



Final Service and Performance Plan

2021/22

Macintyre Brook Bulk Water Service Contract

28 July 2021

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At a glance


Our performance in 2019/20



Operating costs:
\$1.26 million (9.2% less than forecast)

Key drivers of cost variance:


- lower costs in the preventative and corrective maintenance areas driven by lower than budgeted labour costs, local area and corporate support costs, and indirect costs.



Annuity-funded costs:
\$0.39 million (29.6% more than forecast)


Key drivers of cost variance:

- increased scope of works associated with reconnecting the lower wheel on gate 5 at Coolmunda Dam to ensure personnel can safely work under the float wells
- the unplanned replacement of a leaking butterfly valve at Whetstone weir
- new projects to undertake topographic and bathymetric surveys at Coolmunda Dam and Greenup Weir to determine and update the storage curves.



Total water deliveries:
1926 ML


Water delivered to irrigators: 1594 ML



Service targets: Met

No exceptions


Outlook for 2021/22



Forecast operating costs:
\$1.67 million

Significant areas of expenditure:

- insurance (\$0.34 million)
- operations (\$0.98 million)
- preventative maintenance (\$0.29 million).



Forecast annuity-funded costs:
\$4.82 million

Key projects planned:

- comprehensive risk assessment of Coolmunda Dam (\$1.18 million)
- spillway gate system condition assessment and refurbishment at Coolmunda Dam (\$3.37 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 Macintyre Brook Bulk Water Service Contract is to:

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

Our focus during 2021/22 will be on ensuring dam safety compliance is maintained and that refurbishment and corrective work identified through our annual and five yearly comprehensive inspections at Coolmunda Dam are implemented safely, timely and efficiently. We also plan to investigate the role Greenup Weir should play in the water supply scheme in the long term and develop options/a business case for customer consideration.

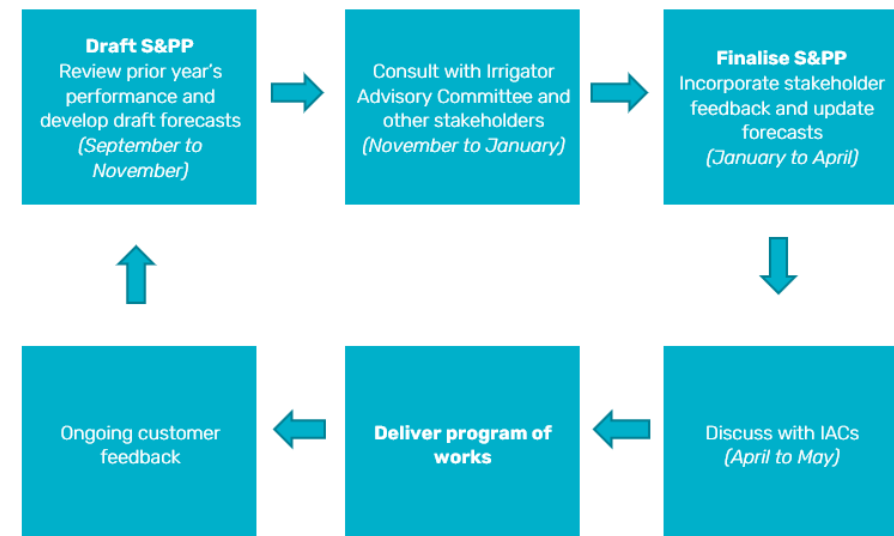
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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 the 91 customers in this scheme are irrigators who grow lucerne, olives, cotton and cereal. Water is also supplied to the town of Inglewood.

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 priority water allocations (ML)	Total water deliveries 2019/20 (ML)
Irrigation	17,319	0	17,319	1594
Industrial	6410	10	6400	4
Urban	342	342	0	157
Sunwater	926	136	790	171
Total	24,997	488	24,509	1926

Irrigation charges

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

Table 2: Irrigation charges for 2021/22

Tariff group	Product	2021/22 (\$/ML) ¹	QCA cost-reflective (\$/ML) ²
River – Medium Priority	Allocation Charge – Part A	44.28	63.53
	Allocation Water – Part B	3.49	4.20

1. Includes the Queensland Government's 15 per cent discount for irrigation customers. Refer to www.rdmw.qld.gov.au for more information.
2. Is the cost-reflective price determined by the Queensland Competition Authority (QCA) in its 2020–2024 irrigation price investigation (excluding dam improvement costs). 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 Macintyre Brook 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	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 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 Macintyre Brook.

