Minutes of the Annual General Meeting of Lachlan Valley Water Inc

held in Condobolin at the Agricultural Research Station on Tuesday

25 August 2015 commencing at 9.00am

**PRESENT**: - Tom Green (Chair), Alan L’Estrange, Peter Ceccato, John Bruce, Mark McKenzie, Richard Stott, Dennis Moxey, Ted Middleton, Bill Lander, Gordon Turner, Brian Saunders, Ben Saunders, Ed Fagan, Lisa Kearines, Mark Kearines, Ross Berry, Jamie Morgan, Robyn Coulton, Mark Coulton, Ian Smith, Ted Morgan, Andrew McDonald, Jock Coupland, Nick Turner, Dennis Brady, Darryl Nesbitt, Robert Collins, Jock Potter, David Storrier, Chris Potter, David Pengilly, David Fensom, Matt Mitchell, Michael Storrier, Jim Ireland, Jenny Ireland, Mary Ewing, Nina Crawford

**APOLOGIES**: - Tony Hamilton, Sarah Black, Andrew Gee, Katrina Hodgkinson, Ian McFadyen, Michael Payten, Ernie Idiens, Mark Green, N Jacobsen

The Chairman welcomed all present, including guest speakers Mark Coulton, Federal MP for Parkes, Mark McKenzie, CEO of NSW Irrigators Council and Richard Stott, Chairman, NSW Irrigators Council, and declared the meeting open at 9.10am. In order to accommodate Mark Coulton’s other commitments for the day, guest speakers were invited to make their presentation to the meeting before the formal meeting proceedings.

**Mark Coulton** introduced himself as ‘learning the language of water’ having come from a dryland farming background. He spoke on the Basin Plan and what the Agricultural White Paper means for farmers in the Lachlan Valley. His key points were:

* Impending announcement of the 1500GL cap on buyback, agreeing that unregulated and excessive buyback of water had destroyed some communities along the river.
* Recovery of a further 450GL from the Lachlan based on efficiency outcomes, in spite of water from the Lachlan not meeting the Darling
* Funding available for Efficiency Programs and drought preparedness e.g. silos, haysheds etc
* Next three years critical for MDB Plan, with funding needed to continue past 2106.
* More understanding/justification of the benefits of environmental water needed. Water traded back can only be used for environmental water.

 Questions asked of Mark were:

* *What is the Government’s attitude to trading of Environmental Water, as this needed to be known before the Water Resource Plans are sealed?* MC felt that such trading would be limited but conceded this may be possible in the Lachlan as it is a terminal river.
* *What accountability is there of Environmental Water. Where used, how managed and outcomes? That the Commonwealth Water Holder was set up by the Water Act and is not accountable is not a satisfactory situation.* MC agreed that greater co-ordination needed with the use of Environment Water along with Irrigation Water, with water to go back to State control and not Commonwealth.
* *Why not the Commonwealth?* MC - Should be the same environmental legislation across all States but at the moment the Commonwealth is giving special consideration to South Australia.
* *LVW’s focus for the past 2 years has been on Environmental Water. How can MC help change Government attitudes?*  Mark Coulton and other Government representatives of other valleys meet quite regularly on this topic as there are similar issues in all the valleys. If the trading of Environmental Water happens it will require changes to the regulations. The Commonwealth Water Holder is not set up as a trading house. MC agreed that the water certainly needs freeing up.
* *Could this be done on a valley-by-valley basis as the Lachlan Valley is fully bought and is therefore in a different situation to the other valleys?* MC thinks this could be possible. Water prices now depressed as buyback complete, and small towns devastated.
* *Permanent and temporary trade is the key issue to get water moving so some flexibility needed in the legislation. If water has been overbought then should this not be acknowledged and some water returned to the river? Also acknowledgement needed that some of the rivers in the northern basin are ephemeral and do not have water in them all the time.* MC – working on this.

Richard Stott felt there is no appetite for change as both sides of Government want the six seats in South Australia. Also, there is a need to know where the Craig Knowles MDB Plan finished and whether the outcomes have been achieved.

Mark Coulton appreciated connecting with LVW and similar groups in the other rivers and hopes to deal with problems at they arise. Dennis Moxey applauded Mark’s knowledge of water, coming from a dryland background.

**Mark McKenzie** acknowledged that he came from an irrigation background. As LVW collects levies for NSWIC so its members are all members of NSWIC. NSWIC tackled the broader issues of the Basin.

* Terminal systems over-recovered.
* MDB has been reluctantly accepted but NSWIC has continued to work on the components so that impact on irrigation has minimal effect.
* Recent submissions have all pushed for the triple bottom line of social, economic and environmental outcomes to have the same balance and weight. There is a community loss of confidence in MDB managing this triple bottom line outcome.
* Shifting goalposts – real objection by NSWIC.
* Over-reliance of theoretical modelling
* Irrigation program – no meaningful engagement
* Social and economic impacts – not yet fully measured and still to be felt. Decision made before effects fully realized.

