

1. Purpose and Background

The purpose of this ringfencing guideline is to detail the roles and responsibilities of Sunwater's staff as they relate to Sunwater's undertaking to promote competition and transparency in water trading.

Sunwater has in place a system for the ringfencing of information to ensure that its water trading function personnel only have access to information that is available to every other market participant.

This document should be read in conjunction with "Water Trading Ringfencing Arrangements".

2. Scope

This Guideline applies to:

- Sunwater's water broker, Ruralco
- Water trading lead (within Growth & Asset Creation team)
- Customer Interactions team
- Billing & Compliance team.

3. Strategy

Sunwater has established a well-designed trading framework for its own water allocations that is transparent and provides clarity to market participants. In addition, Sunwater promotes the development of a competitive environment for the trading of water to deliver economic benefits to water users and regional economies.

In relation to water trading, two key aspects of this strategy are:

- the provision of full information to the marketplace (subject to confidentiality and privacy requirements); and
- the ringfencing of Sunwater's water trading activities from the water supply business.

To achieve the objectives, Sunwater is committed to the provision of relevant information to the marketplace. This information will include:

- up-to-date announced allocations for each water supply scheme
- development proposals for new or augmentation of water infrastructure in each water supply scheme
- release of new water allocation (permanent and temporary)
- Sunwater trading intentions for each scheme
- the total volume available in each water supply scheme, volumes used and the residual volumes potentially available for trading at any time in the market (based on the most recent data available)
- historic information on water use
- total volumes traded over the current water year
- historic information on trading prices
- regulated price information and, where available, commercial delivery prices
- storage levels and stream flows
- historic rainfall.

4. What is Ringfencing?

Ringfencing is an administrative protocol which provides for the separation of different business units or functions. Ringfencing is relevant to all Sunwater staff members regardless of whether they work in the ringfenced business unit or not.

5. What will be Ringfenced?

Sunwater has ringfenced its water trading activities from its water supply business. This has the effect of ensuring that information flows between various Sunwater business units and Sunwater’s water trading functions do not provide a competitive advantage over competitors or other market participants.

The flow of confidential market-sensitive information is being ringfenced. Sunwater ensures that confidential information that is market-sensitive and not in the public domain, will be controlled so that it cannot be used for commercial gain. This is achieved by ensuring that the water broker does not have access to any Sunwater information management systems, servers or email system and is located remotely.

Management of the water broker is only by the water trading lead, who is aware of the necessity for withholding any confidential market-sensitive information from the water broker. In particular, access to the customer account platform is not provided to the water trading lead. Details of the ringfencing arrangements are contained in the document “Ringfencing Arrangements”.

6. What is Confidential Market-Sensitive Information?

Information obtained by Sunwater in the course of business, which is confidential and might reasonably be expected to materially affect the commercial interests of market participants is considered to be confidential market-sensitive information. In addition, Sunwater has access to market-sensitive information that is not specific to any particular market participant but is not publicly available; this information is also confidential.

With respect to the ringfencing of Sunwater’s water trading functions, access to market-sensitive information obtained by other business units of Sunwater will be restricted. This ringfencing guideline applies to confidential and commercially sensitive information obtained by Sunwater directly from its customers (current and potential) as well as market-sensitive information not publicly available.

Information is considered to be in the public domain if, for example, it has been discussed in a public forum (e.g. a customer council meeting), is the subject of a media announcement or is published on a website.

Table 1 – Information to be ringfenced

Market-Sensitive Customer Information	Market-Sensitive Information Not Publicly Available
Name, contact details and consumption levels of all supply contract customers	Projected announced allocations for the next water year prior to public announcement.
Supply contract customer’s available water balance	DRDMW’s unannounced plans for water harvesting.
Changes in the level of consumption of a supply contract customer	Proposals for new infrastructure not yet in the public domain.
Credit information on supply contract customers	Planned shutdowns prior to being publicly announced.

Note: this list may not be exhaustive

7. Information Confidentiality

The protocol for the maintenance of information confidentiality applies to all Sunwater staff, consultants, independent contractors and agents of Sunwater. The fundamental principle is that

confidential or market-sensitive information provided to or obtained by Sunwater is applied only for the purposes it was provided or obtained for i.e. conducting its water supply business.

Sunwater has established systems and procedures to ensure that its water broker will only have access to information that is available to every other market participant. As other water brokers operate in the market it is essential that Sunwater's broker is not given a competitive advantage by having access to, or receives confidential information from Sunwater, that is not also made available to other brokers and the market generally.

Sunwater employees, consultants, independent contractors or agents engaged in non-water trading activities will ensure that confidential information that is obtained or held, will be administered in accordance with Sunwater's Privacy Policy. Subject to the Privacy Policy, information should not be disclosed to any person without the prior written approval of the customer (current or potential) to whom that information pertains.

The Chief Executive Officer (CEO) has access to all information in Sunwater. The CEO will exercise due care and regard to the principles of these guidelines in dealing with that information and revealing information to the water broker.

8. Customer Enquiries Guideline

Sunwater maintains a presence across much of Queensland, with business/service centres in:

- Clare
- Biloela
- Bundaberg
- Emerald
- Eton
- Moranbah
- Mareeba.

It is anticipated that business centre staff will continue to receive requests from market participants for the purchase, lease and temporary transfer of water allocations. In such instances the business centre staff will refer all enquiries to the water broker.

An important element of Sunwater's responsibilities is to ensure that it treats all market participants equally. Thus, it is inappropriate for Sunwater to provide services to its own water broker on more favourable terms than those it provides to another customer or market participant.

9. Information Access and Storage Protocol

The water broker does not have and will not be given access to the Sunwater IT system. This will ensure that market-sensitive information that is retained or otherwise stored (either electronically or in a hard file) by Sunwater for its water supply activities will be secured such that access will be denied to the water broker.

Similarly, the water broker's access to files associated with water supply will be physically and digitally barred. This restriction applies to all those files maintained by Sunwater which contain market-sensitive information.

10. Audit Arrangements

To demonstrate to market participants Sunwater's ongoing commitment to effective ringfencing, an independent audit will be conducted in accordance with the Water Trading Code of Conduct (currently every three years). The audit process will review the adequacy of Sunwater's procedures and actions in compliance with the ringfencing arrangements. The results of the audit (with commercially sensitive

information removed) will be made available on Sunwater’s website. The water broker’s activities will also be subject to internal audit at any time.

11. Related legislation and documents

- Water Trading Code of Conduct
- Water Trading Dispute Resolution Process
- Water Trading Ringfencing Arrangements

12. Approval and Review Details

Owner:	GM Growth and Asset Creation	Issue Date:	July 2022	Document No:	2524267-v5
SME:	Manager Customer Experience	Next Revision Date:	June 2024	Reference No:	CORP GDL 27

