



Guidelines for Water Trading Rules

Information and reporting requirements

Rules covered by this guideline

The water trading rules covered by this guideline are contained in sections 12.40–12.46 of Chapter 12 of the Basin Plan. This guideline should be read together with these sections.

Purpose of the rules

Water access rights differ significantly across the Murray–Darling Basin. The purpose of these rules is to increase transparency in water markets by requiring information about water access rights to be publicly available. Increased transparency reduces transaction costs for water market participants.

Defined terms

This guideline contains a number of defined terms. These terms are defined in the *Basin Plan 2012*, the *Water Act 2007* or the *Water Markets Rules 2009*. An explanation of these terms can be found at the end of this document.

Explanation of the rules

The water trading rules require that certain information about water access rights is made publicly available.

Basin States must provide information about classes of water access rights in a form and timeframe determined by the MDBA under section 12.43. Section 12.44 stipulates the types of information about water access rights that may be provided. Section 12.41 requires the MDBA to publish information provided to it under *Part 5—Information and reporting requirements* of the Basin Plan.

Basin States must provide a copy of their trading rules to a central information point determined by the MDBA under section 12.46. If the Basin State trading rules include material referenced in another document, these rules must explain how the referenced document relates to the rules and the referenced document must be published online.

What is the central information point?

The MDBA has determined that it will be the central information point and therefore Basin States must provide a copy of their trading rules to the MDBA. Information is to be provided via email to: watermarkets@mdba.gov.au

Who do these rules apply to?

These rules apply to:

- Basin States
- the Murray–Darling Basin Authority (MDBA).

Scope of the rules

For section 12.44, the MDBA has the discretion over which information is required under these rules. This includes determining the relevant water access rights and the characteristics associated with these water access rights.

The information required under section 12.44 is focused on characteristics associated with the water access entitlement (i.e. excluding temporary water allocations). However, for the areas that a water access right can be traded to and from (sections 12.44 (i) and (j)), information on trade of water allocations and water access entitlements is applicable.

The obligation on Basin States under section 12.46 to make trading rules available, applies to rules for both water allocation and water access entitlements. Also the obligation under section 12.46 excludes those trading rules issued and managed by irrigation infrastructure operators. However, if a Basin State has issued a trading rule that applies to irrigation infrastructure operators then those rules are required.

Rule requirements

Form in which information is made available (section 12.43)

Basin States are required to provide certain information on water access rights to the MDBA (section 12.43(1)). In order to ensure that this information is provided in a consistent manner, the MDBA must determine the required form and timeframe (section 12.43(2)) that the information is provided.

The MDBA may vary the form and time periods in which information is requested. The MDBA must inform the Basin States whenever it changes the required form and timeframes in which Basin States must provide the information (section 12.43(4)). Under section 12.43(5) the MDBA cannot require the information to be provided more than once per water accounting period. However, if a rule is changed within the water accounting period, an updated version must be supplied to the MDBA as soon as practicable, but no later than the date of effect of the change (section 12.43(6)).

Basin States may provide the information electronically by way of a link to an appropriate website, or in any way determined by the MDBA (section 12.43(3)). The MDBA has developed the form with regard to current Basin State systems, including the most efficient ways to collect information.

Note: the MDBA may request additional supporting information to assist in the collection, preparation and presentation of the different classes of water access rights.

Making information available via link to an appropriate website

The MDBA considers that there are advantages in making some information available on its website by linking directly through to Basin State websites. This approach minimises risks associated with outdated information.

Types of information about water access rights (section 12.44)

Section 12.44 outlines the types of information that Basin States may be required to supply, including:

- (a) the characteristics of the class, including:
 - (i) the water resource name
 - (ii) the SDL resource units
 - (iii) its priority or reliability
 - (iv) the form of take
- (b) the total volume of the class on issue
- (c) the historic reliability of the class (both as a long-term average and in more recent periods)
- (d) fees and charges payable by a holder of a water access right in the class
- (e) carryover arrangements
- (f) timing and manner of making allocation announcements
- (g) how allocation levels are determined
- (h) the trading rules relevant to the class
- (i) the areas to which a water access rights of the class (and any water allocations under such a right) may be traded
- (j) the areas from which rights of other classes (and any water allocations under such rights) may be traded to the water resource to which the class relates.

