

1. Purpose and Scope

A Water Trading Code of Conduct ensures lawful, consistent and fair dealings between a water holder/trader and its customers. The purpose of this Code of Conduct is to set out how Sunwater, as a holder of tradeable water allocations, will carry out its water trading activities within the portfolio strategy and scheme trading strategies approved by the Sunwater Board. These activities comprise Sunwater’s water trading through permanent and temporary transfers, and leases.

This Code of Conduct details the rules for Sunwater to govern the way it trades water that is transparent and provides clarity to market participants. It is also used to address real or perceived conflicts of interest

2. Objectives

The objectives of this Code are to:

- ensure open and transparent access in the water market for participants seeking to purchase or lease water from Sunwater
- demonstrate to market participants the approach Sunwater will use to trade its water allocations
- provide an auditable process and policies to enable market participants to have confidence that Sunwater is complying with its Code

3. Code Undertakings

3.1. Market Facilitation and Education

Sunwater will make relevant market information publicly available through its website or Sunwater’s online water exchange platform. This information will include:

- up-to-date announced allocations for each scheme
- development proposals for new, or for augmentation of, water infrastructure in each scheme
- details for making Sunwater’s water available (permanent, temporary and via lease)
- Sunwater’s trading intentions
- Sunwater’s volume available to trade in each water supply scheme at the beginning of the water year and direction to the online water exchange platform where current volumes of water are available for sale
- historic information on water use via the annual report
- historic information on trades, volumes and prices which can be located on the water exchange web site
- regulated pricing information and, where available, commercial delivery pricing fees and charges
- storage levels, and
- historic rainfall.

Where Sunwater is not the custodian of all market information, it will provide links to the relevant websites, such as those of the Queensland Government and any relevant water brokers used.

3.2. Transparent Trading Processes

Sunwater will publish, for all its Water Supply Schemes where it holds any water allocations available for trade, information including the water products available and the process for releasing water for permanent sale, lease, or temporary transfer (seasonal water assignment).

This information will include:

- the volume of water to be made available by product (i.e. permanent, lease, seasonal assignment, priority and zone)
- the timing of volumes to be made available.

Information about Sunwater's available products will be published on Sunwater's website annually and if a broker is used, refer to that broker and its services.

3.3. Sale Pricing

Sunwater will operate within normal market mechanisms when it trades its allocations. This may take the form of offering its products through:

- an online water exchange platform
- a tender or auction process outside of any public exchange, or
- direct negotiation with customers, generally via the Sunwater broker unless negotiating with industrial or urban customers.

3.4. Non-Discriminatory Pricing

Sunwater will not discriminate in its purchase prices between different customers within the same segment (e.g. industrial, urban and agricultural) where the same product is being made available in the market at the same point in time.

4. Sunwater's role in the Water Market

4.1. Approval of Seasonal Water Assignments (Temporary Trades)

In performing its function of approving temporary trades between customers, Sunwater will decide approvals in accordance with the published criteria [provide link to relevant Sunwater and external water trade documents] and conditions applying to the trade. Specifically, Sunwater will:

- ensure seasonal assignments between customers and those involving Sunwater are processed impartially
- decide approvals in accordance with published temporary trade criteria contained in temporary trade application forms published on the Sunwater website
- ensure consistency with section 12.38 of the Murray-Darling basin plan i.e. for each trade, Sunwater will publish the following including:
 - if it approved the trade
 - if it was a party to the trade
 - the type of water access right
 - the volume of the water access right traded
 - the number of days elapsed between lodgement and approval, and
 - the price of the trade
- Confirm its commitment to complying with the Council of Australian Governments (CoAG) water trade approval service standards.

4.2. Permanent Trades

Sunwater does not have a role in Permanent Trade approvals.

4.2.1. Interim Water Allocations (IWA)

Permanent trades of IWA will be approved by the Queensland Government in accordance with the relevant Interim Resource Operations Licence (IROL) published on the government's website.

4.2.2. Water Allocation

Where relevant, permanent trades of water allocation are approved by the Queensland Government, with all permanent trade dealings taking effect when registered on the

Water Allocations Register following lodgement at the Titles Office. Sunwater will not discriminate between trades involving customers and those involving Sunwater.

4.3. Term Allocations and Leases

To create an interest at law, leases are registered on the Water Allocations Register following lodgement at the Titles Office.

