

Warrill Valley 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 holistic 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 Scheme was established following the construction of Moogerah Dam in 1961. The Scheme provides water for the irrigation of about 8,000 ha of farms as well as for urban and industrial water users. The Scheme is regulated under the Moreton Water Management Protocol and managed under the Warrill Valley Water Supply Scheme Operations Manual. The water year runs from 1 July to 30 June.

Our Customers

The following table sets out the distribution of water allocations amongst categories of customers.

Table 1: Ownership of water allocations

Customer type	Number of customers	Medium priority volume (ML)	High priority volume (ML)
Irrigation	267	19,929.50	200
Non-Irrigation	8	215	204
Urban	1	-	250
Ipswich City Council	1	10	-
Scenic Rim Regional Council	1	4	-
Seqwater (losses)	-	3,714	-
Seqwater	-	11	5,296
Totals	278	23,883.5	5,950

Source: Moreton Resource Operations Plan June 2014; 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.

This past year we have established a Customer Reference Group (CRG) for the Warrill Water Supply Scheme (WSS). The CRG provides a formal framework building on our collaborative partnership establishing long term value for both customers and Seqwater through active engagement and transparent communications. The Warrill WSS CRG members are: Ross McInnes, Rob Hinrichsen, Ed Windley, Dave Armstrong, Bevin Shard, Russell Jenner and Mitchell Moffatt. The CRG members will play an important role in the operational aspects of your scheme and their contribution will help strengthen the collaborative partnership between Seqwater and customers. The members will represent scheme customers at meetings by raising and discussing customer issues, ideas and concerns on a broad number of topics relevant to the overall performance of the scheme. If you have any issues or concerns you would like raised, please feel free to discuss these with your customer representatives, who will then table them at the next CRG meeting. To date, the CRG meetings have been infrequent due to COVID 19 and weather events, however, these will get back on track during 2023.

In 2021 our annual customer forums returned after a couple of years absence due to Covid19. The Warrill WSS customer forum was held in October 2021 and was well attended. The forums are an opportunity for Seqwater to share with our customers the challenges and successes from the previous year in relation to all aspects of the scheme operations including an operations overview, costs, pricing, forecast storage capacity and weather outlook.

The CRG, the annual forums, customer surveys and information bulletins will continue as our way of sharing and connecting with our customers that provide opportunity for Seqwater to engage and listen to what is important to you, our customer.

Our Service Targets

Service Targets help Seqwater better understand how our services meet our customers water needs. These have been based on consultation with our customers to develop these water supply arrangements to deliver water as efficiently as possible for our customers in the Warrill Valley Water Supply Scheme. The table below shows the performance against the agreed Service Targets for the last two years.

Table 2: Service Targets 2020-21 and 2021-22

Notification		Target	Performance	
			2020-21	2021-22
Planned	Shutdowns planned to exceed 2 weeks	8 weeks	Nil	Nil
	Shutdown to exceed 3 days < 2 weeks	2 weeks	1	Nil
	Shutdown < 3 days	5 days	1	Nil
Unplanned	Shutdowns will be fixed so at least partial supply can be resumed	48 hours	Nil	Nil
	Interruptions greater than above	> 48 hours	Nil	Nil
	Interruption to supply	Earlier of 24 hrs & end of 1 st business day	Nil	Nil
Planned & Unplanned	Interruptions to supply per water year	6 events	6	0
Meter Repairs	Faults causing restriction to supply after Seqwater has been notified	1 working day	Nil	Nil
Complaints	Initial response to complaints via post, email, or telephone.	5 working days	Nil	Nil
	Resolution or response to complaint on why it has not been or cannot be resolved within period of receiving complaint	21 days	Nil	Nil

Source: Seqwater (2022)

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 for the current year plus the historical position from 2007-08.

