



# Final Service and Performance Plan

2022/23

Cunnamulla Bulk Water Service Contract

19 July 2022

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# At a glance

## Our performance in 2020/21




**Operating costs:**  
\$0.05 million (7.5% more than QCA target)

The cost variance relates to higher insurance and operations costs driven primarily by increased local area and corporate support costs and indirect costs.




**Annuity-funded costs:**  
\$0.00 million (100.0% less than QCA target)

Sunwater did not undertake any annuity-funded projects in 2020/21.



**Total water deliveries:**  
2476 ML

Water delivered to irrigators: 2413 ML



**Service targets: Met**

No exceptions


## Outlook for 2022/23



**Forecast operating costs:**  
\$0.05 million

Significant areas of expenditure:

- insurance (\$9.1k)
- operations (\$36.5k).



**Forecast annuity-funded costs:**  
\$0.25 million

Key projects planned:

- minor refurbishment works at Allan Tannock Weir (\$0.07 million)
- replace customer meters (\$0.06 million).

The comprehensive inspection and condition assessment of Allan Tannock Weir will also be completed in 2022/23. This project was originally planned for 2021/22 but could not be undertaken due to continual spill events. The cost of this project is included in the 2021/22 annuity-funded figures presented in this plan (rather than 2022/23).

# 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 2020/21.

The purpose of this year’s S&PP for the Cunnamulla Bulk Water Service Contract is to:

- present to customers Sunwater’s projected costs<sup>1</sup> for the upcoming five-year period, i.e. 2022/23 to 2026/27
- consult with our customers on forecast operating and annuity-funded costs for 2022/23 and the forward program of works
- examine Sunwater’s performance in 2020/21 against cost and service targets.

Our focus during 2022/23 will be on ensuring operations activities are implemented safely, timely and efficiently. We will be conducting the five-yearly comprehensive inspection and condition assessment of Allan Tannock Weir to inform renewals work moving forward, replacing the failed seal on the upstream gate of the outlet works and upgrading customer meters to align with current legislative requirements.

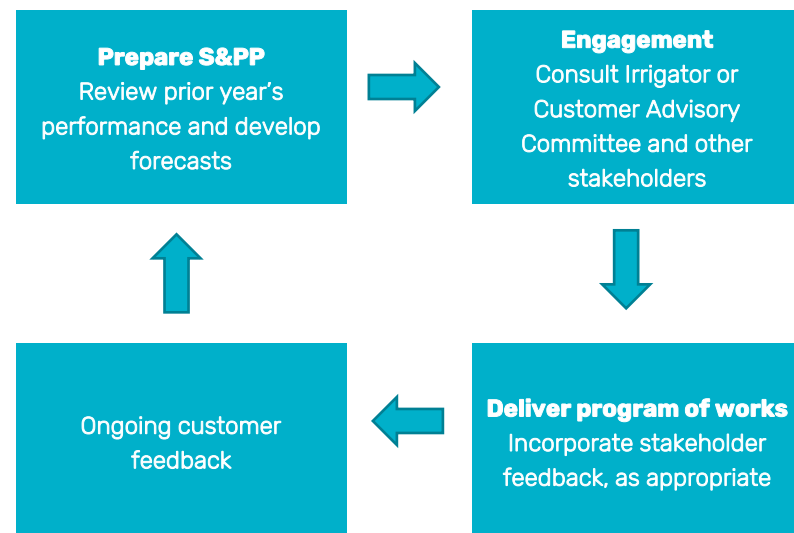
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

[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

The majority of the 23 customers in this scheme are predominantly stock and domestic customers with two larger irrigators who mainly grow grapes, cotton, and fodder crops. Water is also supplied to the Paroo Shire Council when required, e.g. for use at parks and gardens.

The water allocations for each customer segment are included in Table 1, together with water deliveries in 2020/21. Historical total water usage is available in **Appendix 1**.

Table 1: Water allocations and usage data

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2020/21 (ML)
Irrigation	2408	0	2408	2413
Urban	80	0	80	64
Industrial	4	0	4	0
Sunwater	120	0	120	0
<b>Total</b>	<b>2612</b>	<b>0</b>	<b>2612</b>	<b>2476</b>

## Irrigation charges

The 2022/23 charges and cost per megalitre are shown in Table 2.