Table 5: Key infrastructure

Asset	Description	Total storage capacity (ML)
Coolmunda Dam	Earth and rock fill wall structure with a gated concrete spillway. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	69,000
Ben Dor Weir	Mass concrete gravity weir with central ogee spillway. Flows are regulated via outlet works.	700
Whetstone Weir	Sheet piling weir with concrete cap.	506
Greenup Weir	Timber piled structure.	370

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Macintyre Brook 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 Macintyre Brook 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 Macintyre Brook 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)

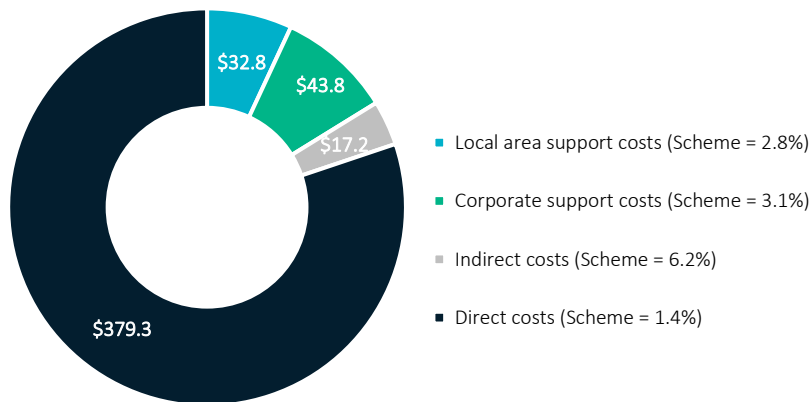


Table 6: Service contract financial summary

Macintyre Brook 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	839.1	845.4	839.1	889.0	1011.2
Community Service Obligation	-	-	-	-	-
Industrial ¹	336.3	332.2	326.7	361.1	345.5
Urban ¹	125.2	121.9	122.5	74.3	75.5
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	10.1	8.3	3.6	-	-
Revenue total	1310.8	1307.8	1291.9	1324.4	1432.2
Less – Operating expenditure	943.0	1138.3	1262.7	1398.8	1708.5
Less					
Annuity-funded	177.2	141.6	394.1	786.2	4816.7
Non-annuity funded ²	-	-	589.1	1701.2	2221.3
Surplus (deficit)	190.5	27.9	(954.0)	(2561.8)	(7314.3)

- Forecast revenues for industrial and urban customers are based on current contractual arrangements.
- This is expenditure which has not been funded by irrigation customers. An example of this in the Macintyre Brook 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 Macintyre Brook 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 lower than what we previously forecast.² This was predominantly due to lower costs in the preventative and corrective maintenance areas driven by lower than budgeted labour costs, local area and corporate support costs, and indirect costs.

Table 7: Operating expenditure¹

Macintyre Brook 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	589.3	783.4	979.0	961.0	(18.0)	1053.2	811.0	1325.3	828.2	1460.3	1328.1	1359.8	1389.3
Electricity	6.6	4.7	3.6	6.1	2.5	3.6	3.8	7.0	3.9	7.1	7.3	7.4	7.6
Insurance	156.9	168.4	186.7	191.9	5.3	259.1	212.1	340.1	216.3	346.9	353.8	360.9	368.1
Operations	425.8	610.3	788.7	763.0	(25.7)	790.5	595.1	978.2	608.0	1106.3	967.0	991.5	1013.7
Preventative maintenance	311.8	280.1	367.8	273.0	(94.9)	259.3	308.3	288.5	315.1	288.0	297.2	305.3	312.4
Corrective maintenance	41.9	74.8	43.4	28.7	(14.6)	55.1	34.1	57.3	34.8	57.6	59.2	60.6	62.0
Operating costs total	943.0	1138.3	1390.2	1262.7	(127.5)	1367.5	1153.4	1671.1	1178.1	1805.8	1684.5	1725.7	1763.8
Recreational facility costs ³						31.2		37.4		41.1	37.4	38.4	39.3
Operating costs total (incl. recreational facility costs)	943.0	1138.3	1390.2	1262.7	(127.5)	1398.8		1708.5		1846.8	1721.9	1764.1	1803.0

