

WATER MARKETS

Why Aither

Background

Services

Experience

Why Aither

Aither offers independent analysis, insight, modelling, and advice on water market activity, trends and drivers, and governance and trading strategies.



Our team includes Australia's leading independent water markets experts.

Aither team members have extensive experience working with government and the private sector in the design, implementation and analysis of Australia's water markets. However, we are independent and objective with no direct stake in the market.



We understand the environment in which water markets have been established and function.

Aither is valued for its deep understanding of the political, economic, regulatory and institutional arrangements governing water entitlements and trading.



Expert policy makers and communicators with strong relationships with decision makers.

Aither team members have significant federal and state experience in developing water markets policy and making the case for reform, and maintain a strong network of contacts across government and industry.



We develop and use custom-designed water market modelling tools.

Aither's allocation price model for the southern Murray–Darling Basin has proven to be effective in estimating the market price for allocations based on seasonal conditions.



A robust consolidated water trading database.

We have developed an extensive database of allocation and entitlement trade that is used for analysis provided to clients.

Background

Australia leads the world in the development and implementation of water markets, which play an increasingly important role in managing scarce water resources and are delivering significant benefits to urban communities, agriculture and the environment.

Water markets present water users with improved ways to manage risk and maximise value, and market participants are becoming more sophisticated and diverse. In this context, governments are also continuing to improve market integrity and efficient operation.

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Services

- Developing, refining and implementing water trading strategies
- Advising on water entitlement portfolio management
- Providing quantitative economic modelling and forecasting
- Assessing and reporting on opportunities, drivers and trends in water markets
- Analysing irrigated agricultural economics
- Managing regulatory risk and conducting transactional due diligence
- Developing water trading governance arrangements
- Making presentations to boards, management teams or investors
- Developing policy and assessing the impacts of policy change on markets

Selected project experience

Regulatory advice and economic modelling (Private sector client): Aither advised a major entitlement portfolio manager on trading strategies. We undertook an assessment of regulatory risks and developed an economic model to estimate future water allocation and entitlement prices in the southern Murray–Darling Basin. The project provided confidence to the portfolio owner and enabled further investment.

Water trading strategy (Victorian Water Corporation): Aither developed a water allocation trading strategy which focused on within-season timing of trading decisions to manage risk, and addressed governance and procurement issues. The developed strategy is now being implemented.

Entitlement portfolio management needs assessment (Lower Macquarie Water Utilities Alliance): Aither reviewed the entitlement management needs and opportunities of 10 local council water businesses. The assessment identified opportunities for more efficient and effective portfolio management and allocation trading that could generate significant additional revenue and secure water supplies in the long-term.

Sale of unallocated water (Southern Rural Water): Aither provided economic and policy advice regarding the sale of unallocated groundwater and unregulated surface water in Victoria through the use of market mechanisms. Our advice addressed key issues of mechanism design as well as the establishment of a reserve price.

The impacts of water trading in the southern Murray–Darling Basin; an economic, social and environmental assessment (National Water Commission): Aither team members undertook the NWC's comprehensive assessments and reports on the impacts of water trading released in 2010 and 2012. This extensive body of work underpins our knowledge of the water market, market participants, and key trends and drivers.