Table 2: Irrigation charges for 2022/23

Tariff group	Product	2022/23 (\$/ML) <sup>1</sup>	QCA cost-reflective (\$/ML) <sup>2</sup>
River – Medium Priority	Allocation Charge – Part A	29.14	35.05
	Allocation Water – Part B	1.68	2.02

1. 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.
2. 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 Cunnamulla 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		
			2018/19	2019/20	2020/21
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	Planned or unplanned interruptions per water year	6	0	0	0

1. This is the number of times that the unplanned shutdown has exceeded the shortest of the peak/off peak periods.

In addition, Sunwater has company-wide customer interactions service targets. Our performance in 2020/21 against these service targets is shown in Table 4.

Table 4: Customer interactions service targets and performance

Service target	Target	2020/21
Telephone answering <sup>1</sup>	80.00%	90.93%
Requests actioned within Service Level Agreement (SLA) timeframes <sup>2</sup>	> 95.00%	99.14%

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

Allan Tannock Weir is the key infrastructure used to deliver bulk water services to our customers in Cunnamulla. It is a sheet piling and concrete construction with a fixed crest spillway. The total storage capacity is 4770 ML.

## Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Cunnamulla 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.

In 2022/23, Sunwater expects to spend \$501 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 Cunnamulla Bulk Water Service Contract. Details on the planned spend for this scheme are outlined on subsequent pages of this S&PP.

Figure 2: Total Sunwater cost pools and allocation to scheme—2022/23 forecast (\$M)

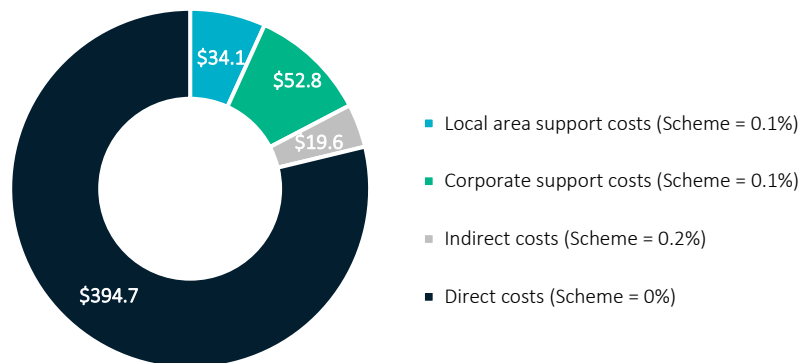


Table 5: Service contract financial summary

Cunnamulla Bulk Water Service Contract	2018/19 Sunwater / QCA Actual \$'000	2019/20 Actual \$'000	2020/21 Actual \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000
Revenue					
Irrigation	79.7	80.0	82.3	86.2	73.3
Community Service Obligation	-	-	4.4	-	-
Industrial <sup>1</sup>	-	-	-	-	-
Urban <sup>1</sup>	2.7	2.8	2.7	2.9	2.9
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	-	-	0.0	-	-
<b>Revenue total</b>	<b>82.4</b>	<b>82.8</b>	<b>89.5</b>	<b>89.1</b>	<b>76.1</b>
Less – Operating expenditure	30.6	24.5	49.7	51.7	54.6
Less					
Annuity-funded	-	-	-	124.1	245.7
Non-annuity funded	-	-	-	-	-
<b>Surplus (deficit)</b>	<b>51.8</b>	<b>58.3</b>	<b>39.8</b>	<b>(86.7)</b>	<b>(224.1)</b>

1. Forecast revenues for industrial and urban customers are based on current contractual arrangements.

## 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 Cunnamulla Bulk Water Service Contract. For a more detailed breakdown by cost category, refer to **Appendix 2**.

### Our performance in 2020/21

In 2020/21, operating costs were marginally higher than the QCA's recommended cost target due to higher insurance costs and operations costs driven primarily by increased local area and corporate support costs and indirect costs. No corrective actions were required and only \$0.6k was spent on preventative maintenance for quarterly weir surveillance activities.

