



Final Service and Performance Plan

2022/23

Macintyre Brook Bulk Water Service Contract


26 July 2022

Contents

- At a glance 2
- Introduction 3
- Delivering services to our customers..... 4
- Financial summary—Revenue and expenditure..... 6
- Cost of delivering services—Operating expenditure..... 7
- Cost of delivering services—Annuity and non-annuity funded expenditure 9
- Annuity balance..... 12
- Appendix 1—Historical water usage..... 13
- Appendix 2—Operating and annuity-funded costs by expense type 14
- Appendix 3—Comparison of forecast and actual annuity-funded projects for 2020/21 15
- Appendix 4—Annuity-funded projects for 2022/23 to 2026/27 17


At a glance

Our performance in 2020/21


 **Operating costs:**
\$1.41 million (22.5% more than QCA target)

Key drivers of cost variance:


- higher insurance costs
- flood operational events in March, April and June 2021 resulting in higher labour costs and associated increases in support costs.

 **Annuity-funded costs:**
\$1.75 million (551.2% more than QCA target)

This was primarily driven by project work not originally contemplated in the program assessed by the QCA including the comprehensive risk assessment and associated recommendations from the gate reliability study, and the commencement of work to assess the condition of the variable counterweights at Coolmunda Dam.


 **Total water deliveries:**
5913 ML

Water delivered to irrigators: 3611 ML

 **Service targets: Met**


No exceptions

Outlook for 2022/23

 **Forecast operating costs:**
\$1.54 million

Significant areas of expenditure:

- insurance (\$0.26 million)
- operations (\$1.02 million)
- preventative maintenance (\$0.18 million).

 **Forecast annuity-funded costs:**
\$5.12 million

Key projects planned:

- refurbish spillway gate floats at Coolmunda Dam (\$3.64 million)
- risk reduction program at Coolmunda Dam (\$0.49 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 sets out Sunwater’s actual costs for 2020/21.

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. 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 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 remove four variable counterweights on spillway gates 1 and 2, for internal condition assessment. The four removed counterweights will be replaced with new counterweights and the condition assessment conducted on the original weights will inform the program for the replacement of the remaining 10 counterweights in future years.

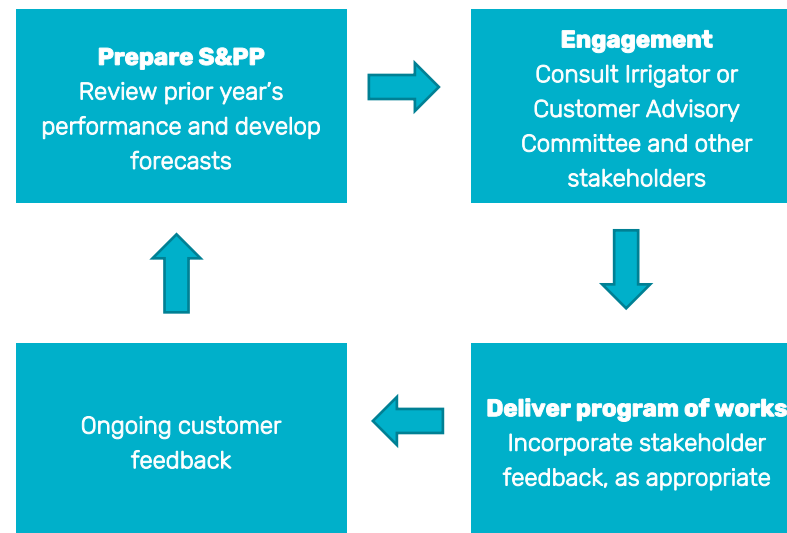
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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 88 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 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	17,319	0	17,319	3611
Urban	322	322	0	194
Industrial	6410	10	6400	0
Sunwater	946	156	790	2108
Total	24,997	488	24,509	5913

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) ¹	QCA cost-reflective (\$/ML) ²
River – Medium Priority	Allocation Charge – Part A	47.34	64.95
	Allocation Water – Part B	3.57	4.30

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		
			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 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 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 ¹	80.00%	90.93%
Requests actioned within Service Level Agreement (SLA) timeframes ²	> 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

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> .	68,134
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.

