



Final Service and Performance Plan

2021/22

Dawson Valley Bulk Water Service Contract

13 August 2021

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At a glance

Our performance in 2019/20

 **Operating costs:**
\$0.94 million (9.7% more than forecast)


Key drivers of cost variance:

- higher electricity costs associated with Moura Off-stream Storage pumping
- higher operations costs due to low level pumping at Neville Hewitt Weir
- dam safety inspections at Glebe Weir, Gylanda Weir and Moura Off-stream Storage.

 **Annuity-funded costs:**
\$0.20 million (12.9% less than forecast)

Key drivers of cost variance:

- lower contractor costs than anticipated to refurbish the outlet works butterfly valve at Moura Weir
- meters were unable to be installed due to high contractor demand
- lower contractor, labour and material costs than estimated for various other projects.

 **Total water deliveries:**
55,882 ML

Water delivered to irrigators: 51,512 ML

 **Service targets: Met**

No exceptions

Outlook for 2021/22

 **Forecast operating costs:**
\$1.16 million

Significant areas of expenditure:

- insurance (\$0.24 million)
- operations (\$0.59 million)
- preventative maintenance (\$0.21 million).

 **Forecast annuity-funded costs:**
\$0.50 million

Key projects planned:

- ladders, handrails and walkways to be replaced at Gylanda Weir, following recommendations of the 2013 comprehensive inspection (\$0.12 million)
- a comprehensive risk assessment of Moura Off-stream Storage (\$0.16 million)
- replacement of customer meters, as required, during the year (\$0.09 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 Dawson Valley Bulk Water Service Contract is to:

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

Our focus during 2021/22 will be on ensuring that refurbishment and corrective work identified through our annual and five yearly comprehensive inspections at the scheme’s weirs and off stream storage are implemented safely, timely and efficiently.

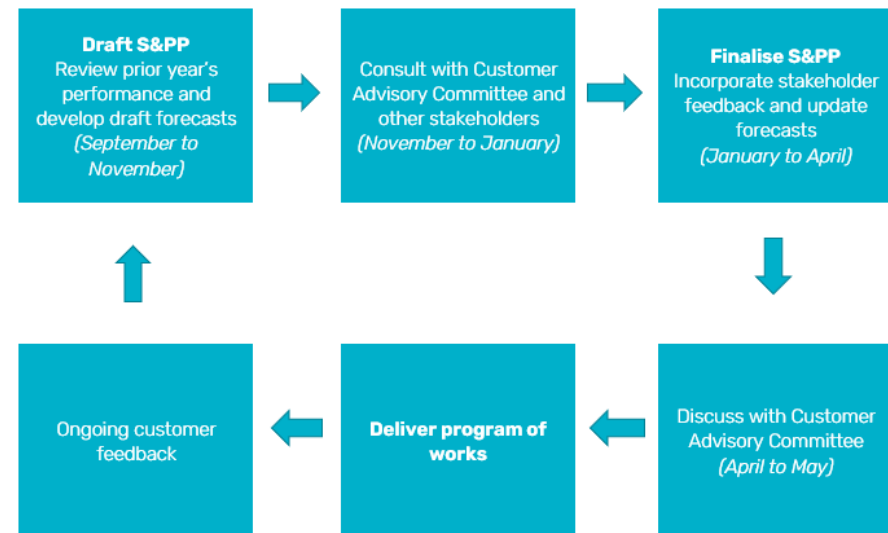
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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

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

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

Figure 1: Customer consultation and S&PPs



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

Email: sppfeedback@sunwater.com.au

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

Delivering services to our customers

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

Our customers

The majority of customers in this scheme are irrigators who grow cotton and a range of opportunity crops including cereal, fodder, cereal and horticultural crops such as wheat, barley, oats, maize, mung beans, soybeans, sunflowers and sorghum. Water is also supplied to the towns of Cracow, Theodore, Moura, Baralaba and Duaringa, and to industrial users such as a gold mine, coal mines and a nitrates plant.