Table 6: Operating expenditure<sup>1</sup>

Cunnamulla Bulk Water Service Contract	2018/19	2019/20	2020/21			2021/22		2022/23		2023/24	2024/25	2025/26	2026/27
	Sunwater Actual \$'000	Sunwater Actual \$'000	QCA Target \$'000 <sup>2</sup>	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	25.3	21.6	40.9	49.1	8.2	42.4	41.8	45.6	42.8	47.5	49.3	51.1	53.3
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	4.9	5.6	6.1	7.4	1.2	9.8	6.3	9.1	6.4	9.8	10.6	11.4	12.3
Operations	20.4	16.0	34.7	41.7	7.0	32.6	35.5	36.5	36.4	37.7	38.7	39.7	41.0
Preventative maintenance	5.2	1.6	3.9	0.6	(3.3)	5.5	4.0	5.3	4.1	5.5	5.6	5.8	6.0
Corrective maintenance	-	1.3	1.4	-	(1.4)	3.7	1.5	3.7	1.5	3.8	3.9	4.0	4.1
<b>Operating costs total</b>	<b>30.6</b>	<b>24.5</b>	<b>46.2</b>	<b>49.7</b>	<b>3.5</b>	<b>51.7</b>	<b>47.2</b>	<b>54.6</b>	<b>48.3</b>	<b>56.8</b>	<b>58.8</b>	<b>60.8</b>	<b>63.4</b>
Recreational facility costs <sup>3</sup>				-		-		-		-	-	-	-
<b>Operating costs total (incl. recreational facility costs)</b>	<b>30.6</b>	<b>24.5</b>		<b>49.7</b>		<b>51.7</b>		<b>54.6</b>		<b>56.8</b>	<b>58.8</b>	<b>60.8</b>	<b>63.4</b>

1. Sunwater's 2022/23 to 2026/27 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.

## Outlook for 2022/23

### Operations

Cunnamulla Bulk Water Service Contract's total operations budget in 2022/23 is 6.6 per cent more than the QCA's recommended cost target due to higher insurance 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.

Our insurance broker has indicated that prior to the early 2022 flood events, premium increases were trending downwards from a peak in late 2020 (with

some exceptions). However, with another significant natural disaster in Australia, this is now likely to change. Insurance premiums in 2022/23 are therefore expected to be higher than the QCA's recommended allowance and historical costs.

### Preventative maintenance

The forecast preventative maintenance costs for the Cunnamulla Bulk Water Service Contract are 31.1 per cent (\$1.3k) above the QCA's recommended cost target. This is because of higher local area support, corporate support, and indirect costs.

### Corrective maintenance

In 2022/23, Sunwater anticipates spending \$3.7k on corrective maintenance in the Cunnamulla Bulk Water Service Contract. This is 143.2 per cent (\$2.2k) above the QCA's recommended cost target, primarily due to an allowance in the corrective maintenance budget for minor maintenance post flood events overtopping the weir.



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

Annuity-funded expenditure include funds for preventative and corrective maintenance, as well as large, one-off operations activities. Preventative maintenance activities monitor the asset condition and inform when an asset needs to be refurbished or replaced under the corrective maintenance program.

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 for this service contract.

Table 7: Annuity and non-annuity funded expenditure<sup>1,2</sup>

Cunnamulla Bulk Water Service Contract	2018/19	2019/20	2020/21			2021/22		2022/23		2023/24	2024/25	2025/26	2026/27
	Sunwater / QCA Actual \$'000 <sup>3</sup>	Sunwater Actual \$'000	QCA Target \$'000 <sup>4</sup>	Sunwater Actual \$'000	Variance \$'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	-	-	-	-	-	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	-	-	53.3	-	(53.3)	124.1	14.4	245.7	-	-	102.8	21.6	27.6
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Annuity-funded total</b>	<b>-</b>	<b>-</b>	<b>53.3</b>	<b>-</b>	<b>(53.3)</b>	<b>124.1</b>	<b>14.4</b>	<b>245.7</b>	<b>-</b>	<b>-</b>	<b>102.8</b>	<b>21.6</b>	<b>27.6</b>
<b>Non-annuity funded</b>													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Metered offtakes and dividend reinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-annuity total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1. Sunwater’s 2022/23 to 2026/27 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 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.

