

Heritage Week Presentation

JEMALONG
IRRIGATION
LIMITED

Presentation outline

- A history of JIL in the context of the development of the Lachlan Valley water resources (e.g. irrigation, town water)
- Three phases
 1. Development
 2. Mature
 3. Environmental and buyback/clawback

Profile of JIL

- 95 shareholders/customers
- Five staff members
- 100,000 ML entitlement (650,000 ML Lachlan Valley)
- Largest single water entity on the Lachlan
- 325 km of supply channels
- Water use is Lucerne, winter cereals & maize
- Diversity such as Jojoba, tree cuttings and traditional livestock finishing
- JIL shareholder won NSW farmer of the year in 2006

Development Phase

- Develop inland NSW – water the key
- Wyangala Dam constructed in 1935 (360,000 ML)
- Jemalong Weir constructed in 1939
- Jemalong & Wyldes Plains Irrigation District formed in 1940
- Originally 85 holdings – now 155
 - Constructed with horse & dray teams
 - Initially for Stock & Domestic
 - Issued water rights (1/3 of expected use)
 - 1950's bought floods and lots of water. Government wanted resources developed
 - Lucerne thrived in the 50's,60's & 70's and secured the livestock enterprises
 - Wyangala Dam expanded to 1.2 million ML in 1969

Mature Phase – Late 70's

- Development of NSW water resources basically done
- 1979 introduced the water entitlement system
- Recognised potential of overcommitted water resources
- For JWPID this was based on water rights plus an additional entitlement for history of use
- Soldier settlement blocks got extra water (to assist with smaller acreage)
- Lachlan River based on 400 acres. Licence converted to $6\text{ML/ha} = 6 \times 162 = 972\text{ML}$

Mature Phase – Early 80's

- The mature phase caused Government to look to recoup more money via water charges and saw the introduction of the user pays concept
- Irrigators (the main water consumers by volume) wanted more say in the level of service and the cost of the water
- Government ran water areas managed by engineers and this was the career path
- Management relied on the NSW Government for money (capital works) and information. Could not criticise the Government management
- JIL had at it's peak around 23 people employed
- This included a large capital works component
- Our concern was what we would have to pay for in all of this

Mature Phase – Early 1990's

- The end result of the mature phase in NSW was the privatisation of the Government Irrigation Schemes. This was enabled by the Greiner/Fahey Governments
- In 1995 Murray Irrigation, Lower Murray Darling Irrigation, & Jemalong Irrigation privatised
- The change in Government did not prevent Murrumbidgee Irrigation and Coleambally Irrigation privatising in the late 90's
- This was a good deal for the Government and a good deal for irrigators
- An unlisted public company governed by all corporate governance obligations
- Seven directors elected by owner/shareholders
- A list of compliance regulations such as EPA and NSW Office of Water requirements.

Environmental & Buyback/Clawback

Phase

Late 90's to 2010

- Ever increasing pressure from the environmental movement and thereby Government (particularly Carr Government) to make specific provisions of water
- Water Sharing Plan 2002
 - Lachlan (and JIL) from 55% to 52%
 - Translucency flows
- Irrigators concerned about their investments (encouraged & sponsored by government) being eroded by WSP's and further reviews in 2014
- National Water Initiative 2004. A big step towards a water property right – not perfect

Modernisation and buyback

- Essentially the Turnbull plan and now being implemented by the Rudd Government
- 82,000 ML purchased on the Lachlan by the Commonwealth
- JIL tendering for Modernisation
 - Rationalisation
 - Farm modernisation
 - Scheme modernisation
 - Less water for JIL but not a loss in production

Summary

- Wyangala – 1932
- JWPID – 1940
- Wyangala expansion – 1969
- Entitlements – 1979
- Privatisation – 1995
- Water Sharing Plans – 2002
- National Water Initiative – 2004
- Buyback and Modernisation – 2009
- Basin Plan (Federal) – 2010
- Water policy now Federal

2000 – 2010

Drought in Context

Allocations During Current Drought

Year	High Security Allocation(%)	General Security Allocation (%)	General Security carryover on valley basis (%)
2002/03	100	3	28
2003/04	70	0	1
2004/05	Towns 50 S&D, Irrig. 30	0	0.4
2005/06	100	19	0.5
2006/07	80	0	3.9
2007/08	Towns 70 S&D 50 Other 30	0	2.7
2008/09	Towns 70 S&D, Irrig. 20	0	0.8
2009/10 to date	Towns 50 S&D 15 Irrig. 10	0	0

Allocations for general security licences have been unprecedentedly low since 2002, with a total cumulative allocation over the last 8 seasons of only 22%

Wyangala Dam Inflows

Cumulative inflows to the main storage, Wyangala Dam, over the last 8 years have been at an historically low level, with every year substantially below the long term average annual inflow of 740,000 ML. Average inflows over this 8 year period have been 173,000 ML/year of the long term average

Year	Dam Inflow (ML)	Dam Level at End of Year
2001/02	303,800	40.8%
2002/03	61,900	11.1%
2003/04	135,800	8.9%
2004/05	94,100	8.5%
2005/06	387,810	20.6%
2006/07	105,213	10.0%
2007/08	152,000	9.9%
2008/09	115,000	6.2%
2009/10 to date	101,000	7.2% at 2/05/10

General Security Entitlements

Lachlan general security	581,710 ML
Lachlan conveyance	17,911 ML
Belabula general security	22,219 ML

Wyangala Drought Inflows for 113 Months Starting in December

