QCA Submission

Lower Lockyer Valley Water Supply Scheme

Scheme submission to QCA

Price Review 2025-2029

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1. Introduction

1.1. Review context

Under a Referral Notice issued on the 10th of March 2023 by Treasurer and Minister for Trade and Investment, the Queensland Competition Authority (QCA) has been directed to recommend irrigation prices for the Lower Lockyer Valley Water Supply Scheme (the Scheme) for the four-year regulatory period from 1 July 2025 to 30 June 2029. Prices are to recover the efficient operating, maintenance and administration costs, an annuity to recover renewals expenditure and if relevant, prudent and efficient augmentation capital 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 Plan and 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
• Atkinson Dam	• Buaraba Creek Diversion Weir • Brightview Weir • Sippels Weir • Potters Weir • O’Reillys Weir	• 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

2.1 Customer service standards

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

Seqwater publishes an annual Scheme Performance Report (SPR) for each scheme, including the Lower Lockyer Valley WSS. This was previously known as the Network Service Report (NPR). Current and prior year SPRs and NPRs are published on Seqwater's website, with a separate webpage for each scheme. A report against the service standards has been included in the SPR (and formerly the NPR) since 2020-21. Prior years' service target reports are published on the Lower Lockyer Valley WSS scheme page in the Service Targets section.

2.3. 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	121	10,911
Other	6	199
Seqwater	-	1,510
Totals	**127**	**12,620**

2.4. Water availability and use

2.4.1. 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 seventeen years starting 2007-08.

Table 3 Announced allocations history

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		

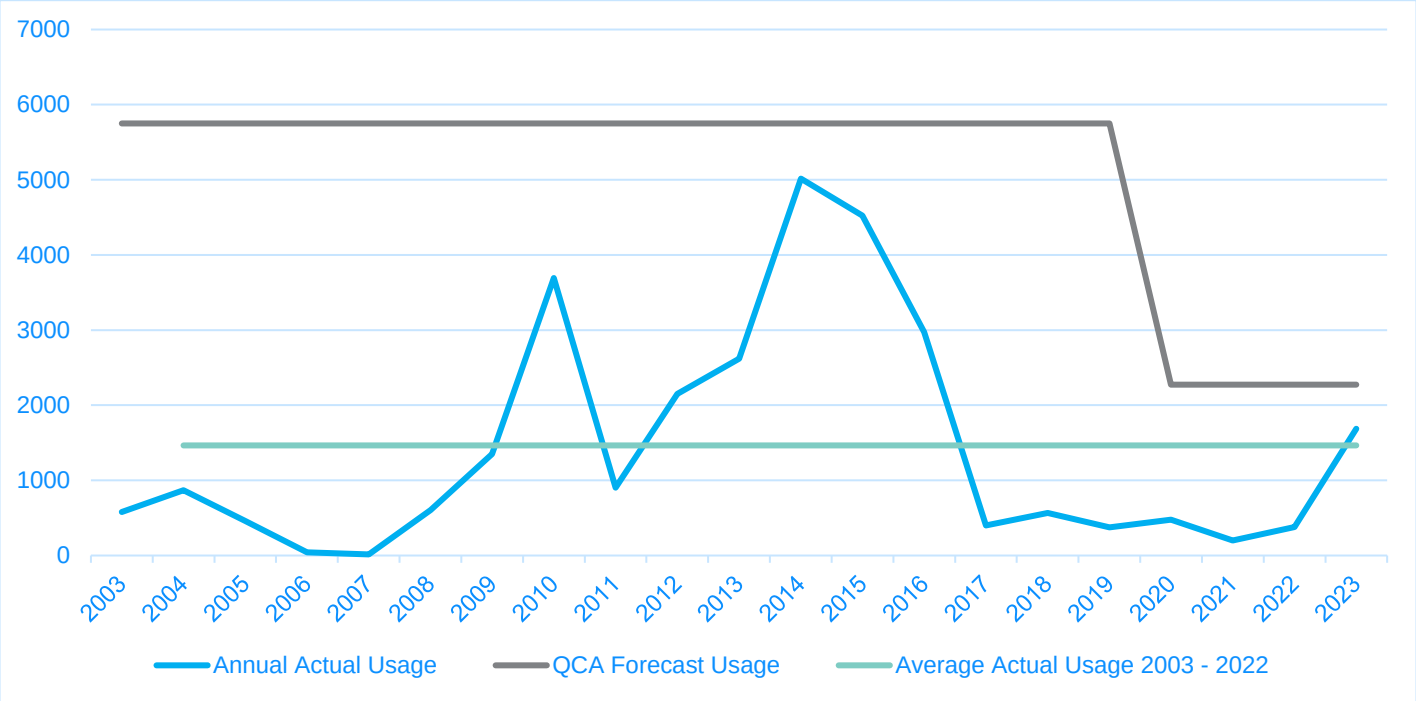
2.4.2. Water use

Figure 1 below shows the actual water usage per year from 2002-03 to 2023-24.