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

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium-A priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2019/20 (ML)
Irrigation	54,392	620	19,276	34,496	51,512
Industrial	4927	2959	0	1968	3117
Urban	2281	2026	0	255	1253
Sunwater	137	74	63	0	0
Total	61,737	5679	19,339	36,719	55,882

Irrigation charges

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

Table 2: Irrigation charges for 2021/22¹

Tariff group	Product	2021/22 (\$/ML) ²	QCA cost-reflective (\$/ML) ³
Bulk Water Medium Priority	Allocation Charge – Part A	17.70	22.13
	Allocation Water – Part B	1.38	1.66
Bulk Water High Priority	Allocation Charge – Part A	39.19	115.75
	Allocation Water – Part B	1.38	1.66
Bulk Water – Local Management Supply Medium Priority	Allocation Charge – Part A	14.17	22.13
	Allocation Water – Part B	1.38	1.66
Bulk Water – Local Management Supply High Priority	Allocation Charge – Part A	39.19	115.75
	Allocation Water – Part B	1.38	1.66

1. This table includes bulk water charges only. Distribution charges are set by Theodore Water Pty Ltd.
2. Includes the Queensland Government's 15 per cent discount for irrigation customers. Refer to 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/

Service targets

Sunwater and customers have agreed Water Supply Arrangements and Service Targets for the Dawson Valley 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 ¹	Unplanned shutdowns during Peak Demand Period	48 hours	0	0	0
	Unplanned shutdowns outside Peak Demand Period	5 working days			
Maximum number of interruptions ²	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.
2. This is the total number of 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 ¹	80.00%	94.87%
Requests actioned within Service Level Agreement (SLA) timeframes ²	> 95.00%	95.46%

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

Key infrastructure

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

Table 5: Key infrastructure

Asset	Description	Total storage capacity (ML)
Glebe Weir	Concrete and steel sheet pile structure with an ogee shaped central crest.	17,700
Gyranda Weir	Cascading steel sheet pile structure. Also includes a nearby anabranch weir.	16,500
Neville Hewitt Weir	Concrete structure. Also includes anabranch weir and a hydraulically operated fish lock.	10,646
Moura Weir	Timber structure reinforced with steel piling and concrete buttresses. Includes a vertical slot fishway.	7700
Orange Creek Weir	Concrete reinforced timber piled structure. Also includes a nearby anabranch weir.	6140
Theodore Weir	Concrete structure. Also includes a timber pile anabranch weir.	4760
Moura Off-stream Storage	Includes a pump station comprising two 86 ML/day submersible pumps. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	2820

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Dawson Valley 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 an increase in revenue for the Dawson Valley 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 Dawson Valley 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)

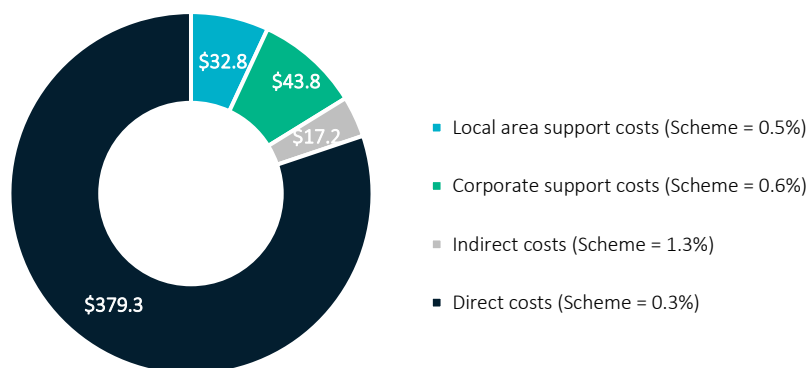


Table 6: Service contract financial summary

Dawson Valley 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	662.2	871.8	994.5	885.4	1187.7
Community Service Obligation	-	-	-	-	-
Industrial ¹	1784.5	1898.8	2033.6	2001.9	1909.9
Urban ¹	655.3	692.8	710.9	727.4	724.4
Revenue transfers ²	364.3	171.3	-	-	-
Drainage	-	-	-	-	-
Other	53.5	1.5	-	2.0	-
Revenue total	3519.9	3636.2	3739.0	3616.8	3822.0
Less – Operating expenditure	749.8	810.0	938.4	1001.7	1158.9
Less					
Annuity-funded	162.2	30.3	204.0	530.2	501.8
Non-annuity funded	-	-	-	-	-
Surplus (deficit)	2607.8	2795.8	2596.6	2085.0	2161.4

- 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. Since the transfer of the distribution system to Theodore Water Pty Ltd on 30 September 2018, Theodore Water has been invoiced directly for its contribution to the cost of the bulk water service. Therefore, this revenue is now part of "Irrigation" revenue.