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/Macintyre-Brook/

Outlook for 2021/22

Operations

Macintyre Brook Bulk Water Service Contract's total operations budget in 2021/22 is 60.0 per cent above the QCA's recommended cost target. This variance is largely driven by higher estimates of insurance, labour and local area and corporate support costs in the operation of the scheme.

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 Macintyre Brook Bulk Water Service Contract are 8.4 per cent below the QCA's recommended cost target. This is because of lower labour costs and associated local area support costs and indirect costs.

Corrective maintenance

In 2021/22, Sunwater anticipates spending \$57.3k on corrective maintenance in the Macintyre Brook Bulk Water Service Contract. This is 64.5 per cent above the QCA's recommended cost target, primarily due to a budgeted increase in labour costs (and associated non-direct costs) for conducting corrective maintenance activities.

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^{1,2}

Macintyre Brook Bulk Water Service Contract	2017/18	2018/19	2019/20		Variance \$'000	2020/21		2021/22		2022/23	2023/24	2024/25	2025/26
	Sunwater Actual \$'000 ³	Sunwater Actual \$'000 ³	Sunwater Forecast \$'000	Sunwater Actual \$'000		Sunwater Forecast \$'000	QCA Target \$'000 ⁴	Sunwater Forecast \$'000	QCA Target \$'000 ⁴	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Annuity-funded													
Operations	12.7	4.8	-	-	-	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	164.6	136.8	304.2	394.1	89.9	786.2	268.6	4816.7	93.4	216.8	2869.0	558.8	565.8
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	177.2	141.6	304.2	394.1	89.9	786.2	268.6	4816.7	93.4	216.8	2869.0	558.8	565.8
Non-annuity funded													
Dam Improvement Program	-	-	825.5	558.5	(267.0)	1701.2	-	2221.3	-	589.4	-	-	-
Recreational facility projects	-	-	-	-	-	-	-	-	-	608.5	-	-	13.7
Metered offtakes and dividend reinvestment	-	-	-	30.5	30.5	-	-	-	-	-	-	-	-
Non-annuity total	-	-	825.5	589.1	(236.4)	1701.2	-	2221.3	-	1197.9	-	-	13.7

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 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

Macintyre Brook 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	(2845.3)	(2960.2)	(3041.1)	(3373.6)	(3696.1)	(8053.9)	(7953.3)	(10,493.6)	(10,371.0)
Spend ²	(177.2)	(141.6)	(394.1)	(786.2)	(4816.7)	(216.8)	(2869.0)	(558.8)	(565.8)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-	-
Annuity contribution ³	275.5	282.4	289.4	611.2	620.5	669.5	676.4	1140.2	1143.0
Interest/financing costs	(213.1)	(221.7)	(227.8)	(147.5)	(161.6)	(352.1)	(347.7)	(458.8)	(453.4)
Sunwater – Closing balance	(2960.2)	(3041.1)	(3373.6)	(3696.1)	(8053.9)	(7953.3)	(10,493.6)	(10,371.0)	(10,247.3)
QCA – Closing balance	(2960.2)	(3041.1)	(3264.8)	(3065.0)	(2671.8)	(2173.1)	(1631.8)		
Difference	-	-	(108.8)	(631.1)	(5382.0)	(5780.2)	(8861.7)		

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

Appendix 1—Historical water usage

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

Year	Usage (ML)
2010/11	6742
2011/12	12,536
2012/13	13,705
2013/14	21,188
2014/15	11,158
2015/16	9290
2016/17	9319
2017/18	18,337
2018/19	12,931
2019/20	1926
18-year historical average	14,719

