



Australian Government



Inspector-
General of
Water
Compliance



Audit snapshot

July 2022

Audit of Goulburn–Murray Water (GMW) disclosure obligations under the Basin Plan

To assess Goulburn–Murray Water’s compliance with Chapter 12, Part 4 of the Basin Plan, sections: 12.37 – Approval authority must disclose interest before trade occurs and 12.38 – Approval authority must disclose if it has been a party to a trade.



Why we did this audit

- To determine the adequacy of arrangements GMW have in place for identifying the legal, equitable or commercial interests that exist.
- To determine the adequacy of arrangements in place for ensuring that the nature of any legal, equitable or commercial interest it or a related party has is disclosed to the other party before a trade is approved.
- To determine the adequacy of arrangements for ensuring that GMW publish all the information required after a trade has been approved.



What we found

- The volume of water traded by GMW is not likely to have had any material impact on the water market.
- GMW does not have formal arrangements for identifying all the legal, equitable and commercial interests they or a related party may have in water access rights that are traded.
- A lack of physical evidence to ensure that parties to a trade were notified when GMW or a related party had a legal or equitable interest in the water access right, or a commercial interest in the activities of the water market intermediary who submitted the trade for approval.
- GMW do not have documents to evidence instructions for all trades provided to brokers.



Key facts

- GMW is the largest approval authority in Victoria and Australia’s largest irrigation infrastructure operator with over 20,000 customers across northern Victoria.
- GMW is one of the major Approval Authorities in the Basin and holds water access rights that are traded.
- GMW select from a panel of 5 water brokers for its own water trading activities.
- A related party includes any entity in which an approval authority has a controlling interest, or any natural person acting on behalf of an approval authority for a commission or fee.



What we recommended

- GMW should have arrangements that properly consider the extent to which it, or a related party, has legal or equitable interests in a water access right or a commercial interest in the activities of a water market intermediary.
- Agreements with brokers need to confirm the process for notifying other parties where GMW or a related party have a legal or equitable interest in the water access right.
- GMW should maintain records that allow them to reconcile applications submitted for approval with trades published.

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GMW transfers and trades disclosed where GMW was the buyer or seller in 2018–2019 water year.

22,070

Total water transfers and trades processed in GMW network 2018–2019.

2,589 ML

Volume of GMW water transferred or traded where GMW was the buyer or seller in 2018–2019.

2,980 GL

Volume of water transfers and allocations traded within GMW network 2018–2019.