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 Dawson Valley 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 higher than our previous forecast.² This variance was largely due to higher operations costs, driven by additional labour, contractors and non-direct costs. Approximately \$20k was spent pumping water from Neville Hewitt Weir in Lower Dawson during late 2019 and early 2020. This was to provide continuity of supply to customers when the weir level was low due to the release of water to resupply Boolburra waterhole. This additional operations cost was not budgeted. Electricity costs were also greater than budgeted due to pumping requirements at Moura Off-stream Storage.

Table 7: Operating expenditure¹

Dawson Valley Bulk Water Service Contract	2017/18	2018/19	2019/20			2020/21		2021/22		2022/23	2023/24	2024/25	2025/26
	Sunwater Actual \$'000	Sunwater Actual \$'000	Sunwater Forecast \$'000	Sunwater Actual \$'000	Variance \$'000	Sunwater Forecast \$'000	QCA Target \$'000 ²	Sunwater Forecast \$'000	QCA Target \$'000 ²	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operations	547.2	626.8	626.2	735.8	109.6	765.2	810.6	889.5	827.7	855.3	877.1	899.2	918.2
Electricity	61.9	34.3	51.0	74.5	23.5	51.0	53.9	51.0	54.7	52.0	53.1	54.1	55.2
Insurance	114.8	120.6	133.8	137.8	4.0	185.8	151.9	243.8	154.9	248.7	253.7	258.7	263.9
Operations	370.4	471.9	441.4	523.6	82.2	528.5	604.8	594.7	618.0	554.6	570.4	586.3	599.1
Preventative maintenance	165.6	176.5	129.1	152.1	23.0	160.7	143.9	207.9	147.0	208.2	214.5	220.0	225.0
Corrective maintenance	37.1	6.8	100.0	50.5	(49.5)	75.7	50.5	61.5	51.6	67.1	68.9	70.5	72.0
Operating costs total	749.8	810.0	855.3	938.4	83.1	1001.7	1005.0	1158.9	1026.3	1130.6	1160.5	1189.7	1215.2
Recreational facility costs ³						-		-		-	-	-	-
Operating costs total (incl. recreational facility costs)	749.8	810.0	855.3	938.4	83.1	1001.7		1158.9		1130.6	1160.5	1189.7	1215.2

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

² See the 2019/20 Network Service Plan at www.sunwater.com.au/schemes/Dawson-Valley/

Preventative maintenance costs in 2019/20 were above forecast mainly because of dam safety inspections at Glebe Weir, Gylanda Weir and Moura Off-stream Storage, while corrective maintenance costs were under budget. Corrective work was completed at Moura Off-stream Storage to help ensure maximum diversion during the available flow period in early 2020.

Electricity

One of the key challenges for Sunwater is managing the cost of electricity. In 2019/20, Sunwater undertook the following energy improvement initiatives in the Dawson Valley Bulk Water Service Contract:

- a review of our electricity tariff selections, to ensure that we are using the most cost-effective tariffs. The review focused on pump stations as these assets consume the most electricity and did not result in any tariff changes.
- interval meters were installed at pump stations (as required) to provide the granular level of consumption and demand information needed to accurately assist in identifying operational optimisation and renewable generation opportunities
- a solar assessment, which found that it is not currently cost-effective to invest in solar installations at the scheme's pump stations.

Outlook for 2021/22 Operations

Dawson Valley 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.

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.

Electricity

In 2021/22, Sunwater will continue our focus on managing the cost of electricity in this service contract. The following energy improvement initiatives are currently planned:

- annual tariff optimisation analysis
- operational optimisation assessment (as required)
- renewable generation opportunity assessment (as required).

Preventative maintenance

The forecast preventative maintenance costs for the Dawson Valley Bulk Water Service Contract are 41.4 per cent above the QCA's recommended cost target. Sunwater will aim to complete all necessary maintenance activities as efficiently as possible.

Corrective maintenance

In 2021/22, Sunwater anticipates spending \$61.5k on corrective maintenance in the Dawson Valley Bulk Water Service Contract. This is 19.2 per cent above the QCA's recommended cost target.

It is inherently difficult to forecast corrective maintenance costs. Sunwater will aim to keep actual corrective maintenance costs to a minimum, while ensuring all assets can perform suitably.