Table 3: Announced allocations

Year	HP %	MP %	Year	HP %	MP %	Year	HP %	MP %
2007-08	100	0	2013-14	100	100	2019-20	100	100
2008-09	100	5-71	2014-15	100	100	2020-21	100	19-96
2009-10	100	30-72	2015-16	100	100	2021-22	100	77-100
2010-11	100	56-100	2016-17	100	100	2022-23	100	100
2011-12	100	100	2017-18	100	100			
2012-13	100	100	2018-19	100	100			

Source: Seqwater (2022)

Moogerah Dam started the 2021-22 water year with an announced allocation of 77% due to the 41.6% capacity held in storage. The AA% then increased to 100% on the 1 December as a result of significant inflows.

Figure 1: Moogerah Dam

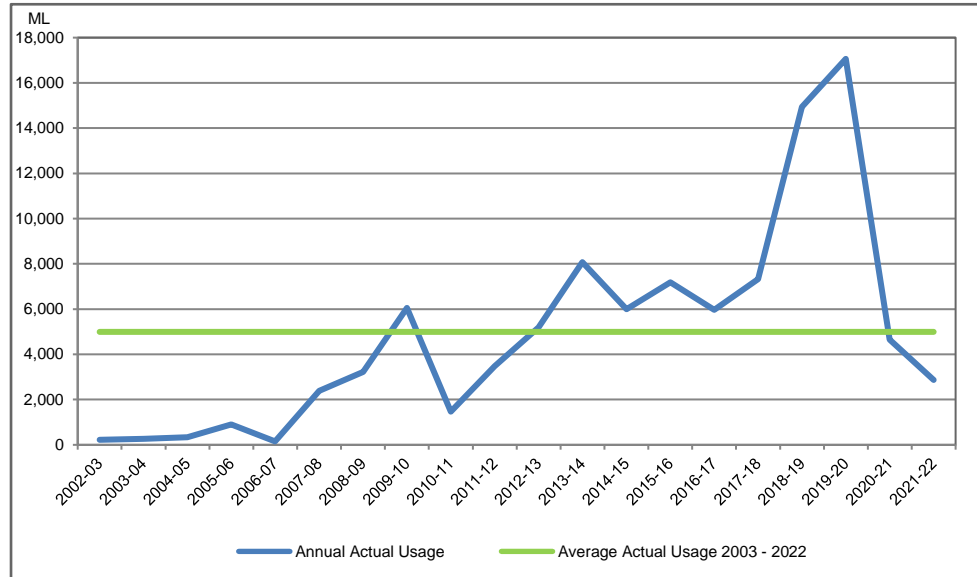


Source: Seqwater (2022)

Water Usage

Figure 2 below shows the actual water usage per year from 2002-03 to 30 June 2022. It also shows the average water usage over the 19-year period.

Figure 2: Warrill Valley WSS annual water usage for years ending 30 June 2003 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 2008 to 30 June 2022.

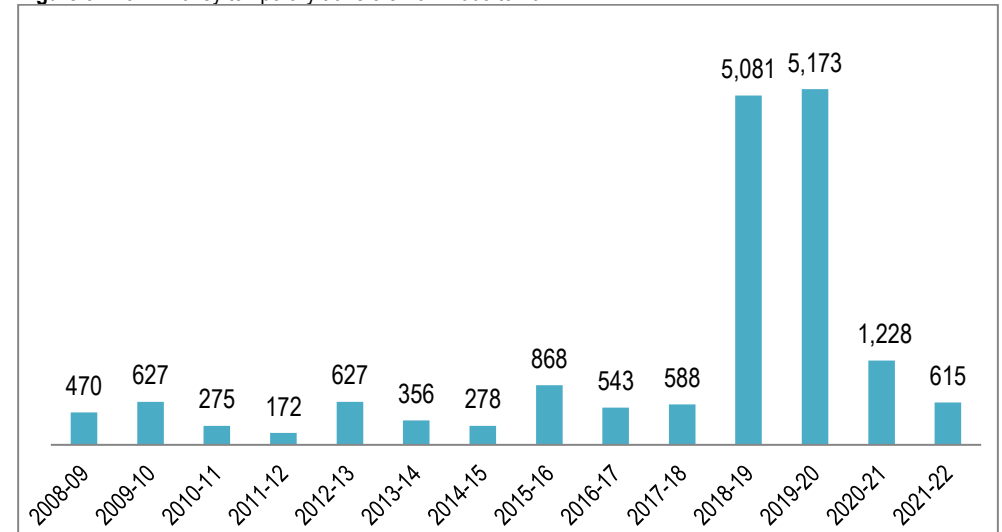
Since 1 July 2020 if customers in the Warrill Valley Water Supply Scheme have declared the sale price of their temporary transfer at time of application, then Seqwater have been publishing the price on their website.

