

Special Meeting held at the St George Skills Centre, St George

Present: Glenn Rogan, Ian Brimblecombe, Ray Kidd, Cleave Rogan, Michael Kelly, Karan Quartermaine (SunWater), Petrina Douglas (SunWater), Scott Brimblecombe, Michael Murray (Cotton Australia), Allan Neale, David Moon, Bill Knights, Peter Brownhalls (DERM), Mark Bartlem (DERM), Allison Benn, Kent Benn

Apologies: Nil

Meeting Opened: 1.30pm

Petrina introduced herself and the DERM representatives and noted this meeting was a continuation from the 28 June 2011 and started the meeting by replying to questions raised at that meeting.

ISSUES RAISED 28 JUNE 2011

- SunWater should actively pursue the exemption of stamp duty on the issue of the Water Allocation as the Water Allocation should not have been issued in SunWater's name initially – *Sunwater's response: It is SunWater's recommendation that it would be in their best interest to pursue this issue themselves and it may be pertinent to obtain advice from their own accountants or financial advisors. However if SunWater did undertake this on behalf of irrigators, all SunWater's costs would have to be covered by the irrigators.*
- Lease fees should not have been charged against these water allocations for the past 5 years as the water allocation should have been issued in individual names as per minutes of the IAC. Will a refund of these charges be made? - *Sunwater's response: No, as per contract held with SunWater.*
- Will SunWater be charging the lease fee for the next financial year? - *Sunwater's response: Yes and until such time as the water allocation is transferred to their individual names, as per the terms and conditions of your contract with SunWater.*

Petrina then introduced Peter Brownhalls to speak to the meeting in relation to multi-year water accounting and the logistics and workings of this accounting system.

Peter discussed in length the water accounting methodology associated with multi-year accounting and answered any questions raised along the way. He then spoke on the steps that would be involved in relation to transforming the current water allocation and then the transferring into individual water allocations. Peter highlighted the need to connect these water allocations to on farm storage to ensure that in doing so no-one inadvertently increases their ability to store water for build further storage that allows them to further take overland flow.

SunWater is currently the DOL holder for the Thuraggi Watercourse Distribution and discussions were held in relation to where the water would be metered in relation to losses.

Step 1 – Transformation of Water Allocation 1488; the transformation is the process is an application 130 Change of Water Allocation, submitted to DERM by SunWater. This process involves advertising to protect individuals to fairness by public notice. Please note during the transformation process a new nominal volume (ML) and diversion volume (ML) will be derived. (approx 12 weeks for this process)

Step 2 – Subdivision of Water Allocation 1488; subdivision process will commence once the transformation has been completed. This step will involve the subdivision of the water allocation to reflect the volumes currently held by each individual as per their current contract. Please note the new volumes will reflect the new water allocation volume as per multi year accounting. The new water allocation after transformation will have a Nominal Volume (NV), Rate of Take (ROT) and Volumetric Limit (VL) (approx 2-3 weeks for this process)

Step 3 - Transfer from SunWater to Individual titles; this transfer process will commence once the subdivisions are registered. (approx 2-3 weeks for this process)

Step 4 - Change Allocation; this process will occur if and when the individual title holder wishes to remove the conditions (hooked storage and DOL (Distribution Operations Licence) from the water allocation. Individual applications would be made to DERM.

Discussions were held in relation to transferring water under multi-year accounting. This would be undertaken under the current Seasonal Water Assignment process.

Petrina noted that once SunWater receives an application in writing for transformation, then as per the Water Market Rules 2009 SunWater have 20 days to commence the application for transformation. It is also important to note at this stage that if only one application is received then that person will have to pay the approx fee of \$4,500. Also important to note is the fees that were discussed at last meeting totally approx \$4,500 is only an estimate and that actual costs may be more or less and will be adjusted accordingly.

Petrina advised that the fees would have to paid upfront and if SunWater received multiple applications at the same time, then a proportion of the costs mentions above would be shared amongst the applications and individual invoices for the fees would be raised and have to be paid as soon as possible.

MEETING ENDED with current SunWater contract holders making plans to hold their own meeting.

Meeting Closed: 4.15pm