



# Final Service and Performance Plan 2021/22

Burdekin Haughton Bulk Water Service Contract

13 August 2021

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# At a glance


## Our performance in 2019/20



**Operating costs:**  
\$4.08 million (23.6% more than forecast)

Key drivers of cost variance:


- additional training costs for operational support staff
- increased corrective maintenance costs associated with removing effluent waste from the sewage treatment plant, in line with our Environmental Authority agreement. These additional costs have now been removed from future spend, with the approval of the new environmental authority certification, which allows wastewater to be delivered to an irrigation field, as approved by the department.



**Annuity-funded costs:**  
\$2.06 million (21.1% more than forecast)


Key drivers of cost variance:

- the scope of works for the gantry crane rail upgrade at Clare Weir was expanded to include the entire rail length
- the replacement of light poles and fittings at Burdekin Falls Dam were completed in a single year (originally scheduled to span two years). Mobilisation savings realised.
- the scope of works for the radial gate refurbishment at Burdekin Falls Dam was increased to include replacement of all bolts, due to inspection revealing their poor condition.



**Total water deliveries:**  
663,465 ML


Water delivered to irrigators: 576,734 ML



**Service targets: Met**

No exceptions


## Outlook for 2021/22



**Forecast operating costs:**  
\$3.53 million

Significant areas of expenditure budgeted:

- insurance (\$1.57 million)
- operations (\$1.05 million)
- preventative maintenance (\$0.46 million)
- corrective maintenance (\$0.38 million).



**Forecast annuity-funded costs:**  
\$0.84 million

Key projects planned:

- Stage 5 of the hydraulic system upgrade at Clare Weir (\$0.44 million)
- five-yearly comprehensive inspection of Burdekin Falls Dam, in accordance with the dam safety condition schedule (\$0.12 million)
- repair and reinstatement of dissipator blocks at Burdekin Falls Dam (\$0.10 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 Burdekin Haughton Bulk Water Service Contract is to:

- present to customers Sunwater’s projected costs<sup>1</sup> 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 any identified refurbishment and corrective works identified through our annual and five yearly comprehensive inspections and all operational activities are implemented safely, timely and efficiently. We are also continuing to implement an efficient and effective maintenance program, with a focus on ensuring the storage assets continue to perform reliably. For example, we will continue to upgrade the gate cylinders at Clare Weir.

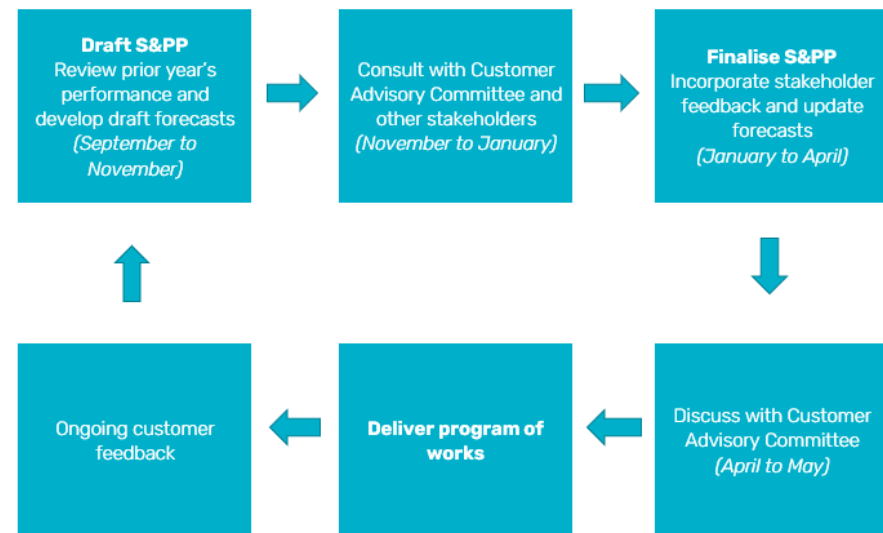
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

[www.sunwater.com.au/customer/products-and-services/service-and-performance-plans/](http://www.sunwater.com.au/customer/products-and-services/service-and-performance-plans/)

<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.

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](mailto: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

Our customers in this service contract include the Sunwater distribution scheme, the Lower Burdekin Water north and south regions, and riparian users adjacent to the Burdekin River. Water is also supplied for some industrial uses and to the towns of Clare, Millaroo and Dalbeg.