Also shown is the usage assumption adopted by the QCA for the 2013-17 (extended to 2019) and the 2020-24 price path periods, which is 5,750 ML and 2,274ML (respectively). The QCA's usage assumption has been extrapolated to prior years for comparison purposes only.

Also shown is average actual water usage over 2003-04 through to 2022-23 (1,465ML), which is used to derive Seqwater's proposed forecast of usage over the 2025-29 price path period. The usage forecast is subsequently used to calculate Lower Lockyer Valley's proposed variable Part B prices.

Figure 1 Annual Scheme water usage for FY2003 to FY2023



3. Irrigation customer consultation

Seqwater is committed to putting its customers first and providing quality experiences. Seqwater partners with its customers to deliver innovative and sustainable outcomes, creating value for customers and Southeast Queensland.

Seqwater recognises the importance of effective customer engagement across all aspects of providing irrigation services. It has sought to embed this into business-as-usual activities, which also means that a more targeted, meaningful engagement has been undertaken as part of this QCA price review.

For many years, Seqwater has held annual customer forums, where all customers are invited to hear about how Seqwater is managing the irrigation schemes, and to ask questions and provide feedback.

Since the last price review, Seqwater has also formally established Customer Reference Groups (CRGs) for each of its water supply schemes to provide a more formal framework building on the collaborative partnership that had already been established. The membership consists of a broad cross-section of customers within the scheme with the membership and functions of the CRG governed by the Terms of Reference. The CRG provides a forum for Seqwater to regularly consult

with the small group with whom it can share matters of detail and seek feedback from the members on what matters most to them and how best to share information with the wider scheme customers.

3.1. Regular irrigation customer surveys

Seqwater has been inviting customers to participate in annual surveys since 2019. Over this time, it has seen an increase in engagement with more customers participating in the survey each year. It has also observed an increase in its Net Promoter Score (NPS)[1] as well as Satisfaction and Trust scores. Since 2020, Irrigation NPS has formed part of Seqwater's organisational Key Performance Indicators.

Across all schemes, the NPS for the current year, 2023, was 6%, which is a significant increase from the first year (2019) when it was -81%.

Over the years Seqwater has asked specific questions relating to pricing and satisfaction with current service levels. In 2020, following the 2020-24 price review customers were asked if they have any suggestions for Seqwater to improve ongoing engagement. The question asked was:

"During the last price path period, Seqwater engaged and connected with our customers through forums, information bulletins (email & post) and held meetings with our Customer Information Working Groups in the various schemes.

The Qld Competition Authority recommended in their Final Report for the 2020-24 Irrigation Price Review that Seqwater look at improving our ongoing engagement with customers. Do you have any further suggestions for us?"

Across all schemes, out of 36 responses received in total to this question, 11 customers responded "No suggestions" and the remainder of customers provided this feedback:

- "Keep up the communication"
- "Keep up the good work of servicing our few concerns"
- "Keep doing what you are doing"
- "Keep customer reference group meetings - twice per year"
- "Encourage more customers to attend yearly meetings of irrigators"
- "It's all working well"
- "Communications have improved over the last years".

Seqwater used this feedback to build on the foundations that it had already started to build and continued listening to customers and ensuring all communications are targeted, based on what customers need to know to make it easier for them to do business. This included ensuring the agendas for the annual forums include the information that the customers want, for example, temporary transfers, forecast storage balances and announced allocations, weather forecasts, usage statistics, capital projects and day to day operational challenges and successes. Customer feedback at these forums has been exceptional with customers saying they are informative sessions that are 'hitting the mark' based on what they are interested in hearing.

