



# Final Service and Performance Plan 2023

## Bundaberg Distribution Service Contract

11 January 2024

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This Service and Performance Plan has been prepared by Sunwater to provide indicative information to our customers for the purpose of consultation. It contains estimates and forecasts which are based upon a number of assumptions. The actual financial performance of the service contract to which this plan relates, and the operations and activities actually undertaken by Sunwater during the relevant periods, may vary materially from the information contained in this plan. This plan should not be relied upon beyond its purpose as a tool for consultation and you should not rely on the information contained in this plan in making decisions about your circumstances. Sunwater will not be responsible or liable for any loss (including consequential loss), claim or damage (including in tort) that is in any way connected with the use of this plan or the information contained within it.

# At a glance

## Our customers

The Bundaberg Distribution Scheme services 836 customers for irrigation, stock and domestic, urban and commercial purposes. The majority of customers are irrigators who grow a diverse range of crops including sugar cane, sweet potatoes, tomatoes, rockmelons, watermelons, capsicum, zucchini, beans, macadamia nuts, avocados peanuts, soybeans, strawberries and blueberries. Water is also supplied to the Bundaberg Regional Council and treated for urban purposes.

## Our irrigation charges

Table 1 Irrigation charges for 2023-24<sup>1,2</sup>


<b>\$ Charges by tariff group 2023-24</b>							
<b>Bundaberg Channel</b>		<b>Irrigation charge<sup>3</sup></b>		<b>Cost-reflective charge<sup>4</sup></b>		<b>Δ to cost reflective</b>	
Channel or watercourse	Part C	\$43.23	\$/ML	\$74.04	\$/ML	-\$30.81	\$/ML
supplemented by a channel	Part D	\$48.29	\$/ML	\$58.09	\$/ML	-\$9.80	\$/ML


1. This table includes distribution charges only. For bulk water charges, please refer to the Bulk Water Service Contract S&PP.
2. Excludes BWPL charges (Paradise Dam).
3. Includes the Queensland Government's 15 per cent discount for irrigation customers. Refer to [www.rdmw.qld.gov.au](http://www.rdmw.qld.gov.au) for more information.
4. Is the cost-reflective price determined by the Queensland Competition Authority (QCA) in its 2020–2024 irrigation price investigation.


For more information on Sunwater's fees and charges, refer to:

[www.sunwater.com.au/customer/fees-and-charges/](http://www.sunwater.com.au/customer/fees-and-charges/)

## Our performance

 <b>Operations and maintenance costs</b>				
		QCA \$'000	Sunwater \$'000	Δ to QCA
Actual	2022-23	\$13,208.3	\$14,477.9	9.6% <span style="color: red;">▲</span>
Forecast	2023-24	\$13,452.4	\$15,103.1	12.3% <span style="color: red;">▲</span>


 <b>Operations and maintenance cost transfer from Gin Gin main channel and Monduran pump station to Bundaberg Bulk</b>				
		QCA \$'000	Sunwater \$'000	Δ to QCA
Actual	2022-23	\$(39.62)	\$(43.56)	9.9% <span style="color: red;">▲</span>
Forecast	2023-24	\$(40.36)	\$(45.45)	12.6% <span style="color: red;">▲</span>

 <b>Expenditure funded by the annuity</b>				
		QCA \$'000	Sunwater \$'000	Δ to QCA
Actual	2022-23	\$2,208.3	\$4,771.5	116.1% <span style="color: red;">▲</span>
Forecast	2023-24	\$1,598.0	\$6,469.2	304.8% <span style="color: red;">▲</span>
Actual + Forecast	Σ Price path	\$7,076.4	\$18,546.3	162.1% <span style="color: red;">▲</span>

<span style="color: red;">▲</span>	<span style="color: red;">△</span>	◄►	<span style="color: green;">▽</span>	<span style="color: green;">▼</span>
10% above the QCA target	5% above the QCA target	In line with the QCA target	5% below the QCA target	10% below the QCA target

	Water delivered	Total		To irrigators		YoY change by group
	2021-22	64,213	ML	52,495	ML	
	2022-23	65,868	ML	60,450	ML	
		2.6%	◄►	15.2%	▲	

<span style="color: green;">▲</span>	◄►	<span style="color: green;">▼</span>
5%	0%	-5%

 <b>Service targets</b>			
	Service targets	Exceedances	Notes
	2021-22	14	Unplanned shutdowns (duration) and maximum number of interruptions were not met.
	2022-23	23	Unplanned shutdowns (duration) and maximum number of interruptions were not met.

# 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 sets out Sunwater's actual costs for 2022-23.

The purpose of this year's S&PP for Bundaberg Distribution is to:

- examine Sunwater's performance in 2022-23 against cost and service targets
- present to customers Sunwater's projected costs<sup>1</sup> for 2023-24 and 2024-25
- consult with our customers on forecast operating and annuity-funded costs for 2023-24 and the forward program of works.

In addition to this S&PP, Sunwater submitted its irrigation pricing proposal to the Queensland Competition Authority (QCA) on 30 November 2023 which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The pricing proposal and associated customer material is available at: [www.sunwater.com.au/projects/price-path/](http://www.sunwater.com.au/projects/price-path/).

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.

Sunwater engages with its customers both formally and informally throughout the year and customer feedback is a valuable part of our planning process.

