

Shenhua buys 142ML water licence outside EL7223

By Catherine Clifford

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The Chinese-owned coal miner, Shenhua Watermark, has purchased farmland outside the area of its exploration licence, on the Liverpool Plains. • [Map: Breeza 2381](#)

The deal includes a 142ML water licence.

The Caroon Coal Action Group says it understands the purchase of the 140-hectare property, at Breeza, started last month and will be settled shortly.

CCAG spokesman, Tim Duddy, says the Group is concerned the Chinese-owned resources company appears to be entering the water market.

Mr Duddy says he's deeply curious about the purchase because it is outside the water zone in which the mining company holds its exploration licence (EL7223), and also because it is so close to the Mooki River.

"Either, the company is planning to amend its exploration licence to cross the Mooki River and transfer water from one zone to another, or it is intending to start purchasing water in the Liverpool Plains region," he said.

"That 142ML water licence has been purchased in Zone 8 and this water zone goes from Breeza to Pine Ridge and there are over 16,000ML in the zone."

Shenhua Watermark's project director is Joe Clayton.

He says Shenhua is not obliged to seek permission from the Federal Government to purchase a water licence.

Joe Clayton says Shenhua has complied with the guidelines set down by the Foreign Investment Review Board (FIRB).

"Currently, we don't need to get FIRB approval for purchase of water, but we do make the Board aware of any that we do acquire and, really, you do need to talk to Treasury about it," he said.

"As far as the current purchase negotiation is concerned, it's still in progress and is commercial-in-confidence, and I just can't make a comment on it."

But New South Wales Liberal Senator, Bill Heffernan, says he's not impressed that the Foreign Investment Review Board does not require a foreign investor to make application to purchase a water licence.

Senator Heffernan is chairing an inquiry by the Senate Standing References Committee on Rural Affairs and

Transport into the management of the Murray Darling Basin.

Submissions to the Inquiry close on December 15, and a final report is due at the end of November 2011.

Advertisements calling for submissions will be placed in rural publications this week.

Senator Heffernan says the Terms of Reference are very broad, and will examine the national implications of foreign ownership of agricultural land and water.

"Water licences are now a tradeable instrument in NSW because, in most catchments and groundwater plans, they are a separate tradeable instrument to the land," he said.

"Certainly, we need to include this under the cover of the Foreign Investment Review Board so that we at least have a register and know what's happening."

The ABC has contacted the Office of federal Treasury.

A spokesman says a response will be forthcoming in due course.

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