[1] The Net Promoter Score is based on responses to the question "Taking everything into account, on a scale from 0 to 10 (0 being highly dissatisfied and 10 being highly satisfied), how likely are you to speak positively about Seqwater?" NPS is calculated by subtracting the percentage of detractors (scores 0-6) from the percentage of promoters (scores 9-10).

This feedback also confirmed that the level of consultation with customers regarding past price reviews was meeting their expectations.

How has Seqwater used feedback to improve customer experience?

The addition of surveys and regular meetings with the CRGs to the Annual Forums ensures that Seqwater has multiple avenues to receive feedback from customers on how to improve customer experience. Improvements implemented since the last irrigation price review include:

- Customer Connect – a free online marketplace for buyers and sellers to interact
- Water Accounting Statements
- Self-Executing Contracts
- New Water Accounting System with Online Customer Portal (in development)
- Regular customer newsletters
- Agent Forum (Act as an Authority)
- SMS messaging
- Implemented a suite of proactive messaging in relation to invoicing – look out for your invoice it has just been sent by email, reminder that your invoice is due.

3.2. Customer consultation to support the submission to the QCA

In developing its submission Seqwater has worked collaboratively with its irrigation customers with a view to securing customer endorsement of proposed cost targets and price outcomes in accordance with the Referral Notice and policy constraints.

To achieve this outcome, Seqwater undertook a transparent and comprehensive three phase consultation process from which agreed actions from the engagement were directly fed into the development of the pricing proposal. The CRG has played a central role in this price review, and Seqwater has been grateful for the active participation of customers whose input has allowed it to test its pricing proposals, leading to a robust price submission. Many customers have expressed their appreciation for Seqwater's proactive approach and its commitment to keeping them informed and involved.

Phase 1: Listen and Learn (March – May 2023)

The first phase of the engagement process included:

- a customer forum held in March 2023 where all customers were invited;
- a survey, sent to customers via email, preceded by an SMS inviting them to participate in the survey; and
- a CRG meeting.

At the customer forum, Seqwater outlined how irrigation prices are set, how the pricing proposal was being developed and where customers could provide value and influence in the proposal. It also sought feedback from customers on the current level of service and what they wanted out of the price review.

During this first phase, customers in the Lower Lockyer Valley WSS told Seqwater that they:

- want a continuation of the Community Service Obligation (CSO);
- would like the regulatory cost of price reviews minimised, believing money spent on consultancies is unnecessary expenditure to be recovered through their schemes;

- are unhappy about having to pay for water when there are no allocations;
- would like to explore ways to recover a greater portion of scheme costs through variable charge/s;
- were not interested in specific cost allocation and pricing methodologies;
- were concerned over water losses through channel distribution network. Customers would like to explore the cost/benefit of replacing certain channels with pipelines. That is, the additional cost of pipelines versus the value of water saved, noting saved water could be sold back into the scheme to reduce the annuity charge.
- just want reliability of supply when water is available, and if there is an interruption to supply, they just want it fixed as soon as possible;
- would like an online water accounting portal to manage their water allocations.

Phase Two: Draft Costs and Prices (September 2023)

Phase 2 of the engagement was sharing Seqwater's first draft of its proposed costs and prices. A key part of this engagement was sharing this information with customers in a simple, clear and accessible way, clearly articulating the key cost drivers, to ensure they were well equipped to provide meaningful feedback.

Seqwater met with the CRG first in September 2023, where it went through in detail all the components that make up the costs, including operational expenditure, historical water usage, capital expenditure, key cost drivers and the proposed prices, as well as reviewing actual expenditure in the current price path period to date.

The CRG asked for Seqwater to confirm:

- scheme electricity costs;
- what year the metering project will take place to upgrade and align meters with metering standards;
- an alternative methodology to calculate water usage volume (ML) used in the Part B tariff to take into consideration the years when there is no water.

Seqwater provided confirmation of each of these matters.

The customers in Lower Lockyer Valley had no objections to the draft proposed costs and prices.

Phase 3: Respond to customer feedback and confirm final costs and prices

The final phase of this price review was undertaken in November 2023. Seqwater provided responses to questions raised in Phase 2 to a combined CRG and Customer Forum meeting and presented the final proposed costs and prices that will be included in its submission to the QCA. The Lower Lockyer Valley CRG confirmed it was satisfied with the consultation process and had no objections to the proposed costs in the final submission.

