

Murray-Darling Basin Water Entitlements Summary of Recent Market Prices

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 2007/08 and the September quarter for approved or negotiated permanent water trades. The data is from publicly available sources² such as the state water registers and the Murray Irrigation Water Exchange.

Region / Entitlement	Volume Weighted Average Prices^{1&3} (per ML or Unit Share)			
	Monthly 2007/08 Range	2007/08	Sept 2008 Quarter	Sept 2008 Month
Southern Basin – High Security/Reliability				
<i>NSW Murray High Security</i>	\$1,400 - \$2,300	\$2,161	\$2,240	\$2,119
<i>NSW Murrumbidgee High Security</i>	- \$2,800 -	- \$2,800 -	No Trade	No Trade
<i>Vic. Goulburn High Reliability</i>	\$1,400 - \$2,158	\$1,935	\$2,289	\$2,222
<i>Vic. Murray High Reliability above Choke</i>	\$1,351 - \$2,053	\$1,683	\$1,987	\$2,081
<i>Vic. Murray High Reliability below Choke</i>	\$1,639 - \$2,197	\$1,941	\$2,022	\$1,897
<i>South Australia River Murray Prescribed</i>	\$1,566 - \$2,540	\$2,241	\$2,375	\$2,377
Southern Basin – General Security and Low Reliability				
<i>NSW Murray General Security</i>	\$775 - \$934	\$893	\$1,099	\$1,045
<i>Murray Irrigation Limited (adjusted)⁴</i>	\$525 - \$1,123	\$901	\$1,016	\$1,024
<i>NSW Murrumbidgee General Security</i>	\$850 - \$1,140	\$926	\$1,000	\$1,000
<i>Vic. - Goulburn Low Reliability</i>	\$100 - \$372	\$202	\$181	\$170
<i>Vic. Murray Low Reliability above Choke</i>	\$67 - \$263	\$197	\$128	\$165
<i>Vic. Murray Low Reliability below Choke</i>	\$99 - \$1,000	\$140	\$265	\$348
Central and Northern Basin – General Security				
<i>NSW Lachlan – General Security</i>	\$535 - \$650	\$562	\$672	\$700
<i>NSW Macquarie – General Security</i>	\$1,200 - \$1,250	\$1,232	\$1,217	\$1,250
<i>NSW Namoi – General Security</i>	- \$2,050 -	- \$2,050 -	No Trade	No Trade
<i>NSW Gwydir – General Security</i>	- \$2,198 -	- \$2,198 -	\$2,211	\$2,211
Far North/North West Basin				
<i>- No trade and/or no reported prices -</i>				

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> and http://www.murrayirrigation.com.au/watexch/perm_hist.aspx. 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 \$500/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 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.

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.