Central Lockyer Valley WSS

Annual Customer Forum 2025 Summary

Date and Time	28 October 2025 12:00pm
Location	Lockyer Valley Cultural Centre – Gatton
Attendees	6 Irrigation Customers
Purpose	Provide Irrigators information regarding their scheme and pricing consultation.

Welcome & Introductions

Seqwater introduced members of the Operations and Irrigation Team and provided an overview of the Agenda for the Customer Forum.

Works Outline 2024-25

The following updates on Central Lockyer Valley Water Supply Scheme (WSS) were presented:

- Repairs to Redbank Creek Pump has been completed with baulks currently being fabricated to be placed in the next couple of weeks. The custom-made baulks will block off wells for internal examination, which will include pumping out and inspecting each well before reinstalling pumps.
- Repair to leak at Morton Vale Pipeline was completed in June 2025, more schedule works will be scheduled in the next few weeks to repair and identified leak, communication will be sent to those affected regarding the timeframe of works.
- Laidley Creek Diversion Weir upgrade took place in October with no impact on customers. The following works were completed:
    - Outlet works with a hydraulic actuator
    - Removal of silt and debris covering the inlet box
    - Improvement to safety and reliability
- Service standards and shutdowns were minimal with only one shutdown on Morton Vale 5 due to a valve issue.

Scheme Performance

- Clarendon Dam is currently at 94% capacity.
- Bill Gunn Dam is currently at 96% capacity.
- Storage release graphs were presented showing releases made from Clarendon Dam and Bill Gunn Dam during the last 12 months.
- Temporary Transfers remain very low for the year.
- Water usage and temporary transfers remain low in the scheme.
- Water markets for trading of water are available privately or via Seqwater Website (Customer Connect) which is a free service.

Customer Survey & Engagement

The annual customer survey was distributed to customers across all schemes. For this specific scheme, the average trust score was just below 3%. Participation levels were low, but feedback has been appreciated and welcomed at any stage, as it allows us to plan. The key comments were on pricing, water availability and asset maintenance and costs.

Recently, an alternative engagement strategy was trialed: an open day event at Borumba Dam in the Mary Valley, which included participants from both the Mary Valley and Cedar Pocket schemes. The event provided a collaborative opportunity to tour some of the dam's assets and operations.

Seqwater is considering hosting more of these events in the future and welcomes feedback on holding an event in place of a forum for this scheme if it was something that people would be interested in us pursuing.

Streamflow Periods - Proposed amendment

An amendment to the scheme Operations Manual is required to implement streamflow periods, which is currently with the Department for review with implementation expected in January 2026. The streamflow periods are an opportunity for customers to take surface water when creeks are flowing after rain. It works by using your water allocation when water allocations are below 80% announced allocation, and is different to water harvesting

The proposed amendment:

- Active only when surface water announced allocation is less than 100%
- Total usage (allocation + streamflow) cannot exceed customer's total entitlement
- Available for customers when natural flow reaches certain thresholds.
    - Kentville Weir must be overflowing; and
    - Zone A – (Lockyer Creek) – threshold is Clarendon Weir overflowing; or
    - Zone B – Laidley Creek – threshold Showgrounds Weir overflowing

Lockyer Water Improvement Initiative

- Seqwater has a partnership with Resilient Rivers SEQ and Lockyer Valley Regional Council
- $750,000 funding over 5 years
- Focuses on erosion control, bank stabilization, weed management and riparian wildlife habitat
- Ecologist currently on site with surveyors on site next week
- Stakeholder workshops to shape design and review options

Forum Actions

- Obtain and provide an update on the status of the desilting project as part of the regional water assessment, including government and consultant progress.

RAB Pricing Consultation

RAB Pricing Consultation

A recent QCA Price review has been completed for 2025-2029, with Seqwater receiving a pricing direction notice from the Government in June 2025, shortening the price path from four years to two years.

It is believed that Seqwater will be required by the Queensland Government to undertake an expedited assessment of irrigation pricing methodologies .it is anticipated that Seqwater will receive a directive from Government shortly, with a submission required to QCA by February 2026. This process involves comparing the current renewals annuity approach to the regulated asset base (RAB) method.

The notice also requests an expedited review of capital cost recovery methods for the 2027-28 and 2028-29 periods. The Queensland Competition Authority (QCA) is responsible for ensuring that expenditure is both prudent and efficient, and that Seqwater does not generate profit from irrigation pricing.

The consultation process and timeline will be condensed, with education and feedback sessions currently underway with all irrigation schemes. Draft price presentations are scheduled for late November or early December, and a final submission to QCA is planned by February. Seqwater is tasked with developing draft prices, an additional consultation will take place after the QCA publishes its draft report.

The review focuses solely on capital expenditure (Capex) recovery methods, excluding operational expenditure (Opex), and will use existing cost data from the previous price review. Assets constructed before July 2000 are excluded from the RAB calculation.

Customers' feedback is crucial, with initial consultations covering all schemes through in-person and online channels. Further input will be invited after draft prices are prepared.

Seqwater detailed comparison of the renewal's annuity and RAB approaches for capital cost recovery explaining the technical differences, implications for price stability and the rationale for the Government's interest in transition to the RAB.

Technical explanation of both methods is that the renewals annuity method forecasts capital expenditure over a 30-year period and smooths costs over time, while the RAB method focuses on the current asset base and recovers costs over the asset's useful life, typically aligned with shorter-term forecasts.

The implications for price stability indicate that both approaches are expected to deliver comparable results in terms of long-term pricing. The annuity method offers enhanced price smoothing over time, while the RAB method may produce more pronounced short-term fluctuations, reflecting actual expenditure more accurately in the immediate pricing trajectory. The RAB method enables focused engagement with stakeholders, letting them influence short-term pricing by discussing upcoming four-year expenditures instead of uncertain long-term forecasts.

Pricing Consultation Actions

- Develop draft prices for the RAB and renewals annuity approaches using existing QCA-approved inputs and prepare to present them for feedback in early December.
- Conduct initial consultations with all relevant schemes (excluding Brisbane) during the rest of October to gather feedback on what should be modelled for the price review.

- Model and present the price impacts of both the annuity and RAB approaches for at least the next 10 years to help stakeholders understand potential long-term differences. (if possible, investigate 20 year forecast)
- Investigate and model different options for setting the opening balance (e.g., zero balance, exist pricing annuity balance) and depreciation periods for the RAB approach and present the impacts.

Forum closed

The Forum closed at 1:40pm with no further questions.