

Central Brisbane WSS

Scheme Performance Report 2022-23



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Introduction

The Scheme Performance Report (SPR, formerly known as the Network Service Plan) is a key component of Seqwater’s consultation with its customers and is intended to provide useful and helpful information. It provides a wholistic overview of scheme performance including historical water usage, budgeted and actual operational expenditure, forecasting operational expenditure, renewals and annuity fund balances.

Seqwater encourages comments and suggestions on the content of this SPR as this forms a valuable part of the scheme’s operations and planning process. Customers may provide feedback via phone, email or post:



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Our Scheme

The Central Brisbane River Water Supply Scheme (the Scheme) is located along the Brisbane River from Mt Crosby Weir up to and including Wivenhoe Dam. The Scheme was established in 1980 to enable irrigation of up to 1,000 ha within the area.

The Scheme is regulated under the Moreton Water Management Protocol (the Protocol) and managed under the Central Brisbane River Water Supply Scheme Operations Manual. The water year runs from 1 July to 30 June.

Our Customers

Within the Scheme, Seqwater supplies raw water to 133 customers and holds an allocation to supply the water treatment plants to provide treated water to its customers.

The following table sets out the ownership of water allocations in the Scheme.

Table 1: Schedule of ownership of water allocations

Customer type	Number of customers	Medium priority volume (ML)	High priority volume (ML)
Irrigation	100	6,839	–
Non-irrigation	30	275	-
Ipswich City Council	1	65	–
Somerset Regional Council	1	15	–
Glamorgan Vale Water Board	1	–	250
Seqwater	–	–	278,597
Total	133	7,194	278,847

Source: Seqwater (2022)

Working Together

Seqwater’s customers are at the heart of everything we do. We are committed to improving our understanding of our customer’s needs and implementing improvements in the services we provide to our customers. Recent improvements have included: Customer Connect, water accounting statements and publishing of prices for temporary transfer trades.

During the last year Seqwater has had constructive and useful engagement with the executive members of the Mid Brisbane River Irrigators (MBRI) regarding the options for setting prices in the Central Brisbane Water Supply Scheme.

Our Water

The announced allocation determines the percentage of nominal water allocation volume that is available in each water year. The following table sets out the announced allocations since 2014-15.

Table 2: Announced allocations history

Year	Medium Priority %	Year	Medium Priority %
2014-15	100	2019-20	85-100
2015-16	100	2020-21	70-100
2016-17	100	2021-22	70-100
2017-18	100	2022-23	100
2018-19	100		

Source: Seqwater (2022)

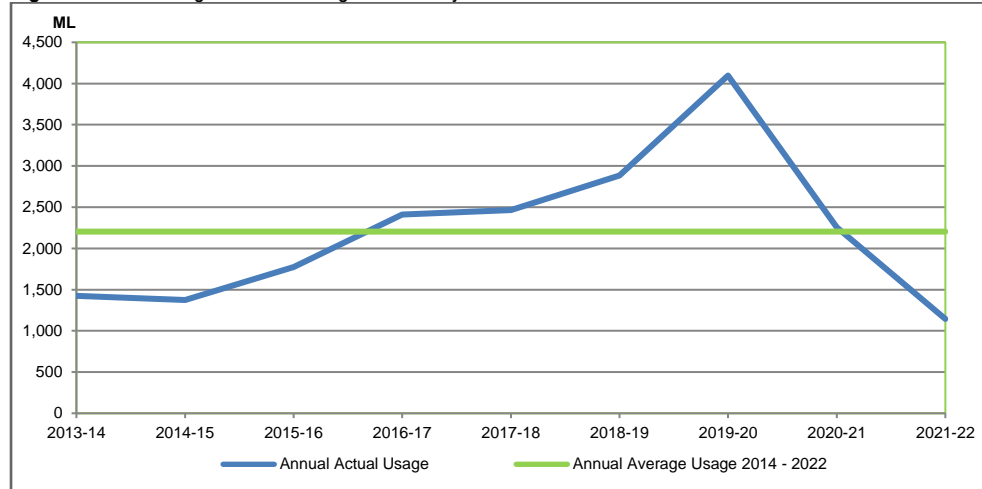
Wivenhoe Dam at the start of the water year was at 42% capacity while Somerset Dam was at 71% capacity. Wivenhoe Dam’s lowest capacity for the year was 39% on the 4 November, 2021 and Somerset Dam recorded its lowest capacity of 60% early November. As a result of several rain events during February and May Wivenhoe Dam reached 100% and Somerset Dam reached 100% capacity during late February. Wivenhoe Dam ended the water year at 89% capacity and Somerset Dam’s capacity was 80%.