In making Term Allocations and Leases available to the market, Sunwater will:

- issue a notice of the existence of a supply contract to enable registration of a lease
- not discriminate between leases between customers and those involving Sunwater, and
- decide applications for supply contracts in accordance with the relevant scheme Resource Operation Licences (ROL), Operations Manual (formerly known as Resource Operations Plan (ROP) or Interim Resource Operations Licence (IROL) published on the [Queensland Government website](#).

4.4. Supply Contracts

As part of Sunwater's role in dealings involving seasonal water assignment approval, term allocations, leases and permanent trades, Sunwater will:

- decide applications for supply contracts in accordance with the relevant scheme Resource Operation Licences (ROL), Operations Manual (formerly known as Resource Operations Plan (ROP) or Interim Resource Operations Licence (IROL) published on [the Queensland Government website](#), and
- issue a notice of the existence of a supply contract to enable registration of a lease and permanent trade.

5. Disclosure of Contract Details

Sunwater's standard water supply delivery contracts will be made available on its website.

6. Compliance

Sunwater will establish and maintain appropriate internal procedures to ensure that it complies with the undertakings within this Code of Conduct.

Sunwater will demonstrate the adequacy of these procedures through:

- an independent external audit of Sunwater's compliance with the Code every three years and through spot audits of compliance with the Code as directed and deemed necessary by the Sunwater Board
- spot audits of compliance with the code as directed and deemed necessary by the Sunwater Board
- spot audits of compliance with the Code as directed on occasion by Shareholding Ministers

In each case, an unredacted copy of any audit report will be submitted to Sunwater's shareholding Ministers within three months of the conclusion of the audit. A redacted version of the report, with commercially sensitive information removed, will be published on Sunwater's website by the end of the November after the water trading period audit.

7. Ringfencing

To assist in promoting competition and assuring integrity in water trading in schemes owned by Sunwater, Sunwater will put in place systems and procedures through its ring-fencing arrangements to ensure its water trader only has access to market information that is available to every other market participant. The ringfencing arrangements are documented in the "Ringfencing Guidelines". Sunwater will utilise the services of an out-sourced external trader as a broker or external electronic trading platform for all temporary trades of water available under water allocations held by Sunwater.

8. Binding Dispute Resolution

All customers and prospective customers will have access to a binding dispute resolution process for complaints in respect to Sunwater's compliance with this Code that cannot be resolved through negotiation.

A copy of Sunwater's dispute resolution process will be made available on Sunwater's website.

9. Breaches of Sunwater's Water Trading Code of Conduct

Immediately upon becoming aware that the breach has occurred, Sunwater will provide a report of any breach of any of its commitments under this Code of Conduct to shareholding Ministers.

Potential breaches of the Code will be investigated by an independent body agreed between both parties. The final report of the investigation will be provided to Shareholding Ministers.

Where it has been found that Sunwater has committed a breach of Code, the nature and resolution of the breach will be publicly reported in Sunwater's Annual Report.

10. Reviews of, and revisions to, the Code of Conduct

This code is to be reviewed by Sunwater in conjunction with shareholding Minister departments immediately following the publication of each three-year audit.

Revisions to this Code of Conduct will be approved by shareholding Ministers prior to implementation and will be published on the Sunwater website.

11. References

Water Trading Policy

12. Definitions

Defined Term	Explanation
Lease	Agreement to access a water entitlement for a defined period of time. The leaseholder's interest in the allocation is recorded on the Register of Water Allocations maintained by DNRME.
Interim Water Allocation (IWA)	Interim water allocation (IWA) is required to take water supplied by an interim resource operation licence (IROL) holder or a resource operations licence (ROL) holder. It is an interim authority that will remain in place until water trading is established in the area via a water resource plan and resource operations plan.
Seasonal Water Assignment or Temporary Trade	Temporary arrangement for the duration of a water year where some or all of the water that can be taken under a water entitlement is assigned to another person or place.
Term Allocation	Agreement to access a water entitlement for a defined period of time where the interest in the allocation is not registered on the Register of Water Allocations
Water Allocation	Authority to take water from a supplemented Water Supply Scheme the Water Act, and an entitlement to a share of the available water resource in a catchment.
Water Supply Scheme	A water supply scheme for which a resource operations licence or interim resource operations licence has been issued.

13. Approval and Review Details

Owner:	Board	Issue Date:	December 2024	Document No:	2546674.v3
SME:	GM Commercial Customers and Analysis	Next Revision Date:	December 2025	Reference No:	CORP POL 26