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 data<sup>1</sup>

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2019/20 (ML)
Irrigation	636,664	0	636,664	576,734
Industrial	23,049	20,053	2996	15,234
Urban	10,537	10,537	0	1489
Sunwater (excl. distribution losses)	202,605	53,148	149,457	0
Sunwater distribution losses	206,737	16,260	190,477	70,008
<b>Total</b>	<b>1,079,592</b>	<b>99,998</b>	<b>979,594</b>	<b>663,465</b>

1. Includes the bulk water supply scheme, the distribution system, Burdekin Town Water and Burdekin Moranbah Pipeline.

## Irrigation charges

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

Table 2: Irrigation charges for 2021/22<sup>1</sup>

Tariff group	Product	2021/22 (\$/ML) <sup>2</sup>	QCA cost-reflective (\$/ML) <sup>3</sup>
Burdekin River	Allocation Charge – Part A	10.80	3.92
	Allocation Water – Part B	0.28	0.34
Burdekin Channel	Allocation Charge – Part A	3.26	3.92
	Allocation Water – Part B	0.28	0.34
Giru Groundwater Area	Allocation Charge – Part A	3.26	3.92
	Allocation Water – Part B	0.28	0.34
Gladys Lagoon – Up to natural yield	Allocation Charge – Part A	0.00	0.00
	Allocation Water – Part B	0.00	0.00
Gladys Lagoon – Other than from natural yield	Allocation Charge – Part A	3.26	3.92
	Allocation Water – Part B	0.28	0.34

1. This table includes bulk water charges only. For distribution charges, please refer to the Distribution Service Contract S&PP.
2. 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.
3. Is the cost-reflective price determined by the Queensland Competition Authority (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/](http://www.sunwater.com.au/customer/fees-and-charges/)

## Service targets

Sunwater and customers have agreed Water Supply Arrangements and Service Targets for the Burdekin Haughton 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 <sup>1</sup>	Unplanned shutdowns during Peak Demand Period	48 hours	0	0	0
	Unplanned shutdowns outside Peak Demand Period	5 working days			
Maximum number of interruptions <sup>2</sup>	Planned or unplanned interruptions per water year	10	0	0	0

1. This is the number of times that the unplanned shutdown has exceeded the shortest of the peak/off peak periods.
2. This is the total number of bulk customers in the scheme that have been interrupted in excess of the target.

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 <sup>1</sup>	80.00%	94.87%
Requests actioned within Service Level Agreement (SLA) timeframes <sup>2</sup>	> 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

Table 5 lists the key infrastructure used to deliver bulk water services to our customers in Burdekin Haughton.

Table 5: Key infrastructure

Asset	Description	Total storage capacity (ML)
Burdekin Falls Dam	Mass concrete main wall with ogee crest spillway. Includes three saddle dams. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	1,860,000
Clare Weir	Mass concrete weir with tilting gates and fish transfer system.	15,900
Gorge Weir	Mass concrete structure, with a drop board section.	9095
Blue Valley Weir	Concreted rock wall, with timber drop board outlet works.	3820

## Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Burdekin Haughton Bulk Water Service Contract is presented in Table 6.

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 no material change in revenue for the Burdekin Haughton 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 Burdekin Haughton 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)

