seqwater
WATER FOR LIFE

Central Brisbane River WSS

Scheme Performance Report 2023-24

Contents

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 Brisbane River Water Supply Scheme (the Scheme) is located along the Brisbane River from Mt Crosby Weir up to and including Wivenhoe Dam. The Scheme was established in 1980 to enable irrigation of up to 1,000 ha within the area.

The Scheme is regulated under the Moreton Water Management Protocol (the Protocol) and managed under the Central Brisbane River Water Supply Scheme Operations Manual. The water year runs from 1 July to 30 June.

2.1. Our Customers

Within the Scheme, Seqwater supplies raw water to 132 customers and holds an allocation to supply the water treatment plants to provide treated water to its customers.

The following table sets out the ownership of water allocations in the Scheme.

Table 1: Schedule of ownership of water allocations

Customer type	Number of customers	Medium priority volume (ML)	High priority volume (ML)
Irrigation	110	6592	–
Non-irrigation	19	522	-
Ipswich City Council	1	65	–
Somerset Regional Council	1	15	–
Glamorgan Vale Water Board	1	–	250
Seqwater	–	–	278,597
Total	**132**	**7,194**	**278,847**

Source: Seqwater (2023)

2.2. Working Together

Seqwater is committed to putting our customers first and providing quality experiences. We partner with our customers and the committee members of the Mid Brisbane River Irrigators Inc. (MBRI) to deliver innovative and sustainable outcomes, creating value for our customers and Southeast Queensland.

During 2022-23 Seqwater and the MBRI have been working together to identify an alternative pricing structure that would remove the Central Brisbane River WSS from the regulatory process, given the current regulatory prices are predominately administration and meter reading costs.

At a customer meeting on the 6 December 2022, the MBRI and Seqwater presented a proposed pricing strategy where a unanimous vote was received that supported Seqwater and the MBRI to work with the Queensland Government to remove this scheme from a regulatory price.

The Queensland Government accepted Seqwater's proposal for Central Brisbane River WSS to be excluded from the regulatory process and confirmed this in the Referral Notice issued to the Queensland Competition Authority in March 2023(1). The new price structure will take effect from 1 July 2025.

Seqwater's aim is to deliver excellent customer service and to make doing business with us easy. We will always strive to meet our customers' expectations and value our customers feedback to help continually improve services. Seqwater will continue with the annual customer surveys as these surveys play a vital role in allowing all irrigation customers to provide Seqwater feedback for any future initiatives and improvements for the scheme.

Notes:
(1) https://www.qca.org.au/wp-content/uploads/2022/12/referral-notice.pdf

2.3. 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 since 2014-15.

Table 2: Announced allocations history

Year	Medium Priority %	Year	Medium Priority %
2014-15	100	2019-20	85-100
2015-16	100	2020-21	70-100
2016-17	100	2021-22	70-100
2017-18	100	2022-23	100
2018-19	100	2023-24	100

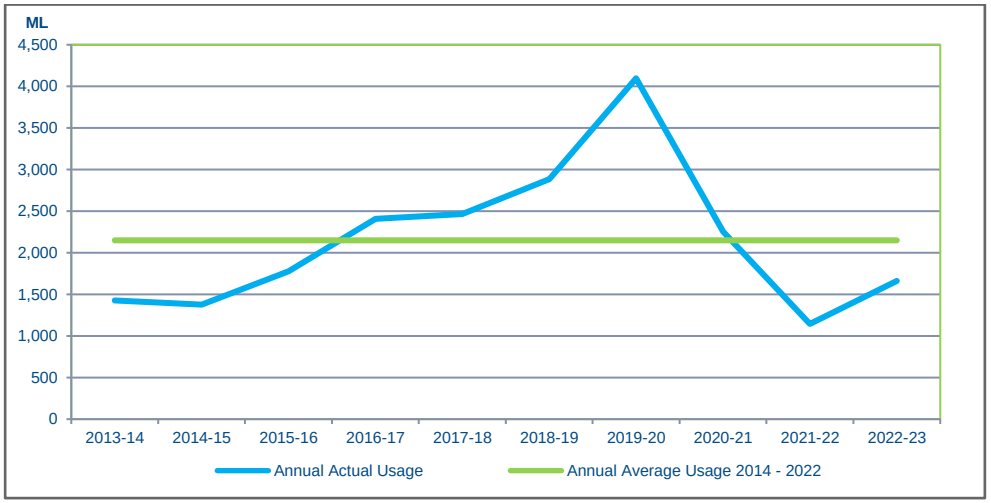
Source: Seqwater (2023)

Wivenhoe Dam at the start of the water year was at 89.6% capacity while Somerset Dam was at 80.4% capacity. Wivenhoe Dam's lowest capacity for the year was 71.5% on the 30 June 2023 and Somerset Dam recorded its lowest capacity of 78.9% on the 30 June 2023.

