



ACCC INQUIRY INTO WATER MARKETS IN THE MURRAY-DARLING BASIN

SUBMISSION BY AWS ASIA-PACIFIC

INTRODUCTION & BACKGROUND

AWS Asia-Pacific welcomes the opportunity to provide a submission to this ACCC Inquiry.

AWS Asia-Pacific is part of a global alliance for water stewardship which recognises the importance of engaging water users in the management of the resource. It recognises the need to have a sound understanding of the condition of the water resource and how this impacts on different users and their priorities. We achieve this through transparent multi-stakeholder processes that ensures everybody who is dependent on water from the same source can meet their needs and work together for a sustainable future based on trust, understanding and a common vision. In doing so, AWS water stewardship aims to support public policy and recognise leadership through independently validated assessments.

We work with large water users world-wide to ensure good water governance, sustainable water balance, good water quality, ensure important water-related areas are protected and safe water sanitation and hygiene for all.

For more information click here for: [AWS Asia-Pacific](#) and [AWS International](#).

Whilst AWS Asia-Pacific is not a land-holder nor participates in water trading within the Murray-Darling Basin – we have worked extensively with the [Renmark Irrigation Trust](#) – an AWS Group Certified site – the first group irrigation certified site in the world. We also refer you to their submission to this Inquiry – as Renmark Irrigation Trust demonstrates global best practice and a highly effective model that is replicable across the Murray-Darling Basin.

AWS Asia-Pacific Comments

Issue 1 – Market trends and drivers

No substantive comment

Issue 2 – Market transparency and information

No substantive comment



Issue 3 – Regulation and institutional settings

One of the core elements of Water Stewardship certification involves a sound understanding of the water balance of the catchment ([AWS Standard](#)) – and being able to quantify the total amount of available water and how it is being used/extracted. Unless all water availability and use is quantified – metered, regulated and monitored – including farm dams and ground water extractions – fundamental information for a transparent water trading system is incomplete. Metering technology, including real-time monitoring is now relatively cheap and could easily be regulated as a first measure ([Similar to Latrobe Valley](#)).

In addition, there is an assumption that market forces alone – via water trading will lead to improved water efficiency across the Basin. We believe that water trading is just one tool – that can be significantly enhanced through the adoption of water stewardship principles for all future water funding projects across the Basin, catchment plans, water plans and planning approvals.

Our comment/suggestion:

As a core regulatory setting - all water use, storage and extractions in the Murray-Darling Basin should be metered and monitored – ideally using real-time monitoring systems.

That all Murray-Darling Basin water funding projects and planning need to include water stewardship principles to ensure all future investments and planning are optimised and water risks mitigated for the long-term.

Issue 4 – Market participation practices and behaviours

Currently anyone can buy and trade water in the Murray-Darling Basin – and we understand that these non-landholder/water users currently account for around 14 per cent of all trades each year. We believe that this ‘unbundling’ has had a negative impact – by artificially increasing prices by removing available water from the trading system – [exacerbating water scarcity and/or the perception of water scarcity in the Basin](#).

Our comment/suggestion:

Water trading in the Murray-Darling Basin could be restricted to land holders and water-users that reside in the Basin – and/or the imposition of other criteria/restrictions on who can participate in water trading to ensure that water use is optimised and prices not inflated by potential ‘water hoarding’.



Issue 5 – Competition and market outcomes

No substantive comment

Potential Solutions

1. Renmark Irrigation Trusts provides a replicable model to improve water efficiency and stakeholder engagement as a mechanism to address local and catchment-wide challenges confronting the Murray-Darling Basin.
2. Given the negative issues already noted regarding the involvement of external participants engaged in water trading within the Murray-Darling Basin – we believe that there is merit in exploring other market-based trading solutions/products – such as a virtual Water Off-set Trading Scheme.

Our comment/suggestion

1. To scale-up lessons learnt with Renmark Irrigation Trust across the Murray-Darling Basin .
2. A Water Off-set Trading Scheme could be established so that water-users could through efficiency measures (inc via investment to achieve water savings) – these water credits could then be offered to non-Basin buyers to off-set their water-use. We believe that there are potential water credit buyers who wish to make their developments (new and existing) achieve Net Zero Water.

Such an off-set scheme would provide an additional incentive for water users to be more efficient by being able to sell a virtual credit to other buyers outside the Basin – without depleting actual water within the catchment.

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