The MDBA has determined that the best way to present the information under section 12.44(h) is to publish it as part of the requirement for Basin States to provide their trading rules to the MDBA under section 12.46. This will eliminate duplication of information and provide access to all Basin State trading rules in a single centralised location.

Appendix A sets out the form in which the MDBA requires information to be provided under section 12.44. Appendix A also provides an interpretation of what the information types mean and contains any additional contextual information required to support section 12.44.

Basin States must make trading rules available (section 12.46)

Basin States are required under section 12.46 to make a copy of their trading rules available to the MDBA. These rules must be provided in a compiled form, which incorporates any amendments.

The rules must be provided within 30 days of 1 July 2014 (section 12.46(1)(a)). In the event of a rule change, an updated version must be supplied to the MDBA as soon as practicable, but in any case no later than the date of effect of the change (section 12.46(1)(b)).

The MDBA has determined where a Basin State's trading rules are incorporated in another instrument, e.g. a water resource plan, then the water resource plan should be provided in its entirety. Otherwise, extracting the trading rules from the instrument may lead to misinterpretation of the rules.

Presentation of the trading rules by the MDBA

The MDBA intends to make Basin State trading rules available by referencing links to relevant Basin State websites that contains these rules. These links must be supported by the relevant legislation and regulations that give effect to these rules.

Links will be most useful for navigational purposes if the link can guide the user directly to the relevant trading rule section or paragraph within a document. However, where this is not possible, the MDBA considers that Basin States should provide the necessary reference to the applicable section or paragraph within the document to aid discovery of the relevant trading rules.

If the Basin State trading rules include material referenced in another document, these rules must explain how the referenced document relates to the rules and the referenced document must be published online.

Defined terms

The following definitions are contained in the *Basin Plan 2012*, the *Water Act 2007* or the *Water Market Rules 2009*.

tradeable water right means:

- (a) water access rights; or
- (b) water delivery rights; or
- (c) irrigation rights.

water access right

- (a) means any right conferred by or under a law of a State to do either or both of the following:
 - (i) to hold water from a water resource;
 - (ii) to take water from a water resource; and
- (b) includes the following rights of the kind referred to in (a):
 - (i) stock and domestic rights;
 - (ii) riparian rights;
 - (iii) a water access entitlement;
 - (iv) a water allocation; and
- (c) includes any other right in relation to the taking or use of water that is prescribed by the regulations for the purposes of this paragraph (section 4 of the Act).

Water accounting period for each water resource plan means a financial year.

Disclaimer: This Guideline is one of a series of guidelines on the water trading rules and as such it may be appropriate to also consider the information that is set out in other guidelines.

The provisions in the *Water Act 2007* and the *Basin Plan 2012* govern the water trading rules. All decisions regarding the water trading rules need to be made by reference to these laws. This Guideline is intended as guidance only and does not constitute legal advice. Users should seek their own legal advice where appropriate. This Guideline has no statutory force.

Whilst decisions in relation to water trading rules may consider this Guideline, decisions will be based on the aforementioned laws. Reasonable care has been taken in the compilation of this Guideline, however the Murray–Darling Basin Authority does not guarantee or warrant the accuracy, or completeness, or currency of its contents and shall not be liable for any loss or damage that may be occasioned directly or indirectly through the use of or reliance on this Guideline.

Note that the Guideline will be a living document, to be updated from time to time, in consultation with relevant stakeholders, in order to incorporate new knowledge and best practice.

Form in which information must be made available

Note: Rows in grey identify the contextual information required to support section 12.44.