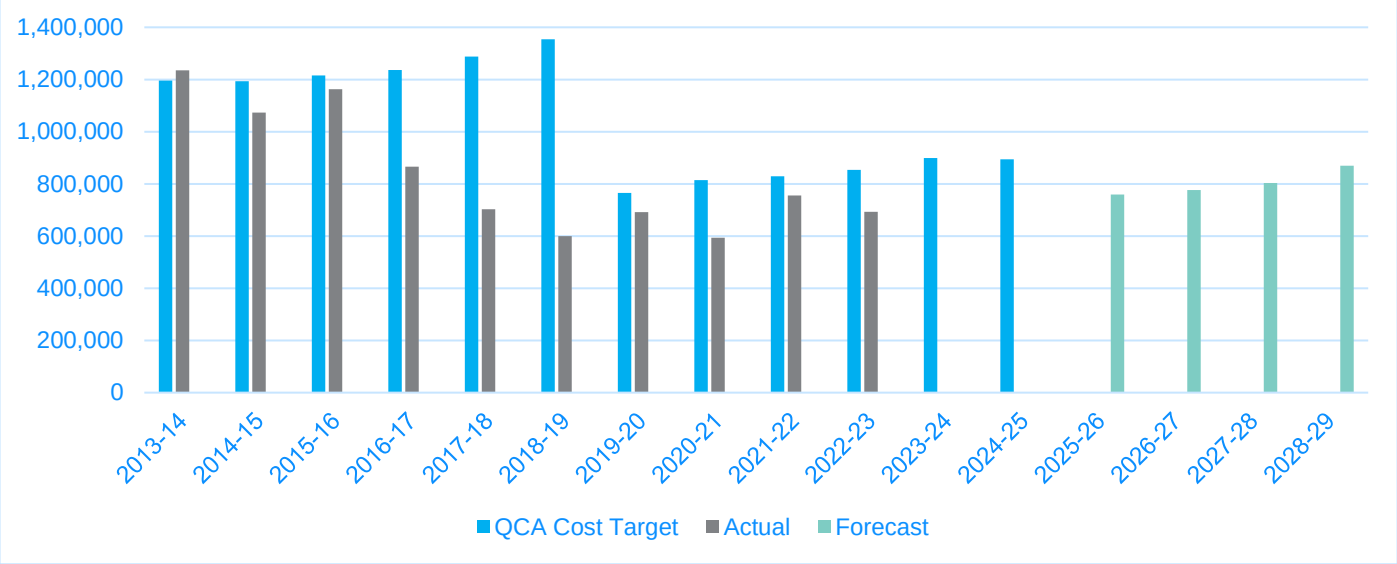
4. Financial Performance

4.1. Operating expenditure

4.1.1. Overview

Over the current price period, (2020-21 to 2022-23) Seqwater has spent 18 per cent less than the QCA's recommended operating cost targets in the Lower Lockyer Valley scheme. This cost reduction was primarily due to lower electricity costs, indirect allocation and other costs.

Figure 2 Lower Lockyer Valley operating expenditure FY14 to FY29 ($ nominal)



The next section provides more detail on differences between actual and forecast expenditure between 2020-21 and 2022-23, before presenting forecast expenditure for the 2025-29 price path period.

4.1.2. QCA cost target comparison to actual – current price period 2020-23

Table 4 compares actual costs against the forecast operating costs recommended as a cost target by the QCA for the 2020-24 price path period.

Table 4 FY2020-FY2023 operating expenditure QCA cost targets and actual costs (whole scheme, $Nominal)

Operating Cost Category	2020-21 QCA Cost Target	2020-21 Actual	2021-22 QCA Cost Target	2021-22 Actual	2022-23 QCA Cost Target	2022-23 Actual
Direct Costs						
Labour	158,372	154,359	162,331	180,216	166,795	171,269
Electricity Fixed	44,618	7,090	45,318	18,763	46,045	7,350
Repair & Maintenance	107,662	81,909	110,156	123,654	113,016	101,723
Other	110,430	59,679	112,962	35,302	115,874	80,864
Local government rates	52,858	63,111	54,021	60,796	55,371	62,440
Dam safety inspection	3,679	0	0	49,270	3,854	11,765
Insurance	59,773	63,162	61,088	65,360	62,615	65,360
Total Direct Costs	**537,392**	**429,311**	**545,875**	**533,361**	**563,570**	**500,771**
Indirect Costs						

