Reflections on water market effectiveness since 2018

October 2026



VICTORIA State Government
Energy, Environment and Climate Action

Author

Water Market Reform and Transparency Team, Water and Catchments Group

water.market.transparency@deeca.vic.gov.au

Photo credit

© State of Victoria, DELWP. Credit: Darryl Whitaker

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.



© The State of Victoria Department of Energy, Environment and Climate Action September 2026.

Creative Commons

This work is licensed under a Creative Commons Attribution 4.0 International licence, visit the *Creative Commons website* (*http://creativecommons.org/licenses/by/4.0/*).

You are free to re-use the work under that licence, on the condition that you credit the State of Victoria as author. The licence does not apply to any images, photographs or branding, including the Victorian Coat of Arms, and the Victorian Government and Department logos.

ISBN 978-1-86520-060-6 **(pdf/online/MS word)**

Disclaimer

This publication may be of assistance to you but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

Accessibility

To receive this document in an alternative format, phone the Customer Service Centre on 136 186, email *customer.service@delwp.vic.gov.au*, or contact National Relay Service on 133 677. Available at *DEECA website* (www.deeca.vic.gov.au).

Contents

Introduction **2**

Summary stocktake of 2018 actions **2**

Wider context changes **4**

Australian Government and interjurisdictional led changes 5

Victorian led changes 7

Status of actions committed to in 2018 ..... **10**

State-wide actions 10

Northern regulated surface water market actions 17

Southern regulated surface water market actions 21

Western regulated surface water market actions 22

Unregulated surface water market actions 23

Groundwater market actions 23

Introduction

In 2017, Aither was engaged by the Department of Environment, Land, Water and Planning (DELWP), now the Department of Energy, Environment and Climate Action (DEECA) to assess how well water markets were operating, in the context of *Water for Victoria*. The resulting assessment *Effectiveness of Victoria's Water Markets* (Aither 2018) was published in 2018. In the same year, the Victorian Government published its response, *Victorian Market Effectiveness: Findings and Actions from the 2017 Review*, committing to undertake fifteen actions to improve water market effectiveness. In this document, these publications are referred to as the *2018 Assessment* and the *2018 Actions*, respectively. This reflections report provides an overview of what has happened in Victorian water markets since 2018, including a stocktake of progress against the improvement actions.

Summary stocktake of 2018 actions

Since 2018, there has been considerable progression made on most of the fifteen actions, particularly in relation to modernising compliance, improving market information, monitoring of anti-competitive behaviour and ensuring trade rules and delivery constraints are well managed in northern Victoria. Less progress has been made on actions related to western and unregulated surface water markets – reflecting the relatively low appetite for trade in these markets, particularly in the western market where there has been minimal demand for trade and works being done on other priority areas.

Table 1 presents a high-level summary of the status of each of the 2018 actions. Further details about the specific activities and outcomes achieved under each of these actions is set out in the later sections of this report. State-wide actions may be applicable across all markets or confined to regions or types of markets within Victoria. Where applicable the relevant market/s has been listed within the activity.

Table 1. 2018 actions status summary

Action	Status
Statewide	
3.1 Modernising compliance	**Significant advancement** in Victoria's compliance and enforcement policy, transparency and reporting, and capability. In the Murray-Darling Basin (MDB) compliance improvements are consistent with joint government commitments and Australian standards.
3.2 Improve market information	**Significant improvements** in statewide information to help people understand market trends and trade rules published on the Victorian Water Register (VWR) website. **Further work required** with Traditional Owners to support participation in the water market.
3.3 Improve monitoring to inform policy	**Priority policy areas supported by improved monitoring** in relation to community appetite for more market transparency, better information about reasons for trade and market trend information in northern Victoria.
3.4 Improve monitoring of anti-competitive behaviour	**Significant improvements implemented** primarily delivered in MDB markets as part of the Water Market Reform Roadmap (led by the Australian Government and supported by Victoria).
3.5 Improve clarity of roles, responsibilities and processes	**Some improvements implemented** (clarifying responsibilities and improving conflict of interest management) with other improvements in train (streamlining licensing and trade).
3.6 Ensuring the VWR remains contemporary	**Some improvements implemented** and a major project to uplift the VWR is underway.

Action	Status
4.1 Northern regulated surface water	
4.1a Ensure trade rules and delivery constraints are well managed	**Significant improvements** implemented including an updated Goulburn to Murray trade rule, introduction of the place of take framework, establishment of joint venture work program to manage Murray delivery risks, and delivery of changes to Schedule D of the MDB Agreement. Further work with the Murray-Darling Basin Authority (MDBA) and Basin states to implement Schedule D changes, maintain focus on Murray delivery risks work program.
4.1b Improve market information	**Significant improvements** in public information to help market participants make informed decisions, including publishing reasons for trade, large water share owners and frequent trader reports, etc.
4.2 Southern regulated surface water	
4.2a Improve market information	Southern Rural Water (SRW) **improved customer information** with new online information, fact sheets and introduction of an online trading platform for the Macalister and Werribee-Bacchus Marsh irrigation districts customers.
4.2b Consider south central market development	**Review completed** and no further investigation or public investment is proposed due to insufficient benefits of south central market.
4.3 Western regulated surface water	
4.3a Improve guidance on how to trade	**Some progress** – with new guidance on how to trade published on the Grampians Wimmera Mallee Water (GWMWater) website.
4.3b Assess demand for trade and issues/opportunities	Demand for trade has remained low and will continue to be monitored.
4.4 Unregulated surface water	
4.4 Improve information and management	**Some progress** – progressing streamlining licensing policies/guidance under GM2030.
4.5 Groundwater	
4.5a Improve awareness & guidance on how to trade	**Progress in priority areas** including investigating barriers to trade in the South West Limestone Aquifer and implementing actions to improve accessible information to help people trade.
4.5b Principles for setting caps	**Significant progress** – statewide method (Sustainable Yield Assessment) developed for identifying environmentally sustainable levels of take for groundwater management units and unincorporated areas.

Wider context changes

There has been significant change in the Victorian water markets space since 2018. Some of the key contextual changes are outlined in the timeline in Figure 1 and described in more detail below.

Jun 2018	**Murray-Darling Basin Compliance Compact**
Dec 2018	**Ministerial Council commitment to prioritise Murray delivery risk management**
July 2019	**Basin Plan Water Resource Plans came into effect**
Mar 2021	**Australian Competition and Consumer Commission Murray-Darling Basin Water Markets Inquiry Final Report**
Oct 2021	***Water and Catchments Legislation Amendment Act 2021***
Jul 2022	**New Goulburn to Murray trade rule commenced**
Aug 2022	**Groundwater Management 2030**
Sep 2022	**Water is Life Roadmap**
Oct 2022	**Water Market Reform: Final Roadmap report**
Nov 2023	**Place of take framework commenced**
Dec 2023	***Water Amendment (Restoring Our Rivers) Act 2023***
May 2024	**'Planning Our Basin Future Together' Prospectus**
Jul 2024	**New water market transparency regulations commenced**
Jul 2025	**Water market intermediaries code commenced**
Jul 2026	**Insider trading and market manipulation prohibitions introduced**

Figure 1 Timeline of key contextual changes impacting Victorian water markets since 2018*

**Australian government and inter-jurisdictional led changes are highlighted in grey*

Australian Government and interjurisdictional led changes

ACCC Murray-Darling Basin Water Markets Inquiry

The Australian Competition and Consumer Commission (ACCC) Murray-Darling Basin (MDB) Water Markets Inquiry (referred to in this report ACCC Water Markets Inquiry) was initiated by the Australian government in August 2018 in response to growing concerns about the function of water markets in the MDB. The decision came during a dry period when there was reduced water availability and high market prices. Key criticisms of the MDB water markets included concerns about rising water prices, market transparency and fairness, and allegations of market manipulation. In March 2021, the ACCC released its final report that included 29 recommendations to improve market integrity, governance, information and systems.

In response to the final report the Australian government commissioned Mr. Daryl Quinlivan to prepare an independent report – the Water Market Reform Roadmap – which translated the ACCC's 29 recommendations into 23 practical reform actions. All MDB governments committed to working together to implement the Water Market Reform Roadmap, and the Australian government has provided the states funding to support implementation.

