

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

Present: Glenn Rogan, Ross Brimblecombe, Henry McDonald, Sno Harm, Ray Kidd, Scott Armstrong, John Dowling, Richard Coe (DERM) Jayson Doig (DERM) Cleave Rogan, Peter Grimmet, Michael Kelly, Karan Quartermaine (SunWater), Petrina Douglas (SunWater)

Apologies: Peter Brownhalls (DERM)

Meeting Opened: 1.30pm

Petrina introduced herself and DERM representatives and Karan Quartermaine (SunWater). Apologies for the absence of Peter Brownhalls due to illness.

Briefing Session given to channel harvesters as per Attachment 1.

ISSUES RAISED

- Concerns were raised in relation to the hooking of storages to the new water allocation, this is would be unacceptable and against water reform. Under what section of the ROP is this being undertaken? It was noted that this water does not need to go into a storage but can go directly onto paddock.
- 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 SunWaters name initially.
- Why publish/hook the storages if staying within the land on AP18846?
- Would exit fees to SunWater be applicable if transforming?
- 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?
- Will SunWater be charging the lease fee for the next financial year?
- How will DERM determine the diversion rate?
- Modeling was undertaken in the past so why the need for new modeling?
- DERM to address the question on multi-year accounting for a full understanding so as an informed decision can be made by the channel harvesters on transforming.
- DERM to confirm that the individual nominal volume will not change in the transformation. Will the new individual water allocations include a loss provision?
- DERM to confirm that the individual diversion rate will remain in conjunction due to SunWater infrastructure constraints.
- Request to DERM for a meeting in relation to this matter within the next fortnight.

ACTIONS:

Petrina to organise a meeting in a fortnight with a DERM representative in attendance. Follow up on the issues raised and forward a copy of the minutes to attendees.

Meeting Closed: 3:15pm

Attachment 1:

Points for SunWater Briefing Session with St George Channel Harvesters Meeting to be held in St George on 28 June 2011

(DERM representative is expected to attend as an observer)

1. SunWater has written to its channel harvesting diversion customers in the Lower Balonne to advise them that the Water Market Rules 2009 (Commonwealth) have been made by the Commonwealth Government and that these rules allow these customers to apply to “**transform**” their channel harvesting diversion volume into an individually held water allocation.
2. If and when a transformation application is received, both SunWater (as the current owner of unsupplemented water allocation #1488) DERM (the regulator) will be involved at a number of stages in the process.
3. SunWater and DERM have agreed that both parties will work to streamline processes which are necessary to give effect to any transformation.
4. **KEY POINT:** Note that even if only one individual applies to transform, SunWater will be obliged to start the process which is outlined in the next step. Therefore there will be impacts on all water harvesters even if they do not wish to transform at the moment.
5. According to the current understanding of both SunWater and DERM, the steps appear to be as follows:
 - (a) SunWater give written notice to the individual(s) outlining the process and the likely costs of application including DERM charges associated with the s130 process. (**ACTION for DERM to provide an estimate of these costs to SunWater**)
 - (b) If the individual(s) give written notice to SunWater that they wish to transform, SunWater applies under s130 to convert unsupplemented WA #1488 from Annual Volumetric Limit to Multiyear Accounting conditions
 - (c) DERM consider the application and may approve it with or without conditions. One of the conditions on the converted WA #1488 may be the inclusion of an attachment detailing all of the known offstream storages likely to be storing channel harvesting water. The new unsupplemented water allocation (referred to here as “**WA#1488A**”) is also likely to have different volumetric characteristics
 - (d) SunWater then subdivide “**WA#1488A**” according to the channel harvesting contract volumes held by the individual(s) who have chosen to transform

- (e) SunWater facilitates the transfer(s) of ownership to the individual(s) according to the normal water allocation trading processes
6. **KEY POINT:** DERM and SunWater would prefer to facilitate the transformation of as many individuals as possible at one time to streamline the process, but understand that it is the individual(s) choice if and when they wish to transform
 7. SunWater understands that there is a restriction on the location of use of water taken under both the original WA#1488 and the new "WA#1488A" and that this restriction will remain with the subdivided water allocations which would in future be held by the individuals.
 8. **KEY POINT:** SunWater is neither encouraging nor discouraging the individuals to transform- this is entirely a matter for the individuals concerned.
 9. **KEY POINT:** SunWater cannot offer any advice to our customers regarding the value of the entitlements or offer any advice regarding stamp duty, etc.

NOTE THAT THE STEPS BELOW DO NOT INVOLVE SUNWATER IN A KEY ROLE SINCE THE INDIVIDUALS WILL NOW BE ABLE TO DECIDE WHAT TO DO WITH THEIR INDIVIDUALLY HELD ALLOCATION

- A. If the individuals choose to relocate their newly acquired water allocations they will have to satisfy DERM procedures which may require them to have their offstream storages certified and the nature of the water allocation changed to a volumetric limit. This would be a matter between DERM as regulator and the individual water allocation holder.
- B. During the meeting we also discussed the possibility of obtaining consent from channel harvesters for DERM to make available information regarding their offstream storages. If this information is to be included in an attachment to the new "WA #1488A" it would essentially be put in the public domain. The individuals should be advised of this, but it is unclear to SunWater if explicit permission from the individuals is required in this instance.
- C. The current SunWater water allocation has a "hook" which ties usage of the water to locations shown on Administrative Plan 18846. On the matter of hooking to storages, DERM prefers to list on the newly created "WA #1488A" all notified storages that are located on land on Administrative Plan 18846. Customer feedback is sought on this- e.g. does anybody object to this ?
- D. Other fees and charges may be applicable, such as payment of stamp duty, etc. Irrigators are encouraged to obtain their own advice on this matter.