Electricity metrics

Table 8 sets out electricity usage and efficiency-related information for the Dawson Valley Bulk Water Service Contract.

Table 8: Electricity usage and efficiency-related metrics

Metric	2016/17	2017/18	2018/19	2019/20
Electricity usage (kWh)	226,332	210,181	118,369	287,240
Water usage (ML)	39,185	55,204	53,237	55,882
Actual electricity cost per ML (\$/ML delivered)	1.57	1.12	0.65	1.33
Average pump energy indicator ¹ (kWh/ML/per metre of head)	3.78	3.68	3.89	3.04

1. 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 early 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—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 9 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 9: Annuity and non-annuity funded expenditure^{1,2}

Dawson Valley Bulk Water Service Contract	2017/18	2018/19	2019/20		Variance \$'000	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26		
	Sunwater Actual \$'000 ³	Sunwater Actual \$'000 ³	Sunwater Forecast \$'000	Sunwater Actual \$'000		Sunwater Forecast \$'000	QCA Target \$'000 ⁴	Sunwater Forecast \$'000	QCA Target \$'000 ⁴	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	
Annuity-funded													
Operations	10.5	-	-	-	-	-	-	-	-	-	-		
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-		
Planned corrective maintenance	151.8	43.1	234.3	204.0	(30.3)	530.2	218.8	501.8	535.3	235.8	678.1	698.7	806.7
Unplanned corrective maintenance	-	(12.7)	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	162.2	30.3	234.3	204.0	(30.3)	530.2	218.8	501.8	535.3	235.8	678.1	698.7	806.7
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-		
Recreational facility projects						-	-	-	-	12.0	7.7		
Metered offtakes and dividend reinvestment	-	-	-	-	-	-	-	-	-	-	-		
Non-annuity total	-	-	-	-	-	-	-	-	-	12.0	7.7		

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

Asset management and planning improvements

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

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

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

Predictive maintenance and asset condition reporting

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

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

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

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

Cost estimation approach

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

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

Options analyses

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

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

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

Annuity balance

Annuities are managed by Sunwater on behalf of each service contract. They allow for customer charges to reflect a constant amount necessary to recoup the costs of refurbishment/replacement of the assets over a pre-determined period of time. The forecast annuity balances, and the impacts of budgeted spend, are shown in Table 10 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 10: Annuity balance

Dawson Valley Bulk Water Service Contract	2017/18 Actual \$'000	2018/19 Actual \$'000	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	2024/25 Forecast \$'000	2025/26 Forecast \$'000
Opening balance ¹	1293.4	1244.4	1333.8	1246.9	1640.5	2119.2	2914.9	3320.9	3784.9
Spend ²	(162.2)	(30.3)	(204.0)	(530.2)	(501.8)	(235.8)	(678.1)	(698.7)	(806.7)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	9.7	-	-	-	-	-	-	-
Annuity contribution ³	16.3	16.8	17.2	869.2	908.7	938.9	956.6	1017.5	1051.7
Interest/financing costs	96.9	93.2	99.9	54.5	71.7	92.7	127.4	145.2	165.5
Sunwater – Closing balance	1244.4	1333.8	1246.9	1640.5	2119.2	2914.9	3320.9	3784.9	4195.5
QCA – Closing balance	1244.4	1333.8	1246.8	1951.7	2410.5	2965.6	3386.9		
Difference	-	-	0.1	(311.2)	(291.3)	(50.7)	(66.0)		

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	19,253
2011/12	17,662
2012/13	29,810
2013/14	41,058
2014/15	43,253
2015/16	39,818
2016/17	39,185
2017/18	55,204
2018/19	53,237
2019/20	55,882
18-year historical average	38,485

