



Australian Government

**Department of Agriculture
and Water Resources**

ABARES



Drivers of water prices in the Southern Murray-Darling Basin

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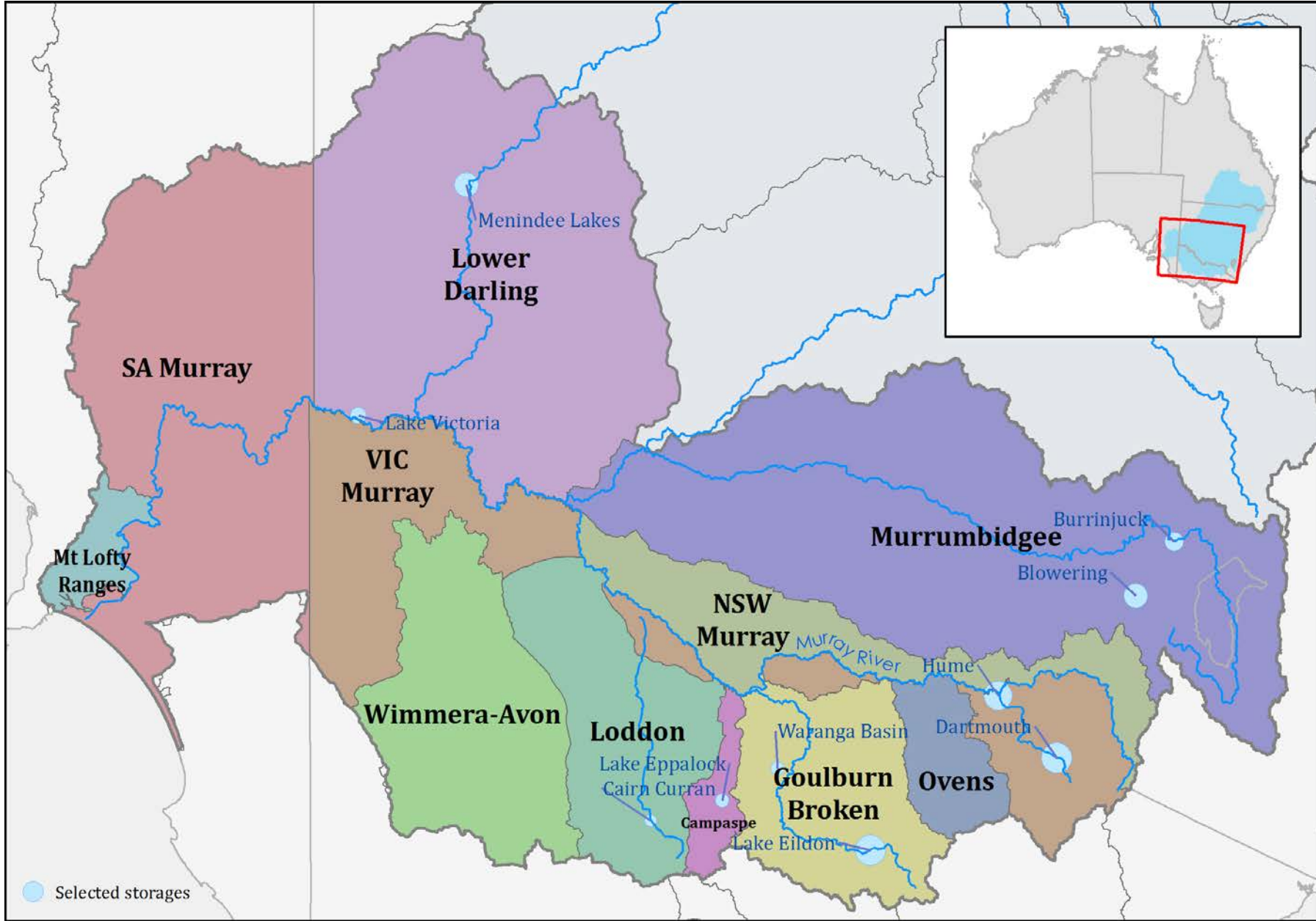
**Australian Bureau of Agricultural
and Resource Economics and Sciences**