Other current focus in NSWIC

* Build Council resources
* Respond more assertively
* Substantiate diversion offset – no more water recovered than needs to be recovered
* NSWIC/Government Relations program
* Legislate the 1500GL cap and no more purchases
* Amendment to Water Act to trade environmental water when necessary
* Double dipping into environmental water – OEH/CEWH/Translucency/Fisheries
* Need to loosen up the hard and fast rules
* Concerned that aberrations should not be rolled over and that they need to be resolved, or the Plan deferred until they are
* Pricing submission due in Sept with DPI/IPART. DPI looking for about 1.5% reduction overall.
* Pilot Power Energy Audit conducted over 11 major users indicated a potential $600,000 savings. NSWIC is working to reduce energy network charges, with a reduction in tariffs next year.
* Essential Energy looking at the introduction of a Food and Fibre tariff and a change in regulatory framework to contain costs.

Mark’s presentation was supported by NSWIC Chairman Richard Stott – also an irrigator. Dennis Moxey pointed out that the water price set on water efficiency savings of $1000/ML and the current market price around $480/ML could mean the loss of more water out of the Lachlan and that all irrigators should be aware unintended outcomes. Efficiency drives needed, but CEWH must have a set purpose for the water.

The presentations concluded at 10.45 am and the three speakers were presented with a token of appreciation by Lachlan Valley Water. Morning tea followed and the AGM resumed at 11.20am

**Apologies** as per the morning session, plus Tim Watson, Will Storrier and Alister Watt

**CONFIRMATION OF MINUTES FROM PREVIOUS MEETING**: -

**Motion:** That the minutes of 23 September 2014 as circulated be accepted.

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|  Moved: Michael Storrier  | Seconded: Gordon Turner. Carried. |

**PRESIDENT’S REPORT**

Tom Green thanked all members of the executive for their commitment throughout the year. LVW continues in a sound financial position.

* The Water Sharing plan continues at an extremely slow pace and this is the last opportunity for significant change to the plan, especially translucency flows, for the triple bottom line. A promise that this would be dealt with has yet to be delivered, but needs to be done before rolled into Federal plans, when opportunity for change will be limited. Darren Barma has been engaged to do our own modelling in order to hold the Department to account. LVW’s goal is for significant changes.
* LVW is working to build on political relationships. There are five Federal and State members representing the Lachlan and LVW is pushing to get a meeting with the Minister.
* Water pricing remains on the agenda
* Water Take Measurement. No longer to be funded in the Lachlan Valley. What will be the rules and regulations? What type of meters? What certification?
* Lower Lachlan Water Sharing Plan

As of today the inflows into the Dam look quite promising. Translucency to be triggered?

**FINANCIAL REPORT** - Tabled

Submitted by John Bruce. Income up on last year through added volume and an increase in the levy charged by LVW. Expenditure down $20,000, mainly due to no catch-up in the year on provision for LSL for the EO. Also, the budgeted $12,500 payment to Darren Barma was deferred, at his request, to the 2015/16 year. With around $200,000 in reserve, there is more than enough to cover one year’s operating costs for LVW. This balance includes $85,000 of project money and $5000 from Upper Lachlan Valley Water Users. John Bruce’s report accepted by those present. The budget to be ratified by the Executive at the Meeting following on from the AGM.

###### EXECUTIVE OFFICER’S REPORT – Tabled.

The Executive Officer spoke to her report and fielded questions. Mark McKenzie responded to the question on the charge for water that hasn’t been able to be used, explaining the conditions under which fixed charges have previously been set aside. However, under continuous accounting there is still water in 50% of accounts and the Government still expects to recoup its costs whether there is water or not. Mark felt that the Water Resource Assessment calculations need revisiting in the new Water Sharing Plan. There was a request from the floor that the use of the “worst drought on record” be changed to a lesser event.

**NOMINATION OF REPRESENTATIVES TO LVW EXECUTIVE**

Belubula Landholders Association: Michael Payten, Andrew Holmes

 Upper Lachlan Water User Group Div A Matt Frazer, Nigel Hazel, alt. Ed Fagan, Ernie Idiens

Upper Lachlan Water User Group Div B Ian Smith, Dennis Moxey, alt. John Bruce, Mark Green

Jemalong Irrigation David Pengilly, Dan Mattiske, alt. Ted Morgan

Mid Lachlan Water Users Association Alan L’Estrange, Jock Coupland, Wal Dawson

Booberoi Creek & Landcare Association Mark Kearines, Ted Middleton, Bill Lander

Lake Cargelligo & District Water Users Ian McFadyen

Hillston District Water users Tim Watson, Mick Storrier, Will Storrier.

Willandra Creek Water Users Andrew Stalley, Matt Mitchell

Lower Lachlan Landcare Group Gordon Turner

Young Irrigators Tom Green, Jamie Morgan

There was no change to the members of the LVW Executive.

**The AGM closed at 12.20 pm and was followed by lunch and then the Executive Meeting.**