



88. WATER TRADING POLICY

Purpose of the Policy: The purpose of this Policy is to establish:

- How the Council will trade any surplus town water allocations;
- Who the Council will trade surplus town water allocations to;
- On what basis the Council will trade surplus town water allocation.

BACKGROUND

Since 1994 the Council has introduced demand management process to conserve town water supplies.

With the introduction of the Water Management Act 2002 by the NSW State Government the Council has the opportunity to trade surplus town water allocations on a temporary basis subject to it having a Drought Management Plan approved by the Dept Land and Water Conservation.

The Council has an approved Drought Management Plan and can therefore temporarily trade the savings that have been created by the demand management processes.

As this is a new activity for the Council there is a need to clarify how and under what circumstances the Council will temporarily trade water.

This Policy only relates to town water supplies.

OBJECTIVES

The Council's objectives in temporarily trading surplus town water allocations are:

- To generate a financial benefit to the Council's Water Funds that would not otherwise have been available.
- To use those additional funds to undertake additional capital works or to reduce costs to ratepayers.
- To provide or maintain a community benefit such as:
 - Maintenance or expansion of the local economy through providing otherwise unavailable water to farmers; or
 - Maintenance of facilities that are of economic or social importance to the community.

HOW WILL THE COUNCIL TRADE WATER?

The Council will trade surplus town water allocation by one of the following three methods:

1. By the Water Exchange operated by the Southern Riverina Irrigation District Council;
or



2. By its own public process following public advertisement; or
3. By direct transfer to another party.

Methods 1 and 2 will be used for commercial transactions whilst method 3 will be utilised for other than full commercial transactions.

WITH WHOM WILL THE COUNCIL TRADE WATER?

In the case of commercial transactions the Council will trade surplus town water allocations to unknown and most likely unrelated parties.

In the case of non commercial transactions these will be with Council bodies such as Committees of Management that are exercising Council functions or not for profit community organisations with open membership policies.

ON WHAT BASIS WILL NON COMMERCIAL TRADES BE CONDUCTED?

1. The Council will trade water to Berrigan Shire Council bodies where there are exceptional circumstances and where that body has not sold water within the current water allocation year on a cost basis.
2. The Council will trade water to not for profit community based organisations with open membership policies and located within the Berrigan Shire Council area at a 20% discount off commercial rates where there are exceptional circumstances and the organisation has not sold water in the current water allocation year. Where the market rate falls below \$50 no discount per megalitre will apply.

The Council will trade water with these organisations when there is a clear economic or social benefit to be maintained or enhanced as demonstrated in an application.

WILL ANY OTHER WATER TRADING OCCUR?

There may be circumstances where the Council believes that the application of this policy is inappropriate and reserves the right to consider other methods of temporarily trading surplus town water allocation subject to separate resolution.

(Adopted by Council 6/2/2003)