



Australian Government

Department of Agriculture, Water and the Environment
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2021
OUTLOOK
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Improving water markets in the southern Murray-Darling Basin

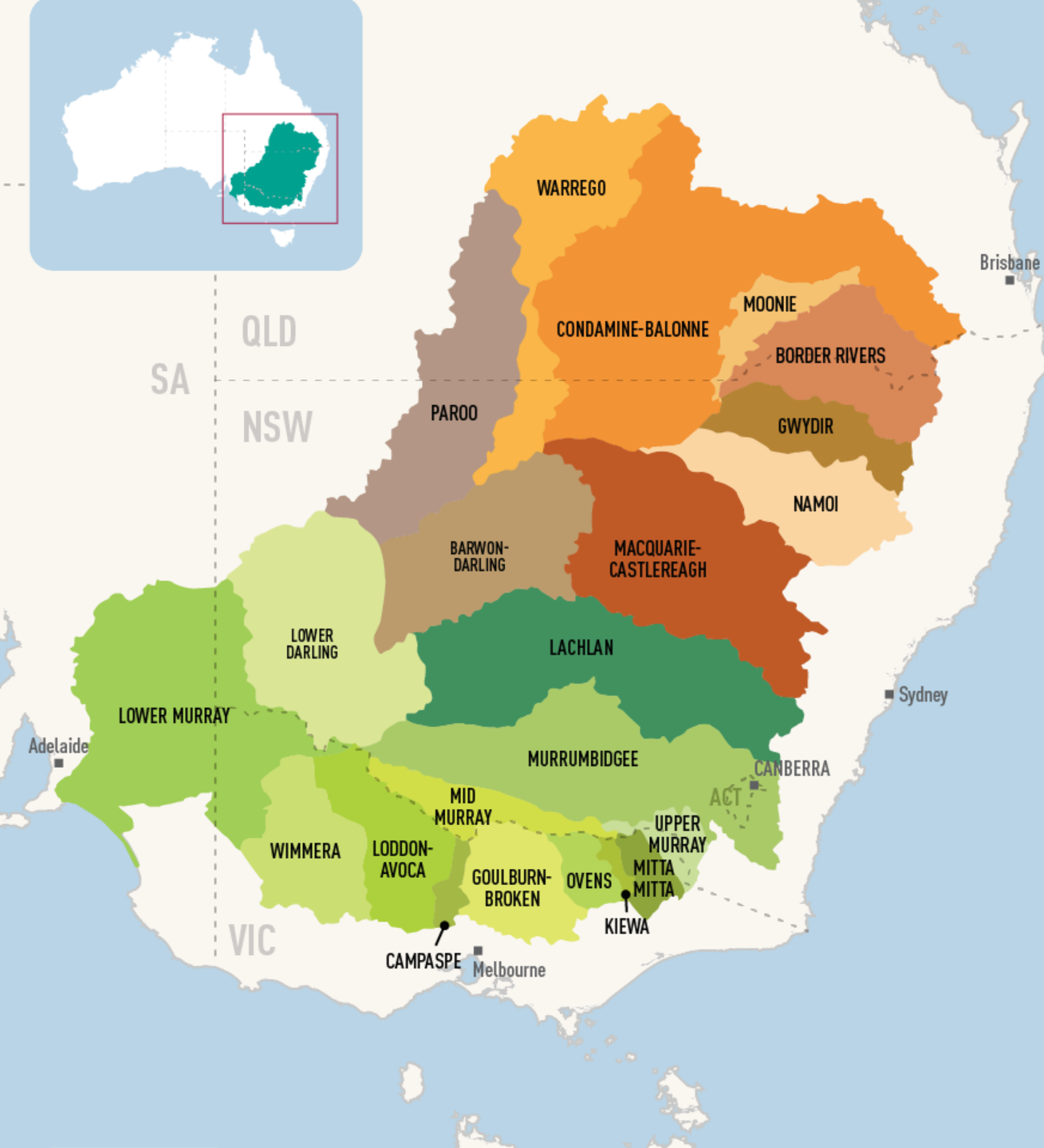
David Galeano

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

2 – 5 March 2021

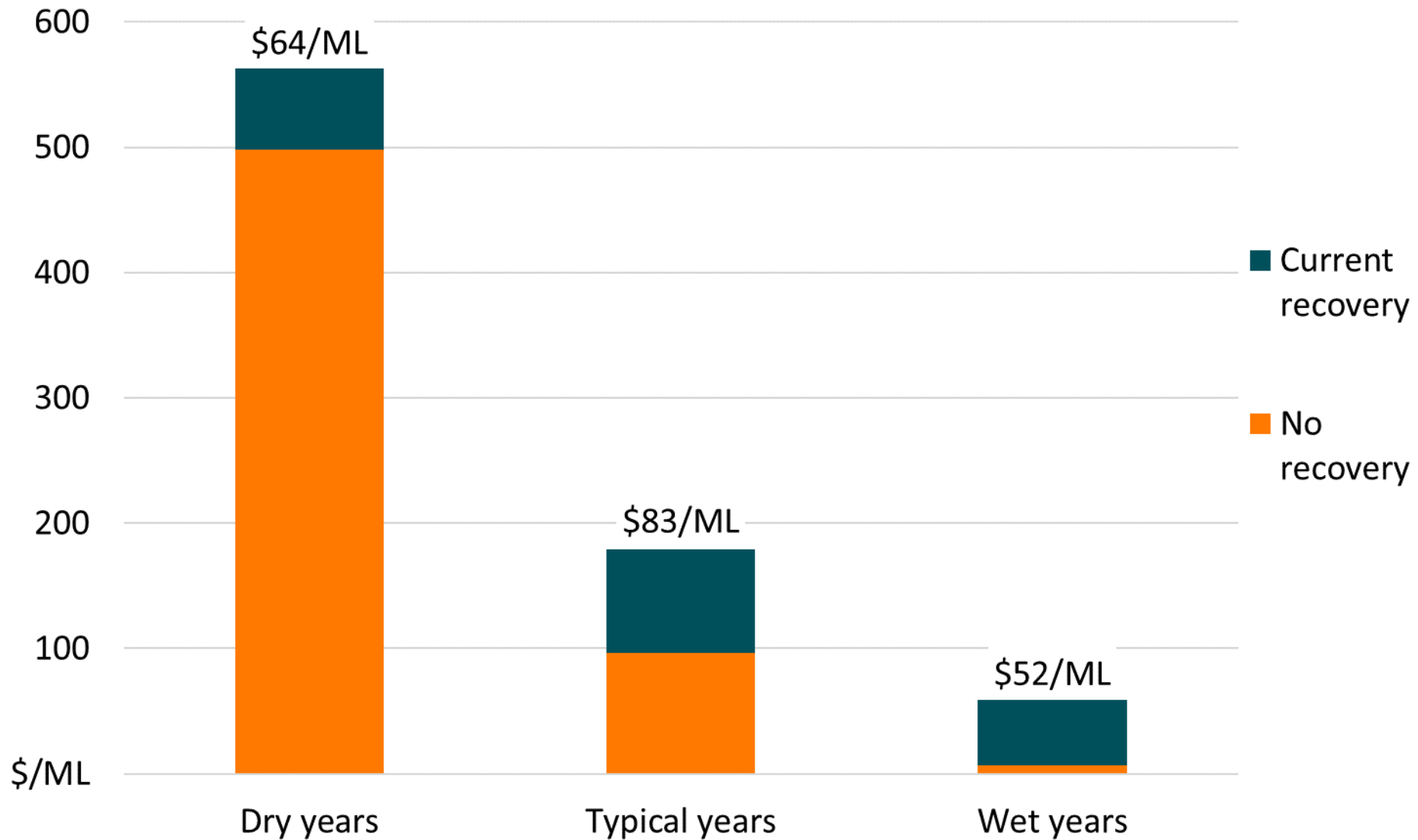


Research by the
Australian Bureau of Agricultural and Resource Economics and Sciences



