



Final Service and Performance Plan

2021/22

Boyne River and Tarong Bulk Water Service Contract

27 July 2021

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At a glance

Our performance in 2019/20




Operating costs:
\$0.89 million (1.4% less than forecast)

Higher than forecast preventative maintenance costs were offset by lower than expected operations and corrective maintenance costs.




Annuity-funded costs:
\$0.19 million (3.9% less than forecast)

The 2019/20 annuity-funded program of works was completed within budget.



Total water deliveries:
15,980 ML


Water delivered to irrigators: 1048 ML



Service targets: Met

No exceptions


Outlook for 2021/22



Forecast operating costs:
\$1.25 million

Significant areas of expenditure:

- insurance (\$0.63 million)
- operations (\$0.47 million)
- preventative maintenance (\$0.13 million).



Forecast annuity-funded costs:
\$0.39 million

Key projects planned:

- a comprehensive risk assessment of Boondooma Dam to assess safety risks and identify works for prioritisation (\$0.11 million)
- refurbishing the right bank spillway access road rock face to mitigate known safety risk (\$0.16 million)
- redesigning and installing grating over trash screen slots (\$0.06 million).

Introduction

This Service and Performance Plan (S&PP) details a range of proposed scheme activities and projects, and presents a breakdown of anticipated costs for review. It also compares Sunwater’s actual costs for 2019/20 with our previous forecasts for this scheme.

The purpose of this year’s S&PP for the Boyne River and Tarong Bulk Water Service Contract is to:

- present to customers Sunwater’s projected costs¹ for the upcoming five-year period, i.e. 2021/22 to 2025/26
- consult with our customers on forecast operating and annuity-funded costs for 2021/22 and the forward program of works
- examine Sunwater’s performance in 2019/20 against previous forecasts and service targets.

Our focus during 2021/22 will be on ensuring dam safety compliance is maintained and that refurbishment and corrective work identified through our annual and five yearly comprehensive inspections at Boondooma Dam are implemented safely, timely and efficiently.

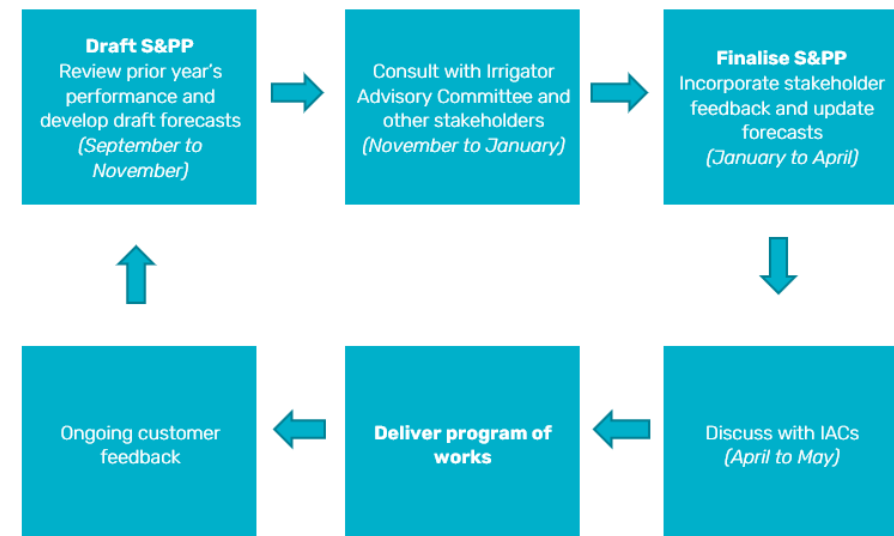
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

www.sunwater.com.au/customer/products-and-services/service-and-performance-plans/

¹ All financial figures reported in this document are in nominal dollars, i.e. dollars of the day. Figures may not sum due to rounding.

Input from customers is a valuable part of Sunwater’s planning process and ensures that we invest in areas which support the services we provide to customers. Figure 1 outlines how Sunwater and customers work together in relation to S&PPs.

Figure 1: Customer consultation and S&PPs



We welcome and encourage your feedback on this S&PP. To have your say and shape future S&PPs, please contact us via email or post:

Email: sppfeedback@sunwater.com.au

Post: S&PP Feedback
PO Box 15536
City East Qld 4002

Delivering services to our customers

At Sunwater we are committed to working collaboratively with our customers to deliver value and fit-for-purpose water solutions.