The publication of an annual S&PP is an important part of the formal feedback process, providing a snapshot of Sunwater's performance over the most recently completed financial year, as well as an outline of the areas of focus for the current year.

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

Email: [sppfeedback@sunwater.com.au](mailto:sppfeedback@sunwater.com.au)

Post: S&PP Feedback

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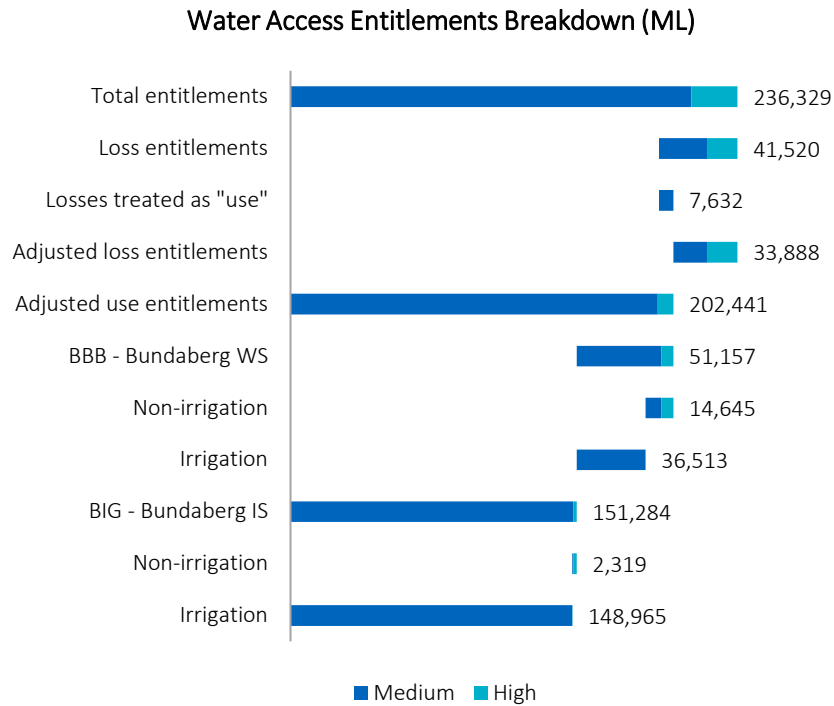
<sup>1</sup> All financial figures reported in this document are in nominal dollars, i.e. dollars of the day. Figures may not sum due to rounding.

# Delivering services to our customer

## Entitlements

The water allocations for each customer segment are shown below.

Figure 1 - Water access entitlements (as of 30 June 2023)

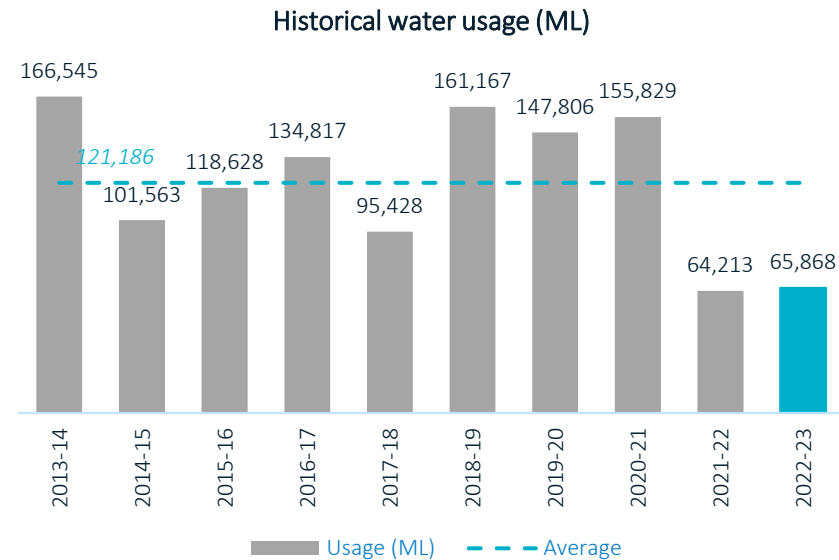


1. Includes Burnett Water Pty Ltd (BWPL) (Paradise Dam)
2. Includes BWPL irrigation customers.

## Historical water usage

The chart below shows annual water usage for the past 10-years. It includes water deliveries to Burnett Water Pty Ltd (BWPL) and distribution losses.

Figure 2 - Historical water usage for the past 10-years



- Usage in 2022-23 was below the level of the 10-year average but broadly in line with the usage level in 2021-22.
- Part D prices for current period were set using a 20-year average of 91,021 ML.

## Service targets

Sunwater and customers have agreed Water Supply Arrangements and Service Targets for Bundaberg Distribution. Table 2 sets out our recent performance against selected service targets for this scheme.

In 2022-23, the unplanned shutdown (duration) service target was exceeded twice. The exceedance related to a pipe leak at Farnsfield main channel which was extended due to a power outage event. The second exceedance related to a pipe break investigation on the F05 pipeline, the event was extended because a second break was found and needed to be repaired. Twenty-one customers were interrupted more than 10 times.

