



Lower Lockyer Valley Water Supply Scheme

Scheme submission to QCA

2020-21 to 2023-24

Submitted: 30 November 2018



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1. Introduction

1.1 Review context

The Queensland Competition Authority (QCA) has been directed by the Queensland Government to recommend irrigation prices for the Lower Lockyer Valley Water Supply Scheme (the Scheme) for the four-year regulatory period 1 July 2020 to 30 June 2024. Prices are to recover the efficient operating, maintenance and administration costs, and an annuity to recover renewals expenditure.

2. Scheme Details

2.1 Scheme background and context

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 Moreton Water Management Protocol and managed under the Lower Lockyer Valley Water Supply Scheme Operations Manual.

The water year runs from 1 July to 30 June.

The Scheme consists of one tariff group, “Lower Lockyer Valley”.

2.2 Infrastructure details

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

Table 1: Bulk water assets

Dams	Weirs	Other bulk water assets
<ul style="list-style-type: none"> • Atkinson Dam 	<ul style="list-style-type: none"> • Buaraba Creek Diversion Weir • Brightview Weir • Sippels Weir • Potters Weir • O'Reillys Weir 	<ul style="list-style-type: none"> • Gauging stations • Buaraba Creek Diversion Channel • Buaraba Creek Supply Channel • Seven Mile Lagoon Diversion Channel • Atkinson Pump Station • Atkinson Low Level Pump Station • Brightview Weir Supply Channel • Customer water meters

Source: Seqwater (2018)

2.3 Customer service standards

Service standards for the Lower Lockyer Valley Water Supply Scheme are attached in Appendix 1.

Seqwater publishes a performance report each year on the Lower Lockyer Valley WSS page on Seqwater’s website.

2.4 Customers and water entitlements serviced

The following table sets out the ownership of water allocations by class of owner.

Table 2: Ownership of water allocations

Customer type	Number of customers	Medium priority volume (ML)
Irrigation	144	11,110
Seqwater	5	1,510
Totals	148	12,620

Source: Moreton Resource Operations Plan June 2014; Seqwater (2018)

Notes: Irrigation customers yet not be verified against the definition given in the Referral Notice

2.5 Water availability and use

2.5.1 Water availability

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 the current year plus the historical position for the twelve years starting 2007-08.

Table 3: Announced allocations history

Year	MP %	Year	MP %
2007-08	0–16	2013-14	100
2008-09	13–63	2014-15	81
2009-10	27–100	2015-16	31
2010-11	100	2016-17	0–10
2011-12	100	2017-18	0–17
2012-13	100	2018-19	0

Source: Seqwater (2018)

