



Australian Government

Commonwealth Environmental Water Holder

January 2023 Goulburn Regulated Water Allocation Sale

Outcome Report

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The Commonwealth Environmental Water Holder (CEWH) announced the sale of up to 8 GL of annual water allocations in the Goulburn catchment in Victoria on 23 January 2023. This was followed by a media release, information published on the CEWH website and an email sent to over 1,800 CEWH email subscribers.

The decision to sell annual water allocations was based on an assessment that environmental outcomes could be improved by selling annual water allocations at a reasonable price, with the proceeds from this sale going to environmental activities, consistent with section 106(3) of the *Commonwealth Water Act 2007*.

Consistent with past trades by the CEWH, a competitive tender process opened on Monday 30 January 2023 and closed on Friday 3 February 2023.

Minimum sell price

Prior to the opening of the tender period, an independent market valuation was prepared and published on the CEWH website ([here](#)). Between early January 2023 and early February 2023, the price per ML of water on the annual water allocations market decreased substantially. This reduction was likely triggered by widespread rainfall in the Goulburn catchment, and that many irrigators already had water in storage for next year and therefore were likely to need to use the water this water year. Prior to the tender close, additional independent market advice was received and based on this, and other market information, the CEWH revised the minimum sell price to \$21/ML.

Tender Evaluation

A total of 27 bids were received, which equalled a combined volume of 11.6 GL. No bids were at or above \$21/ML. Therefore, no Goulburn annual water allocation was sold in this tender.

Way forward

In wetter years such as the current year, with high rainfall and low demand to purchase annual water allocations, the price can fluctuate rapidly. To improve participation by the CEWH in the annual water allocation market in such years requires more agility to sell than currently set out in the CEWHs trade approach. The CEWH is looking into ways to trade more dynamic whilst complying with relevant regulations.

Environmental Outcomes

The 8GL of water earmarked for sale will now be used this water year and next to support environmental outcomes in the Goulburn River and downstream along the River Murray.