

CICL Member Update August 2020

Water Operations start of season – Based on members' feedback to Water Operations, CICL is planning to open the main offtake on Tuesday 11 August. This will mean deliveries on farm will begin in late August.

Given the current low demand, we will be using a similar approach to last season and will only fill channel sections with orders, unless demand increases significantly. At this stage Waterways will not be open for placing on-line orders.

All early season water orders must be lodged by phoning the office
T: 02 6954 4003 or M: 0427 544 269.

A completed crop form will be required before a water order is accepted.

Crop form- In addition to providing early season requirements by telephone, members are requested to complete a crop form with intended crop areas per farm. Please complete this form based on current water availability and outlook.

Crop areas can be updated as the season progresses. This form is available from our website or can be accessed [here](#).

2019/20 Invoices – Invoices were due for payment by Friday 31 July 2020. Failure to pay will result in the suspension of water supply unless payment arrangements have been made.

Member benefit and additional water offer - CICL has announced a member benefit of 6% of delivery entitlements and an additional water offer of 8% of delivery entitlements. Both of these are at no cost to members.

These offers are available to financial members as of COB 31 July 2020.

To be financial, a member must have paid their 2019/20 invoices, or entered into a payment arrangement to the satisfaction of the Co-operative by COB 31 July 2020.

The megalitre amount of the member benefit and additional water offer will be added to Water Statements by COB Monday 3 August 2020.

NSW Department of Planning, Industry & Environment Allocation announcements

03/8/20

High Security	95%
General Security	16%

CICL announcement and offers

Additional water	8%
Member benefit	6%

Waterways

<http://www.colyirr.com.au>

P: 1300 850 105

Inter-valley trade

Trade out of the Murrumbidgee is closed.
Trade into the Murrumbidgee is open.

Up to date information on the IVT is [here](#).

WaterMart-



The WaterMart temporary water trading platform is a secure, transparent, fast option for buying and selling annual allocation with competitive transaction fees. The WaterMart platform can be accessed [here](#).

The platform is open to any person or business that registers to use the platform for temporary trade of allocation in the Southern Connected Basin. There is a flat fee associated with trading on the WaterMart Platform. Details of the charges for WaterMart are in the Planning and Management Section of CICL's Schedule of Charges which can be accessed [here](#).

If you would like to discuss how to register, please contact Therese Chauncy on T: 02 6954 4003 or E: ea@colyirr.com.au.

CICL Board elections – In accordance with the Rules of the Co-operative, member director Craig Perkins will retire by rotation this year. Craig has indicated that he will seek re-election.

CICL will call for additional nominations from 21 August for the member director position. The call for nominations will close at 12 noon on Tuesday 22 September. If you require further information please contact the Company Secretary via reception on T: 02 6954 4003.

COVID19 – Following the recent restrictions imposed on Victorians due to the COVID-19 pandemic, the management of CICAL has reviewed its pandemic risk strategy and is implementing the following with immediate effect:

- Members, contractors and consultants who have been in Victoria or any other declared “hotspot” in any state anytime since 20 July are requested not to come to CICAL’s facilities.
- This also applies to you if your direct family members have been in Victoria or a “hotspot” since 20 July or if you or your family have come into contact with people from these areas.
- In order to provide you with the assistance you require, staff will be available to assist you either by email, phone or video conferencing.
- Our staff remain available during normal business hours, even if they have chosen the option to work from home.
- Our facilities remain open for those who have not been to Victoria or a “hotspot”, however, please make an appointment in advance should you wish to see our staff members.
- If you do need to meet with our staff, please practice social distancing, hand washing and sanitising.
- Do not meet with our staff if you are feeling ill.

Please get tested if you are concerned you may have contracted COVID-19. The Murrumbidgee Local Health District website <https://www.mlhd.health.nsw.gov.au/> includes details of where testing is available, and you can also contact their COVID-19 hotline 1800 831 099.

CICAL also requests all members, customers and contractors to respect any quarantine conditions applicable to visitors.

This request is made in the interests of health and safety for our staff, members and the local community. Please do not put us or your local community at risk.

CICAL will advise should there be further changes to the above.

