



Warrill Valley WSS

Scheme Performance Report 2023-24

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1. 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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2. 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.

2.1. 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 | 264 | 19818.5 | 200 |
| Non-Irrigation | 25 | 326 | 4 |
| Urban | 1 | 0 | 250 |
| Ipswich City Council | 1 | 10 | |
| Scenic Rim Regional Council | 1 | 4 | |
| Seqwater (losses) | 0 | 3,714.00 | 0 |
| Seqwater | 0 | 11 | 5496 |
| Totals | 292 | 23,885 | 5950 |

Source: Moreton Water Management Protocol; Seqwater (2023)

2.2. Working Together

Seqwater is committed to customer centricity by implementing improvements for future efficiencies and by fostering a positive customer journey. Seqwater is committed to listening to its customers daily through engagement at Customer Irrigation Forums, meetings with Customer Reference Groups Representatives and via a yearly Customer Survey and information bulletins as necessary.

Seqwater has conducted the Customer Survey via SMS and email over the past three years. These surveys play a vital role in allowing all irrigation customers to provide feedback to Seqwater for any future initiatives and improvements for the scheme that may make it easier for our customers to do business with us.

The Irrigation Customer Forum was held in March 2023 and was well attended by irrigation customers. This forum was the start of Seqwater's engagement for the upcoming price review for the 2025-29 irrigation prices. Seqwater shared with customers how irrigation prices are set and heard from our customers what is important to them and what we need to reflect on when setting proposed costs for future pricing periods.

Future forums will be conducted in the months of October to November of each year. These forums allow Seqwater to share knowledge and information on the Irrigation scheme and its operations. The Forum covers different aspects of the business including an operations overview, costs, pricing and forecast storage capacity. This also allows irrigation customers to interact with Seqwater staff face to face and ask questions and offer their views for future scheme opportunities.

Customer Reference Group (CRG) meetings were held throughout the year with Seqwater engaging on the scheme's performance and operations and the upcoming QCA Price Review. Meeting summaries are published on our website for more detail. Feedback from the members of the CRG's is that they are appreciating the openness and transparency at these meetings.

2.3. 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 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 2021-22 and 2022-23

| Notifications | | Target | Performance | |
|--------------------------------|---|---|-------------|---------|
| | | | 2021-22 | 2022-23 |
| Planned | Shutdowns planned to exceed 2 weeks | 8 weeks | Nil | Nil |
| | Shutdown to exceed 3 days < 2 weeks | 2 weeks | Nil | Nil |
| | Shutdown < 3 days | 5 days | Nil | 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 | Nil | Nil |
| Meter Repairs | Faults causing restriction to supply after Seqwater has been notified | 1 working day | Nil | Nil |

| Notifications | | Target | Performance | |
|-------------------|---|----------------|-------------|---------|
| | | | 2021-22 | 2022-23 |
| 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 (2023)

2.4. 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

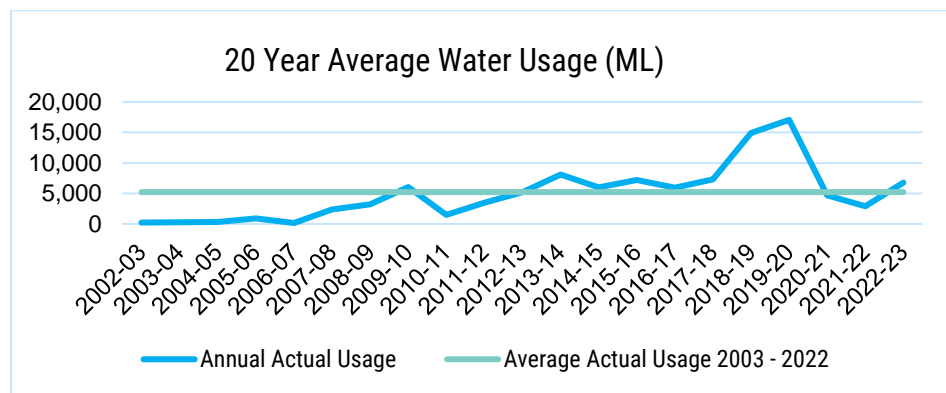
| Year | HP % | MP % | Year | HP % | MP % | Year | HP % | MP % |
|---------|------|--------|---------|------|------|---------|------|--------|
| 2007-08 | 100 | 0 | 2013-14 | 100 | 100 | 2019-20 | 100 | 100 |
| 2008-09 | 100 | 5-71 | 2014-15 | 100 | 100 | 2020-21 | 100 | 19-96 |
| 2009-10 | 100 | 30-72 | 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 | 2023-24 | 100 | 100 |
| 2012-13 | 100 | 100 | 2018-19 | 100 | 100 | | | |

Source: Seqwater (2023)

2.5. Water Usage

Figure 1 below shows the actual water usage per year from 2002-03 to 30 June 2023. It also shows the average water usage over the 20-year period.