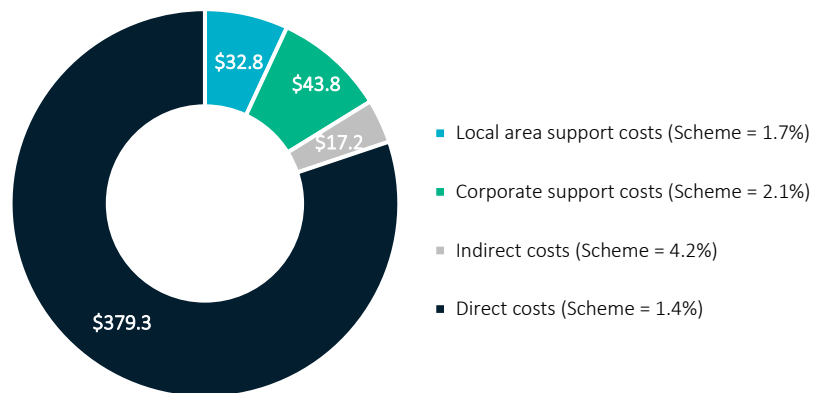


Table 6: Service contract financial summary

Burdekin Haughton 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	1560.3	1579.9	1544.1	1564.1	1566.0
Community Service Obligation	318.0	318.0	318.0	318.0	-
Industrial <sup>1</sup>	55.2	54.9	56.2	58.0	59.0
Urban <sup>1</sup>	-	-	-	91.3	96.3
Revenue transfers <sup>2</sup>	3731.5	3641.7	3667.8	3857.8	4156.3
Drainage	-	-	-	-	-
Other	7.6	44.0	64.5	62.5	64.5
<b>Revenue total</b>	<b>5672.6</b>	<b>5638.6</b>	<b>5650.6</b>	<b>5951.8</b>	<b>5942.1</b>
Less – Operating expenditure	2737.4	3661.4	4083.5	3696.6	4022.4
Less					
Annuity-funded	815.9	897.2	2059.8	1950.7	843.9
Non-annuity funded <sup>3</sup>	5883.1	2667.7	4767.6	6682.6	2535.8
<b>Surplus (deficit)</b>	<b>(3763.8)</b>	<b>(1587.7)</b>	<b>(5260.3)</b>	<b>(6378.2)</b>	<b>(1460.0)</b>

- 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 distribution system and the Burdekin Moranbah pipeline. The revenue accrues to the distribution system and pipeline system 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 Burdekin Haughton Bulk Water Service Contract is the Dam Improvement Program and 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 7 sets out actual and forecast operating expenditure for the Burdekin Haughton 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 more than our previous forecast.<sup>2</sup> Operations costs were higher than budgeted due to the training of operational support staff, e.g. staff gaining experience and certification to undertake relieving duties at Burdekin Falls Dam, including Emergency Action Plan activities.

Table 7: Operating expenditure<sup>1</sup>

Burdekin Haughton 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 <sup>2</sup>	Sunwater Forecast \$'000	QCA Target \$'000 <sup>2</sup>	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operations	1845.5	2220.0	2508.8	2543.3	34.5	2458.8	2466.3	2690.3	2502.8	2727.4	2791.9	2853.4	2912.9
Electricity	(0.7)	5.4	126.3	13.5	(112.8)	111.5	128.9	74.0	116.6	75.5	77.0	78.5	80.1
Insurance	721.2	773.7	861.8	886.2	24.4	1196.2	974.5	1570.0	994.0	1601.4	1633.5	1666.1	1699.4
Operations	1125.0	1440.9	1520.7	1643.6	122.9	1151.2	1362.9	1046.2	1392.2	1050.5	1081.4	1108.8	1133.4
Preventative maintenance	486.4	518.2	474.2	530.2	56.0	392.1	387.8	459.3	396.1	460.0	473.9	486.1	497.2
Corrective maintenance	405.6	923.2	321.9	1010.0	688.1	351.7	259.0	381.1	264.4	383.1	393.8	378.2	386.7
<b>Operating costs total</b>	<b>2737.4</b>	<b>3661.4</b>	<b>3304.9</b>	<b>4083.5</b>	<b>778.7</b>	<b>3202.7</b>	<b>3113.1</b>	<b>3530.7</b>	<b>3163.4</b>	<b>3570.5</b>	<b>3659.6</b>	<b>3717.8</b>	<b>3796.8</b>
Recreational facility costs <sup>3</sup>						493.9		491.7		493.5	508.0	514.3	525.8
<b>Operating costs total (incl. recreational facility costs)</b>	<b>2737.4</b>	<b>3661.4</b>	<b>3304.9</b>	<b>4083.5</b>	<b>778.7</b>	<b>3696.6</b>		<b>4022.4</b>		<b>4064.0</b>	<b>4167.6</b>	<b>4232.0</b>	<b>4322.6</b>

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.

<sup>2</sup> See the 2019/20 Network Service Plan at [www.sunwater.com.au/schemes/Burdekin-Haughton/](http://www.sunwater.com.au/schemes/Burdekin-Haughton/)

The increase in 2019/20 corrective maintenance spend was due to the removal of effluent waste from the sewage treatment plant. Sunwater's Environmental Authority agreement restricts the overflow of wastewater into the environment. We therefore needed to remove the wastewater via truck and transport it to a regulated waste facility in Townsville for disposal.

