



# AWBA POLICY UPDATE

Wednesday September 25, 2019

## **WATER MARKET REGULATION**

The AWBA have been engaged with Governments, both State and Commonwealth, on water market regulation in excess of 5 years. We have been working towards a self-regulation regime and have made progress in a number of key areas to date:

1. AWBA Members abide by a Code of Conduct that specifically stipulates;
  - a. A separate account must be used for client funds held on deposit. This account must be audited annually and the audit report presented to the AWBA upon membership renewal.
  - b. Members must hold professional indemnity insurance offering a minimum coverage of at least \$5 million for any single claim.
  - c. A defined complaint handling procedure.
  - d. Deference to the existing Commonwealth laws and broader market rules and regulations. Specifically highlighting members obligations under the Australian Consumer Law.  
<https://www.accc.gov.au/regulated-infrastructure/water/water-trading-brokers-exchanges>
  - e. Conflict of interest policy - promoting a rigorous and transparent approach in managing potential and existing conflicts of interest.
  
2. A Continuing Professional Development program and policy, ensuring members knowledge is kept relevant through educational seminars each year.

The AWBA is currently working on the following:

1. Water Broker Account Policy – bringing water accounts into line with financial accounts, and clearly stating rules that govern how a member is allowed to engage with the market.
2. Corporate Membership – the goal of which is to capture as many brokers under the self-regulation umbrella we are creating.
3. Industry wide Standardised Contracts for key water market products
4. Direct engagement with State Water Registers to assist them in improving both the capture and reporting of trade information in a timely and more meaningful manner.

The AWBA and it's members operate under the law and rules that are currently in place. We welcome the current ACCC review and will co-operate with it fully. The AWBA will consider all feedback as a result of the review and look to enhance existing policies and develop new policies that provide the best practice example to the broader water trading community.