

# Media Release

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EMBARGOED UNTIL 5am Wednesday August 6<sup>th</sup>, 2025

## 2025 Ricardo Water Markets Report reveals rising prices as the Ricardo Entitlement Index rose

Ricardo, a world leading environmental consultancy, has released its 2025 Water Markets Report, offering the most comprehensive analysis to date of water markets in Australia's southern Murray–Darling Basin. The report reveals significant changes in the market, marked by rising allocation prices, government buybacks, and increased investor activity.

Now in its 12th year, the Ricardo Water Markets Report provides investors, policymakers, and irrigators with a trusted annual benchmark for tracking the performance and trends of Australia's dynamic water markets.

Key findings from the report include:

- The **Ricardo Entitlement Index (REI)**, which tracks the performance (capital value) of a group of major water entitlements across the southern MDB, rose for the first time in three years, **increasing by 3% for 2024–25**.
- The **total market value of entitlements** reached an estimated **\$31.9 billion**, a 3% increase driven by Commonwealth purchases and improving investor confidence.
- **Annual allocation prices rose across the year for the first time since 2018-19**. Major southern Murray–Darling Basin (MDB) zones surged, with prices **89% to 159% higher** at the end of the year, and the annual volume-weighted average price (VWAP) across the southern MDB was \$153 per ML.
- The **largest in-season drawdown** on southern MDB water storages in more than two decades – 5,023 GL.
- **Entitlement trading volumes increased by 47%**, with 198 GL traded outside irrigation corporations, marking the highest volume since 2019–20, with Government buybacks playing a significant role.
- Groundwater market activity rebounded for the first time in five years, as dry conditions led irrigators to diversify their water security strategies.

Ben Williams, Ricardo Associate Director and Water Market Advisory Lead, said, “After three years of declining entitlement values, the market has turned a corner. Commonwealth buybacks have re-emerged as a major force, reshaping price expectations and driving trade activity across the Basin.”

The 2024–25 water year was characterised by below-average rainfall, record drawdowns on water storage, and strong demand from both annual crop growers and permanent horticulturalists. Allocation prices rose across the year for the first time since 2018-19, with prices 89% to 159% higher at the end of the year.

The report notes that without significant rainfall, allocation prices across the southern MDB are anticipated to remain high throughout 2025-26. Demand for entitlements is likely to be sustained by ongoing government recovery programs, with some market participants seeking to replace entitlements sold to the Commonwealth.

The report also outlines the status of Commonwealth water recovery, including outcomes from tender programs aimed at recovering the 450 GL for environmental purposes.

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## **Ricardo Water Markets Reports**

Water markets are an established part of agricultural, urban and environmental water policy, management and investment in Australia. The annual Ricardo Water Markets Report provides Australia's leading independent analysis and insights on southern Murray-Darling Basin water markets activity and outcomes, as well as an outlook for the year ahead. Now in its twelfth year, Ricardo provides this free report as part of our goal of improving the transparency of Australian water markets information for all market participants.

Past Ricardo Water Markets Reports are available here: <https://www.ricardo.com/en/ricardo-water-markets-report>

## **About Ricardo**

Ricardo plc is a global strategic, environmental, and engineering consulting company. With over 100 years of engineering excellence in more than 20 countries, we provide exceptional levels of expertise in delivering innovative cross-sector sustainable outcomes to support energy transition and environmental services, together with safe and smart mobility. Our global team of consultants, environmental specialists, engineers and scientists solve the most complex and dynamic challenges to help achieve a safe and sustainable world. Visit [www.ricardo.com](http://www.ricardo.com)

## **Media Contact**

Media inquiries:

Daniel Brasher, Ricardo ANZ Regional Marketing Manager, +61 498 664 211

[www.ricardo.com](http://www.ricardo.com)