



Pioneer Valley Water Co-operative Limited

NEWSLETTER

Issue 19

Newsletter Date July 2013

In this Newsletter we cover the following areas:

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- Electricity Tariffs
- Formation of PVWater Mutual Co-op
- Announced Allocation 2013/14

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2013/14 Budget and Water Charges

The Board met on 27 June and adopted the budget for 2013/2014. They also set the water charges for the year. The overall budget for this year is a small increase on last year's due mainly to a 10% to 12.5% increase in electricity charges. Maintenance costs are down this year as we do not have the major pump servicing expense but this has been offset by the big rise in electricity together with small increases for bulk water charges from SunWater and our administration and operational costs.

As in previous years we have lobbied strongly at every opportunity to have the voice of irrigators heard in the determination of electricity charges. There is some small respite this year with the Government directing that irrigation tariffs increase by 10% and not 20% as proposed by the Queensland Competition Authority. We have moved all of our pump stations onto irrigation Tariff 62 to take advantage of the Government's recognition of the irrigation sector but we remain very concerned as to where electricity charges may go over the next few years.

Overall increases in total charges (Fixed plus Usage) range from \$1.60/ML to \$3.65/ML across the five areas.

The table below shows the 2013/14 charges for all areas.

Area	Access Charge \$/ML	Usage Charge \$/ML	Loan Levy Charge \$/ML (see article below)
Riparian	30.00	2.70	18.60
Palmyra	35.90	26.50	23.00
Silver/McGregor Pipeline	36.30	33.30	27.40
Creek	36.30	33.30	23.00
Septimus	43.25	42.85	27.40
Palm Tree Creek Pipeline	42.00	6.55	36.20
Cattle Creek	33.25	3.80	23.00

For Non-members of Pioneer Valley Water Co-operative enclosed with this Newsletter is the Schedule of Service Charges that will apply for 2013/2014. This is in accordance with the supply contract between the Co-operative and Non-members. The Service Charges do not apply to Co-operative members.

Original Loan Payout

The Board borrowed significant funds from Queensland Treasury Corporation (QTC)



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been paying off the loan. During a very severe sugar industry downturn in 2000, an offer was made to irrigators to defer four quarterly loan levy payments over 2000/01 and 2001/02 with the payments to be caught up with interest at the end of the normal loan period. Some 40% of irrigators in the scheme at that time took up the offer.

The QTC loan was split into "Original Loan" and "Deferred Loan" in 2000 and the last payment for the original loan will be in December this year. At this time the final deferred loan payment will be in September 2016.

Those members who did not defer their loan levy payments will receive the last loan levy charge in the quarterly water charges invoices we issue on 1 November this year. Also this last levy will be approximately 75% of the full loan levy as the original loan terminates part way through the December 2013 quarter.

Please give us a call or drop into the office if you need any further details on the loan levy and payout of the original loan.

Electricity Tariffs

We are aware that some members may have their irrigation pumps on Tariff 22 and are not aware that they can move back to Tariff 62. Irrigation tariffs (Tariff 62 and 65) were proposed to be abolished from 1 July 2012 but the Queensland Government intervened and has left these tariffs as transitional tariffs for at least 7 years. Further they have allowed movement between tariffs during the transition period.

We have undertaken extensive tariff modelling for our pump stations which shows that it is significantly cheaper on Tariff 62 than Tariff 22 at Septimus where we use on average 90% of electricity during off peak times. There is also cost advantage at Palmyra and Silver/McGregor stations where off peak usage is around 60%. As mentioned earlier we have now moved all pump stations from Tariff 22 to Tariff 62.

We urge you to review your Ergon invoices and check which tariff your pumps are on. If they are on Tariff 22 and you pump mostly during off peak you should contact Ergon and discuss with them moving to irrigation Tariff 62.

Again please give us a call or drop into the office if you need any assistance with interpreting your electricity invoice.

Formation of Pioneer Valley Water Mutual Co-operative

After commencing the process of moving to an irrigator owned co-operative in 2004, we are now in reach of the finish line. Legislation was passed in Parliament in May to finally allow for our proposed two tier co-operative for the scheme. We are now able to proceed with formation of Pioneer Valley Water Mutual Co-operative which will take over ownership of the scheme assets from Pioneer Valley Water Board. Pioneer Valley Water Co-operative that was formed in 2005 will be responsible for the day to day operation of the scheme.

We are proposing to hold the formation meeting for PVWater Mutual during August and will be forwarding a meeting notice along with other documentation in the next two to three weeks. This is a very important part of getting full control of the scheme by irrigators and we urge you read all documents you receive from us. Also please make the time to attend the formation meeting as it is important that you get a full understanding of the structure that is being put in place to ensure the irrigation scheme remains viable for the long term.

If you would like any more information on the proposed abolishment of Pioneer Valley Water Board and conversion of the scheme into a co-operative please get in touch. You can find a lot of detail on our website – www.pvwater.com.au.

Announced Allocation 2013/2014

With Teemburra Dam at full supply level, Announced Allocation for the 2013/2014 Water Year has been set at 100% from 1 July. This means again that Streamflow Allocation Periods will not need to be declared during the 2013/2014 Water Year.