The roadmap proposed reforms described as "necessary, practical and cost-effective" over the short-to-medium term. Basin states broadly supported them as they aligned with the policy intent of the ACCC's recommendations, with some modification to consider the:

- momentum of related work already happening at the Basin state level
- established roles and capabilities of the public and private participants in the MDB water market
- need to minimise the regulatory burden and cost to market participants and governments.

Some of the key steps that have been taken to date to deliver the Water Market Reform Roadmap actions include:

- The *Water Amendment (Restoring Our Rivers) Act 2023* passed the Australian parliament in December 2023 to amend the *Water Act 2007* making changes that enable the implementation of the integrity, market conduct and transparency reforms for Murray-Darling Basin water markets. The amendment also appointed the ACCC as the Water Market Conduct Regulator, making it responsible for enforcing rules around market behaviour, including the new conduct and trading prohibitions.
- A Water Markets Intermediary Code to regulate the conduct of certain brokers and other water market intermediaries was introduced in July 2025, including with respect to transparency of intermediaries' fees and conflict of interest management.
- New insider trading and market manipulation prohibitions commenced on 1 July 2026. The insider trading prohibitions make it illegal for individuals with market-sensitive information to trade based on that information or share it with others who might trade on it. The market manipulation prohibitions make it illegal for anyone to manipulate the price of water rights, create fake trading activity, make false offers or trades that affect market prices and spread misleading information about market activity.
- New requirements for governments and infrastructure operations to publicly disclose and announce market decisions came into effect on 1 July 2026.
- Development of new water market data standards and reporting requirements alongside a national Water Data Hub and water markets website to support improved market transparency has commenced. These are expected to be in effect by July 2027.

Strengthening compliance and enforcement for water take

A robust compliance and enforcement framework for water take is critical to effective market operation because it underpins confidence in water entitlements and market participation by protecting water entitlements and the environment from the impacts of unauthorised take of water and ensuring a level playing field for all water users and participants.

In response to allegations of water theft and poor regulation in the northern part of the MDB, the Australian and MDB state governments agreed to the Murray Darling Basin Compliance Compact (the Compact) at the MDB Ministerial Council in June 2018. The Compact aimed to restore public confidence in water resource management in the MDB and ensure that water laws are consistently applied and enforced across jurisdictions.

The Compact acknowledged that although Victoria had a sound record with compliance, there was room to uplift our system with a full range of penalties and sanctions. Since 2018, Victoria has been implementing the actions in the Compact in accordance with principles of best practice regulation. The majority of Victoria's actions are now complete, and compliance and metering reports are published annually.

The Inspector General of Water Compliance (IGWC) was established in August 2021, to serve as a strong and independent regulator of MDB water resources. The key functions of the IGWC are:

- Overseeing the management of water in the MDB and associated Water Resource Plans
- Opening inquiries to investigate the implementation of the *Water Act 2007*, the *Basin Plan 2012* and intergovernmental agreements including the MDB Agreement
- Enforcing compliance with the *Water Act 2007*
- Engaging with the Australian public on the management of MDB water resources.

Murray delivery risk management

An effective water market relies on participants being informed about their delivery risks and having confidence that their delivery rights are appropriately protected. The 2018 assessment identified concerns that delivery arrangements were not well understood by market participants and that action was needed to review how best to manage changing demands in the Murray downstream of Barmah.

At the MDB Ministerial Council meeting in December 2018, the Water Ministers requested that urgent work be done by the MDBA in conjunction with the states to address River Murray delivery challenges.

In response to this request, the MDBA, together with the governments of Victoria, New South Wales and South Australia, established a program of work to investigate and manage growing challenges with delivering water to the Murray River downstream of Barmah. An Independent Panel oversaw the work, and a joint report was published in 2020 examining the system's supply and demand changes contributing to delivery challenges. The Independent Panel found that delivery risks are real and are increasing. It set out joint government commitments to manage these risks, including ongoing monitoring and communicating them to users and broader water markets. The MDBA, in collaboration with the states, subsequently published a River Murray Shortfall Response Plan which describes the arrangements for the coordinated response to a shortfall between all River Murray governments. Information about the current shortfall risk is included in the River Murray weekly reports during the summer risk period.

Australian government legislation changes and Murray-Darling Basin purchasing programs

The *Restoring Our Rivers Act 2023* made changes to *Water Act 2007* and *Basin Plan 2012* to extend Basin Plan delivery timeframes, repeal the 1,500 GL cap on Basin Plan water purchases, remove Basin Plan requirements to protect socio-economic outcomes, and establish a program of aboriginal water entitlement purchases.

Since these legislative changes, the Australian government has increased water purchases and currently has three active programs for purchasing water in the Murray-Darling Basin. These include:

- Voluntary Water Purchase Program for the 450 GL (Restoring Our Rivers)
- Strategic Water Purchasing – Bridging the Gap
- Aboriginal Water Entitlements Program

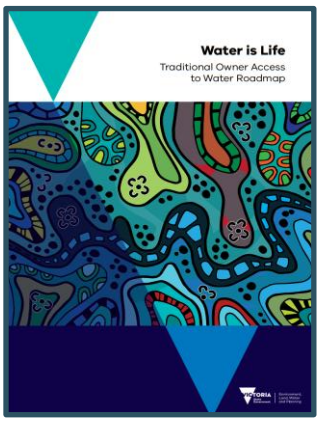
The total volume of Victorian water shares transferred to the Australian Government between 1 July 2024, and 30 September 2026 is 114,109 ML of high-reliability water shares and 46,262 ML of low-reliability water shares.

Basin Plan Review

The MDBA is currently leading a statutory review of the Basin Plan, including the Basin Plan trading rules. Public consultation on a discussion paper closed in May 2026, with a final review report due for release in late 2026.

Victorian led changes

Water is Life and Statewide Treaty Act



In 2022, the Victorian Government released the *Water is Life Roadmap*, which aims to increase Traditional Owner roles in water management across Victoria. The roadmap recognises that Traditional Owners have rarely been consulted about water management and use since colonisation. The Victorian Government is working in partnership with Traditional Owners to involve them in decisions around water management.

The Water is Life Roadmap sets twelve targeted outcomes, including increasing capacity and resources for Traditional Owners to make and implement decision about water landscape management on their Country, returning more water to Traditional Owners through the issue of water entitlements, and removing barriers for Traditional owners holding water entitlements. It aims to strengthening representation, leadership and decision-making in water management at the regional and state levels.

Actions related to trade identified in the Water is Life Roadmap focus on:

- **Building capacity** for Traditional Owners to engage in water trading and management.
- **Exploring mechanisms** for allocating water to Traditional Owners, including through market purchases or policy-based transfers.
- **Ensuring transparency** in trade rules and processes so that cultural water objectives can be met alongside consumptive use.

As at 31 August 2025, 9,778 megalitres of water is held by Traditional Owner and Aboriginal Organisations, of which 7,160 megalitres was returned through government policy and commitments. DEECA continues to work with Traditional Owners and water corporations to progress a number of water returns already in progress. DEECA will continue to provide guidance to Traditional Owner groups and water corporations on existing policy and legislation in issuing unallocated water on a case-by-case basis considering the volume of water available, the objectives of each Traditional Owner group, and whether there are other potential applicants.

In late 2025, the Statewide Treaty Act passed Parliament, establishing the First Peoples' Assembly of Victoria into a permanent legislated body representing First Peoples and making decisions within existing Parliamentary and democratic structures. The agreement includes a commitment for the Assembly to create guidelines to facilitate Traditional Owners sharing and trading water.

Groundwater Management 2030

Released in 2022, Groundwater Management 2030 (GM2030) is a statement of groundwater management priorities for DEECA and the relevant rural water corporations (GMW, GWMWater, Lower Murray Water (LMW) and SRW). It reflects the Victorian water sector's commitment to strong groundwater management that can adjust to meet opportunities and challenges as water use and industry transform in the future.