7 - 8 March 2017

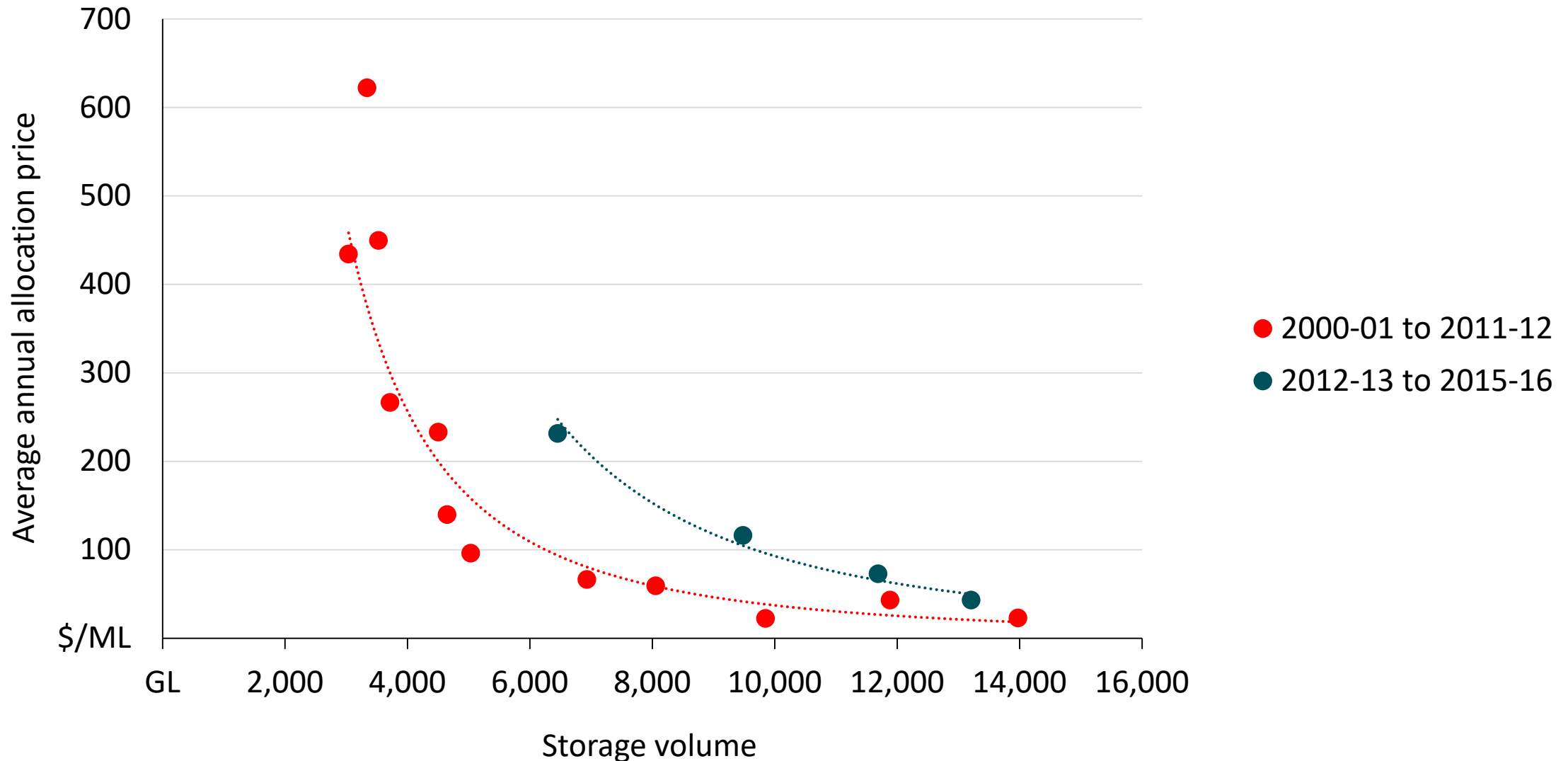


Research by the
Australian Bureau of Agricultural and Resource Economics and Sciences