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 Macintyre Brook 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)

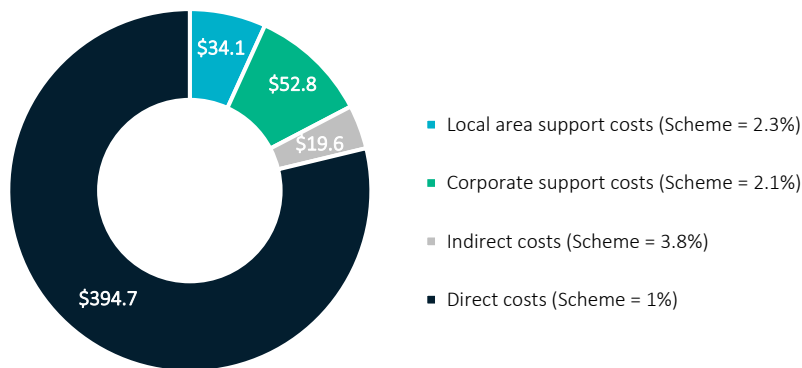


Table 6: Service contract financial summary

Macintyre Brook 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	845.4	839.1	850.1	1011.1	859.6
Community Service Obligation	-	-	252.6	-	-
Industrial ¹	332.2	326.7	326.7	345.5	330.7
Urban ¹	121.9	122.5	137.8	75.5	110.3
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	8.3	3.6	4.8	-	-
Revenue total	1307.8	1291.9	1572.0	1432.0	1300.5
Less – Operating expenditure	1138.3	1262.7	1425.8	1705.6	1571.1
Less					
Annuity-funded	141.6	952.6 ²	1749.4	4816.7	5123.4
Non-annuity funded ³	-	30.5	-	-	-
Surplus (deficit)	27.9	(954.0)	(1603.2)	(5090.2)	(5394.0)

- Forecast revenues for industrial and urban customers are based on current contractual arrangements.
- The annuity-funded spend for 2019/20 has been adjusted to include costs associated with a comprehensive risk assessment of Coolmunda Dam, which were incurred in 2019/20. These costs were inadvertently classified as Dam Improvement Program costs previously.
- This is expenditure which has not been funded by irrigation customers. An example of this in the Macintyre Brook Bulk Water Service Contract is metered offtakes.

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 2020/21

In 2020/21, operating costs were higher than the QCA’s recommended cost target. This was predominantly due to higher insurance and operations costs. Operational costs were higher than budgeted due to flood operational events in March, April and June 2021 resulting in higher labour costs and associated increases in support costs.

Table 7: Operating expenditure¹

Macintyre Brook 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 ²	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	783.4	961.0	811.0	1050.2	239.2	1322.5	828.2	1273.4	848.1	1329.4	1375.2	1423.4	1488.2
Electricity	4.7	6.1	3.8	0.3	(3.5)	7.0	3.9	2.0	3.9	2.1	2.1	2.2	2.2
Insurance	168.4	191.9	212.1	255.9	43.8	340.1	216.3	255.9	221.3	276.1	297.9	321.4	346.7
Operations	610.3	763.0	595.1	794.0	198.9	975.4	608.0	1015.5	622.8	1051.2	1075.2	1099.8	1139.2
Preventative maintenance	280.1	273.0	308.3	319.0	10.7	288.5	315.1	184.8	322.8	190.8	196.0	200.7	207.7
Corrective maintenance	74.8	28.7	34.1	44.0	9.9	57.3	34.8	76.8	35.6	79.2	81.4	83.4	86.2
Operating costs total	1138.3	1262.7	1153.4	1413.2	259.8	1668.2	1178.1	1535.0	1206.5	1599.4	1652.6	1707.5	1782.1
Recreational facility costs ³				12.6		37.4		36.1		37.4	38.3	39.1	40.5
Operating costs total (incl. recreational facility costs)	1138.3	1262.7		1425.8		1705.6		1571.1		1636.7	1690.8	1746.6	1822.6

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

Macintyre Brook Bulk Water Service Contract's total operations budget in 2022/23 is 50.2 per cent above the QCA's recommended cost target. This variance is largely driven by higher estimates of insurance (see below), labour and local area and corporate support costs in the operation of the scheme.

