



Winemakers' Federation of Australia

*For the Industry by the Industry*

Canberra Office  
Level 1/24 Bougainville Street  
Manuka ACT 2603  
(PO Box 3891, Manuka ACT 2603)  
Telephone: 0419 287 734  
Email: [wfa@wfa.org.au](mailto:wfa@wfa.org.au)  
Web: [www.wfa.org.au](http://www.wfa.org.au)  
ABN 38 359 406 467

9 May 2008

The Water Branch  
Water market rules – issues paper  
Australian Competition and Consumer Commission  
GPO Box 520  
MELBOURNE VIC 3001

By Email: [water@accc.gov.au](mailto:water@accc.gov.au)

Dear Madam/Sir

**Public submission to water market rules issues paper by the Winemakers' Federation of Australia on 9 May 2008**

As the peak national body representing Australia's winemakers, the Winemakers' Federation of Australia (the Federation) appreciates the opportunity to respond to the *Water Market Rules Issues Paper*.

Continued access to sufficient volumes of water of appropriate quality is essential to the continued sustainability of the Australian wine industry. For some time the Federation has recognised the role of properly functioning water markets in facilitating this access to water. The recent drought has emphasised the importance of trade in providing an appropriate framework for water access. Without the opportunity to purchase water, wine grape production in the Murray Valley, Riverina and Riverland regions would have been even further devastated by the drought. Because they were able to purchase water, many wine grape growers in these regions were able to produce a viable crop, albeit at higher prices.

For these reasons, the Federation strongly supports initiatives to further remove unnecessary impediments to trade.

The Federation does not directly deal with water operators and is therefore not in a position to answer the specific questions raised in the comprehensive issues paper provided by the Commission.

However, Federation members have highlighted the difficulties that they experienced in trading water, particularly over the last year. These concerns and difficulties are in relation to a range of operational, financial and complexity considerations in undertaking trade activities as follows:

- the complexity of administrative processes that they have been required to follow;
- the lack of consistency in the paperwork between various water authorities;

- difficulty in understanding the range of administrative processes required by different brokers, with some brokers having a much higher level of administrative requirements than others;
- the time taken for the trade to be authorised;
- the range of costs imposed by the various state government departments and reasons behind the different levels of charges applied to water trades by these departments to facilitate trade; and
- confusion with respect to variation between irrigation districts in regard to 'windows' during which trade is permitted.

The Federation has also received anecdotal evidence of some operators applying what appear to be exit fees to temporary trades which causes concern to members.

The Federation supports the work of the ACCC in both obtaining a better understanding of the various impediments to water trade and, more importantly, in seeking ways to lessen or remove these impediments.

I would be happy to answer any questions in relation to the points raised in this letter.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Dominic Nolan". The signature is fluid and cursive, with a long horizontal stroke at the end.

DOMINIC NOLAN  
General Manager  
Policy and Government