Figure 1: Warrill Valley WSS annual water usage for years ending 30 June 2003 to 30 June 2023



Source: Seqwater (2023)

2.6. 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 2023.

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 has published the price on its website.

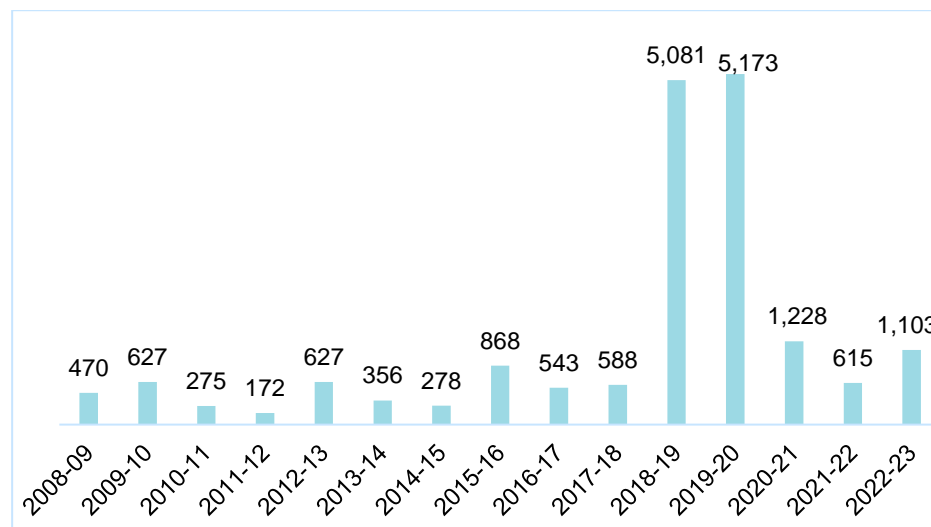
Providing publicly available, meaningful, and high-quality market activity information allows better business planning and risk management for water users in this scheme.

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 on our website.

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

Figure 2: Warrill Valley temporary transfers from 2008 to 2023



Source: Seqwater (2023)

2.6.1. 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 | <ul style="list-style-type: none"> • Upper Warrill Diversion Weir • Kents Lagoon Diversion Weir • Aratula Weir • Warrill Creek Diversion Weir • Warroolaba Creek Diversion Weir • West Branch Warrill Diversion Weir • Churchbank Weir • Railway Weir | <ul style="list-style-type: none"> • Gauging stations • Customer water meters • Upper Warrill Creek Diversion Channel |

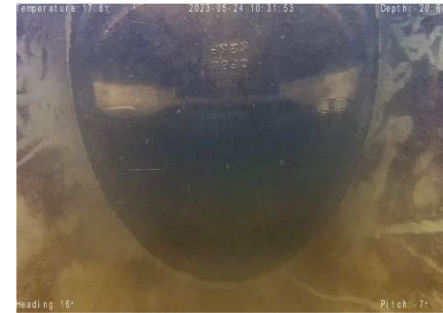
Source: Seqwater (2023)

Moogerah Dam levels peaked at 109.4% on 21 October, 2022, with storage levels remaining high for the start of the 2023-24 water year at 100.5% with a volume of 84,177.85ML. Drier conditions saw the dam level drop slowly, ending the water year at 88.9% on the 30th June, 2023.

The Operations Team kept busy during 2022-2023 with routine maintenance works, post flood repairs and planning for major erosion works caused by previous years flood damage. Detailed inspection of outlet works pipes, valves and trash screen where undertaken with ROV.

Metering replacements and upgrades continue throughout the scheme.

Figure 3: Still image from Moogerah Dam ROV inspection



Source (Seqwater) 2023

2.7. Our Water Prices

2.7.1. Irrigation charges for 2023-24

Seqwater's responsible Ministers issued the Seqwater Rural Water Pricing Direction Notice (No. 1) 2023 which sets the rural irrigation water prices and associated fees Seqwater must charge from 1 July 2023 to 30 June 2025.

The table below shows the Warrill Valley tariff group's discounted price that irrigators are paying (includes 15% discount), the QCA approved cost reflective prices.