The GM2030 priorities include commitments to review take limits from aquifers, improve monitoring, include Traditional Owners in the management of groundwater resources, and improve groundwater trade rules to reduce barriers to entry in the system. Many of the areas of focus identified in GM2030 address deficiencies of Victorian groundwater markets identified in the 2018 assessment.

Central and Gippsland Region Sustainable Water Strategy

The Central and Gippsland Region Sustainable Water Strategy, released in September 2022, is a 50-year plan to secure water for communities, industry, and the environment in the region. It addresses climate change and population growth by improving water efficiency, increasing use of recycled and desalinated water, and restoring river health while incorporating Traditional Owner values.

The strategy identifies opportunities to enable a more effective water market in the region, specifically Action 7-3: Improving trade and transparency in Central and Gippsland water markets by:

- improving the accessibility of information water management and trade rules across southern Victoria, all in one place,

- trialling an online water market exchange that helps buyers and sellers to find each other in a fair and efficient way, and
- investigating opportunities to make water trade rules more flexible.

Progress on Action 7-3 to date has included investigating barriers to trade and developing an online water market exchange for the Macalister Irrigation District (the Southern Rural Water Exchange). The exchange was expanded to groundwater customers in December 2024 and to customers in the Werribee and Bacchus Marsh irrigation districts in January 2026. Accessibility of water market information has been improved with an update to SRW's website to include key information in a centralised location. SRW has also undertaken customer communications and a social media campaign to increase awareness around trade opportunities, information and the online water market exchange.

The strategy made a commitment (under Action 4.8) to reallocate 16,000 megalitres of water from the Latrobe 3-4 Bench bulk entitlement to support agriculture, the environment and Traditional Owners. A consultative process with key stakeholders established how the benefits could best be shared to maximise the outcomes of this critical resource. This led to a bulk entitlement of 5,333 megalitres being granted to SRW in March 2025 to support operations, expansion or drought-proofing for irrigators in the Latrobe region. Following an expression of interest period in which more was applied for by irrigators in the Latrobe region than was available, an auction was held in October 2025 hosted on the Southern Rural Water Exchange which saw 4,370 megalitres of permanent water entitlement made available to farmers within the Latrobe River system as section 51 (take and use) licences. The remaining volume was retained to allow SRW to manage irrigator held licences in a similar manner to existing irrigator licences.

Action 4-10 of the strategy, committed to prepare a business case to reconfigure the Werribee System to provide more climate-resilient water sources for nondrinking purposes and make better use of all sources of water in the system, including returning river entitlements to provide for environmental water recovery, justice for Traditional Owners and urban supply. A preliminary business case for the Werribee Reconfiguration Project was developed in consultation with affected irrigators in 2024.

Connections Project

The Goulburn-Murray Irrigation District *Connections Project*, completed in 2022, is the largest ever irrigation infrastructure modernisation project undertaken in Australia. The project recovered 433 GL, 4 GL more than expected, through upgrades and rationalisation of irrigation networks. The water savings were returned to the environment, Melbourne water retailers, and irrigators, increasing the volume of water available for the environment without needing buybacks and increasing entitlements on issue in northern Victorian water systems. 1.36 GL of water entitlement was set aside for Traditional Owners in Victoria.

Goulburn to Murray Trade Review

Delivering water from the Goulburn inter-valley trade account during summer and autumn to support water requirements of the Murray system caused significant environmental damage to the lower Goulburn River over the irrigation seasons of 2017-18 and 2018-19.

In response, a review of the Goulburn to Murray trade rule was undertaken to ensure that water traded from the Goulburn to the Murray can be delivered without unacceptable impacts on the environment or the reliability of other entitlements. Following two years of interim arrangements, a new permanent trade rule for the Goulburn to Murray, and corresponding operating rules for the lower Goulburn River, were introduced in July 2022.

Murray delivery risk management

In addition to working with the MDBA and other River Murray governments to address delivery risks, Victoria:

- **Amended legislation**: Updates to the Victorian *Water Act 1989* came into effect in 2023 to introduce the *Place of Take approvals* framework. The new framework clarified and protected existing water users' rights to take water during a shortfall and introduced flexibility for water users to manage their own delivery risks through trade of extraction share.
- **Capped extraction share in the Murray**: No new extraction share has been issued on the Victorian Murray downstream of Barmah since July 2019. Initially extraction share in this region was limited by Ministerial determinations on individual applications for new extraction share which identified unacceptable impacts on other entitlement holders and the environment. Since 2023, an enduring 'cap' on extraction share in this reach has been embedded in legislative rules.

- **Ensured trade does not increase Murray delivery risks**: Updated allocation trade rules and operating rules so water traded from the Goulburn to the Murray is delivered within ecological limits and without increasing delivery risk.
- **Developed a coordinated shortfall response plan**: Created the *Victorian Shortfall Response Plan* to guide proportionate restrictions during delivery shortfalls, aligned with the MDBA frameworks and based on users' extraction and delivery shares.
- **Increased information and engagement**: Published reports, updated irrigation development guidelines, and engaged with Victorian Murray communities and industries to improve understanding of shortfall risks, mitigation options, and compliance arrangements.
- **Supported interjurisdictional work**: Worked with the MDBA and other River Murray governments to address delivery risks, advocated for proactive measures at Ministerial Council, and supported initiatives like the Capacity Work Program and Barmah-Millewa capacity investigations.

Victoria has also continued to work with other states and the MDBA to make sure water users are informed about their delivery risks and prioritising clearer and certain delivery rights to water during peak extraction periods so water users can manage their own business risks.

Place of take framework

This framework was legislated through the Water Legislation Amendment Act 2021 and officially came into effect on 20 November 2023. It was developed in response to increasing delivery risks, particularly in the Murray River downstream of Barmah, where the narrowing of the river (known as the Barmah Narrows) and changing water demands have made it more difficult to deliver water reliably. The framework increased certainty, flexibility, and enforceability for water users, and in high-risk areas like the Murray and Ovens-King systems, introduced caps on extraction share volumes to protect existing rights.

A place of take approval is a formal entitlement that defines where a water user is allowed to extract water from a declared water system (such as the Murray, Goulburn, or Campaspe rivers). It is part of a broader framework introduced to clarify and protect water users' rights to have water delivered, especially during times when river capacity is constrained.

A key component of this framework is the extraction share, which represents a water user's right to a share of available water during a shortfall event—when the river cannot physically deliver all the water that users are entitled to. Extraction share is only activated during these rare events and does not affect water access under normal flow conditions. It ensures that access to limited water is rationed fairly among users based on their share.

Water Resource Plans

Water Resource Plans (WRPs) are legally binding instruments under the Basin Plan designed to ensure sustainable water management across defined areas. They set out how states will comply with sustainable diversion limits, protect environmental and cultural water values, manage risks such as drought and climate change, and maintain water quality. WRPs typically include details on governance, entitlement frameworks, trade rules, environmental watering strategies, and monitoring arrangements. In Victoria, two WRPs cover five WRP areas, incorporating extensive consultation with communities and Traditional Owners. These plans aim to balance water use for agriculture, environment, and cultural needs while providing transparency and resilience for Basin communities. The two WRPs which relate to Victorian water markets are outlined below. Victoria's WRP areas all had accredited plans in effect by June 2020.

- Wimmera–Mallee Water Resource Plan
  Covers the Wimmera-Avon, Avoca, and Mallee surface water basins, plus Wimmera-Mallee and Avoca groundwater catchments. It sets rules for water use, sustainable diversion limits, environmental water, and water quality management in these areas.
- Victoria's North and Murray Water Resource Plan
  Applies to northern Victorian catchments and the Murray River region. It outlines how water will be shared between communities, agriculture, and the environment, ensuring compliance with Basin Plan objectives and incorporating cultural and local needs.

Basin Plan Prospectus

The Victorian Government's "Planning Our Basin Future Together" prospectus, released in May 2024, outlines Victoria's strategic response to changes in the Basin Plan created by the *Restoring Our Rivers Act 2023*, particularly the Australian Government's decision to resume buybacks of up to 450GL of water. Developed through extensive community engagement, the prospectus sets out principles for water recovery that prioritise environmental outcomes while minimising social and economic harm to Basin communities. It

advocates for alternatives to open tender water purchases—such as infrastructure upgrades, irrigation district reconfiguration, and changes to river operations—to better support local economies and ecosystems.