2.4. Water Usage

Figure 1 shows the actual water usage per year from 2014-15 to 2022-23. It also shows the average water usage over this period.

Figure 1: Annual irrigation water usage from 1 July 2014 to 30 June 2023



Source: Seqwater (2023)

2.5. 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 2014 to 30 June 2023.

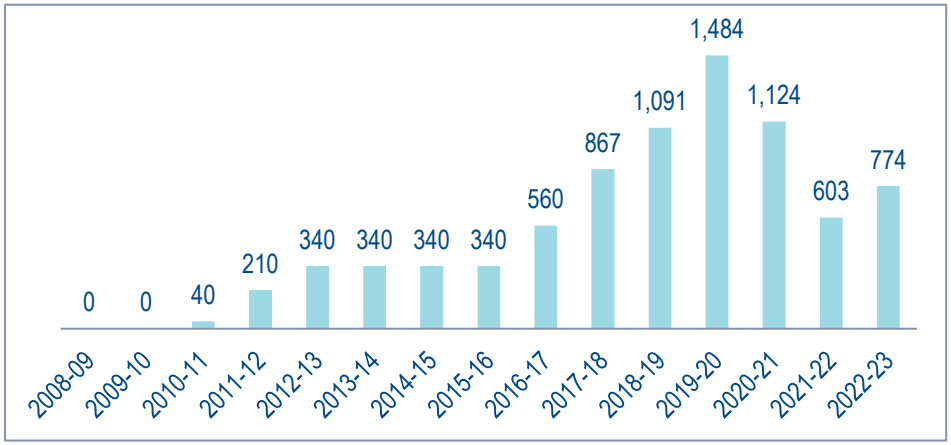
Since 1 July 2020 if customers in the Central Brisbane Water Supply Scheme have declared the sale price of their temporary transfer at time of application, then Seqwater have been publishing the price on their website.

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 here.

Figure 2 sets out the annual volumes of temporary transfers between irrigation customers from 1 July 2008.

Figure 2: Temporary transfers 2008-2023



Source: Seqwater (2023)

It is important to note that, under the Operations Manual, where two parties wish to enter into a temporary or seasonal transfer, both parties require a water meter. The requirement may be waived for the transferor if they are able to demonstrate that they have no ability to take water (e.g., no pumping equipment installed). However, the transferee must have a water meter installed at each location where water is taken.

2.6. Our Infrastructure

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

Table 3: Bulk water assets

Dams	Weirs	Off-stream storages	Other bulk water assets
Wivenhoe Dam Somerset Dam	Mount Crosby Weir*	Nil	Wivenhoe Tail Water Weir Gauging stations

* Although Mount Crosby Weir marks the end of the scheme, no costs associated with the weir are included for irrigation pricing purposes. Source: Seqwater (2023)

2.7. Our Water Prices

2.7.1. Irrigation water 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 2024.

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

Table 4: Water prices (Nominal $/ML)

Tariff	Your Price 2023-24 ($)	Cost Reflective Price 2023-24 ($)	Subsidised 2023-24 %
Fixed (Part A)	**5.57**	**6.70**	**17**
Volumetric (Part B)	**2.26**	**2.72**	**17**

Source: Seqwater Rural Water Pricing Direction Notice (No. 1) 2023

The fixed Part A tariff continues to be charged quarterly in advance and the variable Part B tariff is charged on actual usage at the end of each quarter.

Customers who have not yet installed water meters are required to continue to advise water usage by means of recording self-assessed usage on log sheets during each quarter and to submit the log sheets to Seqwater at the end of each quarter.

Seqwater will continue engaging with customers with regard to the requirements for meter installations which are required for most customers.

2.7.2. 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 5: Non-irrigation process (Nominal $/ML)

Tariff Type	Non-Irrigation Price 2023-24	
	MP $/ML	HP $/ML
Fixed (Part A)	**34.69**	**91.28**
Volumetric (Part B)	**2.72**	**2.72**

Source: Seqwater (2023)

2.8. 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 was extrapolated from the expenditure recommended by the QCA in the 2020-24 price review.

Also shown is the expenditure recommended by the QCA for 2022-23 and 2023-24 years. Explanations of material variations are set out in the table below.

