

Water Allocation Trade Form Update

From July 1, WaterNSW is updating its allocation trade forms to ensure more accurate information is collected as part of the trade process. This is to support a more transparent trade market.

Why has the Water Trade Form changed?

Improving market transparency was a key objective of the Murray Darling Basin Authority's (MDBA) Trade Price Audit in 2019 and is a focus of the Australian Competition and Consumer Commission's (ACCC) current inquiry. The NSW Government and WaterNSW has welcomed and supported these reviews and are committed to improving the transparency and function of water markets.

What is the purpose of the form update?

To achieve this, we will be requiring additional information on allocation trades from 1st July 2020. The information will provide greater insights and help all market participants to better understand:

- The accuracy of prices being reported
- The types of trades being undertaken
- The market prices of different types of trades
- The type and extent of trades related to secondary market products

What is this information being used for?

This information will be used to provide improved market insights and transparency on the various reasons why water is being traded. It will provide information on the market price for various types of trades and establish standards for how various types of trades should be recorded.

This will provide greater insights for buyers and sellers on what the market price has been for these products. This will assist market participants to consider the use of these products in managing their water portfolio.

More information

Further information about the changes to the Water Trade Forms can be found at waternsw.com.au/trading

If you have any questions, contact our Customer Service team on 1300 662 077 or email Customer.Helpdesk@waternsw.com.au

Water Allocation Trade Form Update



Understanding the changes

Part 1 Trade information

1. This new field collects the date the sale price was agreed
2. New question added to gather information about \$0 sale price trades and the reason for the zero price sale. This question also references Part 5 in the form

Part 2 Seller(s) Details and Authorisation

3. Validation is required when you are making an application on behalf of a licence holder or Corporation holding the licence
4. We request both the Applicant's and Licence Holder's email for communication purposes

Part 3 Buyer(s) Details and Authorisation

This section has been updated to collect more information on the buyer and their authorisation.

5. Seller will now be referred to as "Licence Holder"
6. We've introduced a new check box to determine if the licence is owned or associated with a Water Broker
7. There is now a check box to determine the type of licence or holding
8. This section is to confirm authorisation details

Part 4 Broker Authorisations (if applicable)

This section replaces the Buyer(s) Agent details.

9. The Broker (Seller) statement and Broker (Buyer) statement requires validation when completed

Part 5 Trade Purpose Classification

10. This new section identifies which classification the trade purpose falls within and the reason.

Please note: For \$0 sales, you cannot select the Purposes marked with an asterisk*

INFORMATION FOR PARTIES TO DEALINGS

11. Incomplete applications.

This section has been updated to explain more in detail how WaterNSW actions incomplete applications, broken down by sections within the form.



SWC779982

Application to Assign Surface Water Allocation

Application for Minister's consent under sections 711 and 71V of the Water Management Act 2000
 Details of fees payable and lodgement procedures are provided overleaf, further details can also be found at www.waternsw.com.au. Applicant(s) should refer to these notes prior to submitting an application. All parties acknowledge that the application will be managed in accordance with these procedures.

WARNING PENALTIES APPLY FOR FALSE DECLARATIONS

Part 1 Trade information (Volume/Price)

Macquarie AWD ML Macquarie Carryover ML

Lachlan General Sec Take ML Lachlan High Sec AWD ML

Lachlan General Sec Hold ML Lachlan High Sec Splittable ML

All Other Valleys ML

Sale price (All Valleys) \$ ML

Date price agreed (dd/mm/yyyy) / /

Part 2 Seller(s) Details and Authorisation

Seller(s) licence number ML Licence Holder Name(s)

Licence owned by / associated with Water Broker Type of licence/holding: Consumptive Environmental

I/we confirm that the information provided for the purpose of this application is true and accurate and that there is sufficient water available in this licence's water allocation account to proceed with the application

I am/we are holder(s) of this Water Access Licence; or
 I am/we are authorised to make this application on behalf of the holder(s) of this licence **A(Validation required)**; or
 I am/we are authorised to make this application on behalf of the Corporation holding this licence **A(Validation required)**; or
 All holders of this licence have consented to this dealing (to include additional signatures attach Annexure 1).
Print Applicant's (authorised person) name, signature and contact details below, and date. Also provide a contact email for the licence holder where available:

Applicants Name Signature Phone Date

Applicants email Licence Holder (Seller) Contact Email for communication

Part 3 Buyer(s) Details and Authorisation (formally Part 4 Buyer Information)

Buyer(s) licence Number ML Licence Holder Name(s)

Licence owned by / associated with Water Broker Type of licence/holding: Consumptive Environmental

I/we confirm that the information provided for the purpose of this application is true and accurate

I am/we are holder(s) of this Water Access Licence; or
 I am/we are authorised to make this application on behalf of the holder(s) of this licence. **A(Validation required)**;
Print Applicant's (authorised person) name, signature and contact details below, and date. Also provide a contact email for the licence holder where available:

Applicants Name Signature Phone Date

Applicants email Licence Holder (Seller) Contact Email for communication

Broker Contact Name: Broker Contact Email:

Broker (Buyer) Statement: I am a water broker acting on behalf of the Purchaser and have been authorised to make this application on behalf of the holder(s) of the licence. **A(Validation required)**.

Broker Contact Name: Broker Contact Email:

Part 5 Trade Purpose Classification (You cannot select a Purpose with an asterisk* if your sale price is \$0)

1. Standard commercial* 7. Private lease arrangement (not 711M)*
 2. Forward Contract* 8. Allocation trade as part of share transfer*
 3. Carryover parking* 9. Environmental use
 4. Carryover parking return 10. Returned unused environmental water
 5. Related party 11. Government program
 6. Compensation Trade for outcome delivery 12. Other

Reason: Reason:

Part 6 Payment Options

Applications including the appropriate application fee may be paid by credit card, cheque or money order (made payable to WaterNSW). To calculate your application fee please go to www.waternsw.com.au/customer-service/trading
 To pay this via credit card please go to www.payway.com.au and make your payment using biller code 228627.
 For any issues, please call our customer helpdesk on 1300 662 077 and choose option 2 for Temporary Water Allocations and a Customer Service Officer will assist you.

INFORMATION FOR PARTIES TO DEALINGS
 Applicant(s) should note the following information when submitting an 'Application to Assign Groundwater Allocation':

8. Incomplete applications
 WaterNSW will return all applications deemed to be incomplete.
 Where a broker has been nominated to act on behalf of the applicants, the broker will be notified. Applications will be deemed incomplete and the application returned if the buyer and seller sections are not completed on the same form.
 Brokers must complete Part 4 as well as list their details in Part 2 and 3. Part 4 is a standalone statement we use for compliance purposes.
 Trade Price It is a requirement for every application to have a sale price indicated in Part 1. If the price is NIL (\$0), the box indicating same MUST be ticked. **Under Part 5 - Trade Purpose Classification, those reasons with an asterisk* MUST not have \$0 as the price.**

Reasons for Trade to comply with MDBA guidelines, every application must have indicated a reason for the allocation assignment. The reasons are:
 1. Standard commercial*
 2. Forward Contract*
 3. Carryover parking*
 4. Carryover parking return
 5. Related party
 6. Compensatory trade for outcome delivery
 7. Private lease arrangement (not 711M)*
 8. Allocation trade as part of share transfer*
 9. Environmental use
 10. Returned unused environmental water
 11. Government program e.g. Water for fodder
 12. Other
 For a description for each of these reasons, see the Trading Water FAQ's on the WaterNSW website www.waternsw.com.au