

How water availability and demand are changing over time, the reasons for these changes, and the impact they are having on water markets.

The Bureau of Meteorology weather records show rainfall amounts have decreased over the last 20 years which would result in less run off. Including this year, 4 of the last 12 years have not been full (100%) allocation years. When resources, in this case water, is in short supply the price trends upward.

The factors that have been driving movements in prices for water access entitlements and allocations over time.

Increased plantings and production have resulted in increased demand for water. The Victorian Department of Environment, Land Water and Planning (DELWP) has charts that show by 2025 production in the ground now or being planted will use all available water in a 100% allocation year. In a year like this with allocations in Victoria at 42% all available water will be used.

Changes to the number, diversity and behaviour of water market participants over time, and how this is affecting water markets.

There seems to be fear that private investors are distorting the water markets. Private investors along with family farm irrigators have the right to make decisions about when to trade or carry over surplus water. A family farm irrigator can always use their surplus water in the next year but an investor will always be gambling against the weather if they choose to carry over.

Changes to the number, diversity and amount of trading activity of water market products on offer over time, and how this is affecting water markets.

The number of products available to irrigators (long term and short term leases) has given irrigators who sold their permanent water shares some years ago, a greater amount of flexibility and security going forward. I do not think the majority of irrigators have explored these options OR if they have they may not be able to afford to purchase water at the current prices in 2019.

Your use of market information, including the types and sources of information you currently access, the information you would like to access, the methods and tools you use to access it (including whether you get information through public sources, such as state water registers, or private sources, such as through water brokers) and the reasons for using your preferred sources.

Whether and how the availability, accessibility, accuracy, consistency and timeliness of water market information affects your trading decisions or markets more generally.

Real time information on government websites can be days or even weeks old by the time it is published. A site similar to the Australian Stock Exchange would be beneficial.

Your views on the types of water market information that should and should not be publicly available.

I don't think there is anything to be gained by publishing names of companies or irrigators who purchase water. A single government site covering all states showing amount of water available and amount sold would be beneficial.

How much you rely on the information and knowledge possessed by water market intermediaries, such as brokers, exchanges and advisors.

What avenues you are aware of to increase or improve your knowledge of water markets, and any suggestions on additional information and delivery methods would you like to see become available.

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• Whether regulation and institutional settings in Murray-Darling Basin water markets are effective and appropriate.

The impact of regulatory and policy differences between states and trading zones on competition, efficiency and access to water markets.
There is a need to free up Inter Valley Trading by removing restrictions such as the problem of getting temporary water from the Goulbourn-Murray Irrigation District and also the issues with the Barmah Choke.

The extent to which market settings, such as trading rules and management of constraints, are positively or negatively impacting efficient and equitable water market activity.
Same answer as previous question

The extent to which regulatory functions, settings and actions are clear and understood.

How you use water markets, and your understanding and experience of how other market participants use water markets.

How the practices and behaviours of different water market participants are positively or negatively impacting water market access, transparency, efficiency, and competition.

Whether and, if so, how large market participants have influenced water markets (for example, by changing water availability or prices) through their trading strategies.

Large market participants as well as irrigators can make decisions on whether to carry over water from one year to the next. In a dry year like the current one, carry over water provides irrigators with a critical parcel of water to use from the start of July, whether there has been an allocation announced or not. Large market participants do not have the option to use excess water therefore it must be sold at some time into the water market giving **water security to irrigators who do not own any water shares**. In a low allocation year as this one, water is a scarce and limited resource. The best way to preserve a scarce resource is to have a high price on it. Water from large market participants cannot be carried over indefinitely as they lose 5% every year due to the evaporation rule and if they are holding out for high prices then they are gambling against the weather.

How you use different water market products (including carryover, leases, options and forward contracts) and services provided by water market intermediaries.

We use a combination of High Reliability and Low Reliability water shares to accumulate and carry over water to irrigate our crop.

The extent to which the objectives of water markets have been achieved and any unintended consequences that may have resulted.

Whether and how competition and efficiency in water markets have changed over time.

The extent to which water markets are currently operating efficiently.

The water markets would operate more efficiently if the Inter Valley Trade rules would allow the water to flow where it was most needed. This is obviously a complicated situation and would need all states co-operating.

How the outcomes of water markets vary between different industries, locations and individuals.

The ACCC invites your views and ideas regarding potential solutions to any problems you may have raised in your submission. Please briefly summarise the problem, describe your proposed solution and give your reasons for proposing it.

