

EXPLANATORY STATEMENT

Issued by authority of the Treasurer

Competition and Consumer Act 2010

Competition and Consumer (Price Inquiry–Water Markets in the Murray-Darling Basin) Direction 2019

Section 95H of the *Competition and Consumer Act 2010* (the Act) provides that the Minister may require the Australian Competition and Consumer Commission (ACCC) to hold an inquiry into a specified matter or matters.

The *Competition and Consumer (Price Inquiry–Water Markets in the Murray-Darling Basin) Direction 2019* (the Direction) is made under subsection 95H(1) and provides a direction to the Chairperson of the ACCC requiring the ACCC to hold a price inquiry into markets for tradeable water rights relating to water in the Murray-Darling Basin.

The inquiry by the ACCC was a key Election Commitment for the Government driven by concerns raised around the lack of transparency around water trading. As such, the Treasurer is requesting the ACCC hold a public inquiry into the Murray-Darling Basin water markets and their operation since 2012.

Part 1 of the Direction provides the machinery provisions of the instrument, including the definitions.

Part 2 of the Direction provides the terms of reference for the inquiry and guidance on the matters to be taken into consideration. The ACCC must consult with participants and persons involved in water markets and recommend options to enhance markets for tradeable water rights relating to the water in the Murray-Darling Basin, including options to enhance the markets' operations, transparency, regulation, competitiveness and efficiency.

The ACCC must give the Treasurer an interim report on the inquiry by 31 May 2020 and complete the inquiry and provide a report to the Treasurer by 30 November 2020.

In accordance with section 17 of the *Legislation Act 2003*, the ACCC and the Department of Agriculture have been consulted on the terms of this Direction.

The Direction is a legislative instrument for the purposes of the *Legislation Act 2003*. However, the instrument is not disallowable and does not sunset (see *Legislation (Exemptions and Other Matters) Regulation 2015*).

The Direction commences the day after the instrument is registered.

A statement of Compatibility with Human Rights is at Attachment A.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Competition and Consumer (Price Inquiry–Water Markets in the Murray-Darling Basin) Direction 2019

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Section 95H of the *Competition and Consumer Act 2010* (the Act) provides that the Minister may require the Australian Competition and Consumer Commission (ACCC) to hold an inquiry into a specified matter or matters.

The *Competition and Consumer (Price Inquiry–Water Markets in the Murray-Darling Basin) Direction 2019* (Direction) is a direction to the Chairperson of the ACCC to hold a price inquiry into markets for tradeable water rights relating to water in the Murray-Darling Basin.

The Direction sets out the terms of reference for the inquiry.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.