These additional costs have now been removed from future spend, with the approval of the new environmental authority certification, which allows wastewater to be delivered to an irrigation field, as approved by the department.

## **Outlook for 2021/22 Operations**

Burdekin Haughton Bulk Water Service Contract's total operations budget in 2021/22 is 7.5 per cent above the QCA's recommended cost target, due to higher insurance costs. Our forecast operations and electricity costs are lower than the QCA's cost targets. Sunwater's operations costs include the cost of retaining additional operational support staff to relieve dam operators during periods of leave and ensuring there are sufficient levels of certified/qualified staff available for emergency action plan events.

### **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 Burdekin Haughton Bulk Water Service Contract are expected to 16.0 per cent above the QCA's recommended cost target. This variance is due to increased preventive maintenance on ageing assets and an increase in costs associated with the reliable operation of the water treatment and sewage treatment plants.

### **Corrective maintenance**

In 2021/22, Sunwater anticipates spending \$381.1k on corrective maintenance in the Burdekin Haughton Bulk Water Service Contract. While this is 44.1 per cent above the QCA's recommended cost target, the additional corrective maintenance (break down works) is mainly due to ageing assets. Forecast expenditure is broadly consistent with Sunwater's previous forecasts.

Historically, our corrective maintenance spend has been much higher than forecast due to ageing assets.



## 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 8 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 8: Annuity and non-annuity funded expenditure<sup>1,2</sup>

Burdekin Haughton 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 <sup>3</sup>	Sunwater Actual \$'000 <sup>3</sup>	Sunwater Forecast \$'000	Sunwater Actual \$'000		Sunwater Forecast \$'000	QCA Target \$'000 <sup>4</sup>	Sunwater Forecast \$'000	QCA Target \$'000 <sup>4</sup>	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
<b>Annuity-funded</b>													
Operations	16.0	-	209.1	16.3	(192.9)	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	799.9	897.2	1491.5	2043.6	552.1	1950.7	889.8	843.9	832.0	721.0	881.3	1015.6	1653.2
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Annuity-funded total</b>	<b>815.9</b>	<b>897.2</b>	<b>1700.7</b>	<b>2059.8</b>	<b>359.2</b>	<b>1950.7</b>	<b>889.8</b>	<b>843.9</b>	<b>832.0</b>	<b>721.0</b>	<b>881.3</b>	<b>1015.6</b>	<b>1653.2</b>
<b>Non-annuity funded</b>													
Dam Improvement Program	5883.1	2667.7	6047.6	4767.6	(1280.0)	5891.0		1720.8		62,334.5	139,580.5	173,289.3	122,041.1
Recreational facility projects						428.0		815.0		1060.1	156.2	204.9	170.4
Metered offtakes and dividend reinvestment	-	-	-	-	-	363.6		-		-	-	-	-
<b>Non-annuity total</b>	<b>5883.1</b>	<b>2667.7</b>	<b>6047.6</b>	<b>4767.6</b>	<b>(1280.0)</b>	<b>6682.6</b>		<b>2535.8</b>		<b>63,394.6</b>	<b>139,736.7</b>	<b>173,494.1</b>	<b>122,211.5</b>

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.<sup>3</sup>

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.

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<sup>3</sup> See pages 58 to 60, [www.qca.org.au/wp-content/uploads/2020/02/irrigation-price-review-part-b-sunwater-final-report.pdf](http://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 9 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 9: Annuity balance

Burdekin Haughton 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 <sup>1</sup>	6647.4	6940.7	7190.0	6311.0	5809.5	6427.5	7275.9	8103.5	9158.5
Spend <sup>2</sup>	(815.9)	(897.2)	(2059.8)	(1950.7)	(843.9)	(721.0)	(881.3)	(1015.6)	(1653.2)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-	-
Annuity contribution <sup>3</sup>	611.3	626.6	642.3	1173.4	1207.9	1288.3	1390.8	1716.3	1747.8
Interest/financing costs	497.9	519.9	538.5	275.9	254.0	281.0	318.1	354.3	400.4
<b>Sunwater – Closing balance</b>	<b>6940.7</b>	<b>7190.0</b>	<b>6311.0</b>	<b>5809.5</b>	<b>6427.5</b>	<b>7275.9</b>	<b>8103.5</b>	<b>9158.5</b>	<b>9653.6</b>
<b>QCA – Closing balance</b>	<b>6940.7</b>	<b>7190.0</b>	<b>6797.8</b>	<b>7378.6</b>	<b>8077.0</b>	<b>9053.8</b>	<b>9881.9</b>		
Difference	-	-	(486.8)	(1569.0)	(1649.5)	(1778.0)	(1778.4)		