Operating Cost Category	2020-21 QCA Cost Target	2020-21 Actual	2021-22 QCA Cost Target	2021-22 Actual	2022-23 QCA Cost Target	2022-23 Actual
Operations	267,481	154,202	273,365	205,585	280,199	181,877
Non- infrastructure	9,583	10,352	9,794	16,830	10,038	10,806
Total Indirect Costs	**277,063**	**164,554**	**283,159**	**222,415**	**290,238**	**192,682**
Total Operating Costs	**814,456**	**593,865**	**829,034**	**755,776**	**853,808**	**693,453**

Variances between QCA cost targets and actual expenditure have been explained to customers and are contained in the annual SPR. A summary of the variances is as follows:

- Electricity costs were lower due to drought at the start of the price path period and no releases required from Atkinson Dam until 2022.
- Labour costs were broadly in line with the QCA cost targets.
- Other costs were less because activity on the scheme was reduced with staff being diverted to other priorities away from the Scheme.
- Local government rates were higher than budgeted
- Dam safety inspection costs were higher due to an Atkinson Dam Failure Impact Assessment being undertaken as per dam safety legislation and was omitted from the 2020-24 price path review.

4.1.3. 2023-24 base year

Seqwater has adopted a base-step- trend approach to derive its proposed operating expenditure for the 2025-29 price path period. This is consistent with past practice and the QCA's Guideline for this review[2]. Also consistent with the approach applied in previous QCA price reviews, and as required under the terms of the Referral Notice, the QCA is to have regard to the findings of its most recent prudency and efficiency assessment of Seqwater's bulk water prices (the 2022-26 bulk water price review).

Seqwater's base year operating expenditure is 2023-24, derived by escalating actual 2022-23 operating expenditure by the RBA's forecast inflation rate for 2023-24, which is 3.5 per cent[3], except for labour costs, which are based on the 2023-24 corporate budget. It has excluded costs for recreation activities as required by the Referral Notice.

Table 6 details the proposed 2023-24 base year expenditure as allocated to the Scheme.

[2] Queensland Competition Authority (2023). Guidelines for Pricing Proposals: Rural Irrigation Price Review 2025-29, March.

[3] RBA, *Statement on Monetary Policy*, August 2023, Chapter 5 Economic Outlook.

Table 5 Proposed 2023-24 base year operating expenditure compared to the QCA's recommended cost target - Lower Lockyer WSS ($Nominal)

Cost category	QCA cost target 2023-24	Seqwater base year 2023-24	Rationale for base year forecast
Direct costs			
Labour	171,348	183,466	Based on actual time allocation budget for 2023-24
Electricity	46,681	11,454	Average last three years (includes a pumping year). Electricity costs depend on the amount of water in the dam available to be pumped for customers use.
Repairs & maintenance	115,942	105,284	2022-23 actual plus 3.5%
Other	118,853	65,710	2022-23 actual plus 3.5%
Rates	56,755	64,001	Based on 2022-23 actual plus 2.5%
Dam safety	27,859	46,191	Based on dam safety program
Insurance	64,181	88,340	Seqwater allocates the overall insurance premium depending on the asset replacement costs.
Total direct costs	**537,440**	**564,446**	
Indirect costs			
Water Accounting System		2,914	Scheme share of annual licence fee for new water accounting system and customer online portal (total $25,000)
Operations	177,732	175,893	Indirect costs based on the indirect allocators.
Non-infrastructure	13,482	13,335	
Total indirect costs	**361,674**	**192,142**	
Total proposed operating expenditure	**899,114**	**756,589**	

4.1.4. 2025-29 operating expenditure forecast

In preparing these operating cost forecasts, Seqwater derived base year operating expenditure for 2023-24 in accordance with approach set out above. These costs were then escalated by CPI and projected forward to 2025-26 through to 2028-29. Consistent with the Referral Notice, costs associated with the management of recreation activities were removed.

The following table sets out the forecast operating costs for the scheme for 2025-26 to 2028-29.

