



NEWSLETTER

Issue 12

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In this Newsletter we cover the following areas:-

- Lease of Water Allocations to Pioneer Valley Water Co-op
- Queensland Competition Authority Review of SunWater Pricing

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Lease of Water Allocations to Pioneer Valley Water Co-operative

- This is a reminder to members that the documentation for extension of time for the lease of Water Allocations needs to be returned to us as soon as possible as the current lease term expires on 30 June 2011. Please get in touch with us if you require any assistance.

Queensland Competition Authority Review of SunWater Pricing

The Queensland Competition Authority (QCA) has been granted a further extension of time for the review of prices to be paid by irrigators in SunWater schemes. The QCA are now to provide their draft report including draft prices in schemes by 31 October 2011 with the final report due by 30 April 2012. The new prices will now commence from 01 July 2012.

The main reason for the extension of time is the poor quality of information provided to QCA by SunWater on their proposed costs to operate the schemes. This has been made quite clear in the reports prepared for QCA by their consultants engaged to review the SunWater Network Service Plans.

Despite this poor performance by SunWater, the Minister for Water Utilities, Hon Stephen Robertson has granted them an interim price increase for 2011/12 of \$2.00 per megalitre on top of CPI for all of the SunWater channel schemes and five river schemes.

Our scheme, Pioneer River Water Supply Scheme is one of those river schemes and the interim increase plus 3.6% CPI will see our Part A SunWater Bulk Water Charge for next year rise from \$10.24/ML to \$12.68/ML – an increase of 24%.

The only justification for the interim increase provided by the Minister to date is that

“it will allow SunWater to start recovering some of the cost increases it will have incurred since the previous price determination in 2005-6 while the QCA process runs its course”.

In light of the poor information provided to QCA by SunWater the Minister's decision to grant the price increase could be likened to rewarding a child for bad behaviour and wondering why they repeat the bad behaviour in the future.

We have raised very strong objections to the \$2.00 per megalitre increase and have issued a number of press releases. These can be found on our website <http://www.pvwater.com.au>. These articles provide details of some of our specific concerns with the information provided by SunWater for the Pioneer River scheme. Despite many objections being raised by us and other irrigators throughout the state, the Minister is showing no signs of reversing this outrageous decision and we will be left with no option other than to pass the increase on to our members in the water charges for next year.

The Board will be meeting next week to set the budget for 2011/12 and water charges for each scheme. We will issue notification of water charges for 2011/12 in early July.