The prospectus is central to Victoria's position on Basin Plan amendments, especially given the removal of protections that previously prevented water recovery methods with negative community impacts. It also reinforces Victoria's commitment to collaborative planning with communities and Traditional Owners, ensuring that future water recovery aligns with local priorities and environmental needs.

Status of actions committed to in 2018

State-wide actions

Actions recommended across the state focused on making sure market arrangements were fit for purpose, to either incorporate new knowledge or technology or match growing demand. In response to *2018 assessment*, the Minister for Water outlined six statewide actions:

1. Modernising the compliance framework
2. Improving public water market information
3. Improving water market monitoring to inform policy
4. Improving monitoring and anti-competitive behaviour potential and communication of current regulations
5. Improving clarity in roles, responsibilities and review processes in water resource planning and governance framework
6. Ensuring the VWR remains contemporary

State-wide actions maybe applicable across all markets or confined to regions or types of markets within Victoria. Where applicable the relevant market/s has been listed within the activity.

Action 3.1: Modernise the compliance framework

The 2018 assessment found that while there was no evidence of major issues with compliance levels – there were opportunities to improve reporting on compliance and enforcement outcomes and potentially improving transparency around monitoring regimes and objectives. The Victorian Government committed to modernising the compliance and enforcement regime to reflect best practice regulation, including:

a) Working with water corporations to develop a consistent, risk-based approach to manage compliance and enforcement with improved oversight and reporting

b) Assisting water corporations to better use the existing strengths of the VWR to improve monitoring and reporting of compliance and individual entitlements.

c) Expanding the VWR's existing capacity to strengthen the Department's ability to monitor and report on water corporation compliance with bulk entitlements.

Table 2 summarises the state-wide actions that have been taken to modernise the compliance framework.

Table 2 State-wide water compliance reforms summary

Activity	Description of work undertaken
a) Working with water corporations to develop a consistent, risk-based approach to manage compliance and enforcement with improved oversight and reporting	
Murray-Darling Basin Compliance Compact[1]	Delivered all Victoria's required actions required under the Murray-Darling Basin Compliance Compact, including annual reporting requirements for 2020–21, 2021–22, 2022–23,2023–24, and 2024-25 which are publicly available.
Independent review of compliance and enforcement framework	Former Victorian Auditor-General, Mr Des Pearson AO, reviewed Victoria's progress in implementing a modern risk-based compliance and enforcement framework to manage unauthorised take in 2020. The review found that most irrigators and water users were already doing the right thing, with low levels of non-compliance. The review also identified several areas where compliance

[1] Applicable to the Northern Regulated Surface Water and Groundwater Markets only

Activity	Description of work undertaken
	and enforcement approaches could be further strengthened to provide consistent and quicker resolutions. The review was published in September 2020. DEECA subsequently worked with water corporations to ensure that the recommendations were fully implemented across the state by mid-2021.
Zero-tolerance escalation policy	Finalised and implemented a zero-tolerance approach to unauthorised take policy consistent with the recommendations from the independent Compliance and Enforcement Review (2020).
Performance reporting on unauthorised take compliance	Implemented annual performance reporting on unauthorised take compliance for the six rural water corporations. The rural water corporations now report their performance against the targets for unauthorised take that the Minister has set in their annual reports.
Collaboratively deliver key priorities	Established and maintained three compliance-related working groups and a compliance Community of Practice, with membership across six rural water corporations to share best practice and collaboratively deliver key priorities.
Penalty Infringement Notices (PINs)	Facilitated the implementation of Penalty Infringement Notices (PINs) through Fines Victoria, which all six rural water corporations can use to manage low volumes of unauthorised take. Rural water corporations now issue fines for up to 10 ML unauthorised take.
Updated communications and visual materials	Water corporations have delivered updated communications to customers on the zero-tolerance approach to unauthorised take policy, and to inform them of their obligations not to use water outside of their entitlement.
Compliance and enforcement training framework	Finalised a compliance and enforcement capability, training and appointment framework to ensure consistent training and appointment of authorised water officers to meet best practice standards expected from a modern regulator.
Non-urban metering policy	Oversaw development and implementation of Victoria's 2020 non-urban water metering policy, including establishing a non-urban metering working group with the rural water corporations and development of Metering Action Plans. Updated Victoria's non-urban metering policy in January 2025 to align with new national standards (the Metrological Assurance Framework 2). Water corporations have subsequently updated their Metering Action Plans.
Expanded Victoria's telemetry network	Developed a tool to support water corporations in consistently undertaking a cost-benefit analysis of telemetering meters to support targeting compliance risks. GMW delivered the Zone 7 Metering and Telemetry Project, installing 82 telemeters along the Murray and Little Murray rivers from west of Echuca to west of Swan Hill. GMW are now expanding telemetry on high-priority meters as part of the Australian Government's Murray Darling Basin Telemetry Uplift Program.
Water and Catchments Regulatory Framework	Developed and published Victoria's first Water and Catchments Regulatory Framework, establishing a shared vision and principles for effective, risk-based regulation across the water and catchments sector. The Framework provides a common foundation for regulatory practice and supports greater consistency, transparency and accountability across all entities with water and catchment regulatory responsibilities.
b) Assisting water corporations to make better use of the existing strengths of the VWR to improve monitoring and reporting of compliance and individual entitlements.	
VWR supporting compliance	The VWR is helping water corporations improve monitoring, reporting and management of water entitlements across Victoria. Shared reporting tools provide timely information on water use and compliance, supporting more

Activity	Description of work undertaken
	consistent oversight of water resources and helping to identify and address potential issues early.
c) Expanding the VWR's existing capacity to strengthen the Department's ability to monitor and report on water corporation compliance with bulk entitlements	
	Further consideration of this proposal found that improving the VWR's capacity was not the preferred approach to strengthening monitoring and reporting of bulk entitlement compliance. Instead, resources were focused on Action 3.5 (improving clarity of roles and responsibilities).

Action 3.2: Improve public water market information

The 2018 assessment found that public water market information and communications could be improved across Victoria. The VWR was recognised as the leading water market data source in the southern MDB. Additional reports, information and accessible data released by the Victorian Government since have consolidated that position.

Several reports, including those published by the ACCC, DEECA and DCCEEW (Clth), have subsequently reinforced the importance of water users having a clear understanding of the value of water, its trends and drivers so they can be confident when making decisions. The government has a role in providing simple, understandable, easy to access, and trusted information on water price, ownership, use, availability, and water trade rules and processes.

In response, the Victorian government committed to:

a) develop clearer information to help people understand market trends and trade rules, and

b) work with Traditional Owners to improve knowledge about their values and uses for water and provide clear information for their participation in the water market, as well as working with other groups on their cultural and social values and uses for water.

Table 3 Summary of activities taken to improve public water information

Activity	*Description of work undertaken*
a) Clearer information to help people understand market trends and trade rules	
Trade rules information on VWR website	***Where can I trade tool*** – developed a new *tool* in 2019 to help people understand where water can be moved between northern regulated trading zones.
	Explanatory materials on updated declared system trade rules – including FAQs about restrictions on tagged use (first introduced in 2019, and made enduring in 2021), fact sheets and FAQs on changes to the Goulburn to Murray trade rule introduced in 2022, alongside updated trade rules and maps made in 2024.
Market information on VWR website	***Refined Annual Water Trading Report*** – made improvements to the annual reports on water trade in Victoria, including to the presentation of trade data to improve accessibility and reporting on new information (i.e. 'reason for trade' data). The report has been streamlined to enable it to be produced and released more quickly following the end of each water year. ***Trade opportunities insights*** – published new dashboard reports on trade opportunity availability and trade limits in declared systems. The dashboards enable the user to explore records of trade opportunities and limits over time and the components that contribute to these. ***'Reason for trade' data*** - Published allocation trade data now includes 'reason for trade data', categorisation of the buyer and seller types, whether the trade was commercial or not, and how the application was submitted (i.e. via MyWater, the broker portal or manually to a water corporation).

