

Water trading glossary for AHC Companion Volume Implementation Guide to assist users of AHC water trading units

During the development of the new Water Trading units of competency released in AHC Version 8.0, it became evident from stakeholder feedback, that there were different interpretations of some key terms used in these units, generally arising from the various regulations and rules that exist across different jurisdictions and water markets.

The definitions and explanations of the terms listed in the glossary below are intended to provide an interpretation of the terms as they apply in:

- *AHCWAT303 Access, extract and monitor water for irrigation*
- *AHCWAT505 Purchase and sell temporary water for irrigated agriculture and horticulture*
- *AHCWAT506 Identify carryover water or continuous accounting*

Unless otherwise indicated, the definitions have been sourced or adapted from the Australian Competition and Consumer Commission (ACCC) - *Murray Darling Basin (MDB) Water Markets Enquiry – Final report 2021*. This document was used because the MBD covers four major water trading states (Queensland, New South Wales, Victoria and South Australia). The three new units have been designed with flexibility to allow usage across various jurisdictions and water markets. RTOs should check with their local water authorities and agencies and take into consideration variations to the definitions below.

Term	WAT 303	WAT 505	WAT 506	Definition and explanation
Water entitlement or water licence	1.2	KE	KE	<p>The Murray Darling Basin Authority Annual Report 2020 -21, states that “water access licences entitle licence holders:</p> <ul style="list-style-type: none"> • to specified shares in the available water within a particular water management area or water source (the share component) • to take water at specified times, rates or circumstances from specified areas or locations (the extraction component)”. <p>(Source: https://www.mdba.gov.au/sites/default/files/pubs/mdba-annual-report-2020-21.pdf)</p> <p>Water entitlements are classed by their reliability, which is defined by how often full annual allocations are expected to be available (Source: Adapted from the Victorian Water Register: https://www.waterregister.vic.gov.au/about/water-dictionary?start=40)</p> <p>The Victorian Water Register dictionary also states that “entitlement is a right to take/use/extract/have water delivered that may be limited by conditions. Different entitlements are necessary depending on where and how water is taken, and what it is then used for. The most common types of entitlements are water shares, delivery shares, water-use licences, take and use licences, water allowances, supplies by agreement and works licences”. (Source: https://www.waterregister.vic.gov.au/about/water-</p>

				<p>dictionary?start=20)</p> <p>Note – Not all states and territories use the term water licence. For example, the Victorian Water Register dictionary states that term water licence is “generally a shorthand way of referring to a take and use licence. This can be confusing, as there are other types of water licences – for example, works licences and water-use licences, which are very different entitlements. It is better to use the name of the entitlement type”.</p> <p>(Source:https://www.waterregister.vic.gov.au/about/water-dictionary?start=100)</p>
Water account	1.2			<p>An account established with an approval authority used to record the account-holder’s water allocation. For example, an allocation account or allocation bank account (Victoria, NSW) or water account (South Australia, Queensland). May also be referred to as a ‘water holding account’.</p>
Irrigation water	Applicn, 1.2			<p>Water that is used by an irrigator as a primary producer to grow crops and livestock.</p> <p>Source: adapted from Murray Darling Basin Authority Annual Report 2020 -21, https://www.mdba.gov.au/sites/default/files/pubs/mdba-annual-report-2020-21.pdf)</p>
Water allocation	1.4			<p>The specific volume of water allocated to a water access entitlement (or licence) in a given water accounting period.</p> <p>The size of the allocation depends on how much water is available in the water resource in that season. Also referred to as a seasonal water assignment in Queensland.</p> <p>The Murray Darling Basin Authority Annual Report 2015 -16, states that “water allocation is often quoted as a percentage of the volume of each entitlement. For example, a 20% allocation in a particular season allows a water user with a 100 ML entitlement to take 20 ML of water”. (Source: https://www.mdba.gov.au/annual-report-2015-16/appendixes-references/glossary)</p>
private diverter	4.4, E2			<p>A person that extracts water directly from a natural watercourse (either a regulated or unregulated river or groundwater where applicable) using their own infrastructure.</p>
Irrigation network				<p>The water service infrastructure of an irrigation infrastructure operator. In practice, an irrigation network typically constitutes a network of carriers (open channels, pipes and/or natural waterways) that convey water from a water source through customer service points to customer properties. It may be either a gravity fed network (typically using channels and/or natural waterways) or a pressurised network (using pipes).</p> <p>An irrigation network delivers water to its customers under its water entitlement (licence/s). In some situations, an irrigation network may also deliver water to its customers under the provisions of the water entitlement (licence/s) held by the customer, rather than the entitlement (licence/s) held by the irrigation network. (Source: Adapted for South Australian Irrigation Act 2009, Part 4, Division 1, 23 (2))</p>