Table 6 Operating costs budget for 2025-26 to 2028-29 – Lower Lockyer Valley WSS (whole scheme, $Nominal)

Operating costs	2025-26	2026-27	2027-28	2028-29
Direct Costs				
Labour	192,960	197,514	202,175	206,947
Electricity Fixed	11,987	12,263	12,545	12,834
Repair & Maintenance	111,156	114,010	116,855	119,685
Other	69,660	71,605	73,495	75,323
Local government rates	67,899	69,823	71,685	73,477
Dam safety inspection	4,495	-	4,746	48,483
Insurance	97,395	102,264	107,378	112,746
Total Direct Costs	**555,552**	**567,479**	**588,879**	**649,495**
Indirect Costs				
Water Accounting System	3,092	3,179	3,264	3,346
Operations	186,604	191,892	197,009	201,934
Non- infrastructure	14,147	14,548	14,936	15,310
Total Indirect Costs	**203,844**	**209,619**	**215,209**	**220,589**
Total Operating Costs	**759,395**	**777,098**	**804,087**	**870,084**

4.2. Renewals

4.2.1. Asset Restoration Reserve

The renewals annuity includes the calculation of an Asset Restoration Reserve (ARR), which acts like a notional bank account for the Scheme based on:

- actual renewals expenditure for the Scheme, compared to
- revenue received from the Scheme for the renewals annuity allowance that was used to set prices.

A 2017 quality assurance review by Indec of Seqwater's ARR methodology found that for customers in schemes that supplied both high priority urban and medium priority irrigation users, Seqwater's ARR balances had been confusing to interpret. For the 2025-29 price path period, Seqwater has continued the similar approach to 2020-24 to calculate and report the ARRs for the irrigation share only. This is provided in the table below.

Table 7 Lower Lockyer Valley WSS Asset Restoration Reserve 2019-20 to 2024-25 ($Nominal)

Asset Restoration Reserve	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Estimate	2024-25 Estimate
Opening Balance 1 July	**-738,157**	**-1,017,488**	**-1,575,351**	**-1,160,893**	**-756,346**	**-331,325**
Interest for year[a]	--45,766	-44,464	-68,843	-50,759	-33,073	-14,491
Revenue for year	178,485	132,438	488,745	487,967	488,620	503,279
Expenditure for year - non-metering	--397,310	-645,124	-3,553	-32,689	-30,546	0
Expenditure for year - metering	-14,741	-712	-1,891	0	0	0
Closing Balance 30 June	**-1,017,488**	**-1,575,351**	**-1,160,893**	**-756,432**	**-331,431**	**157,357**

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

4.3. Renewals expenditure

4.3.1. 2018-2023 renewals

The following tables set out the renewals projects that were undertaken from 2018-2023. Total expenditure is shown (not just the amount allocated to irrigators). Actual expenditure is shown against QCA's renewals budgets for the scheme[4].

Table 8 Renewals expenditure compared to budget 2018-19 to 2022-23 (whole scheme, $Nominal)

2018-19		2019-20		2020-21		2021-22		2022-23	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
625,000	261,982	521,213	412,051	692,142	645,836	6,364	5,444	-	32,689

In total, Seqwater's expenditure was $0.5 million or 26% below the QCA's total budget allowance. As Seqwater's expenditure was within the allowance recommended by the QCA as prudent and efficient, this actual expenditure should therefore be prudent and efficient. Seqwater's annual SPR contains details of the renewal's expenditure including explanations of variances from the budget. This is published on Seqwater's website.

4.3.2. 2023-25 forecast renewals expenditure

Forecast renewals expenditure for 2023-24 and 2024-25 is set out in the table below.

Table 9 Forecast renewals expenditure for 2023-24 and 2024-25 (whole scheme, $Nominal)

2023-24 renewals budget		2024-25 renewals budget	
Metering	Non-metering	Metering	Non-metering
-	30,546	-	-

4.3.2.1. 2025-29 forecast renewals expenditure

Forecast renewals expenditure for the 2025-29 price path period is set out in the table below.

Table 10 Forecast renewals expenditure for 2025-29 to 2028-29 (whole scheme, $Nominal)

2025-26		2026-27		2027-28		2028-29	
Metering	Non-metering	Metering	Non-metering	Metering	Non-metering	Metering	Non-metering
-	-	-	-	86,208	-	248,703	-

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.

