



# Murray-Darling Basin water markets inquiry public forum – St George

20 November 2019

This document is not a verbatim record of the forum but a summary of the issues raised by forum attendees.

The views and opinions expressed are those of the attendees and do not reflect the ACCC's views or position on the issues summarised.

Wednesday 20 November 2019, 11.00 am to 1.00 pm  
St George Cultural Centre  
112 Victoria Street, St George, QLD

## Attendees

### **Australian Competition and Consumer Commission**

Mick Keogh, Deputy Chair

Bruce Mikkelsen, Executive Director

Gwendolen DeBoe, Director

Other ACCC staff

### **Interested parties**

Approximately 25 interested parties attended the forum.

## Opening of forum

Deputy Chair Mick Keogh opened the forum by welcoming the attendees. He outlined that the ACCC's Murray-Darling Basin water markets inquiry has two key information gathering components: firstly, the public forums, and secondly, the obtaining of information and documents from market participants through the ACCC's compulsory information gathering powers.

Deputy Chair Keogh informed attendees that the ACCC would take notes of the matters discussed and publish a summary on its website, but that this summary would not identify or attribute comments to individuals.

## Summary of issues

Attendees discussed the following issues during the forum:

### **Issue 1 – Trends in water markets and prices**

Stakeholders' main observations about the market trends and prices in the region were:

- Trade in the region is based on relationships and is often conducted informally between farmers
- Permanent trade is not common
- Administrative processes that facilitate trade can be slow and have deterred permanent trade.

### **Issue 2 – Water market transparency**

Stakeholders expressed a range of views about water market transparency in the region, including:

- There was no real bid-offer system and stakeholders did not consider it necessary to have such a system but considered it could further open up trade
- Speculators were not considered a concern and physical system constraints were thought to be a reason for this.

### **Issue 3 – Water market regulation**

Views expressed relating to water market regulation included:

- Concerns about water harvesting as it is not straight forward
- Entitlements downstream are dependent on the upstream conditions and the market is a challenge for government departments
- Trade can be too complicated and not timely, but some participants considered this beneficial to discourage speculators who can outbid farmers
- Trade between zones is particularly difficult and takes time, although some participants considered this to be necessary to ensure the environment and third parties are not negatively impacted
- There are currently too many zones and too few people in a zone; zones could be consolidated. Although other participants acknowledged the zones exist to manage third party impacts
- Trade should only be allowed to occur within a zone and accessed by local people.

### **Issue 4 – Water market participant behaviour**

Views expressed relating to water market participants included:

- Market intermediaries were not a major factor in water markets in the region
- Confidence in the market is worse in the southern Basin due to the involvement of intermediaries and existence of investors without land.

## **Issue 5 – Water market competition and objectives**

Stakeholders expressed their views in relation to water market competition and objectives as follows:

- The physical and hydrologic makeup of the region means that trade between zones is uncommon
- Capacity sharing means there is no carryover and participants are generally happy with this arrangement.