



Australian Competition and Consumer Commission

Water Trading Rules - Draft Advice

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Rule advice (3-A) Pg. 40

ABA agrees that the Basin Plan Water trading rules should provide that there are no specific restrictions on ownership provided the access rights have been unbundled from use.

Recommendation (3-B) Pg. 43

ABA agrees that Co-held water access rights need to be reviewed to cater for all structures including co-holding by related parties. Where water has the potential to be traded there should only be one form of right that is subject to common market rules. Co-held water access rights complicate the provision of finance and trade.

Rule advice (3-C) Pg. 48

ABA agrees that water access rights should be tradable without the need of the purchaser to hold rights relating to the use of water where there are separate processes for this purpose.

Rule advice (3-D) Pg. 48

ABA agrees that purchasers of water rights should not have to be landowners

Rule advice (3-E) Pg. 55

ABA agrees that there should be no restrictions on trade that relate to the use of water and any fees charged should only relate to actual costs and not penalise trade.

Recommendation (3-F) Pg. 55

ABA agrees that water held by NGOs or individuals for environmental purposes should be treated that same as water access entitlements used for commercial purposes.

Recommendation (3-G) Pg. 63

ABA does not agree that stock and domestic water rights should be tradable. It needs to be recognised that a mortgagee and other 3rd parties with an interest in the land are likely to have an interest in this water.

Recommendation (3-H) Pg. 64

ABA is concerned that there is likely to be scenarios where land is currently valued on the basis that it would have access to water for stock and domestic purposes. This recommendation may have financial ramifications for landowners and 3rd party interests.

Rule advice (3-I) Pg. 67

ABA agrees that there should be free trade in and out of the MDB

Recommendation (3-J) Pg. 70

ABA agrees that the impacts of the use of water should be managed through planning processes and should not limit trade.

Rule advice (3-K) Pg. 74

ABA agrees that trade should not be conditional on reductions in trade volumes to address over allocation.

Rule advice (3-L) Pg. 74

ABA agrees that water trade should not be restricted on the basis that the system is over allocated.

Recommendation (3-M) Pg. 79

ABA agrees that 3rd party impacts from conversions of different classes of water access rights needs to be avoided.

Rule advice (3-N) Pg. 87

ABA agrees that the trading rules should provide that there are no restrictions on trade specific to water carried over.

Recommendation (3-O and P) Pg. 88

ABA agrees that water holders should have access to water across seasons.

Recommendation (3-Q) Pg. 93

ABA agrees that all access right holders should have a meter installed that complies with a national standard.

Rule advice (4-A) Pg. 110

ABA agrees that there should not be a limit on the volume of trade out of an area. However the ABA is of the view that adjustment issues need to be managed is unaware of any specific mechanisms being put in place to manage this issue. ACCC might comment on the importance of this given the Social and Economic ramifications for the areas adversely affected.

Recommendation (4-B) Pg.110

ABA agrees that adjustment issues are better handled through other mechanisms. However ABA is unaware of any mechanisms being put in place to address the adjustment issues. ACCC might comment on the importance of this given the Social and Economic ramifications for the areas adversely affected.

Recommendation (5-A, B, C & D) Pgs. 116-117

ABA agrees with the recommendations concerning approval times.

Recommendation (5-E) Pg. 121

ABA agrees that a single approval authority for interstate trades would assist the market and should be formally considered.

Recommendation (5-F) Pg. 124

ABA agrees that work towards a National Water Market System should be a priority

Recommendation/Rule advice (5-G, H, I, J, K, and L) Pg. 128 -138

ABA has no comment it wishes to make on these issues at this stage

Rule advice (6-A) Pg. 155

ABA agrees that trade between regulated system trading zones should only be restricted based on physical constraints, environmental constraints, or hydrological issues.

Recommendation (6-B, C, D, and E) Pg. 155-157

ABA agrees with the recommendations concerning trade within and between trading zones.

Rule advice (6-F) Pg. 157

ABA agrees that exchange rates should not be used to limit the trade of water access entitlements between trading zones.

Rule advice (6-G) Pg. 157

ABA agrees that restrictions on trade should be consistent with restrictions on delivery.

Recommendation (6-I, J, K, L, and M) Pg. 166-167

ABA supports the development of trade in the unregulated river system and supports the above recommendations

Recommendation (6-N and O) Pg. 172

ABA supports the development of trade from regulated to unregulated trading zones and supports the above recommendations. However it should not be allowed until issues identified are resolved to provide a successful market for the general trade in unregulated systems.

Rule advice (6-P) Pg. 180

ABA agrees that water access rights should be tradable within appropriate set groundwater trading zones

Recommendations (6-Q, R, and S) Pg. 180-181

ABA agrees with these recommendations concerning further consideration by MDBA of issues relating to the trading of ground water.

Rule advice (6-T & Recommendation U) Pg. 185 -186

ABA agrees that trade between surface water and ground water with low connectivity should not occur and trade between high or moderately connected surface and ground water systems must first comply with recommended protective measures

Recommendation (6-V & W)

ABA supports the recommendation

Rule advice (7-A, B, and C) Pg. 199-209

ABA supports the separation of water access rights to delivery rights as it helps separate the issues relating to ownership of water and those associated with the use of water and agree with the above recommendations.

Rule advice (8-A, B, and C) Pg. 213-214

ABA agrees with that holders of irrigation rights should have a clear determination of what their right is. This will assist in issues relating to access to finance where the water right has been separated from land.

Recommendation (8-D) Pg. 217

ABA recommends that in lieu of making Basin Plan water trading rules for water allocated/trade of entitlements under irrigation rights that ACCC recommend that each IIO publish on their website their transformation process, costs and, if applicable security arrangements.

ABA agrees that the ability to transform irrigation rights to water access entitlements with protection of delivery rights will provide an incentive to IIOs not to restrict trade of irrigations rights. However, the ABA believes that to achieve this, the availability of information about the process of transformation needs to be publicly available and process of transformation needs to be efficient.

Rule advice (9-A, B, and C) Pg. 226-230

ABA agrees that there should be a centralised source of information concerning matters of interest relating to trade. This should include transformation processes and rules and processes relating to finance associated with water rights.

Rules advice/Recommendations 9-D, E, F, G, H) Pg. 235-240

ABA agrees with ACCCs position on matters concerning the availability of information about trade volumes and prices and allocation announcements.