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

Macintyre Brook Bulk Water Service Contract	2017/18	2018/19	Sunwater Forecast \$'000	2019/20	Variance \$'000	2020/21	QCA Target \$'000	2021/22	QCA Target \$'000	2022/23	2023/24	2024/25	2025/26
	Sunwater Actual \$'000	Sunwater Actual \$'000		Sunwater Actual \$'000		Sunwater Forecast \$'000		Sunwater Forecast \$'000		Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operating costs													
Operations	589.3	783.4	979.0	961.0	(18.0)	1053.2	811.0	1325.3	828.2	1460.3	1328.1	1359.8	1389.3
Labour	116.6	156.2	165.0	195.3	30.3	152.9	123.1	226.3	125.9	233.0	240.0	247.2	254.7
Contractors	7.4	9.5	15.0	30.9	15.9	14.6	14.0	57.4	14.3	183.5	15.2	15.5	15.8
Materials	3.9	2.5	6.0	7.7	1.7	5.8	2.2	5.8	2.2	6.0	6.1	6.2	6.3
Electricity	6.6	4.7	3.6	6.1	2.5	3.6	3.8	7.0	3.9	7.1	7.3	7.4	7.6
Insurance	156.9	168.4	186.7	191.9	5.3	259.1	212.1	340.1	216.3	346.9	353.8	360.9	368.1
Other	22.6	54.1	75.7	116.1	40.4	74.6	44.6	74.4	45.5	75.9	77.3	77.4	77.4
Local area support costs	90.9	128.7	145.7	128.3	(17.4)	136.0	82.3	156.1	84.1	160.8	165.6	170.6	175.7
Corporate support costs	55.0	131.3	123.2	149.3	26.1	114.7	95.1	214.9	97.2	221.4	228.0	234.9	241.9
Indirect costs	129.4	128.0	258.1	135.3	(122.8)	291.8	233.9	243.3	239.0	225.7	234.7	239.7	241.9
Preventative maintenance	311.8	280.1	367.8	273.0	(94.9)	259.3	308.3	288.5	315.1	288.0	297.2	305.3	312.4
Labour	102.2	91.9	105.0	87.3	(17.7)	71.4	90.9	82.2	93.0	84.6	87.2	89.8	92.5
Contractors	6.2	7.3	10.0	2.8	(7.2)	8.8	9.9	8.8	10.1	8.9	9.1	9.3	9.5
Materials	2.8	2.0	5.0	2.3	(2.7)	4.9	5.9	4.9	6.1	5.0	5.1	5.2	5.3
Other	3.1	3.1	3.0	2.1	(0.9)	1.9	5.8	1.9	6.0	2.0	2.0	2.1	2.1
Local area support costs	79.7	70.6	93.4	53.2	(40.2)	63.7	60.8	57.0	62.1	58.7	60.4	62.2	64.1
Corporate support costs	40.4	63.9	78.4	66.8	(11.6)	53.5	70.2	78.1	71.7	80.4	82.8	85.3	87.9
Indirect costs	77.4	41.3	73.0	58.4	(14.5)	55.1	64.8	55.8	66.2	48.4	50.7	51.4	51.1
Corrective maintenance	41.9	74.8	43.4	28.7	(14.6)	55.1	34.1	57.3	34.8	57.6	59.2	60.6	62.0
Labour	2.0	19.1	7.0	2.6	(4.4)	10.1	3.3	11.1	3.4	11.4	11.7	12.1	12.5
Contractors	34.0	22.1	15.0	20.8	5.8	15.6	22.5	15.6	22.9	15.9	16.2	16.5	16.8
Materials	0.3	0.1	5.0	0.4	(4.6)	4.9	1.0	4.9	1.1	5.0	5.1	5.2	5.3
Other	-	1.9	-	0.7	0.7	-	0.1	-	0.1	-	-	-	-
Local area support costs	1.6	6.4	6.3	1.5	(4.8)	9.1	2.2	7.7	2.3	8.0	8.2	8.5	8.7
Corporate support costs	2.5	12.4	5.2	1.4	(3.8)	7.6	2.6	10.5	2.6	10.8	11.2	11.5	11.8
Indirect costs	1.5	12.8	4.9	1.3	(3.5)	7.8	2.4	7.5	2.4	6.5	6.8	6.9	6.9
Operating costs total	943.0	1138.3	1390.2	1262.7	(127.5)	1367.5	1153.4	1671.1	1178.1	1805.8	1684.5	1725.7	1763.8
Annuity-funded costs													
Labour			27.7	59.8	32.2	45.7	15.6	586.8	11.4	15.3	97.3	57.0	66.8
Contractors			120.7	216.9	96.2	504.9	172.5	1845.4	35.8	146.9	1018.6	133.9	147.9
Materials			102.0	0.8	(101.2)	137.2	46.9	667.2	12.9	18.8	1540.9	235.9	178.6
Other			0.4	4.6	4.2	-	-	351.0	6.8	1.9	-	7.1	26.4
Local area support costs			13.6	26.2	12.6	28.9	9.9	410.6	8.0	10.6	63.3	38.0	45.8
Corporate support costs			20.7	46.9	26.3	34.3	11.7	557.4	10.8	14.6	92.4	54.2	63.5
Indirect costs			19.2	38.9	19.6	35.2	12.0	398.3	7.7	8.8	56.5	32.7	36.9
Annuity-funded total¹	177.2	141.6	304.2	394.1	89.9	786.2	268.6	4816.7	93.4	216.8	2869.0	558.8	565.8
Total costs²	1120.2	1279.9	1694.4	1656.8	(37.5)	2153.7	1422.1	6487.7	1271.4	2022.6	4553.5	2284.5	2329.6

