

# 2026-27 Water Trading Strategy



## PURPOSE

### Why this strategy exists

Part 5A of the *Water Act 2007* places obligations on Irrigation Infrastructure Operators to make announcements of water market decisions, including the obligation to report the announcement of a water market decision to the Bureau of Meteorology (the Bureau).

Central Irrigation Trust (CIT) has prepared this trading strategy for the purposes of Part 5A of the *Water Act 2007* to ensure information about CIT's water trading strategy is readily available to market participants.



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## BACKGROUND

### About Central Irrigation Trust

CIT, a private company formed in 1997, manages the assets and operations of 12 Irrigation Trusts: Berri, Cadell, Chaffey, Cobdogla, Golden Heights, Kingston, Loxton, Moorook, Myponga, Sunlands, Waikerie, and the Lyrup Village Settlement Trust.

A component of CIT's role is the management of Eligible Tradeable Water Rights (ETWRs) owned by each Trust on behalf of its members. These ETWRs are different from the ETWRs that are owned by Trust members individually.



### Eligible Tradeable Water Rights (ETWRs)

- Irrigation Rights
- Water Delivery Rights
- Water Allocation

CIT's management of the ETWRs owned by each Irrigation Trust aims to maximise the benefit for the collective of Trust members. To maximise the benefit to members CIT may undertake actions including trading in ETWRs. This strategy sets out the principles and approach that CIT will take when making decisions to enter the water market.

## GUIDING PRINCIPLES

### What guides our trading decisions

When making decisions about the trading of ETWRs, CIT will be focused on four guiding principles:



- Trading actions contribute to the long-term sustainability of the Irrigation Trusts.
- Trading decisions will be guided by their potential to leave a positive, enduring legacy for the collective benefit of Trust members.
- Water trading will be guided by a prudent approach to risk, balancing short-term opportunities with long-term security for the Trust’s water portfolio.
- Trading decisions will be informed by timely and accurate market signals, ensuring that the Trust responds proactively to changing conditions while safeguarding member interests.

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## TRADING APPROACH

### How CIT enters the water market

CIT’s trading approach may differ depending on the Eligible Tradeable Water Right (ETWR) that is being traded. The approach to trading will be guided by monitoring water market authority announcements, price trends, commodity trends and climatic forecasts to inform trade timing.

#### IRRIGATION RIGHTS

CIT may enter the water market in any of the following ways (offers may be permanent or for a fixed term):

- Offering Irrigation Rights for sale
- Inviting offers of Irrigation Rights for sale
- Accepting an offer for sale to purchase Irrigation Rights



### WATER ALLOCATION

CIT may enter the market to trade water allocation to meet the seasonal requirements of the Trusts. In addition, CIT may enter the water allocation market to maximise the economic returns from the ETWRs held by individual Trusts. The requirements could include the buying or selling of temporary allocation.

### WATER DELIVERY RIGHTS

CIT’s involvement in the water market in relation to Water Delivery Rights is limited to where a Trust holds unallocated Water Delivery Rights. In these situations, Delivery Rights will be issued at zero cost, following an application from a member and based on hydraulic capacity assessment.

## PROCUREMENT



### Market mechanisms

A variety of methods are available to trade ETWRs. CIT’s preference is to use open and competitive market mechanisms wherever feasible to maximise transparency, market competition, cost effectiveness and accountability.

CIT may utilise any of the following market mechanisms when trading ETWRs:

Mechanism	When used
Private treaty	Used for strategic or sensitive trades.
Water Exchange or Broker	Used for broader market access and price discovery.
Market tender	Used when seeking competitive offers for larger volumes. Used when targeting specific strategic outcomes

## FURTHER INFORMATION

### Review of this strategy

This trading strategy will be reviewed regularly to ensure it remains current for the purpose of Part 5A of the *Water Act 2007*. Updates will be published via the Bureau of Meteorology’s Data Hub website.