Southern Murray Darling Basin



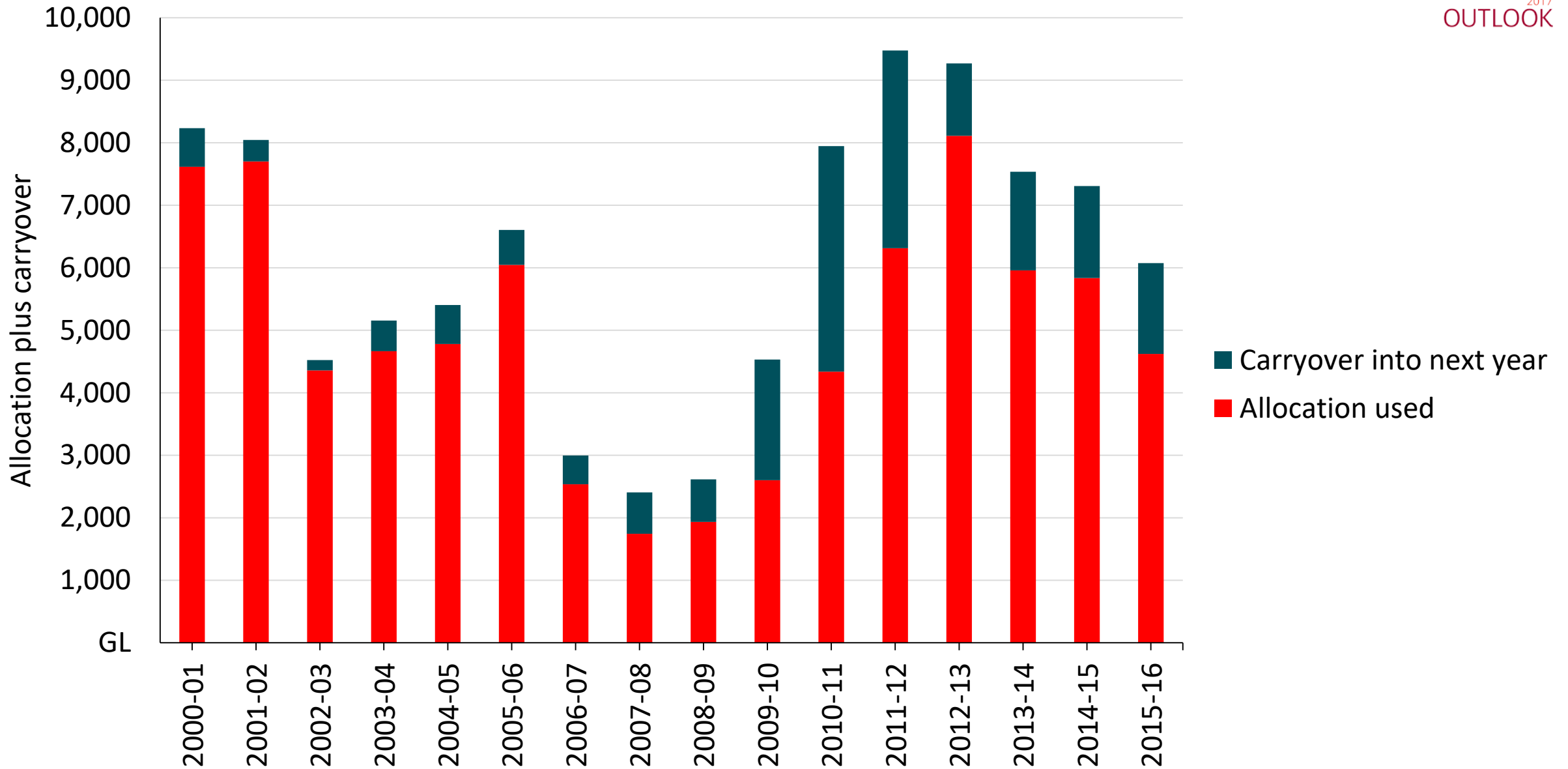
Allocation prices against storage volumes



