

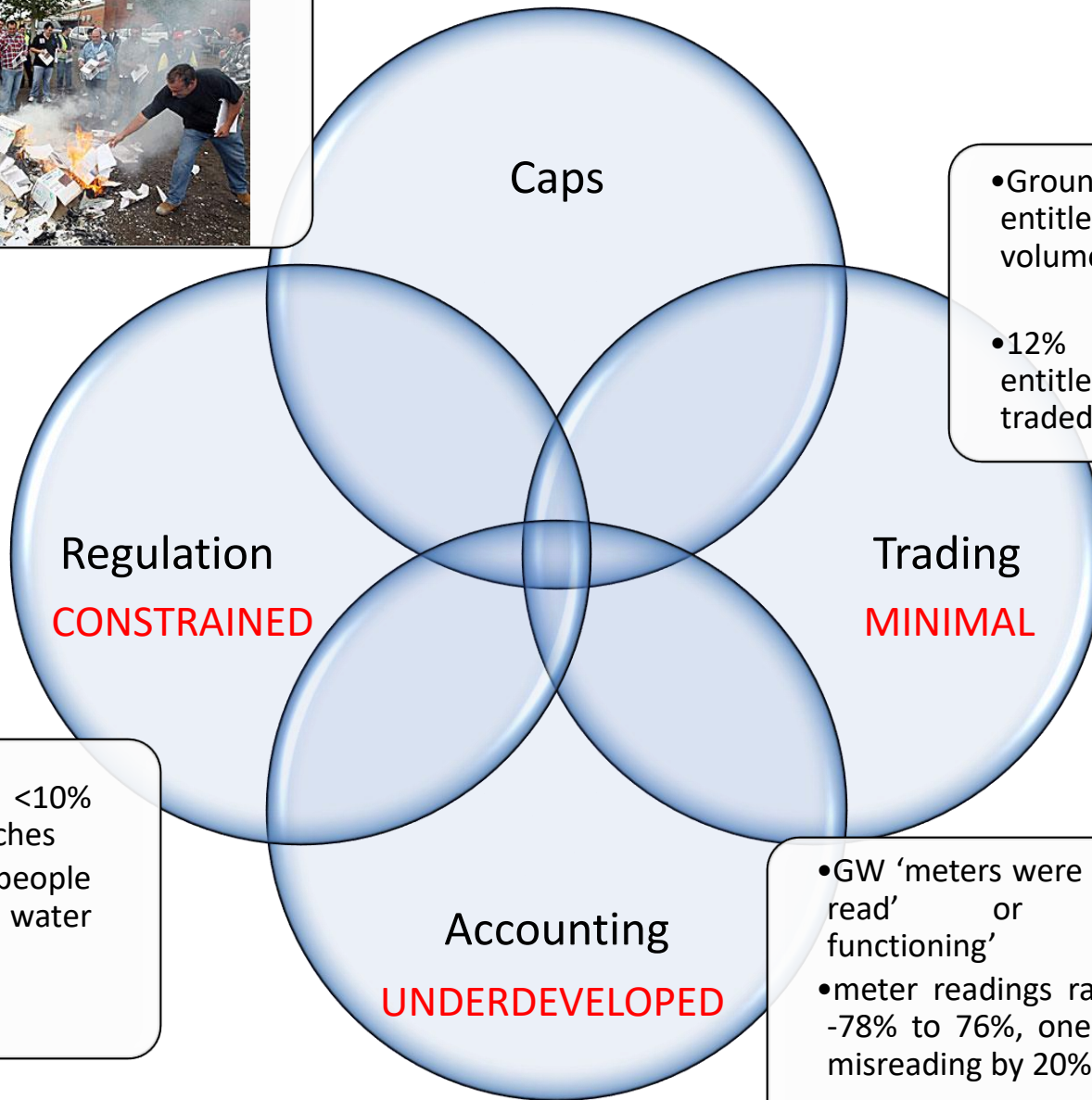
Water Markets, Regulation and Groundwater

Is the design and implementation of Australian water law and governance ensuring effective cap and trade schemes for groundwater?

- Murray Darling Basin
- survey with water users (n3978, 22% response)
- interviews (n65) with government agencies, peak bodies, farmers and NGOs

Dr Cameron Holley, A/Prof, UNSW Law

- mistrust and anger



- Groundwater (GW) entitlements: 21% volume and 49% number

- 12% of traded entitlements and 1% of traded allocations

- GW comprises <10% of reported breaches
- 33% agree that people illegally taking water will be caught

- GW 'meters were never read' or 'not functioning'
- meter readings ranging -78% to 76%, one third misreading by 20%



less than optimal efficiency



incentive to trade may be less

1. Double down: further unbundle, free up trading rules and invest in better accounting and compliance
2. Policy supplements: harness other regulatory tools (co or self-regulation) that can address accounting and regulation weaknesses, but 'fit' within a market paradigm