



WATER TRADING POLICY

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POLICY OWNER POSITION: Manager Financial Services

INTERNAL COMMITTEE ENDORSEMENT: Not applicable

APPROVED BY: Council

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DATE RESCINDED:

RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES: Financial Management Policy
Investment Policy

RELATED LEGISLATION: Local Government Act 1989
Local Government Act 2020
Water Act 1989
Trading Rules for Declared Water Systems 2014
Levels of Authority Delegations

EVIDENCE OF APPROVAL:

Signed by Chief Executive Officer



FILE LOCATION: K:\EXECUTIVE\Strategies policies and procedures\Policies - adopted PDF and Word\POL Water Trading Policy v2.docx

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This document is available in alternative formats (e.g. larger font) if requested.

1 PURPOSE

This policy sets the principles for the trading (buying and selling) or transfer of water rights by Loddon Shire Council.

2 SCOPE

This policy applies to council staff involved in the trading of water rights on behalf of Council.

It applies to temporary and permanent water controlled by Council and administered through the Corporate Directorate and Financial Services Department.

3 POLICY

3.1 Regulatory context

The Water Act 1989 (the Act), in part, governs the nature of water shares, the way in which water shares are issued and transferred, and the assignment of water allocations.

Water share trade and allocation trade in Victoria is governed by rules set by the Minister for Water. The trading rules aim to facilitate trade wherever possible, while minimising negative impacts on other users and the environment.

3.2 Council objectives

Criteria for water trading are set out in this policy.

Water rights are a significant tradeable asset for Council. Each year water rights go through a valuation and audit process and are reported annually in the published Financial Statements. The Council's objectives in trading water rights are:

- to secure water for operational and strategic needs of the Shire
- to provide or maintain a community benefit such as maintenance of facilities that are of economic or social importance to the community
- to generate a financial benefit to the Council that would not otherwise have been available

Council will not engage in water trading for speculative purposes.

Due to governance and probity, committees of management will not be able to authorise the trading of water. A council officer must be contacted to undertake the trading. This will help to ensure Council has sufficient water for operational and strategic needs and has appropriate records for all trades.

Where water is temporarily transferred to a community group, the community group will not pay for the value of the water and Council will pay the transaction costs associated with the transfer.

3.3 Management of water

The Financial Services Department will maintain a register of water rights.

The Director Operations will advise the Manager Financial Services of water needs on annual basis or more frequently as required. This advice needs to take account of advice provided by Committees of Management who have access to water.

The Director Corporate will ensure that the quarterly financial statements contain information on the value of water licences held and details of any water trading conducted during the reporting period.

3.4 Permanent water trading

Council's preference is to maintain its existing permanent water rights.

Permanent water will only be traded following a resolution of Council. Officers will provide a detailed analysis of water needs to inform the resolution.

3.5 Temporary water trading

Water will be considered surplus where it is not required to fulfil short term operational commitments.

Where Council has an allocation exceeding operational needs, a request may be made to sell temporary rights.

Where Council has an allocation that does not meet expected operational needs, a request may be made to purchase temporary rights.

Both the sale and purchase of temporary water must be undertaken in line with the requirements outlined in Levels of Authority Delegations.

4 HUMAN RIGHTS STATEMENT

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.

5 REVIEW

The Manager Financial Services will review this policy for any necessary amendments no later than 4 years after adoption of this current version.