



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

28 November 2019

Murray-Darling Basin Inquiry
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

via email: waterinquiry@accc.gov.au

Dear Sir/Madam

Murray-Darling Basin Inquiry – Issue paper

We welcome the opportunity to comment on the Murray-Darling Basin Inquiry Issues Paper. Water trading significantly impacts regional, rural and remote small businesses, family enterprises and their communities. At all times, and in particular during drought periods, transparency is critical for rural and remote communities when trading in this natural resource.

The preliminary report should consider the following in relation to trading of water rights:

- **Transactions of water rights:** Parties to transactions must be consumptive users. This will ensure the trading of water rights is for direct use, and is not artificially inflated by commodity speculators.
- **Minimise operational red tape:** Recommendations must ensure regulatory settings do not disproportionately impact small business' ability to engage in water market transactions and effectively conduct water resource planning. Management of water markets and information sharing between states and trading zones should help reduce administrative barriers.
- **Practices of market participants in water trading:** The Australian Competition and Consumer Commission should actively apply its powers to monitor and manage the practices and behaviours of a diverse range of participants in the water market. This would help deliver transparency, efficiency and appropriate competition.
- **Disputes:** There should be an independent dispute resolution process for small business to resolve issues addressing water market operations involving small business. The process should be determinative such as through the use of arbitration.
- **Need for detailed system testing:** Given the critical nature of water rights for regional and rural small business, the detail of any system changes as a result of this inquiry need to be tested with small business. This should ensure that there is no unintended consequences and that small business is afforded sufficient time to properly understand the changes.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Bryan Smith on 02 6121 6414 or at bryan.smith@asbfeo.gov.au.

Yours sincerely

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Australian Small Business and Family Enterprise Ombudsman

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