



1 June 2018

Murray-Darling Basin Royal Commission
GPO Box 1445
Adelaide SA 5001

Submission to the Murray-Darling Basin Royal Commission Issues Paper

Thank you for the opportunity to provide a submission to the Murray-Darling Basin Royal Commission (Commission).

Waterfind is a water brokerage and water market services private organisation. Over the past ten years, it has facilitated the exchange of 3,000 gigalitres (GL) of water across 15,000 transactions. While Waterfind operates in water markets Australia-wide, much of its operations have been in the Murray-Darling Basin system.

Waterfind recognises that the integrity of the Murray-Darling Basin water markets is imperative to its clients. It therefore welcomes this Commission's role in ensuring the objectives of the Murray-Darling Basin Plan (Basin Plan) are met.

In consideration of the matters raised in the Commission's Issues Paper, Waterfind wishes to make the following points:

- Waterfind recognises that effective policy approaches to water management in Australia include both market-based and non-market mechanisms.
- The Australian water markets, especially those in the Murray-Darling Basin, have proven excellent tools for irrigation communities to adapt to water scarcity and climate change. For example, water markets were critical for irrigators to build resilience through the Millennium Drought.
- Water markets have also been used to return a large proportion of the 2,106 GL¹ of water back to the environment through the targeted buy-back of entitlements by the Australian Government.

¹ Murray-Darling Basin Royal Commission (2018), "Murray-Darling Basin Royal Commission - Issues Paper", p. 9.



- However, the integrity and the efficiency of water markets rely on robust governance, administrative and institutional arrangements. This includes strong compliance and reporting regimes across all Basin states. A failure to establish and maintain these, reduces the confidence in, and the effectiveness of, water markets.
- Waterfind welcomes any reform of governance, administrative and institutional arrangements if it will, overall, strengthen the integrity and efficiency of Australian water markets. Given the high economic impact these matters can have on water markets (for example, through administration costs and times), reform should be considered in consultation with key water market stakeholders.

If you have any questions on the points raised in this submission, please feel free to contact Stuart Peevor, Director – Market Regulation, Government and Conveyance on (08) 8213 9955 or stuart.peevor@waterfind.com.au.

Once again, thank you for the opportunity to provide input into this process.

Yours sincerely

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