

Report on water markets and trading rules – MDBA

The Murray–Darling Basin Authority’s annual report on facilitation of efficient and effective water markets and implementation of the water trading rules (Schedule 12, Items 16)

Reporting context

A key element of the Basin Plan is the introduction of water trading rules. The rules took effect from 1 July 2014. Reporting is required from the 2014-15 water year onwards.

The MDBA is the regulator of the Basin Plan water trading rules. As well as monitoring the States, the MDBA also has a number of responsibilities to fulfil under the rules. These include:

- Ensure trades are consistent with the water trading rules
- Make a declaration on allowable restrictions on trade, when requested by Basin states
- Make a declaration on permitted use of exchange rates, when requested by Basin states
- Publish information about water access rights and trading rules; and
- Make water announcements generally available.

The purpose of this report is to allow the MDBA to be transparent in fulfilling its obligations. This report is a requirement of Chapter 13 of the Basin Plan and relates to Item 16 of Schedule 12.

The purpose of this report is to allow the MDBA to monitor the implementation of the water trading rules and evaluate their contribution to the efficiency and effectiveness of the water market.

Item 16 addresses how Basin Plan water trading rules are being implemented. This is an annual report, commencing in 2014-15.

Indicators for measuring success

The indicator used to evaluate implementation of water trading rules is:

- Compliance with the Basin Plan water trading rules (**16.1**)

16.1: Compliance with the Basin Plan water trading rules

Authority to report on its obligations under the water trading rules

Response

The MDBA has been working closely with Basin States to address possible areas of inconsistency with the Basin Plan water trading rules. This has included bilateral discussions, as well as through the BPIC Trading Rules Working Group.

The MDBA published a written declaration of the decision to the exchange rate for trades from the Victorian Murray and South Australian Murray to the Goulburn, Campaspe and Loddon systems and the reasons for doing so on 18 August 2014.

Information about approximately 70 highly traded water market products was published on 28 May 2014 on the MDBA website. On 31 July 2014, the MDBA published information about State trading rules. Subsequently, trading rules for IIOs were also published.

In relation to announcements made on the Barmah Choke, the MDBA ensured they were generally available by publishing a media release as well as putting the release on the MDBA website. The MDBA also developed an online measuring tool to provide daily updates on the volume available in the choke while the restriction is in place.

Further information can be found in the MDBA's statement of assurance on the MDBA website.