



# Water trading rural pipeline water allowances

During the consultation stages for the Wimmera Mallee Pipeline Project, the introduction of water trading was identified as a way that rural customers could manage their water supply risk. Customers indicated that they wanted a secure water supply that was identified as their own; similar to irrigation supplies in northern Victoria.

## Background

In consultation with the Department of Environment, Land, Water and Planning, we have established a framework for a rural pipeline water market. This has resulted in the registration of tradable water allowances at an individual customer level on the Victorian Water Register. This gives customers greater flexibility in managing their water supply and costs as customers can now buy or sell standard water allowances on either a temporary or permanent basis.

## What this means to customers

All rural pipeline domestic and stock standard water allowances held by customers are fully tradeable. The only restriction is a requirement that 100 kL (the minimum standard water allowance) remains tied to each active standard meter. This 100 kL can only be traded if the water meter is removed at the property owners' expense. The 730 kL primary water allowance per household is not tradeable and remains vested with us.

Water can be traded from one supply system to another subject to the delivery capacity of the pipeline. We will formally assess all proposed water trades to ensure the capacity of the particular pipeline system to deliver the required volume of water.

Water may not be traded between the Grampians and Murray delivery systems.

## Why trade water?

At some stage in the future all water within the GWMWater pipeline systems will be fully allocated and therefore no new water will be available.

Water trading can help to:

- Assist customers to better align water allowances with their demands
- Reduce your water account
- Provide a mechanism to secure additional water for the establishment of new businesses or the expansion or diversification of those already existing
- Allow customers to secure additional water in drier years or when their existing allowance proves to be inadequate.

## What types of trades are available?

### Permanent Trade

This is when you sell all or part of a water allowance. The legal ownership of the water allowance permanently changes upon settlement and is listed under the buyer in the Victorian Water Register.

### Temporary Trade

You can temporarily trade any unused allowance from your allocation bank account (ABA). These trades are for one season only and finish on 30 June each year. Water must be used by 30 June in the season in which the trade occurred.

## How are prices set for water trades?

The price for the water needs to be negotiated between the seller and buyer. GWMWater does not play a role in trading price negotiations.

## **What do I do if I want to buy or sell water?**

An active water market requires both buyers and sellers of water to exist at all times to enable trades to occur. We can process applications for both temporary and permanent trades where there is a buyer and a seller of water already matched and there is agreement on the settlement price between the parties involved.

Buyers and sellers can be found through the local advertising of water that is able to be traded or by word of mouth. In a situation where a buyer and a seller can't be matched a Waterbroker can be engaged to facilitate water trades.

Water trading exchanges operate throughout Victoria and link buyers and sellers who have lodged compatible bids. Waterpool Co-op is currently facilitating water trading in our area.

## **More information**

Water Trading application forms are available on our website or by contacting GMMWater. The costs applicable are listed on the trade forms or if you are engaging a WaterBroker they will advise you of the relevant fees and charges.

For more information, please contact us.

## **Related fact sheet**

> Pipeline Products and Tariff

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