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 3 shows the temporary transfers approved in the Warrill Valley WSS since 1 July 2008.

Figure 3: Warrill Valley temporary transfers from 2008 to 2022



Source: Seqwater (2022)

Our Operations

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

Table 4: Bulk water assets

Dams	Weirs	Other bulk water assets
Moogerah Dam	Upper Warrill Diversion Weir Kents Lagoon Diversion Weir Aratula Weir Warrill Creek Diversion Weir Waroolaba Creek Diversion Weir West Branch Warrill Diversion Weir Churchbank Weir Railway Weir	Gauging stations Customer water meters Upper Warrill Creek Diversion Channel

Source: Seqwater (2022)

Moogerah Dam started the 2022-23 water year at 41.6% with a volume of 34,875ML. The dam level continued to drop slowly reaching its lowest level on 9 October, 2021 at the capacity of 39%. Much needed inflows came that saw the dam capacity reaching 66% from the beginning of December 2021 and reaching 77% by the end of December. The dam reached capacity of 110% on the 27 February, 2022 and has remained at 100% due to more significant rain in May where the dam peaked again on the 13 May 2022 leaving the dam at 100.5% as of the 30 June, 2022.

The Operations Team were kept busy during 2021-22 with routine maintenance works post flood tidying and completing track repairs at Junction Weir. Some sensus meters have been replaced and 60 additional meters were upgraded.

Figure 4: Photos of debris from flood waters



Source: Seqwater (2022)

Our Water Prices

Irrigation 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 2021-22 QCA (Queensland Competition Authority) recommended price with a 15% discount applied.

The table below shows the discounted price that irrigators are paying (includes 15% discount) and the cost reflective prices. Because the regulated prices for 2022-23 are higher than the cost-reflective prices, Seqwater has undertaken to transfer the surplus revenue into the Asset Revaluation Reserve (ARR) at the end of the financial year. This is represented in the ARR account.

Table 5: Warrill Valley water prices 2022-23 (Nominal \$-ML)

Tariff Type	Your Price 2022-23 \$-ML	Cost Reflective Price 2022-23 \$-ML
Fixed (Part A)	21.60	19.67
Volumetric (Part B)	7.53	12.44

Source: *Seqwater Rural Water Pricing Direction Notice (No. 1) 2021* and Queensland Competition Authority, Final Report, Rural irrigation price review 2020-24 Part C: Seqwater, January 2020

Non-Irrigation water charges for 2022-23

Seqwater sets the non-irrigation water prices using the costs adopted by the QCA in their 2020-24 irrigation price review adding a return of capital and return on capital values.

Table 6: Non-irrigation prices 2022-23 (Nominal \$-ML)

Tariff Type	Medium Priority 2022-23 \$-ML	High Priority 2022-23 \$-ML
Fixed (Part A)	25.66	333.11
Volumetric (Part B)	12.44	12.44

Source: Seqwater (2022)

Our Expenditure

The following table sets out Seqwater’s detailed actual expenditure compared to the 2021-22 target budget which was extrapolated from the budgets recommended by the QCA in the 2020-24 price review. Also shown is the detailed budget recommended by the QCA for 2021-22. Explanations of material variations are set out in the table below.