Table 2 - Scheme service targets and performance

Service target		Target	Number of exceptions		
			2020-21	2021-22	2022-23
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	72 hours	1	1	2
Maximum number of interruptions <sup>1</sup>	Planned or unplanned interruptions per water year	10	16	13	21

1. This is the total number of distribution customers in the scheme that have been interrupted in excess of 10 times.

In addition, Sunwater has company-wide customer interactions service targets. Our performance in 2022-23 against these service targets is shown in Table 3.

Table 3 - Customer interactions service targets and performance

Service target	Target	2022-23
Telephone answering <sup>1</sup>	80.00%	92.50%
Requests actioned within Service Level Agreement (SLA) timeframes <sup>2</sup>	> 95.00%	99.47%

1. This target measures the percentage of 13 15 89 calls that are answered within 60 seconds.
2. This target measures the percentage of email or workflow requests (such as property transfers and temporary transfers) to the Customer Support team that are completed within the agreed SLAs. The SLA timeframes range between two and 10 business days, depending on the request.

## Key infrastructure

Table 4 lists the key infrastructure used to deliver distribution services to our customers in Bundaberg.

Table 4 - Key infrastructure

Asset	Description	Capacity
Isis Balancing Storage	Earth embankment across a watercourse. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	6160 ML
Woongarra Balancing Storage	Earthen embankment constructed across two small watercourses. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	1225 ML
Gooburrum Balancing Storage	Earth embankment across a shallow depression.	1040 ML
Bullyard Creek Balancing Storage	Earth embankment.	453 ML
Monduran pump station	Three pumps. This pump station also performs a bulk water function.	1100 ML/day
Don Beattie pump station	Three pumps.	648 ML/day
Bullyard Creek pump station	Four pumps.	415 ML/day
Woongarra pump station	Five pumps.	395 ML/day
Gooburrum pump station	Two pumps.	300 ML/day
Quart Pot Creek pump station (two sections)	Four pumps (two in each section).	250 ML/day 275 ML/day
Walker Street pump station	Four pumps.	225 ML/day
Dinner Hill pump station	Three pumps.	160 ML/day
Tirroan pump station	Two pumps.	72 ML/day
North Gregory pump station	Two pumps.	63 ML/day
Bucca pump station	Two pumps.	60 ML/day
Mcllwraith pump station	Two pumps.	60 ML/day
Abbotsford pump station	Two submersible pumps.	23.7 ML/day



## 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 5 sets out actual and forecast operating expenditure for Bundaberg Distribution.

As Bundaberg is one of our high electricity consuming schemes this category is discussed on the following page.

### Our performance in 2022-23

In 2022-23, operating costs were higher than the QCA's recommended cost target. Further information is provided in the pricing submission proposal and associated scheme summaries.

### Outlook for 2023-24

In analysing operating expenditure in Bundaberg Distribution for the current financial year, a cumulative view reveals that overall expenses are expected to be higher than the QCA allowance.

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. The escalation of insurance premiums has directly contributed to the rise in Sunwater's operating expenditure.

Sunwater's focus in 2023-24 is on performing operation and maintenance activities to a standard that ensures the scheme's reliability and functionality for delivering water to customers within agreed service standards, while also meeting current asset maintenance standards and compliance obligations.

Table 5 - Operating expenditure<sup>1</sup>

	Operations and maintenance costs - by sub-category						
	2022-23 actuals \$'000			2023-24 forecast \$'000			
	QCA	Sunwater <sup>4</sup>	Δ to QCA	QCA	Sunwater <sup>4</sup>	Δ to QCA	
Insurance	\$993.2	\$1,239.2	24.8% ▲	\$1,016.0	\$1,493.2	47.0% ▲	
Electricity	\$5,986.6	\$4,428.3	-26.0% ▼	\$6,057.4	\$5,033.6	-16.9% ▼	
Operations & maintenance	\$3,272.1	\$4,448.2	35.9% ▲	\$3,351.2	\$4,059.3	21.1% ▲	
Support costs	\$2,956.4	\$4,362.2	47.6% ▲	\$3,027.8	\$4,517.1	49.2% ▲	
Less costs transferred to Bundaberg bulk for Gin Gin main channel and Monduran pump station <sup>2</sup>	\$(39.6)	\$(43.6)	9.9% △	\$(40.4)	\$(45.4)	12.6% ▲	
<b>Total opex<sup>3</sup></b>	<b>\$13,168.7</b>	<b>\$14,434.4</b>	<b>9.6% △</b>	<b>\$13,412.1</b>	<b>\$15,057.7</b>	<b>12.3% ▲</b>	

▲	△	◄►	▽	▼
10% above the QCA target	5% above the QCA target	In line with the QCA target <5%	5% below the QCA target	10% below the QCA target

1. Reflects the QCA's 2020–2024 irrigation price investigation final recommendations. Excludes recreational facility costs.
2. Under the water planning framework, the Gin Gin main channel and Monduran pump station also perform a bulk water function. In its 2020–2024 irrigation price investigation final recommendations, the QCA transferred a share of the Gin Gin main channel and Monduran pump station costs from the Bundaberg Distribution Service Contract to the Bundaberg Bulk Water Service Contract. Refer to section 6.4.1 of the QCA's final Part B report at: [www.qca.org.au/project/rural-water/irrigation-price-investigations/](http://www.qca.org.au/project/rural-water/irrigation-price-investigations/). The cost transfer costs may differ from our Irrigation Pricing Proposal.
3. From 1 July 2020, irrigation customers no longer contribute towards the cost of operating and maintaining recreational facilities. These costs have been excluded from the total operating expenditure.
4. Sunwater's 2022-23 actual expenditure figures presented in this table are pre-adjustment and will differ from our Irrigation Pricing Proposal and its engagement materials. Sunwater's 2023-24 figures align with our pricing submission, these figures may differ from the budget.