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	184,950
2011/12	435,031
2012/13	514,753
2013/14	716,982
2014/15	801,910
2015/16	680,578
2016/17	581,308
2017/18	637,316
2018/19	524,103
2019/20	663,465
<b>18-year historical average</b>	<b>600,384</b>

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

Burdekin Haughton 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	Sunwater Forecast \$'000	QCA Target \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	
<b>Operating costs</b>													
Operations	1845.5	2220.0	2508.8	2543.3	34.5	2458.8	2466.3	2690.3	2502.8	2727.4	2791.9	2853.4	2912.9
Labour	240.8	370.3	325.4	320.5	(4.8)	241.0	295.8	211.7	302.6	218.0	224.6	231.3	238.2
Contractors	66.4	61.6	60.0	127.8	67.8	43.6	43.0	43.6	43.8	44.5	45.4	46.3	47.2
Materials	13.4	23.9	20.0	38.2	18.2	15.9	19.4	15.9	19.8	16.2	16.5	16.8	17.2
Electricity	(0.7)	5.4	126.3	13.5	(112.8)	111.5	128.9	74.0	116.6	75.5	77.0	78.5	80.1
Insurance	721.2	773.7	861.8	886.2	24.4	1196.2	974.5	1570.0	994.0	1601.4	1633.5	1666.1	1699.4
Other	275.6	93.7	334.4	496.6	162.2	237.2	245.9	237.2	250.8	241.1	246.3	251.1	255.4
Local area support costs	175.6	311.7	204.6	198.0	(6.6)	140.8	210.2	138.3	214.7	142.5	146.8	151.2	155.7
Corporate support costs	141.6	332.7	243.0	244.7	1.8	180.7	228.4	201.1	233.3	207.1	213.3	219.7	226.3
Indirect costs	211.6	247.1	333.4	217.7	(115.7)	292.0	320.1	198.4	327.0	181.1	188.6	192.4	193.4
Preventative maintenance	486.4	518.2	474.2	530.2	56.0	392.1	387.8	459.3	396.1	460.0	473.9	486.1	497.2
Labour	93.5	119.0	113.8	140.5	26.7	96.9	79.9	110.8	81.7	114.1	117.6	121.1	124.7
Contractors	177.3	129.3	100.0	71.4	(28.6)	71.4	111.0	79.3	113.3	80.9	82.5	84.2	85.9
Materials	17.4	5.0	14.0	2.4	(11.6)	9.5	9.1	6.3	9.3	6.5	6.6	6.7	6.9
Other	8.1	11.4	10.0	30.3	20.3	10.3	12.4	10.3	12.7	10.5	10.7	10.9	11.2
Local area support costs	72.8	95.0	72.4	84.9	12.6	56.5	56.8	72.0	58.0	74.2	76.4	78.7	81.1
Corporate support costs	46.6	97.5	85.0	106.3	21.3	72.7	61.7	105.3	63.0	108.4	111.7	115.0	118.5
Indirect costs	70.7	60.9	79.1	94.3	15.3	74.8	56.9	75.2	58.1	65.3	68.3	69.4	69.0
Corrective maintenance	405.6	923.2	321.9	1010.0	688.1	351.7	259.0	381.1	264.4	383.1	393.8	378.2	386.7
Labour	63.0	86.2	55.3	102.4	47.1	74.5	38.6	72.2	39.5	74.4	76.6	78.9	81.2
Contractors	182.6	561.6	110.0	636.0	526.0	87.3	104.5	111.1	106.6	113.3	115.5	92.6	94.4
Materials	15.8	41.6	30.0	30.3	0.3	21.4	24.8	21.4	25.3	21.8	22.3	22.7	23.2
Other	12.2	28.8	11.0	44.3	33.3	11.9	6.4	11.9	6.5	12.1	12.4	12.6	12.9
Local area support costs	49.1	75.1	35.7	60.0	24.2	43.2	27.4	46.9	28.0	48.3	49.8	51.3	52.8
Corporate support costs	35.1	77.2	41.3	73.2	31.8	55.9	29.8	68.6	30.4	70.6	72.8	74.9	77.2
Indirect costs	47.7	52.5	38.5	63.8	25.3	57.5	27.5	49.0	28.1	42.5	44.5	45.2	44.9
<b>Operating costs total</b>	<b>2737.4</b>	<b>3661.4</b>	<b>3304.9</b>	<b>4083.5</b>	<b>778.7</b>	<b>3202.7</b>	<b>3113.1</b>	<b>3530.7</b>	<b>3163.4</b>	<b>3570.5</b>	<b>3659.6</b>	<b>3717.8</b>	<b>3796.8</b>
<b>Annuity-funded costs</b>													
Labour			191.3	107.1	(84.2)	143.0	65.2	97.9	96.5	68.2	86.3	112.9	258.0
Contractors			741.5	1567.0	825.5	884.4	403.4	159.9	157.7	72.8	225.1	356.0	377.4
Materials			339.6	151.8	(187.9)	593.5	270.7	346.7	341.8	429.0	374.9	291.4	327.2
Other			38.4	18.0	(20.4)	29.4	13.4	15.7	15.5	2.0	6.4	9.4	134.9
Local area support costs			114.0	63.8	(50.2)	82.8	37.7	64.3	63.4	45.1	56.3	73.8	167.9
Corporate support costs			142.8	81.9	(61.0)	107.3	48.9	93.0	91.7	64.8	82.0	107.3	245.1
Indirect costs			132.9	70.2	(62.7)	110.4	50.3	66.4	65.5	39.0	50.2	64.7	142.7
<b>Annuity-funded total<sup>1</sup></b>	<b>815.9</b>	<b>897.2</b>	<b>1700.7</b>	<b>2059.8</b>	<b>359.2</b>	<b>1950.7</b>	<b>889.8</b>	<b>843.9</b>	<b>832.0</b>	<b>721.0</b>	<b>881.3</b>	<b>1015.6</b>	<b>1653.2</b>
<b>Total costs<sup>2</sup></b>	<b>3553.3</b>	<b>4558.6</b>	<b>5005.5</b>	<b>6143.4</b>	<b>1137.8</b>	<b>5153.4</b>	<b>4002.9</b>	<b>4374.6</b>	<b>3995.4</b>	<b>4291.5</b>	<b>4540.8</b>	<b>4733.3</b>	<b>5450.0</b>