Our customers

Most customers in this scheme are irrigators who grow a range of different crops including pecans, grain fodder crops and blueberries. The Boondooma to Tarong Pipeline also provides water supplies to the Tarong Power Station and to the towns of Kingaroy and Wondai.

The water allocations for each customer segment are included in Table 1, together with water deliveries in 2019/20. Historical total water usage is available in **Appendix 1**.

Table 1: Water allocations and usage data¹

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2019/20 (ML)
Irrigation	9142	0	9142	1048
Industrial (excl. Tarong Pipeline)	343	0	343	0
Industrial (Tarong Pipeline)	30,470	30,470	0	12,156
Urban (Tarong Pipeline)	1825	1825	0	1689
Sunwater (excl. distribution losses)	5	5	0	0
Sunwater distribution losses	1620	1620	0	1086
Total	43,405	33,920	9,485	15,980

1. Includes Tarong Pipeline.

Irrigation charges

The 2021/22 charges and cost per megalitre are shown in Table 2.

Table 2: Irrigation charges for 2021/22

Tariff group	Product	2021/22 (\$/ML) ¹	QCA cost-reflective (\$/ML) ²
Boyne River and Tarong	Allocation Charge – Part A	24.29	17.83
	Allocation Water – Part B	1.54	2.00

1. Includes the Queensland Government's 15 per cent discount for irrigation customers. Refer to www.rdmw.qld.gov.au for more information.
2. Is the cost-reflective price determined by the QCA in its 2020–2024 irrigation price investigation. Costs reflect lower bound cost recovery, i.e. recovery of future replacement and ongoing maintenance and operations. Charges do not allow for any returns on existing assets.

For more information on Sunwater's fees and charges, refer to: www.sunwater.com.au/customer/fees-and-charges/

Service targets

Sunwater and customers have agreed Water Supply Arrangements and Service Targets for the Boyne River and Tarong Bulk Water Service Contract. Table 3 below sets out our recent performance against selected service targets for this scheme.

Table 3: Scheme service targets and performance

Service target		Target	Number of exceptions		
			2017/18	2018/19	2019/20
Planned shutdowns – notification	For shutdowns planned to exceed 2 weeks	8 weeks	0	0	0
	For shutdowns planned to exceed 3 days	2 weeks	0	0	0
	For shutdowns planned to be less than 3 days	5 days	0	0	0
Unplanned shutdowns – duration	Unplanned shutdowns will be fixed so that at least partial supply can be resumed	48 hours	1	0	0
Maximum number of interruptions	Planned or unplanned interruptions per water year	6	0	0	0

In addition, Sunwater has company-wide customer interactions service targets. Our performance in 2019/20 against these service targets is shown in Table 4.

Table 4: Customer interactions service targets and performance

Service target	Target	2019/20
Telephone answering ¹	80.00%	94.87%
Requests actioned within Service Level Agreement (SLA) timeframes ²	> 95.00%	95.46%

1. This target measures the percentage of 13 15 89 calls that are answered within 60 seconds. The 2019/20 result reflects the average monthly performance over the November 2019 to June 2020 period.
2. This target measures the percentage of email or workflow requests (such as property transfers and temporary transfers) to the Customer Support email address that are completed within the agreed SLAs. The SLA timeframes range between two and 10 business days, depending on the request. The 2019/20 result covers the October 2019 to June 2020 period.

Key infrastructure

Boondooma Dam is the key infrastructure used to deliver bulk water services to our customers in Boyne River and Tarong. It consists of two rock fill concrete-faced embankment sections, with a spillway cut through rock in the left bank. The total storage capacity is 204,200 ML. It is a referable dam under the *Water Supply (Safety and Reliability) Act 2008*.

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Boyne River and Tarong Bulk Water Service Contract is presented in Table 5.

The revenue Sunwater receives from urban and industrial customers is agreed by term contract. The revenue we receive from irrigation customers is determined by the Queensland Government, based on recommendations made by the QCA as part of its review of irrigation prices.

Sunwater anticipates an increase in revenue for the Boyne River and Tarong Bulk Water Service Contract in 2021/22.

In 2021/22, Sunwater expects to spend \$473 million across all parts of our business, i.e. regulated and non-regulated. A breakdown of the forecast total cost pool at the direct and non-direct cost level is shown in Figure 2, together with the percentage of these costs allocated to the Boyne River and Tarong Bulk Water Service Contract. Detail on the planned spend for this scheme is outlined on subsequent pages of this S&PP.

