seqwater
WATER FOR LIFE

Mary Valley WSS

Scheme Performance Report 2024-25

Table of Contents

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:

1300 737 928

irrigators@seqwater.com.au

Seqwater

PO Box 328

IPSWICH QLD 4305

2. Our Scheme

The Mary Valley Water Supply Scheme was established to support irrigation in the sugar, dairy and horticulture sectors following construction of Borumba Dam in 1963. Water is released from Borumba Dam to supplement flows in the Mary River. The Pie Creek system is supplemented by channels and pipes distributing water diverted from the Mary River.

The Scheme is regulated under the Water Plan (Mary Basin) 2024. The water year runs from 1 July to 30 June. The Scheme consists of two tariff groups, "Mary Valley" and "Pie Creek".

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)	High priority (ML)
Mary Valley irrigators	156	16,055.6	-
Mary Valley Non-irrigators	26	1,506.	-
Pie Creek irrigators	48	813	-
Pie Creek Non-irrigators	3	4	-
Gympie Regional Council	1	24	3,634
Industrial	1	-	60
Seqwater (distribution losses)	-	426	60
Seqwater	-	3,000	-
Seqwater (urban supply)	-	-	6,500
Totals	**235**	**21,829**	**10,264**

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.

2.3. 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 water supply arrangements to deliver water as efficiently as possible for our customers in the Mary 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	2 days
	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	*1
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

* Replacement of electrical cables at Pie Creek Pump station.

Source: Seqwater (2024)

2.4. 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 for both medium priority and high priority water allocations for the current year plus the historical position from 2007-08.

Table 3: Announced allocations history

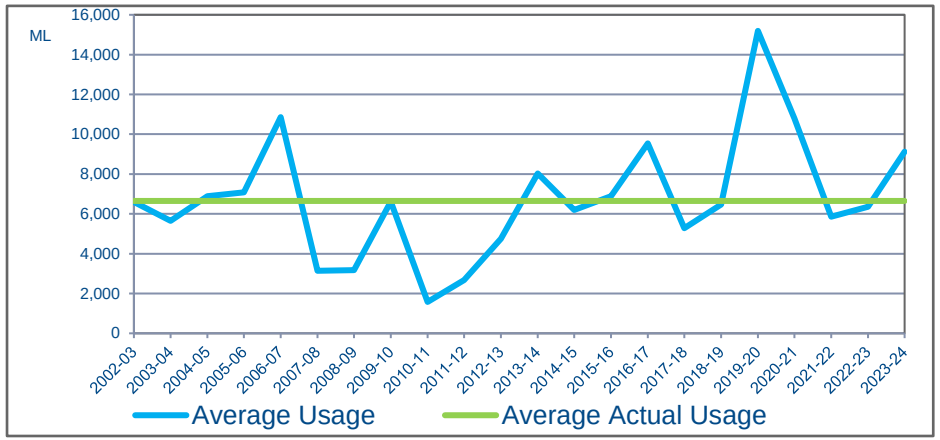
Year	MP %	HP %	Year	MP %	HP %	Year	MP %	HP %
2007-08	14-100	100	2013-14	100	100	2019-20	100	100
2008-09	100	100	2014-15	100	100	2020-21	100	100
2009-10	100	100	2015-16	100	100	2021-22	100	100
2010-11	100	100	2016-17	100	100	2022-23	100	100
2011-12	100	100	2017-18	82	100	2023-24	100	100
2012-13	100	100	2018-19	100	100	2024-25	100	100

Source: Seqwater (2024)

2.5. Water Usage (Mary Valley)

Figure 1 shows the actual water usage per year from 2002-03 to 2023-2024 for the Mary Valley tariff group. It also shows the average water usage over the 22-year period.

Figure 1: Mary Valley tariff group water usage for years ending 30 June 2003 to 30 June 2024

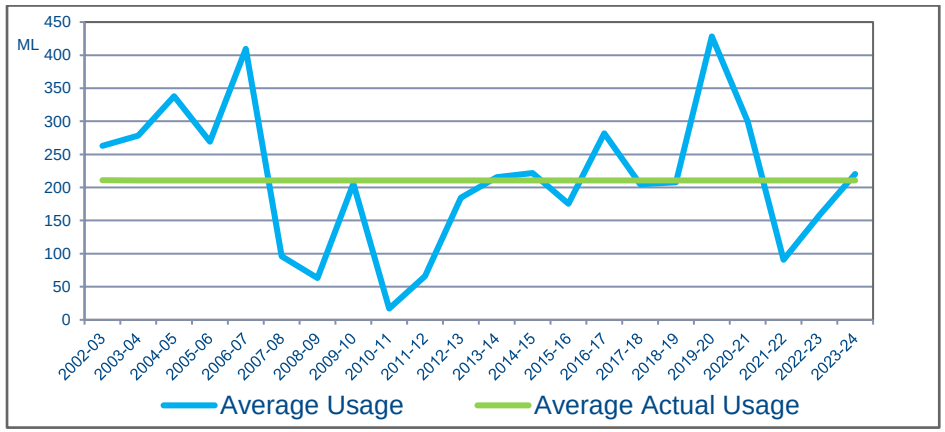


Source: Seqwater (2024)

2.6. Water Usage (Pie Creek)

Figure 2 shows the water usage per year from 2002-03 to 2021-23 for the Pie Creek tariff group. It also shows the average water usage over the 21-year period.

