

# Water Management Act 2000

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# Introduction

- Heralds a change in the way water, one of our most valuable resources, is to be managed
- How competing interests are catered for, such as:
  - Irrigators
  - Livestock and domestic users (graziers)
  - Towns
  - The environment



# Australia's principal irrigation regions



# Murray Darling system

- **Waters four states**
  - Four state governments
- **Dominates NSW agricultural production**
- **Determines the success of some of Australia's major agricultural industries**
  - Cotton industry - \$1.8B per year
  - Wine industry - \$1.5B per year
  - Horticulture - \$5.5B per year
  - Rice - \$300M per year



# NSW irrigation

- Total average river flow – 42 million MI
- Flow regulated by 200 dams
- NSW irrigators use 6.4 million MI per year
  - 5.4 MI from river systems
  - 1 MI from ground water
- 21,500 irrigation licences issued
- 300 MI each licence

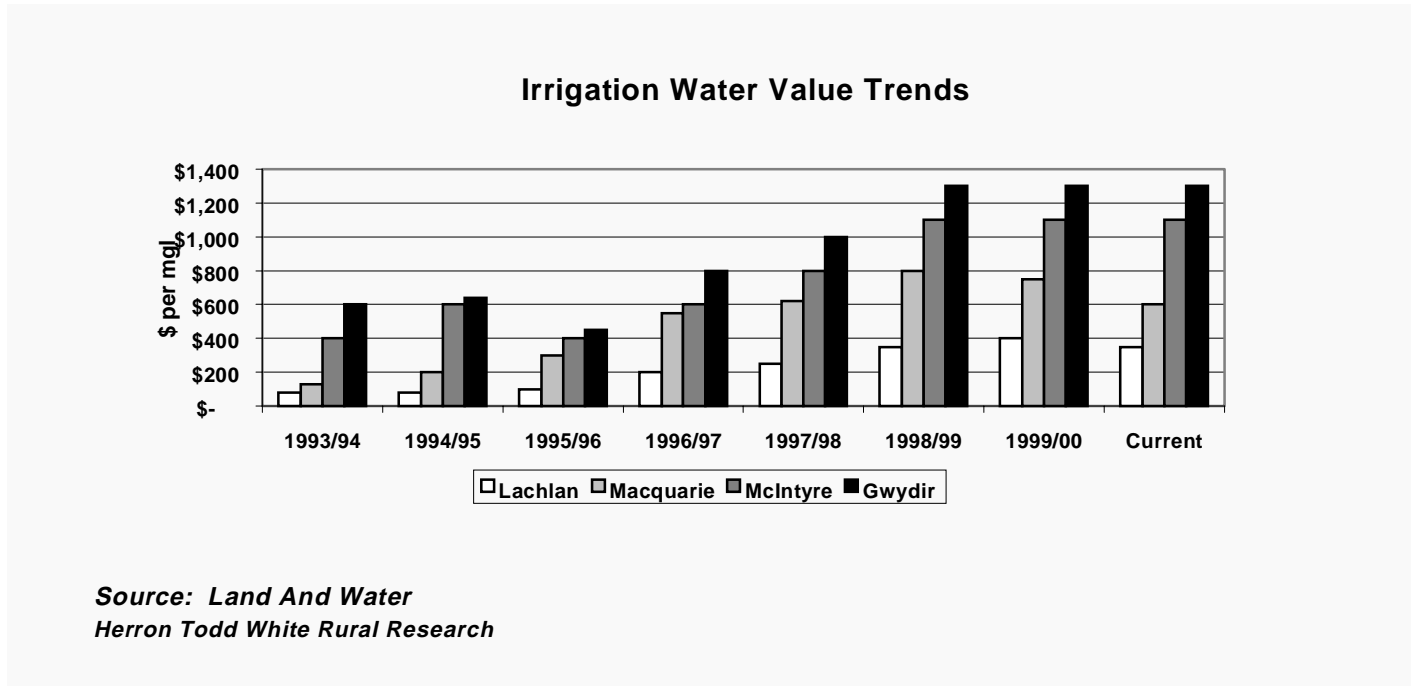


# Trade in water licences

- Currently traded between users
- Prices vary between rivers:
  - up to \$1,400/ML in Northern NSW
  - \$600/ML on the Macquarie River
  - \$500 on the Murrumbidgee and Murray Rivers
  - \$400 on the Lachlan River
- Total market value of river licences - \$4.2B



# Changing value of river licences



Compounded annual return %:	Lachlan	23.5%
	Macquarie	24.4%
	McIntyre	15.5%
	Gwydir	11.7%



# The effects of the Water Management Act 2000

- Separation of land and water titles
- Reduced volumes for licensees?
- Managed ecological component

