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Position Statement

Monday 16th September 2019

MDA position on water market conduct and reform

Continuing drought, changing water availability, escalating water prices and emerging developments in horticulture and agriculture in the Murray Darling Basin are conspiring to place real pressure on rural and regional communities, and uncertainty in our towns and cities. The absence of adequate regulation of the water market is significantly compounding these pressures.

The MDA supports the commitment by the government to direct the ACCC to conduct an inquiry into markets for tradeable water rights in the Murray-Darling Basin, and urges that governments make every effort to expedite practical responses to calls from local government, business and industry to remedy deficiencies in the market.

The MDA further supports the call by a range of peak and industry bodies for government to initiate an immediate ASIC and/or ACCC investigation into whether current trading practice is consistent with corporations, consumer and competition law, for all water brokers to be licensed and regulated; for brokers to be prohibited from holding and trading water on their own accounts, or from representing both parties to a trade; for the creation of a single MDB water exchange; for mandatory price reporting, for justification of \$0 trades to be made mandatory on all trade registrations, and for increased transparency via live time trade reporting.

As the peak body for local government, the MDA reaffirms our call for immediate action in response to recommendations for reform from the many previous inquiries, commissions and expert reports. The MDA is further seeking to include local councils in development approval processes for water dependent developments in order to establish balance and ensure sustainable system-wide water security and deliverability in the southern Basin.

ENDS *For more information, contact Murray Darling Association Chief Executive Officer, Emma Bradbury on 0429 905 017 or Cr David Thurley on 0419 510 274.*