



Pioneer Valley Water Co-operative Limited.

A co-operative formed under the *Cooperatives Act 1997*.
ABN 55 322 373 770.

PO Box 275
(Level A, 120 Wood Street)
Mackay QLD 4740

16 June 2011

Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Sirs

RE: Review of Irrigation Water Pricing in SunWater Schemes **Comments on SunWater Response to PVWater Submission**

We refer to the SunWater Response to PVWater Submission provided to us by Queensland Competition Authority. We have read the SunWater response and advise that it does alter our position as presented in our previous submissions.

We would provide the following comments on the SunWater response.

- We had previously acknowledged that our submission had neglected to adjust the 2006/11 price path cost to 2011 dollars.
- A 21% increase in costs whether operating or renewals annuity is very significant and demands clear and detailed explanation.
- It is a concerning precedent to adopt that any historical arrangements should not be considered when determining pricing for services from an asset. The Mirani Weir situation requires close examination and, if necessary, correction of the Minister's statement.
- It would indeed be refreshing if the approach with the Mirani Diversion Channel losses were to be to request that it be treated equally to all other constructed distribution assets and have losses granted under the Resource Operations Plan.
- There must surely be identifiable administration cost differences between dealing with 7 customers and 256 customers.
- We await the determination by QCA as to the prudence and efficiency of the direct operational costs for the Pioneer River Scheme as presented by SunWater.
- PVWater Deputy Chairman is also a Director of Mackay Canegrowers Ltd. He attends the Eton Irrigation Advisory Committee meetings at the invitation of Eton irrigators and as a representative of Mackay Canegrowers Ltd.

Yours sincerely



J R Palmer
MANAGER