



MEDIA RELEASE

AWBA response to Almond Board of Australia's allegations of price fixing

10 September 2019

The Australian Water Brokers Association (AWBA) is deeply concerned with allegations made in yesterday's press release from the Almond Board of Australia which can be found [here](#).

We implore the Almond Board of Australia to provide any evidence of unconscionable conduct by Water Brokers immediately to the AWBA and the ACCC along with other relevant authorities. The AWBA undertakes to thoroughly investigate any member who has breached its code of conduct and take action. To date, the AWBA have received no correspondence or contact from the Almond Board in relation to their concerns.

The AWBA was established in 2007 as a representative body for water brokers. Members of the AWBA include companies and individuals who have been at the forefront of the emerging water trading market within Australia. Our members have been responsible for pioneering water trading / broking services to rural customers Australia wide, from as far back as 1991.

Not all Water Brokers are equal. AWBA members are peer reviewed, operate under a Code of Conduct, must have adequate Professional Indemnity insurance, operate an audited 'trust account' for client funds and participate in a program of continuous education. Our members are committed to assisting irrigators with their water management decisions and share their concerns that the current drought conditions present. A list of AWBA members can be found [here](#).

With regard to the current temporary allocation price the AWBA would like to highlight the following facts:

Fact 1 – Supply in the market is low because of the ongoing drought. As all irrigators are aware, MDBA active storage is down to 47% and allocations granted to most entitlements are currently restricted, 30% less in total than the same time last year.

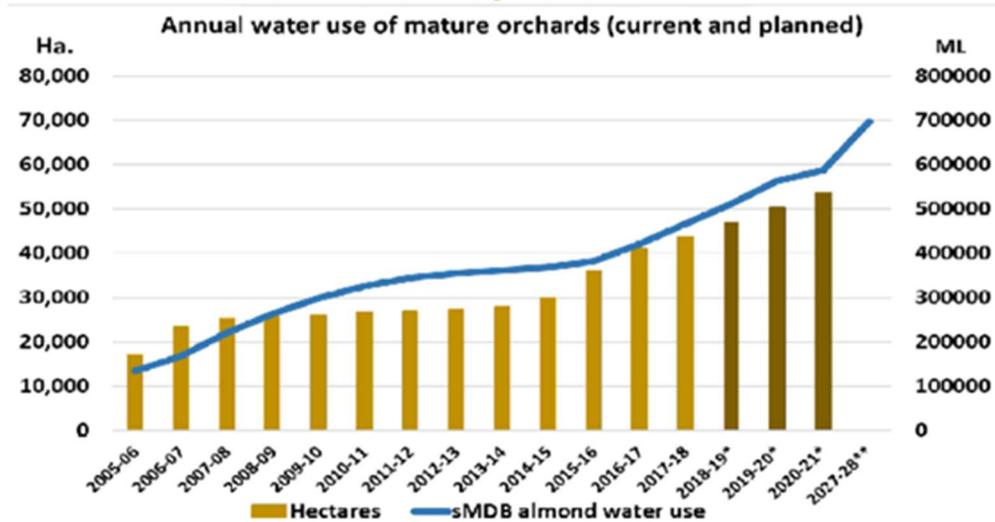
Fact 2 – Demand for allocation in the Murray is much higher than in the past, primarily due to the massive expansion of almonds over recent years, in particular, below the Barmah Choke. Much of this new greenfield development has been done by "corporates", many of whom own little if any permanent water entitlement. This has created additional demand on the temporary allocation market, that is increasing year on year.



Almond Industry Update



Almond Industry Water Use



Since the Millennium Drought there has been significant structural change in the water market, not the least of which has been the afore-mentioned expansion of almonds and other horticulture. Environmental water holders, both state and federal now account for approximately 29% of entitlement in the Southern Murray Darling Basin. These two factors alone have had a material effect on reducing the elasticity of temporary water markets. We are seeing the results of this today.

The Almond Board itself astutely points out in this [article](#) that water market has a “finite supply and increasing demand”, an equation that invariably leads to higher pricing – in any market.

The AWBA have long been calling for improved market transparency and we continue to work closely with the state water registers to improve reporting and provide further clarity for all water market participants. The AWBA welcome the ACCC’s investigation into water markets and will continue to engage with them along with other State and Federal departments to assist with their enquiries.

The AWBA is proud of the service our members provide irrigation communities, and we will continue to strive to improve confidence in Australia’s world leading water markets.

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Media Enquiries

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