



Central 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 Central Lockyer Valley Water Supply Scheme was established to support irrigation in dairy, vegetable and forage crops sectors following construction of various weirs from the 1940s to 1980s, Bill Gunn Dam and Lake Clarendon in 1988 and 1992 respectively and the Morton Vale Pipeline in 1995. Releases from the dams are made manually. The Scheme is also located in the Clarendon Sub-artesian Area which is a benefitted groundwater area.

The Scheme was regulated under the Interim Resource Operations Licence for the Central Lockyer Valley Water Supply Scheme until 31 March 2020 at which time the scheme transitioned to a Resource Operations Licence.

The *Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019* for the Central Lockyer Valley Water Supply Scheme was released on 13 December 2019. On 6 March 2020 the final water entitlement notice, water management protocol, operations manual and resource operations licence, which together implement the Water Plan were released.

Prior to the Water Plan the water year was from 1 July to 30 June, however, the Water Plan changes the water year to run from 1 January to 31 December.

The Scheme consists of two tariff groups, “Central Lockyer Valley” and “Morton Vale Pipeline”.

2.1. Our Customers

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

Table 1: Ownership of water allocations

Customer type	Number of customers	Medium priority (ML)	Low Priority (ML)	Medium priority (ML)	Morton Vale Pipeline MP (ML)	High priority (ML)
Irrigation – Ground water	107		18,505	9,260	-	-
Non-Irrigation – Ground water	4	-	366	149	-	-
Irrigation – Surface water	82	5146				
Non-Irrigation – Surface water	2	145				
Lockyer Valley Regional Council	1	13 SW ⁽²⁾	30	85 GW ⁽³⁾	-	-
Seqwater	-	-	-	-	3,507 ⁽¹⁾	185
Totals	196	5304	18,901	9,494	3,507	185

(1) 3420ML is contracted to 39 customers on the Morton Vale Pipeline

(2) Surface Water

(3) Groundwater

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. For more detail meeting summaries are published on our website. Feedback from the members of the CRG’s is that they are appreciating 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 Central 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 2022-2023

Notifications		Target	Performance	
			2021-22	2022-23
Planned	Shutdowns planned to exceed 2 weeks	8 weeks	1 (BG)	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	1 (MV5)	Nil
	Interruptions greater than above	> 48 hours	1 (BG)	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	*2 (BG & MV5)	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 compliant on why it has not been	21 days	Nil	Nil

Notifications		Target	Performance	
			2021-22	2022-23
	or cannot be resolved within period of receiving complaint			

Source: Seqwater (2023)

*BG – Bill Gunn inlet/outlet pipe leak and repair. No actual loss to supply as dam level reached 100% and creek flows-maintained supply. Unplanned shutdown which moved to planned works for repair.

*MV5 – Air valve leak and repair on the Morton Vale pipeline, only short loss (hours) of supply during repair.

2.4. Our Water

The announced allocation determines the percentage of nominal water allocation volume that is available in each water year. Historical announced allocations determined under the Resource Operations 2022.

Prior to the Water Plan, the water year was from 1 July to 30 June, however, the Water Plan changes the water year to now run from 1 January to 31 December.

The table below shows the announced allocations from 1 April 2020 until 31 December 2023.

Table 3: Announced allocations

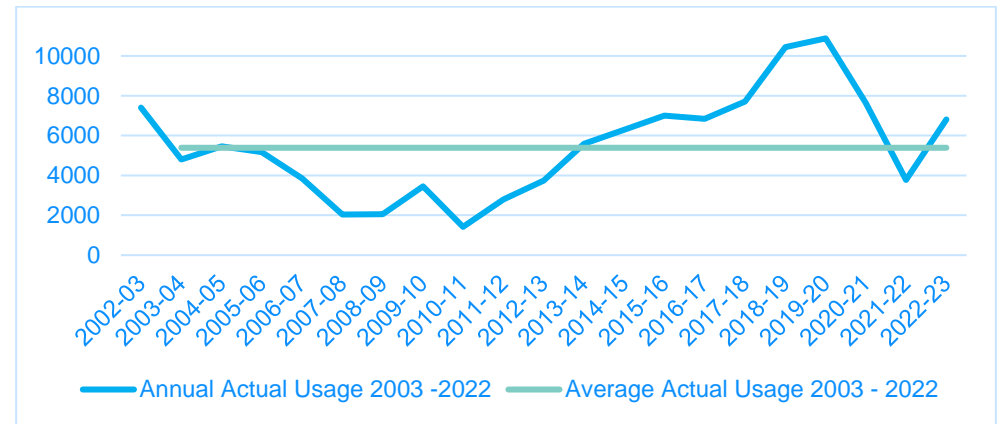
Year	Groundwater		Surface Water MP% (all zones)	MP % (Morton Vale Pipeline)
	LP	MP		
2020	60	80	0	0
2021	60	80	0	0
2022	100	100	100	100
2023	100	100	100	100