State Water Sharing Plan changes



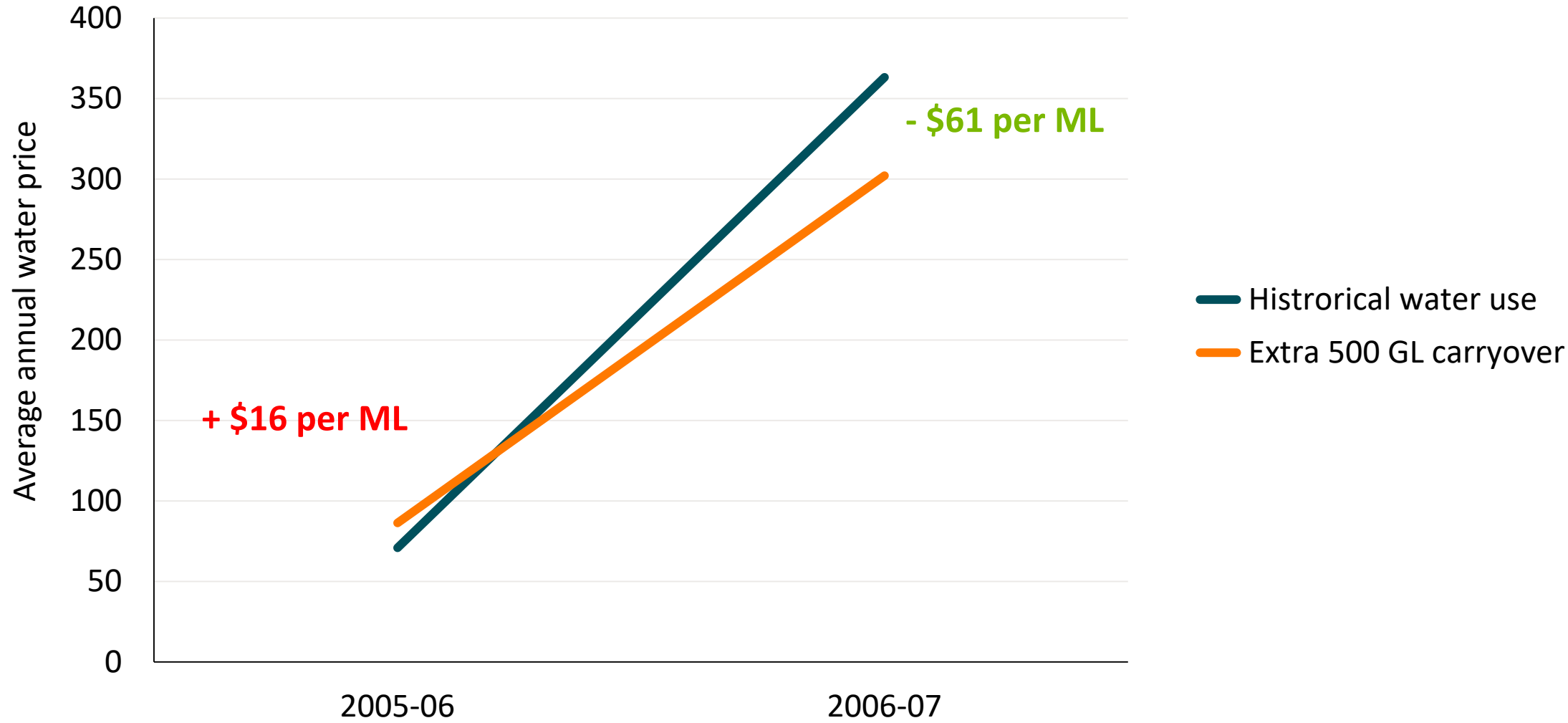
Increased carryover



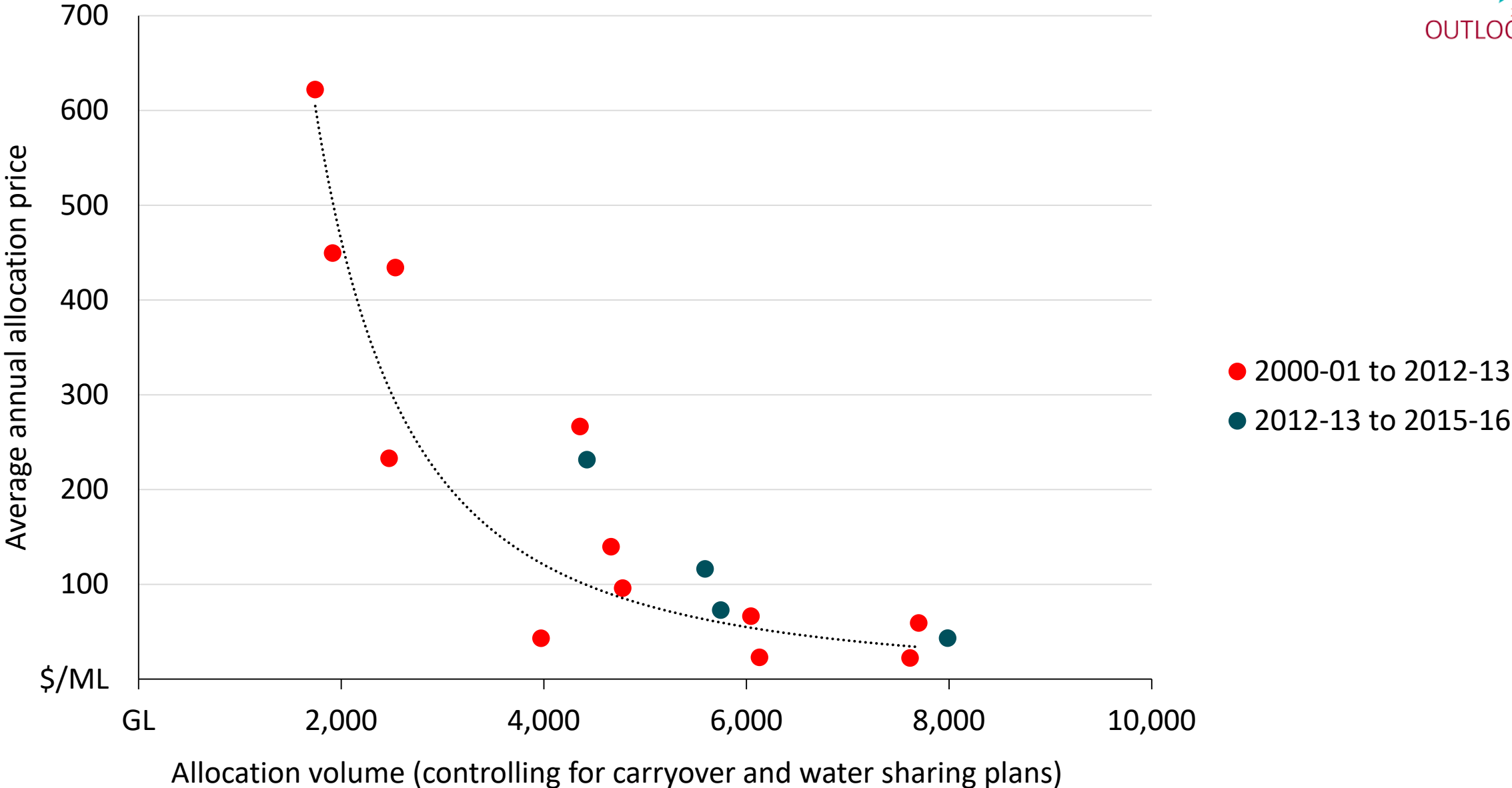
Carryover has a smoothing effect on water prices