Figure 2: Pie Creek tariff group water usage for years ending 30 June 2003 to 30 June 2024



Source: Seqwater (2024)

2.7. 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.

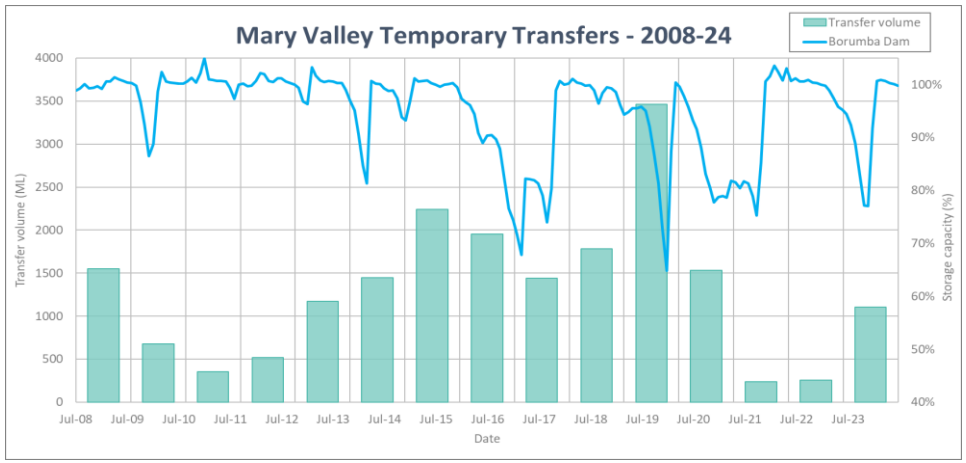
Since 1 July 2020 if customers in the Mary Valley Water Supply Scheme have declared the sale price of their temporary transfer at time of application, then Seqwater has published the price on its website.

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.

Figure 3 sets out the volumes of temporary transfers and leases by year from 1July 2009.

Figure 3: Temporary trading (Mary Valley and Pie Creek)



Source: Seqwater (2024)

2.8. 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 / off-stream storages	Weirs	Other bulk water assets
Borumba Dam	Gympie Weir Measuring flume (downstream of Borumba spillway) Imbil Weir	Pie Creek Pump Station Gauging stations Measuring weirs Channels Pipelines Water meters

Source: Seqwater (2024)

Borumba Dam started the water year at 94.5 storage capacity and reached its lowest level in December at 74%, however, with steady inflows received during the New Year Borumba Dam finished the water year sitting at 100% storage capacity.

The water meter replacement project has been ongoing and 23 old water meters been replaced with the Krohne water meter as part of the 23/24 replacement project.

Repairs to Yaba Creek faulty release cone valve 1 was repaired by lowering Yabba Creek to remove debris downstream.

An installation of a Krohne Meter for Qld Hydro project has a taken place upstream of Borumba Dam.

A number of berm drains have been cleaned through the Pie Creek Scheme and fencing continues in the Pie Creek area. Lowering of Yabba Creek from spillway

Figure 4: Borumba Weir Measuring flume after repairs.

Source: Seqwater (2024)

Figure 5: Ongoing fencing upgrade Pie Creek Scheme.

Source: Seqwater (2024)

Figure 6: Berm cleaning Pie Creek Scheme

Source: Seqwater (2024)

2.9. Our Water Prices

2.9.1. Irrigation water charges for 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 shows the Mary Valley tariff group's discounted price that irrigators are paying (includes 15% discount), and the QCA approved cost reflective prices.

Table 5: Mary Valley Water prices (Nominal $/ML)

Tariff Group	Product	Your Price 2024-25 $	Cost Reflective Price 2024-25 $
Mary Valley	Fixed (Part A)	13.18	15.51
	Volumetric (Part B)	7.41	8.72

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

For the Pie Creek tariff group, the table below shows the discounted price that irrigators are paying (includes 15% discount), the QCA approved cost reflective prices and the percentage the scheme is subsidised by the Queensland Government.

The cost-reflective prices represent the price required to recover the annual costs assessed as efficient by the QCA.

Table 6: Pie Creek Water prices (Nominal $/ML)

Tariff Group	Product	Your Price 2024-25 $	Cost Reflective Price 2024-25 $	Subsidy 2024-25 %
Pie Creek	Fixed (Part A)	12.89	447.76	87
	Fixed (Part C)	46.19		
	Volumetric (Part B)	7.25	281.38	70
	Volumetric (Part D)	77.81		
	Termination Fee	639.07		

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.

