

Customer Reference Group – Meeting Summary

Date and Time	21 September 2023 1:10pm
Location	Rob & Barb Gear's Property
Attendees	Seqwater – Petrina Douglas, Wendy Scott, Cameron Stewart, Troy Huckstepp, Rick Goulding CRG Members – Rob Gear, Rob Morrison, Rod Thefs, John Gear Guest – Barb Gear
Apologies	Glenn Bunter
Purpose	QCA Price Review - What is important to customers in this price review and what do they want to know

Welcome & Introductions

Seqwater introduced members of the Operations and Irrigation Team and provided an overview of the agenda.

Purpose of the meeting was to share Seqwater's first look at draft proposal of costs and pricing for the 2025-2029 pricing period.

Agenda items:

- First look at draft proposal costs and pricing 2025-2029
- Annual Forum

QCA (Queensland Competition Authority) price review

- The Queensland Government issued a referral notice to the QCA directing them to undertake a review of the irrigation pricing practices of Seqwater and Sunwater.
- Purpose of review is to recommend irrigation pricing for the period 1 July 2025 – 30 June 2029.
- Seqwater will work with customers to agree prices from 1 July 2025.
- Submission to QCA is due 30 November 2023.

Seqwater customer engagement strategy

Seqwater's customer engagement strategy has three phases and we currently are in "phase 2".

- Phase 1 – Engage/Feedback (March-May 2023). Complete
- Phase 2 – Consult/Feedback (August – September 2023) Current
- Phase 3 – Circle back final proposal (October – November 2023)

Draft Cost and Pricing Proposals

Draft costs and pricing proposal is reflective of a challenging operating environment and a desire for meaningful engagement with customers as Seqwater develop prices for the next period.

Key themes impacting our operating environment:

- Global events such as COVID19 – inflation, availability of goods and services (including labour)
- Natural disasters – both here and overseas – insurance premiums continue to rise
- Higher energy prices
- Rising interest rates have increased cost of debt
- Council Rate increases
- Aging assets requiring continued monitoring and maintenance
- Asset maintenance program review underway – potential changes to Seqwater’s current asset maintenance programs
- Increased regulation – Metering
- Flood costs are excluded

Our customers voice – what they are telling us!

- Engagement with our Customer Reference Groups during Phase 1 of our engagement plan identified what matters most to our customers and what they want taken into consideration for the next price period.
 - Price stability
 - Scheme efficiencies
 - Customers interested in bottom line prices. Engage on expenditure/service trade off’s
 - Customers keen to understand drivers for any significant repair and maintenance works proposed for the next price path period
 - Water reliability/security
 - Customers happy with current service standards
 - Customers would like an online account to manage their water allocations (like Sunwater)
 - Regulatory costs of price reviews minimised
 - When water is available, customers want reliability of supply, if there is an interruption to supply they want it fixed asap
 - Wanting to understand if Seqwater have any plans to grow our business (meaning more water allocations)
 - Community Service Obligations to be continued

What’s new in the next price path?

Water Accounting System and Customer Portal

A new cost effective water accounting system will replace the antiquated manual spreadsheets that are currently used to undertake customer water accounting.

The new system will provide transparency to our customers as they will be able to access their water balances and enter meter reads 24 hours a day/7 days week. This is a cost effective solution for our irrigation customers with the total implementation costs of the system being \$737,272 of which \$135,000 has been received from Water Start as an innovation grant. The ongoing annual license fee will be \$25,000. The costs of the system and the ongoing costs will be shared amongst Seqwater’s 7 irrigation schemes apportioned by customer numbers.

The Cedar Pocket WSS share of the once off cost is \$7,479 and the annual fee for 2023/24 is \$310.

Metering Regulations

- Seqwater is upgrading all active customer meters to align with the Qld interim non-urban water meter standard over the next few years.

- Having an upgraded fleet of meters will improve measurement accuracy and reduce maintenance costs.
- Seqwater's meter of choice "Krohne" has an expected 30 year life span.

Cost Drivers in the Cedar Pocket WSS

- Increase in cost reflective Part A tariff predominately caused by 5 yearly dam inspection increasing direct costs.
- Minimal increase in cost reflective Part B tariff caused by marginal increase in allocated direct costs and marginal decrease in usage.

Actions

- Government CSO payments to continue
- Seqwater to check if dam safety costs have been excluded from maintenance works in 2022-2023.
- Seqwater to send SMS regarding the Cedar Pocket Dam Capacity now sitting below 50% capacity.

Annual Customer Forum

- **As agreed with customers, Seqwater presented the Forum slides as well at this meeting, as the customer base is the same in this scheme. And saved the same customers taking more time out of their day in two weeks' time.**
- **Customers were happy with the forum slides and with no objections to proposed costs and prices (expect for follow up of items raised above).**

Meeting closed at 1.35pm