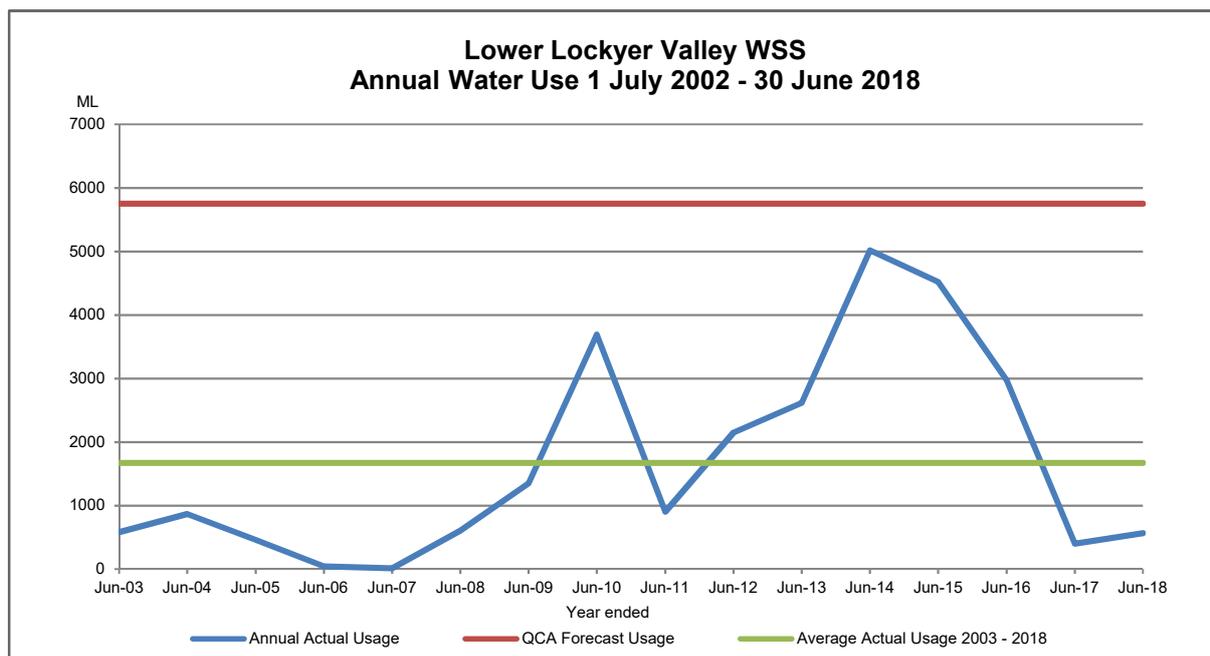
2.5.2 Water use

Figure 1 below shows the actual water usage per year from 2002-03 to 2017-18.

Also shown is the usage assumption adopted by the QCA for the 2013-17 price path (extended to 2019) which is 5,750 ML or 52% of nominal water allocations. The QCA’s usage assumption has been extrapolated to prior years for comparison purposes only. Average water usage over the period has also been included for comparison purposes.

Over the price path, water usage in Lower Lockyer Valley was 47% of the estimated usage due to continuing low levels of water availability from the 2015-16 water year. Seqwater submits that forecast water deliveries should be based on the most accurate and reliable data available and be the most likely forecast. Accordingly, we submit that a simple 15-year average be used to determine the water use forecast. In Lower Lockyer Valley, this results in a water use forecast of 1,673 ML per annum, which is 15% of total nominal water allocations excluding losses.

Figure 1: Annual Scheme water usage for years ending 30 June 2003 to 30 June 2018



Source: Seqwater (2018)

3. Irrigation Customer Consultation

Seqwater is committed to customer engagement as required under its Statement of Obligations. Annual Customer engagement includes customer forums and web-based information. Attendance at forums is open to all irrigation customers of the Scheme and other stakeholders. All customer or stakeholder submissions in relation to the annual NSPs will be published on Seqwater's website along with Seqwater's responses and decisions.

In preparation for this price review, Seqwater undertook additional customer engagement to gain feedback for its submission to QCA. This included establishing customer reference groups and expanding the content for the annual forum.

A customer reference group was established for this scheme combined with the Central Lockyer which originally included three members. This group was not formally elected by customers and was not a decision-making group. Rather the members provided a small reference group with whom we could share matters of detail and seek feedback for how to most appropriately share information with the wider scheme at the forums.

The annual forum was held this year in September 2018. All customers were invited to attend and 8 customers attended.

After the forums were held, an additional member from Lower Lockyer showed interest to join the reference group and was included in the following reference group meeting.

Customers were also invited to complete a survey to provide feedback to Seqwater either online or at the forums.

3.1 Reference group feedback

The combined Lockyer reference group met on three occasions (18 April 2018, 22 August 2018 and 19 October 2018).

The key feedback provided by the reference group included:

- Reliability of these schemes remains the key issue for customers in this scheme – customers noted these schemes only supply the water demand 11% of the time.
- Irrigators are seeking Part A relief during drought times – we note this issue has been raised with their Local Member and is a policy decision for Government.
- The forecast inflation measure of 2.5% was questioned by customers. Customers are not able to get inflation increases on prices for their crops. Crop prices are largely fixed with no inflation as the years go by, yet inflation measures built into water pricing create further affordability concerns.
- Seqwater understands Lockyer irrigation customers will be providing submissions regarding the issues they would like investigated regarding the performance and affordability of the schemes. Seqwater supports these issues being investigated either by QCA or Government.