2.9.2. Non-Irrigation water charges for 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 7: Mary Valley tariff group non-irrigation process (Nominal $/ML)

Tariff Type	Non-irrigation Price 2024-25	
	MP $/ML	HP $/ML
Fixed (Part A)	29.34	328.64
Volumetric (Part B)	8.92	20.57

Source: Seqwater (2024)

Table 8: Pie Creek tariff group non-irrigation process (Nominal $/ML)

Tariff Type	Non-irrigation Price 2024-25 $/ML
Fixed Bundle (Part A & Part C)	690.55
Volumetric Bundle (Part B & part D)	284.53

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 tables set out, for both the Mary Valley and Pie Creek tariff groups, Seqwater's actual expenditure for the 2023-24 year compared to the QCA target costs which were extrapolated from the expenditure recommended by the QCA in the 2020-24 price review.

Also shown is the expenditure recommended by the QCA for 2024-25. Explanations of material variations are set out in the table below.

Table 9: Mary Valley tariff group operating expenditure for 2023-24 and QCA Target Costs 2023-24, 2024-25 ($Nominal)

Expenditure Item	2023-24		2024-25
	QCA Cost Target ($)	Actual ($)	QCA Forecast ($)
Direct operating costs			
Labour	221,529	223,349	228,395
Electricity	7,996	11,458	8,150
Repairs & Maintenance	131,531	88,303	135,261
Other	116,225	91,866	119,462
Rates	10,622	39,728	10,888
Dam Safety Inspections	3,900	4,230	0
Total Direct operating costs	**491,803**	**458,934**	**502,156**
Non-direct operating costs			
Operations	270,429	199,911	277,190
Non-infrastructure	9,688	8,964	9,931
Insurance	116,949	149,856	119,872
Total non-direct costs	**397,066**	**358,732**	**406,992**
Total operating costs	**888,869**	**817,666**	**909,149**

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

Table 10: Pie Creek tariff group operating expenditure for 2023-24 and QCA Target Costs 2023-24, 2024-25 ($Nominal)

Expenditure Item	2023-24		2024-25
	QCA Cost Target ($)	Actual ($)	QCA Forecast ($)
Direct operating costs			
Labour	66,661	71,460	68,728
Electricity	490	15,980	499
Repairs & Maintenance	91,150	57,664	93,735
Other	20,386	21,447	20,895
Rates	3,513	12,056	3,600
Dam Safety Inspections		0	
Total Direct operating costs	**182,199**	**178,607**	**187,457**
Non-direct operating costs			
Operations	102,970	77,801	105,544
Non-infrastructure	3,689	3,489	3,781
Insurance	5,893	13,194	6,040
Total non-direct costs	**112,551**	**94,484**	**115,365**
Total operating costs	**294,750**	**273,092**	**302,822**

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, prepared on an irrigation-only basis, is presented below.

Table 11: Mary Valley Tariff Group Asset Restoration Reserve (irrigation only)

Asset Restoration Reserve	2023-24 ($)
Opening Balance 1 July	**478,426**
Interest for year*	20,918
Revenue – irrigation	77,184
Revenue contribution above cost reflective price	0
Expenditure for year – non-metering**	0
Expenditure for year - metering	-175,763
Closing Balance 30 June	**400,764**

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

**Irrigation share of non-metering renewals, which is 11% of total non-metering expenditure.

Source: Seqwater (2024)

Table 12: Pie Creek Tariff Group Asset Restoration Reserve

Asset Restoration Reserve	2023-24 ($)
Opening Balance 1 July	**290,746**
Interest for year*	12,712
Revenue – irrigation	30,532
Expenditure for year – non-metering	-367,238
Expenditure for year - metering	0
Closing Balance 30 June	-33,248

* The interest rate is based on the Queensland Competition Authority's recommended weighted average cost of capital (WACC) of 4.37% post-tax nominal. Source: Seqwater (2024)

4. Our Renewals

4.1. 2023-24 renewals

Renewals completed for the Mary Valley and Pie Creek tariff groups during 2023-24 are listed in the tables below.

Table 13: Mary Valley Tariff Group Renewals 2023-24

Asset	Project Scope	Actual ($'000)
Borumba Dam	Flood upgrade	695
Scheme	Upgrade water meters	83
	Development of new water accounting & customer online portal	35

Table 14: Pie Creek Tariff Group Renewals 2023-24

Asset	Project Scope	Actual ($'000)
Pie Creek Pump Station	Replace water pump cables	367

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.

The renewal projects forecast for the next 5 years for Mary Valley and Pie Creek Tariff groups are shown in Table 15. This rolling forecast is updated each year based on priorities.

Table 15: Mary Valley tariff group rolling 5-year renewals forecast projects 2024 - 2028($Nominal)

Asset	Project scope	Year	Forecast cost $'000
Borumba Dam	Replace Outlet Valves	2027-28	50
		2028-29	160
	Renew Lookout Distribution Board	2026-27	360
	Refurb the Access Road	2027-28	50
		2029-30	537
Meters	Upgrade flow meters	2024-25 & 2025-26	1,552

Source: Seqwater (2024)

Table 16: Pie Creek tariff group rolling 5-year renewals forecast projects 2024-2028($Nominal)

Asset	Project scope	Year	Forecast cost $'000
Pie Creek Pump Station	Refurbish Calico Creek Pipeline outlet	2028-29	180
	Upgrade pumping system	2027-28	750
	Replace switchboard	2026-27	625

Source: Seqwater (2024)