



Lower Lockyer 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 Lower Lockyer Valley Water Supply Scheme is located west of Lowood in the Lockyer Valley in South East Queensland and centres around Atkinson Dam. The Scheme was designed to supply surface water for irrigation.

The Scheme is regulated under the Moreton Water Management Protocol and managed under the Lower Lockyer 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 ownership of water allocations by class of owner.

Table 1: Ownership of water allocations

Customer type	Number of customers	Medium priority Volume (ML)
Irrigation	121	10,911
Commercial	6	199
Seqwater	-	1,510
Totals	127	12,620

Source: 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, ask questions and to 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.

2.1. 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 Lower Lockyer 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

Notification		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	2*	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
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

*Flood damage to Brightview and BR1 Channel. No actual loss of supply due to continued creek flow.

Source: (Seqwater 2023)

2.2. Our Water

A water allocation is an authority that entitles the holder to a percentage of the water held in storage (dams and weirs) in their water supply scheme. Depending on the water that is held in storage, the percentage of water allocation available can be as high as 100% or as low as 0%, depending on the level of water storages.

At the start of the 2022-23 water year the announced allocation for medium priority water allocation holders in the Lower Lockyer Valley WSS was set at 91%.

Table 3: Announced allocations since 2007-08

Year	MP %	Year	MP %	Year	MP %
2007-08	0-16	2013-14	100	2019-20	0
2008-09	13-63	2014-15	81	2020-21	0
2009-10	27-100	2015-16	31	2021-22	0-100
2010-11	100	2016-17	0-10	2022-23	100
2011-12	100	2017-18	0-17	2023-24	91
2012-13	100	2018-19	0		

Source: Seqwater (2023)

Figure 1: Repairs are still underway at O'Reillys Weir

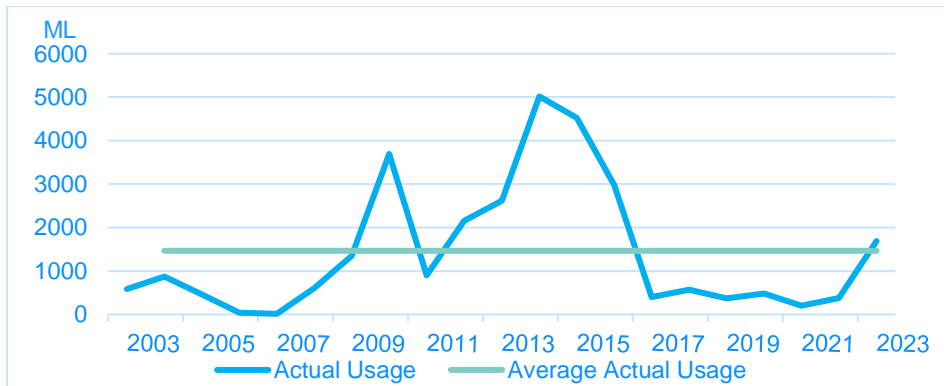


Source: Seqwater (2023)

2.3. Water Usage

The below chart shows the actual water usage per year from 2002-03 to 2022-23. It also shows the average water usage for the 20-year period.

Figure 1: Annual Scheme water usage for years ending 30 June 2033 to June 2023



Source: Seqwater (2023)

2.4. Seasonal Water Assignments (Temporary Transfers)

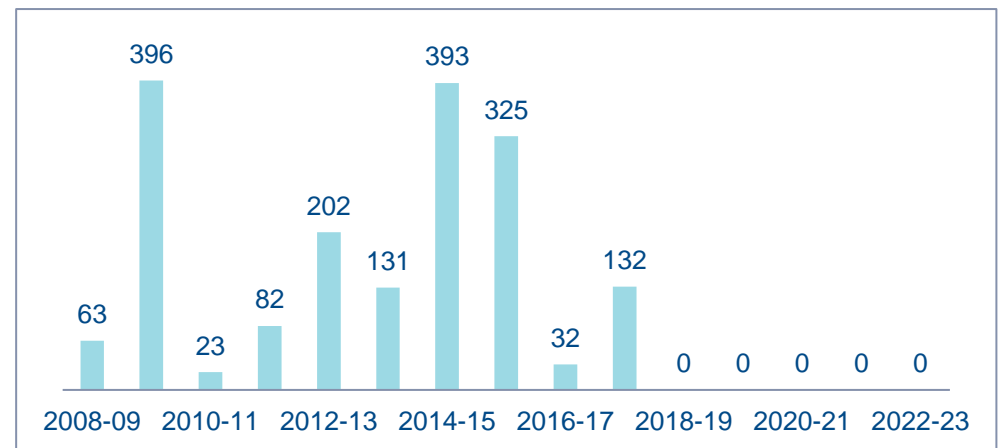
A seasonal water assignment (Temporary Transfer) allows two customers to transfer available water to each other within a water year. The following chart sets out the volumes of temporary transfers by year from 1 July 2008 to 30 June 2023.

Since 1 July 2020 if customers in the Lower Lockyer 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.

The following chart sets out the annual volumes (ML) of water traded from the 2008-09 water year.

