



BRACE CENTRE FOR WATER RESOURCES MANAGEMENT

SEMINAR

Increased market participation in a rural water market? – Some Australian experiences

Henning Bjornlund

Associate Professor; Centre for Regulation and Market Analysis, University of South Australia and
Canada Research Chair in Water and the Economy, University of Lethbridge, Alberta, Canada
henning.bjornlund@unisa.edu.au

Abstract

The seminar traces evidence of factors affecting the adoption of water markets within Australia's largest irrigation district, the Goulburn-Murray Irrigation District in Northern Victoria. The district is unique for the purpose of this analysis for a number of reasons: 1) irrigators are supplied by two main systems with very different supply reliability; 2) parts of the districts have a high proportion of land suffering from soil degradation and salinity with low value production while other areas have better soils and higher value production; 3) market restrictions have been eased over time and varies across the district; 4) the district has experienced one of the most severe droughts in white man history over the last six years; and 5) there are two different types of irrigators within the district, those supplied by the district supply infrastructure and those pumping their own water directly from the rivers with slightly different entitlements. The trading and entitlement registers of the district and the trading behavior of all farm businesses within the district are analyzed. The focus is on trade starting in the early 1990s and until the end of June 2004, both in the market for water entitlements and water allocations. The seminar identifies how trading in the two markets have been adopted over the 13 years period and how the five factors listed above have influenced the adoption of trade.

Friday, June 2nd, 2006

Raymond Building R3-045, Macdonald Campus

10:00 to 11:00 hrs

EVERYONE WELCOME

