



# Pioneer Valley Water Co-operative Limited.

A co-operative formed under the *Cooperatives Act 1997*.

ABN 55 322 373 770.

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Mackay QLD 4740

28 May 2007

## CIRCULAR

We are very pleased to advise that Pioneer Valley Water Co-operative Limited will commence operations from 01 July 2007. These will be interim arrangements as we are still negotiating with the Department of Natural Resources and Water for the transfer of the infrastructure from the Pioneer Valley Water Board to the Co-operative.

We now have 90 per cent of irrigators who have applied for membership of the Co-operative and have leased their Water Allocation to the Co-operative. This is very encouraging as it sends a clear signal that local ownership and full local control of the irrigation scheme are considered to be of vital importance for the future viability of the scheme.

Those who have elected not to join the Co-operative will still be supplied with water through the Co-operative but will be required to enter into a supply contract with the Co-operative. Separate correspondence will be forwarded to non-members in regard to their contract arrangements.

**We would encourage those who have not applied for membership of the Co-operative to give the matter full consideration as we see it as the best opportunity to maintain a strong and successful irrigation scheme for the future. Very importantly, we see the move to a co-operative as vital to ensure that water charges to irrigators remain under full local control and not subjected to Government influences. With the new Co-operative to now commence from 01 July, there is still time to apply for membership but you will need to contact us urgently for a membership package.**

The delay in commencing operations has been very frustrating and, as mentioned, we are still in negotiations with the Department of Natural Resources and Water to set down a timetable for the conversion of Pioneer Valley Water Board. However, we feel that we have now reached a stage, with support from irrigators, where we can start to implement the new arrangements under the Co-operative.

Attached you will find some details of the various matters that we have been involved in over the last few months as we have progressed the formation of the Co-operative.

We will provide further information of the commencement of the Co-operative over the next few weeks.

**J R Palmer**  
**SECRETARY**

## Co-operative Establishment Issues

May 2007

The following is an outline of the issues that have, over recent weeks, involved discussions at both the Queensland Government and Federal Government levels.

The main concern from the Queensland Government (Dept of Natural Resources and Water) has been that water entitlements being held as shares in a co-operative, as opposed to being held by individuals on the Government register, may not be compliant with the requirements under the National Water Initiative with respect to water markets and trading. This matter has national significance with ramifications for the established irrigation corporations throughout Australia if their corporate structure was also deemed to be non compliant.

These existing irrigation corporations have formed the Australian Private Irrigation Entities (the Bondi Group) to lobby for the preservation of their structures that have successfully served their irrigators and their communities for over a decade. We have joined the Bondi Group as an honorary member at this time and until we gain ownership of our scheme.

The Bondi Group has contacted the National Water Commission seeking, principally on our behalf, clarification of compliance with the National Water Initiative of the corporate structure for irrigation schemes with water held as shares in the corporation. We have also met with Mr Peter Corish who is a National Water Commissioner to discuss the matter.

The Bondi Group has met a number of times with the Hon Malcolm Turnbull MP Federal Minister for the Environment and Water Resources who is very supportive of locally owned irrigation schemes. The Group has also met with the Hon Anthony Albanese MP, Federal Opposition spokesperson for Infrastructure and Water in the lead up to the next Federal election. We have been involved in all of these meetings to date.

The National Water Commission has responded to the request for clarification from the Bondi Group as follows.

“For the record, the National Water Initiative (NWI) does not contain any specific provision requiring entitlements to be devolved to individual irrigators. As indicated in our previous correspondence with Pioneer Valley irrigators of 15 April 2005, while the NWI is clear about the trading outcomes it seeks, it does not dictate the means of achieving them.”

Our meeting and discussions with Peter Corish provided the same response concerning NWI compliance. We believe that this clearly addresses the concerns of the Queensland Department as to our co-operative structure. We have now forwarded the National Water Commission’s letter to the Bondi Group to the Director General of the Department of Natural Resources and Water. We are meeting again with the Department in the next two weeks to progress the conversion of the Board and transfer of the infrastructure to the Co-operative.

We are hopeful that the way is now clear for us to work with the Department through the formal process under the Water Act 2000 that provides for conversion of statutory water authorities into alternative institutional structures.