Unfinished business from the National Water Initiative
Session: Future of water markets in the southern MDB

John Madden
Associate Commissioner, Water
The Productivity Commission is required to undertake inquiries into:

- progress of **national water reform** every 3 years (submitted end of 2017 but not yet publicly released)

- effectiveness of the implementation of the **Murray–Darling Basin Plan** every 5 years (due end of 2018)
The NWI inquiry

Renew the NWI by 2020

Maintain key foundations:
- water entitlements and planning
- water trading

Revise some elements:
- arrangements for extractive industries
- water needs of Indigenous Australians

Enhance:
- urban water
- environmental water management
- requirements for new irrigation infrastructure
Trade: a major success of national water reform

Good progress made under NWI’s trade-enabling reforms:

- removed some trade barriers and restrictions. e.g. Vic limits on entitlement trade
- all jurisdictions have water registers

Trade has enabled water to move to higher value uses:

- improved efficiency, flexibility and resilience
Water trading: where to next

- Review **efficiency and transparency of trade rules** that manage hydrological constraints
- Remove barriers that prevent **trade between the irrigation and urban sectors**
- Review **service standards for trade approvals** and transaction costs

Traders need access to **reliable and timely information**, including about prices.
- Governments should focus on the quality and accessibility of basic trading data, namely **water registers**
- Allow the private sector to provide more tailored information services.
Basin Plan Water Trading Rules

Water Trade Working Group:
- advice to Basin Plan Implementation Committee

MDBA’s (2016) strategic priorities for the trading rules:
- high priority: trade restrictions and water announcements
- medium priority: irrigation infrastructure operator requirements, information and reporting requirements for Basin States, information on trade prices, exchange rates and restrictions on tagging
- low priority: declaration provisions, enabling and interpretation provisions and groundwater trade provisions.
The Murray-Darling Basin Plan inquiry

- The Commission will be consulting widely:
  - Issues paper released
  - Visiting Basin communities in March - April 2018
  - Draft report August followed by public hearings & submissions
  - Final report to Government December 2018
  - For more information www.pc.gov.au