Section 12.44	Type of information about water access rights	MDBA requested form under section 12.44
	Name of the water access right	Provide the name for the specific water access right. This will appear as the heading or title of the class. E.g. Loddon Regulated High:
	The water resource type	Provide the type of the water resource for web classification purposes. This is either regulated, unregulated or groundwater.
	Water access right contact detail	Provide the appropriate Basin State organisation that should be contacted regarding more information on water access rights in the Basin State.
12.44 (a)	the characteristics of the class, including:	The label (i.e. unique identifier) that identifies the water access right that is being reported upon. The four components listed below collectively and uniquely identify this water class.
	<i>(i) the water resource name</i>	This is made up of two components: (1) the water resource plan area name e.g. Northern Victoria water resource area (2) the name by which the water resource is known as defined in a state water planning instrument e.g. Loddon
	<i>(ii) the SDL resource unit</i>	The water resource, or a particular part of water resource, of a water resource plan area that is either a surface water SDL resource unit or groundwater SDL resource unit (see Basin Plan Definitions) E.g. Loddon(SS8)
	<i>(iii) its priority or reliability</i>	The reliability or priority as per the Basin State definition assigned to the water access right E.g. High Reliability, General Security, Class 3 High, Medium Priority, etc.
	<i>(iv) the form of take</i>	Forms of take as defined in the Basin Plan Definitions to be one of the following: 1. take from a watercourse 2. take from a regulated river 3. take by floodplain harvesting 4. take by runoff dams 5. net take by commercial plantations 6. take from groundwater 7. take under basic rights.

Section 12.44	Type of information about water access rights	MDBA requested form under section 12.44
	Trading zone	Provide the trading zone for this water access right. The format should include both the trading zone number and trading zone name (e.g. 5A Part Loddon)
12.44 (b)	the total volume of the class on issue	The total volume of water entitlement issued within the class, reported in megalitres (ML).
12.44 (c)	the historic reliability of the class (both as long-term average and in more recent periods)	<p>This refers to allocations made available against this class of water right. The purpose is to indicate how much allocation a water access right holder could expect to receive based on the historical allocations.</p> <p>The MDBA does not have a predefined format to report this element. Basin States should provide the information in their current format or provide a web link to where this information is stored.</p>
12.44 (d)	the fees and charges payable by a holder of a water access right	<p>A list of the fees and charges payable to the state/approval authority required to maintain ownership of the entitlement. This information may be supported further, via a web link to a standard fees and charges page.</p> <p>E.g. The following URL lists the fees and charges for NSW: www.water.nsw.gov.au/Water-management/Fees-and-charges/water-management-charges/default.aspx</p> <p>The following URL lists the fees and charges for QLD: www.sunwater.com.au/_data/assets/pdf_file/0017/11069/Upper_Condamine_charges_13-14.pdf</p>
12.44 (e)	carryover arrangements	A brief plain English description of the carryover arrangements relating to that class. This is usually outlined in a Water Resource Planning Instrument. Where carryover arrangement text is too long for practical display, a short summary of carryover arrangements would suffice supported by a web link that contains the complete text.
12.44 (f)	the timing and the manner of making allocation announcements	A statement summarising when (regularity) and how allocation announcements will be made. Where text is too long for practical display, a short summary of the timing and manner would suffice supported by a web link that contains the complete text.
12.44 (g)	how allocation levels are determined	<p>A plain English explanation that outlines the method used to make allocation announcements against the class. Note: this is not requiring reporting of the allocation announcements themselves.</p> <p>E.g. The following URL provides the Resource Operation Plan for Border Rivers in QLD, which contains the rules in determining allocation announcements: www.dnrm.qld.gov.au/_data/assets/pdf_file/0005/105962/border-rivers-rop-may2011.pdf.</p>

Section 12.44	Type of information about water access rights	MDBA requested form under section 12.44
12.44 (h)	the trading rules relevant to the class	Please note that no information is required, as this information will be reported under section 12.46.
12.44 (i)	the areas to which a water access right of the class (and any water allocation under such right) may be traded	Areas to which the right may be traded — a list/map/table outlining where the right can be traded to.
12.44 (j)	the areas from which water access rights of other classes (and any water allocations under such rights) may be traded to the water resource to which the class relates	A list/map/table outlining where rights outside the location can be sourced from.