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

Dawson Valley Bulk Water Service Contract	2017/18 Sunwater Actual \$'000	2018/19 Sunwater Actual \$'000	2019/20 Sunwater Forecast \$'000	2019/20 Sunwater Actual \$'000	Variance \$'000	2020/21 Sunwater Forecast \$'000	2020/21 QCA Target \$'000	2021/22 Sunwater Forecast \$'000	2021/22 QCA Target \$'000	2022/23 Sunwater Forecast \$'000	2023/24 Sunwater Forecast \$'000	2024/25 Sunwater Forecast \$'000	2025/26 Sunwater Forecast \$'000
Operating costs													
Operations	547.2	626.8	626.2	735.8	109.6	765.2	810.6	889.5	827.7	855.3	877.1	899.2	918.2
Labour	101.0	95.5	101.0	128.0	27.0	110.3	161.5	135.9	165.2	128.2	132.0	136.0	140.1
Contractors	9.6	39.5	15.0	47.1	32.1	30.0	12.3	36.5	12.5	34.2	34.9	35.6	36.3
Materials	0.4	0.4	5.0	1.9	(3.1)	5.0	1.0	5.0	1.1	5.1	5.2	5.3	5.4
Electricity	61.9	34.3	51.0	74.5	23.5	51.0	53.9	51.0	54.7	52.0	53.1	54.1	55.2
Insurance	114.8	120.6	133.8	137.8	4.0	185.8	151.9	243.8	154.9	248.7	253.7	258.7	263.9
Other	30.8	79.1	50.6	93.0	42.4	63.2	41.1	62.2	41.9	62.4	62.6	64.8	65.1
Local area support costs	78.8	84.0	54.4	69.2	14.8	65.4	78.0	89.0	79.7	83.4	85.9	88.5	91.2
Corporate support costs	47.2	91.6	75.4	98.7	23.3	82.7	124.8	129.1	127.5	121.8	125.4	129.2	133.1
Indirect costs	102.7	81.8	139.8	85.6	(54.3)	171.9	186.1	137.0	190.1	119.5	124.3	126.9	127.9
Preventative maintenance	165.6	176.5	129.1	152.1	23.0	160.7	143.9	207.9	147.0	208.2	214.5	220.0	225.0
Labour	45.4	50.8	30.2	40.9	10.7	37.8	41.4	50.3	42.4	51.8	53.4	55.0	56.6
Contractors	20.1	12.9	20.0	21.9	1.9	25.0	7.2	25.0	7.4	25.5	26.0	26.5	27.1
Materials	1.7	1.8	5.0	3.0	(2.0)	5.0	2.0	5.0	2.0	5.1	5.2	5.3	5.4
Other	9.4	1.1	13.0	6.3	(6.7)	13.0	11.6	13.0	11.9	13.3	13.5	13.8	14.1
Local area support costs	35.4	46.4	17.4	21.6	4.2	22.4	20.0	32.7	20.4	33.7	34.7	35.7	36.8
Corporate support costs	19.3	40.4	22.6	31.6	9.0	28.4	32.0	47.8	32.7	49.2	50.7	52.2	53.8
Indirect costs	34.4	23.1	21.0	26.8	5.8	29.2	29.5	34.1	30.2	29.6	31.0	31.5	31.3
Corrective maintenance	37.1	6.8	100.0	50.5	(49.5)	75.7	50.5	61.5	51.6	67.1	68.9	70.5	72.0
Labour	7.9	0.6	14.6	10.2	(4.3)	7.6	10.8	9.0	11.0	9.3	9.5	9.8	10.1
Contractors	6.2	2.0	30.0	11.6	(18.5)	30.0	7.2	15.0	7.3	15.3	15.6	15.9	16.2
Materials	0.0	0.4	20.0	4.2	(15.8)	15.0	5.7	10.0	5.8	15.3	15.6	15.9	16.2
Other	7.2	2.3	7.0	4.4	(2.6)	7.0	5.6	7.0	5.8	7.1	7.3	7.4	7.6
Local area support costs	6.1	0.6	7.4	5.6	(1.8)	4.4	5.2	5.9	5.3	6.0	6.2	6.4	6.6
Corporate support costs	3.7	0.4	10.9	7.8	(3.1)	5.7	8.3	8.6	8.5	8.8	9.1	9.3	9.6
Indirect costs	6.0	0.4	10.1	6.7	(3.4)	5.9	7.7	6.1	7.8	5.3	5.5	5.6	5.6
Operating costs total	749.8	810.0	855.3	938.4	83.1	1001.7	1005.0	1158.9	1026.3	1130.6	1160.5	1189.7	1215.2
Annuity-funded costs													
Labour			27.4	24.7	(2.7)	71.8	29.7	60.5	64.5	28.1	90.4	102.0	120.1
Contractors			76.3	122.5	46.2	201.1	83.0	184.9	197.3	63.8	178.4	206.6	188.6
Materials			67.7	-	(67.7)	97.2	40.1	97.0	103.5	76.1	204.3	124.6	184.0
Other			9.6	7.7	(1.8)	11.9	4.9	21.2	22.6	6.6	7.8	43.0	55.3
Local area support costs			13.9	13.9	0.0	38.8	16.0	39.6	42.2	18.3	58.9	67.1	78.2
Corporate support costs			20.4	19.3	(1.1)	53.9	22.2	57.5	61.3	26.7	85.8	96.9	114.1
Indirect costs			19.0	15.9	(3.2)	55.4	22.9	41.1	43.8	16.1	52.5	58.5	66.4
Annuity-funded total¹	162.2	30.3	234.3	204.0	(30.3)	530.2	218.8	501.8	535.3	235.8	678.1	698.7	806.7
Total costs²	912.1	840.4	1089.6	1142.4	52.8	1531.8	1223.8	1660.6	1561.6	1366.4	1838.6	1888.4	2021.9