Labour costs have increased as a result of additional resources required to work across numerous service contracts including several positions to manage retirement risk across the region (Trainee Operator/Maintainer and Operator Maintainer) and an additional resource to manage meter validation and replacements as required to meet Department of Regional Development, Manufacturing and Water standards.

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 Macintyre Brook Bulk Water Service Contract are 42.8 per cent below the QCA's recommended cost target. This is because of lower labour costs and associated non-direct costs attributed to preventative maintenance activities. Labour costs have shifted from preventative maintenance to corrective maintenance to better reflect spend required on corrective maintenance activities.

Corrective maintenance

In 2022/23, Sunwater anticipates spending \$76.8k on corrective maintenance in the Macintyre Brook Bulk Water Service Contract. This is 115.6 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. The increase in labour to corrective maintenance (from preventative) better reflects the spend required on corrective maintenance activities in the service contract.

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 8 outlines our annuity and non-annuity funded expenditure for this service contract.

Table 8: Annuity and non-annuity funded expenditure^{1,2}

Macintyre Brook 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 ³	Sunwater Actual \$'000	QCA Target \$'000 ⁴	Sunwater Actual \$'000	Variance \$'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	4.8	-	-	-	-	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	136.8	952.6	268.6	1749.4	1480.8	4816.7	93.4	5123.4	54.0	1887.9	2011.6	1003.1	848.2
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	141.6	952.6⁵	268.6	1749.4	1480.8	4816.7	93.4	5123.4	54.0	1887.9	2011.6	1003.1	848.2
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Metered offtakes and dividend reinvestment	-	30.5	-	-	-	-	-	-	-	-	-	-	-
Non-annuity total	-	30.5	-	-	-	-	-	-	-	-	-	-	-

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.
5. The annuity-funded spend for 2019/20 has been adjusted to include costs associated with a comprehensive risk assessment of Coolmunda Dam, which were incurred in 2019/20. These costs were inadvertently classified as Dam Improvement Program costs previously.

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, total annuity-funded costs were higher than the QCA's recommended cost target. This was primarily driven by project work not originally contemplated in the program assessed by QCA including the comprehensive risk assessment (\$720.1k) and associated recommendations from the gate reliability study (\$416.8k), and the commencement of work to assess the condition of the variable counterweights at Coolmunda Dam (\$255.1k).

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 remove four variable counterweights on

spillway gates 1 and 2 for internal condition assessment and replace with four new counterweights.

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.²

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

² See pages 58 to 60, www.qca.org.au/wp-content/uploads/2020/02/irrigation-price-review-part-b-sunwater-final-report.pdf

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 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	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 ¹	(2960.2)	(3041.1)	(3932.1)	(5242.3)	(9667.6)	(14,544.2)	(16,391.6)	(17,811.9)	(18,283.6)
Spend ²	(141.6)	(952.6)	(1749.4)	(4816.7)	(5123.4)	(1887.9)	(2011.6)	(1003.1)	(848.2)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-	-
Annuity contribution ³	282.4	289.4	611.2	620.5	669.5	676.4	1307.9	1310.2	1331.6
Interest/financing costs	(221.7)	(227.8)	(171.9)	(229.2)	(422.7)	(635.9)	(716.7)	(778.8)	(799.4)
Sunwater – Closing balance	(3041.1)	(3932.1)	(5242.3)	(9667.6)	(14,544.2)	(16,391.6)	(17,811.9)	(18,283.6)	(18,599.5)
QCA – Closing balance	(3041.1)	(3264.8)	(3065.0)	(2671.8)	(2173.1)	(1631.8)			
Difference	-	(667.3)	(2177.3)	(6995.8)	(12,371.1)	(14,759.8)			

