



Pioneer Valley Water

# MEDIA RELEASE

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## **Smoke and mirrors pay rise for SunWater**

“The lack of adequate explanation by SunWater for major cost increases in the Pioneer River Water Supply Scheme has been rewarded by the Minister for Water with an arbitrary increase in water charges for irrigators” Manager of Pioneer Valley Water John Palmer said today.

“The announcement by Minister Stephen Robertson of a \$2 per megalitre increase on top of CPI for the SunWater bulk water charge comes while significant questions have been asked of the information provided by SunWater on the costs for their operation of the scheme.” Mr Palmer said.

“We have actively participated in the review of irrigation prices being conducted by the Queensland Competition Authority and raised some legitimate questions on the data provided to QCA by SunWater. We had expected to have these matters addressed during the process but now must assume that the Minister has accepted the SunWater data.” Mr Palmer added

This raises serious concerns over what we understood to be a review of irrigation water pricing by the independent regulator in Queensland.

“A major component of the cost increase appears to be in expenditure on renewal of infrastructure as shown in the SunWater Network Service Plan. It appears that this expenditure over the last five years has gone from a projected amount of less than \$1 million to an amazing total of just under \$7 million with no explanation provided by SunWater.” Mr Palmer said

“SunWater indicate that the Pioneer Water Supply Scheme now has a balance in the account for future renewal of the infrastructure of negative \$5,160,000 which, at their adopted interest rate of 9.689%, has the scheme with an annual interest bill of some \$500,000.”

Mr Palmer added “Most expenditure has been associated with the Palm Tree Creek outlet valve from Teemurra Dam which failed first in 2000 and has never operated as designed since the dam was constructed in the late 1990’s. SunWater have made a number of unsuccessful attempts to rectify the problem and there is still more major expenditure to come.”

“We have asked QCA to look closely at this matter to determine if it has been dealt with by SunWater prudently and efficiently.” he said

We cannot accept the arbitrary increase in charges paid to SunWater while questions such as this remain unanswered.

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