

	Water Trading Annual Audit Terms of Reference	Standard No: Author: Commercial Analyst Approved: Commercial Manager
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Status: Mandatory	Availability: internet/ intranet	Target Audience: general public/ SunWater staff/ water trader
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Background

To assist in the development of water trading markets in Queensland, SunWater has established a water trading function and an online water trading facility.

To allow a competitive water market to develop and to contribute to the transparency and accountability of SunWater's water trading arrangements, SunWater has developed a Code of Conduct outlining how SunWater will carry on its water trading activities.

The objectives of the Code of Conduct are to:

- Ensure open and transparent access to a water trading market for buyers seeking to purchase water;
- Set out to market participants how SunWater will go about trading its water allocations;
- Provide an auditable process and policies to ensure market participants have confidence that SunWater is complying with its Code;
- Develop and grow water markets for the benefit of all water allocation holders and water users; and
- Assure integrity within the water trading market.

As this is a self-regulatory arrangement, SunWater seeks to engage an independent external auditor to demonstrate whether it has complied with its obligations under the Code of Conduct.

Outline of the audit

SunWater is proposing to undertake a consultancy to assess the adequacy of measures undertaken to ensure compliance with SunWater's Code of Conduct from the period commencing 1 July 2007.

Section 7 of the Code of Conduct requires SunWater to establish and maintain appropriate internal procedures to ensure compliance with the Code of Conduct and to demonstrate the adequacy of these procedures.

The consultant will be required to audit the effectiveness of internal mechanisms associated with the protection of confidential information, disclosure of market information and measures taken to implement SunWater's Water Trading Code of Conduct.

Effectiveness must be assessed with reference to the requirements of the Code of Conduct.

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Project Timing

SunWater expects to engage the consultant by 30 April 2008.

The audit should be completed and the final report presented to SunWater by 1 November 2008. This report (excluding commercially sensitive information) will be published on SunWater's internet site.

Progress reports will be required to be submitted by the consultant at intervals agreed to by the successful consultant and SunWater.

Deliverables

In carrying out this project, consulting services will be required to prepare a report identifying the adequacy of internal procedures to ensure compliance with the Code of Conduct as well as an assessment of actual compliance, including:

- an assessment of the current internal mechanisms associated with the protection of confidential information;
- an assessment of the current internal mechanisms associated with the disclosure of market information;
- an assessment of non-discriminatory approval of water trades;
- an assessment of the current internal mechanisms associated with the implementation of SunWater's Ring-fencing Undertaking; and
- provide recommendations on areas in which SunWater's internal mechanisms and procedures can be improved.

The report should explain the approach and methods used in reaching its findings. The study should relate only to those activities identified in the Code of Conduct.

Proposal specification and fees

All documents, information and references provided by SunWater to the consultant for the purposes of this consultancy will remain the property of SunWater.

The proposal should:

- include the name, address and legal status of the tenderer;
- provide the proposed methods and approach to be applied;
- provide a fixed price quote for the provision of the services detailed herein; and
- nominate the key personnel who will be engaged on the assignment together with the following information:

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- name;
- professional qualifications;
- general experience and experience which is directly relevant to this assignment;
- expected time each consultant will work on the project; and
- standard fee rates for any contract variations.

Fees

The fee quoted is to be inclusive of all expenses and disbursements including all costs associated with travel to any/all Business Office(s) nominated below:

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.....

A full breakdown of consultancy costs is required with staff costs reconciled to the consultancy work plan.

Total payment will be made within 28 days of receiving an invoice at the conclusion of the consultancy.

Confidentiality

Under no circumstances is the selected consultant to divulge any information obtained from SunWater for the purposes of this consultancy to any party other than with the express permission of SunWater.

Conflicts of Interest

The consultant, for the purpose of this consultancy, is required to affirm that there is no, and will not be any, conflict of interest as a result of this consultancy.

Proposal Requirements

Proposals should provide for commencement of the services upon receipt of acceptance of the proposal and completion within the time frame detailed above.

Lodgement of Proposals

For further information contact:
 Peter McGahan
 Phone (07) 3120 0083
 Email peter.mcgahan@sunwater.com.au

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Proposals should be submitted to:

The Chief Executive Officer

SunWater

PO Box 15536

CITY EAST QLD 4002

Proposals should be received by no later than close of business 30 March 2008.