



# 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

9 September 2024

This submission is provided to:

To: Queensland Competition Authority

Org and Address: GPO Box 2257, Brisbane QLD 4001

Email/website: [www.qca.org.au/submissions/](http://www.qca.org.au/submissions/)

Dear Sir,

Pioneer Valley Water Co-operative Limited (PVW) is a small, locally owned and managed co-operative, with offices located in the tropical North Queensland coastal city of Mackay. PVW distributes irrigation water and maintains irrigation infrastructure on a non-profit-making basis for the benefit of member and non-member irrigators in the Pioneer River Water Supply Scheme (PRWSS), which extends westward and inland from Mackay. PVW is currently responsible for annual distribution of up to 47,390 megalitres of water for irrigation purposes and is also engaged through a service agreement with Pioneer Valley Water Mutual Co-operative Limited (PVMutual) to maintain the irrigation infrastructure through which the allocation is distributed. The Pioneer River Irrigation Scheme infrastructure is owned by water allocation holders through their membership in PVMutual.

## Distribution Network

PVWater distributes to irrigation customers in the riparian areas of Palm Tree Creek, Cattle Creek (below Gargett), Pioneer River and to four reticulation supply areas, being Palm Tree Creek (including Cattle Creek below Tannalo), Palmyra, Septimus and Silver McGregor.

Water for irrigation within PVWater's distribution area is supplemented as required from Teemburra Dam. Distribution is achieved by various means including diversion through pump stations, pipelines, earth channels and existing natural watercourses. Major PVWater diversion points for reticulated schemes are located at Gargett and Septimus (from Cattle Creek) and near Pleystowe (from Dumbleton Rocks Weir on the Pioneer River). PVW also operates a gravity-fed high-pressure pipeline reticulation scheme directly from Teemburra Dam near Pinnacle.

The 375 (approx..) water allocations which fall within PVW's distribution area are devoted in a very large part to the production of sugar by PVW's 250 (approx..) customers, although opportunities for diversification into alternative crops are increasingly under scrutiny. There has also been significant conversion of traditional sugar cane farming land to beef cattle production over recent years.

Pioneer Valley Water Co-operative Limited (PVW) welcomes the opportunity to provide comment on the QCA Irrigation price investigation 2025-29.

We provide this submission without prejudice to any additional submission from our members or individual farmers.



# 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

## Issues

1. PVW is concerned about Sunwater's rising internal and support costs, with the impact passed on to irrigation customers. Of particular concern is the cost of installing, repairing, replacing and yet again replacing the main control valve on Little Palm Tree Creek. The \$1.7million cost has been passed on to our irrigators however if this valve was properly engineered and sized initially for the known conditions it would not have had to be replaced two more times.
2. PVW does not support the proposal to shift from an Annuity to a Regulated Asset Base (RAB). This is due to lack of adequate communication about the impact of the RAB approach to agricultural customers and future risks, such as unforeseen step increases in pricing passed on to customers. PVW recommends that SunWater maintains the Annuity for our scheme.
3. PVW has concerns regarding the calculation of the Weighted Average Cost of Capital (WACC). SunWater should be operating on a zero Rate of Return.
4. PVW advocates to maintain the 15% price reduction for all Sunwater irrigation schemes.
5. PVW acknowledges that SunWater has improved transparency in having the joint QFF-Sunwater Consultative Committee to inform and engage with QFF members and as a QFF member, PVW supports this collaborative approach to solutions that support agriculture in the price path negotiations.

AS a small irrigation scheme Distribution Operations Licence holder, PVW has engaged with SunWater through the Consultative Committee and we urge QCA to address the issues of unsustainable water prices for our growers in the Pioneer Valley.

Yours sincerely,

**STEVEN FORD**  
**GENERAL MANAGER.**