account balance	2.7,			The amount of water available on a water licence or water account that is used for a fixed period that needs to be reconciled within a set timeframe.
Carryover or Continuous accounting	Yes	KE	Yes	<p>An arrangement which allows a water access right holder to retain water allocations not taken in a water accounting period for possible take in the next water accounting period.</p> <p>The Murray Darling Basin Authority Annual Report 2015 -16, states that “Carryover is a way to manage water resources and allocations that allows irrigators to take a portion of unused water from one season into the new irrigation season” (Source: https://www.mdba.gov.au/annual-report-2015-16/appendixes-references/glossary)</p> <p>In Queensland, carryover may also be referred to as continuous accounting.</p>
kilolitres (KL),	FS	FS	FS	One thousand litres.
megalitres (ML)	FS	FS	FS	One million litres.
gigalitres (GL)	FS	FS	FS	One billion litres.
intervalley trade	KE			Trade in water access rights between trading zones or valleys.
permanent or entitlement trade	KE			<p>Permanent trade is the trade of water entitlements (known as 'entitlement trade'). For example, if an entitlement holder sold their water entitlement permanently.</p> <p>(Source: Murray Darling Basin Authority website, https://www.mdba.gov.au/water-management/managing-water/water-markets-trade)</p>
temporary or allocation trade	KE			<p>Temporary trade is the annual trade of water allocations (known as 'allocation trade'). For example, an entitlement holder can trade their allocation in any season, based on their own business model.</p> <p>(Source: Murray Darling Basin Authority website, https://www.mdba.gov.au/water-management/managing-water/water-markets-trade)</p>
water market products				Includes tradeable water rights, and statutory or contractual arrangements associated with tradeable water rights, including but not limited to leases, forwards and options.
allocation announcements	2.7, KE			<p>An announcement specifying the volume of water allocated to water access entitlements or licences.</p> <p>(Source: Adapted from the Murray Darling Basin Plan 2012, Part 3, Section 1.07, https://www.legislation.gov.au/Details/F2012L02240)</p>

environmental water holder	KE		Environmental Water Holders are federal, state and territory governments agencies that manage environmental water under the provisions of commonwealth and state/territory legislation. Environmental water used to achieve environmental outcomes, including benefits to ecosystem functions, biodiversity, water quality and water resource health. (Source: adapted from The Murray Darling Basin Authority Annual Report 2020 -21, https://www.mdba.gov.au/sites/default/files/pubs/mdba-annual-report-2020-21.pdf)
water brokers		2.5, 5.5	A water market intermediary who, for a commission or fee or other form of remuneration or payment, offers one or more of the following services: <ul style="list-style-type: none"> • providing advice to clients regarding the trading of water rights • trading tradeable water rights on behalf of another person • investigating tradeable water right trading possibilities on behalf of another person • preparing and submitting documents necessary for the trade of a tradeable water right on behalf of another person
water trading platforms		2.5, 5.5	Typically refers to an on online portal facilitating direct trading between sellers and buyers
off -platform trade or other water trading options		2.5, 5.5	Trades negotiated without the involvement or use of an exchange platform, but lodged for approval via an exchange platform
water trading area or zone		PE	Zones established to simplify administration of a trade by setting out the known supply source or management arrangements and the physical realities of relevant supply systems within the zone so that trade can occur within and between zones without first having to investigate and establish the details and rules of the system in each zone.