## Electricity in focus

Sunwater continues to proactively manage the cost of electricity. In 2022-23, Sunwater undertook the following energy improvement initiatives in Bundaberg Distribution:

- a review of our electricity tariff selections to ensure that we are using the most cost-effective tariffs. The review focused on pump stations subject to retail regulated tariff arrangements, representing approximately 7% of total scheme electricity costs. There were tariff changes in 2022-23 due to the cessation of tariffs and the reclassification of pump stations from large to small networks. This means eligible tariffs have changed to align with the reclassification. This resulted in an average cost reduction from 36.46 c/kWh to 33.58 c/kWh. The variability in water demand results in some pump stations being reclassified between a small standard asset customer (SAC) and a large SAC when the rolling 12-month average consumption is above or below 100,000kWh. Sunwater and Ergon Network can initiate this change which is determined by the 12-month rolling average consumption. Sunwater proactively monitors consumption to ensure optimal tariff selection.  
The notified pricing published by the Queensland Competition Authority for 2022-23 estimated electricity cost increases of 10% -21%<sup>2</sup>.
- Continue with Operational Electricity Dashboard Reporting, regularly monitoring key electricity metrics to identify efficiency opportunities.

## Outlook for 2023-24

In 2023-24, Sunwater continues our focus on managing the cost of electricity in this service contract. The following energy improvement initiatives are currently planned:

- annual tariff optimisation analysis focused on the sites subject to regulated retail tariff arrangements. There were tariff changes which

resulted in an average cost increase of 35.46c/kWh to 39.04c/kWh. The tariff change reduced the average cost increase by 2.73c/kWh. The notified pricing published by the Queensland Competition Authority for 2023-24 estimated electricity cost increases of 14%-27%<sup>3</sup>

- monitoring of asset energy operational performance.

Table 6 - Electricity Tariff Arrangements

Pump Station	2023-24
Abbotsford	T22C
Bucca	T22C
Bullyard	Contestable
Dinner Hill	T44
Don Beattie	Contestable
Gooburrum	Contestable
Monduran	Contestable
McIlwraith	T22C
North Gregory	T22C
Tirroan	T44
Quart Pot	Contestable
Walker St	Contestable
Woongarra	Contestable

1. *The regulated retail tariff is subject to change with variations in customer water demand or operational requirements.*
2. *At the time of this report the tariff analysis for the contestable market is in progress.*
3. *Energy rates have been negotiated as part of the electricity supply contract and are commercial in confidence as Sunwater is subject to a confidentiality agreement.*

<sup>2</sup> [Regulated retail electricity prices in regional Queensland 2022–23 \(qca.org.au\)](https://www.qca.org.au/regulation/regulated-retail-electricity-prices-in-regional-queensland-2022-23)

<sup>3</sup> [Regulated retail electricity prices in regional Queensland 2023-24 \(qca.org.au\)](https://www.qca.org.au/regulation/regulated-retail-electricity-prices-in-regional-queensland-2023-24)

## Electricity metrics

Table 7 sets out electricity usage and efficiency-related information for Bundaberg Distribution.

*Table 7 - Electricity usage and efficiency-related metrics*

Metric	2019-20	2020-21	2021-22	2022-23
Electricity usage (kWh) – pump stations	45,869,105	32,645,570	13,268,756	17,063,539
Water usage (ML) <sup>1</sup>	147,806	155,829	64,210	62,737
Actual electricity cost (\$)	8,281,979	5,604,8832	4,026,2192	4,410,794
Actual electricity cost per ML (\$/ML delivered)	56.03	35.972	62.702	70.31
Average pump energy indicator <sup>3</sup> (kWh/ML/per metre of head)	3.58	3.69	3.61	3.81

- 1. Includes distribution losses.*
- 2. Post transfer of 5 per cent of electricity costs related to the Monduran pump station to the Bundaberg Bulk Water Service Contract.*
- 3. The industry guidelines are 3.4 to 4.5, depending on the size and design of the pump station with the benchmark for larger pump stations being more efficient.*

To effectively monitor pump efficiency, a granular level of both energy and water data is required. With the installation of interval meters in 2020 to capture energy consumption at a granular level, Sunwater is now able to more frequently monitor our performance against this metric.

# Cost of delivering services—Renewals annuity and non-annuity funded expenditure

## Renewals discussion

Sunwater recovers expenditure required to renew (maintain the current level of service an asset provides) its assets via a renewals annuity. The annuity treats all renewals related expenditure as an expense (i.e., not capital) and amortises a multi-year expenditure forecast (30-years) such that the amount customers pay is smoothed, relative to the actual expenditure profile. Negative opening balances reflect expenditure incurred by Sunwater which has not yet been recovered via the annuity contribution amount, while positive opening balances reflect expenditure which has been pre-recovered via the annuity contribution amount. 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 2020-24 final recommendations and actual expenditure incurred by Sunwater in 2022-23 and what we expect to spend in 2023-24.