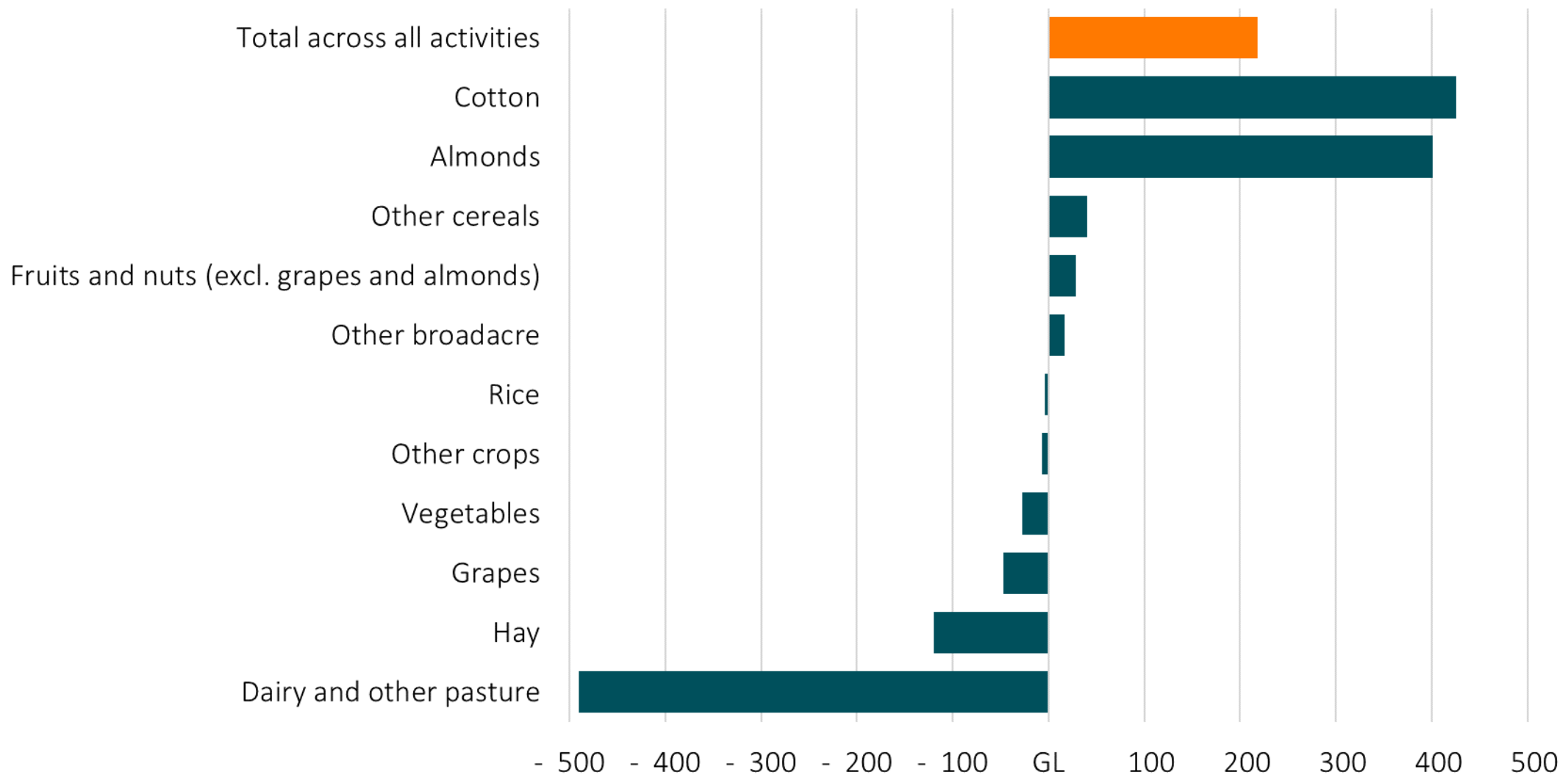
The Murray-Darling Basin

Water recovery has increased allocation prices



Source: ABARES, Analysis of Economic effects of water recovery in the Murray-Darling Basin

