

Water Trading Strategy

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Contents

- CONTENTS..... 2
- 1 INTRODUCTION..... 3
 - 1.1 Purpose 3
 - 1.2 Coliban Water..... 3
 - 1.3 Water holdings 4
- 2 TRADE ACTIVITY 4
 - 2.1 Why we trade 4
 - 2.2 Types of trade 4
 - 2.3 Where we trade..... 4
 - 2.4 Administer trade 5
- 3 DOCUMENT REVIEW..... 5

1 Introduction

1.1 Purpose

This Water Trading Strategy has been prepared to meet our reporting obligations under Part 5A of the [Water Act 2007](#).

It outlines the water trade-related activities we may undertake to meet Level of Service obligations described in our [Urban Water Strategy](#).

1.2 Coliban Water

Coliban Water is a Victorian Government-owned regional water corporation in north-central Victoria. We provide safe drinking water, recycled and rural water, and sewage services to more than 180,000 people across 49 towns and rural communities. Our service area extends from Cohuna and Echuca in the north to Kyneton and Trentham in the south (Figure 1).



Figure 1. Coliban Water's service region

1.3 Water holdings

Coliban Water has a portfolio of water holdings, including bulk entitlements, high and low reliability water shares, water allowances, and take and use licenses as detailed in our [Annual Report](#).

We source water from our reservoirs on the Coliban River, the Campaspe, Loddon and Murray Rivers, the Waranga Western Channel, the Wimmera Mallee Pipeline and groundwater systems.

2 Trade activity

2.1 Why we trade

Demand for water is increasing as our population grows. At the same time, our climate is becoming warmer and drier.

Coliban Water's [Urban Water Strategy](#) has a 50-year outlook and identifies the best mix of actions to provide secure water and sewerage services to our towns and cities. As part of this strategy, we have evaluated all options available to increase water security.

[Water trading](#) remains an important tool to help Coliban Water meet its Level of Service obligations and ensure a secure and reliable water supply for our communities.

2.2 Types of trade

Coliban Water may **permanently trade** (buy or sell) water entitlements (eg water shares, rural pipeline water allowance or take and use licence) to secure future water supplies and ensure Levels of Service obligations are satisfied.

In any year Coliban Water may **trade allocation, or temporary trade take and use licence volume**, in response to seasonal conditions. That is, we may sell allocation that is surplus to requirements on the water market. Conversely, we may enter the water market to purchase allocation to ensure we have sufficient supply to satisfy customer demand.

We may **trade allocation** to facilitate water delivery with other water corporations and to manage our own water accounts. These administrative allocation trades may include, but are not necessarily limited to:

- Trade allocation with Grampians Wimmera Mallee Water under a Supply by Agreement to secure supply in the rural pipeline system
- Trade allocation with Central Highlands Water to account for [Goldfields Superpipe](#) pumping
- Trade allocation between Coliban Water accounts for [carryover](#) purposes and reduce the [risk of spill](#).

We may also **trade allocation** for the purpose of carryover (ie carryover parking or airspace leasing). That is, if we wish to carryover above the carryover limit, we may trade to a third party with carryover capacity which can then be returned the following water year if a low risk of spill is declared, or alternatively we may lease airspace to a third party.

2.3 Where we trade

We hold entitlements in the following trading zones as defined in the Victorian Water Register:

- 1A Greater Goulburn
- 1B Boort
- 4A Campaspe – Eppalock to WWC
- 4B Coliban Channel System
- 5A Loddon – CC/Tull to LWP
- 7 VIC Murray – Barmah to SA
- Coliban Zone – Central Vic Min Springs
- Campaspe Zone – Central Vic Min Springs
- Elmore-Rochester – Lower Campaspe Valley
- 1012 Mid Loddon Groundwater
- 21A Wimmera Mallee

We may undertake permanent or allocation trade in any of the following water markets:

- Lower Campaspe Valley Water Supply Protection Area
- Central Victorian Mineral Springs Groundwater Management Area
- Mid-Loddon Groundwater Management Area
- Southern Connected Basin

2.4 Administer rural trade

Coliban Water is responsible for administering trades for take and use licence holders in our rural system (zone 4B).

3 Document review

This document remains in effect and unchanged until a formal review or operational need requires an update or supersession.