

# Lower Lockyer Valley WSS

## **Scheme Performance Report 2024-25**

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## 1. Introduction

The Scheme Performance Report (SPR,) 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 Water Plan (Moreton) 2007. 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	117	10,849
Commercial	8	261
Seqwater	-	1,510
Totals	127	12,620

Source: Seqwater (2024)

### 2.2. Working Together

Seqwater has a strong focus on improving customer outcomes, through the implementation of future efficiencies and fostering meaningful engagement. The organisation actively listens to its customers through various engagement

strategies, including our annual customer forums, Customer Reference Groups (CRG), and the publication of regular information bulletins.

To ensure that customers can provide feedback regarding their experiences, Seqwater undertakes an annual customer survey. This survey is crucial for gathering feedback from all irrigation customers, to develop initiatives and improvements that make it easier for customers to do business with Seqwater.

This year’s annual customer forum, held in October 2024, was well attended by irrigators and other customers. These forums provide Seqwater with an opportunity to share knowledge and information about the Scheme and its operations. Topics covered include an overview of operational and financial performance for the Scheme, as well as a look ahead that includes forecast expenditure and water availability. The customer forum also allows irrigation customers to interact with Seqwater staff face-to-face, ask questions, and share their views on future scheme opportunities.

Throughout the year CRG meetings were held, where Seqwater discussed the scheme’s performance, operations, and the QCA Irrigation Price Review. Summaries of these meetings are published on Seqwater’s website. Feedback from CRG members indicates they value the openness and transparency of 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 2022-23 and 2023-24**

Notification		Target	Performance	
			2022-23	2023-24
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 <sup>st</sup> 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

Source: (Seqwater 2024)

## 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 2024-25 water year the announced allocation for medium priority water allocation holders in the Lower Lockyer Valley WSS was set at 100%.

**Table 3: Announced allocations since 2007-08**

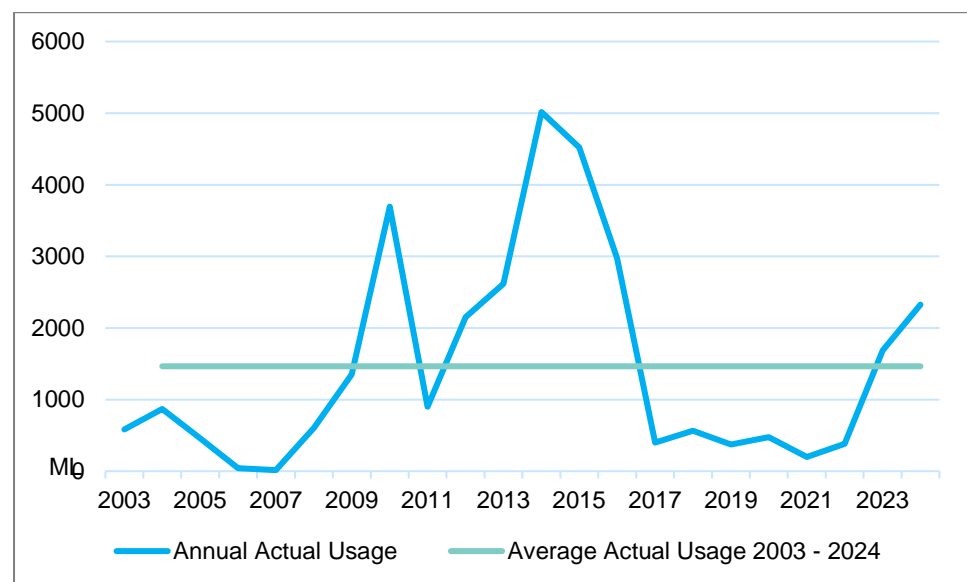
Year	MP %	Year	MP %	Year	MP %
2007-08	0–16	2013-14	100	2019-20	0
2008-09	13–63	2014-15	81	2020-21	0
2009-10	27–100	2015-16	31	2021-22	0-100
2010-11	100	2016-17	0-10	2022-23	100
2011-12	100	2017-18	0-17	2023-24	91
2012-13	100	2018-19	0	2024-25	100

Source: Seqwater (2024)

## 2.3. Water Usage

The chart shows the actual water usage per year from 2002-03 to 2022-23. It also shows the average water usage for the 21-year period.

**Figure 1: Annual Scheme water usage for years ending 30 June 2033 to June 2024**



Source: Seqwater (2024)