Activity	Description of work undertaken
Victorian Water Accounts	Since 2021-22, the Victorian Water Accounts have been published as an interactive *website* (rather than a PDF report) providing a more user-friendly format for the water sector and all water users to understand how much water is available in Victoria's 29 river basins and 20 groundwater catchments using interactive graphs, maps, tables, and descriptions.
Place of Take framework	Published resources about the place of take framework on the VWR website include fact sheets, FAQs, animations, and ministerial rules. DEECA worked with water corporations in declared systems (GMW, LMW and SRW) to communicate with their customers about what the new framework meant to them, including sending individual copies of record of general place of take approvals to water users with extraction share.
b) Working with Traditional Owners to improve knowledge about their values and uses for water and provide clear information for their participation in the water market	
Water is Life Roadmap	Water is Life (outcome 7) has identified actions to return water to traditional owner groups across Victoria, including an action to develop a framework to support Traditional owners entering the water market for when no alternative pathways to water for economic development are available. As at 31 August 2026, 15,313 megalitres of water is held by Traditional Owner and Aboriginal Organisations, of which 12,693 megalitres was returned through government policy and commitments. Work continues to recover further water. Outcome 11 Identify barriers to culturally appropriate use of water and develop new legislative proposals through engagement with Traditional Owners and wider stakeholders for consideration by Government if needed – this will include barriers relating to the water market, water supply operations and the entitlement framework. Lessons learned from water returns are being progressively collated to inform identification of barriers to Traditional Owners holding and managing water returned to them.

Action 3.3: Improve water market monitoring to inform policy

In their response to the 2018 assessment, the Victorian Government recognised the importance of monitoring the environment in which water markets and participants operate to ensure;

- Participants have the right information to make informed decisions about market opportunities and risks, such as different ways to access water through the market or about the level of competition.
- Policy makers have the right information to understand the current issues and to design suitable responses.

The Victorian government committed to reviewing its current market monitoring approach in the north to ensure the right information is collected and reported to inform the public and policy development.

Table 4 Summary of activities taken to improve water market monitoring

Activity	Description of work undertaken
Consultation on water market transparency	Public consultation on water market transparency was undertaken in 2019 and 2020 to understand what aspects of transparency mattered most to the community (with a focus on Victoria's northern regulated water markets). This consultation showed that the public wants more information about what is happening in the market but does not want full transparency around details of their water holdings and activities. In response, a range of activities were undertaken to improve transparency, including publishing the names of large water share owners and frequent traders and making information simpler and more accessible (as described in more detail under Action 3.2).
Reason for trade requirements	To support improved monitoring and reporting on trade data, Victoria introduced a requirement in August 2020 for applicants to nominate a "reason for trade" for all online allocation trades. Reason for trade categories capture

	the common reasons for trade and were developed in consultation with NSW and South Australia to support consistent data collection across the states. Reason for trade data publicly is now available in the Victorian allocation trade data that can be downloaded from the VWR website. Subsequent annual trade reports have provided analysis of this data and prices. This information can be used to inform policy and assist market participants to make more informed decisions.
Market trends in northern Victoria[2]	An updated report on water market trends in Victoria's northern regulated market was published in 2025, providing important insights into the changes in how water is owned, used and traded and the factors impacting the price of water on the market since 2001. This report builds on the earlier versions from 2018 and 2015.
Delivery Share Review	Delivery share arrangements in northern Victoria were *reviewed in 2017-18* to support irrigation communities adjusting to rapid, continuing changes in water and land use including socio-economic impacts of water recovery under Basin Plan. The Review found that, although delivery shares were working as intended, there was scope to adjust and strengthen delivery share arrangements. Opportunities for change reflect the significant and continuing changes in water and land use in our irrigation districts, providing new ways for irrigators and the rural water corporations to manage shared infrastructure. Since the Review there have been *a number of actions undertaken to facilitate markets and trade in delivery share*, including: • New and improved information about delivery shares and trade for irrigators, including fact sheets, newsletter articles and information statements, • Introduction of an embargo on new delivery share in GMW irrigation districts, and • GMW and LMW actively facilitating trade and strengthening customer engagement on delivery shares.
Australian Government water share transfers (in Victoria) reporting	Information about the volume of Victorian water shares transferred to the Australian Government since 1 July 2024 under the Aboriginal Water Entitlement Program and Murray-Darling Basin Plan is published on the *Victorian Water Register*. Data is updated monthly and includes the volumes of water shares transfers recorded in the Victorian Water Register by trading zone and reliability. The purpose of this report is to provide transparency about the Australian Government's purchasing activity within Victoria following changes to its powers to purchase water under the *Restoring our Rivers Act 2023.*

Action 3.4: Improve monitoring and anti-competitive behaviour potential and communication of current regulations

The 2018 assessment found there were generally sound arrangements and disclosure practices for government agencies involved in the market, and their trading strategies were published. While there was no evidence suggesting any significant examples of anti-competitive behaviour and few official complaints, the report identified an opportunity to improve understanding of whether water brokers and new entrants to the water market – including investors– were having any negative effect on competition. In response, the Victorian government committed to improve tools for monitoring potential anti-competitive behaviour and strengthen confidence in current regulatory frameworks dealing with anti-competitive practices, including by:

- Improving application and communication of the annual audit of use of the VWR online broker portal;
- Working with other states and agencies to improve communication of existing national fair trading legislation which governs the conduct of market participants and water brokers;

[2] Applicable to the Northern Regulated Surface Water only

- Promoting the ACCC's 'know your fair trading rights' guides for people using water brokers and water exchanges;
- Working with water corporations to better collect and monitor complaints against intermediaries;
- Working with intermediary industry representatives to improve existing industry codes of conduct; and,
- Better communication of governance arrangements for government agencies acting as market participants and strengthening protocols within government for managing sensitive water market information.

Since then, the landscape has changed significantly in response to the ACCC Water Markets Inquiry which identified structural weaknesses that could allow harmful misconduct. This led to the Water Market Reform Roadmap and amendments to the *Water Act 2007* which, among other things, gave the ACCC responsibility for enforcing the mandatory code for water market intermediaries and new water market conduct rules.

Table 5 Summary of actions taken to address Action 3.4 (Statewide)

Activity	*Description of work undertaken*
ACCC Water Markets Inquiry – Final Report[3]	In relation to market participant and intermediary conduct, the *ACCC found* a lack of rules, including insufficient insider trading prohibitions, and made three recommendations to address these issues: 1. Implement Basin-wide water market conduct and integrity legislation 2. Introduce an enforceable mandatory code for water market intermediaries 3. Prohibit price manipulation, broaden price reporting and broaden and strengthen insider trading obligations
Water Market Reform Roadmap[4]	*MDB governments committed* to implement integrity, market conduct and transparency reforms and have subsequently implemented some actions and progressing others. Legislation changes in 2023 (under the *Water Amendment (Restoring Our Rivers) Act 2023*) enabled the framework for these reforms, including the introduced establishment of the ACCC as the regulator for market conduct and the water market intermediary code. Market participants and community members can now report issues regarding *market manipulation*, *insider trading* and *water market decision announcement* via the relevant ACCC website. Specifically, these changes enabled: • Introduction of the *water market intermediaries code* (July 2025) • Development of insider trading and market manipulation prohibitions (July 2026) • New data and reporting standards (due to commence in 2027).
Published list of brokers	The names of water brokers that currently meet the Victorian government standards required for using Victoria's online Broker Portal is maintained on the VWR website alongside their status of access to the portal. These brokers are required to maintain a minimum level of professional indemnity insurance that specifically covers water market intermediary services.
Broker audits	DEECA continues to engage an independent auditor to undertake annual audits of the brokers that use the Victorian Water Register Broker Portal. These audits consider the broker's compliance with the Access Agreement each broker has signed. This audit provides a degree of broker oversight and is significant in that it covers most of the allocation trades in northern Victoria. The results of the audits are published on the VWR website for public transparency. DEECA has followed up on the audit outcomes including seeking additional information and actions from brokers.

