Cedar Pocket WSS

Scheme Performance Report 2022-23

Contents

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:

1300 737 928

irrigators@seqwater.com.au

Seqwater
PO Box 328
IPSWICH QLD 4305

Our Scheme

The Cedar Pocket Water Supply Scheme was established following the construction, in 1985, of the Cedar Pocket Dam to provide irrigation water for the local dairy industry.

The Scheme is regulated under the Cedar Pocket Water Supply Scheme Resource Operations Licence (ROL) and the Cedar Pocket Water Supply Scheme Operations Manual. The Scheme consists of bulk water supply assets only. The Scheme has no distribution systems, with all irrigators taking their water supply directly from the natural water courses. Releases from the Dam are made manually.

Our Customers

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

Table 1: Ownership of water allocations

Customer type	Number of customers	Medium priority (ML)
Irrigators	13	490
Non-irrigators	1	5
Totals	**14**	**495**

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.

This past year we have established a Customer Reference Group (CRG) for the Cedar Pocket 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. Members of the Cedar Pocket WSS CRG are; Rob Gear (Chairman), Glenn Bunter, Rod Thefs, John Gear and Rob Morrison. The CRG members 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 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.

In 2021 our annual customer forums returned after a couple of years absence due to Covid19. The Cedar Pocket 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 Cedar Pocket Water Supply Scheme. The table below shows that Seqwater met the agreed performance against the agreed Service Targets over 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	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 1st business day	Nil	Nil
Planned & Unplanned	Interruptions to supply per water year	6 events	Nil	Nil
As you 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 compliant 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. However, it should be noted that under the Operations Manual, in a water year in which Cedar Pocket Dam overflows, customers may take up to 200% of their nominal allocations. Cedar Pocket Dam overflowed on the 3 July 2021 and then again on the 24 November 2021, allowing customers to access up to 200% of their nominal volumes.

The following table sets out the announced allocations for the current year plus the historical position since 2007-08.

Table 3: Announced allocations history

Year	MP %	Year	MP %	Year	MP %
2007-08	38-100	2013-14	100	2019-20	100
2008-09	100	2014-15	99-100	2020-21	84-100
2009-10	100	2015-16	100	2021-22	96-100
2010-11	100	2016-17	100	2022-23	100
2011-12	100	2017-18	96		
2012-13	100	2018-19	100		

Source: Seqwater (2022)

Cedar Pocket Dam

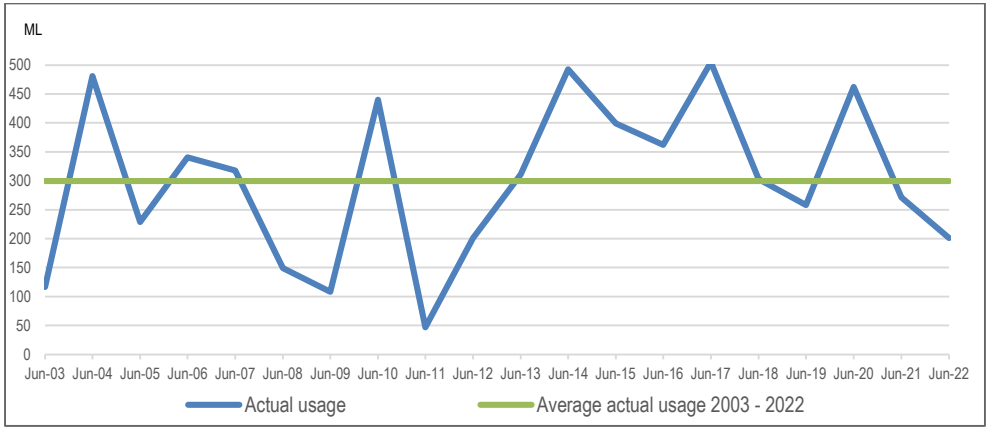
Figure 1: Cedar Pocket Dam

Source: Seqwater (2022)

Water Usage

The below chart shows the actual water usage per year from 2002-03 to 2021-22. It also shows the average water usage over the 19-year period. The water usage for last year (2021-22) was 201ML, which was 70ML lower than the previous year (2020-21), this would have been due to the very wet season.

