



May 2013

Manager  
Capital Markets Unit  
Corporations and Capital Markets Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear sir / madam

**RE: SUBMISSION – CORPORATION AMENDMENT (WATER TRADING EXEMPTIONS)  
REGULATION 2013**

This submission is on behalf of the Australian Water Brokers Association (AWBA).

By way of background the Australian Water Brokers Association was established in 2007 to represent the interests of water brokers and other participants of the water markets throughout Australia. The Association's primary objective is to set and maintain the highest standards of professional practice, education, ethics and professional conduct for its members and the broader water broking industry.

The AWBA currently has 33 individual members which represents a very large proportion of the total number of active water brokers throughout Australia.

Water market intermediaries in Australia have primarily developed from an agricultural background. Many intermediaries are still also involved in assisting clients with real estate, cropping and stock buying / selling decisions. On a practical level water entitlement and allocation trade is more aligned to trading of these agricultural products rather than a sophisticated financial product.

A requirement for water market intermediaries to hold an AFSL for basic allocation and entitlement trades would be unnecessarily onerous and most likely lead to a large scale exit from the industry. This would hinder and restrict the continued development of the water markets in Australia.

As such the AWBA welcomes the proposed amendments. The exclusion of water rights and certain arrangements to buy / sell these rights from the definition of derivatives is a sensible clarification.

Should the proposed amendments be adopted the AWBA would welcome further information and discussion from the relevant authority to educate members on which

water products may still fall within the definition of a financial product (eg options, forward contract).

We trust the views presented in this submission are useful in considering the draft amendments. Should any reader wish to discuss any issue or require any further information in respect of the submission please contact the undersigned.

Phil Grahame  
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Australian Water Brokers Association  
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**Current Members as at 27 May 2013**

Kristin Brennan, Janet Marion Leahy, Alister William Watt, Phillip Grahame, Michael John Downie, Timothy Robert Hutchinson, Konstantina (Dina) Drapaniotis, Matt Reginald Davis, Peter John Leahy, Robert John O'Brien, Rhonda E Risstrom, Thomas Anthony Wilks, Thomas Henry Rooney, John Patrick Conaughton, Simon Peter Hull Weatherald, Paul Andrew Crichton, Fiona Anne Crichton, Lauren Yvonne Marsh, Elizabeth Frances Johnston, Peter Lawford, Brue Diffey, Paul Smith, Adrian Peel, Duncan McDonald, John Dalton, McGregor Greer, Richard Carter, Brendan Boyd, Mathew Giffin, Lex Batters, David Barthold, Peter Robertson, Giannina DeAngelis, Hannah Kerrins