## Our performance in 2020/21

### 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.

In 2020/21, the QCA's allowance of \$53.3k for an asset revaluation and repairs to the damaged concrete in front of the upstream row of sheet piling of Allan Tannock Weir was not required. This is because the asset valuation was not funded by the annuity and the repair works were deferred to 2021/22 due to access issues.

### Project level cost variances

**Appendix 3** provides a comparison of the annuity-funded projects planned for 2020/21 and the actual projects undertaken, together with justification for the variances.

## Outlook

Details of the major annuity-funded projects planned for the 2022/23 to 2026/27 period are set out in **Appendix 4**. In 2022/23, Sunwater plans to replace customer meters and undertake a survey of Allan Tannock Weir.

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<sup>2</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)

## 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>2</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 2022/23 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 SAP Analytic Cloud should also allow asset condition data to be trended over time. This will present asset condition decay curves which can be used to predict when an asset should be

scheduled for maintenance. The asset data will provide a greater insight to asset performance, condition, and refurbishment and replacement planning.

### **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 undertook an asset valuation exercise in 2021 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 informs the replacement values underpinning forecast annuity-funded costs outside of the immediate program of works.

### **Options analyses**

Sunwater has implemented 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 is subject to an options analysis. High value, high complexity work will also be assessed against the relevant criteria to determine if it meets Sunwater’s project, program, and portfolio management framework (P3MF) for project management guidelines.

Options analyses 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

Cunnamulla Bulk Water Service Contract	2018/19 QCA Actual \$'000	2019/20 Actual \$'000	2020/21 Actual \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	2024/25 Forecast \$'000	2025/26 Forecast \$'000	2026/27 Forecast \$'000
Opening balance <sup>1</sup>	(55.9)	(52.7)	(49.0)	(18.6)	(95.1)	(296.2)	(259.5)	(304.9)	(268.4)
Spend <sup>2</sup>	-	-	-	(124.1)	(245.7)	-	(102.8)	(21.6)	(27.6)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-	-
Annuity contribution <sup>3</sup>	7.4	7.6	32.6	48.4	48.7	49.7	68.7	71.5	72.0
Interest/financing costs	(4.2)	(3.9)	(2.1)	(0.8)	(4.2)	(13.0)	(11.3)	(13.3)	(11.7)
<b>Sunwater – Closing balance</b>	<b>(52.7)</b>	<b>(49.0)</b>	<b>(18.6)</b>	<b>(95.1)</b>	<b>(296.2)</b>	<b>(259.5)</b>	<b>(304.9)</b>	<b>(268.4)</b>	<b>(235.7)</b>
<b>QCA – Closing balance</b>	<b>(52.7)</b>	<b>(49.0)</b>	<b>(71.9)</b>	<b>(41.1)</b>	<b>5.8</b>	<b>49.4</b>			
Difference	-	-	53.3	(54.0)	(302.1)	(308.9)			

1. The opening balances for 2018/19 and 2019/20 reflect the QCA's 2020–2024 irrigation price investigation final recommendations.
2. The spend for 2018/19 reflects the QCA's 2020–2024 irrigation price investigation final recommendations, which included adjustments to Sunwater's actual costs. The 2019/20 and 2020/21 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 19-year average for the 2002/03 to 2020/21 period.

