

## ACCC water market submission

Water availability has been directly affected by three main drivers only occurring since the Commonwealth mandated, in the 2007 water Act that, the States unbundle water from land allowing non users to own water.

1. The Commonwealth then entering the market they commissioned, acquiring one third of available entitlement.
2. Commonwealth and Private water holders being able to carry over any unused previously allocated water.
3. State Governments allowing the expansion of irrigated land onto greenfield sites.

Point 1 is self explanatory. Irrigators had 200% water shared between them. Now they only have 133% left between them.

Point 2 irrigators were allocated 100% in season A. Only 50% of that water was used. Season B the following year irrigators allocation was 100% plus the unused allocation that was sold in the prior year "A" giving everyone a chance at 100% water right and 50% sales allocation. No winners and no losers and plenty of reserve. Since water Act the sales water has disappeared from the pool and can be stored indefinitely.

Point 3 GMID area of 995000 ha irrigatable. Typical 1990 usage of 2200000ML gave 2.2ML/Ha average. Almond expansion from 4000Ha to 25000Ha @ 15-18ML/ha takes 315000-378000ML out of the GMID per annum. That alone reduces GMID to 1.8ML/Ha. The ground requires 1.5-2ML/Ha to water up once in autumn! Typical usage today is 1200000ML.

Water Market Regulation is required due to water being delivered in a regulated system. It is currently being used outside of physical restrictions due to unacceptable trading of water across the entire system. Water must be tied to small zones where it was originally allocated to make use of the expensive infrastructure we now have in operation. ACCC has shown contempt for this fact as has Government. This is causing irreparable erosion to the Edwards, Goulburn and Murray rivers. The Barmah "over bank" transfers are a direct result of insipid trade policy that is poorly regulated.

Competition for water has now made many sectors of Australian Agriculture uncompetitive in the global Market, therefore prices must drop to a sustainable level for agriculture to survive. Once vibrant communities have been decimated and will continue to do so until the Water Act is repealed. There is now an underlying arrogance in water traders as such, that if they are able to make more money playing the water market rather than growing produce to the benefit of the whole community they will pursue that option. Many of these players don't need the cash flow so are willing to hold water off market to cash in. This is a destructive path we head down.

Water markets have created an imbalance of necessary food production such that we have eroded our food security and will be unnecessarily be reliant on inferior imports. We are seeing this especially in dairy.

The best remedy is to return water back to the land from whence it was stolen, to create an equal playing field for anyone to enter agriculture and grow whatever they wish, to rekindle communities devastated by water trade and kick the Economy back into gear. Failure to act will see many more preventable suicides, many more preventable foreclosures and corporations like Goulburn Murray Water unviable due to landholders inability to pay.

The water market is akin to the electricity grid. Would you allow anyone to buy electricity during peak demand, whilst blackouts occur during shortages, store it and then release it into the grid at an inflated price?