

Why are these changes being made to Barmah Choke trade application processing?

WaterNSW and the Department of Energy, Environment and Climate Action (DEECA) (Victoria) have been working together to ensure more equitable access to trade opportunities and a more unified experience for customers trading through the Barmah Choke from both New South Wales and Victoria. The two states have committed to collaborating on efforts to enhance operational efficiency and facilitate intervalley trade opportunities.

In July 2023, WaterNSW and DEECA worked to amend Barmah Choke trade application operations to commence at the same time. The announced protocol will, in the short-term, provide better access to the trade limit for all users regardless of which state the application is lodged. This protocol will also ensure that WaterNSW and DEECA, work towards meeting the recommendations in the final Water Market Reform Roadmap, which was developed by the Australian Competition and Consumer Commission (ACCC) inquiry into Murray-Darling Basin water markets.

These changes have also been made in such a way as to ensure that customers will experience no change to how they apply via each state's process.

What is the ACCC Inquiry into Murray-Darling Basin water markets?

In 2019, the ACCC was directed to conduct an inquiry into markets for tradeable water rights in the Murray-Darling Basin. The [Murray-Darling Basin water markets Inquiry - Final Report](#) was released on 26 March 2021 and reinforced the importance and value of water markets to irrigators. The report made 29 recommendations to ensure water market settings remain effective and continue to safeguard against possible distortions.

Recommendation 22 of the ACCC report noted that New South Wales and Victoria, either collectively or separately with the Murray-Darling Basin Authority, should "improve and harmonise the operation of the rules governing intervalley trade and trade through the Barmah Choke".

What is the Water Market Reform Roadmap?

Following the release of the ACCC Murray-Darling Basin water markets inquiry final report, the Federal Government tasked an independent Principal Adviser, Daryl Quinlivan, to work with the Australian Government, Basin states, industry, communities, and other stakeholders to develop a phased, practical, and cost-effective plan for water market reform having regard to the ACCC's findings and recommendations.

This became the final [Water Market Reform Roadmap](#) which was released by the Australian Government Department for Climate Change, Energy, Environment and Water in October 2022. The report included 23 recommendations to address the key findings of the ACCC Water Markets Inquiry.

Among these, recommendation 14 of the roadmap cites a need to "improve efficiency and access to intervalley trade opportunities" and that New South Wales and Victoria, in collaboration with Murray-Darling Basin Authority, should consider options to improve equity of access to IVT opportunities" (including the Barmah Choke opportunity).

What is the new protocol aiming to achieve?

This new protocol is one part of the broader water market reform program that Murray-Darling Basin governments have committed to. This new protocol aims to achieve the outcome that that differences in each State's processing approach and IT systems will no longer be a factor influencing each state's success in accessing the available Barmah Choke trade opportunity.

How was it decided which state would be the first to begin processing applications?

A random generation tool was used to decide which state goes first. This process was conducted with the independent assistance of the Murray-Darling Basin Authority. Following this process, it was determined that Victoria will be the first to process an application. If this protocol continues beyond 2024, states will alternate who processes the first application.

What happens when one state exhausts their queue first?

If one state exhausts its queue, the processing of trade applications doesn't halt. The state which has the remaining queue will continue until their queue is also exhausted.

Both queues are created from applications submitted during the submission window, which may be different for each state. If applications are received after the submission window has closed, these new applications will not be added to the queue. After 6:00 PM on 1 July 2024, once the application processing is complete, if there are any remaining Barmah choke opportunities, they will become available through normal systems processes.

Will this new protocol apply to future Barmah Choke openings?

This protocol will be reviewed following the completion of the **July 2024** trade opportunity period.

Will I have to do anything extra for my application?

No. Customers will submit their application in their state's submission window as usual. Timings will be communicated to users in advance of the 1 July 2024 trade opportunity. The only change will be on the processing stage, between WaterNSW and DEECA. Applicants will be notified to the status in the same manner as previous openings by **6:00 PM on 1 July 2024**.

Where should I direct any feedback regarding this protocol?

If you have feedback relating to the Barmah Choke protocol, please contact your state representatives at water.trade@waternsw.com.au (NSW) and waterregister.support@delwp.vic.gov.au (VIC).

What happens if I have accounts in both states and submit trade applications in each state?

If an applicant chooses to submit Barmah Choke trade opportunity applications in both New South Wales and Victoria, such applications will be assessed as normal with their success determined by the customer's balance and by availability of the remaining trade limit.

What might an application queue look like under this new protocol?

Please note: The opening balance listed below is an assumed balance, this is not reflective of the opening balance on 1 July 2024.

A trade opening with an opportunity of 100 ML might look like this (all data below is strictly for sample purposes):

State	Status (reason)	Processing order of applications	State order of applications (queue)	Application volume	Barmah Choke Opportunity at Lodgement
Victoria	Approved	01	01	5 ML	100 ML
NSW	Approved	02	01	20 ML	95 ML
Victoria	Approved	03	02	25 ML	75 ML
NSW	Refused (due to insufficient account balance)	04	02	9 ML	50 ML
NSW	Refused (due to insufficient opportunity)	05	03	100 ML	50 ML
NSW	Approved	06	04	7 ML	50 ML
Victoria	Refused (due to insufficient account balance)	07	03	7 ML	43 ML
Victoria	Approved	08	04	30 ML	43 ML
NSW	Approved	09	05	10 ML	13 ML
Victoria	Approved	10	05	2 ML	3 ML
NSW	Refused (due to insufficient opportunity)	11	05	5 ML	1 ML
NSW	Approved	12	05	1 ML	1 ML
Victoria	Refused (due to insufficient opportunity)	13	06	10 ML	0 ML