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 Macintyre Brook Bulk Water Service Contract in 2019/20 and the actual projects undertaken.

Project	Forecast \$'000	Actual \$'000	Commentary
Coolmunda Dam – Regulating valve No. 2 refurbishment (20MAB05)	56	53	This project was delivered within budget.
Coolmunda Dam – Light Detection and Ranging (LIDAR) survey (20MAB03)	28	-	The LIDAR survey for Coolmunda Dam was included in the scope of works for the Dam Improvement Program project. Irrigation customers do not currently contribute towards dam improvement costs.
Coolmunda Dam – Install standpipes (20MAB02)	26	7	Sunwater decided that the benefit of installing new instrumentation at the dam needs to be demonstrated before works can proceed. The benefits will be assessed as part of the next comprehensive risk assessment.
Coolmunda Dam – Gate 4 non-destructive testing (20MAB10)	68	75	Quotes provided by the market were more than originally estimated.
Meter replacements (20MAB12)	23	17	Fewer meters required replacement than originally planned.
Other works	104	145	<p>Key cost variances related to:</p> <ul style="list-style-type: none"> reconnecting the lower wheel on the left-hand side of gate 5 at Coolmunda Dam (20MAB04, \$55k above forecast). The required scope of works was significantly greater than forecast as additional works were required to ensure personnel can safely work under the floats without the risk of crushing the worker. A Registered Professional Engineer Queensland drawing and approval was needed on the man box, wheel and railings to ensure they were fit-for-purpose. An effective rescue plan was also required prior to undertaking the works. This project was carried over into 2020/21. the re-establishment of security fencing at Greenup Weir (20MAB06, \$8k). The project was deferred to 2020/21 due to the low storage level at Coolmunda Dam and Goondiwindi Regional Council trucks requiring access to the weir to obtain water for town supply. the replacement of electrical cabling at Coolmunda Dam (20MAB09, \$10k above forecast). Additional cabling and labour were required to complete the work. <p>The scheme's contingency amount (\$14k) was re-allocated to other projects.</p>
Non-scheduled works	-	97	<p>Most of the costs related to the following non-scheduled projects:</p> <ul style="list-style-type: none"> review of the davit crane accessibility (19MAB04, \$13k). This project was carried over to 2019/20 due to additional resources that were required to complete the project, i.e. crane hire and experienced contractor to install the davit crane safely within the valve house.