Figure 2: Cedar Pocket Water Supply Scheme Annual Water Usage 1 July 2002 to 30 June 2022

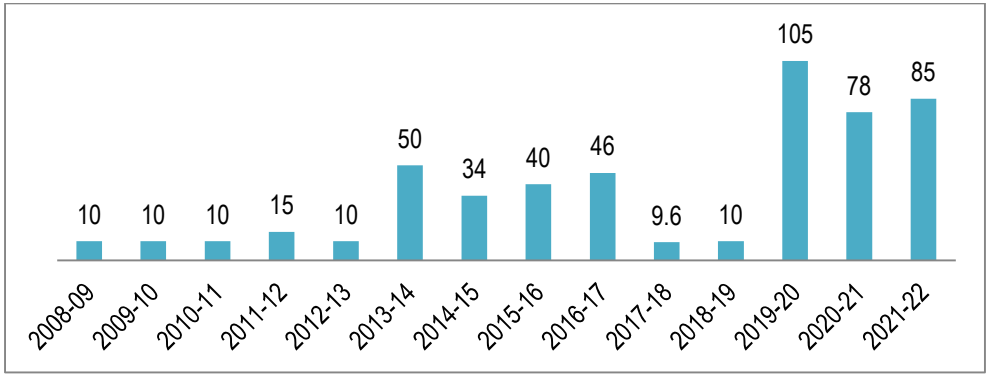


Source: Seqwater (2022)

Seasonal Water Assignments (Temporary Transfers)

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

Figure 3: Temporary transfer (seasonal assignment) volume (ML) Traded 1 July 2008 to 30 June 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	Off-stream storages	Other bulk water assets
Cedar Pocket Dam	Nil	Nil	Downstream measuring flume, customer water meters

Source: Seqwater (2022)

Cedar Pocket Dam started the 2021-22 water year at 95.9% (705ML) and finished at 100% (735ML). After a dry start to the year, it soon turned into a very wet year. The dam recorded its lowest level for the year on 13 October 2021 at 68.2% (501ML). Then after a wet November 2021, the dam spilled on the 24 November 2021 peaking at 105.1% capacity on the 1 December because of this rain event. This event was followed by another two rain events that saw Cedar Pocket Dam continually overflowing until the 30 June 2022. The February 2022 rain event (flood of record) resulted in the dam peaking at 167.9% on the 22 February 2022 with the dam peaking again on the 13 May 2022 at 118.6%.

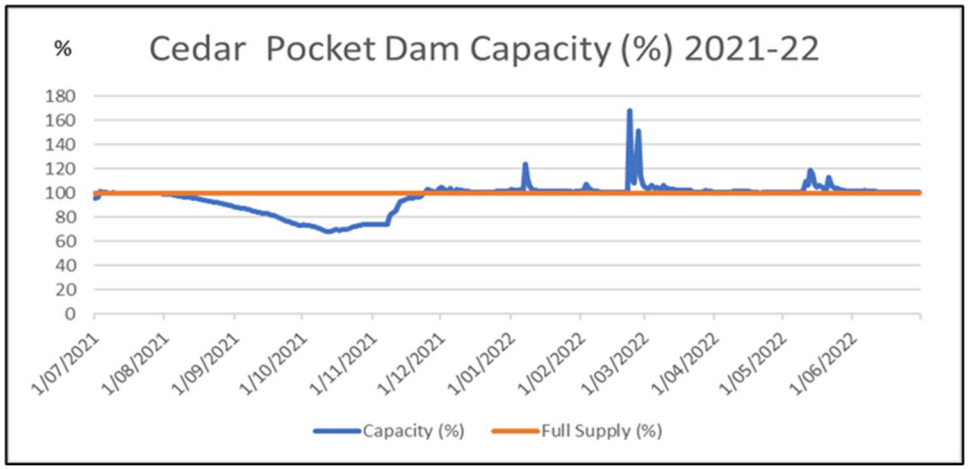
During 2021-22 water year, Seqwater's Operations Team kept up with routine maintenance works and weed control. There were no planned or unplanned shutdowns during the water year. Damage from the flood of record was minimal; confined to some handrail damage and two meter installations requiring a refit. There is some on-going Dam Safety related work arising from the flooding.