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

| Tariff Type | Your Price 2023-24 \$-ML | Cost Reflective Price 2023-24 \$-ML |
|---------------------|--------------------------------|---|
| Fixed (Part A) | 17.09 | 20.11 |
| Volumetric (Part B) | 7.70 | 12.72 |

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

2.7.2. Non-Irrigation water charges for 2023-24

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 (Nominal \$-ML)

| Tariff Type | Medium Priority 2023-24 \$-ML | High Priority 2023-24 \$-ML |
|---------------------|-------------------------------------|-----------------------------------|
| Fixed (Part A) | 26.24 | 340.57 |
| Volumetric (Part B) | 12.72 | 12.72 |

Source: Seqwater (2023)

3. 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 actual expenditure compared to the 2022-23 target costs which we extrapolated from the expenditure recommended by the QCA in the 2020-24 price review.

Also shown is the expenditure recommended by the QCA for 2023-24. Explanations of material variations are set out in the table below.

Table 7: Operating expenditure for 2022-23 and operating budget 2023-24 (\$Nominal)

| Expenditure Item | 2022-23 | | 2023-24 | 2024-25 |
|-------------------------------------|------------------|----------------|------------------|------------------|
| | QCA Target (\$) | Actual (\$) | QCA Target (\$) | QCA Extended |
| Direct operating costs | | | | |
| Labour | 286,166 | 246,747 (1) | 293,979 | 303,092 |
| Electricity | 9,099 | 5,220 | 9,225 | 9,403 |
| Repairs and maintenance | 248,992 | 142,674 (1) | 255,427 | 262,377 |
| Other | 99,496 | 76,111 (1) | 101,994 | 104,572 |
| Dam safety | 27,180 | 4,195 | 112,639 | 115,455 |
| Rates | 109,891 | 118,133 | 7,705 | 0 |
| Total Direct operating costs | 780,824 | 593,080 | 780,967 | 794,899 |
| Non-direct operating costs | | | | |
| Operations | 387,190 | 251,528 (2) | 396,870 | 406,791 |
| Non-infrastructure | 13,871 | 15,011 (2) | 14,218 | 14,574 |
| Insurance | 46,411 | 46,666 | 47,571 | 48,761 |
| Total non-direct costs | 447,472 | 313,205 | 458,659 | 470,126 |
| Total operating costs | 1,228,296 | 906,285 | 1,239,627 | 1,265,025 |

Source: Seqwater (2023); QCA Final Report, Seqwater Irrigation Price Review 2020-24 (February 2020)

Notes:

- (1) A wet year meant planned repairs & maintenance and other activities couldn't be carried as usual.
- (2) Lower direct operating costs attracts a lower share of indirect operating costs

3.1. Our Annuity

The balance of the renewal annuity funds is recorded in the Asset Restoration Reserve (ARR). The ARR account for 2022-23 for this scheme, prepared on an irrigation-only basis, is presented below.

Table 8: Warrill Valley WSS Asset Restoration Reserve irrigation share only (\$Nominal)

| Asset Restoration Reserve | 2022-23 (\$) |
|---------------------------------------|--------------|
| Opening Balance 1 July | --791,202 |
| Interest for year | -34,576 |
| Revenue – irrigation | 80,929 |
| Revenue above cost reflective price | 29,133 |
| Expenditure for year – non-metering** | -9,760 |
| Expenditure for year – metering | -1,151,112 |
| Closing Balance 30 June | -1,876,587 |

Source: Seqwater (2023)

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

** Irrigators share of non-metering renewals which is 10% of total non-metering expenditure as per the Headworks Utilisation Factor (HUF)

3.2. Our Renewals

3.2.1. 2022-23 renewals

The following table sets out the renewal projects that were undertaken 2022-23.

Table 9: Renewal projects 2022-23

| Asset | Project description | Budget cost (\$'000) | Actual cost (\$'000) |
|--------------|--|----------------------|----------------------|
| Moogerah Dam | Install Anti Climb guardrails | 58 | 11 ⁽¹⁾ |
| | Renewal of sub-mains | | 26 ⁽²⁾ |
| Meters | Upgrade flow meters | 921 | 1,51 |
| Scheme | Development of new water accounting & customer online portal | 0 | 62 |

Source: Seqwater (2023)

Notes:

- (1) Preliminary investigative work carried out in 2022-23, delivery of project planned for 28/29.
- (2) Additional project

3.2.2. 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.

There are no planned non-metering renewals project forecast for the next five years from 2022-23.

The renewals metering upgrade program is planned to be finalised during 2023-24. his forecast is updated each year.

Table 10: Warrill Valley tariff group rolling 5-year renewals forecast 2023-2028 (\$Nominal)

| Asset | Project description | Year | Forecast cost (\$'000) |
|--------|---------------------|---------|------------------------|
| Scheme | Upgrade flow meters | 2023-24 | 95 ⁽¹⁾ |

Source: Seqwater (2023)

Notes:

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