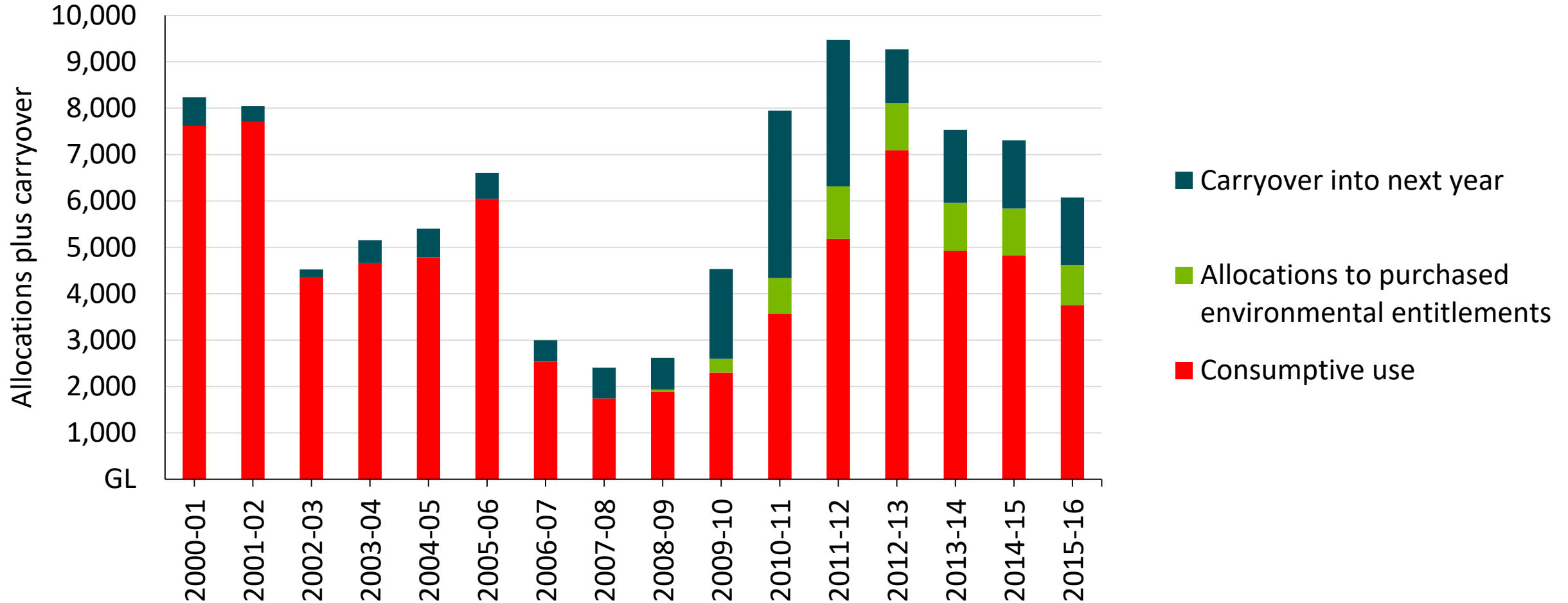
Effect of hypothetical extra 500 GL carryover from 2005-06 to 2006-07