Annuity-funded expenditure includes funds for planned corrective maintenance (PCM), as well as large, one-off operations activities. Activities include monitoring of the asset condition to inform when an asset needs to be refurbished or replaced under the PCM program.

Non-annuity funded expenditure largely relates to Sunwater's Dam Improvement Program and recreational facility costs.

## Our performance in 2022-23

### Performance against the QCA target

Sunwater updates our program of works based on our whole-of-life replacement and maintenance strategy, which looks at the risk and condition of each asset and uses this information to estimate the future work required to ensure the asset will continue to provide the required level of service into the future. Other factors such as changes in project delivery timing (e.g. due to weather) may also affect the program of works.

These factors mean the actual program of works delivered in any given year will differ to the program assessed by the QCA. At a project level, cost variances may also occur due to changes in the scope of work and cost inputs.

Further explanation of our performance is provided in the pricing submission and scheme summaries.

### Project level cost variances

Table 10 provides a comparison of the annuity-funded projects planned for 2022-23 and the actual projects undertaken, together with justification for the variances for all assets other than Gin Gin main channel and Monduran pump station. Table 11 contains the same information for Gin Gin main channel and Monduran pump station assets.

### Outlook

Details of the major annuity-funded projects planned for the 2023-24 and 2024-25 period are set out in Table 12 and Table 13.

Table 8 - Annuity and non-annuity funded expenditure and roll-forward<sup>1</sup>

Annuity funded expenditure (and roll forward)											
	2022-23 actuals \$'000					2023-24 forecast \$'000					
		QCA <sup>2</sup>		Sunwater <sup>4</sup>	Δ to QCA		QCA <sup>2</sup>		Sunwater <sup>4</sup>	Δ to QCA	
Opening balance	<i>O</i>	\$9,357.7	➔	\$5,479.3	-41.4%	▼	\$9,259.6	➔	\$2,648.5	-71.4%	▼
<b>Annuity funded expenditure</b>	<b><i>E</i></b>	<b>\$(2,208.3)</b>	<b>➔</b>	<b>\$(4,771.5)</b>	<b>116.1%</b>	<b>▲</b>	\$(1,598.0)	➔	\$(6,469.2)	304.8%	▲
Annuity revenue <sup>3</sup>	<i>R</i>	\$1,701.1	➔	\$1,701.1	0.0%	-	\$1,773.8	➔	\$1,773.8	0.0%	-
Interest	<i>I</i>	\$409.1	➔	\$239.6	-41.4%	-	\$404.9	➔	\$115.8	-71.4%	-
Closing balance	<i>C</i>	\$9,259.6	➔	\$2,648.5	-71.4%	▼	\$9,840.3	➔	\$(1,931.2)	-119.6%	▼
<i>C = (O + E + R + I)</i>											
Other expenditure (not part of prices)											
Dam improvement program		-		\$0.0	-		-		\$0.0	-	
Recreational facility projects <sup>1</sup>		-		\$2.8	-		-		\$0.0	-	
Metered offtakes and dividend reinvestment		-		\$85.3	-		-		\$2.9	-	

▲	△	◄►	▽	▼
10% above the QCA target	5% above the QCA target	In line with the QCA target <5%	5% below the QCA target	10% below the QCA target

1. Forecast annuity-funded costs from 2020-21 exclude recreational facility projects.
2. Reflects the QCA's 2020–2024 irrigation price investigation final recommendations.
3. The annuity contribution is included in the prices paid by bulk water and distribution customers. From 2020-21 to 2023-24, the annuity contribution is based on the QCA's irrigation price investigation 2020–2024 final recommendations.
4. Sunwater's 2022-23 actual expenditure figures presented in this table are pre-adjustment and will differ from our Irrigation Pricing Proposal and its engagement materials. Sunwater's 2023-24 figures align with our pricing submission, these figures may differ from the budget.

## Annuity balance—Gin Gin main channel and Monduran pump station

The Gin Gin main channel and Monduran pump station, which form part of the Bundaberg distribution system, perform a bulk water function under the water planning framework. In recognition of this, a share of the Gin Gin main channel and Monduran pump station annuity-funded costs is transferred from the Bundaberg Distribution Service Contract to the Bundaberg Bulk Water Service Contract. These costs are recovered in customers' bulk water prices via the annuity contribution.

Table 9 - Gin Gin main channel and Monduran pump station annuity balance

Annuity funded expenditure (and roll forward)											
	2022-23 actuals \$'000					2023-24 forecast \$'000					
		QCA	Sunwater <sup>2</sup>	Δ to QCA		QCA	Sunwater <sup>2</sup>	Δ to QCA			
Opening balance	O	\$425.3	→	\$(368.7)	-186.7%	▼	\$619.0	→	\$(569.5)	-192.0%	▼
<b>Annuity funded expenditure</b>	<b>E</b>	<b>\$(113.4)</b>	<b>→</b>	<b>\$(473.2)</b>	<b>317.3%</b>	<b>▲</b>	\$(33.2)	→	\$(44.8)	34.6%	▲
Annuity revenue <sup>1</sup>	R	\$288.5	→	\$288.5	-	-	\$289.6	→	\$289.6	-	-
Interest	I	\$18.6	→	\$(16.1)	-	-	\$27.1	→	\$(24.9)	-	-
Closing balance	C	\$619.0	→	\$(569.5)	-192.0%	▼	\$902.4	→	\$(349.5)	-138.7%	▼
<i>C = (O + E + R + I)</i>											