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 Burdekin Haughton Bulk Water Service Contract in 2019/20 and the actual projects undertaken.

Project	Forecast \$'000	Actual \$'000	Commentary
Clare Weir – Hydraulic system/cylinders (Stage 3) and gantry crane rail	691	1000	<p>The scope of works for this project changed significantly from what was forecast.</p> <p><i>Postponed</i></p> <p>Stage 3 refurbishment of the hydraulic system and cylinders was postponed until the gantry crane rail was replaced, but procurement activities were completed. Underwater inspection and assessment of tier 1 outlet works was unable to be completed due to river levels.</p> <p><i>Optimising access</i></p> <p>The initial forecast was to replace only 180m of rail, but the project took advantage of the access, and replaced the entire length of upstream rail (425m) instead. This eliminated future costs for demobilisation and remobilisation of the specialist contractor to site.</p> <p>\$28k allowed for the repair of concrete capping on the spillway was not needed, as this work was undertaken as part of the rail replacement.</p>
Burdekin Falls Dam – Recreational facility and development strategy	209	16	A review was undertaken, and it was decided that no further work needed to be completed.
Burdekin Falls Dam – Sewage treatment plant	176	181	The project was delivered in line with the budget.
Burdekin Falls Dam – 20-year dam safety review	149	139	The project was delivered within the budget.
Burdekin Falls Dam – Replace light poles and fittings	130	227	This project was planned to span two financial years, but all works were completed during the first tranche of works. Savings were achieved through reduced mobilisation/demobilisation costs.
Burdekin Falls Dam – Radial gate refurbishment	70	139	The scope of work increased upon inspection to include replacement of all bolts (approximately 400 in total) due to their condition. The original scope of work was to blast and patch paint the three gates. Efficiencies were achieved by completing this work at the same time as the radial gate refurbishment, rather than re-establishing access and a new project at a future date.
Burdekin Falls Dam – Gallery lighting project	56	64	As a result of several deficiencies identified during the initial inspection, additional condition assessment and reporting was required to determine the way forward.
Other works	220	148	Actual costs were slightly higher than forecast, due to the initial condition assessment of some assets and the requirement for fabrication works on one of the meter installations. However, the unplanned capital works contingency budget was not required.

