

## CICL Member Update October 2020

**Annual General Meetings** - Our AGMs are approaching quickly. The CIMCL AGM will commence at **3.00pm** on **Thursday 29 October** at the Coleambally Community Club. The CICL AGM will follow commencing at **3.45pm**.

Members who are unable to attend either AGM are strongly encouraged to complete the proxy forms included with the notices of meetings. Correctly completed proxy forms must be received by the Company Secretary by **noon Tuesday 27 October**. A proxy form is required for each of the AGMs. The CIMCL proxy form is **pink** and the CICL proxy is **green**.

The AGMs will be run in accordance with the Club's COVID Safe Plan. Strict social distancing rules will apply.

**CIMCL AGM** – Ordinary business will include endorsement of Bruce Brown as an independent director of CIMCL for another three year term. CIMCL is also proposing several rule changes to be considered as special business. A summary of these changes and the reasons for them are detailed in a newsletter from Adrian Hayes, chairman of CIMCL (see attached ).

**CICL AGM** - Ordinary business at the CICL AGM includes the re-appointment of Craig Perkins as a member director for another three year term. Members will also be asked to endorse the re-appointment of Sharon Smith as an independent director of CICL for another three-year term.

At the close of the CICL AGM the Chairman will invite members to attend a General Meeting. This will include presentations from Clifford Ashby, CEO, and Jenny McLeod, Policy and Communications Manager, on the 2019/20 season.

### **NSW Department of Planning, Industry & Environment Allocation announcements**

**15/10/20**

High Security	95%
General Security	54%

### **CICL announcement and offers**

Additional water	8%
Member benefit	6%

### **Waterways**

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

P: 1300 850 105

### **Waterways is operational for water ordering.**

### **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 at <https://www.colyirr.com.au/watermart/>

**Crop form**- To place a water order a crop form must be submitted. This form is available from our website or can be accessed [here](#).

CICL uses this information to inform its seven day advance order with WaterNSW. It is important this information is accurate. If CICL underestimates its advance order this increases the likelihood of restrictions. If CICL overestimates its advance order, it increases river operational losses. Crop areas can be updated as the season progresses.

**Maintenance update** – Tree planting on farm boundaries is causing some challenges for maintenance. Trees should not be planted on CICL land or adjacent to CICL channels and drains. Please consider tree selection and avoid trees which will sucker, or when mature their limbs will cross our channels and drains.

**Members are requested to be mindful to avoid damaging CICL infrastructure while moving farm equipment.**

**If you observe any damage please report it to CICL. We also request members report any observed channel spills or leaks.**

**Operations update** – Rain events and the resultant supplementary access made for a challenging season start. With the general security announced allocation over 50 percent we are looking forward to delivering larger volumes of water this year. However, we anticipate the irrigation demand from row cropping will cause fluctuating water demands which may cause localised short supply pressure that will require rescheduling of orders or flow sharing to be implemented.

**Delivery capacity and capacity sharing** – Members are encouraged to update themselves on CICL's approach to managing delivery restrictions and constraints and the differences between a delivery restriction and a constraint.

Key points to be aware of which should be used to assist your irrigation planning are:

- CICL's modelled minimum service standard is 14/ML/day per 1,400 Delivery Entitlement (DE).
- A **capacity constraint** is where customers' demand exceeds the design flow rate.
- A **restriction** is where daily orders exceed the flow rate available but not the design flow.
- CICL has tier one and tier two DE.
- Tier one DE has access to daily flow share when there is a capacity constraint. Tier two does not.
- In the event of a constraint the available flow is shared between active orders (per farm or per SFU) for tier one DE.
- In the event of a restriction the available flow is shared between active orders (per farm or per SFU) for tier one and tier two DE.

CICL has three fact sheets which explain delivery entitlements and our approach to managing restrictions. The fact sheets are on our website and can be found [here](#).

If you have further questions or wish to confirm your DE holdings please contact Water Operations on. T: 02 6954 4003 or M: 0427 544 269.

**Water statements and Water Sharing Plan Rules** – Use of supplementary water has implications for the volume of water available in members' accounts if members **do not hold** History of Use (HOU) supplementary water rights.

The water account rules which members need to be aware of are:

- Carryover plus the announced allocation net of annual trade cannot exceed 100 percent of general security water entitlements. (Carryover is limited to 30 percent of general security water entitlements.)
- HOU supplementary water use **up to** the volume of HOU held is **in addition** to the account limit of 100 percent.
- Supplementary water can be used if no HOU right is held but any water used is part of the 100 percent of general security water entitlements account limit. Once this limit is reached, any supplementary water used will be deducted from the volume in your account (i.e. you will be using your water allocation account water).