Source: Seqwater (2023)

2.5. Water Usage

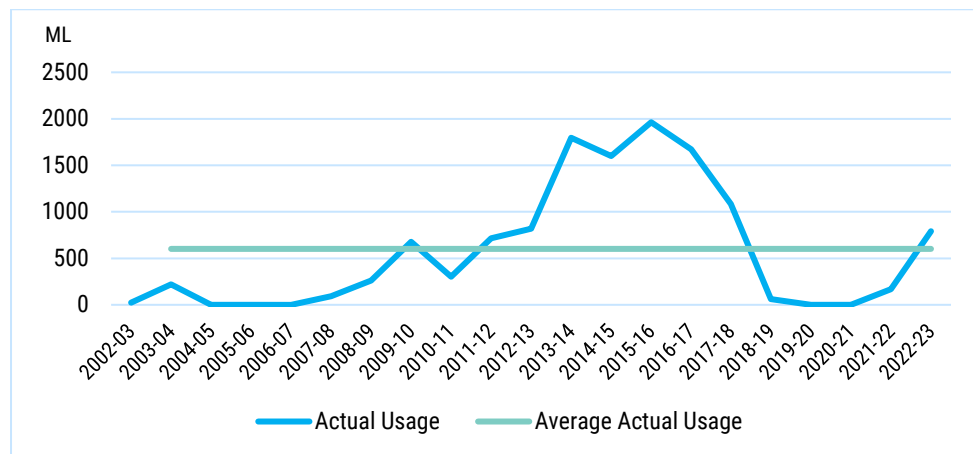
Figures 2 and 3 below show the actual water usage per year from the 2002-03 to the 30 June 2023 for both Central Lockyer Valley Water Supply Scheme (groundwater and surface water) and the Morton Vale Pipeline. It also shows the average water usage over a 20-year period.

Figure 1: Central Lockyer Valley annual water usage June 2023 (includes GW and SW usage)



Source: Seqwater (2023)

Figure 2: Morton Vale Pipeline annual water usage for years ending 30 June 2003 to 30 June 2023



Source (Seqwater) 2023

Table 4: Annual water usage per priority for 2022 water year

Source	Usage (ML)				Total (ML)
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Morton Vale	0	125	60	214	399
Surface Water (MP)	3	109	183	88	383
Ground - Low Priority			1147	1490	
Ground - Medium Priority			14	.52	
EOY Totals (ML)	1574	801	1770	871	5017

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.

Since 1 July 2020 if customers in the Central 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.

You can find all the temporary trade information that Seqwater hold for your scheme on our website.

- The list below shows the volume of water temporary transferred during the water years since 2020. 2020 water year (1 Apr to 31 Dec) – 339ML
- 2021 water year (1 Jan to 31 Dec) – 30ML
- 2022 water year (1 Jan to 31 Dec) – 104.8ML

2.7. Our Infrastructure

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

Table:5: Bulk water assets

Dams/ off-stream storages	Weirs	Other bulk water assets	Distribution assets
Bill Gunn Dam (Lake Dyer), Clarendon Dam (Lake Clarendon)	Kentville Weir Jordan I & II Weirs Wilson Weir Clarendon Weir Glenore Grove Weir Laidley Creek Diversion Weir Showgrounds Weir Crowley Vale Weir	Redbank Creek Pump Station Clarendon Pump Station Clarendon Diversion Channels Gauging stations Customer water meters	Morton Vale Pipeline

Source: Seqwater (2023)

Central Lockyer storages have been slowly dropping due to a lack of significant rainfall and Seqwater making releases to supplement weir recharges. Flood recovery works from the 2022 floods are progressing. Works to Jordan’s Weir 1 and 2 are 95% completed whilst works to Clarendon Weir are 90% completed. Other projects including meter telemetry and observation bore upgrades have been completed in the field. The operational team continued to focus on ongoing maintenance of the scheme including Dam Surveillance activities, continued maintenance and upkeep of channels, and weed mitigation programs across all areas.

Figure 3: Clarendon Weir flood damage and repairs almost completed.



Source: Seqwater (2023)

Figure 4: Jordan’s 2 Weir repairs.