Project	Forecast \$'000	Actual \$'000	Commentary
Non-scheduled works	-	145	The buoy line that provides visual indication of the dam spillway exclusion area was reinstated (after being washed away during a previous flood – February 2019) and gates to prevent public access to the boat ramp during spilling events were installed.
<b>2019/20 Total</b>	<b>1701</b>	<b>2060</b>	

## 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 <sup>4</sup>	Burdekin Falls Dam	Replace – upper and lower gallery lighting fixtures, cabling and distribution boards based on known asset condition and to meet regulatory compliance.	700
	Clare Weir	Refurbish – hydraulic system and cylinders based on known asset condition and age. This is Stage 4 of a multi-year project to redesign and improve the hydraulic system.	331
	Burdekin Falls Dam	Refurbish – three steel penstocks based on known asset condition and age.	180
	Clare Weir	Replace – reinstatement of downstream rock protection assets, replacement of battery charger system, gate control bubbling system and scheduled monolith deformation survey.	124
	Burdekin Falls Dam	Replace – streetlight poles and lighting fixtures to retain function and road safety.	125
	Burdekin Falls Dam	Refurbish – bulkhead gate coating system, seals and retaining plates based on known asset condition and age.	81
	Burdekin Falls Dam	Refurbish – 12 intake structure baulks (blast, paint and new wear pads) based on known asset condition and age.	73
	Burdekin Falls Dam	Refurbish – repair and/or reinstate dissipator blocks and impact slab based on known asset condition and age.	72
	Burdekin Falls Dam	Replace – main wall distribution board components based on known asset condition and age.	49
	Clare Weir	Study – failure impact assessment (FIA) based on the 2018 FIA Guidelines update.	40
	Scheme	Study – to determine arc flash risk and classification for all electrical switchboards and distribution boards.	39
	Multiple	There were six other annuity-funded projects planned for 2020/21 including, for example, fire suppression testing at Burdekin Falls Dam; an asset revaluation; river customer meter replacements; and a contingency amount for unplanned capital replacements.	137
		<b>2020/21 Total</b>	
2021/22	Clare Weir	Refurbish – hydraulic system and cylinders based on known asset condition and age.	435

<sup>4</sup> 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
	Burdekin Falls Dam	Study – comprehensive inspection to meet regulatory compliance.	118
	Burdekin Falls Dam	Refurbish – repair and/or re-instate dissipator blocks and impact slab based on known asset condition and age.	103
	Burdekin Falls Dam	Replace – standby generator battery charger based on known asset condition and age.	61
	Clare Weir	Study – comprehensive inspection to meet asset management, condition and risk standards.	50
	Multiple	There are three other annuity-funded projects planned for 2021/22 related to meter replacements; spillway apron and galleries foundation drainage cleaning and inspection at Burdekin Falls Dam; and downstream right bank protection works at Gorge Weir.	77
	<b>2021/22 Total</b>		<b>844</b>
2022/23	Clare Weir	Refurbish – hydraulic system and cylinders based on known asset condition and age.	509
	Burdekin Falls Dam	Refurbish – right bank access roads, bitumen repairs and resurfacing based on known asset condition and age.	92
	Burdekin Falls Dam	Refurbish – patch paint 12 baulks based on known asset condition and age.	49
	Gorge Weir	Study – comprehensive inspection to meet asset management, condition and risk standards.	25
	Burdekin River	Replace – customer meters to Australian Standard (AS) 4747 to meet regulatory compliance.	16
	Multiple	There are two other annuity-funded projects planned for 2022/23 related to a survey of the downstream anchor zone at Burdekin Falls Dam and electrical works at Clare Weir.	30
	<b>2022/23 Total</b>		<b>721</b>
2023/24	Clare Weir	Refurbish – hydraulic system and cylinders based on known asset condition and age.	343
	Clare Weir	Refurbish – right and left bank access ramp and landing earthworks based on known asset condition and age.	188
	Clare Weir	Refurbish – outlet works hydraulic system power pack based on known asset condition and age.	84
	Burdekin Falls Dam	Replace – lower and upper ventilation fans based on known asset condition and age.	57
	Clare Weir	Refurbish – fish lock walkways, handrails and grids based on known asset condition and age.	52
	Burdekin Falls Dam	Refurbish – patch paint 12 baulks based on known asset condition and age.	50
	Multiple	There are 10 other annuity-funded projects planned for 2023/24 related to gantry crane refurbishments at Burdekin Falls Dam; generator room air filter, starter control and fuel level controller replacements at Burdekin Falls Dam; minor hydraulic winch refurbishments at Clare Weir; meter replacements; outlet works trash screen refurbishments at Clare Weir; and supervisory control and data acquisition (SCADA) computer and software replacement at Clare Weir.	107
	<b>2023/24 Total</b>		<b>881</b>
2024/25	Clare Weir	Refurbish – hydraulic system and cylinders based on known asset condition and age.	351