3.2 Customer forum feedback

Seqwater presented to the Lower Lockyer irrigators at the forum including an annual update on operations and renewals activities, then provided more detail regarding the cost position and pricing proposals for the upcoming price review. These messages were consistently provided to each scheme in the same format.

Similar to the discussions at the Central Lockyer forum, discussion was dominated by the poor performance of the scheme. The irrigators had a fundamental problem with paying for part A when no water is provided – this is a core issue along with long-term sustainability of the scheme given the continual real fixed price increases from the price path. In the absence of an alternative, the irrigators were supportive of Seqwater's proposal to reduce the Part B charges based on the proposal of 95:5 fixed to variable and supported the long-term water volume assumptions as rational. Seqwater supports further investigation by the QCA or Government into the long-term sustainability of this scheme along with other schemes with similar concerns.

Customers also raised concern with some renewals costs, the safety repairs at Atkinson dam and meter replacement costs. Seqwater has undertaken further work to reduce meter replacement costs compared to the forecasts shown at the forums.

Individual customers also raised concerns around Seqwater’s billing process, noting issues and errors meaning Seqwater was not providing the service expected.

Seqwater understands the Lockyer customers will prepare a submission on their concerns. Seqwater supports these issues being reviewed by either QCA or Government.

3.3 Survey results

Three questions were asked in the survey:

1. Do you support Seqwater’s proposal for your scheme? Yes, No or Unsure
2. How satisfied are you with the services Seqwater provides to you? Rate from 1 to 7 where 1 = Entirely unsatisfied and 7 = Entirely satisfied.
3. Would you like more government investigation for this price review? Please note that additional investigation by the QCA will incur a cost for irrigation customers. Yes, No, or Unsure.

One response only was received at the forum. This data is provided below. Seqwater recognises this is not sufficient evidence to indicate support for Seqwater’s proposals.

Table 4: Survey response data from forums

	Number of respondents	Question 1 – Seqwater’s proposal		Question 2 – Our Service		Question 3 – more investigation?	
		Positive responses (Yes)	Negative or neutral responses (No or Unsure)	Positive responses (6 or above)	Negative or neutral responses (5 or below)	Positive responses (No)	Negative or neutral responses (Yes or Unsure)
Lower Lockyer Valley	1	100%			100% rated 5	100%	

