Introduction

The River Murray in South Australia is part of the southern connected system of the Murray-Darling Basin, which includes the River Murray and connected tributary rivers in New South Wales and Victoria. The southern connected system contains one of the most mature water markets in the world and is based on a ‘cap and trade’ system, where the cap represents the total pool of water available for consumptive use.

Water trade allows the buying and selling of water rights (water access entitlements and water allocations), so that water rights can move between properties and to new users within the sustainable limits of the water resource. Water rights can be traded permanently or temporarily. Water can be traded within South Australia and also between specific connected trading zones in New South Wales and Victoria.

The Water Allocation Plan for the River Murray Prescribed Watercourse (the Plan) includes principles that allow for the trade or transfer of water rights. The Plan’s transfer principles have been amended to ensure they are consistent with the Basin Plan Water trading rules (Chapter 12), which came into effect on 1 July 2014. This has meant some minor changes, which are outlined below.

Water access entitlements cannot be converted through trade to an entitlement in a different consumptive pool or class. Trade can only occur within consumptive pools and classes, in accordance with the transfer rules in the Plan (see Fact Sheet: Consumptive Pools for more information on the new consumptive pools and classes).
How have the Basin Plan Trading Rules affected the transfer rules in the Plan?

The Basin Plan trading rules have been introduced to reduce restrictions on trade and improve market confidence and efficiency through improved transparency and access to information. The transfer principles in the Plan have been updated to ensure they are consistent with the Basin Plan trading rules, to support these aims.

Measures introduced under the Basin Plan trading rules to improve the efficiency of the water market include:

- The requirement to remove barriers to trade – restrictions on trade can only be implemented by state government agencies for specific reasons such as not being able to deliver water, or to avoid effects on third parties and/or the environment;
- The requirement for Basin states to:
  - provide information for greater market certainty – such as making the trading rules for water access entitlements and water allocations, and the features of certain water access rights, available
  - ensure water announcements are made generally available to the public and to prevent insider trading.


What changes have been made to the transfer rules in the Plan?

**Environmental Land Management Allocations (ELMA)**

The transfer criteria clarifies that ELMA water rights cannot be transferred. This is because ELMA water rights are specifically for land management in the Lower Murray Reclaimed Irrigation Areas and are not able to be transferred under the Murray-Darling Basin Agreement. There is no change in practice but the principles add clarity.

**Restrictions on trade**

Under the Basin Plan trading rules, restrictions on water trade are only allowable when specific circumstances occur so the Plan’s transfer criteria now includes principles that allow restrictions on trade according to Basin Plan trading rules.

The transfer criteria make it clear that the interstate transfer of water access entitlements by way of exchange rate trade is no longer permissible, except for the limited reasons listed in section 12.22 of the Basin Plan.

If water allocation under an interstate water entitlement is required to be used in South Australia, then that water allocation may be transferred using an ‘Application to transfer water allocation’ form (available online at http://www.environment.sa.gov.au/licences-and-permits/water-licence-and-permit-forms), or ordered for delivery under an arrangement known as ‘tagging’. For more information about interstate entitlements and transferring the water allocation for delivery to South Australia, or ordering it under a tag, contact the DEW Berri Office on (08) 8595 2053.

The Plan’s transfer criteria also make it clear that orders for water allocation under a tagged entitlement may be subject to the same restrictions as ordinary water allocation transfers depending on the date that the tag was established.

References to Schedule E of the Agreement have been removed as this Schedule is likely to expire or change significantly in the future. This means that some restrictions on trade have been removed, however any trade cannot contravene the requirements of the Agreement. This allows for the trade rules to align with the requirements of the Agreement, should they change in the future.

**Wetland water access entitlements**

Water access entitlements from the Wetland Consumptive Pool (previously class 9) can now be transferred with no conditions on trade. Water rights from the Wetland Consumptive Pool have a purpose of use - water can only be used for the management of wetlands within the 1956 flood boundary that are permanently connected at or below the flow associated with South Australia’s Entitlement, and can be managed through a wetting and drying regime.

The same applies to the water access entitlements from the Environmental Consumptive Pool – water rights can be traded but can only be used for environmental purposes as specified by the Water Act 2007 (Cth).

The intent of having a specific purpose on each consumptive pool is to ensure that water allocations granted from the consumptive pools are used for SA’s managed wetlands (for the Wetland Consumptive Pool), and environmental purposes across the Basin (for the Environmental Consumptive Pool).

**Transparency**

Rules are now in place to make sure that announcements about private carryover allocations will be provided to all water users by publishing them on the Department for Environment and Water (DEW) website and through a media release. If a restriction is announced then reasons for the restriction must also be provided.
Can all River Murray water licences, water access entitlements and water allocations be traded?

Yes, with the exception of water licences, water access entitlements and water allocations held in the All Purpose Consumptive Pool – Class 8 (ELMA), and water allocations held in the Metropolitan Adelaide Consumptive Pool (previously Class 6, and held by SA Water for metropolitan Adelaide and associated country towns).

Water allocations for private carryover can also be traded.

How do I transfer my River Murray water licence, water access entitlement or water allocation?

To arrange a transfer, you need to complete the appropriate transfer form and submit it to DEW. Application forms can be found online at http://www.environment.sa.gov.au/licences-and-permits/water-licence-and-permit-forms.

Contact the DEW Berri Office for more information on (08) 8595 2053.

Data on water trades, please visit the Watertrade dashboard


How to transfer my water licence, water access entitlement or water allocation, please contact the DEW Berri office on:

T: (08) 8595 2053
E: dewwatertrade@sa.gov.au

The Water Allocation Plan for the River Murray Prescribed Watercourse:

T: (08) 8463 6877
E: rmwap.feedback@sa.gov.au

Or visit:


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Water trade and water markets, please visit