[3] Applicable to the Murray-Darling Basin (i.e. Northern region) water markets only.

[4] Applicable to the Murray-Darling Basin (i.e. Northern region) water markets only.

Action 3.5: Improve clarity in roles, responsibilities, and review processes in water resource planning and governance framework

The 2018 assessment found opportunities to improve confidence in Victoria's already robust water resource planning and governance frameworks through streamlining and improving transparency and alignment.

In response, the Victorian government committed to improving clarity in roles, responsibilities and review processes, including:

a) better aligning and clarifying interactions between regional and statewide water resource planning, and,
b) where appropriate, strengthening separation between water resource and market management functions.

There was also a commitment in Water for Victoria (Action 8.6) to seek amendments to legislation to better align and streamline review and planning processes and will continue to improve information on interactions between water resource management and planning functions. Legislation has been amended to allow for the findings of long-term water resource assessments to be aligned with regional sustainable water strategy timelines, and in northern Victoria, with the Basin Plan review.

Table 6 Summary of actions taken to address Action 3.5 (Statewide)

Activity	*Description of work undertaken*
a) Aligning and clarifying interactions between regional and statewide water resource planning	
Review storage and resource management roles and responsibilities	A review undertaken between 2022 and 2024 identified improvements to the system management instruments to clarify oversight of bulk entitlements. As a result of this review, the existing resource and storage manager instruments of appointment were all revoked and replaced with streamlined and contemporary storage manager instrument of appointment (and one resource manager instruments of appointment to cover Goulburn-Murray water (GMW) responsibilities in the Victorian Murray). These improvements included clarifying that DEECA (rather than other water corporations) is responsible for overseeing bulk entitlement compliance. All bulk entitlement holders are required to self-report to DEECA on breaches, with these publicly reported in the bulk entitlement holder's annual report as well as the Victorian Water Accounts.
GM2030 (streamlining licensing and trade)	As part of GM2030, work is underway to streamline licensing and trade processes in groundwater and unregulated systems to support changing water uses. This has included a review of take and use licence policies to identify regulatory requirements as well as guidance for water corporation delegates. In line with Water for Victoria Action 8.6, through outcomes 2 and 3 GM2030 seeks to propose improvements and reforms to the groundwater and unregulated surface water management frameworks, including continuing work to streamline the process for developing management plans.
b) Where appropriate, strengthening separation between water resource and market functions	
Water corporation procedures and training	All water corporations involved in market-related decisions have their own procedures in place for staff to manage market sensitive information and conflicts of interests. In 2021, the IGWC conducted an audit of GMW's compliance disclosure obligations which identified there were no formal arrangements and documentation of disclosures. In response to this GMW has implemented a check for each water trade undertaken by GMW to identify any conflict of interest, added an additional step in trade processing to ensure brokers provide confirmation that other parties have been notified prior to a trade under section 12.37 and GMW have also implemented a process to undertake annual reconciliation of applications submitted for approval with trades published.

Action 3.6: Ensure the Water Register remains contemporary

The 2018 assessment highlighted the vital support the VWR provides the operation of Victoria's water markets, and the Victorian government committed to continue making sure the VWR remains sound and up-to-date, and transactions are fast and affordable.

The VWR has continued to support Victoria's water market by maintaining authoritative entitlement records and facilitating trade in accordance with rules. Some vulnerabilities have emerged in the aging system – particularly with outages during competitive trade opportunity openings that have required work around arrangements to be in place. A major project is currently underway (the Evolve Project) to transition the current VWR onto a modern technology platform to provide a secure and reliable system that supports Victoria's water markets.

Table 7 Summary of actions taken to address Action 3.6 (Statewide)

Activity	*Description of work undertaken*
VWR 10-year strategy (2019-2028)	This strategy set out a 10-year forward look for the VWR from 2019-2028, including: • a vision and desired outcomes for the next evolution of the VWR, as well as the benefits these should deliver for water resource management more broadly; • the functional form for the VWR, including those who interact with or benefit from the VWR, their current and emerging needs for the VWR, and services to meet these needs; • the main elements of a business model to support the VWR and services, and the approach to developing each element, and; • strategic actions to guide detailed planning and implementation.
VWR uplift	In April 2024, the Evolve Project was established to deliver an upgraded VWR. The key activity of the Evolve project is to transition the current VWR onto a modern technology platform, delivering the Victorian community secure and reliable VWR services, and providing a strong foundation for future enhancements. Minor VWR enhancements – for example, to enable batch processing and ensure the VWR remains robust in the evolving cyber-security context – have also been implemented over 2025 and 2026.
Place of take functionality (2023)	In November 2023, new functionality was released in the VWR to facilitate the Place of take framework, including recording place of take approvals and their related river delivery rights (i.e. extraction share) and enabling trade of those delivery rights.
Support for improved market information	Several improvements in VWR data collection and reporting were made to support improved market operation and information. For example, improvements included new functionality to record and manage "reason for trade" information and reporting dashboards to support market monitoring and reporting.

Northern regulated surface water market actions

The northern regulated surface water market is the most developed in Victoria and has the highest level of demand. *Annual trade reporting* shows that in 2016-17, 2,726 GL of water allocation was traded in the north. By 2024-25, the volume of allocation trade had risen to 4,040 GL, an increase of almost 50%. Many of the recommendations in previous sections are applicable to these markets. The review recommended improvements focusing on managing growing demands for trade and increasing sophistication in the market. As well as carrying out the statewide actions, the Victorian government also committed to:

a) Working with other states and the MDBA to make sure:
    - Southern MDB water trade rules stay up to date and adequately manage the impacts that water moving to different locations may have on the environment and the reliability of existing entitlements; and
    - Delivery constraints, like at Barmah, are well-managed.

b) Producing timely and accessible water market information to help participants make informed decisions by understanding market opportunities and risks. This will include clear communications on how water availability and delivery are managed.

Since the last report was released in 2018, numerous changes have occurred in the southern MDB, which have influenced the northern Victorian market. In addition, horticultural development, while slowing in northern Victoria, has continued in NSW and South Australia, meaning additional fixed demand has been added in the lower Murray region, in addition to existing plantings reaching maturity. As a result, the timing and location of where water is being used and the demand for traded water has changed.

Action 4.1a: Ensure trade rules and delivery constraints are well-managed

DEECA has continued to work with MDBA, NSW and South Australia through established interjurisdictional forums, including the Trade Working Group, Water Liaison Working Group, Capacity Policy Working Group and Basin Officials Committee (BOC) to make sure interstate trading rules are appropriate and delivery constraints are well managed. In addition to the completed activities described in the table below, current activities relevant to this action include implementing the following Market Reform Roadmap recommendations:

- Recommendation 18: Basin states have agreed to work together, including through the Environmental Water Committee and Trade Working Group, to improve transparency around the management and communication of environmental water trade, transfer and delivery. The first stage of this project was completed in 2024-25. The Department of Climate Change, Energy, the Environment and Water is working with Basin states and the MDBA to determine actions to be implemented in the next stage of the project.
- Recommendation 15: Evaluate any impacts from trade for carryover parking. Southern Basin states will contribute to a Trade Working Group project in 2026-27 to better understand trends in such trade and evaluate any impacts.