Water use intensity policy - Members are advised that total farm water use (including on-farm bores) should not exceed 8ML/ha for the current season unless they have entered into Water Use Agreements with CICAL. These agreements allow for averaging water use between unconnected farms and exempting farms from water use limits for horticulture, permanent plantings and other approved primary industries. Members must make an application in writing to CICAL for a Water Use Agreement and the Agreement must be finalised before the mid-December allocation announcement for the Agreement to apply for the current season. Please contact Keith Thompson via reception on T: 02 6954 4003 for further information.

Drainage water - Members are advised that draining water contaminated with pesticides, at a level above the EPA notification level, into the CICAL drainage system is a breach of CICAL’s Rules. As part of routine compliance monitoring for our Environmental Protection Licence CICAL staff regularly monitor the drainage network and sample water from drainage outlets. If you are unsure of the quality of on-farm water you wish to drain, Members may request on-farm water testing. If you have accidentally released contaminated water into the drainage system Members must contact either Mark Robb on M: 0427 544 361 or Keith Thompson on M: 0439 084 569.

Water Operations and Infrastructure winter works 2020

– In addition to routine meter outlet and regulator inspections, weed spraying, desilting and de-weeding, a range of projects have been completed over winter.

New control equipment for the radial gates on the Tubbo Offtake and Grants regulators was installed. Several small structure upgrades or replacements were also completed, including access culverts, road culverts and meter outlets.

At our main off-take the Accusonic meters were checked, cross section surveys completed, and the channel section upstream of the gates was desilted.

Bank rebuilds were completed on Bundure 1 and Yamma 2 and scour and erosion protection has been completed at some sites. We have also completed some survey work in preparation for future maintenance or infrastructure projects.

External issues

Implementation of key Basin Plan projects at risk – The Basin Plan sets sustainable diversion limits (SDL), which is how much water can be used in the Murray-Darling Basin, for each catchment.

The Basin Plan includes a mechanism to adjust sustainable diversion limits in the southern Basin. The mechanism called the sustainable diversion limit adjustment mechanism (SDLAM) requires projects proposed by the states to be implemented by 2024. Some projects allow Basin Plan environmental outcomes to be achieved with less water.

The adjustment mechanism is equal to 605,000ML and the Murrumbidgee share of this is 162,000ML.

The MDBA's annual progress report on implementation of SDLAM projects states:

The risks to fully implementing critical supply and constraints projects, together with the slow progress in recovering water through efficiency projects, make it increasingly unlikely that the SDL adjustment program will be fully delivered by June 2024, putting the overall SDL adjustment at risk. Based on current indications, it is likely that such a reconciliation would lead to the need for additional water recovery. (MDBA June 2020)

There is an urgent need to assess project status and change timeframes to deliver agreed projects. We advocate for NSW seeking an extension to complete these projects and flexibility in the program to enable new projects and other complementary measures in addition to (not in place of) approved projects to reach the 605GL.

Should the SDLAM under deliver, any shortfall may lead to further purchases by the Commonwealth that are likely to come from irrigators in our district, which would be completely unacceptable.

We understand the concerns of affected stakeholders but view the potential long-term damage to the broader irrigation sector and community to be very significant and therefore advocate the balancing of these competing needs.

Eliminating this risk continues to be a key focus of our advocacy efforts. We are working with industry and other peak bodies. We believe our Local Government and local

Member also need to prioritise addressing this risk.

Drought of Record Bill – Justin Field, Upper House Member in NSW, has introduced a Bill proposing the WSP planning assumptions are based on the worst drought of record.

If this proposed policy is applied in the Murrumbidgee Valley, the Department of Industry, Planning and Environment will be required to be more conservative in their water allocation decisions. The consequence of more conservative water allocation decisions will be lower starting general security water allocations and in years of low inflows, smaller general security allocations. CICL has written to the Water Minister supporting the current policy which is for the WSP to be based on the 2004 drought of record. We have also written to our Local Member requesting the Shooters Fisheries Farmers withdraw their support for this Bill, which has now occurred.

In our catchment town water supplies are well protected with current arrangements.

ACCC Water Markets Inquiry – The ACCC's interim Murray-Darling Basin Water Markets Inquiry report was released on July 30 and is [here](#).