**Tebuconazole (fungicide) use** - Growers of winter cereal crops who have used striped rust treatments, in particular Tebuconazole, should be aware of the persistence and movement of this product following a watering event. Regardless of the method of application, the product will likely contact and bind to soil particles and wash off with paddock drainage water. Recent water sampling results have indicated the presence of Tebuconazole in drainage directly off wheat. Whilst this is not a Schedule 1 chemical, this product does have a significant level of toxicity to aquatic organisms and therefore should not be released into the regional drainage system. Please observe any withholding period as per the product label and reuse contaminated water wherever possible.

**Aerial pesticide application** - There has been an increasing rate of reporting of evidence relating to incidents of off target/spray drift onto sensitive areas such as remnant native vegetation across the CIA. Landholders and their contractors are reminded that such acts are illegal and could be construed as negligent by the EPA and consequently liable to prosecution.

**Metolachlor** - Any landholders who are intending to use the herbicide Metolachlor on their property this season are reminded that they are required to register their details by contacting CICAL via reception at their earliest convenience. This measure will assist CICAL staff in responding to any potential pollution incident in an appropriate and timely manner.

**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 please contact either Mark Robb on M: 0427 544 361 or Keith Thompson on M: 0439 084 569.

**COVID19 Update** - CICAL continues to review its pandemic risk mitigation strategy considering State and Federal announcements. The following preventative measures remain in effect:

- Members, contractors and consultants who have been in Victoria or any other declared "hotspot" in any state 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" or if you or your family have met people from these areas.
- Staff remain available to assist you by email, phone or video conferencing.
- Our staff still have the option to work from home, however, those that do remain available during normal business hours.
- 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.

**Work Health & Safety** – I am pleased CICAL successfully completed its first audit of our safety management system against the ISO 45001 standards. The ISO-45001 Occupational Health & Safety Management

System certification supports organisations in proactively preventing work-related injury and ill health. The efforts of all staff, and specifically Jane McIntyre (HR and WHS Officer), for this result and their continued investment in improving the safety of our operations are commended.

## External issues

**Murray-Darling Basin Plan** – The Hon. Keith Pitt, Minister for Resources, Water and Northern Australia recently announced its Murray-Darling Communities Investment Package. This is the Government’s first response to the *Independent assessment of social and economic conditions in the Basin 2020 (the Sefton report)* and the *First review of water for the Environment Special Account 2020*.

This package is flagged as a refreshed approach to the Basin Plan. The headlines from the announcement were no more water entitlement buybacks, a focus on off-farm investment, and improved leadership, information and between community input.

CICL welcomes the Minister’s announcement. It’s an important **first** step. However, CICL’s view remains that governments need to work together to support changes to the Basin Plan that provide flexibility and more time for the complex sustainable diversion limit adjustment mechanism (SDLAM) projects to be implemented. Eliminating the need for further water recovery because of under-delivery of the SDLAM remains a key priority for CICL.

The MDBA will also be split with the water compliance roles of the MDBA being transferred to the Independent (Interim) Inspector-General.

**ACCC Murray-Darling Basin Water Market Inquiry** – There is anticipation in the water industry that the Final Report of the ACCC will be one of the most significant of the many water inquiries completed.

The ACCC’s Final Report previously due in November is now due at the end of February 2021.

The ACCC’s Interim Report identified four areas for improvement in water markets.

1. Conduct of market participants
2. Improved trade processes and market transparency
3. Market architecture (rules e.g. carryover)
4. Government (who makes decisions).

As previously advised to members, over several months the ACCC has requested significant information about water allocation and entitlement trades within our licence and to and from our licences, including requiring CICL (by law) to disclose the names of some individual transactions.

One of the key drivers of the inquiry was concerns about the impact of the behaviours of some market participants on the water market. These requests, CICL assumes, are necessary for the ACCC to reach evidence based conclusions about whether the allegations that some market participants are behaving in ways that are harmful to the fair operation of the water market are valid.

CICL in its submission to the ACCC made the following points:

- The final report needs to include clear conclusions about the behaviours and effects of the different types of market participants on annual allocation prices. Where it identifies harmful impacts of behaviours it should make recommendations on the changes required to address these effects. The ACCC also needs to detail the full cost of any increased regulation proposed. The interim report, whilst supporting increased regulation, provides no detail on the potential cost of any proposed regulation.
- The interim report presents Irrigation Infrastructure Operators (IIOs) negatively. CICL provides the information we are required to by law to both the Bureau of Meteorology and the ACCC. If the information lacks enough detail, it is

because we are not required to collect that information.