Table 8 Summary of actions taken to address Action 4.1 (a) (Northern regulated surface water market)

Activity	*Description of work undertaken*
Addressing delivery risks – especially in the Victorian lower Murray	
Delivery Share Review (2018)	In 2017-18 the Victorian Government *reviewed delivery share* arrangements in northern Victoria to support irrigation communities and districts adjusting to rapid, continuing land and water use changes. The review found that delivery shares were fundamentally operating as intended, but there was scope to strengthen arrangements. Following consultation with water sector and irrigator representatives, 21 actions were identified to support increased transparency and flexibility in the management of delivery shares, for GMW and LMW's delivery networks. All actions are now complete, including improvements in information and tools to support delivery share trade.
Works licence assessments called in by Minister in lower Murray (2019)	On 10 July 2019, the Minister for Water announced that LMW and GMW will refer all works licence applications for extractions from the Murray downstream of Barmah to her for assessment. These assessments remained with the Minister until the place of take approvals framework was introduced in November 2023. The outcome of the Ministerial assessments was that there was no new extraction share issued in this part of the Murray during that period.
Place of take approvals framework	A key driver for introducing the place of take approvals framework was to improve certainty and flexibility for Victorian water users in response

Activity	Description of work undertaken
	to increasing delivery risks in the Murray. When the changes were introduced in 2023, extraction shares (delivery rights for river diverters) were capped and rules for trading extraction share introduced in both the Murray downstream of Barmah, and Ovens system. The cap-and-trade arrangements in these systems protect existing water users' delivery rights and provide a mechanism for water users to increase or decrease their extraction share via trade to manage their own delivery risks.
Improving interstate coordination	
Improvements in managing trade through the Barmah Narrows	DEECA worked with its NSW counterparts (WaterNSW and NSW DCCEEW) to investigate and implement a more equitable solution for Barmah opening trade on July 1 each year. Since July 2024, a *joint protocol* has been in place for processing these applications. This improves clarity and consistency across the NSW and Victorian trade processes. A key change introduced by this protocol was agreeing to alternating processing of queued applications between the two states, along with a random selection process being used to determine which state would first begin processing applications.
Changes to Goulburn trade and operating rules	
Goulburn to Murray trade review	Following observed environmental damage in the lower Goulburn River, caused by record deliveries of Goulburn inter-valley trade water during 2017-18 and 2018-19, Victoria initiated a review and subsequently introduced a new Goulburn to Murray trade rule and operational rules. As part of the review, analysis was undertaken to understand the ecological and biocultural tolerances of the river to unseasonal flows to inform the development of, and consultation on, revised trade and operating rules. The new Goulburn to Murray trade rule introduced a new upper limit of total trade that could be sustainably delivered under the operating rules, with releases of trade opportunity throughout the water year. A program was subsequently established to monitor the environmental and cultural impacts of flow in the Goulburn River, including delivery of traded water, under the new trade and operating rules.
Tagged use restrictions	In 2019 Victoria introduced a new restriction to prevent water use from tagged accounts when related allocation trade limits have been reached. This action was part of the review of Goulburn to Murray trade rules to ensure a level playing field for water user to access trade opportunities and to ensure trade does not adversely impact the environment or rights of other entitlement holders. Initially these restrictions were made with an exemption for 'grandfathered' tagged entitlements under section 12.23 of the Basin Plan. Following amendments to the Basin Plan, this exemption was removed from July 2024.
Broader actions led by/with the Australian government and other Basin States	
Trial of improved trade adjustment methods (2019)	Victoria has been working in partnership with NSW, South Australia and the MDBA to improve how water trades are accounted between states, to better reflect the contemporary needs of the water market. Allowing trade adjustments to occur in both Hume and Dartmouth dams allows for significantly more trade between NSW and VIC, without increasing reliability risks for entitlement holders. Codifying these trade adjustments

Activity	Description of work undertaken
	in Schedule D of the MDB Agreement occurred through the Schedule D review (below).
Schedule D review and amendments	Victoria worked with other governments and agencies via the Trade Working Group to review Schedule D of the MDB Agreement (which enables and accounts for water trade between valleys and states). A range of key outcomes was achieved through the review, including the streamlining and modernising of the Schedule D framework, and the implementation of flexible trade adjustments. Amendments to Schedule D have been published here - https://www.mdba.gov.au/publications-and-data/publications/schedule-d
Restoring our Rivers Act 2023 – removal of grandfathered tag exemptions	The *Restoring our Rivers Act 2023*, provided for various amendments to the *Water Act 2007*, including removal of the exemption for grandfathered tags from restrictions on trade, providing consistent treatment for all water entitlement holders.
Improving access to trade in the southern Murray-Darling Basin	Victoria, in collaboration with WaterNSW, jointly released an assessment of options to improve the equity and efficiency of access to allocation trade during the Barmah, Goulburn and Murrumbidgee scheduled trade openings. The findings, which were broadly supported by community consultation, supported using randomisation of trade applications for the scheduled Goulburn and Barmah trade opportunities.
Improve transparency and understanding of conveyance losses (Recommendation 7 from the Market Reform Roadmap)	The MDBA has worked with Basin states to understand the impact of water trade on conveyance losses and has published a report here- https://www.mdba.gov.au/publications-and-data/publications/understanding-water-trade-and-its-impact-conveyance-losses. Losses associated with trade were found to be insignificant, with little to no impact on water allocation reliability.

Action 4.1b: Produce timely and accessible water market information

Many of the actions outlined in Action 3.2 have contributed outcomes for this action; however, a few warrant specific mention against Action 4.1(b), these are outlined in the table below.

Table 9 Summary of actions taken to address Action 4.1 (b) (Northern regulated surface water market)

Activity	Description of work undertaken
VWR uplift and improvement programs	Improvements include better trade reporting, customer interfaces, and faster processing times.
Reports comparing water supply and forecast horticulture demand	Since 2019 Victoria has published updated reports comparing estimates of water availability and forecast horticulture demands in the southern MDB. The *2025 update* found there remains a risk of there not being enough water to support all horticultural plantings in the lower Murray region in extreme and moderately dry conditions. These reports are part of a commitment to improve access to water market information to help water users make informed decisions about their water supply risks. It also supports the Victorian Water Minister's decision in 2019 not to issue any new extraction share with works licence applications in the lower Murray, and subsequently cap extraction share in the lower Murray under the place of take framework.
Land use mapping	Victoria has also collected land and water use mapping data throughout northern Victoria through the Regional Irrigated Water and Land Use Mapping (RILWUM) program. Land and water use information for the Goulburn-Murray Irrigation District is publicly available in a dashboard format

Activity	Description of work undertaken
	through the *DEECA RILWUM web page*. Further information about land and water use collected through the program is available through published reports and fact sheets on the Goulburn Broken CMA and Mallee CMA web sites. The program provides information to the community to build understanding of how irrigation regions are changing and support decision making.
Large water owners report	Since November 2020, the names of large water share owners (i.e. those holding more than 2% of high reliability water shares in the Goulburn or Murray system) have been published on the *VWR website*. This report is updated annually.
Frequent trader reports	Since January 2025, the names of allocation account holders that frequently trade water in the Goulburn and Murray systems have been published on the *VWR website*. This includes all account holders who completed more than 20 allocation trades in the year. This report is updated quarterly.
Post Goulburn and Barmah trade opening reports	After each scheduled trade opening in the Goulburn and Barmah, a "post-trade opening report" is published on the VWR website. The report includes key data on trade openings, including the number, volume, owner type and reason for trade for all applications received and approved during each opening. These reports were released in response to market participant feedback and an effort to improve transparency.
Key price summaries	Current median allocation trade prices for the Goulburn (zone 1A) and Murray above Barmah and below Barmah (zones 6 and 7) have been added to the *VWR website*, with an option to click and see the price trend for the previous four weeks in each of these zones.
Australian Government water share transfers report	This page of the *VWR website* was created in June 2025 and provides summary statistics of the volumes of completed water share transfers to the Australian Government per trading zone and reliability, as well as downloadable data. This report is updated monthly.
Market Trends Reports	Updated reports on trends in how water share holders, irrigators and others have used the northern Victorian water market were published in 2019 and *2025*. The latest report analyses data from the VWR on trends in the northern Victorian water market since 2001, with a focus on changes and new trends observed since 2018–19.

Southern regulated surface water market actions

The Victorian Government has implemented a number of changes in line with both state and federal regulations to improve transparency, accountability, and accessibility in the southern regulated market. These changes are part of the long-term transformation and are being rolled out in stages.

Action 4.2: Improve information and inform south-central market development

The 2018 assessment found markets within the southern regulated surface water irrigation systems operate like those in the north and there were similar opportunities to improve information and communications.

The Victorian government committed to:

a) Improve information and communications, and
b) Inform south-central market development and progress action 9.5 in *Water for Victoria*.