The ACCC has found that the current arrangements for water trading in the Basin need to change. Deputy Chair, Mick Keogh, said "these markets have significant problems. In basic terms, there is overly fragmented or complex regulation in some areas, not enough regulation in others, and a concerning lack of regulatory oversight and robust enforcement in important areas."

The ACCC has identified three key areas: the integrity of the market; lack of transparency; and rules which do not reflect the physical constraints.

The ACCC is proposing that Basin markets need decisive and comprehensive reform to improve the way they operate, improve trust in the market, and to ensure water markets underpin an environmentally healthy river system.

We will be scrutinising the ACCC Interim Water Market report and responding in the interests of both CICL and its members. The final report is due by 30 November 2020.

Murrumbidgee Surface Water Resource Plan (WRP) and revised Water Sharing Plan (WSP) – The NSW Government submitted these Plans to the Murray-Darling Basin Authority (MDBA) on the 30 June 2020. The MDBA has now started the assessment

process for accreditation, which is expected to take some months.

The WRP/WSP submitted maintains the current water allocation rules, including those applicable to CICAL's conveyance licence, with the Government not supporting the efforts of some irrigators to address the "voluntary contributions" included in the first WSPs (2004). The proposition was to change the allocations to high security water access licences to announce 100 percent high security before any general security allocation. Supporting this change would have reduced water availability to general security water entitlement holders.

The concerted effort of irrigation stakeholders, including NSWIC, has achieved some changes between the draft and final WSPs that ensure the consumptive pool can extract up to the sustainable diversion limit.

The key failing of the process in the Murrumbidgee was the inability to review the Planned Environmental Rules in the WSP. These Rules have been a priority for review since the Water Sharing Plan was first made in 2004 due to their complexity. The Rules remain unchanged 16 years later in the draft Water Sharing Plan 2020 submitted as part of the Murrumbidgee Water Resource Plan.

The NSW Government does not intend to start the new WSP until after the accreditation process is complete.

Fixed charge fee relief – WaterNSW has confirmed the NSW Government's drought relief fixed fee waiver on general security water entitlements will continue in 2020/21 on the same terms as earlier fee waivers, where fixed charges on general security entitlements up to \$4,000 per farm business were waived. CICAL will pass on the benefit of the fixed charge fee waiver (to the extent CICAL receives the fee waiver) in its 2020/21 invoices. (Please note CICAL has annual invoicing for Government fixed charges.)

Government water charges pricing determinations – The NSW Department of Planning Industry and Environment, WaterNSW and the Natural Resources Access Regulator have submitted to IPART their four-year pricing application for WAMC charges to apply from 1 July 2021.

Price increases, for the four years from 1 July 2021, are proposed that cap increases to 5% **per year** (plus inflation) to WAMC customers for fixed and variable charges and the minimum annual charge. In the regulated Murrumbidgee the WAMC charges are

proposed to increase from \$1.41 per water entitlement to \$1.71 over the four years and usage charges to increase from \$0.94 per ML to \$1.14 per ML.

Rural Financial Counsellor - Airlie Hoskins is the local counsellor for our area. The RFCS can provide financial support services to primary producers and small agribusinesses. The service is free, and the counsellors are professional, independent and discreet. Services that the RFCS can provide include:

- Understanding your financial position and your options.
- Cash flow budgeting.
- Assistance with bank negotiations and farm debt mediation.
- Access to government loans/rebates/subsidies.
- Strategic business planning and succession planning.
- Referrals to other professional services.

Contact details M: 0429 396 729

E: airlie@rfcsnsw.com.au (Mon-Wed).

Conclusion – I thank members for their respect of the COVID19 operating conditions. I am pleased CICAL has been in a position to provide members with the additional water offer and member benefit early in the water year, which will assist with farm planning decisions. Hopefully the 14% at no cost, plus the initial allocations, will encourage members to plant crops rather than trade their allocations, however, CICAL respects that members are entitled to make decisions in the best interests of their business.

The outlook in 2020-21 is significantly improved compared to last year. The team at CICAL is looking forward to the improved conditions continuing bringing a return to summer irrigation programs in our area.

Clifford Ashby
CEO