Figure 2: Total Sunwater cost pools and allocation to scheme—2021/22 forecast (\$M)

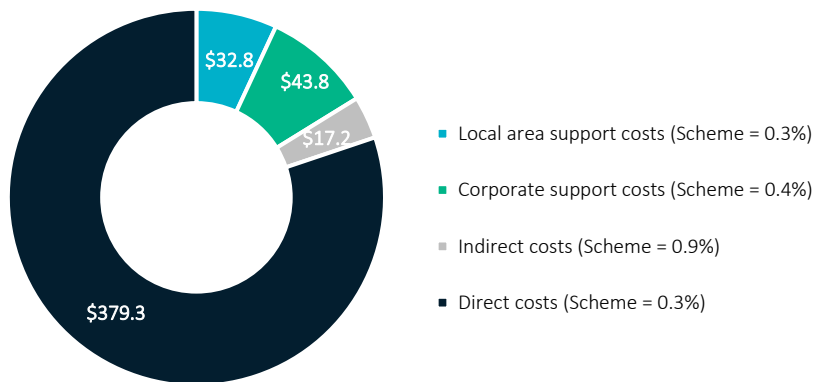


Table 5: Service contract financial summary

Boyne River and Tarong Bulk Water Service Contract	2017/18 Actual \$'000	2018/19 Actual \$'000	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000
Revenue					
Irrigation	254.9	261.9	263.7	270.0	270.4
Community Service Obligation	-	-	-	-	-
Industrial ¹	20.4	25.3	30.4	30.4	36.6
Urban ¹	-	-	-	-	-
Revenue transfers ²	725.1	999.1	734.8	1191.8	1235.2
Drainage	-	-	-	-	-
Other	1.0	3.6	0.0	1.0	1.0
Revenue total	1001.4	1289.9	1028.9	1493.2	1543.2
Less – Operating expenditure	808.0	912.6	890.4	1210.7	1248.9
Less					
Annuity-funded	19,585.7	440.6	190.6	299.4	385.9
Non-annuity funded ³	-	-	3.2	78.9	12.1
Surplus (deficit)	(19,392.2)	(63.3)	(55.4)	(95.8)	(103.7)

- Forecast revenues for industrial and urban customers are based on current contractual arrangements.
- Revenue transfers represent the cost of bulk water supplies delivered through the Tarong Pipeline. The revenue accrues to the Tarong Pipeline before it is transferred to the Bulk Water Service Contract as a contribution to the cost of the bulk water service.
- This is expenditure which has not been funded by irrigation customers. An example of this in the Boyne River and Tarong Bulk Water Service Contract is recreational facility projects from 2020/21.

Cost of delivering services—Operating expenditure

Operating expenditure includes funds for: operations activities, i.e. operations, electricity and insurance; preventative maintenance; and corrective maintenance.

Table 6 sets out actual and forecast operating expenditure for the Boyne River and Tarong Bulk Water Service Contract. For a more detailed breakdown by cost category, refer to **Appendix 2**.

Our performance in 2019/20

In 2019/20, operating costs were broadly in line with our previous forecast.² Higher than forecast preventative maintenance costs were offset by lower than expected operations and corrective maintenance costs.

Table 6: Operating expenditure¹

Boyne River and Tarong Bulk Water Service Contract	2017/18	2018/19	2019/20		2020/21		2021/22		2022/23	2023/24	2024/25	2025/26	
	Sunwater Actual \$'000	Sunwater Actual \$'000	Sunwater Forecast \$'000	Sunwater Actual \$'000	Variance \$'000	Sunwater Forecast \$'000	QCA Target \$'000 ²	Sunwater Forecast \$'000	QCA Target \$'000 ²	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operations	677.2	800.8	819.4	786.2	(33.2)	1107.9	835.4	1093.5	852.8	1104.1	1131.4	1156.1	1180.0
Electricity	-	-	-	1.7	1.7	-	-	-	-	-	-	-	-
Insurance	279.8	301.2	344.5	354.2	9.7	478.2	379.4	627.6	387.0	640.2	653.0	666.0	679.3
Operations	397.4	499.6	474.9	430.2	(44.7)	629.8	456.0	465.9	465.8	464.0	478.5	490.1	500.7
Preventative maintenance	112.9	98.8	53.1	90.1	37.0	75.6	85.7	132.3	87.5	132.1	136.3	139.9	143.2
Corrective maintenance	17.9	12.9	30.1	14.2	(15.9)	27.2	15.8	23.0	16.1	23.1	23.8	24.4	24.9
Operating costs total	808.0	912.6	902.7	890.4	(12.2)	1210.7	936.8	1248.9	956.4	1259.3	1291.5	1320.4	1348.1
Recreational facility costs ³						-		-		-	-	-	-
Operating costs total (incl. recreational facility costs)	808.0	912.6	902.7	890.4	(12.2)	1210.7		1248.9		1259.3	1291.5	1320.4	1348.1

