

Delivery Entitlement

THE BASICS

- A Delivery Entitlement (DE) is an entitlement to have water delivered to land in Coleambally Irrigation Co-operative Limited (CICL) areas of operation. Membership of CICL is dependent on holding DE. DE does not incur the fixed charge equivalent.
- CICL's and the Coleambally Irrigation Mutual Co-operative Limited's (CIMCL) charges are levied per DE.
- CICL issues its additional water offers in proportion to DEs owned.
- CICL has Tier One and Tier Two DEs.
- Tier One has access to a share of the daily flow if there is a capacity constraint and Tier Two does not.
- DEs are attached to land in CICL but can be traded permanently between CICL farms and separately to both Water Entitlements (WE) and shares.
- DEs cannot be temporary traded between CICL farms.
- The fixed charge equivalent applies when water use is greater than 110 percent of DEs on a farm or in a Single Farming Unit.
- Government charges apply to WE and to water use.

INTRODUCTION

On 1 July 2007 the Board resolved to issue one DE for each Megalitre of Nominal Water Entitlement held. This change was driven by the making of new Rules under the Water Act 2007 (Cth) which forced CICL to separate its charges for the costs of operating, including infrastructure costs from WE charges. The legislative changes also prevented CICL restricting trade of WE.

When DE was first issued each farm would have held one DE and one share for every WE held. High security DE was issued to high security WE and general security DE was issued to general security WE. The majority of DE are general security.

CICL's DE policy and rules have evolved in response to the Rules made under the Water Act and the impacts of the removal of restrictions on the trade of WE including the entry of government to purchase WE for the environment.

CICL now considers DE as the core of its business, and its revenue source for operations and future infrastructure refurbishment.

The evolution of CICL's DE policy and changes to its Rules since 2007 is aimed at adding value to DEs. Please contact the Company Secretary for more information on CICL Delivery Entitlements and their benefits.