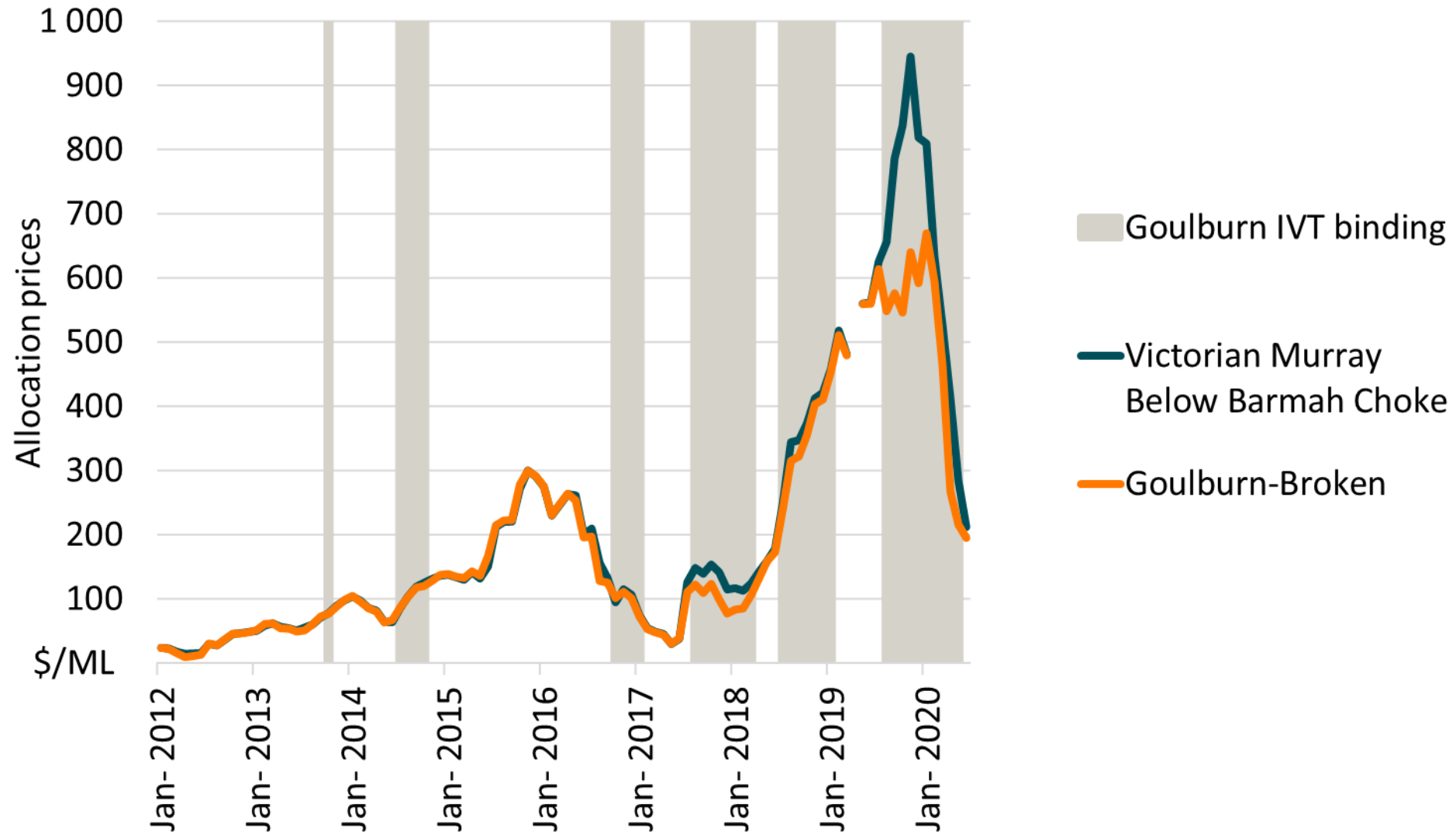
Water demand has increased



Note: Changes in demand, 2018–19 relative to 2005–06 at a fixed water price of \$200 per ML

