



Pioneer Valley Water

MEDIA RELEASE

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Anger builds over SunWater water charge increase

“Anger is building amongst irrigators in the Pioneer Valley over the recent announcement by Water Utilities Minister Stephen Robertson of a major increase in SunWater irrigation water charges for 2011/2012” Chairman of Pioneer Valley Water Andrew Cappello said today.

“The \$2 per megalitre increase on top of CPI will see the bulk water charge by SunWater increase by 15% if it is applied to both Parts of the tariff or by 24% if applied to the Part A tariff only.” “This is totally unacceptable particularly as the additional increase of \$2 per megalitre comes while the independent review of SunWater irrigation prices by the Queensland Competition Authority is ongoing” Mr Cappello said.

The Minister has not provided any detailed justification for the price increase to Pioneer Valley irrigators above CPI for 2011/2012 while the QCA review is finalised.

“Under the current pricing arrangements set in 2005, the Pioneer River Scheme was understood to have reached the level of revenue required from irrigators to cover SunWater’s efficient costs for operation of the scheme in 2008/2009.” Mr Cappello stated

From information provided by SunWater to QCA for their price review we now find that the operating costs by SunWater have blown out by a staggering 44% above that 2008/2009 revenue amount.

“In our submissions to QCA we have highlighted this enormous increase which includes an allowance of just over 50% of the total operating costs for SunWater’s head office and other overheads. We have asked for further explanation of these extraordinary overheads and the overall projected cost blow out.” “We had expected to receive some explanation during the QCA review.” Mr Cappello added.

“We now find the Minister imposing this arbitrary increase in water charges while this and many other questions we have raised in our QCA submissions remain unanswered”.

I call on the Minister to reverse his decision on the arbitrary \$2 per megalitre increase to our SunWater bulk water charge and allow the QCA to complete the independent review of irrigation water pricing in Queensland.

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