▲	△	◄►	▽	▼
10% above the QCA target	5% above the QCA target	In line with the QCA target <5%	5% below the QCA target	10% below the QCA target

1. The annuity contribution is included in the prices paid by bulk water and distribution customers. From 2020-21 to 2023-24, the annuity contribution is based on the QCA's irrigation price investigation 2020–2024 final recommendations.
2. In its 2020–2024 irrigation price investigation final recommendations, the QCA transferred a share of the Gin Gin main channel and Monduran pump station costs from the Bundaberg Distribution Service Contract to the Bundaberg Bulk Water Service Contract. Refer to section 6.4.1 of the QCA's final Part B report at: [www.qca.org.au/project/rural-water/irrigation-price-investigations/](http://www.qca.org.au/project/rural-water/irrigation-price-investigations/).
3. The annuity contribution transferred to Bundaberg bulk water customers in 2022-23 is \$14.4k and \$14.5k in 2023-24. The annuity cost transfer may differ from our Irrigation Pricing Submission.

## Comparison of forecast and actual annuity-funded projects for 2022-23

The below table sets out the major annuity-funded projects planned for Bundaberg Distribution in 2022-23<sup>4</sup> and the actual projects undertaken.

Table 10 - Comparison of forecast and actual annuity-funded projects for 2022-23

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Don Beattie pump station	Study – options analysis on LV switchboard replacement, and HV inspection and testing for compliance with workplace health and safety (WHS) legislation.	85	59	The cost variance was primarily driven by: <ul style="list-style-type: none"> <li>Part of the switchboard replacement project was brought forward from 2023-24 to ensure the future installation component can be scheduled correctly (\$8k more)</li> <li>a duplicate project to replace switchboard 2 was removed from the program (\$34k)</li> <li>HV inspection and testing was completed with other site testing.</li> </ul>
Quart Pot Creek pump station	Replace – HV switchboard, cabling and control system based on known asset condition and age (design and procurement phase), HV inspection and testing for compliance with WHS legislation and flow meter compliance testing.	764	0	Sunwater determined that it would be more efficient to complete these projects in conjunction with other sites.
Woongarra pump station	Refurbish – rising main based on the outcomes of the options study, as well as HV inspection and testing for compliance with WHS legislation.	580	786	The cost variance was primarily driven by: <ul style="list-style-type: none"> <li>additional scope was added to extend the sale of lining necessary to ensure the reliability of the rising mains (\$213k more)</li> <li>combining projects for efficiency (\$7k less)</li> </ul>
Bullyard pump station	Refurbish – discharge and reflux valves at pump units No. 1 and No. 4, as well as the pump, motor and actuator on pump unit No. 4 based on known asset condition and age. Options and design to replace delivery line manifold that is cracked.	301	26	The cost variance was primarily driven by: <ul style="list-style-type: none"> <li>several deferred projects (\$168k)</li> <li>two projects removed from the program (\$75k)</li> <li>options analysis for the replacement delivery line was completed under budget (\$32k less)</li> </ul>
Gooburrum pump station	Refurbish – pump unit No. 2 pump, motor, discharge, and reflux valves based on known asset condition and age.	316	137	The cost variance was primarily driven by combining projects for efficiency.
Isis system	Replace – customer meters based on known asset condition and age.	113	126	This project was delivered broadly in line with the budget.
Woongarra system	Replace – customer meters based on known asset condition and age.	107	105	This project was delivered under budget.

<sup>4</sup> Based on information extracted from Sunwater's systems in mid-2023. See the 2022-23 S&PP at [www.sunwater.com.au/schemes/Bundaberg/](http://www.sunwater.com.au/schemes/Bundaberg/)



Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Abbotsford pump station	Replace – switchboard, controls and cables based on known asset condition and age. Covers installation and commissioning.	1043	60	Part of the works were not completed. Installation was deferred to 2023-24.
Bingera system	Replace – customer meters based on known asset condition and age.	77	89	Additional meters required replacing.
Bullyard pump station	Replace – LV switchboard and cabling based on known condition and risk.	665	399	Part of the works were not completed due to new arc flash standards not being met. Work will recommence in 2023-24.
Tirroan pump station	Replace – LV switchboard and cables based on known asset condition and age (design and procurement phase) and an options study on control system replacement.	332	220	Part of the works were not completed. The project was carried over to 2023-24.
Gooburrum system	Replace – customer meters based on known asset condition and age.	71	215	Additional meters required replacing.
Bingera main channel	Refurbish – concrete lining based on known asset condition and age.	86	0	This project was deferred to 2023-24.
Walker Street pump station	Refurbish – pump unit No. 3 suction and discharge valves, pump, and motor.	81	72	This project was delivered under budget.
Gooburrum pump station	Replace – switchboard and cabling based on known condition and risk. Covers design and procurement.	290	68	The scope of work was reduced to cover an options study only.
Isis main channel	Refurbish – regulating gate based on known asset condition and age.	62	8	The bulk of the work required was carried over to 2023-24.
Gin Gin system	Replace – customer meters based on known asset condition and age.	59	56	This project was completed under budget.
Dinner Hill pump station	Refurbish – pump unit 1 discharge and suction valves, and pump.	76	85	This project was completed broadly in line with the budget.
Bucca pump station	Replace – control system, cables and switchboard based on known condition, and refurbish switchboard shelter to provide improved thermal regulation.	1421	228	The manufacturing and installation component of this project was deferred to 2023-24 to ensure arc flash standards were incorporated.
Multiple	Various projects	287	90	The cost variance is primarily driven by several deferred projects (\$94k) and projects completed under budget. In addition, less fencing was replaced at Woongarra Main Channel (\$53k less).
Multiple	Non-scheduled projects	-	1187	Most of this expenditure relates to replacing the damaged concrete lining in Isis Main Channel caused by flood events from the year prior (\$946k). Other costs were driven by: <ul style="list-style-type: none"> <li>the completion of carry over projects to repair a leak in Gin Gin main channel (\$35k) and comprehensive risk assessment (\$12k)</li> </ul>