Year	Facility	Activity description	Forecast \$'000
	Burdekin Falls Dam	Replace – gantry crane cabling based on known asset condition and age.	108
	Burdekin Falls Dam	Refurbish – gantry crane 12.5 tonne crab hoist based on known asset condition and age.	91
	Burdekin Falls Dam	Refurbish – lifting hydraulic rams and seating hydraulic rams based on known asset condition and age.	90
	Burdekin Falls Dam	Refurbish – disk brake arrangement on a gate hoist based on known asset condition and age.	65
	Burdekin Falls Dam	Refurbish – patch paint 12 baulks based on known asset condition and age.	52
	Gorge Weir	Refurbish – reinstate dental concrete on the downstream left abutment based on known asset condition and age.	33
	Multiple	There are 14 other annuity-funded projects planned for 2024/25 related to a standby alternator refurbishment at Burdekin Falls Dam; gantry crane hydraulic cylinder replacements at Clare Weir; an underwater inspection of the outlet works at Clare Weir; outlet works pipe refurbishment at Clare Weir; meter replacements; uninterruptible power supply and alarm dialler replacements at the Clare Weir fish lock; backfilling protection works at Clare Weir; gantry crane electrical works at Burdekin Falls Dam; and SCADA computer and software replacement at the Clare Weir fish lock.	225
	<b>2024/25 Total</b>		<b>1015</b>
2025/26	Clare Weir	Refurbish – hydraulic system and cylinders based on known asset condition and age.	450
	Burdekin Falls Dam – Mount Graham north saddle dam	Refurbish – crest road regrading and erosion control, downstream and upstream slope protection works and erosion control, and left and right-hand abutment grading and erosion control.	224
	Burdekin Falls Dam – Left bank saddle dam	Refurbish – downstream and upstream slope protection works and erosion control, and left and right-hand abutment grading and erosion control.	158
	Burdekin Falls Dam – Mount Graham south saddle dam	Refurbish – downstream and upstream slope protection works and erosion control, and left-hand abutment grading and erosion control.	132
	Burdekin Falls Dam	Replace – spillway settlement points based on known asset condition and age.	104
	Burdekin Falls Dam	Refurbish – drainage to the left bank access road and regrade based on known asset condition and age.	98
	Burdekin Falls Dam	Study – options to define the optimal solution for the dam wall control equipment.	66
	Clare Weir	Refurbish – crest control hydraulic pipework based on known asset condition and age.	66
	Multiple	There are 29 other annuity-funded projects planned for 2025/26 related to trash rack refurbishments at Burdekin Falls Dam; electrical works at Clare Weir; an asset revaluation; meter replacements; fish lock level, weir level, tail water level and atmospheric transmitter replacements at Clare Weir; gantry crane and bulkhead gate storage hatch ladders, handrails and platform refurbishments at Burdekin Falls Dam; fencing upgrades at Clare Weir; pressure testing of the fire suppression system cylinder at Burdekin Falls Dam; gantry crane cable, drive unit and fixed wheel gate crane structure refurbishments at Burdekin Falls Dam; intake structure and gate chamber handrails and metal work refurbishments at Burdekin Falls Dam; drainage cleaning at Burdekin Falls Dam; control building refurbishment at Clare Weir; and gantry crane review and refurbishments at Clare Weir.	355
	<b>2025/26 Total</b>		<b>1653</b>

## Contact us

To have your say and shape future Service and Performance Plans, please contact us via email or post:

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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.