1. Sunwater's 2022/23 to 2025/26 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Reflects the QCA's 2020–2024 irrigation price investigation final recommendations. Excludes recreational facility costs.
3. From 1 July 2020, irrigation customers no longer contribute towards the cost of operating and maintaining recreational facilities. Forecast costs have been separately identified for transparency.

² See the 2019/20 Network Service Plan at www.sunwater.com.au/schemes/Boyne-River-and-Tarong/

Outlook for 2021/22

Operations

Boyne River and Tarong Bulk Water Service Contract's total operations budget in 2021/22 is 28.2 per cent above the QCA's recommended cost target. This variance is largely driven by increased insurance costs (see below), as well as higher contractor costs.

Insurance

Insurance is one of Sunwater's largest expenditure items. These costs have increased significantly in recent years due to multiple flood events in Queensland and global insurable events impacting premiums. Although Sunwater is subject to market forces in the pricing of insurance premiums, we have also been actively managing insurance premium costs by reviewing coverage levels and policy specifications (including deductibles) to ensure that our insurance coverage is appropriate and reflective of the risks faced by our business.

In 2020/21, Sunwater experienced a significant price increase in insurance premiums. Our insurance broker has indicated this is the beginning of an upward trend in premiums due to, among other factors, the number and size of natural disasters that have occurred in Australia over the past 12 months. Insurance premiums in 2021/22 are therefore expected to be higher than the QCA's recommended allowance and historical costs.

Preventative maintenance

The forecast preventative maintenance costs for the Boyne River and Tarong Bulk Water Service Contract are 51.2 per cent above the QCA's recommended cost target. This is attributed to a rebalancing of resources assigned to perform preventative maintenance and operational activities.

Corrective maintenance

In 2021/22, Sunwater anticipates spending \$23.0k on corrective maintenance in the Boyne River and Tarong Bulk Water Service Contract. While this is 43.0 per cent above the QCA's recommended cost target, it is lower than the historical forecasts.

Cost of delivering services—Annuity and non-annuity funded expenditure

Annuity expenditure include funds for preventative and corrective maintenance, as well as large, one-off operations activities. The preventative maintenance activities monitor the asset condition and inform the corrective maintenance program when an asset needs to be refurbished or replaced. Non-annuity funded expenditure largely relates to Sunwater’s Dam Improvement Program and recreational facility costs.

Table 7 outlines our annuity and non-annuity funded expenditure. A comparison of forecast and actual annuity-funded projects for 2019/20 is provided in **Appendix 3**, with details of the major annuity-funded projects planned for the 2020/21 to 2025/26 period set out in **Appendix 4**.

Table 7: Annuity and non-annuity funded expenditure^{1,2}

Boyne River and Tarong Bulk Water Service Contract	2017/18	2018/19	2019/20		Variance \$'000	2020/21		2021/22		2022/23	2023/24	2024/25	2025/26
	Sunwater Actual \$'000 ³	Sunwater Actual \$'000 ³	Sunwater Forecast \$'000	Sunwater Actual \$'000		Sunwater Forecast \$'000	QCA Target \$'000 ⁴	Sunwater Forecast \$'000	QCA Target \$'000 ⁴	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Annuity-funded													
Operations	2.8	-	-	2.3	2.3	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	173.5	441.5	198.3	188.3	(10.0)	299.4	32.4	385.9	183.8	31.5	266.4	344.3	582.4
Unplanned corrective maintenance	19,409.4	(0.8)	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	19,585.7	440.6	198.3	190.6	(7.6)	299.4	32.4	385.9	183.8	31.5	266.4	344.3	582.4
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects						78.9		12.1		-	-	-	49.1
Metered offtakes and dividend reinvestment	-	-	-	3.2	3.2	-		-		-	-	-	-
Non-annuity total	-	-	-	3.2	3.2	78.9		12.1		-	-	-	49.1

1. Sunwater’s 2022/23 to 2025/26 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Forecast annuity-funded costs from 2020/21 exclude recreational facility projects.
3. The annuity-funded spend for 2017/18 and 2018/19 reflects the QCA’s 2020–2024 irrigation price investigation final recommendations, which included adjustments to Sunwater’s actual costs.
4. Reflects the QCA’s 2020–2024 irrigation price investigation final recommendations.