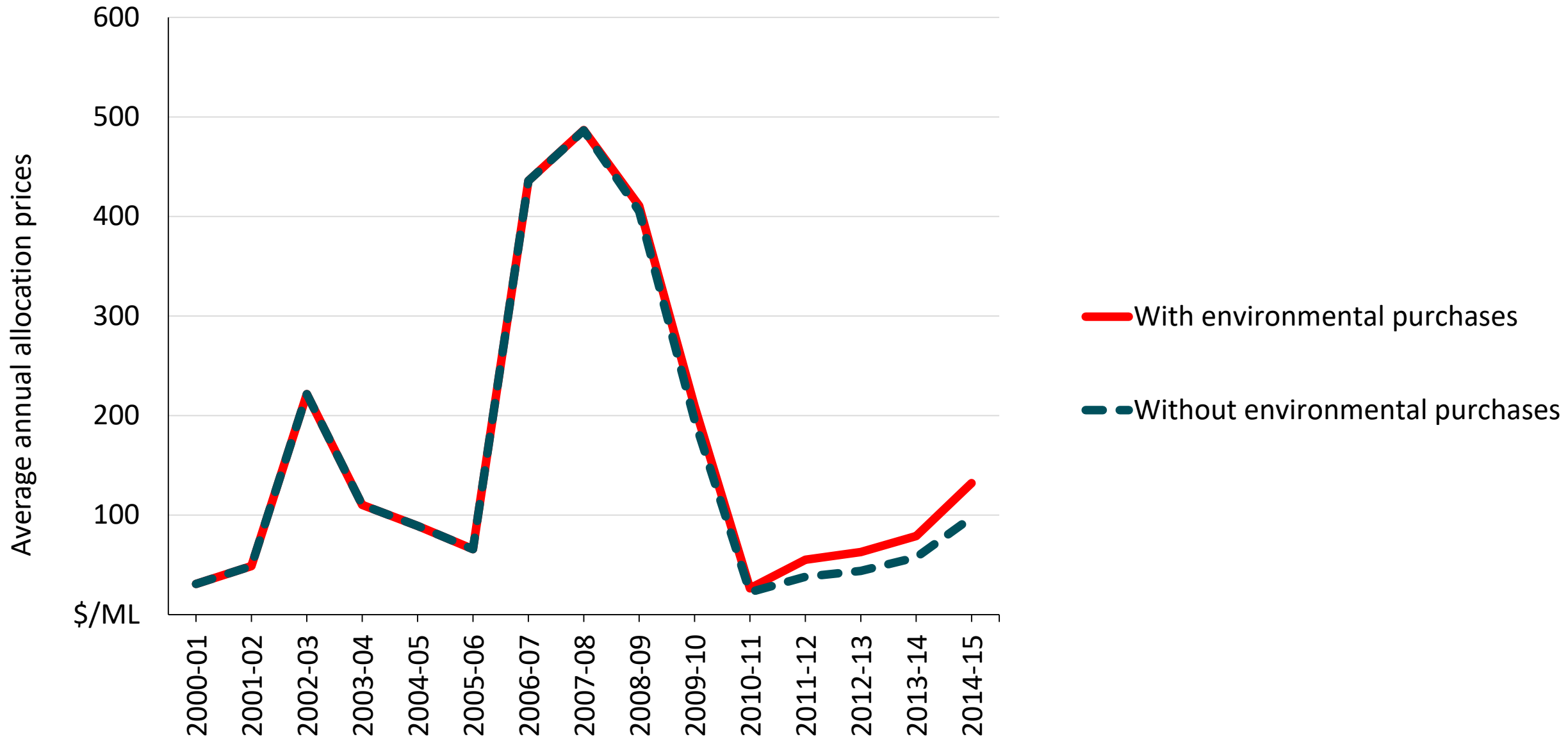
Controlling for carryover and Water Sharing Plans



