



MEDIA RELEASE

Senator the Hon Penny Wong

Minister for Climate Change and Water

PW 324/09

9 November 2009

\$56 MILLION FOR DEVELOPMENT OF A NATIONAL WATER MARKET SYSTEM

Australia's water market will be significantly strengthened following a \$56 million investment by the Rudd Government to develop a faster, more efficient and nationally focused water market system, the Minister for Climate Change and Water, Senator Penny Wong, announced today.

"A key obstacle to further water market reform in Australia is the considerable differences between water registers in each state and territory, and their varying capacity to inform the market and support interstate water trade," Senator Wong said.

"This initiative will develop a new National Water Market System that will deliver better, real time market information, much faster and more efficient transactions, and improved interstate trade.

"This new system will include a common registry system or system upgrades for all jurisdictions, and a new national portal and interstate processes to speed-up cross-border water trades and cut transaction costs.

The national portal will provide water users with ready access to a new national market information service, and state and territory-based information on things like water licenses and seasonal allocations."

All Premiers and Chief Ministers have endorsed the model for a National Water Market System, with states and territories maintaining their responsibility for water registers and functions. The Australian Government will work closely with state and territory governments to develop the National Water Market System.

The benefits of water markets in enabling water to move to its highest value uses, and in providing irrigation farmers with much more flexibility and choice in managing their enterprises, are now beyond dispute.

"Once the National Water Market System is fully functional, inter-state water trade in the Murray Darling Basin will be quicker and easier," Senator Wong said.

"The new System will play a key role in supporting further water market development in areas where water trading is new or non-existent."

The National Water Market System will involve the development of a national portal and a new Common Registry System for implementation in NSW, South Australia, Western Australia, Tasmania, the Northern Territory and the ACT. Enhancements will be made to existing systems in Victoria and Queensland. The online Common Registry System will greatly improve overall business efficiency of State water registers.

The first element, the national portal, is due to be completed by April 2010.