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	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
2020/21	5913
19-year historical average	14,255

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

Macintyre Brook 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	Sunwater Actual \$'000	QCA Target \$'000	Sunwater Actual \$'000	Variance \$'000	Sunwater Forecast \$'000	QCA Target \$'000	Sunwater Forecast \$'000	QCA Target \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operating costs													
Operations	783.4	961.0	811.0	1050.2	239.2	1322.5	828.2	1273.4	848.1	1329.4	1375.2	1423.4	1488.2
Labour	156.2	195.3	123.1	193.8	70.7	226.3	125.9	260.0	129.1	267.8	275.9	284.1	292.7
Contractors	9.5	30.9	14.0	11.7	(2.3)	57.4	14.3	14.6	14.6	15.0	15.4	15.8	16.3
Materials	2.5	7.7	2.2	9.2	7.0	5.8	2.2	5.8	2.2	6.0	6.2	6.3	6.5
Electricity	4.7	6.1	3.8	0.3	(3.5)	7.0	3.9	2.0	3.9	2.1	2.1	2.2	2.2
Insurance	168.4	191.9	212.1	255.9	43.8	340.1	216.3	255.9	221.3	276.1	297.9	321.4	346.7
Other	54.1	116.1	44.6	70.9	26.4	73.4	45.5	78.8	46.5	80.7	81.2	81.8	85.6
Local area support costs	128.7	128.3	82.3	144.5	62.2	156.1	84.1	178.0	86.1	183.3	188.8	194.5	200.3
Corporate support costs	131.3	149.3	95.1	176.5	81.4	214.9	97.2	247.0	99.5	254.4	262.1	269.9	278.0
Indirect costs	128.0	135.3	233.9	187.4	(46.5)	241.5	239.0	231.2	244.8	243.9	245.6	247.4	259.8
Preventative maintenance	280.1	273.0	308.3	319.0	10.7	288.5	315.1	184.8	322.8	190.8	196.0	200.7	207.7
Labour	91.9	87.3	90.9	83.7	(7.1)	82.2	93.0	52.5	95.3	54.1	55.7	57.4	59.1
Contractors	7.3	2.8	9.9	6.5	(3.4)	8.8	10.1	8.8	10.4	9.0	9.2	9.5	9.8
Materials	2.0	2.3	5.9	1.4	(4.5)	4.9	6.1	4.9	6.2	5.0	5.1	5.3	5.4
Other	3.1	2.1	5.8	11.5	5.7	1.9	6.0	1.9	6.1	2.0	2.1	2.1	2.2
Local area support costs	70.6	53.2	60.8	67.3	6.6	57.0	62.1	36.8	63.6	37.9	39.0	40.2	41.4
Corporate support costs	63.9	66.8	70.2	82.4	12.2	78.1	71.7	49.9	73.5	51.4	52.9	54.5	56.2
Indirect costs	41.3	58.4	64.8	66.1	1.3	55.8	66.2	30.0	67.8	31.4	31.9	31.7	33.7
Corrective maintenance	74.8	28.7	34.1	44.0	9.9	57.3	34.8	76.8	35.6	79.2	81.4	83.4	86.2
Labour	19.1	2.6	3.3	13.9	10.6	11.1	3.4	17.5	3.5	18.0	18.6	19.1	19.7
Contractors	22.1	20.8	22.5	4.3	(18.2)	15.6	22.9	15.6	23.5	16.0	16.4	16.9	17.3
Materials	0.1	0.4	1.0	0.5	(0.6)	4.9	1.1	4.9	1.1	5.0	5.1	5.3	5.4
Other	1.9	0.7	0.1	3.1	3.0	-	0.1	-	0.1	-	-	-	-
Local area support costs	6.4	1.5	2.2	7.2	5.0	7.7	2.3	12.3	2.3	12.6	13.0	13.4	13.8
Corporate support costs	12.4	1.4	2.6	8.3	5.8	10.5	2.6	16.6	2.7	17.1	17.6	18.2	18.7
Indirect costs	12.8	1.3	2.4	6.6	4.3	7.5	2.4	10.0	2.5	10.5	10.6	10.6	11.2
Operating costs total	1138.3	1262.7	1153.4	1413.2	259.8	1668.2	1178.1	1535.0	1206.5	1599.4	1652.6	1707.5	1782.1
Annuity-funded costs													
Labour		167.1	37.3	242.6	205.3	586.8	11.4	819.8	8.6	317.4	338.9	169.0	141.5
Contractors		457.3	136.0	885.4	749.5	1845.4	35.8	1166.7	12.3	650.5	681.5	280.2	154.2
Materials		1.6	8.1	52.7	44.6	667.2	12.9	846.7	8.9	159.4	176.9	124.7	154.2
Other		7.2	3.2	20.5	17.4	351.0	6.8	476.9	5.0	107.5	117.6	74.5	84.1
Local area support costs		80.5	17.9	116.7	98.8	410.6	8.0	565.8	6.0	167.1	180.5	100.8	99.1
Corporate support costs		128.7	37.5	244.3	206.8	557.4	10.8	778.8	8.2	301.5	322.0	160.5	134.4
Indirect costs		110.3	28.7	187.2	158.4	398.3	7.7	468.8	4.9	184.5	194.2	93.4	80.7
Annuity-funded total¹	141.6	952.6	268.6	1749.4	1480.8	4816.7	93.4	5123.4	54.0	1887.9	2011.6	1003.1	848.2
Total costs²	1279.9	2215.4	1422.1	3162.6	1740.6	6484.9	1271.4	6658.4	1260.5	3487.3	3664.1	2710.6	2630.2