Wivenhoe Dam and Somerset Dam are currently operating under Temporary Full Supply Levels as part of the Somerset Dam Improvement Project.

Water Usage

Figure 1 shows the actual water usage per year from 2014-15 to 2021-22. It also shows the average water usage over this period.

Figure 1: Annual irrigation water usage from 1 July 2014 to 30 June 2022



Source: Seqwater (2022)

Seasonal Water Assignments (Temporary Transfers)

A seasonal water assignment (Temporary Transfer) allows two customers to transfer available water to each other within a water year. The following chart sets out the volumes of temporary transfers by year from 1 July 2014 to 30 June 2022.

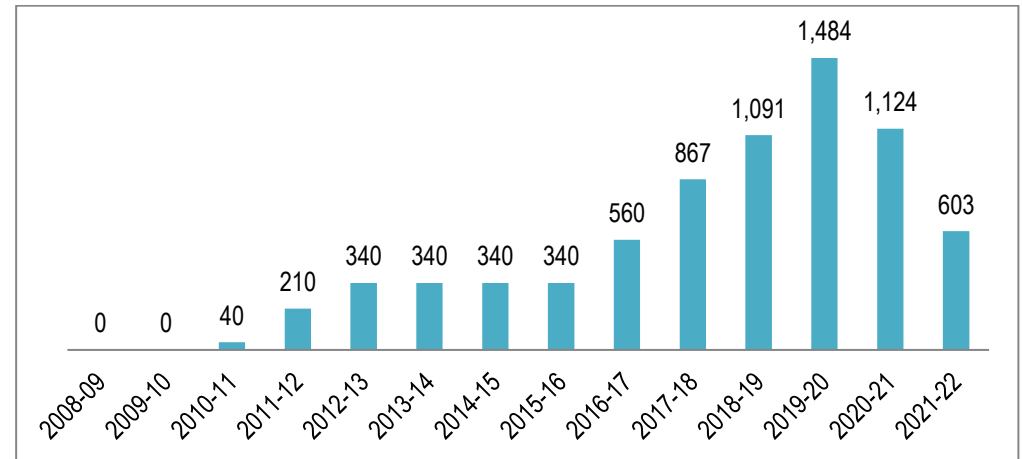
Since 1 July 2020 if customers in the Central Brisbane Water Supply Scheme have declared the sale price of their temporary transfer at time of application, then Seqwater have been publishing the price on their website.

Providing publicly available, meaningful and high-quality market activity information allows better business planning and risk management for water users in this scheme. The information published is generic information and all personal information is withheld.

You can find all the temporary trade information that Seqwater hold for your scheme [here](#).

Figure 2 sets out the annual volumes of temporary transfers between irrigation customers from 1 July 2008.

Figure 2: Temporary transfers 2008-2022



Source: Seqwater (2022)

It is important to note that, under the Operations Manual, where two parties wish to enter into a temporary or seasonal transfer, both parties require a water meter. The requirement may be waived for the transferor if they are able to demonstrate that they have no ability to take water (e.g., no pumping equipment installed). However, the transferee must have a water meter installed at each location where water is taken.

Our Infrastructure

The table below sets out the bulk water assets, owned and operated by Seqwater, that comprise the scheme.

Table 3: Bulk water assets

Dams	Weirs	Off-stream storages	Other bulk water assets
Wivenhoe Dam, Somerset Dam	Mount Crosby Weir*	Nil	Wivenhoe Tail Water Weir Gauging stations

* Although Mount Crosby Weir marks the end of the scheme, no costs associated with the weir are included for irrigation pricing purposes. Source: Seqwater (2022)

Our Water Prices

Irrigation water charges for 2022-23

Seqwater's responsible Ministers issued the *Seqwater Rural Water Pricing Direction Notice (No. 1) 2021* which sets out the rural irrigation water prices and associated fees Seqwater must charge from 1 July 2021 to 30 June 2024. The 2022-23 base price for Part A & B fees is the 2020-21 QCA recommended price with a 15% discount applied.