Project	Forecast \$'000	Actual \$'000	Commentary
			<ul style="list-style-type: none"> replacement of a leaking 750 mm butterfly valve at the Whetstone Weir outlet works (20MAB13, \$42k) a topographic and bathymetric survey at Greenup Weir to determine and update the storage curve (20MAB16, \$23k). Once updated, this storage curve can then be used to supply accurate data to customers to determine the available volume of water available at a given time.
2019/20 Total	305	394	

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	Greenup Weir	Study – the extended drought has highlighted the need to re-consider the role Greenup Weir plays in the water supply scheme. An option study into refurbishing Greenup Weir is planned. Greenup Weir currently has a 'no maintenance' strategy.	300
	Coolmunda Dam	Replace – the manual actuators on the cone valves with electric actuators to address known workplace health and safety risks.	57
	Coolmunda Dam	Reinstate – guide wheel on the gate five float well, which has become dislodged from the guide. It needs to be reinstated to ensure the gate operates as it should during floods.	99
	Scheme	Replace – customer meters based on known asset condition and age.	36
	Coolmunda Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	135
	Multiple	There were seven other annuity-funded projects planned for 2020/21 consisting of a trash rack refurbishment; crane maintenance; an options analysis for replacing the emergency gate pump; changing out the final gatic covers at Coolmunda Dam; an arc flash study to improve electrical safety; an asset revaluation and a contingency allowance.	158
	2020/21 Total		785
2021/22	Coolmunda Dam	Refurbish – spillway gate system based on known asset condition and age.	3371
	Coolmunda Dam	Study – comprehensive risk assessment to risk assess recommendations from a 20-year dam safety review.	1181
	Coolmunda Dam	Refurbish – remove failed drainage pipework based on known asset condition and age.	61
	Scheme	Replace – customer meters based on known asset condition and age.	50
	Coolmunda Dam	Study – options to replace header pipe bulkhead and improve fine screen installation.	43
	Multiple	There are five other annuity-funded projects planned for 2021/22 consisting of finalising the Greenup Weir options study; studies into remote operations and surveillance at Ben Dor Weir and Whetstone Weir; installing programmable logic controller and telemetry for remote operated actuated valves at Coolmunda Dam; and signage.	110

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
	2021/22 Total		4816
2022/23	Scheme	Replace – customer meters based on known asset condition and age.	51
	Coolmunda Dam	Replace – header pipe bulkhead and improve fine screen installation to mitigate known safety risk.	74
	Whetstone and Ben Dor Weirs	Study – comprehensive inspections based on asset management standards and to better understand asset condition and risk.	24
	Coolmunda Dam	Replace – intake screen on left and right header pipe intakes based on known asset condition and age.	68
	2022/23 Total		217
2023/24	Greenup Weir	Refurbish – refurbish, replace or decommission the weir based on the outcomes of the options study.	2817
	Scheme	Replace – customer meters based on known asset condition and age.	52
	2023/24 Total		2869
2024/25	Coolmunda Dam	Refurbish – gates 3, 5 and 6 downstream face based on known asset condition and age.	222
	Coolmunda Dam	Replace – 915mm valve and install electric actuator to mitigate known safety risk.	163
	Scheme	Replace – customer meters based on known asset condition and age.	53
	Coolmunda Dam	Replace – regulating valve actuator to mitigate known safety risk.	73
	Multiple	There are two other annuity-funded projects planned for 2024/25 consisting of refurbishing upstream face rip rap at Coolmunda Dam and refurbishing a winch.	48
	2024/25 Total		559
2025/26	Coolmunda Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	149
	Coolmunda Dam	Refurbish – gates 3 and 4 upstream face based on known asset condition and age.	197
	Scheme	Replace – customer meters based on known asset condition and age.	54
	Coolmunda Dam	Replace – headwater gauge based on known asset condition and age.	39
	Coolmunda Dam	Replace – spillway gate 7 crest seal based on known asset condition and age.	44
	Multiple	There are four other annuity-funded projects planned for 2025/26 consisting of an asset valuation; replacing gauging equipment; undertaking a condition assessment of float wells, float wheels, guides, etc. at Coolmunda Dam; and inspecting a trunnion bearing.	82
	2025/26 Total		565

Contact us

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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.