

Murray-Darling Basin Water Entitlements Summary of Market Prices (Approved Transfers)

GHD Hassall provides the Department of Environment, Water, Heritage and the Arts with water market price information. The following table shows the volume weighted average prices¹ for 2008/09 and the March quarter for approved permanent water trades (which may lag exchange of contracts by several months). The data is from publicly available sources² such as state water registers and the Murray Irrigation Water Exchange.

<i>Region / Entitlement</i>	<i>25th and 75th percentile range of reported prices used in March Quarter VWAP</i>	<i>Volume Weighted Average Price^{1&3} (\$/ML or Share)</i>			<i>March Quarter VWAP sample volume (ML)</i>
		<i>Year to date 2008/09</i>	<i>March Month 2009</i>	<i>March Quarter 2009</i>	
<i>Southern Basin – High Security and High Reliability</i>					
<i>NSW Murray High Security⁵</i>	\$2,500 - \$2,600	\$2,365	\$2,635	\$2,608	464
<i>NSW Murrumbidgee High Security</i>	\$3,100	\$3,100	No price	\$3,100	60
<i>Vic. Goulburn High Reliability</i>	\$2,000 - \$2,400	\$2,271	\$2,327	\$2,286	6,258
<i>Vic. Murray High Reliability above Choke</i>	\$2,000 - \$2,300	\$2,042	\$2,148	\$2,170	3,960
<i>Vic. Murray High Reliability below Choke</i>	\$2,200 - \$2,400	\$2,242	\$2,397	\$2,373	11,401
<i>South Australia River Murray Prescribed</i>	\$2,200 - \$2,350	\$2,369	\$2,093	\$2,354	4,486
<i>Southern Basin – General Security and Low Reliability</i>					
<i>NSW Murray General Security⁵</i>	\$1,150 - \$1,250	\$1,194	\$1,231	\$1,203	9,464
<i>Murray Irrigation Limited (adjusted)⁴</i>	\$1,183 - \$1,250	\$1,126	\$1,249	\$1,239	15,397
<i>NSW Murrumbidgee General Security</i>	\$1,200 - \$1,320	\$1,275	\$1,320	\$1,292	14,043
<i>Vic. Goulburn Low Reliability</i>	\$150 - \$200	\$196	\$191	\$180	2,089
<i>Vic. Murray Low Reliability above Choke</i>	- \$200 -	\$161	\$171	\$183	2,378
<i>Vic. Murray Low Reliability below Choke</i>	\$100 - \$208	\$191	\$197	\$183	1,340
<i>Central and Northern Basin – General Security and Medium Priority</i>					
<i>NSW Lachlan General Security</i>	\$525 - \$570	\$658	No trade	\$610	2,042
<i>NSW Macquarie General Security</i>	\$1,230	\$1,230	No trade	\$1,230	100
<i>NSW Namoi General Security</i>	\$1,825	\$1,825	No trade	\$1,825	40
<i>NSW Gwydir General Security</i>	\$2,212	\$2,212	No trade	\$2,212	2,698
<i>QLD Border Rivers Supplemented Medium Priority</i>	\$2,500	\$2,209	No trade	\$2,500	14
<i>QLD Border Rivers Unsupplemented Medium</i>	No trade	\$1,804	No trade	No trade	-
<i>Warrego Supplemented Medium Priority</i>	No trade	No price	No trade	No trade	-
<i>Warrego Unsupplemented Medium Priority</i>	No trade	No price	No trade	No trade	-

1. A volume weighted average price (VWAP) is the price paid per unit/share of water entitlement across all of those trades with a reported price (see Note 3). It is calculated as the sum of value of all price reporting dealings divided by the sum of their volume/number of shares. VWAP is commonly used in financial analysis as it helps reduce any disproportional impacts of small volume transactions, amongst other things.
2. All data used in these calculations was obtained from <http://wma.dnr.nsw.gov.au/wma/index.jsp>, <http://www.waterregister.vic.gov.au>, http://www.murrayirrigation.com.au/watexch/perm_hist.aspx and http://www.nrw.qld.gov.au/water/trading/market_info.html. The only exception is South Australia where information was provided by the Department of Water, Land and Biodiversity Conservation. Murray Irrigation Limited (MIL) prices are those identified by the company. All other data used reflects reported prices and volumes associated with approved permanent dealings. That information is based on self declared prices that are unaudited and these may include related party trades.
3. All VWAP samples exclude trades with declared prices of \$1/ML. Victorian register prices show extreme variation. High Reliability VWAP samples exclude prices less than \$1000/ML and greater than \$5000/ML. Low Reliability VWAP samples exclude prices less than \$10/ML and greater than \$1,000/ML. MIL trades above \$1,500/ML have been excluded from the sample on the basis they represent efficiency investments under the Living Murray program and are not unconditional trades/transactions.
4. Murray Irrigation Limited (MIL) trades that include Delivery Entitlements have been adjusted to reflect the access termination fee liability assumed by a new owner with a Water Entitlement Only Account Licence to ensure that prices are comparable with on-river entitlements.
5. The NSW Water Register does not differentiate between trades above and below the Murray Choke.

The volume weighted average prices provided here do not constitute advice and should not be relied on when making any decision. They do not purport to represent true or fair market value. They are based on historical information made available by third parties. The information is not complete and includes declared but unaudited unit transaction prices. GHD has used that information in good faith and does not guarantee the accuracy or completeness of that information.