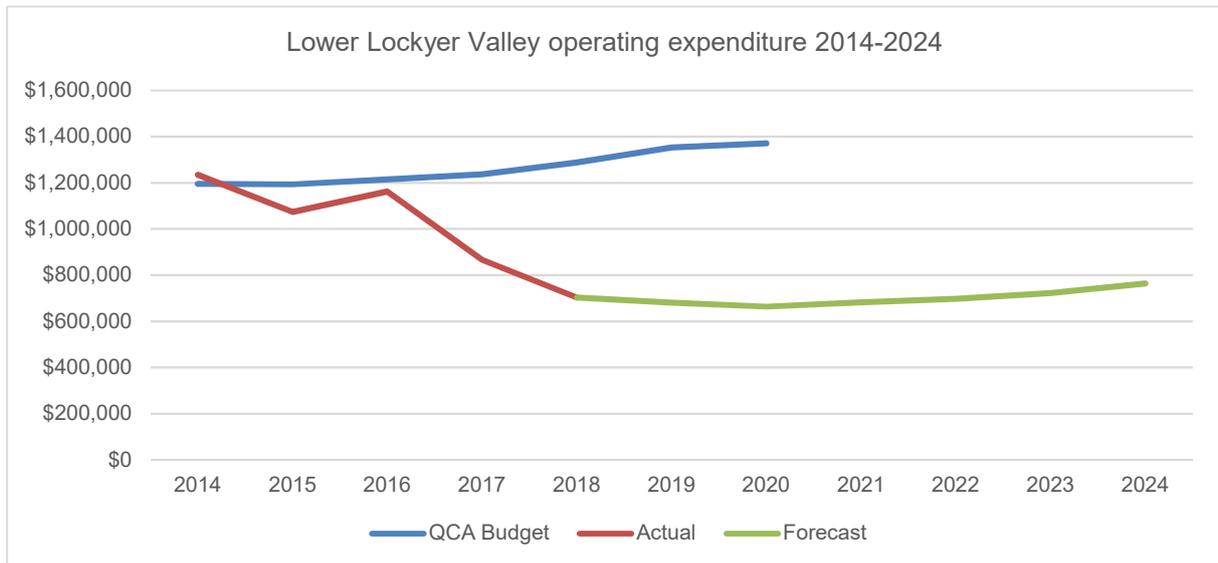
4. Financial Performance

4.1 Operating expenditure

4.1.1 Overview

Over the past five years, Seqwater has spent 20% less than the QCA’s operating expenditure allowance in the Lower Lockyer Valley scheme. This significant cost reduction was primarily due to lower labour costs, repairs and maintenance and other costs than the QCA allowed.

Figure 2: Lower Lockyer Valley operating expenditure (\$ nominal)



Source: Seqwater (2018)

4.1.2 2013-18 extended price path cost/budget comparison

The forecast operating costs set as a budget target by the QCA for the 2013-17 regulatory period extended to 2017-18 and the corresponding actual costs and actual revenues are set out in the table below. The 2017-18 forecast costs were calculated by applying the QCA's cost escalation rates to the 2016-17 forecast operating costs.

Table 5: 2013-17 price path budget and actual costs extended to 2017-18 (\$Nominal)

Operating cost category	2013-14		2014-15		2015-16		2016-17		2017-18	
	Budget \$	Actual \$								
Direct										
Labour	253,173	258,592	258,293	220,600	263,453	265,770	268,651	208,760	278,322	154,108
Electricity	40,250	11,408	41,256	37,484	42,288	41,525	43,345	22,313	44,429	38,621
Other	197,533	329,968	199,926	221,594	202,305	157,269	204,669	147,585	221,436	113,875
R&M	194,608	76,609	199,311	144,186	204,078	136,685	208,907	49,580	217,263	104,973
Rates	47,965	46,476	49,164	48,394	50,393	46,778	51,653	48,566	52,945	49,910
Dam safety	23,979	17,427	-	-	-	-	-	-	-	-
Consultation	7,175	-	7,354	-	7,538	-	7,727	-	7,920	-
Total direct	764,683	740,480	755,304	672,258	770,056	648,027	784,952	476,804	822,314	461,487
Indirect										
Operations	331,630	382,808	336,541	316,722	341,442	429,798	346,330	326,109	356,893	214,318
Non-infrastructure	33,780	34,194	34,097	27,702	34,409	43,182	34,716	28,691	35,583	8,014
Insurance	65,736	77,107	67,380	56,482	69,064	41,831	70,791	34,402	72,560	19,482
Total indirect	431,146	494,109	438,018	400,906	444,916	514,811	451,836	389,202	465,037	241,814
Total operating	1,195,830	1,234,589	1,193,322	1,073,164	1,214,971	1,162,838	1,236,788	866,006	1,287,351	703,301
Revenue										
Irrigators		389,211		503,200		488,284		424,056		466,674
CSO		709,094		858,889		856,744		853,894		838,416
Total revenue		1,098,305		1,362,089		1,345,028		1,277,950		1,305,090

Source: Seqwater (2018)

Variances between budget and actual expenditure have been explained in the annual network service plan for each year. The network service plans are published on Seqwater's website. The material variances relate to:

- Over the price path, labour costs have been reduced through improvements in scheme operations
- Electricity costs are incurred when available water is pumped into the dam. As there was less water available than forecast, electricity costs were also lower than forecast
- Repairs and maintenance costs were less than budget because a number of assets were renewed by flood repairs thus reducing the level of normal routine maintenance
- The overall value of Seqwater's asset portfolio has increased and Seqwater has negotiated more favourable insurance premiums. Consequently, the allocation of the portfolio insurance premium to scheme assets is lower

4.1.3 2018-20 extended price path budget

The following table sets out the extended budgets for 2018-19 and 2019-20. The 2018-19 and 2019-20 budgets were calculated by applying the QCA's escalation rates to the 2017-18 extended budget amended to include additional costs as explained in section 4.1.1 above.

