



WATER SALES IN YOUR AREA

COLEAMBALLY – COLEAMBALLY IRRIGATION

Coleambally Irrigation Co-operative Limited (CICL) offers two kinds of trade:

1. Permanent Trade – Sale of the water entitlement, the major asset; or
2. Temporary (annual) Trade – Sale of available allocation.

There are three types of Permanent trades occurring in Coleambally Irrigation:

1. Within the licence
2. Out of the licence
3. Into the licence.

Permanent Trade Within Licence	Permanent trade outside of Licence
Water Entitlement and associated Shares and Delivery Entitlement transferred to another member.	The Water Entitlements are removed from CICL's Licence. The associated Shares are cancelled.
The Purchaser pays all future costs associated with the purchase.	The associated Delivery Entitlements are: <ul style="list-style-type: none"> o Cancelled if Termination Fee is applied o Retained if an annual Access Fee is applied
	A Termination Fee is applied where: <ul style="list-style-type: none"> o The value of the Fee is > 50% of the market value of the water entitlement remaining on the property. o This would kick in when < 20-25% of the water remains on the property.

Termination fee

A Termination Fee is calculated at 15 x the annual Access Fee + Tax + GST

The 2008-09 Termination Fees for both CICL and Coleambally Irrigation Mutual Co-operative Ltd (CIMCL) are:

- \$367.95/ML for GS (GST inclusive)
- \$556.52/ML for HS (GST inclusive)

Why are Entitlements leaving the Irrigation Corporations (ICs)

- ICs have agreed to permit up to 4% of the Licence to trade externally each year.
- The Government is currently considering raising this to 6%.
- Landholders are reaching retirement age and due to seasonal conditions having difficulty finding buyers of land and water.

The impacts of entitlements leaving include:

- Just over 23,000 ML has left or is scheduled to leave the CICL License resulting in:
 - o 33 farms with > 100 ML
 - o 36 farms with >1000 ML

These farms are spread right across the license area that does not result in any rationalisation of irrigation assets

For more information about the "Farmfit" sessions near you, go to www.rga.org.au or contact the RGA on (02) 6953 0433. We look forward to seeing you at one of these sessions.



Australian Government
Department of Agriculture,
Fisheries and Forestry



Process of a permanent trade:

- Complete and submit Form 2 (trade within licence) or Form 4a or 4b (external trade).
- Submit written approval of any registered Third Party Interest (mortgage or charge).
- Share Transfer stamped by the Office of State revenue (OSR).
- Lodge current Share and NWE certificates.
- Pay any outstanding liabilities i.e. water accounts, Land and Water Management plans (LWMP) incentives.
- Buyer accepts liability for all charges for the current water year.

NICWER

- National Water Register for the majority of ICs from NSW, QLD, WA.
- The register is searchable for a fee in the same manner as a land title.
- CICL Water Register is linked to the National Register with the National Register updating daily.
- Both Registers list all registered charges against entitlement of each landholding.

Temporary trades

Until three years ago this was a minor function of the business, but it now provides an important source of revenue. Trades have increased from a couple of 100 to over 1000 in a season. Temporary Trading of available allocations have provided a real income stream for irrigators in the past three years of low allocations.

waterMart is the water trading platform used by CICL and licensed by Water Exchange. *waterMart* functions as a 24 hour on-line trading platform. *waterMart* has been registered as a separate entity and a fully-owned subsidiary of CICL. *waterMart* is the Broker and receives a brokerage fee for each trade. CICL is the entity approving authority – receives an approval fee (paid by the broker).

Access to online trading forms:

- *waterMart* can be accessed on www.colyirr.com.au, click on 'Water Trading'
 - Access to Forms, Fees and the trading platform can be found here
 - All forms associated with Permanent Trades are available on this website, click on Feature Links then download forms.
- When considering sales, you have to remember that water as an asset may attract a capital gains tax. Make sure you discuss this with your accountant.