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 Dawson Valley Bulk Water Service Contract in 2019/20 and the actual projects undertaken.

Project	Forecast \$'000	Actual \$'000	Commentary
Moura Weir – Refurbish valve and stub pipe (20DAW01)	72	46	Contractor costs were lower than anticipated.
Moura pump station – Pump unit 2 refurbishment (20DAW06)	43	56	Quotes for the pump refurbishment were higher than allowed for in the project budget, which also needed to cover electrical disconnection and re-connection, crane hire, site supervision and project management.
Customer meter replacements (20DAW10)	40	5	Meters were purchased but were unable to be installed due to high contractor demand.
Neville Hewitt Weir – Fishway metal works (20DAW04 and 20DAW05)	25	14	Contractor and material costs were lower than anticipated.
Other works	54	35	<p>Cost variances were due to:</p> <ul style="list-style-type: none"> higher labour costs to refurbish the exit channel at Neville Hewitt Weir (20DAW03, \$2k more than forecast) lower labour costs to clean the pressure relief drains at Theodore Weir (20DAW08, \$3k less than forecast) lower labour costs to complete the study into protecting the upstream face of the Moura Off-stream Storage from beaching (20DAW02, \$2k less than forecast) lower contractor and material costs to reinstate the rock protection downstream of the Glebe Weir outlet works (20DAW07, \$4k less than forecast). <p>In addition, the contingency amount of \$12k was not used in this scheme.</p>
Non-scheduled works (20DAW11)	-	48	Operational issues (tripping) were experienced with pump unit 1 at the Moura Off-stream Storage. An assessment of the pump showed water ingress due to damaged seals. A refurbishment of the pump was therefore needed.
2019/20 Total	234	204	

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

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

Year	Facility	Activity description	Forecast \$'000
2020/21 ⁴	Dawson River	Replace – customer meters to Australian Standard (AS) 4747 to meet regulatory compliance.	84
	Moura Off-stream Storage	Study – design and investigation inputs, including seismic study, to inform the comprehensive risk assessment (CRA).	78
	Scheme	Study – audit and review of all scheme switchboards and distribution boards to reassess arc flash rating in accordance with Australian Standards.	66
	Neville Hewitt Weir	Remove – obsolete gantry crane superstructure from the weir to prevent future flood damage and improve mobile crane access to screens and gates.	60
	Moura Weir	Refurbish – 1200mm diameter butterfly valve, stub and flange based on known asset condition and age, and to address a known safety risk.	51
	Gyranda Weir	Refurbish – inlet trash racks based on known asset condition and age.	44
	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	39
	Orange Creek Weir	Refurbish – reinstate downstream left abutment rock protection works based on 2018 weir inspection and recommendations.	27
	Neville Hewitt Weir	Refurbish/replace – outlet works (inlet structure) grid mesh cover and trash screen based on known asset condition and age.	20
	Multiple	There were two other annuity-funded projects planned for 2020/21 consisting of minor weir refurbishments to metal work and protection works, plus a small contingency for unplanned capital replacements.	61
	2020/21 Total		530
2021/22	Moura Off-stream Storage	Study – CRA based on regulatory requirements to better understand asset condition and risk.	160
	Gyranda Weir	Replace – intake tower corroded ladders, platforms and handrails based on known asset condition and age.	122
	Dawson River	Replace – customer meters to AS4747 to meet regulatory compliance.	87