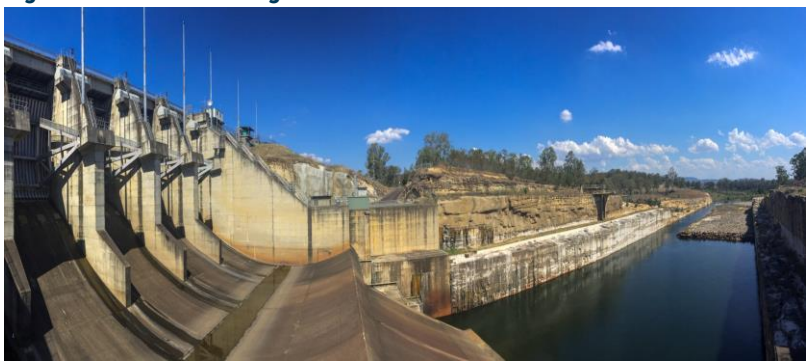
Table 6: Operating expenditure for 2022-23 and operating budget 2023-24 ($Nominal) for irrigation

Operating cost item	2022-23			2023-24
	Irrigation budget (QCA) ($)	Actual expenditure ($)		Irrigation budget (QCA) ($)
Direct				
Labour	11,418	21,503	(1)	11,729
Electricity	807	585		818
Repairs and maintenance	580	2,552	(2)	596
Other	12,959	1,612		13,298
Dam Safety Inspections	5,2300	586		5,361
Rates	286	5,469		0
Total direct operating costs	**31,281**	**32,307**		**31,802**
Non-direct				
Operations	22,357	18,352		22,915
Non-infrastructure	801	1,095	(3)	821
Insurance	2.678	3,141		2,745
Total non-direct costs	**25,836**	**22,587**		**26,481**
Total operating costs	**57,117**	**54,894**		**58,283**

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

Notes:
(1) Scheme labour costs were more than budget due to increased repairs and maintenance, flood events during this year have impacted operations BAU activities
(2) Maintenance activities mainly undertaken by internal staff, a shift of costs between categories.
(3) Increase corporate costs resulted in increased share of non-infrastructure costs.

Figure 3: Wivenhoe Dam gates



Source: Seqwater (2023)

2.8.1. Our Annuity

The balance of the renewal annuity funds is recorded in the Asset Restoration Reserve (ARR). The ARR accounts for 2022-23 for this scheme is presented below.

Table 7: Asset Restoration Reserve – irrigation share only ($Nominal)

Asset Restoration Reserve (irrigation share only)	2022-23 ($)
Opening Balance 1 July	26,588
Interest for year*	1,162
Revenue – irrigation	7,036
Expenditure for year	-4,502
Closing Balance 30 June	30,284

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.

2.9. Our Renewals

2.9.1. 2022-23 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.

The irrigation share of renewal projects undertaken at Wivenhoe & Somerset Dams during 2022-23 was $4,502 which is 1% of the total scheme expenditure of $206,208. The more significate scheme renewals expenditure for 2022-23 included:

- Replace Generator Load Bank - $76,821(1)
- Replace Civil Components at ELU STP - $68,000
- Radial gates – coating - $84,000
- Upgrade DS Toe Drains - $27,000
- Replace Gant Crane Hydraulic Motor Gears - $9,100(1)
- 79T Crane Remote Control - $28,100
- Bulkhead Gate Renewal - $7,400(2)
- Renewal of Power Pole -$20,000

Notes:
(1) Carryover project from previous year
(2) Planning for future project

2.9.2. Asset planning

The renewal projects forecast until 2028-29 are shown below. This forecast is updated each year. The irrigation share of renewals is 1%, only total scheme project costs have been shown.

Table 8: The rolling renewals projects forecast 2024-28 ($Nominal)

Asset	Project Description	Year	Scheme Forecast ($'000)
Wivenhoe Dam	Refurbish - Wire Rope Renewal	2023-24	395
	Refurbish Bulkhead Gate	2023-24	500
	Refurbish Radial Gate	2023-28	7,890
	Renew Passenger Lift	2024-26	671
	Upgrade Baulk Gates Access	2025-26	223
	Upgrade DS Toe Drains	2025-26	245
	Install Solar PV (40KW)	2025-26	49
	Switchboard Renewal	2025-28	5,000
Somerset Dam	Refurb Paint a Set of Trash Racks	2024-26	230
	Refurbish Sluice Gates	2027-29	1,260
	Replace Wire Ropes	2024-25	590

Seqwater (2023)

Figure 4: Somerset Dam downstream of dam wall

Source: Seqwater (2023)