Asset management and planning improvements

In its final report for the 2020–2024 irrigation price investigation, the QCA identified several potential improvements to Sunwater’s asset management and planning framework. It suggested Sunwater should:

- improve our predictive maintenance and asset condition reporting arrangements to better inform the timing of asset replacement
- review our cost estimation approach and ensure that asset values are based on modern equivalent replacement values where appropriate
- develop transparent guidelines for options analyses.³

Sunwater acknowledges there is room for improvement in our asset management system and is working on several initiatives to address these potential improvements, as outlined below.

Predictive maintenance and asset condition reporting

A focus during 2021/22 and beyond is to better leverage data to make more informed decisions and to ensure operations and maintenance activities are implemented safely, timely and efficiently.

To achieve this, Sunwater has invested in a new Enterprise Asset Management system (SAP). The new system and other IT infrastructure changes, such as a mobility solution that enables near real-time data to be loaded into the system and data automation initiatives, have presented a significant opportunity to transition to a data driven decision-making business.

In addition, Sunwater is improving predictive maintenance capability by monitoring asset performance data of critical assets. For example, the preventative maintenance program for pump stations is transitioning to usage-based intervals and energy and condition data is being analysed via remote dashboards. The asset data will provide a greater insight to asset performance, condition, and refurbishment and replacement planning.

³ See pages 58 to 60, www.qca.org.au/wp-content/uploads/2020/02/irrigation-price-review-part-b-sunwater-final-report.pdf

Cost estimation approach

A change to Sunwater’s asset planning cycle in 2019 has improved the near-term cost estimation of annuity funded work. The change targets two years of fully cost-estimated work and has increased the visibility of the forward program.

Sunwater has also recently undertaken an asset valuation exercise to estimate the value of fully replacing high value assets including dams and pipelines using a bottom-up assessment of material line items. This data will inform the replacement values underpinning forecast annuity-funded costs.

Options analyses

Sunwater is implementing improvements to our asset management system with a fit-for-purpose alignment to the ISO55001 asset management standard. Key to the alignment is the simplification of how maintenance work is identified and delivered.

Low value, low complexity work follows a standard work management methodology and is managed at a service contract level. High value, high complexity work is managed at an individual level and follows Sunwater’s project, program and portfolio management framework (P3MF) and is subject to an options analysis.

Options analyses under P3MF examine a range of options and assess the shortlisted options against selected criteria, including financial, regulatory, social and environmental factors.

Annuity balance

Annuities are managed by Sunwater on behalf of each service contract. They allow for customer charges to reflect a constant amount necessary to recoup the costs of refurbishment/replacement of the assets over a pre-determined period of time. The forecast annuity balances, and the impacts of budgeted spend, are shown in Table 8 below.

The QCA and Sunwater closing balances differ due to differences in the expenditure profile allowed by the QCA in its 2020–2024 final recommendations and actual expenditure incurred by Sunwater in 2019/20 and what we expect to spend thereafter.

Table 8: Annuity balance

Boyne River and Tarong Bulk Water Service Contract	2017/18 Actual \$'000	2018/19 Actual \$'000	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	2024/25 Forecast \$'000	2025/26 Forecast \$'000
Opening balance ¹	(19,636.3)	(40,675.2)	(44,116.4)	(47,593.0)	(47,529.2)	(47,549.8)	(47,218.0)	(47,075.8)	(46,697.6)
Spend ²	(19,585.7)	(440.6)	(190.6)	(299.4)	(385.9)	(31.5)	(266.4)	(344.3)	(582.4)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	28.1	-	-	-	-	-	-	-
Annuity contribution ³	17.5	17.9	18.4	2444.1	2443.4	2442.4	2473.0	2780.7	2778.0
Interest/financing costs	(1470.8)	(3046.6)	(3304.3)	(2080.9)	(2078.1)	(2079.0)	(2064.5)	(2058.3)	(2041.7)
Sunwater – Closing balance	(40,675.2)	(44,116.4)	(47,593.0)	(47,529.2)	(47,549.8)	(47,218.0)	(47,075.8)	(46,697.6)	(46,543.7)
QCA – Closing balance	(40,675.2)	(44,116.4)	(42,569.1)	(42,018.7)	(41,596.2)	(40,988.9)	(40,491.1)		
Difference	-	-	(5023.9)	(5510.6)	(5953.7)	(6229.1)	(6584.7)		