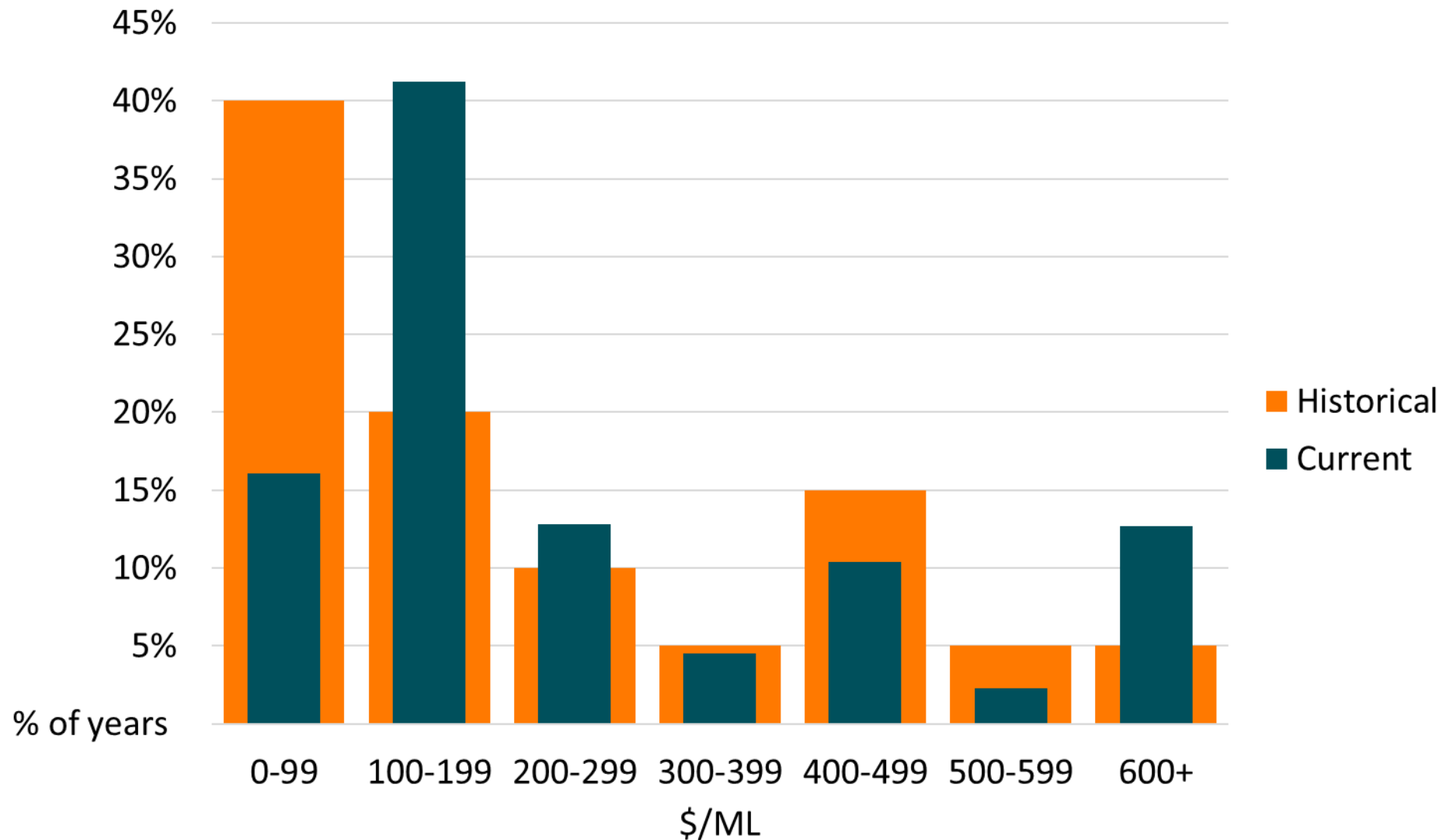
Source: ABARES, A model of spatial and inter-temporal water trade in the southern Murray-Darling Basin