Source: (Seqwater)2023

2.8. Central Lockyer Groundwater Irrigation Modernisation Project

The Central Lockyer Groundwater Irrigation Modernisation (CLGIM) Project has now been completed. This project has been achieved through the collaboration of the Lockyer Water Users Forum (FWUF), the Department of Natural Resources Mine & Energy (now known as Department of Regional Development Manufacturing and Water), Customers and Seqwater. The project has modernised the scheme to support the sustainable management of the water resource.

The upgrade of 345 customer meters has been completed along with monitoring equipment on 67 Observation bores.

Installation of the telemetry on the customer meters has been completed and the interface (customer dashboard) will go live before the end of 2023.

Figure 5: Meter Telemetry



Source: (Seqwater) 2023

Figure 6: Example of the monitoring equipment installed on the groundwater observation bores.



Source: Seqwater 2023

2.9. Our Water Prices

2.9.1. 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 Central Lockyer Valley tariff group's discounted price that irrigators are paying (includes 15% discount), the QCA approved cost reflective prices.

Table 6: Central Lockyer Valley tariff group irrigation water prices (Nominal \$/ML)

Tariff Group	Tariff	Your Price 2023-24 (\$/ML)	Cost Reflective Price 2023-24 (\$/ML)	Subsidy 2023-24 (\$/ML)
Central Lockyer Valley	Fixed (Part A)	38.52	63.66	25.14
	Volumetric (Part B)	9.78	11.77	1.99

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

(1) Applies to medium priority groundwater and surface water only

Table 7: Morton Vale Pipeline tariff group water prices (Nominal \$/ML)

Tariff Group	Tariff	Your Price 2023-24 (\$/ML)	Cost Reflective Price 2023-24 (\$/ML)	Subsidy 2023-24 (\$/ML)
Morton Vale Pipeline	Fixed (Part A)	38.52		
	Volumetric (Part B)	7.12		
	Fixed (Part C)	9.39		
	Volumetric (Part D)	6.67		
Morton Vale Pipeline (Bundled)	Fixed (Part A + Part C)	47.91	74.02	26.11
	Volumetric (Part B + Part D)	13.79	19.80	6.01

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

2.9.2. 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 8: Non-irrigation prices (Nominal \$/ML)

Tariff Group	Tariff Type	Medium Priority 2023-24 \$/ML
Central Lockyer Valley	Fixed (Part A)	379.60
	Volumetric (Part B)	11.77
Morton Vale Pipeline	Fixed Bundle (Part A & Part C)	400.86
	Volumetric Bundle (Part B & D)	19.80

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 9: Central Lockyer Valley tariff group Operating expenditure, Target costs and forecast target costs (\$Nominal)

Expenditure Item	2022-23		2023-24	2024-25
	QCA Target (\$)	Actual (\$)	QCA Target (\$)	QCA Extended
Direct operating costs				
Labour	130,820	152,674 (1)	134,391	138,557
Electricity	11,477	20,668 (2)	11,636	11,861
Repairs and maintenance	182,839	166,665 (4)	187,645	192,967
Other	44,353	60,389 (3)	45,489	46,697
Rates	599	600	614	629
Dam Safety Inspections	8,617	40,129	0	
Total Direct operating costs	378,704	441,125	379,774	390,710
Non-direct operating costs				
Operations	225,508	187,083 (5)	231,146	236,924
Non-infrastructure	8,079	11,165	8,281	8,488
Insurance	153,163	141,618	156,992	160,917
Total non-direct costs	386,750	339,866	396,419	406,329

Expenditure Item	2022-23		2023-24	2024-25
	QCA Target (\$)	Actual (\$)	QCA Target (\$)	QCA Extended
Total operating costs	765,455	780,991	776,193	797,040

Source: Seqwater (2023); 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 and there were a number of wet weather events.
- (2) Pumping costs to divert water into storage. Additional electricity costs can be claimed back at next price path.
- (3) A shift of costs between cost categories and includes hire costs to try and solve pump issue at Clarendon Dam.
- (4) Scheduled repairs and maintenance were lower and fewer unscheduled repairs were required due to wet weather and flood repairs. And as per (1) above, any maintenance was mainly undertaken by internal staff resulting in a shift of costs between cost categories.
- (5) Higher direct operating costs results in a higher allocation of indirect costs.