1. The opening balances for 2017/18, 2018/19 and 2019/20 reflect the QCA's 2020–2024 irrigation price investigation final recommendations.
2. The spend for 2017/18 and 2018/19 reflects the QCA's 2020–2024 irrigation price investigation final recommendations, which included adjustments to Sunwater's actual costs. The 2019/20 spend reflects Sunwater's actual costs. Thereafter, the spend is based on Sunwater's forecasts.
3. The annuity contribution is included in the prices paid by customers. It was set by the QCA from 2012/13 to 2016/17 and was rolled forward with the Consumer Price Index (CPI) for 2017/18, 2018/19 and 2019/20. From 2020/21 to 2023/24, the annuity contribution is based on the QCA's 2020–2024 irrigation price investigation final recommendations. Thereafter, it is based on Sunwater's projections.

Appendix 1—Historical water usage

The below table contains the scheme’s recent water use, together with the 18-year average for the 2002/03 to 2019/20 period.

Year	Usage (ML)
2010/11	17,588
2011/12	15,759
2012/13	17,844
2013/14	19,261
2014/15	24,599
2015/16	30,925
2016/17	32,887
2017/18	34,129
2018/19	29,560
2019/20	15,980
18-year historical average	22,385

Appendix 2—Operating and annuity-funded costs by expense type

Boyne River and Tarong Bulk Water Service Contract	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26				
	Sunwater Actual \$'000	Sunwater Actual \$'000								Sunwater Forecast \$'000	Sunwater Actual \$'000	Variance \$'000	Sunwater Forecast \$'000
Operating costs													
Operations	677.2	800.8	819.4	786.2	(33.2)	1107.9	835.4	1093.5	852.8	1104.1	1131.4	1156.1	1180.0
Labour	99.8	124.9	102.5	118.1	15.6	140.4	101.4	95.1	103.8	97.9	100.8	103.9	107.0
Contractors	7.2	11.8	15.0	9.3	(5.7)	15.0	3.0	18.5	3.0	15.3	15.6	15.9	16.2
Materials	1.9	2.3	2.0	1.5	(0.5)	2.0	2.0	3.0	2.1	3.1	3.1	3.2	3.2
Electricity	-	-	-	1.7	1.7	-	-	-	-	-	-	-	-
Insurance	279.8	301.2	344.5	354.2	9.7	478.2	379.4	627.6	387.0	640.2	653.0	666.0	679.3
Other	52.8	62.4	90.4	64.5	(26.0)	91.1	83.3	90.4	85.0	91.4	94.0	95.1	96.2
Local area support costs	77.9	78.1	45.9	65.3	19.4	78.7	42.9	58.3	43.9	60.0	61.8	63.7	65.6
Corporate support costs	55.9	119.1	76.6	89.7	13.1	105.3	78.4	90.3	80.1	93.0	95.8	98.7	101.6
Indirect costs	101.8	101.2	142.5	81.8	(60.7)	197.2	145.0	110.4	148.1	103.2	107.2	109.6	110.8
Preventative maintenance	112.9	98.8	53.1	90.1	37.0	75.6	85.7	132.3	87.5	132.1	136.3	139.9	143.2
Labour	32.6	25.7	14.0	27.0	13.0	20.6	25.7	37.1	26.3	38.2	39.3	40.5	41.7
Contractors	14.0	18.7	10.0	7.3	(2.7)	10.0	5.4	10.0	5.5	10.2	10.4	10.6	10.8
Materials	0.7	2.2	1.0	0.0	(1.0)	1.0	0.8	1.0	0.8	1.0	1.0	1.1	1.1
Other	1.8	1.5	1.0	2.6	1.6	1.0	4.6	1.0	4.7	1.0	1.0	1.1	1.1
Local area support costs	25.5	13.8	6.9	14.7	7.8	11.7	10.9	22.9	11.1	23.5	24.2	25.0	25.7
Corporate support costs	13.6	22.9	10.5	21.3	10.9	15.4	19.9	35.2	20.3	36.3	37.4	38.5	39.6
Indirect costs	24.7	14.0	9.7	17.2	7.4	15.9	18.3	25.2	18.7	21.8	22.9	23.2	23.1
Corrective maintenance	17.9	12.9	30.1	14.2	(15.9)	27.2	15.8	23.0	16.1	23.1	23.8	24.4	24.9
Labour	2.9	1.5	6.8	2.2	(4.7)	5.3	2.6	5.3	2.7	5.4	5.6	5.8	5.9