Figure 4: Cedar Pocket Dam damage to handrails

Storage Capacity

The following chart shows the storage capacity (%) of Cedar Pocket Dam during the 2021-22, which shows the storage reaching 167.9% capacity during the flood of record event in March 2022.

Figure 5: Cedar Pocket Dam storage capacity 2021-22



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 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 charges 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), the cost reflective prices and the percentage the scheme is subsidised by the Queensland Government.

The cost-reflective price represents the price required to recover the annual costs assessed as efficient by the QCA. The Cedar Pocket 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 5: Cedar Pocket WSS irrigation regulated prices and cost reflective prices (Nominal $/ML)

Tariff Type	Your Price 2022-23 $/ML	Cost Reflective Price 2022-23 $/ML	Subsidised 2022-23 (%)
Fixed (Part A)	24.00	358.90	93
Volumetric (Part B)	38.06	74.35	36

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 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 2022-23 $/ML
Fixed (Part A)	900.30
Volumetric (Part B)	74.35

Source: Seqwater (2022)

Our Operating Costs

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 allowances recommended by the QCA in the 2020-24 price review. Also shown is the expenditure allowances recommended by the QCA for 2022-23. Explanations of material variations are set out in the table below.

Table 7: Operating costs budget and actuals for 2021-22 and operating costs budget 2022-23 ($Nominal)

Operating cost Item	2021-22		2022-23
	Budget ($)	Actual ($)	Budget ($)
Direct operating costs			
Labour	65,327	72,076 (1)	67,123
Electricity	382	492	388
Other	27,264	17,593 (2)	27,963
Repairs and maintenance	15,473	17,199 (1)	15,882
Rates	7,080	23,480 (3)	7,257
Dam Safety	29,169	300,957 (4)	-
Total direct operating costs	**144,695**	**431,798**	**118,613**
Non-direct operating costs			
Operations	59,253	189,681 (5)	60,735
Non-infrastructure	2,123	15,528	2,176
Insurance	7,162	7,073	7,341
Total non-direct costs	**68,538**	**212,283**	**70,251**
Total operating costs	**213,233**	**644,081**	**188,864**

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

Notes:

(1) Labour and repairs and maintenance costs slighter higher than budget due to wet weather events.

(2) Other costs were lower than budget because of the wet weather events and not much other work could be completed due to everything being so wet.

(3) Increased rates due to the differential rate classification by the council.

(4) Dam safety legislation changes, owners of dams cannot complete own inspections, these need to be outsourced now.

(5) Corporate operating cost share was greater than budget because higher direct costs attract a higher cost share.

(6) Increased corporate costs results in a higher share of indirect costs.

Our Cost Outlook

The table below sets out the forecast efficient costs for the remainder of the current price path as recommended by the QCA.

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

Operating cost item	2023-24 ($)
Direct operations	98,027
Repairs and maintenance	16,299
Dam safety	2,786
Rates	7,439
Non-direct costs	72,008
Total operating costs	**196,559**

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). These funds are reserved for renewals projects in the Cedar Pocket Water Supply Scheme. The ARR accounts for 2021-22 for this scheme is presented below.

Table 9: Cedar Pocket WSS ARR ($Nominal)

Asset Restoration Reserve	2021-22 ($)
Opening Balance 1 July	106,940
Interest for year*	4,673
Revenue for year- irrigation	4,861
Expenditure for year	-249
Closing Balance 30 June	116,226

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

There were no renewal projects undertaken in the Cedar Pocket Water Supply Scheme during 2021-22. However, there was a carryover of $249 spent on the previous year Metering Panel Replacement Project. This project is now finalised and closed.

2022-23 forecast renewals

There are no renewals scheduled for Cedar Pocket Water Supply Scheme in 2022-23.

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.

At this time, there are no renewal projects forecast for the next 5 years. This forecast is updated each year.

Figure 6: Cedar Pocket Dam