Table 6: Forecast operating costs 2018-19 and 2019-20 (\$Nominal)

Operating cost category	2018-19	2019-20
	Budget \$	Budget \$
Direct		
Labour	288,342	298,722
Electricity	45,539	46,678
Other	227,581	233,904
R&M	225,954	234,992
Rates	54,268	55,625
Dam safety	25,259	-
Consultation	8,118	8,321
Total direct	875,060	878,241
Indirect		
Operations	367,778	378,995
Non-infrastructure	36,473	37,385
Insurance	74,374	76,234
Total indirect	478,625	492,614
Total operating	1,353,686	1,370,855

Source: Seqwater (2018)

4.1.4 2018-19 Base year

Seqwater submitted its entire operating costs program to the QCA for its review, as part of the bulk water price investigation. This was based on a base year of 2018-19. To ensure consistency, we have adopted the QCA's approved 2018-19 costs as the base year to forecast operating costs. This is consistent with the referral notice. Costs associated with the management of recreation activities were removed.

Table 7: 2018-19 Base Year Comparison (\$Nominal)

Cost category	QCA extended budget \$	Seqwater base year \$	Rationale for base year forecast
Direct			
Labour	288,342	133,331	Labour costs are shared between four schemes (Central Lockyer, Morton Vale, Lower Lockyer and Central Brisbane). The total labour costs are forecast to be \$288,144. Of this, 45% is allocated to the Lower Lockyer based on management's allocation of resources and work practices.
Electricity	45,539	45,539	Electricity costs depend on the amount of water in the dam available to be pumped for customers use. The QCA considered this in detail in the previous review and Seqwater considers it appropriate to maintain this approach.
Other	227,580	106,080	The QCA allowed \$174,000 for contractors in 2018-19. However, this allowance has not been needed. Instead Seqwater has budgeted for external plant hire for channel de-silting (\$51,673), parts and materials (\$10,600), security (\$13,325), plant and fleet hire (\$12,760). Other miscellaneous costs are also included.
R&M	225,954	71,207	Reactive maintenance costs (\$32,137) have been estimated based on the average spend over the past three years. Other costs include contractors (\$20,000), mowing (\$25,707) and fencing (\$25,000).
Rates	54,268	51,326	Based on 2017-18 actual plus 2.5%
Dam safety	25,259	–	None scheduled in this year
Consultation	8,118	–	Seqwater includes consultation costs as an overhead
Insurance	74,374	27,444	Seqwater allocates the overall insurance premium depending on the asset replacement costs.
Total direct	949,434	434,927	
Indirect			
Operations	367,778	196,229	Indirect costs based on the indirect allocators.
Non-infrastructure	36,473	7,828	
Total indirect	412,369	204,057	
Total operating	1,353,685	638,984	

Source: Seqwater (2018)

4.1.5 2021-24 budget forecast

In preparing these operating cost forecasts, Seqwater began with the scheme's direct operating costs budget for 2018-19 as the base year. Consistent with the referral notice, costs associated with the management of recreation activities were removed.

The scheme's share of the corporate insurance premium proportional to the value of scheme assets was calculated and included.

The scheme's share of indirect costs, proportional to the total of scheme direct costs was calculated and added to give the total forecast operating costs in the base year. These costs were then escalated by an allowance for CPI and projected forward to 2020-21 to 2023-24.

The following table sets out the forecast operating costs for 2020-21 to 2023-24.