The table below shows the discounted price that irrigators are paying (includes 15% discount), the QCA recommended price (excluding discount), the cost reflective prices and the percentage the scheme is subsidised by the Queensland Government.

The cost-reflective prices represent the price required to recover the annual costs assessed as efficient by the QCA. The Central Brisbane River Water Supply Scheme is not expected to fully recover the costs to run the scheme in 2022-23. The difference is covered by a Community Service Obligation (CSO) payment made by the Queensland Government.

Table 4: Water prices 2022-23 (Nominal \$/ML)

Tariff	Your Price (\$)	Cost Reflective Price (\$)	Subsidised %
Fixed (Part A)	5.45	6.55	16
Volumetric (Part B)	2.21	2.66	17

Source: *Seqwater Rural Water Pricing Direction Notice (No. 1) 2022*

The fixed Part A tariff continues to be charged quarterly in advance and the variable Part B tariff is charged on actual usage at the end of each quarter.

Customers who have not yet installed water meters are required to continue to advise water usage by means of recording self-assessed usage on log sheets during each quarter and to submit the log sheets to Seqwater at the end of each quarter.

Seqwater will continue engaging with customers with regard to the requirements for meter installations which are required for most customers.

Non-Irrigation water charges for 2022-23

Seqwater sets the non-irrigation water price using the costs adopted by the QCA in their 2021-24 irrigation price review adding a return of capital and return on capital values.

Table 5: Non-irrigation process (Nominal \$/ML) for 2022-23

Tariff Type	Non-Irrigation Price	
	MP \$/ML	HP \$/ML
Fixed (Part A)	33.93	89.28
Volumetric (Part B)	2.66	2.66

Source: Seqwater (2022)

Our Expenditure

Seqwater's costs are subject to review by the QCA at the end of each price-path which commenced on 1 July 2020 for four years to 2024.

The following table sets out Seqwater's detailed actual expenditure compared to the 2021-22 target budget which was extrapolated from the expenditure recommended by the QCA in the 2020-24 price review. Also shown is the expenditure recommended by the QCA for 2022-23. Explanations of material variations are set out in the table below. Please note, Irrigation costs are only a small proportion of the total scheme costs.

Table 6: Operating expenditure for 2021-22 and operating budget 2022-23 (\$Nominal) for irrigation

Operating cost item	2021-22		2022-23
	Irrigation budget (QCA) (\$)	Actual expenditure (\$)	Irrigation budget (QCA) (\$)
Direct			
Labour	11,112	21,965 (1)	11,729
Electricity	794	571	818
Other direct operations	12,628	11,073 (2)	13,298
Repairs and maintenance	566	3,135 (2)	596
Dam safety	0	0	
Rates	5,103	5,251	5,361
Total direct costs	30,203	41,996	31,802
Non-direct (indicative)			
Operations	21,811	23,873 (3)	22,915
Non-infrastructure	781	1,920 (4)	821
Insurance	2,613	2,572	2,745
Total non-direct costs	25,205	28,366	26,481
Total operating costs	55,408	70,361	58,283

Source: Seqwater (2022); QCA Final Report, Seqwater Irrigation Price Review 2020-24 (February 2020)

Notes:

- (1) Scheme labour costs were more than budget due to increased repairs and maintenance, flood events during this year have impacted operations BAU activities
- (2) Maintenance activities mainly undertaken by internal staff, a shift of costs between categories.
- (3) Increased direct operating costs attracted a higher share of indirect operating costs.
- (4) Increase corporate costs resulted in increased share of non-infrastructure costs.

Our Cost Outlook

The tables below set out the forecast efficient costs as recommended by the QCA for the whole of scheme and the irrigation only.