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
				<ul style="list-style-type: none"> <li>• a study to determine a solution to line Woongarra rising main (5k)</li> <li>• a routine inspection found that a bulkhead gate at Quart Pot pump station required refurbishment (\$26k)</li> <li>• payment of long lead items ordered in the prior year (\$79k)</li> <li>• continuation of the arc flash study (\$52k)</li> <li>• gate refurbishment at Bingera main channel (\$31k)</li> </ul>
<b>2022-23 Total</b>		<b>6814</b>	<b>3965</b>	

## Comparison of forecast and actual annuity-funded projects for Gin Gin main channel and Monduran pump station

The below table sets out the major annuity-funded projects planned for Gin Gin main channel and Monduran pump station in 2022-23<sup>5</sup> and the actual projects undertaken.

Table 11 - Comparison of forecast and actual annuity-funded projects for 2022-23

Facility	Activity description	Total forecast project costs \$'000	Distribution share of forecast project costs \$'000	Total actual project costs \$'000	Distribution share of actual project costs \$'000	Commentary
Monduran pump station	Refurbish – pump unit 4 suction valve based on known asset condition and age.	22	21	0	58	This project was deferred to 2023-24.
Monduran pump station	Refurbish – pump unit 4 discharge valve based on known asset condition and age.	27	25	0	0	This project was deferred to 2023-24.
Monduran pump station	Study – electrical meter compliance tests based on regulatory requirements.	8	8	71	67	This project was completed in conjunction with the high voltage testing and inspection project below.
Monduran pump station	Inspect and test – HV equipment in accordance with Asset Management Standard AM26.	27	26	0	0	This project was completed with the electrical meter compliance test.
Monduran pump station	Study – calculate new pump impeller diameter to improve pump efficiency.	29	27	0	0	This project was deferred to 2023-24.
Gin Gin main channel	Refurbish – concrete lining based on known asset condition and age (Stage 2).	115	109	344	326	The scope of works was greater than anticipated. Additional earthwork repairs were needed to stabilise the channel bank.
Gin Gin main channel	Refurbish – fencing, gates and grids based on known asset condition and age (Stage 2).	460	44	33	31	Less fencing was replaced than originally planned.
<b>2022-23 Total</b>		<b>273</b>	<b>259</b>	<b>508</b>	<b>483</b>	

<sup>5</sup> Based on information extracted from Sunwater's systems in mid-2023. See S&PP at [www.sunwater.com.au/schemes/Bundaberg/](http://www.sunwater.com.au/schemes/Bundaberg/)

## Annuity-funded projects for 2024-25 and 2025-26

The below table sets out Sunwater’s currently planned annuity-funded projects for 2023-24 and 2024-25<sup>6</sup> period for this scheme (excluding Gin Gin main channel and Monduran pump station projects, refer to Table 13). 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. The data in Table 12 is presented at a granular level and may not align with the overarching program names in our pricing submission.

*Table 12 - Annuity-funded projects for 2023-24 and 2024-25 excluding Gin Gin main channel and Monduran pump station*

Year	Facility	Activity description	Forecast \$'000
2023-24	Abbotsford pump station	Replace – procure spare pump for improved reliability of supply.	67
	Abbotsford pump station	Refurbish – submersible pump unit 2 based on known condition and age.	56
	Bingera system, Gin Gin system, Gooburrum system, Isis system and Woongarra system	Replace – customer meters based on known asset condition and age.	416
	Bucca pump station	Refurbish or replace – pump unit No. 1 & 2 reflux, suction valves, discharge valves and pump based on known asset condition and age.	94
	Bullyard pump station	Replace – outlet gate based on known condition and age.	56
	Bullyard pump station	Refurbish or replace – pump reflux, suction and discharge valves and pump based on known condition and age.	328
	Gooburrum system	Refurbish – fencing and roads based on condition and age.	62
	Gooburrum main channel	Refurbish - slide gates, regulator gates and access crossing screens based on known condition and age	65
	Gooburrum pump station	Replace – pump unit No.2 electric motor based on known asset condition and age.	134
	Isis system & Woongarra pump station	Refurbish – design and construct new safety cover for regulating structure.	67
	Isis main channel	Replace – regulator gate No.2 based on condition and age.	62
	Don Beattie pump station	Refurbish – protection works shotcrete based on known condition.	84
	Walker Street pump station	Refurbish – pump unit No. 1 discharge, suction and non-return valves based on known asset condition and age.	52
	Woongarra balancing storage	Refurbish – storage outlet slide gate and guides based on known condition and age.	90
	Woongarra main channel	Refurbish – left bank upstream of the bench flume bank repair remediation works based on condition.	112
	Woongarra Bench Flume	Study – options analysis to replace acrow props used to stabilise the bench flume.	56

<sup>6</sup> The project forecasts provided in this table align with our pricing submission. It is important to acknowledge that these projects are inherently dynamic and susceptible to changes influenced by various factors.