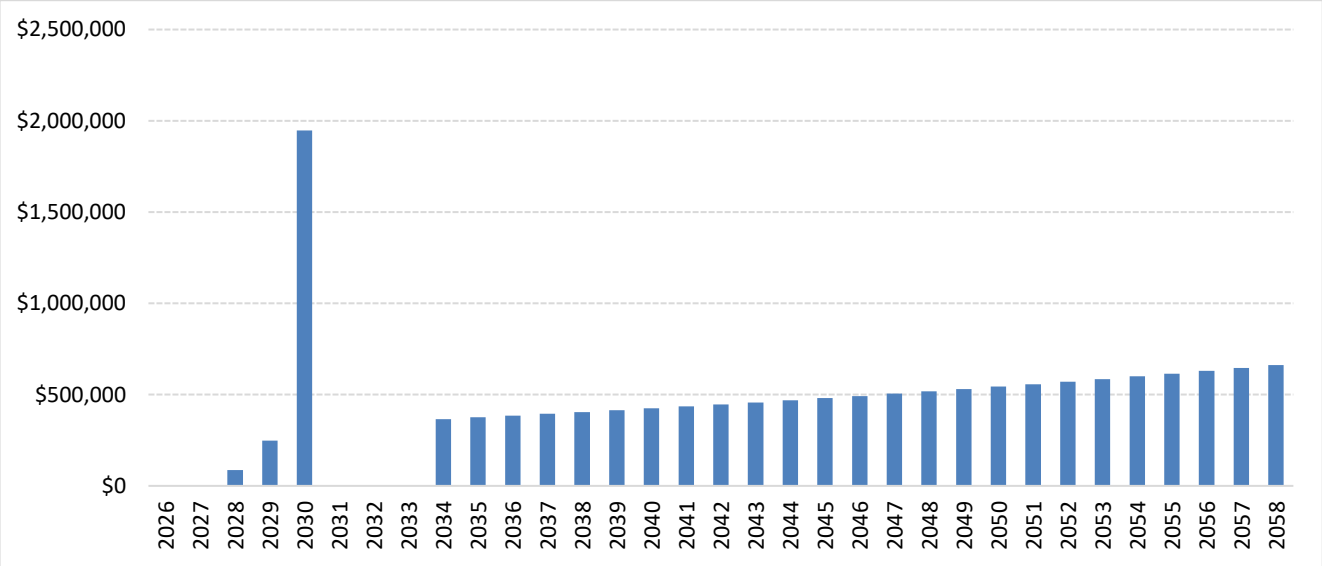
Seqwater considers that its proposed renewals expenditure is prudent and efficient as it has been developed under the same framework that is applied in planning and delivering its entire capital program, which was recently assessed by the QCA as prudent and efficient in the 2022-26 bulk water price review. Seqwater's approach is consistent with the terms of

[4] Sourced from the QCA pricing model.

the Referral Notice and the QCA's Guideline and where appropriate, has also involved consultation with relevant customers in each scheme.

Proposed expenditure over the period 2025-26 to 2057-58 for the Lower Lockyer Valley scheme is shown in Figure 3 below. Fence repairs totaling $192,603 and metering spend of $2.1 million are forecast to be incurred for the Lower Lockyer Valley WSS from 2025-26 through to 2032-33. A provision of $12.5 million has been allowed for capital projects between 2033-34 through to 2057-58 for the Lower Lockyer WSS.

Figure 3 Lower Lockyer renewals expenditure 2026-58 ($ nominal)



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) is shown below. As this Scheme has only irrigation customers, all these costs relate to irrigation.

Table 11 Total forecast Maximum Allowable Revenue – Lower Lockyer Valley (irrigation share, $Nominal)

Cost type	2025-26	2026-27	2027-28	2028-29
Direct operating costs	555,551	567,479	588,878	649,495
Indirect operating costs	203,844	209,619	215,209	220,589
Rolling Annuity	273,153	280,608	288,254	296,096
Revenue Offset	(11,747)	(12,080)	(12,402)	(12,712)
Maximum Allowable Revenue	**1,020,800**	**1,045,626**	**1,079,939**	**1,153,468**

Most of Seqwater's costs do not vary with water use and consequently most costs are recovered through the fixed charge. Seqwater has calculated the prices needed to recover these costs over the price path period, assuming price smoothing to avoid unnecessary price volatility.

Table 12 Lower Lockyer Valley proposed cost reflective water prices 2025-29 (MP, nominal $/ML)

	Actual price	Proposed cost reflective price	Proposed Prices			
Tariff	2024-25	2025-26	2025-26	2025-27	2027-28	2028-29
Part A	62.11	86.63	66.43	70.94	75.64	80.55
Part B	28.19	50.83	28.97	29.76	30.58	31.42

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.