Figure 2: Temporary transfer (seasonal assignment) volume (ML) Traded 1 July 2008 to 30 June 2023



Source: Seqwater (2023)

2.5. 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
Atkinson Dam	<ul style="list-style-type: none"> • Buaraba Creek Diversion Weir • Brightview Weir • Sippels Weir • Potters Weir • O'Reillys Weir 	<ul style="list-style-type: none"> • Gauging stations • Buaraba Creek Diversion Channel • Buaraba Creek Supply Channel • Seven Mile Lagoon Diversion Channel • Atkinson Pump Station • Atkinson Low Level Pump Station • Brightview Weir Supply Channel • Customer water meters

Source: Seqwater (2023)

The last year started with the scheme being at 100% through to late December 2022 with usage then dropping levels in Atkinson to 75% at the end of June 2023. Flood recovery works from the 2022 floods have progressed with the completion of repairs to Brightview and BR1 channels. Flood repair work will continue during 2023/24.

The operational team continued to focus on ongoing operation and maintenance of the scheme, including Dam Surveillance activities, continued maintenance and upkeep of channels, delivery of water and weed mitigation programs across all areas. Our biosecurity officers are developing a plan to undertake targeted weed control spraying including hyacinth within the gravity channel and giant rats tail grass in the Seven Mile channel areas.

Figure 3: Post Flood cleaning and repair works on Brightview and BR1 Channels



Source (Seqwater) 2023

2.6. Our Water Prices

2.6.1. 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 Lower Lockyer Valley tariff group's discounted price that irrigators are paying (includes 15% discount), the QCA approved cost reflective prices and the amount subsidised through a Community Service Obligation (CSO) payment by Government.

Table 5: Lower Lockyer Valley WSS irrigation regulated and cost reflective prices (Nominal \$/ML)

Tariff Type	Your Price 2023-24 \$/ML	Cost Reflective Price 2023-24 \$/ML	Subsidy 2023-24 \$/ML
Fixed (Part A)	49.52	107.57	58.05
Volumetric (Part B)	23.43	35.53	12.10

Source: Seqwater 2023, Rural Water Pricing Direction Notice (No. 1) 2023 and Queensland Competition Authority, Final Report, Rural irrigation price review 2020–24 Part C: Seqwater, January 2020

2.6.2. Non-Irrigation water charges for 2023-24

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 6: Non-irrigation process (Nominal \$/ML)

Tariff Type	Non-irrigation Price 2023-24 \$/ML
Fixed (Part A)	236.29
Volumetric (Part B)	35.53

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

Also shown are the forecast target costs recommended by the QCA for 2023-24 and 2024-25 years. Explanations of material variations are set out in the table below.

Table 7: Operating expenditure, Target costs and forecast target costs (\$Nominal)

Expenditure Item	2022-23		2023-24	2024-25
	QCA Target (\$)	Actual (\$)	QCA Forecast Target (\$)	QCA Forecast Target Extended (\$)
Direct operating costs				
Labour	166,795	171,269	171,348	176,660
Electricity	46,045	7,350 ⁽¹⁾	46,681	47,585
Repairs and maintenance	115,874	101,724	115,942	119,110
Other	113,016	80,864	118,853	122,046
Rates	55,371	62,440 ⁽²⁾	56,755	58,174
Dam Safety Inspection	3,854	11,765 ⁽³⁾	27,859	0
Total Direct operating costs	500,955	435,412	537,440	523,575
Non-direct operating costs				
Operations	280,199	184,660 ⁽⁴⁾	287,204	294,384
Non-infrastructure	10,038	11,020	10,289	10,547
Insurance	62,615	65,360	64,181	65,785
Total non-direct costs	352,853	261,040	361,674	370,716
Total operating costs	853,808	696,452	899,114	894,291

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

Notes:

- (1) Electricity costs were lower due to drought at start of water year and no releases required from Atkinson Dam.
- (2) Council rates have increased.
- (3) Atkinson Dam Failure Impact Assessment as per dam safety legislation.
- (4) Lower direct operating costs attracted a lower share of indirect 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 is presented below.

Table 8: Lower Lockyer Valley WSS Asset Restoration Reserve (\$Nominal)

Asset Restoration Reserve	2022-23 (\$)
Opening Balance 1 July	-1,153,787
Interest for year*	-50,420
Revenue for year	487,967
Expenditure for year	-32,689
Closing Balance 30 June	-748,930

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.

3.2. Our Renewals

3.2.1. 2022-23 renewals

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

Table 9: Renewals projects 2022-23

Asset	Project scope	Budget (\$'000)	Actual (\$'000)
Atkinson Dam	Install Flow Meter on DN1050	-	5
Scheme	Water Accounting System & Customer Online Portal	-	27

Source: Seqwater (2023)

3.2.2. 2022-23 renewals

There are no renewals scheduled for Lower Lockyer Water Supply Scheme in 2023-24.

3.2.3. 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.

A rolling 5-year renewals forecast is set out in the table below. This forecast is updated each year.

Table 10: 5-year rolling renewals projects forecast 2023-28 (\$Nominal)

Asset	Project scope	Year	Forecast (\$'000)
Meters	Upgrade flow meters program	2028-2030	1,784 (1)

Source: Seqwater (2023)

Notes:

- (1) Metering costs to bring meters to Seqwater's' metering standard which will improve measurement accuracy.