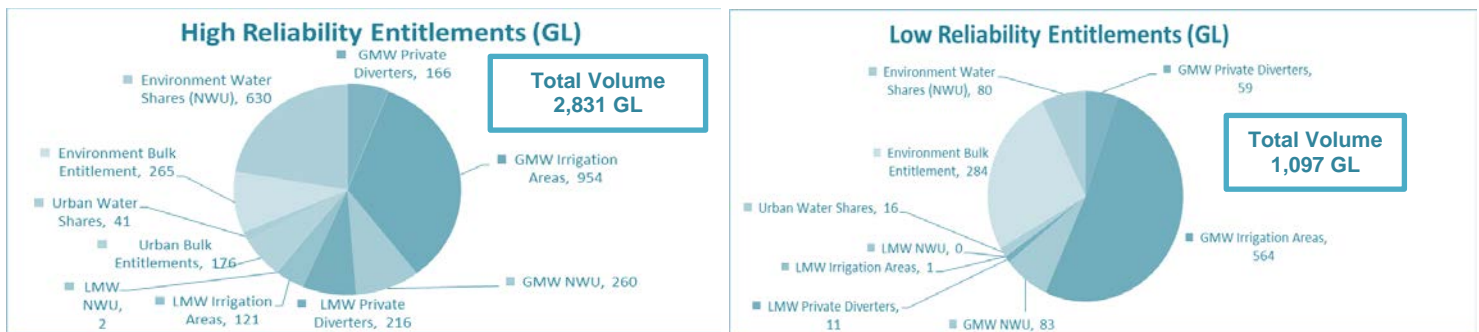
Victoria has mostly high reliability entitlements to support high value horticulture and dairy industries. NSW entitlements are predominantly a lower level of reliability supporting a higher yield which benefits cropping industries which are more adaptable to variations in water availability. NSW and Victoria share the resources of the Murray equally, but the different entitlement base allows for high security and lower long term usage in Victoria.

Trends in the Victorian water market are:

- Ownership increasingly not linked to land
- Implications for water markets (and trade rules)
- Water as a commodity, will be applied where greater profits can be made.

The distribution of the Victorian water entitlements is shown in Figure 1.

**Figure 1**  
**Distribution of Victorian Entitlements at 13 October 2016**



## Summary

There is a range of water entitlements with different characteristics across sMDB; water entitlements are a property right separate from land and increasingly viewed as a commodity.

## For more information:

<http://www.mdba.gov.au/managing-water/water-markets-trade/water-markets-product-information>

## References

<sup>i</sup> Victorian Regulated Entitlements, DM#3992949v4, data as at 13 October 2016 sourced from Victorian Water Register

<sup>ii</sup> NSW & SA data from Water Audit Report 2011-2012 and NSW Murray and Lower Darling Water Sharing Plan

## Publication:

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