Table 8: Operating costs budget for 2020-21 to 2023-24 (\$Nominal)

Operating cost category	2020-21	2021-22	2022-23	2023-24
	Budget \$	Budget \$	Budget \$	Budget \$
Direct				
Labour	141,451	145,836	150,080	154,447
Electricity	41,288	42,815	46,686	46,476
Repairs & Maintenance	74,790	76,727	78,699	80,721
Other	111,310	114,149	117,046	120,018
Local government rates	53,792	55,137	56,516	57,929
Dam safety inspection	3,715	0	3,903	28,216
Insurance	28,763	29,482	30,219	30,975
Total direct	455,110	464,147	483,150	518,782
Indirect				
Operations	219,155	224,634	230,250	236,006
Non- infrastructure	8,743	8,962	9,186	9,415
Total indirect	227,898	233,595	239,435	245,421
Total operating	683,008	697,742	722,585	764,203

Source: Seqwater (2018)

4.2 Renewals

4.2.1 Asset Restoration Reserve

In September 2017, Seqwater engaged Indec Consulting to undertake an independent review of the Asset Restoration Reserves (ARR) for each of Seqwater's irrigation schemes. On the recommendation of the consultant, Seqwater has recast the ARR for this scheme and the updated account for 2017-18 is presented below.

Table 9: Lower Lockyer Valley WSS Asset Restoration Reserve 2013-14 to 2019-20 (\$Nominal)

Asset Restoration Reserve	2013-14 Actual (\$)	2014-15 Actual (\$)	2015-16 Actual (\$)	2016-17 Actual (\$)	2017-18 Actual (\$)	2018-19 Estimate (\$)	2019-20 Estimate (\$)
Opening Balance 1 July	-518,133	-585,415	-633,619	-789,686	-712,634	-730,300	-1,226,446
Interest for year*	-32,124	-36,296	-39,284	-48,961	-44,183	-45,279	-76,040
Revenue	141,407	167,721	166,541	165,741	169,885	174,132	178,485
Expenditure for year - non-metering	-92,938	-131,524	-5,286	-6,115	-143,368	-475,000	-60,000
Expenditure for year - metering	-50,668	-90,145	-254,074	-247	-	-150,000	-297,000
Flood costs not claimable	-32,958	-531	-1,318	-	-	-	-
Closing Balance 30 June	-585,415	-676,191	-812,252	-703,231	-720,314	-1,215,842	-1,469,738

Source: Seqwater (2018)

* The interest rate is calculated at the Queensland Competition Authority's recommended weighted average cost of capital (WACC) of 6.2% post-tax nominal.

4.2.2 Renewals expenditure

4.2.2.1 2014-18 renewals

The following table sets out the renewals projects that were undertaken from 2013-14 to 2017-18. Actual expenditure is shown against QCA's renewals budgets for the scheme¹.

Table 10: Renewals expenditure compared to budget 2013-14 to 2017-18 (\$Nominal)

2013-14		2014-15		2015-16		2016-17		2017-18	
Budget \$	Actual \$								
391,373	143,607	192,957	179,097	25,197	282,006	93,378	39,729	139,756	143,368

Source: Seqwater (2018)

In total, Seqwater's expenditure was \$54,854 or 7% below the QCA's total budget allowance.

As Seqwater's expenditure was within the QCA allowance, we submit that no further investigation is required into past expenditure, and that the QCA should rely on its previous review and conclude that this expenditure is prudent and efficient.

Details of the renewals expenditure including explanations of variances from Seqwater's budget are set out in the annual network service plan for each year. The network service plans are published on Seqwater's website.

In addition to the above, a total of \$34,807 being flood damage repairs carried out but not claimable under insurance was attributed to the scheme in 2013-14 to 2015-16 (refer table 9 above).

4.2.2.2 2019-20 forecast renewals

Forecast renewals expenditure for 2018-19 and 2019-20 is set out in the table below.

¹ Sourced from the QCA pricing model.

Table 11: Forecast renewals expenditure for 2018-19 and 2019-20 (\$Nominal)

2018-19 renewals budget		2019-20 renewals budget	
Metering \$	Non-metering \$	Metering \$	Non-metering \$
150,000	475,000	297,000	60,000

Source: Seqwater (2018)

4.2.2.3 2021-24 forecast renewals

Forecast renewals expenditure for the next price path period of 2020-21 to 2023-24 is set out in the table below.