Year	Usage (ML)
2010/11	846
2011/12	1560
2012/13	1662
2013/14	801
2014/15	1728
2015/16	1882
2016/17	1563
2017/18	1746
2018/19	1703
2019/20	1021
2020/21	2476
<b>19-year historical average</b>	<b>1625</b>

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

Cunnamulla Bulk Water Service Contract	2018/19 Sunwater / QCA Actual \$'000	2019/20 Sunwater Actual \$'000	2020/21 QCA Target \$'000	2020/21 Sunwater Actual \$'000	Variance \$'000	2021/22 Sunwater Forecast \$'000	2021/22 QCA Target \$'000	2022/23 Sunwater Forecast \$'000	2022/23 QCA Target \$'000	2023/24 Sunwater Forecast \$'000	2024/25 Sunwater Forecast \$'000	2025/26 Sunwater Forecast \$'000	2026/27 Sunwater Forecast \$'000
<b>Operating costs</b>													
Operations	25.3	21.6	40.9	49.1	8.2	42.4	41.8	45.6	42.8	47.5	49.3	51.1	53.3
Labour	5.9	5.0	10.3	12.1	1.8	7.4	10.5	9.5	10.8	9.8	10.1	10.4	10.7
Contractors	-	-	1.0	-	(1.0)	5.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1
Materials	0.1	-	0.0	-	(0.0)	-	0.0	-	0.0	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	4.9	5.6	6.1	7.4	1.2	9.8	6.3	9.1	6.4	9.8	10.6	11.4	12.3
Other	1.3	1.1	1.3	1.9	0.6	3.0	1.3	5.0	1.4	5.1	5.3	5.4	5.6
Local area support costs	4.5	2.6	6.9	7.9	1.1	5.1	7.0	6.6	7.2	6.8	7.0	7.2	7.4
Corporate support costs	5.1	3.8	7.9	10.9	2.9	7.1	8.1	9.0	8.3	9.3	9.6	9.9	10.2
Indirect costs	3.6	3.4	7.3	8.9	1.6	5.0	7.5	5.4	7.7	5.7	5.8	5.7	6.1
Preventative maintenance	5.2	1.6	3.9	0.6	(3.3)	5.5	4.0	5.3	4.1	5.5	5.6	5.8	6.0
Labour	1.3	0.4	1.1	0.2	(0.9)	1.6	1.1	1.6	1.1	1.7	1.7	1.8	1.9
Contractors	1.1	0.4	-	-	-	-	-	-	-	-	-	-	-
Materials	-	-	0.0	-	(0.0)	-	0.0	-	0.0	-	-	-	-
Other	0.1	-	0.5	-	(0.5)	-	0.5	-	0.5	-	-	-	-
Local area support costs	1.2	0.2	0.7	0.1	(0.6)	1.2	0.7	1.2	0.7	1.2	1.2	1.3	1.3
Corporate support costs	0.9	0.3	0.8	0.1	(0.7)	1.6	0.8	1.6	0.9	1.6	1.7	1.7	1.8
Indirect costs	0.6	0.3	0.8	0.1	(0.6)	1.1	0.8	0.9	0.8	1.0	1.0	1.0	1.1
Corrective maintenance	-	1.3	1.4	-	(1.4)	3.7	1.5	3.7	1.5	3.8	3.9	4.0	4.1
Labour	-	0.5	0.4	-	(0.4)	0.8	0.4	0.8	0.4	0.8	0.9	0.9	0.9
Contractors	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials	-	-	0.1	-	(0.1)	1.0	0.1	1.0	0.1	1.0	1.1	1.1	1.1
Other	-	-	0.2	-	(0.2)	-	0.2	-	0.2	-	-	-	-
Local area support costs	-	0.1	0.2	-	(0.2)	0.6	0.2	0.6	0.3	0.6	0.6	0.6	0.6
Corporate support costs	-	0.4	0.3	-	(0.3)	0.8	0.3	0.8	0.3	0.8	0.8	0.9	0.9
Indirect costs	-	0.3	0.3	-	(0.3)	0.6	0.3	0.5	0.3	0.5	0.5	0.5	0.5
<b>Operating costs total</b>	<b>30.6</b>	<b>24.5</b>	<b>46.2</b>	<b>49.7</b>	<b>3.5</b>	<b>51.7</b>	<b>47.2</b>	<b>54.6</b>	<b>48.3</b>	<b>56.8</b>	<b>58.8</b>	<b>60.8</b>	<b>63.4</b>
<b>Annuity-funded costs</b>													
Labour	-	-	4.1	-	(4.1)	5.1	0.6	40.8	-	-	17.1	3.6	4.6
Contractors	-	-	18.3	-	(18.3)	22.9	2.7	44.9	-	-	18.7	4.0	5.0
Materials	-	-	22.4	-	(22.4)	84.4	9.8	44.9	-	-	18.7	4.0	5.0
Other	-	-	-	-	-	-	-	24.5	-	-	10.2	2.2	2.7
Local area support costs	-	-	2.4	-	(2.4)	3.3	0.4	28.6	-	-	12.0	2.5	3.2
Corporate support costs	-	-	3.0	-	(3.0)	4.9	0.6	38.8	-	-	16.3	3.4	4.4
Indirect costs	-	-	3.1	-	(3.1)	3.5	0.4	23.3	-	-	9.8	2.0	2.6
<b>Annuity-funded total<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>53.3</b>	<b>-</b>	<b>(53.3)</b>	<b>124.1</b>	<b>14.4</b>	<b>245.7</b>	<b>-</b>	<b>-</b>	<b>102.8</b>	<b>21.6</b>	<b>27.6</b>
<b>Total costs<sup>2</sup></b>	<b>30.6</b>	<b>24.5</b>	<b>99.5</b>	<b>49.7</b>	<b>(49.8)</b>	<b>175.8</b>	<b>61.6</b>	<b>300.3</b>	<b>48.3</b>	<b>56.8</b>	<b>161.6</b>	<b>82.5</b>	<b>91.0</b>