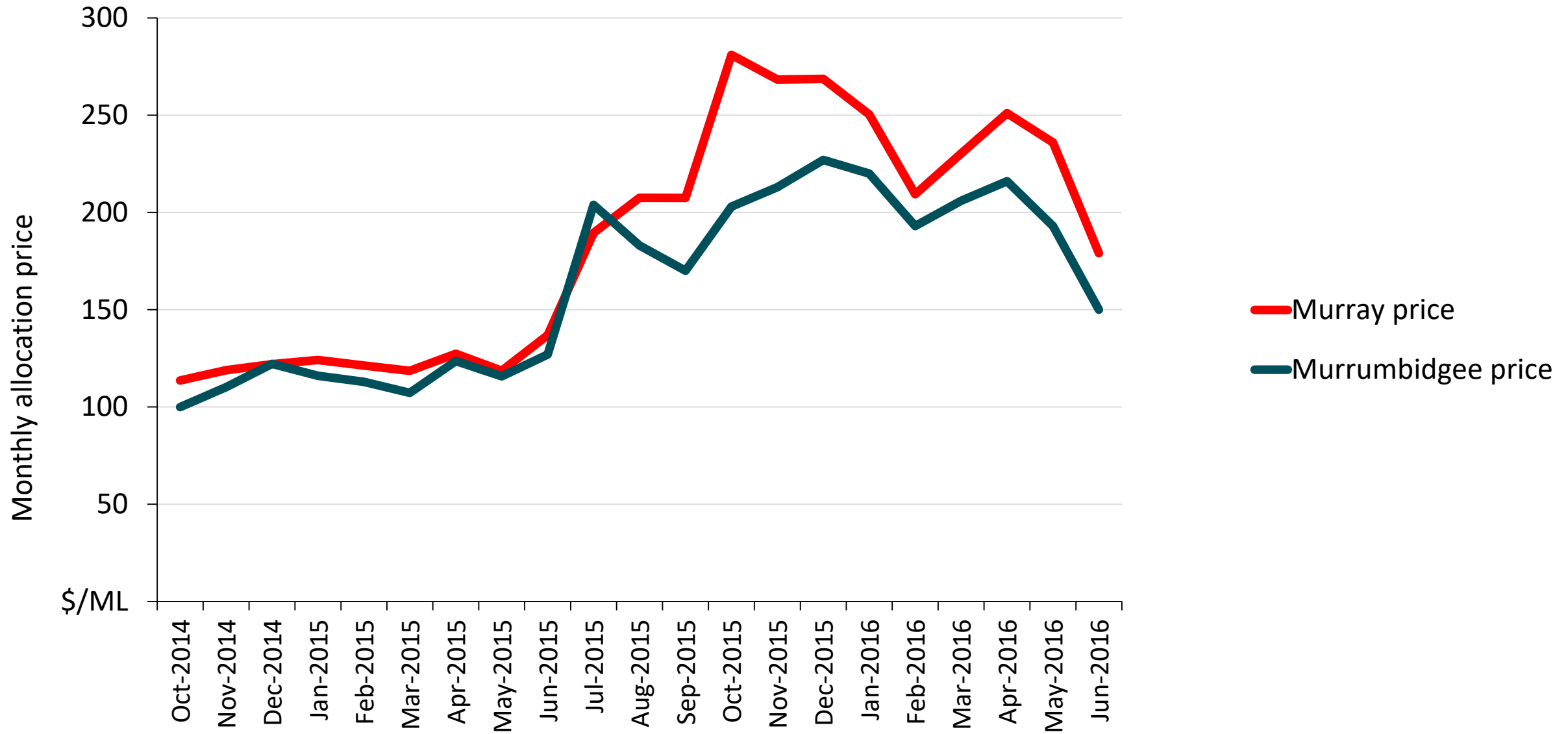
Effect of Commonwealth water purchases



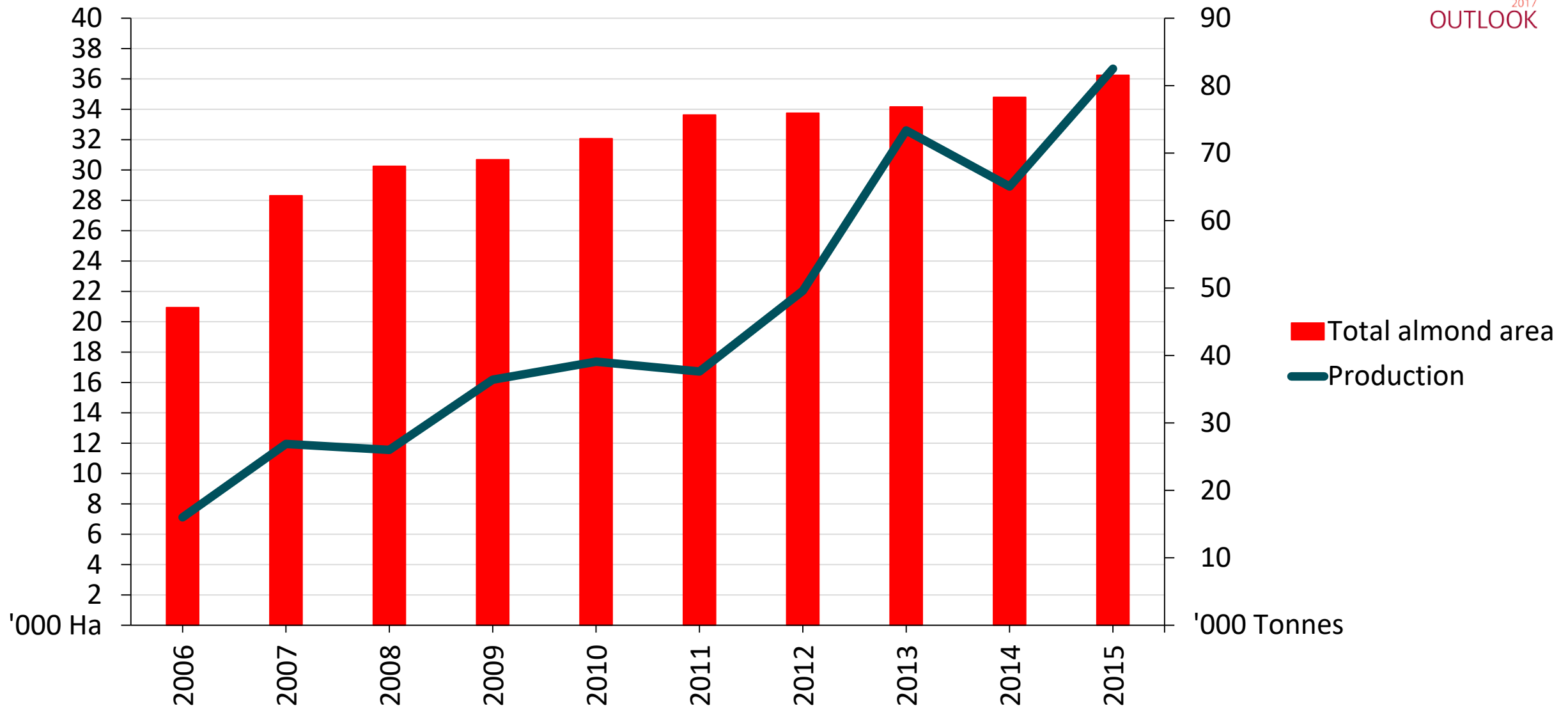
Modelled effect of Commonwealth purchases on prices



