

Issue 1 – Market trends and drivers:

- a) Since the “unbundling” of water rights of properties, the market has become distorted. We now have speculators that directly influence prices. Coupled with this in low rainfall times, these market speculators are directly controlling the market. We saw just recently the CEO of a private water investor publicly state “ we are in business to make money for our shareholders”
- b) This directly affects our ability as irrigators to plan for the long term as we can only plan 1 July – 30th June each year. With low rainfall, prices go up.
- c) It is the non-irrigators and investors that are causing the problem. Water allocation/rights are only for businesses that directly rely on their irrigation entitlements to produce. Non irrigators/investors are to be denied access to the water market.
- d) With reduced irrigation allocations in NSW/VIC, those irrigators are leasing water from SA which has seen the price of water reach levels of around \$1,000. How is this fair for the SA Irrigators? This is stupid as the water has flowed through these states on its way to SA.

Issue 2 – Market Transparency and information

- a) We obtain our water through a water broker (Central Irrigation Trust). We use their website, newsletter to obtain up to date information of what is happening.
- b) We only find out in April/May each year of what our allocation will be (SA) for the next 12 months. From 1 July each year, we have to wait a number of weeks until we can actually get water as they are still finalizing details.
- c) From 1 July each year, I want to be able to ring up or order online my water. This needs to be automated and improved.
- d) Only irrigators and government departments should be allowed to know what water is available to the market.
- e) Rely heavily on our water broker for information
- f) Only avenue for information is the MDBA & water brokers. There needs to be one central source of information, it is to be automated and holistic for all irrigators. The ability to order water online via one central source.

Issue 3 – Regulation and institutional settings

- a) The regulation and institutional settings in the Murray Darling basin are not effective. There is too much involvement from QLD/NSW/VIC governments. They do not care what happens to downstream irrigators i.e. SA.
- b) SA held a Royal Commission in the MDBA. This was rebuked by the federal government, NSW/VIC. This indicates that there is too much influence by the government in the Murray Darling Basin Commission. The MDBA needs more resources and the legislation to act independently of the government (Federal and State)
- c) Too much red tape and around trading rules. It is not transparent.
- d) We do not have a clear understanding of the regulatory function, settings as it is too involved, complex, and contradictory. Too many factors influence this. It needs to be more simple

Issue 4 – Market Participant Practices and Behaviors

- a) We use the water market for our business as a primary producer. This is our sole avenue of water.
- b) We have built a dam (10MG) but this is not sufficient for our business.
- c) We are in a semi desert area so we rely on the Murray for our water.
- d) Other participants (irrigators) use the water market accordingly.
- e) The non-irrigators/water speculators distort the market/prices/availability (Duxton Water have publicly stated are in business to make money)
- f) We use a temporary trade (lease) each financial year. We have water rights but do not own water outright. We do not have the ability to carry over water.
- g) When we lease water, the cost of the water is not able to be added to the products we produce. If we did, we would not sell anything. We have to absorb this cost and run the business at a loss.

Potential Solutions:

- a) The MDBA takes over all the legal rights of water ownership, allocation in the Murray Darling Basin. One authority that manages the Murray Darling Basin and operates independently of any government.
(I.e. States give up their legal right to take/make water laws. This ensures there is a cohesive approach to the basin. Also ensures the parochialism between the states is removed. The current attitude that if the rain falls in my state it is mine and we do not care about downstream users is not acceptable. QLD/NSW/Vic has stated this publicly. There is too much state government involvement in the water market. All states agree on one authority (MDBA) to manage/allocate water rights & pricing.) Include climate change in the decision making process
- b) A Royal Commission in to the Murray Darling Basin. It needs to cover the structure, water market, government legislation, all government input into decision making. It must have binding outcomes
- c) Remove the right for non-irrigators to own water rights. Non-irrigators do not have right to water and therefore “play” with the market to manipulate water prices. They are driven by profit and nothing else.
- d) Stop any further development of non-irrigated property until water supply/pricing is guaranteed. (no new plantings on re-claimed/developed land) Existing plantings as of 1/7/19 are exempt. We cannot keep on clearing land and taking water from the Murray.
- e) Only business that grows and produce/primary producers can take water from the Murray Darling Basin. (No investors, water speculators, non-irrigators.)
- f) All states agree on one authority (MDBA) to manage/allocate water rights & pricing.
- g) Prices need to be regulated and not subject to market manipulation. E.g. non irrigators buying large water allocations artificially increase prices. This leads to some irrigators not being able to buy water and hence sell their property due financial hardship. This water is then brought by non-irrigators to increase prices.
- h) All states need to look at their own water requirements and build/re-instate desalination plants/water storages to reduce their reliance on drawing water from the Murray Darling Basin. E.g. Cities need to do this, as this is where the majority of the population/water usage goes. The same can apply to rural areas; however the issue of where the water comes from will need to be addressed.

- i) Government needs to embrace grey water/sewage recycling for human consumption. Technology is there to re-use grey water/sewage several times over. Major infrastructure investment is required to facilitate this. The economic loss to the regional towns/communities due to drought and loss of productive land is far greater.
- j) Federal Government needs to develop a drought strategy for the long term. Droughts are more common now as is their severity. This should include increasing water storages/desalination plants, and a plan on how ensure water supply & security during the droughts for farmers, irrigators and communities.
- k) Allow irrigators to pump saline water from the underground aquifers, desalinate it and then use on their property. Rebate from the government to install infrastructure required.
- l) All irrigators must have a meter on their property to record all water usage. There are irrigators who do not have meters in NSW/QLD/VIC who take water from the Murray Darling.
- m) There needs to be a maximum amount of extraction across the basin and it needs to be monitored.
- n) There needs to be an ombudsman or an avenue to complain and record statically data of what are issues in the basin.
- o) All overhead sprinklers needs to be abolished and all irrigation needs to be on drip irrigation. Overhead sprinklers waste so much water.