



Policy

44

WATER TRADING

Strategic Outcome:	Good government	
Policy type	Strategic	
Date of Adoption:	16 February 2022	Minute Number: 44
Date for Review:	17 September 2025	
Responsible Officer:	Deputy Chief Executive Officer	
Document Control:	Version 2.0	
Delivery Program Link:	2.1.3.1 Coordinate Council investments, financial management, financial operations and processing	

1. POLICY STATEMENT

In order to have a secure supply of water to meet the needs of its town water supply customers, Berrigan Shire Council holds high-security water allocations. These allocations have economic value to the Council.

In situations where the Council has more than sufficient water to meet customer demand, the Council will look to trade surplus allocation to productive or other use elsewhere to generate additional revenue for the Council's water fund.

2. PURPOSE

This policy has been developed to generate additional revenue for the Council's Water Fund to improve service delivery, provide additional capital improvements and reduce the financial burden on water service customers.

3. SCOPE

This policy applies to all trading of water allocations owned by the Berrigan Shire Council Water Fund.

It excludes water owned by the Council's General Fund and by its volunteer committees of management used for community purposes.



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4. DEFINITIONS

Allocation assignment: An Allocation assignment (previously known as a Temporary Transfer) is the formal movement of a volume of water from one access licence to another and is valid only within a water year;

Permanent Transfer: The transfer of whole or part of the Allocation of an Entitlement under Division 4C of the *Water Management Act*, such transfer being without limitation as to duration

Water Allocation: The volumetric quantity of water that can actually be taken during any year, consequent to Water Allocation Announcement(s). It is defined in Division 4B of the *Water Management Act 2000*

5. POLICY IMPLEMENTATION

5.1 When will water be traded?

The primary use of the Council's water allocations is to provide water to its customers via its urban water supply service.

Water will only be traded where:

1. The Council has sufficient water to meet the expected needs of its customers, and
2. The Council has statutory and regulatory approval to trade water, and
3. The value of the surplus allocation is sufficient to make trading profitable for the Council.

5.2 How will water be traded?

The Council's sole objective when trading from its water allocation is to maximise "best value" to the Council's Water Fund over the long term. The "best value" concept is defined in the Council's Procurement and Disposal Policy as "the best return and performance" for the Council

All trades will be made at "arm's length" using an appropriate water trading exchange.

Any trades made for a purpose other than maximising the financial return to Council must be authorised by resolution of the Council.

Permanent transfers of water allocations (as opposed to allocation assignments) must be authorised by resolution of the Council.



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5.3 Who will trade water?

All trades made under this policy will be authorised by the Chief Executive Officer or by other staff with explicit delegated authority granted by the Chief Executive Officer.

5.4 Exceptions

There may be circumstances where application of this policy is not appropriate, and Council reserves the right to consider other methods of trading surplus allocation assignments subject to separate resolution.

6. RELATED LEGISLATION, POLICIES AND STRATEGIES

6.1 Legislation

- *Local Government Act 1993*
- *Water Management Act 2000*
- Local Government (General) Regulation 2005
- Pricing and costing for Council Businesses: A guide to Competitive Neutrality (1997)

6.2 Council policies and guidelines

- Procurement and Disposal Policy

7. RECORDS MANAGEMENT

Recording of all information relating to this policy is the responsibility of the Chief Executive Officer or delegate. Records relating to each trade must be kept for at least five (5) years.

All Records must be kept in accordance with Council's Records Management Policy (currently under development) and destroyed as per the General Retention and Disposal Authority: Local Government Records (GA39).

8. REVIEW AND EVALUATION

This policy (procedure) will be evaluated and reviewed at least once every four (4) years as per Council's Governance Policy (currently under development) or as required.



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9. DOCUMENT AVAILABILITY

This policy will be available for inspection at Council's principal office during ordinary business hours as per the requirements of section 18 (c) of the *Government Information (Public Access) Act 2009* and section 167 of the *Local Government Act 1993*.

Access to the policy in digital format is free and is available on Council's website <https://www.berriganshire.nsw.gov.au/>

Printed copies of the document are available at Council's principal office (address noted below) and are subject to Council's Fees and Charges.

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10. VERSION CONTROL

Version Number	Date	Summary	Responsible Officer
1.0	06.03.2003	Creation of Policy	General Manager
2.0	15.09.2021	Revoke & Adoption of Policy	Director Corporate Services

APPENDICES

Nil