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 Macintyre Brook Bulk Water Service Contract in 2020/21³ and the actual projects undertaken.

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Greenup Weir	Study – option study into refurbishing Greenup Weir.	300	0	This project was deferred to 2021/22.
Coolmunda Dam	Replace – the manual actuators on the cone valves with electric actuators.	57	4	This project was deferred as funds were required to address outcomes from the comprehensive risk assessment (CRA) gate reliability study which was deemed a higher priority.
Coolmunda Dam	Reinstate – guide wheel on the gate five float well.	99	255	The scope of work increased to include additional work that was recommended to be completed from the CRA and the GHD report into gate reliability. This included inspecting components in 14 chambers, i.e. floats, guides, wheels, trunnion beam anchors, gate rollers etc.
Scheme	Replace – customer meters.	36	39	This project was delivered broadly in line with the forecast.
Coolmunda Dam	Study – comprehensive inspection.	135	150	This project was delivered broadly in line with the forecast.
Multiple	Various projects.	158	107	<p>The cost variance was driven by the following factors:</p> <ul style="list-style-type: none"> the refurbishment and installation of inlet tower trash racks being undertaken as part of the comprehensive inspection above savings achieved due to a competitive tender process for crane maintenance (\$10k less) the asset revaluation not being undertaken as part of the annuity-funded program of works (\$22k less) the service contract's contingency budget of \$18k being diverted to non-scheduled works (see below). <p>Two projects cost more than budgeted:</p> <ul style="list-style-type: none"> Sunwater spent \$12k more on an options study into the float well pumping systems as the scope of work was increased to include recommendations from the CRA and a GHD report to replace the primary pump with a variable speed drive and relocate a switchboard due to the lack of access to the valve house during flood events. The gatic cover replacement project included additional covers (\$10k more).

³ Based on information extracted from Sunwater's systems in mid-2020. See the 2021/22 S&PP at www.sunwater.com.au/schemes/Macintyre-Brook/

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Multiple	Various projects.	0	1194	<p>Most of this expenditure related to the CRA at Coolmunda Dam (\$749k). Sunwater regularly carries out dam safety assessments at each of our dams using the national industry regulations and guidelines to ensure the safest and most efficient dam operation. The project consists of a number of input studies that inform the CRA, including:</p> <ul style="list-style-type: none"> • 3D geological modelling • downstream hydraulic modelling • LifeSim modelling • spillway pier uplift investigation • gate reliability study. <p>Sunwater also created a new project to address the recommendations from the above gate reliability study (\$417k). Works included:</p> <ul style="list-style-type: none"> • extension of the suction pipe • replacement of the emergency diesel pump • completion of a bridge inspection report to ensure the bridge could withstand the weight of the plant and equipment used for the works • supply of a portable generator • replacement of the primary pump and installation of a variable supply drive in the valve house.
2020/21 Total		785	1749	

