



Australian Government



Inspector-
General of
Water
Compliance

Frequently Asked Questions - Data accuracy on trade forms

As part of the Federal Government's response to the Australian Competition and Consumer Commission (ACCC) [Murray-Darling Basin water markets inquiry - final report](#) the Water Amendment (Restoring Our Rivers) Act 2023 places new requirements on people trading water.

The Inspector-General of Water Compliance (IGWC) is the enforcement agency for these new rules. These FAQs provide general guidance and information. For guidance on specific, individual circumstances the IGWC suggests that you seek your own legal advice.

The Federal government has also released a [fact sheet](#) with some more information.

When do the rules start?

From 1 July 2024.

What are the rules?

When trading water you must report all information required on a trade application form accurately and comprehensively.

If the price or reason for trade are required on the trade application form, you must also keep records that support the price and reason for trade, for five years.

Who do the rules apply to?

The owner of the eligible tradeable water right being transferred.

The person to whom the water right is being traded.

For allocation trades between two entities this would typically apply to the buyer and the seller.

If a water market intermediary (i.e. water broker or water exchange) is facilitating the trade and they make the application, they also need to comply with the rules.

If an intermediary (i.e. water broker) submits my trade application, do the rules still apply to be me as the buyer or seller?

Yes. You will still have an obligation to ensure that the information provided in the application is accurate and comprehensive. You will also need to keep records that support the price and reason for trade information, if these are required in the trade application form.

Do I need to supply extra information on trade application forms?

No. You only need to report accurately what you are asked for.

People are only required to provide information that is requested on the trade application form. That may include both price and reason for trade, or one or neither piece of information.

When do I need to provide information?

When you submit your trade application to a water market authority you will need to ensure that you are filling the application form accurately and comprehensively.

In relation to records to support price and reasons for trade, you will need to keep records for 5 years, and the IGWC may request that information during that period. You will not need to provide these records unless requested.

Who do I provide trade information to?

To the water market authority that approves, allows or registers your trade. If you are trading allocation or entitlement, this is generally an agency of a Basin State. If you are trading irrigation or delivery rights this will generally be the irrigation infrastructure operator.

Depending on the trade application forms and the type of trade you are undertaking you may need to provide trade information more than once, via those forms.

Once the trade information is provided to the water market authority the IGWC will be able to directly access from the water market authority the trade information you have provided. Over time, this will become more automated with the commencement of the water market data standards being developed by the Bureau of Meteorology.

In relation to records to support price and reasons for trade, you will need to provide this information when requested by the IGWC.

What water rights do the rules apply to?

The rules apply to all trades of an eligible tradeable water right, which by definition includes irrigation and delivery rights.

Do the rules apply to irrigation infrastructure operators?

There are no exemptions for any entity in the rules.

If an application is required to be made to a water market authority (i.e. a Basin State water authority or an irrigation infrastructure operator) the owner or the person to whom the water right is being traded is required to comply with the rules. Depending on the type of trade this may include the irrigation infrastructure operator as the owner of the eligible tradeable water right being traded.

An irrigation infrastructure operator will also have other obligations if it provides intermediary services.

What is a reason for trade?

Some trade application forms require people trading water to nominate the reason or purpose for the trade. There are several reasons why people trade water.

The trade may be for commercial purposes. A person might be trading water to themselves or a related party. It might be a trade as part of a forward contract.

This type of information is important as it provides context to the price information that is available to the market.

Can I still trade water to myself?

Yes. There are several reasons why people may trade water to themselves. They may be trading water across States or trading zones or moving water between accounts.

People trading water to themselves or to a related party (i.e. son, mother, spouse) are also required to be compliant with the rules.

Can I report a \$0 trade?

The rules require that all information on a trade form be reported accurately and comprehensively.

There are valid reasons why people trade water for \$0, including trading to themselves or a related party.

If a trade is genuinely for \$0 it should be reported as that on the application.

What records should I keep?

Buyers, sellers and intermediaries will need to keep records that support the price paid and the reason for trade, if this information is required on the application form.

Examples of these records include:

- An invoice or receipt
- A bank statement
- A contract
- Emails

How long do I keep records?

Records need to be kept for a minimum of 5 years. You only need to keep records if the trade application requires the price and the reason for trade.

Why do I need to keep these records?

The IGWC is responsible for enforcing these rules. One of the observations from the IGWC's previous investigations on [Trade price reporting](#) recommended there should be a requirement to keep records that support the price paid and the reasons for trade to support future investigations.

The IGWC will be able to undertake investigations after 1 July 2024 to ensure compliance with the rules. Anyone who does not have the records as required may be in breach of the Water Act.

Are there penalties for non-compliance?

If a person provides false or misleading information on their trade application form or does not keep records to support price and reason for trade, the IGWC can undertake enforcement action. There are several enforcement tools available to the IGWC including applying civil penalty provisions.

For more information on the IGWC's regulatory and enforcement approach, please see the [IGWC's website](#).

The IGWC can be reached via contact@igwc.gov.au or calling 13 IGWC (13 44 92).