Year	Facility	Activity description	Forecast \$'000
	Woongarra pump station	Refurbish – fencing, gates and grids based on known condition and age.	56
	Woongarra pump station	Refurbish – pump unit No.1 pump and motor based on known asset age and condition.	130
	Abbotsford pump station	Replace – electrical controls based on known asset condition and age.	70
	Abbotsford pump station	Replace – LV switchboard and incoming cables based on known asset condition and age.	207
	Bucca pump station	Replace – electrical cables, control system, switchboard shelter to provide improved thermal insulation, and LV switchboard.	1165
	Tirroan pump station	Replace – LV common controls and electrical cables based known asset condition and age. Stage 2 covers installation and commission.	1217
	Tirroan pump station	Replace – LV common controls based on known asset condition and age. Stage 1 covers design and procurement.	431
	Gooburrum pump station	Replace – pump station control system based on known asset condition and age (stage 2).	333
	Don Beattie pump station	Replace - HV switchboard based on known asset condition and age.	333
	Quart Pot Creek pump station	Replace - HV switchboard based on known asset condition and age.	333
	Multiple	There are eleven other annuity-funded projects planned for 2023-24. These include, for example, fixings and valve refurbishments on break pressure structures on Abbotsford pump station; submerged disk valve replacement at Bingera system, St Agnes, and Quarts Pot Creek pump station; actuator replacement at Bucca pump station; inlet and outlet gate refurbishment at McIlwraith storage; an investigation into options to improve existing surge/lightning protection for switchboards and motor circuits; refurbishment of regulating gate no.3 at Woongarra pump station; replacing the control system battery charger at Don Beattie pump station and an options analysis for a low voltage switchboard and cable replacement at North Gregory pump station.	350
	<b>2023-24 Total</b>		
2024-25	Scheme	Study – arc flash risk assessment program to identify arc flash hazards and comply with new standards.	539
	Bingera system, Gooburrum system, Isis system, Woongarra system and Gin Gin distribution system	Replace – customer meters based on known asset condition and age.	425
	Bingera main channel	Refurbish – fencing based on known condition and age.	32
	Confirm facility	Replace – safety screens based on known condition and age.	23
	Bullyard pump station	Refurbish – pump unit No.1 discharge valve and unit No.2 actuator based on asset condition and age.	54
	Don Beattie pump station	Replace – fire alarm system and common controls; refurbish suction line, pump unit No.2 motor and pump based on known asset condition and age.	3281
	North Gregory pump station	Refurbish – pump unit No.2 discharge valve and pump based on known asset condition and age.	36
	Woongarra pump station	Replace – electric motor based on known asset condition and age. Refurbish – rising main to the balancing storage, cooling water system, pump unit No.5 and No.4 pump and motor based on known asset condition and age."	918

Year	Facility	Activity description	Forecast \$'000
	Woongarra system	Refurbish – fencing, gates and grids based on condition and age	40
	Gooburrum pump station	Replace – pump station control system based on known asset condition and age (stage 3).	2439
	Woongarra and Isis balancing storages	Study – As low as reasonably possible (ALARP) investigation to identify options to improve public safety.	270
	Quart Pot Creek pump station	Replace – common controls based on known asset condition and age (stage 2).	2667
	Bingera main channel	Refurbish – concrete lining based on known condition and age.	59
	<b>2024-25 Total</b>		<b>10783</b>

## Gin Gin main channel and Monduran pump station annuity-funded projects for 2023-24 and 2024-25

The below table sets out Sunwater’s currently planned Gin Gin main channel and Monduran pump station annuity-funded projects for 2023-24 and 2024-25<sup>7</sup>. Customers in the Bundaberg Distribution Service Contract contribute towards 95 per cent of these costs. 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. The data in Table 13 is presented at a granular level and may not align with the overarching program names in our pricing submission.

*Table 13 - Annuity-funded projects for Gin Gin main channel and Monduran pump station for 2023-24 and 2024-25*

Year	Facility	Activity description	Total forecast project costs \$'000	Distribution share of forecast project costs \$'000
2023-24	Gin Gin main channel	Refurbish – fencing, gates and grids based on known asset condition and age (Stage 3).	45	43
	<b>2023-24 Total</b>		<b>45</b>	<b>43</b>
2024-25	Gin Gin main channel	Refurbish – fencing, gates and grids based on known asset condition and age	36	34
	Monduran pumpstation	Replace – supervisory control and data acquisition (SCADA) computer system and lighting based on known asset condition and age.	16	15
	St Agnes main channel	Replace – outlet screens based on known condition and age.	17	16
	Gin Gin main channel	Refurbish – concrete lining based on known age and condition.	59	56
	<b>2024-25 Total</b>		<b>128</b>	<b>122</b>

<sup>7</sup> The project forecasts provided in this table align with our pricing submission. It is important to acknowledge that these projects are inherently dynamic and susceptible to changes influenced by various factors.