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

Year	Facility	Activity description	Forecast \$'000
	Theodore Weir	Refurbish – upstream left bank, weir axis and downstream shotcrete and rock protection works based on known asset condition and age.	43
	Moura Off-stream Storage	Inspect – conduct a rising main condition assessment and report to meet asset management, condition and risk standards.	24
	Multiple	There are three other annuity-funded projects planned for 2021/22 related to a comprehensive inspection, and fishway supply and drain valve refurbishments at Neville Hewitt Weir.	66
	2021/22 Total		502
2022/23	Dawson River	Replace – customer meters to AS4747 to meet regulatory compliance.	88
	Moura Weir	Study – options analysis to define the optimal solution to replace control equipment at the weir.	37
	Theodore Weir	Repair – right bank abutment and stabilise retaining rock wall based on known asset condition and age.	31
	Moura Off-stream Storage	Study – comprehensive inspection based on regulatory requirements to better understand asset condition and risk.	26
	Dawson River	Replace – gauging equipment based on known asset condition and age.	21
	Multiple	There are two other annuity-funded projects planned for 2022/23 related to a comprehensive inspection at Orange Creek Weir and a regulating valve hydraulic actuator refurbishment at Neville Hewitt Weir.	34
	2022/23 Total		237
2023/24	Moura Off-stream Storage	Study – 20-year dam safety review based on regulatory requirements to better understand asset condition and risk.	337
	Dawson River	Replace – customer meters to AS4747 to meet regulatory compliance.	90
	Glebe Weir	Study – comprehensive inspection to meet asset management, condition and risk standards.	42
	Moura Weir	Study – comprehensive inspection to meet asset management, condition and risk standards.	40
	Gyranda Weir	Study – comprehensive inspection to meet asset management, condition and risk standards.	37
	Theodore Weir	Study – comprehensive inspection to meet asset management, condition and risk standards.	35
	Multiple	There are six other annuity-funded projects planned for 2023/24 related to an outlet works regulating valve refurbishment at Neville Hewitt Weir; supervisory control and data acquisition (SCADA) computer and software replacement at Moura Off-stream Storage pump station, Gyranda Weir and Neville Hewitt Weir; gauging equipment refurbishment; and outlet works (inlet) trash rack refurbishment at Moura Weir.	98
	2023/24 Total		679
2024/25	Moura Weir	Refurbish – seven fishway slide gates based on known asset condition and age.	233
	Dawson River	Replace – customer meters to AS4747 to meet regulatory compliance.	92
	Gyranda Weir	Replace – three electric actuators based on known asset condition and age.	79
	Moura Off-stream Storage	Replace – seven rising main pipeline air valves based on known asset condition and age.	79

Year	Facility	Activity description	Forecast \$'000
	Gyranda Weir	Refurbish – reinstate pressure relief holes based on known asset condition and age.	53
	Glebe Weir	Refurbish – upstream and downstream regulating valves based on known asset condition and age.	50
	Multiple	There are eight other annuity-funded projects planned for 2024/25 related to reinstating left and right abutment pressure relief holes at Glebe Weir; clear and clean pressure relief drains at Theodore Weir; reinstate left and right abutment rock filled mattress pressure relief holes at Glebe Weir; steel thickness testing of sheet piles at Gyranda Weir; trash screen refurbishments at Orange Creek Weir; and reinstatement of left abutment pressure relief holes at Theodore Weir.	114
	2024/25 Total		740
2025/26	Moura Off-stream Storage	Refurbish – rising main bifurcation, standpipe and reinforced concrete pipeline based on known asset condition and age.	158
	Moura Off-stream Storage pump station	Refurbish – pump units 1 and 2 submersible pumps based on known asset condition and age.	126
	Glebe Weir	Refurbish – main switchboard 1 and switchboards 2 to 5 based on known asset condition and age.	118
	Gyranda Weir	Replace – programmable logic controller control equipment, including sensor, based on known asset condition and age.	114
	Dawson River	Replace – customer meters to AS4747 to meet regulatory compliance.	94
	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	43
	Multiple	There are seven other annuity-funded projects planned for 2025/26 related to regulating gate refurbishments at Theodore Weir; reinstating downstream spillway rock protection works at Moura Weir; outlet works ladders, handrails and gratings refurbishments at Neville Hewitt Weir; electrical cable works at Glebe Weir; and high level outlet works steel cover refurbishments at Orange Creek Weir.	154
	2025/26 Total		807

Contact us

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