



# Fact Sheet:

## New Basin Plan water trading rules start 1st July 2014

The new water trading rules will benefit people who trade water as they will ensure an efficient water market and provide more opportunities for trade.

In short, the rules will:

- reduce restrictions on trade
- improve transparency of information
- improve market confidence.

**For most individuals, it will be business as usual, except now you must declare your sale price.**

### What will the new rules mean for me?

For people trading, there are two key things to be aware of:

#### Report the price of your trade

Most people report their trade prices already, but from 1 July 2014 it will become compulsory.

You should do this by including the price as part of your normal state trading application.

This will improve the quality of information in the market and help people understand the value of their water.

### Do not trade if you are aware of details about a water announcement that is not yet public

From 1 July 2014, you will be restricted from trading where you know about certain types of water market sensitive information, until the information is made public.

This protects market integrity by ensuring a level playing field for everyone. It is similar to the insider trading provisions in the Corporations Act and is legally binding.

#### ***Water announcements not yet public***

Types of market sensitive information covered include:

- allocation announcements
- carryover announcements
- decisions by governments to lift or impose restrictions on trade.

It could also include other sensitive water market announcements by Basin states or by the Commonwealth.



The majority of rules apply to Basin States. There are also some rules that apply to the Commonwealth, irrigation companies and people who trade in the water market.

Basin States will continue to be responsible for trading matters (such as lodging application forms) with state contacts remaining unchanged.

## What can I expect from my state?

The trading rules applying to Basin states are designed to remove restrictions on trade and improve information in the water market.

From 1 July, restrictions on trade will only be allowed in limited circumstances, for example where:

- there are physical constraints in the river system
- transmission losses would be too great
- there would be impacts on third parties
- there would be a negative impact on the environment.

Basin states are required to provide the MDBA information on their trading rules and the features of certain water access rights. We will be publishing this information on our website so people can find information in one central location.

This will include information on about 70 of the most highly traded water products in regulated systems. It will allow people to compare basic features across products such as reliability, volume and how allocations are made.

Basin states will also be required to set out the reasons why they refuse a trade, and to make all their water announcements publicly available.

More information will allow people to make better investment decisions to suit their needs.

## What can I expect from my irrigation infrastructure operator?

From 1 July 2014, if you are a customer of an irrigation infrastructure operator, your operator is required to ensure you have an up-to-date record of your irrigation rights and delivery rights.

In addition, your operator will not be permitted to restrict the trade of delivery rights within your network unless it is reasonable to do so. These rules will make sure all members of an irrigation network have the same basic rights.

Importantly, the new rules won't duplicate any of the existing rules overseen by the Australian Competition and Consumer Commission.

## More information

For information on complying with the water trading rules, you can download [technical guidelines](#) from our website. <http://www.mdba.gov.au/what-we-do/managing-rivers/water-trade/trading-rules>

You can also contact the MDBA engagement hotline on 1800 230 067, or by emailing [watermarkets@mdba.gov.au](mailto:watermarkets@mdba.gov.au)

### Compliance

The MDBA is responsible for regulating and enforcing the water trading rules. The [MDBA Compliance Strategy](#) sets out our approach to compliance.

If you have any questions in relation to compliance with the rules or if you think that the rules are not being complied with, you can contact the Director of Compliance at [compliance@mdba.gov.au](mailto:compliance@mdba.gov.au) or c/o GPO Box 1801, Canberra City 2601.

You can also provide information to us regarding allegations of breaches to the Basin Plan via the MDBA website.