Table 7: Recommended forecast operating costs for 2023-24 for Whole Scheme and Irrigation (\$Nominal)

Operating cost item	Whole Scheme	Irrigation share
	2023-24	
	(\$)	(\$)
Direct operations	2,899,298	25,845
Repairs and maintenance	135,392	596
Dam safety	–	–
Rates	1,218,433	5,361
Non-direct costs	2,997,497	26,481
Total operating costs	7,250,620	58,283

Source: QCA Final Report, Seqwater Irrigation Price Review 2020-24 (February 2020)

Figure 3: Wivenhoe Dam gates



Source: Seqwater (2022)

Our Annuity

The balance of the renewal annuity funds is recorded in the Asset Restoration Reserve (ARR). The ARR accounts for 2021-22 for this scheme is presented below.

Table 8: Asset Restoration Reserve – irrigation share only (\$Nominal)

Asset Restoration Reserve (irrigation share only)	2021-22
	(\$)
Opening Balance 1 July	26,284
Interest for year*	1,149
Revenue – irrigation	7,047
Expenditure for year	-5,006
Closing Balance 30 June	29,474

Source: Seqwater (2022)

* The interest rate is based on the Queensland Competition Authority's recommended weighted average cost of capital (WACC) of 4.37% post-tax nominal.

Our Renewals

2020-21 renewals

The following table sets out Seqwater's renewals projects that were undertaken in 2021-22. The irrigation share of renewals is 1%.

Table 9: Renewals projects 2021-22

Asset	Project scope	Budget 2021-22 (\$)	Actual 2022-23 (\$)	Irrigation share (\$)
Wivenhoe Dam	Renew Distribution Board-Header	-	23,062 ⁽¹⁾	230
	Replace Generator Load Bank from 23/24	91,000	51,815 ⁽²⁾	518
	Replace Hydraulic Diesel Pump (brought forward 23/24	248,000	111,328 ⁽²⁾	1,113
	Renew Selective Bulk System	615,000	23,709 ⁽³⁾	237
	Radia Gates – coating – header	-	144,328 ⁽¹⁾	1,443
	Renew 79T Crane Load Cell	73,000	63,521 ⁽⁴⁾	635
	Upgrade D/S toe drains from 23/24	310,000 -	17,416 ⁽²⁾	174
	Decommission and Install New Fuel S	-	88,459	

Source: Seqwater (2022)

Notes:

- (1) Additional project
- (2) Project was brought forward from 2023-24.
- (3) Some planning work carried out, project to be finally completed 2023-24.
- (4) Project as planned.

2022-23 & 2023-24 Forecast renewals

Renewals projects scheduled for delivery in 2022-23 and 2023-24 are provided in the table below. The irrigation share of renewals is 1%, only total scheme project costs have been shown.

Table 10: Renewals projects for 2022-23 and 2023-24 (\$Nominal)

Asset	Project Description	Scheme Forecast (\$'000)	Scheme Forecast (\$'000)
		2022/23	2023/24
Wivenhoe Dam	Renew 79T Crane Load Cell*		
	Renew Selective Bulk System*		
	Refurbish Bulkhead Gate	544	600
	Refurbish Radial Gate	250	1,920
	Replacement of 79T Crane Remote Control	233	
	Replace Generator Load Bank	122	140
	Upgrade DS Toe Drain	54	235
	Replace Hydraulic Diesel Pump	44	
	Replace Gant Crane Hyd Motor Swgears	27	142
	Radial Gates – Wire Rope Renewal	1	
Somerset Dam	Refurb Coaster Gate	128	300
	Spit Access Road Widening Works	46	80
	Refurb Sluice Gates	11	835

Source: Seqwater (2022)

Asset planning

Seqwater has an Asset Portfolio Master Plan (APMP). The renewals projects for irrigation schemes in the APMP were reviewed by the QCA during the 2020-24 price review and were found to be prudent and efficient.

The renewal projects forecast until 2026-27 are shown below. This forecast is updated each year. The irrigation share of renewals is 1%, only total scheme project costs have been shown.

Table 11: The rolling renewals projects forecast 2024-27 (\$Nominal)

Asset	Project Description	Year	Scheme Forecast (\$'000)
Wivenhoe Dam	Refurbish Radial Gate	2024-25	1,964
	Refurbish Radial Gate	2025-26	695

*No projects forecast at this time for Somerset Dam Source: Seqwater (2022)

Figure 4: Somerset Dam downstream of dam wall



Source: Seqwater (2022)