Trade restrictions in the Murrumbidgee

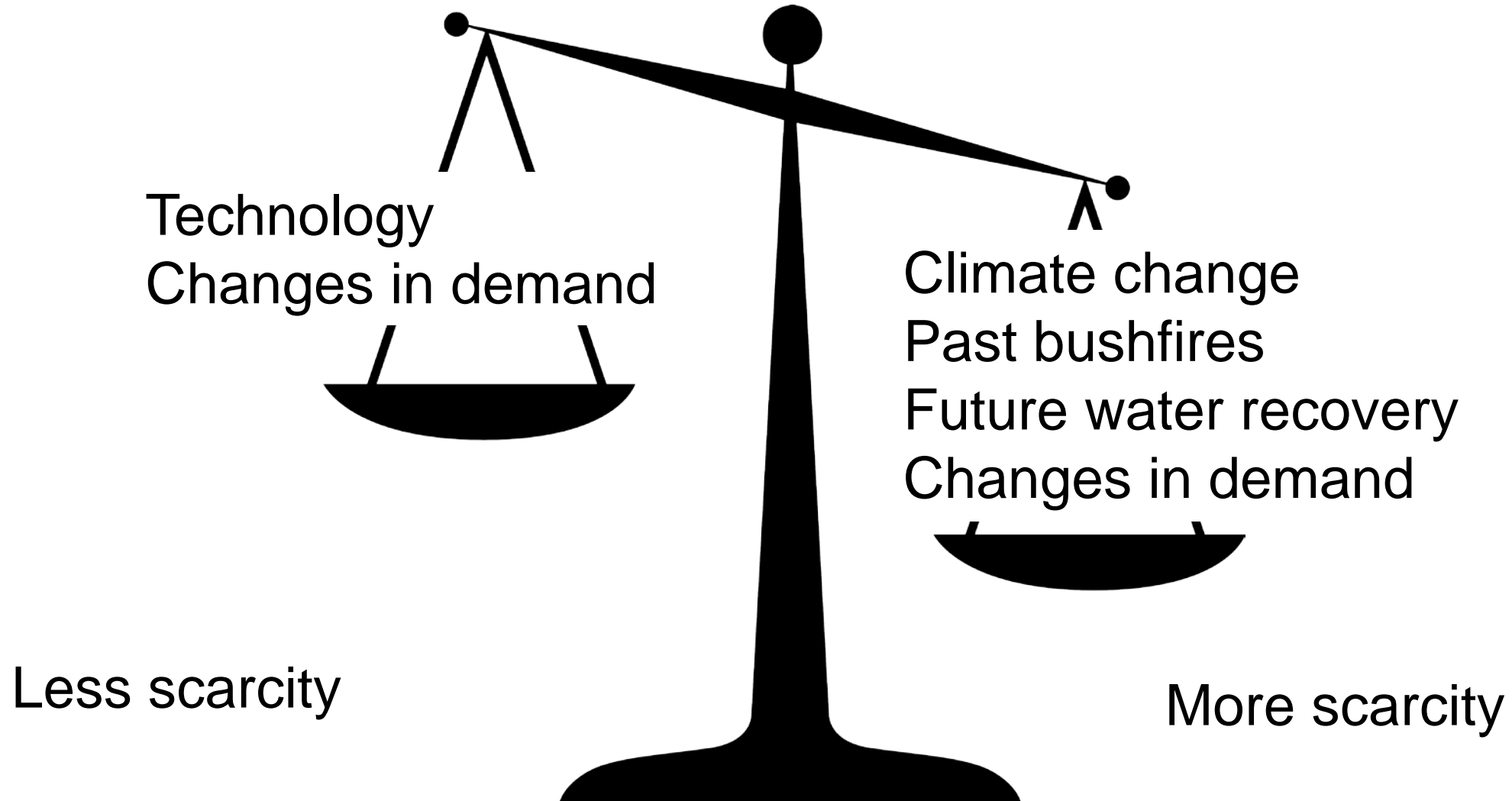


Demand side changes – almonds



Source: Almonds Australia

Factors driving future water availability





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