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	Scheme	Replace – customer meters based on known asset condition and age.	90
	Greenup Weir	Study – investigate impacts on groundwater recharge at Greenup Weir.	181
	Coolmunda Dam	Replace – spillway gate seals to overcome friction and reduce losses (Stage 1).	181
	Coolmunda Dam	Replace – conduct variable counterweight condition assessment and replace counterweights at Gates 1 and 2.	3636
	Coolmunda Dam	Replace – intake screen on left and right header pipe intakes based on known asset condition and age.	108
	Coolmunda Dam	Risk reduction program – investigation phase.	488
	Multiple	There are nine other annuity-funded projects planned for 2022/23. The projects include comprehensive inspections of Ben Dor and Whetstone weirs; left bank access road refurbishment at Coolmunda Dam; safety improvements at Coolmunda Dam; purchasing a new boat for Coolmunda Dam; installing new valve controls at Whetstone Weir; and replacing signs in the scheme.	439
	2022/23 Total		
2023/24	Coolmunda Dam	Replace – spillway gantry crane for operator safety. Covers design and procurement.	621
	Scheme	Replace – customer meters based on known asset condition and age.	93
	Coolmunda Dam	Replace – spillway gate seals to overcome friction and reduce losses (Stage 2).	93
	Coolmunda Dam	Risk reduction program – evaluation phase.	1013
	Coolmunda Dam	Replace – install a programmable logic controller system to operate the valves remotely for staff efficiency gains.	37
	Coolmunda Dam	Replace – purchase an electronic sign board for public safety advice.	31
	2023/24 Total		
2024/25	Coolmunda Dam	Refurbish – gates 3, 5 and 6 downstream faces based on known asset condition and age.	306
	Coolmunda Dam	Replace – 915 mm valve and install electric actuator to mitigate known safety risk.	193
	Scheme	Replace – customer meters based on known asset condition and age.	96

Year	Facility	Activity description	Forecast \$'000
	Coolmunda Dam	Replace – spillway gantry crane for operator safety. Covers installation.	319
	Coolmunda Dam	Risk reduction program – definition phase.	1041
	Multiple	There are two other annuity-funded projects planned for 2024/25 consisting of refurbishing upstream face rip rap at Coolmunda Dam and a winch.	58
	2024/25 Total		2012
2025/26	Coolmunda Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	181
	Coolmunda Dam	Refurbish – gates 3 and 4 upstream face based on known asset condition and age.	222
	Scheme	Replace – customer meters based on known asset condition and age.	98
	Coolmunda Dam	Risk reduction program – execution phase.	320
	Coolmunda Dam	Replace – spillway gate 7 crest seal based on known asset condition and age.	54
	Multiple	There are five 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.	128
	2025/26 Total		1003
2026/27	Scheme	Replace – customer meters based on known asset condition and age.	101
	Coolmunda Dam	Refurbish – gates 1 and 2 upstream face based on known asset condition and age.	200
	Coolmunda Dam	Study – non-destructive testing of spillway gate ropes to confirm their condition.	110
	Coolmunda Dam	Refurbish – repaint bulkhead gate based on known condition.	86
	Coolmunda Dam	Replace – crest seals on gates 1 and 3 due to known condition.	114
	Multiple	There are eight other annuity-funded projects planned for 2026/27 consisting of refurbishing the river outlet bulkhead gate, the inlet tower trash racks, lighting and distribution boards, and spillway pier lighting at Coolmunda Dam; repairing concrete spalling at Coolmunda Dam; refurbishing a conduit at Whetstone Weir; and replacing stream gauging equipment.	236
	2026/27 Total		848

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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.