- CICAL agrees with the ACCC that tying land and water together again would impact on the value of water entitlements and be disruptive to irrigated agriculture.
- CICAL supports increased regulation of brokers, however, any regulation needs to be proportional to the problems and risks identified. It also needs to be mandatory.
- We support further work to improve the links between our registers and WaterNSW to improve the efficiency and the transparency of information. IIOs need to be involved in designing solutions and should not have the solutions imposed on them. The solutions, including reporting, need to be efficient, cost effective and replace existing reporting requirements.
- CICAL supports increased efforts to improve market transparency which will make it easier for all participants to discover current prices. We believe a priority should be to build on and improve the systems currently being upgraded by the states as well as increased use of information platforms such as Waterflow™.
- CICAL has not supported consideration of changes to carryover, exploration of capacity sharing or continuous accounting etc, arguing these issues will fundamentally alter the current planning and entitlement framework, affecting property rights and add complexity to what is already a complex water market.
- CICAL has argued the development of rules should recognise water is managed in a physical system. The water market should not support rules that result in unsustainable river operating regimes or allow trades to impact on the property rights of entitlement holders that are not a party to the trade.

**Transparency Bills** – The NSW Water Minister recently cited correspondence from CICAL in Parliament when speaking against the Private Members Bill *Water Management Amendment (Transparency of Water Rights) Bill 2020*. CICAL understands community interest in understanding who owns water entitlements including irrigation rights within Irrigation Infrastructure Operators. However, the Bill drafted by Helen Dalton MP, with no consultation with CICAL, presented risks to our licence and the privacy of our members. CICAL also wants to avoid being required to invest in new systems to meet government regulation requirements to find this investment is made redundant by changes recommended by the ACCC and supported by the Commonwealth Government.

CICAL does support politicians being required to disclose their interests, including their interests in water.

**Flood Plain Harvesting Regulation** – The recent defeat of the government’s Flood Plain Harvesting (FPH) regulation has attracted media coverage. NSW is implementing its Flood Plain Harvesting Policy and intends to licence FPH in specific catchments in northern NSW from 1 July 2021. This change will bring FPH into the same licensing framework as other licences with volumetric licences and “take” properly accounted for the first time. The key date for issuing FPH licences is eligible works approved or constructed prior to 3 July 2008. This is an important but long over-due reform which is essential to bringing consistency to water management across NSW with FPH take within the Sustainable Diversion Limits. The recently defeated regulation was intended to provide increased clarity during the transitional process to FPH licensing and to any irrigator capturing rainfall runoff. The defeat of the regulation has created significant uncertainty for FPH irrigators, and the Natural Resources Access Regulator (NRAR).

**Government owned meter back flip** – The NSW Government has reversed its former position that the government owned water meters (mainly on groundwater and surface water pumps in the Murrumbidgee and NSW Murray) and in the Hawkesbury and Bega regions would be handed back to irrigators. WaterNSW will retain ownership of these meters and will be responsible for the meters complying with the new non-urban metering rules.

**Conclusion** – The improved seasonal conditions are very welcome and CICL looks forward to servicing your irrigation demand this season. I encourage you to attend our AGM where we will have an opportunity to talk to our performance in 2019/20 and update you on our current priorities.

I also request that if you are experiencing issues with CICL's service, please do not verbally abuse the staff members who are trying to help you, rather raise your concerns with management.

**Clifford Ashby**  
**CEO**



**Monday 19 October 2020**



**CIMCL proposed changes to the rules of the cooperative** - CIMCL is bringing a series of changes to the Rules of Coleambally Irrigation Mutual Co-operative Limited (CIMCL) to Members at the 2020 AGM.

Detailed/long explanations for the proposed changes were provided in the Notice of Meeting sent to members on 23 September and are also available at <https://www.colyirr.com.au/agm-2020>. Please contact the office if you would like a printed version of the proposed Rules changes.

The motion that will be put at the CIMCL AGM is "To consider, and it thought fit; adopt the new CIMCL Rules which are to replace the existing CIMCL Rules dated 20 November 2018". The proposed Rule changes will be considered in the form of a special resolution. Due to COVID-19 restrictions we will not be scheduling a workshop to explain these rule changes.

There are two significant changes proposed in the rules which are:

- New Rule 20.5 to allow the CIMCL Board to suspend collection of the levy for the CIMCL Sinking Fund and instead allow CACL to collect the CACL Sinking Fund Levy. The requirement to contribute a CIMCL active membership levy remains.
- New Rule 45.1 to allow for flexibility within the CIMCL Rules to provide for a minimum of three and maximum of five directors, if future circumstances require a reduced number of CIMCL Directors.

The CIMCL proposed rule changes arise due to new CACL Rules whereby CACL became a non-distributing co-operative and it has taken on the ability to collect funds via their Sinking Fund for the future replacement of infrastructure.

The Board of CIMCL continues to review its future options and role applicability as conferred in the Chairman and CEO's Annual Report. Once the CIMCL Board decides upon the best direction, members will be advised.

The other proposed rule changes are either administrative in nature to continue to comply with co-operatives national law, or as a flow on effect of either of the 2 significant changes mentioned above.

The Notice of Meeting contained a proxy form that is able to be completed and returned before 27 October 2020 if you wish to vote but are unable to attend the AGM.

If you have any questions or would like to discuss these rule changes in more detail, please contact the Company Secretary on T: 02 6954 4003 before 27 October 2020.

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