## 2.4. Seasonal Water Assignments (Temporary Transfers)

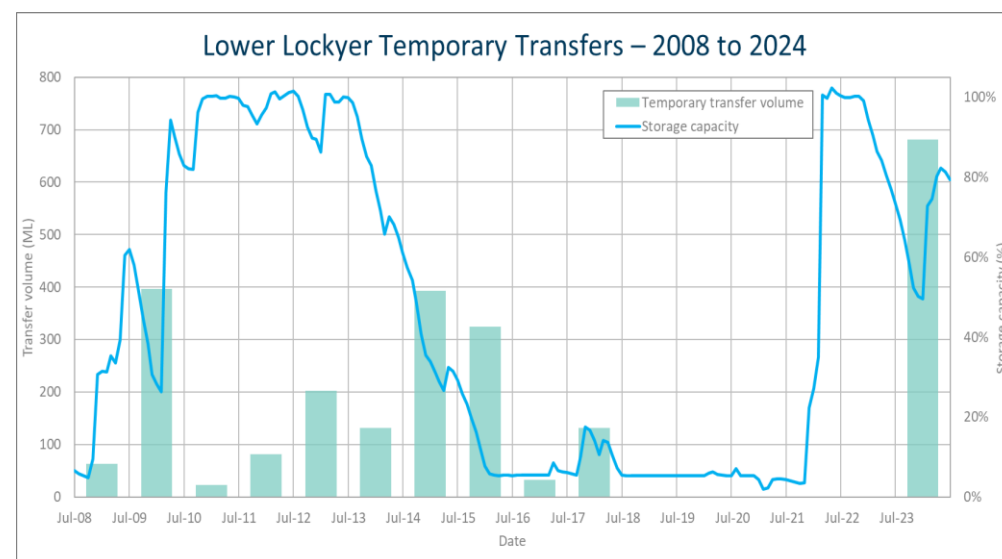
A seasonal water assignment (Temporary Transfer) allows two customers to transfer available water to each other within a water year. The following chart sets out the volumes of temporary transfers by year from 1 July 2008 to 30 June 2024.

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 2024**



Source: Seqwater (2024)

## 2.5. Our Operations

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

Source: Seqwater (2024)

The 2024-25 water year started with 100% water allocation, with the Dam level capacity above 75%.

Works continue on flood recovery caused by the 2022 floods. Brightview Channel has now been reinstated, whilst planning is underway for further works on O'Reillys Weir. The Brightview Weir hydraulic lines and valves have been replaced along with the access walkways.

Refurbishment of the pumps at Atkinson Dam was undertaken over the financial year, with Pump 1 taken off site and reinstalled in April 2024. Pump 2 was sent for refurbishment over the winter period and will be reinstalled prior to the wet season.

**Figure 3: Pump 1 removed for refurbishment from Atkinson Dam and reinstalled April 2024.**



Source Seqwater (2024)

**Figure 4: Flood damage to Brightview Weir walkway and hydraulic lines replaced.**



Source: Seqwater (2024)



## 2.6. Our Water Prices

### Irrigation Water Charges 2024-25

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 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 2024-25 \$/ML	Cost Reflective Price 2024-25 \$/ML	Subsidy 2024-25 \$/ML
Fixed (Part A)	52.79	109.98	57.19
Volumetric (Part B)	23.96	36.32	12.27

Source: Seqwater 2024, 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

### Non-irrigation water charges 2024-25

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 2024-25 \$/ML
Fixed (Part A)	241.59
Volumetric (Part B)	36.53

Source: Seqwater (2024)

## 3. Our Expenditure

### 3.1. 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 for 2023-24, compared to the 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 2024-25. Explanations of material variations are set out in the table below.

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

Expenditure Item	2023-24		2024-25
	QCA Cost Target (\$)	Actual (\$)	QCA Forecast (\$)
<b>Direct operating costs</b>			
Labour	171,348	119,497	176,660

Expenditure Item	2023-24		2024-25
	QCA Cost Target (\$)	Actual (\$)	QCA Forecast (\$)
Electricity	46,681	14,724	47,585
Repairs & Maintenance	115,942	144,105	119,110
Other	118,853	73,750	122,046
Rates	56,755	68,714	58,174
Dam Safety Inspections	27,859	3,960	0
Total Direct operating costs	537,440	424,750	523,575
<b>Non-direct operating costs</b>			
<b>Operations</b>	<b>287,204</b>	<b>185,021</b>	<b>294,384</b>
Non-infrastructure	10,289	8,297	10,547
Insurance	64,181	84,036	65,785
Total non-direct costs	361,674	277,353	370,716
<b>Total operating costs</b>	<b>899,114</b>	<b>702,104</b>	<b>894,291</b>

Source: Seqwater (2024); QCA Final Report, Seqwater Irrigation Price Review 2020-24 (February 2020)

## 3.2. Our Annuity

The balance of the renewal annuity funds is recorded in the Asset Restoration Reserve (ARR). The ARR account for 2023-24 for this scheme is presented in the following table.

**Table 8: Lower Lockyer WSS Asset Restoration Reserve irrigation share only (\$Nominal)**

Asset Restoration Reserve	2023-24 (\$)
<b>Opening Balance 1 July</b>	<b>-756,432</b>
Interest for year*	-33,073
Revenue for year	488,620
Expenditure for year	-274,362
<b>Closing Balance 30 June</b>	<b>-575,247</b>

Source: Seqwater (2024)

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

## 4. Our Renewals

### 4.1. 2023-24 renewals

The following table sets out the renewals projects that were undertaken in 2023-24.

**Table 9: Renewals projects 2023-24**

Asset	Project scope	Actual (\$'000)
Atkinson Dam	Renewal of RW Pump 1	184
Scheme	Irrigation channel flood repair	286
	Development of new water accounting & customer online portal	26

Source: Seqwater (2024)



## 4.2. Forecast 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.

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

Source: Seqwater (2024)