Contractors	6.3	-	7.0	6.5	(0.5)	7.0	3.9	2.0	4.0	2.0	2.1	2.1	2.2
Materials	2.1	0.7	3.0	1.1	(1.9)	3.0	2.0	3.0	2.0	3.1	3.1	3.2	3.2
Other	0.4	7.5	1.0	0.8	(0.2)	1.0	2.3	1.0	2.3	1.0	1.0	1.1	1.1
Local area support costs	2.3	2.0	2.4	0.8	(1.6)	2.9	1.1	3.2	1.1	3.3	3.4	3.5	3.6
Corporate support costs	1.6	0.6	5.1	1.4	(3.7)	4.0	2.0	5.0	2.1	5.2	5.3	5.5	5.6
Indirect costs	2.2	0.6	4.7	1.3	(3.4)	4.1	1.9	3.6	1.9	3.1	3.2	3.3	3.3
Operating costs total	808.0	912.6	902.7	890.4	(12.2)	1210.7	936.8	1248.9	956.4	1259.3	1291.5	1320.4	1348.1
Annuity-funded costs													
Labour			21.0	15.1	(5.9)	25.8	2.8	31.6	15.0	1.3	18.0	35.5	95.2
Contractors			63.6	135.9	72.2	151.6	16.4	102.1	48.6	5.5	100.9	80.5	108.2
Materials			75.5	6.3	(69.3)	66.6	7.2	180.0	85.7	22.0	108.9	151.9	125.4
Other			-	3.8	3.8	-	-	1.2	0.6	-	-	-	53.5
Local area support costs			7.9	8.1	0.2	16.2	1.8	19.6	9.4	0.8	11.0	22.3	57.1
Corporate support costs			15.7	11.9	(3.8)	19.3	2.1	30.0	14.3	1.2	17.1	33.8	90.4
Indirect costs			14.6	9.6	(4.9)	19.9	2.1	21.5	10.2	0.7	10.5	20.4	52.6
Annuity-funded total¹	19,585.7	440.6	198.3	190.6	(7.6)	299.4	32.4	385.9	183.8	31.5	266.4	344.3	582.4
Total costs²	20,393.7	1353.2	1100.9	1081.1	(19.8)	1510.1	969.2	1634.8	1140.2	1290.8	1557.9	1664.6	1930.5

1. The 2017/18 and 2018/19 costs reflect the QCA's 2020–24 irrigation price investigation final recommendations, which included adjustments to Sunwater's actual costs. Sunwater has provided cost information at the lowest level of granularity available.

2. Excludes recreational facility costs from 2020/21.

Appendix 3—Comparison of forecast and actual annuity-funded projects for 2019/20

The below table sets out the major annuity-funded projects planned for the Boyne River and Tarong Bulk Water Service Contract in 2019/20 and the actual projects undertaken.

Project	Forecast \$'000	Actual \$'000	Commentary
Boondooma Dam – Repair secondary bulkhead guides (20BYR04)	87	81	The project was completed to scope and within budget.
Boondooma Dam – Regulating valve No.2 refurbishment (20BYR02)	58	-	The regulating valve was refurbished and re-installed as part of project 20BYR02 (see below).
Boondooma Dam – Guard valve 2 refurbishment (20BYR02)	33	37	The regulating valve was refurbished (see above) but the guard valve was not, as it was used at Bjelke-Petersen Dam to allow continued supply while that valve was being refurbished. The guard valve at Boondooma Dam was refurbished in 2020/21 and installed when an opportunity to drain the conduit arose.
Meter replacements (20BYR05)	15	18	Two meters were replaced. The costs to replace both meters were more expensive than the original estimate due to labour and site works being more than anticipated.
Other works	5	-	This was the contingency budget for the scheme. No funds were drawn from this budget.
Non-scheduled works	-	55	This expenditure relates to the 20-year dam safety review from the prior year. The study was not fully completed by the end of 2018/19 and the remaining component was carried over into 2019/20. The total project cost was within budget.
2019/20 Total	198	191	