Table 12: Forecast renewals expenditure for 2020-21 to 2023-24 (\$Nominal)

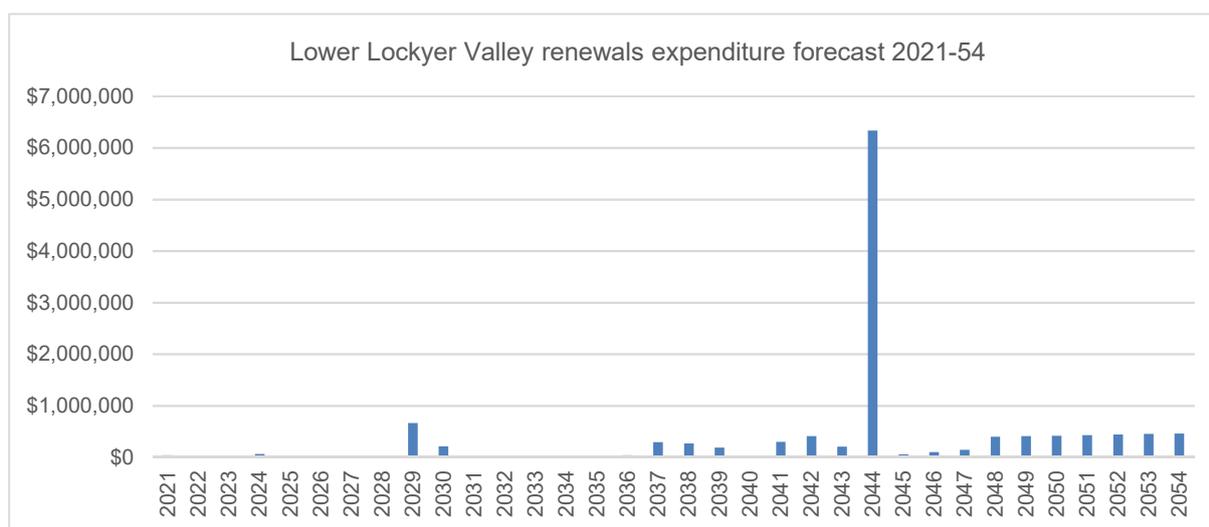
2020-21		2021-22		2022-23		2023-24	
Metering \$	Non-metering \$	Metering \$	Non-metering \$	Metering \$	Non-metering \$	Metering \$	Non-metering \$
220,093	37,887	–	6,446	–	–	–	59,818

Source: Seqwater (2018)

Seqwater is proposing a 30-year rolling annuity. Each year, the 30 year forecast rolls forward one year so that there is constantly a 30-year forecast of costs in the annuity calculation.

Proposed expenditure over the period 2020-21 to 2053-54 for the Lower Lockyer Valley scheme is shown in the chart below.

Figure 3: Lower Lockyer renewals expenditure 2021-54 (\$ nominal)



Source: Seqwater (2018)

5. Total costs and proposed prices

The cost recovery target for irrigation prices includes the components of a lower bound cost target such as the costs of operations, administration, maintenance and renewals. Each of

these components have been discussed in the sections above. Together they form the cost recovery target for irrigation prices.

The total maximum allowable revenue (MAR) for medium priority water allocations is shown below.

Table 13: Total forecast maximum allowable revenue (\$Nominal)

Cost type	2020-21 \$	2021-22 \$	2022-23 \$	2023-24 \$
Direct operating costs	455,110	464,147	483,150	518,782
Indirect operating costs	266,929	273,602	280,442	287,453
Rolling Annuity	365,104	385,720	406,914	428,699
Revenue Offset	-5,781	-5,925	-6,073	-6,225
Efficiency Target	-2,840	-4,375	-6,004	-7,688
Maximum allowable revenue	1,078,523	1,113,170	1,158,429	1,221,022

Source: Seqwater (2018)

Seqwater considers that most of our costs do not vary with water use. Accordingly, we consider it appropriate to recover the majority of costs through the fixed charge. We have calculated the prices needed to recover these costs over the price path period, such that they increase smoothly by 2.5% and are not impacted by one-off costs.

Seqwater's proposed cost reflective prices for Lower Lockyer Valley are set out below. These are based on our interpretation of the referral notice.