Trade rules are limiting trade more often



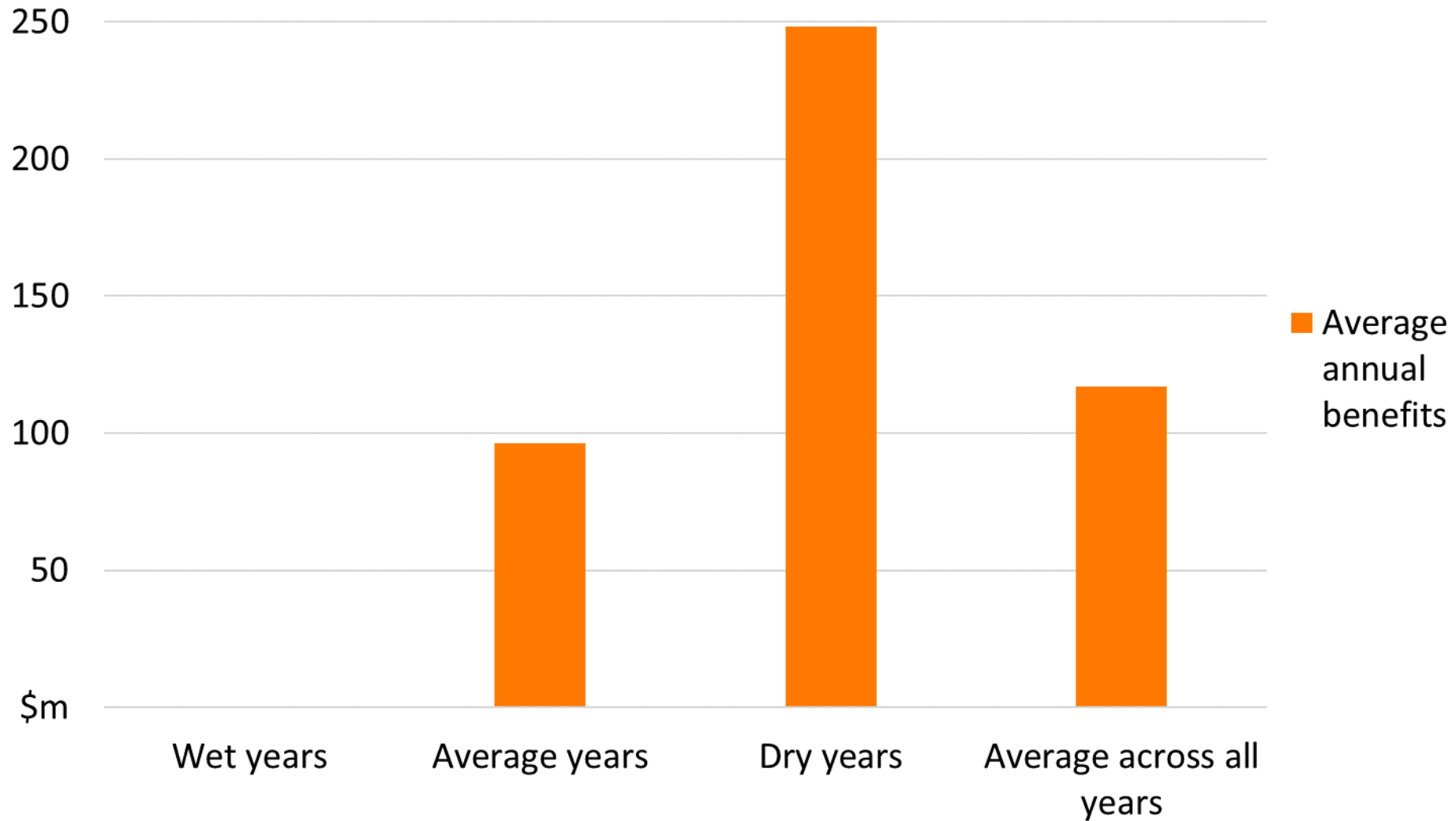
Source: BOM, Waterflow

Distribution of allocation prices is changing



Source: ABARES, A model of spatial and inter-temporal water trade in the southern Murray-Darling Basin

Water markets provide large benefits



Source: ABARES, A model of spatial and inter-temporal water trade in the southern Murray-Darling Basin



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