Table 7: Operating expenditure for 2021-22 and budget 2022-23(\$Nominal)

Operating cost Item	2021-22		2022-23
	Budget (\$)	Actual (\$)	Budget (\$)
Direct operating costs			
Labour	278,507	328,894 (1)	286,166
Electricity	8,955	9,146	9,099
Other	97,058	79,913 (2)	99,496
Repairs and maintenance	242,701	109,885 (3)	248,992
Rates	107,211	110,524	27,180
Dam Safety	7,334	7,334	109,891
Total direct operating costs	741,766	645,696	780,824
Non-direct operating costs			
Operations	377,746	283,643 (4)	387,190
Non-infrastructure	13,533	23,220 (5)	13,871
Insurance	45,279	46,666	46,411
Total non-direct costs	436,558	353,529	447,472
Total operating costs	1,178,324	999,225	1,228,296

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

Notes:

- (1) Additional internal labour was used to undertake maintenance resulting in a shift of costs between cost categories.
- (2) Materials and consumables for repairs and maintenance by internal staff, resulting in a shift of costs categories
- (3) As per (1) above, maintenance was mainly undertaken by internal staff resulting in a shift of costs between cost categories.
- (4) Lower direct operating costs attracts a lower share of indirect operating costs
- (5) Increase corporate costs resulted in increased share of non-infrastructure costs

Our Cost Outlook

Seqwater’s costs are subject to review by the QCA at the end of each price-path. The price-path commenced on 1 July 2020 for four years to 2024. The table below sets out the forecast efficient costs as recommended by the QCA.

Table 8: Recommended forecast operating costs for 2023-24 (\$Nominal)

Operating cost item	2023-24 (\$)
Direct operations	405,197
Repairs and maintenance	255,427
Dam safety	7,705
Rates	112,639
Non-direct costs	458,659
Total operating costs	1,239,627

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

Our Annuity

The balance of the renewal annuity funds is recorded in the Asset Restoration Reserve (ARR). The ARR account for 2021-22 for this scheme, prepared on an irrigation-only basis, is presented below. The irrigation share of renewals excluding meters is 10%.

Table 9: Warrill Valley WSS Asset Restoration Reserve irrigation share only (\$Nominal)

Asset Restoration Reserve	2021-22
	(\$)
Opening Balance 1 July	-784,393
Interest for year	-34,278
Revenue – irrigation	73,523
Revenue above cost reflective price	40,842
Expenditure for year – non-metering	-1,187
Expenditure for year – metering	-84,905
Closing Balance 30 June	-790,398

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

2021-22 renewals

The following table sets out the renewal projects that were undertaken 2021-22.

Table 10: Renewal projects 2021-22

Asset	Project description	Budget cost (\$'000)	Actual cost (\$'000)
Warrill Valley	Install Hydraulic Actuator to Railway Weir	-	12 ⁽¹⁾
Meters	Replace Mechanical Meters	-	85 ⁽²⁾

Source: Seqwater (2022)

Table 10 Notes:

- (1) Preliminary work carried out in 2020-21 but delivery of project in 2022-23.
- (2) Additional project brought forward

Forecast planned renewals

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.

Listed below are the renewal projects forecast for the next 5 years, from 2022-23. This forecast is updated each year.

Table 11: Warrill Valley tariff group rolling 5-year renewals forecast 2022-2027 (\$Nominal)

Asset	Project description	Year	Forecast cost (\$'000)
Warroolaba Creek Diversion	Replace Offtake Valve	2022-23	16
		2023-24	219
Moogerah Dam	Downstream Road	2025-26	22
	Downstream Road	2026-27	224
	Install Anti-Climb Guardrail Dam Walkway	2022-23	58
	Install new raw water intake	2022-23	20
	Install new raw water intake	2023-24	83
Scheme	Install Hydraulic Actuator to Railway Weir and Junction Weir	2022-23	285
	Replace Fencing	2023-24	108
	Normanby Gully Diversion	2024-25	21
		2025-26	219
Meters	Upgrade flow meters	2022-23	921 ⁽¹⁾
	Upgrade flow meters	2023-24	95

Source: Seqwater (2022)

Notes:

- (1) Final metering costs to bring meters to Seqwater's metering standard and to improve measurement accuracy.