Appendix 4—Annuity-funded projects for 2020/21 to 2025/26

The below table sets out Sunwater’s currently planned annuity-funded projects for the 2020/21 to 2025/26 period for this scheme. While the immediate program is well defined, estimates become more uncertain further into the planning timeline. Forecasts are likely to change in future S&PPs, reflecting changes in project delivery timing; asset condition and risk updates; outcomes from scheduled asset inspections; and customer feedback.

Year	Facility	Activity description	Forecast \$'000
2020/21 ⁴	Boondooma Dam	Study – updated hydrology studies will be conducted to inform the full level of societal risk. This information will inform the comprehensive risk assessment (CRA).	135
	Boondooma Dam	Repair – spillway drummy concrete to mitigate the risk of exposing the underlying soil to flood waters.	44
	Boondooma Dam	Refurbish – regulating valve No.2 based on known asset condition and age. Covers installation.	28
	Boondooma Dam	Refurbish – guard valve No. 2 based on known asset condition and age. Covers installation.	28
	Scheme	Replace – customer meters based on known asset condition and age.	16
	Other works	There were five other annuity-funded projects planned for 2020/21 comprising of an arc flash safety study following recently updated safety guidelines; two minor switchboard refurbishments at Boondooma Dam; an asset revaluation; and a 7-year crane inspection following the replacement of the secondary bulkhead hoist in 2013/14. This is a requirement of the relevant Australian Standard. There is also a small contingency amount.	50
	2020/21 Total		301
2021/22	Boondooma Dam	Study – CRA to assess the recommendations from the input studies.	105
	Boondooma Dam	Refurbish – right bank spillway access road rock face to mitigate known safety risk.	163
	Boondooma Dam	Replace – intake tower floor grating to mitigate known safety risk.	56
	Scheme	Replace – customer meters based on known asset condition and age.	31
	Boondooma Dam	Replace – regulating valve access covers to mitigate known safety risk.	16
	Boondooma Dam	Study – options for replacing valve house cables and cableways.	15
	2021/22 Total		386
2022/23	Scheme	Replace – customer meters based on known asset condition and age.	32
	2022/23 Total		32

⁴ Based on the program of works underpinning the 2020/21 annuity-funded budget figures presented in this S&PP. This data was extracted from Sunwater’s systems in mid-2020 and has been provided to facilitate future reporting of our performance against forecast costs. Changes to the 2020/21 program of works since the date of extraction are not incorporated here.

Year	Facility	Activity description	Forecast \$'000
2023/24	Boondooma Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk	151
	Boondooma Dam	Replace – valve house cables and cableways based on known asset condition and age. Covers design and procurement.	52
	Boondooma Dam	Study – Level 2 Bridge inspection based on Department of Transport and Main Roads Structures Inspection Manual.	31
	Scheme	Replace – customer meters based on known asset condition and age.	32
	2023/24 Total		266
2024/25	Boondooma Dam	Replace – valve house cables and cableways based on known asset condition and age. Covers installation and commissioning.	222
	Boondooma Dam	Refurbish – guard valve No. 4 (pump station) based on known asset condition and age.	55
	Scheme	Replace – customer meters based on known asset condition and age.	33
	Boondooma Dam	Study – options to replace hydrostatic settlement gauges.	17
	Boondooma Dam	Study – options to replace total pressure cells.	17
	2024/25 Total		344
2025/26	Boondooma Dam	Replace – hydrostatic settlement gauges based on the outcomes of the options study. Covers design and procurement.	196
	Boondooma Dam	Replace – total pressure cells based on the outcomes of the options study. Covers design and procurement.	196
	Gauging Station 136317A	Refurbish – measuring weir based on known asset condition and age.	52
	Gauging Station 136317A	Replace – water level recorder based on known asset condition and age.	47
	Scheme	Replace – customer meters based on known asset condition and age.	34
	Multiple	There are three other annuity-funded projects planned for 2025/26 related to replacing gauging station equipment and an asset valuation.	58
	2025/26 Total		583

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