The cost recovery target for irrigation prices includes the components of a lower bound cost target such as the costs of operations, administration, maintenance and renewals. Each of these components have been discussed in the sections above. Together they form the cost recovery target for irrigation prices.

Table 14: Lower Lockyer Valley proposed cost reflective water prices 2021-24 (Nominal \$/ML)

Tariff Group	Tariff	2020-21 Proposed (\$)/ML	2021-22 Proposed (\$)/ML	2022-23 Proposed (\$)/ML	2023-24 Proposed (\$)/ML
Lower Lockyer Valley	Cost reflective fixed Part A	85.61	87.75	89.95	92.20
	Cost reflective variable Part B	10.89	11.16	11.44	11.72

Source: Seqwater (2018)

Appendix 1: Lower Lockyer Valley WSS service targets

These service targets were agreed at the Lower Lockyer Valley Water Supply Scheme consultation forum held on 1 May 2014.

Planned shutdowns

Definition: A planned shutdown occurs when customers' supply is interrupted or restricted due to the performance of work by Seqwater that is planned in advance.

In managing planned shutdowns, Seqwater recognises that the following are important service issues:

- That you will be notified about a shutdown so that you can plan ahead;
- The timing of the shutdown should suit most customers;
- The duration of the shutdown should minimise the impact on customers while enabling Seqwater to perform maintenance on the Scheme.

Planned shutdowns – timing target

The timing of all planned shutdowns will be set following consultation with the Irrigation Consultation Forum (for a shutdown affecting a large part of the scheme) or customer groups or individuals (for shutdowns effecting small areas).

Planned shutdowns – duration target

Seqwater will complete all planned shutdowns within the period notified to customers unless later varied by agreement with the groups originally consulted, or unless circumstances arise that are beyond Seqwater's control, such as adverse weather conditions.

Planned shutdowns – notice target

For shutdowns planned to exceed 2 weeks, 8 weeks written notice will be provided to each customer affected by the shutdown. A reminder notice will be sent 2 weeks before the commencement of the shutdown.

For shutdowns planned to exceed 3 days but are less than 2 weeks, at least 2 weeks written notice by letter, fax, telephone, text, email or verbal advice will be provided to each customer affected by the shutdown unless the shutdown is opportunistic in which case less than 2 weeks' notice may be given.

For shutdowns planned to be less than 3 days, at least 5 days' notice will be provided at least verbally to each customer affected.

Each notice will state the start date, and anticipated shutdown duration.

Note: A courtesy reminder may be placed in the local newspaper one week before the planned shutdowns commence.

Unplanned shutdowns

Definition: An unplanned shutdown is an unforeseen or unplanned failure of Seqwater’s water delivery infrastructure that stops or restricts the supply of water to a customer for more than 2 hours (including emergency repairs). It does not include events that are beyond Seqwater’s control (e.g. power failure, or storm) and does not include interruptions to supply caused by errors in estimating water demand and releases, or the taking of water without authorisation.

Unplanned shutdown – duration targets

- Unplanned Shutdowns will be fixed so that at least partial supply can be resumed to those customers requiring water within 48 hours of Seqwater being notified of the event.
- Some events may interrupt supply greater than the above standard and are excluded from these targets. Seqwater will publish these events from time to time.

Unplanned shutdown – notice target

Seqwater will notify all affected customers requiring water verbally or by email, text, telephone, radio announcement or fax of the likely duration of the interruption to supply within 24 hours of learning of the event, or by the end of the first business day following the event, whichever is the earlier.

Unplanned shutdown – meter repairs target

Faults causing restrictions to supply will be repaired within one working day of Seqwater being notified.

Frequency of interruptions to supply

No customer will experience more than 6 planned or unplanned interruptions per water year (as defined above).

Complaints

Seqwater will provide an initial response to all complaints in writing, including email, or by telephone within 5 working days of receiving a complaint by the customer:

Seqwater will either resolve a customer’s complaint, or provide a written response providing reasons why the complaint has not or cannot be resolved within 21 days of receiving the complaint.