1. The 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 2020/21

The below table sets out the major annuity-funded projects planned for the Cunnamulla Bulk Water Service Contract in 2020/21<sup>3</sup> and the actual projects undertaken.

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Scheme	Study – asset revaluation.	2	0	This project was not undertaken as part of the annuity-funded program of works.
Allan Tannock Weir	Replace – damaged concrete in front of the weir sheet piling.	53	0	This project was deferred to 2021/22 due to inflows and a lack of access to the site to undertake the works.
<b>2020/21 Total</b>		<b>55</b>	<b>0</b>	

<sup>3</sup> Based on information extracted from Sunwater's systems in mid-2020. See the 2021/22 S&PP at [www.sunwater.com.au/schemes/Cunnamulla/](http://www.sunwater.com.au/schemes/Cunnamulla/)

## Appendix 4—Annuity-funded projects for 2022/23 to 2026/27

The below table sets out Sunwater’s currently planned annuity-funded projects for the 2022/23 to 2026/27 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
2022/23 <sup>4</sup>	Scheme	Replace – customer meters based on known asset condition and age.	60
	Allan Tannock Weir	Refurbish – front face and rock protection, and clean weepholes.	65
	Allan Tannock Weir	Study – bathymetric survey to determine storage volume.	72
	Allan Tannock Weir	Replace – outlet gate seal.	30
	Allan Tannock Weir	Replace – safety signage for public safety improvements.	18
	<b>2022/23 Total</b>		<b>246</b>
2023/24	There are no annuity-funded projects planned for 2023/24.		0
	<b>2023/24 Total</b>		<b>0</b>
2024/25	Scheme	Replace – customer meters based on condition and age.	64
	Allan Tannock Weir	Refurbish – trash racks based on known asset condition and age.	19
	Allan Tannock Weir	Refurbish – inlet structure walkway based on known asset condition and age.	20
	<b>2024/25 Total</b>		<b>103</b>
2025/26	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	2
	Allan Tannock Weir	Refurbish – pressure relief holes and sheet piling defects based on known asset condition and age.	20
	<b>2025/26 Total</b>		<b>22</b>
2026/27	Allan Tannock Weir	Study – comprehensive inspection based on asset management standards and to better understand asset condition and risk.	14
	Scheme	Replace – safety signage for public safety improvements.	13
	<b>2026/27 Total</b>		<b>28</b>

<sup>4</sup> Sunwater also plans to undertake a comprehensive inspection and condition assessment of Allan Tannock Weir, which has been carried over from 2021/22 due to access issues. Costs are included in the 2021/22 annuity-funded figure presented in this S&PP.



## 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.