

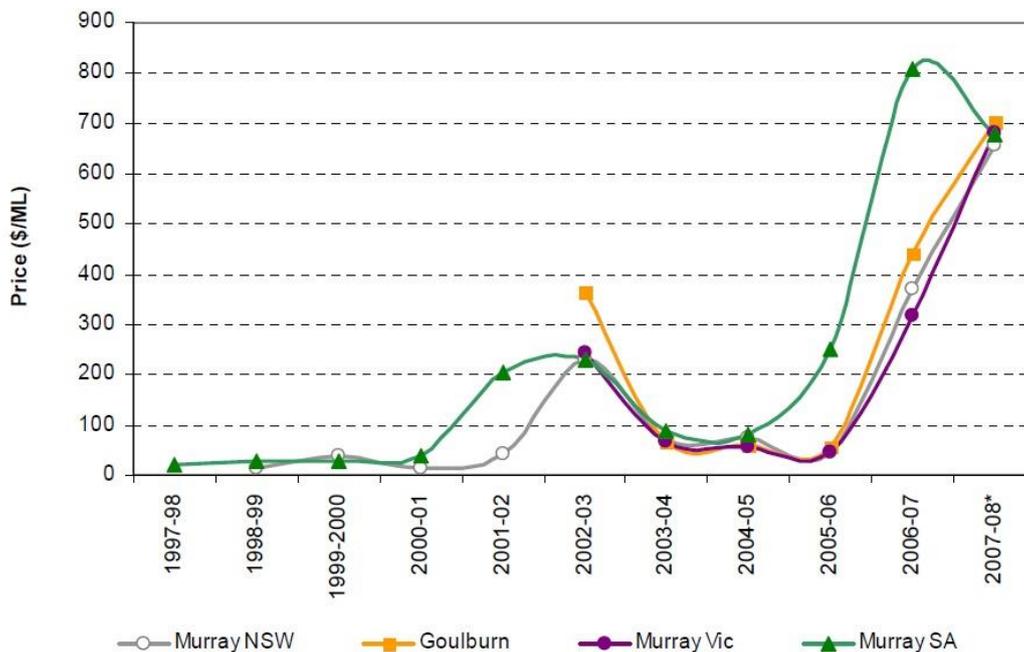


**MEDIA BRIEF**

## Water prices and the Basin Plan

In response to recent scaremongering about the impact of the Murray-Darling Basin Plan on temporary water prices, Environment Victoria and the Australian Conservation Foundation provide the following facts.

- Temporary water prices reached historic highs in 2006/07 in SA and 2007/08 in NSW and Victoria, when water was trading at an average of \$700/ML, more than double current prices. These years were pre-Commonwealth Water Act and pre-Basin Plan.
- The previous peak in water prices was in 2002/03, when the average price in the Goulburn approached \$400/ML. This was before any substantial environmental water recovery occurred, being pre-Living Murray Initiative. Inflows to the MDB in 2015 are similar to those in 2002 and 2006, which were years of severe water shortage.



**Figure 3.** Approximate prices for temporary water (allocations) averaged over the water season for four major trading areas in the southern Murray-Darling Basin

Source [‘A Summary of water trade and price data in the southern Murray-Darling Basin’](#). CSIRO, 2011.

- Historic low water prices in 2010-12 occurred during one of the three wettest periods in the past century; 2015 is shaping as a very low inflow year and conditions are not comparable.
- Competition for water is high with new players in the market – more cotton in NSW, more dairy in the Goulburn-Murray Irrigation District and more almonds and other tree crops in Sunraysia.

- The volume of temporary trade in the MDB has increased dramatically in recent years, more than quadrupling from 1293GL in 2007-08 to 6058GL in 2012-13. It is now an integral part of irrigation.
- Victorian Nationals leader and former Water Minister Peter Walsh has said Goulburn-Murray Water and the Murray-Darling Basin Plan should not be blamed for the current rise in temporary water prices. "It is purely supply and demand."
- Calls for a pause in Basin Plan implementation may result in a pause in Commonwealth investment in irrigation infrastructure, currently running at \$2.5 million/day.

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