Table 10 Summary of actions taken to address Action 4.2 (Southern regulated water markets)

Activity	*Description of work undertaken*
a) Improve information and communications	
Southern Rural Water Exchange (Macalister Irrigation District)	In August 2023, SRW and Water Partners launched a new online trading platform (the Southern Rural Water Exchange) to support Macalister Irrigation District customers to trade allocation and water shares. This was a result of an initiative undertaken to better understand the barriers to water trade in the Macalister Irrigation Area. The project aimed to understand the barriers to trade in the Macalister Irrigation District and find solutions that would encourage more productive use of water through trade. An online trading platform for the Werribees and Bacchus Marsh irrigation districts opened in January 2026
Macalister Water Market Transparency Project	In 2023 and 2024, SRW investigated different opportunities to connect directly with our customers to hear what they needed to remove barriers to trade and offer opportunities to increase their knowledge on how to trade. As part of this work, SRW conducted a survey on barriers to trade, sent information packs to all customers with frequently asked questions, information about the Exchange and how to get started. SRW also held drop-in sessions and a webinar after the Exchange was launched and ran a sequence of social media posts to generate awareness.
Werribee trading zone consolidation	In the Werribee system, Trading zones 31AR and 31AD, and trading zones 31BR and 31BD were consolidated into 31A (Bacchus March and Upper Werribee Diverters) and 31B (Werribee District and Lower Werribee Diverters) in 2023 to streamline and remove unnecessary complexity in the Werribee system trading rules.
b) Inform south-central market development and progress action 9.5 in Water for Victoria	
Develop the water market in south central Victoria	The South-Central Water Market Trial was undertaken as part of Water for Victorian Action 9.5. The findings of this work, not to proceed with the development of a fuller market, were published in the 2021 draft and 2022 final Central and Gippsland Region Sustainable Water Strategy. The focus has shifted from market development towards improving system planning and coordination. Efforts now centre on enhancing water grid management, supporting equitable access, and integrating new sources like manufactured water to better meet environmental and community needs. The findings outline how developing a set of non-market reforms that will result in better management of water and cost sharing between water corporations connected to the Melbourne systems. These reforms were developed collaboratively with water corporations and other stakeholders.

Western regulated surface water market actions

Action 4.3: Improve information and understand demand for trade

The 2018 assessment found that the relatively small development of western regulated surface water market may reflect historically low levels of demand for trade. Any further improvements need to be considered in light of current and future demand for trade.

The Victorian government committed to in the near future:

a) Improve guidance on how to trade under current arrangements, and.

b) Understand demand for trade and current issues and opportunities in the western market over the longer term.

Demand for trade in the western regulated surface water market has continued to remain low since 2018, as such government investment in enhancing this market has been limited.

In 2018, the Wimmera-Glenelg Headworks Review was initiated by the system *Storage Manager* to improve and refine current rules and operation of the system to better meet the needs of entitlement holders and improve efficiency. The review focused on the daily management of the headworks system to optimise water security in the Wimmera-Glenelg system. It is not about changing water entitlements, water allocators nor how water is shared within those entitlements. The outcomes of the review were incorporated into revised Storage Management Rules, which were approved by the Minister for Water in July 2026. At this time, the Minister also remade the carryover declaration for bulk and environmental entitlements in the Wimmera-Mallee system to implement the refined risk of spill methodology contained in the revised rules.

GWMWater has published information on its website about how to trade *surface*, *pipeline* and *groundwater* rights on its websites for customers to access. Trade volumes remain very low, indicating that there is a lack of demand for trade, as such there has not been any further work in this area. Stakeholders have preferred to focus on the headworks review.

Unregulated surface water market actions

Action 4.4: Improve information and management

The 2018 assessment found that unregulated surface water markets were generally operating at a reasonable level consistent with demand, but there is room to engage directly with users to improve awareness of trade opportunities. The Victorian government committed to:

a) work with water corporations to communicate more about how to trade under current processes and
b) consider whether further supporting reforms to entitlement or planning frameworks are needed.

Actions to improve the unregulated market have been limited in the intervening period between reports, with activities focussed on key areas of improving information.

In 2020 DELWP undertook internal investigations into the trends, drivers and constraints for trade in the Yea, Kiewa and Latrobe systems (alongside four groundwater management units) to inform further policy development.

Several water corporations have made progress and improved their online information provision for customers wanting to trade surface water licences. The water corporation webpages aim to guide customers on the rules, processes, and options for buying, selling, and transferring water entitlements or allocations within their respective water systems, ensuring compliance and facilitating transparent trade.

As part of GM2030, work is underway to streamline the existing *Policies for Managing Take and Use Licences*, including updating the policies related to transferring take and use licences to ensure guidance is up to date and clear for rural water corporations when deciding on transfer applications.

Groundwater market actions

Action 4.5: Improve information and statewide alignment

The 2018 assessment found that groundwater markets generally operate at a reasonable level to meet demand, but there is likely to be greater demand than in unregulated surface water markets. The volume of temporary and permanent groundwater trade tends to vary with seasonal conditions i.e. there is more trade in years that are dry or have low water availability and less trade during wetter periods.

The report also highlighted issues of overlap and misalignment between groundwater caps and planning arrangements, such as the transition to the Basin Plan sustainable diversion limits.

The Victorian government committed to:

a) work with water corporations to improve local awareness of how to trade in groundwater systems,
b) ensure statewide alignment in the principles for setting caps, and

following (b) consider whether further reforms to entitlement or planning frameworks are needed. This work will come out of the Sustainable Yields project which is currently being completed by DEECA.

Table 11 Summary of actions taken to address Action 4.5 Improve communication and management (Groundwater market)

Activity	*Description of work undertaken*
a) Improve local awareness of how to trade in groundwater systems	
Southwest Limestone GMA – Water Trading Barriers Report	GM2030 Priority Area 9 involves improving groundwater markets, by working with rural water corporations to assess existing arrangements for groundwater trade and act to remove barriers where flexibility can help users make the most of available water without negatively impacting on living cultural landscapes, environmental health or the community. A key action completed under this priority area was the *Southwest Limestone GMA – Water Trading Report*, which SRW released in mid-2024. The review was undertaken to understand how water markets in the area could be improved, to provide better outcomes for users in the area. The report found that there were several barriers to water trading in the Southwest Limestone Aquifer (SWLA), and that SWLA markets were unlikely to develop due to "significant geographical and practical limitations". These limitations included most users having a similar demand profile, low usage in wet years and a lack of infrastructure to access groundwater. The recommendations of the report focussed on simple, personal and cost-effective changes that could be made by SRW. This included: • Improving level of customer service as a priority • Building awareness of use, monitoring, groundwater cycles and water trade • Dispelling common misconceptions regarding trade • Increasing the transparency of trades, and • Where possible, reducing the complexity of the trade process.
Southern Rural Water Exchange (groundwater)	In December 2024 the *Southern Rural Water Exchange platform* (developed for the Macalister Irrigation District) was expanded to include a new groundwater trading platform for the following groundwater areas in SRW's region: • Southwest Limestone Groundwater Management Area • Portland Groundwater Management Area • Condah Water Supply Protection Area • Newlingrook Groundwater Management Area • Paaratte Groundwater Management Area • Warrion Water Supply Protection Area • Colingual Groundwater Management Area • Glenormiston Groundwater Management Area
Case studies and social research	In 2020 DEECA undertook internal investigations into the trends, drivers and constraints for trade in the Loddon Highlands Groundwater Management Area, Deutgam Water Supply Protection Area, South West Limestone Groundwater Management Area and West Wimmera Groundwater Management Area (alongside three surface water systems) to inform further policy development.
b) Ensure statewide alignment in the principles for setting caps	
Groundwater Sustainable Yield Assessment	GM2030 Priority Area 1 involves improving shared understanding of groundwater and its uses for evidence-based management. The *Groundwater Sustainable Yield Assessment* was established to deliver this work. The assessment provides a method for identifying environmentally

Activity	*Description of work undertaken*
	sustainable levels of take for groundwater management units and unincorporated areas and support more informed decision-making. As a technical assessment, the Sustainable Yield Assessment does not, in itself, result in any changes to groundwater management settings. It provides a consistent, evidence-based foundation to improve understanding of groundwater availability.

Reflections on water market effectiveness since 2018