

20 May 2013

Manager  
Capital Markets Unit  
Corporations and Capital Markets Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
Email: [watertrading@treasury.gov.au](mailto:watertrading@treasury.gov.au)

Dear Sir/Madam

**Corporations Act 2001  
Corporation Amendment (Water Trading Exemptions) Regulation 2013**

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission on the Draft Exposure Regulation.

The exposure draft regulation proposes to exempt tradeable water rights, and certain arrangements to buy and sell these rights, from the definition of a derivative under the Act. As such, in practice this means that those participating in the trade of tradeable water rights will not be required to obtain and hold an Australian Financial Security Licence.

The NFF supports the regulation.

However, the NFF notes another concurrent consultation on the regulation of brokers being undertaken by the Department of Sustainability, Water, Environment, Population and Communities. NFF and other organisations representing irrigated farm businesses have also advocated for a cost effective regulation of brokers. The Government must also deliver this to the satisfaction of the agriculture sector.

Yours sincerely



**MATT LINNEGAR**  
Chief Executive Officer