Table 10: Morton Vale Pipeline tariff group Operating expenditure, Target costs and forecast target costs (\$Nominal)

Expenditure Item	2022-23		2023-24	2024-25
	QCA Forecast (\$)	Actual (\$)	QCA Forecast Target (\$)	QCA Extended
Direct operating costs				
Labour	13,082	10,963 (1)	13,439	13,856
Repairs and maintenance	10,054	9,373 (2)	5,627	5,786
Other	5,482	10,018	10,305	10,563
Total Direct operating costs	28,618	30,354	29,371	30,205
Non-direct operating costs				
Operations	14,835	12,873 (3)	15,206	15,586
Non-infrastructure	531	768	545	558
Insurance	2,420	11,426 (4)	2,480	2,542
Total non-direct costs	17,786	25,068	18,231	18,687
Total operating costs	46,404	55,421	47,602	48,891

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

Notes:

- (1) Labour costs were less than budget because no repair and maintenance was carried out and staff were required only for reading water meters and surveillance.
- (2) A shift of costs between categories
- (3) Lower direct operating costs resulted in a lower allocation of indirect costs.
- (4) Change in methodology for calculation of insurance premiums apportionment resulted in higher allocation to the pipeline.

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 Central Lockyer and Morton Vale Pipeline are presented below.

Table 11 Central Lockyer Valley tariff group ARR for 2022-23 (\$Nominal)

Asset Restoration Reserve	2022-23
	(\$)
Opening Balance 1 July	-5,536,469
Interest for year*	-241,944
Revenue – irrigation	325,285
Revenue – Other (Federal Grant)	1,1250,000
Expenditure for year – non-metering	-2,665,769
Expenditure for year – metering	-152,924
Closing Balance 30 June	--7,021,821

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.

Table 12: Morton Vale Pipeline tariff group ARR for 2022-23 (\$Nominal)

Asset Restoration Reserve	2022-23
	(\$)
Opening Balance 1 July	592,664
Interest for year*	25,899
Revenue for year	5,489
Expenditure for year	-8,632
Closing Balance 30 June	0

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 renewals expenditure for 2022-23 for the Central Lockyer Valley tariff group are provided below.

Table 13: Central Lockyer Valley tariff group renewals projects for 2022-23 (\$Nominal)

Asset	Project Scope	Budget (\$'000)	Actual (\$'000)
Clarendon Weir	Hydrometric Monitoring Network	128	128 (1)
Clarendon Dam	Crest Seal Embankment	988	1,322 (2)
Bill Gunn Dam	Provide Crest Seal	430	434
Water meters	Replace flow meters under CLGIM project*	-	153 (3)
Kentville Weir	Hydrometric Monitoring Network	65	65 (1)
Redbank Creek WPS	Refurbishment of RW Pump 3	-	180 (4)

Asset	Project Scope	Budget (\$'000)	Actual (\$'000)
Scheme	Irrigation & Bore Hole Telemetry & Observation bore monitoring equipment and flow meter telemetry (CLGIM Project) *	559	573 (3)
Water Accounting System	New water accounting system and customer online portal		59

Source: Seqwater (2023)

* Federal Government funding of \$2.5m of the total proposed cost of modernisation program ~\$5m

Notes:

- (1) Install of hydrometric hut and equipment for weir level monitoring to improve water distribution
- (2) Dam Safety recommendation which is being delivered in 2022/23 *not passed onto irrigation customers as dam safety.
- (3) CLGIM = Central Lockyer Groundwater Irrigation Modernisation Project
- (4) Pump refurbishment was carried out in mid-late 2021 – flood damage followed this and will be captured as separate item* not passed onto to irrigation customers until insurance claim finalised.
- (5) In planning stages

There was only a contribution of \$8,632 for the development of a new water accounting system in the Morton Vale Pipeline tariff group as there were no renewal projects undertaken during 2022-23.

3.2.2. 2022-23 Forecast renewals

Forecast renewals expenditure for 2023-24 for the Central Lockyer Valley tariff group are provided below.

Table 14: Central Lockyer Valley tariff group renewals projects for 2022-23 (\$Nominal)

Asset	Project description	Forecast cost (\$'000)
Scheme	Finalising the groundwater irrigation modernisation project (includes last of meter upgrades, telemetry and bore monitoring)	275

Source: Seqwater (2023)

There are no renewals projects planned for the Morton Vale Pipeline in 2022-23.

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.

The renewal projects forecast for the next 4 years for the Central Lockyer Valley tariff group are shown in the tables below. This forecast is updated each year.

Table 15: Central Lockyer Valley tariff group rolling 4-year renewals forecast 2024-2028(\$Nominal)

Asset	Project description	Year	Forecast cost (\$'000)
Redbank Creek Pump Station	Upgrade Flow Measurement Device	2024-25	135
Clarendon Dam	Renew Outlet Works Bulk Paint	2024-25	120
	Renew Outlet Works Trash Rack Paint	2024-25	120
Laidley Creek Diversion Weir	Weir Valve Replacement	2028-29	532

Source: Seqwater (2023)

At this time, there are no renewal projects forecast for the next 5 years for the Morton Vale Pipeline.